

B. Data sources and compilation issues

22.8. *The use of customs declarations as main data source.* In some countries, the information available from the customs declarations provides accurate information on the pipeline trade in gas, oil and water, and/or on the fixed-line trade in electricity. In this case, additional data sources are used only to confirm and supplement, if necessary, the customs data. However, as indicated in paragraph 22.3 in many countries there are no customs records at all or if they do exist, they are not adequate. .

22.9. *Information on prices.* Customs declarations might not always reflect correctly actual physical movements of oil, gas, water or electricity (e.g., the time of border crossing or the quantities delivered might be different than indicated) but usually they do contain information on the prices on the basis of which these goods can be valued. Commodity exchanges are another source of information relevant to the valuation of such goods. However, the prices on these exchanges relate more often to those quantities that are traded at the stock exchanges to cover additional expected needs and therefore might apply to some future transactions rather than serve as an indication of the actual price agreed between the buyer and seller in respect of the goods that actually crossed borders in any given reference period.

22.10. *Information on quantities provided by grid operators as an additional source.* Grid operators, who are responsible for the electric lines and the pipelines through which the goods are transported, have information on the quantities of electricity, oil and gas that are crossing the border between the country and a neighboring country. Grid operators are not often parties to the trade transactions and can therefore be viewed only as a supplementary data source. Nevertheless, in some countries the grid operators might be the only data source regarding the physical movement of the goods (in terms of "when" and "where") of which the traders in these goods might have lost track.

22.11. *Combining information from customs declarations and other sources.* A possible approach to the compilation of data on trade through pipelines and fixed power lines is to derive the statistical value from the price information available in customs declarations and/or other sources and to decide whether or not the customs declarations sufficiently reflect the physical movement across the border. Comparing the information from the grid operators with the customs declarations can guide this decision. For example, if the quantity information given in the customs declarations deviates significantly from the quantity information reported by the grid operators, the physical movement should be measured on the basis of the information available from grid operators, provided that the necessary verification, in particular regarding the compliance of that information with the IMTS definition of scope and accuracy of measurements, is systematically performed.

22.12. *Trade transactions and merchanting.* Compilation of trade statistics reflecting any buying and selling of these goods would give a distorted picture of trade, as they often change ownership (are bought and sold) many times without being physically moved across borders. Normally, it is not possible for compilers of trade statistics to ascertain if and when the goods actually crossed the border physically. Therefore, the information on physical border-crossing derived from the grid operators, if available, is usually preferable to information regarding purchases and sales.

22.13. *Specific compilation issues.* Two frequently mentioned compilation issues are the identification of transit trade and the determination of partner country.