

A. Advantages and limitations of customs and noncustoms data sources

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7.3. *Reconciliation and integration of customs and non-customs data.* The reconciliation and integration of customs and non-customs data constitute a complex and time-consuming activity which includes merging and cross-checking large amounts of collected data. Compilers need to be aware of the conceptual and practical difficulties involved in reconciling and integrating data from different sources, and users should be informed accordingly (IMTS 2010, para. 8.13).

7.4. *Advantages and limitations of customs records.* Both customs and non-customs sources have their specific merits and shortcomings, of which compilers should be aware when deciding which data sources to use. Customs records reflect the physical movement of goods across borders, which international merchandise trade statistics aim to record, and are generally reliable, detailed and readily available in most countries. However, they may not provide full coverage of all transactions, or they may not be subject to adequate statistical quality control at customs or made available to statistics compilers in a comprehensive and unrestricted manner (IMTS 2010, paras. 8.2 and 8.12). Particular concerns regarding the use of customs data are related to the possible undervaluation and misclassification of commodities for the purposes of tax evasion, which may not, however, apply to all countries or may apply to varying degrees. Also, customs records are not free from the reporting burden. In fact, the reporting burden of customs records is high. However, it is imposed for customs purposes and not for statistical purposes.

7.5. *Advantages and limitations of non-customs data sources.* As described in chapter III, a variety of non-customs data sources can be used by compilers to obtain information that would otherwise not be available. Some of these additional data sources, such as surveys, can be used very flexibly, while others, such as parcel and letter post records, provide only a predefined information set. The use of non-customs data sources may increase the burden on data providers and compilers. Also, these sources may suffer from a lack of a consistent classification (e.g., of goods and countries), or from under-coverage (e.g., owing to the absence of an adequate survey frame and non-response), or may not follow recommended standards for valuation, time of recording and partner-country attribution. Trade statistics compilers should pay special attention to these issues in order to obtain information from customs and non-customs sources that fulfils the requirements of international merchandise trade statistics (IMTS 2010, para. 8.12).

7.6. *Country practices in the use of additional data sources.* Results of a survey in 2006 show (see table III.A.1) that, besides customs declarations, countries also use, to varying degrees, postal records, tax records, currency exchange records, enterprise surveys, aircraft and ship registers, foreign shipping manifests and reports of commodity boards as additional data sources. All of these additional data sources can be useful or necessary in completing or verifying the international merchandise trade statistics.

7.7. *Data sources for special categories of goods.* As transactions in certain categories of goods may not appear in customs records, the compiling agency may have to use additional data sources to achieve full coverage of the country's merchandise trade statistics. Relevant non-customs data sources for the compilation of those categories of goods are described in chapters III and IV. Those categories of goods include the following:

- Goods delivered through postal or courier services
- Electricity transmitted through fixed power lines
- Petroleum, gas and water delivered through pipelines
- Petroleum and gas produced outside the customs territory and shipped directly by vessel
- Border trade (i.e., trade between residents of adjacent areas of bordering countries as stipulated by national legislation)
- Sales and purchases made by aircraft and ships in foreign ports
- Sales and purchases of aircraft, ships and other mobile equipment
- Transactions on the high seas
- Military goods

7.8. *Data sources for trade information regarding specific territorial elements.* IMTS 2010 (see para 2.13 and chap. VI) recommends the implementation of the general trade system under which the statistical territory covers all applicable territorial elements. For certain territorial elements such as free zones, no or very limited information from customs declarations is available, and compilers need to use either other administrative information collected by customs (i.e., information required for security purposes) or non-customs data sources, in order to obtain information on the trade transactions involving these areas. The compilation of trade data for other territorial elements such as islands, territorial waters, etc., that are included in the statistical territory also requires the use of non-customs data sources if customs records are insufficient or absent (see chap. VI, table VI.1, for details).