

C. Longer-term strategies

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10.20. *Determination of long-term data requirements.* Countries within a customs union and the customs union itself need to decide what information on trade transactions between member countries are required (intra-union trade) and how best to fulfil the data requirements for extra-union trade in light of the need to facilitate trade. However, all decisions should be compatible with the international recommendations for merchandise trade statistics and allow countries to compile their trade statistics according to those recommendations.

10.21. *Strategy and challenges regarding intra-union trade.* In the European Union, the requirements for intra-union trade statistics mirrored to a certain degree the requirements for extra-union trade which to some extent allows there to be exactly the same statistics on the national level as existed before the customs union was established. There might be several problems with such approach. Customs records do not necessarily provide a benchmark for the information requirements, and non-customs sources can rarely provide the same set of information as customs records; further, and maybe most importantly, to require similar or the same information from non-customs sources as from customs records (i.e., in terms of commodity detail) puts a significant burden on the data compilation system and data providers for intra-union trade statistics. The development of an intra-union trade data compilation system needs to take into account not only the data requirements on the national and customs-union levels, the availability of data sources, the burden on respondents and the compilation system, but also international comparability.

10.22. *Strategy and challenges regarding the compilation of extra-union trade statistics in the case of customs modernization.* Enterprises within a customs union might have facilities for production and distribution of their goods in several countries of the customs union. In order to facilitate their trade the European Union agreed to allow a centralized customs clearance. This means that the declaration of goods can take place in only one country, while the actual physical clearance can take place in any country of the customs union. Countries and statistical offices would need to rely on an exchange of customs declarations or information in order to obtain complete information regarding their trade with countries outside the custom union, unless additional information systems or sources were used (see paras. 10.25 and 10.26 below).