

Task Force on International Trade Statistics, Geneva, 6 – 8 May 2003 Summary of the Meeting

The meeting was hosted by the World Trade Organization. Ms. Roslyn Jackson (WTO) welcomed the Task Force members and expressed on behalf of the Task Force the deep disappointment that the meeting could not be held in Addis Ababa as previously scheduled. The meeting apologized to ECA for any inconvenience the cancellation of this meeting may have caused.

Mr. Richard Roberts has been appointed Acting Deputy Director of UNSD and is no longer responsible for trade statistics. The Task Force paid tribute to his successful work in international cooperation in this area. The Task Force was also informed on the future setting of the Statistics function within the WTO Secretariat in the Economic Research and Statistics Division. Ms. Roslyn Jackson is going to undertake special assignments for the WTO Director-General and Mr. Guy Karsenty had been nominated Acting Chief Statistician. The former Merchandise Trade and Trade in Services Sections had been merged to form the International Trade Statistics Section.

The full list of participants is shown in Annex 1. Annex 2 lists available documents. Annex 3 summarises the actions decided and Annex 4 includes the Provisional Agenda for the next meeting.

1. Adoption of the provisional agenda

The following suggestions were accepted: Under item 3, information on the 4th OECD International Trade Statistics meeting and a report of developments of the Millennium Development Goal Indicators were added. Under item 4D, information on the WTO trade and tariff databases was added and ESCWA requested to present its proposed project document.

2. Minutes of the meeting held in Rome, 16-18 April 2002

The minutes were accepted as circulated.

3. Review of decisions of other international meetings with regard to merchandise trade

The 34th UN Statistical Commission reviewed the Task Force's work programme and endorsed its future work, in particular, the preparation of a Manual on Export and Import Price Indices under the lead of the IMF. The Commission welcomed the IMF's initiative to start preparatory work for such a Manual, drawing on the experience acquired from the Manual on Producer Price Indices.

The Inter-agency Committee for the Coordination of Statistical Activities met for the first time in March 2002 to agree on its terms of reference. The ILO in Geneva will host the next meeting early in September 2003.

The meeting was informed of ongoing work to monitor trade-related indicators for the Millennium Development Goals (MDG). The second round of updates has been finalised through a cooperation between WTO, ITC, UNCTAD, IMF and the World Bank. The underlying databases were the WTO's "Integrated Database" and UNCTAD's "Trains" database.

The OECD reported about its recent 4th meeting on International Trade Statistics. It informed of its new statistics strategy. Additional topics included the role of trade statistics in analysing globalisation, the link of trade and business registers for micro analysis, data sharing arrangements between OECD and UNSD, and the need for increased transparency in the countries' reconciliation of customs figures for BOP purposes. The overlapping session between experts of both trade in goods and in services to consider in detail trade indicators and trade in software was particularly welcome.

Based on a proposal from UNSD, the Task Force decided to change its name to Task Force on International Merchandise Trade Statistics.

4. Data collection and dissemination

A. Concepts and Definitions

4(a) The Compilers' Manual for International Merchandise Trade

The Compiler's Manual is currently in the printing process in English only and will subsequently be translated into all official UN languages. Several regional workshops were held and have revealed issues for inclusion in a Supplement to the Manual, for example, a need for further elaboration on the use of alternative trade data sources. It was pointed out that regional workshops should cover all UN regional commissions to ensure a broad involvement in the activities. The Supplement will also include issues such as borderline cases between goods and services. UNSD plans to prepare an outline of the Supplement by September 2003. It was agreed to rename this agenda item Supplement to the Compiler's Manual. Depending on funding, workshops for the Manual will continue and other organizations are invited to participate at their own expense.

The discussion on the Manual raised several questions that go beyond the Manual's scope such as linking business and trade registers to analyse regional trade flows or the relation between ongoing work of various Task Forces in the area of trade and globalisation. A mechanism to ensure good cooperation should be made available. In this respect, it was agreed to review reports from relevant task forces and working groups, e.g. on Trade in Services, BOP, Globalisation, etc. under the agenda item Cross-cutting issues. Furthermore, available Manuals could be posted on a web-site by UNSD. Some of these Manuals are sales publications. The participants' experiences however indicated that materials provided online free-of-charge can help to increase sales of the printed publications.

Eurostat presented its integrated approach "Methodologica" that reunifies concepts and definitions, compiler's manual, users guide and general documentation in a single application. This allows a coherent presentation with linkages between

relevant keywords. It is planned to do a Russian version. Other international organizations may be interested to provide different language versions. Methodologica was considered very useful for Technical Cooperation activities and international organizations were asked to review the glossary contained therein with a view of adding expressions or modifying existing descriptions, etc..

4(b) Statistical Territories of the World for Use in International Merchandise Trade Statistics

The publication is available on the EDG. UNSD plans periodic updates, as sufficient new or modified information becomes available. Customs unions, which compile data for the union as a whole will be included as the relevant information becomes available. The European Union is therefore a candidate for inclusion. The question of currency unions was also raised. To get an overview of customs unions, WTO will provide the link to its list of officially notified Regional Trade Agreements on the web.

The Task Force also discussed the harmonisation of geo-nomenclatures between agencies. While harmonisation between statistical systems and various international organizations is considered difficult -- these nomenclatures respond to different needs and constituencies -- a unique denomination for identical country groups of various agencies could be envisaged. As this issue is also important for the presentation of MDG indicators, it was agreed to bring it to the attention of the Inter-agency Committee for the Coordination of Statistical Activities.

4(c) Data Quality Assessment

The IMF reported about its revision of the Data Quality Assessment Framework (DQAF) that is linked to the 5th review of the IMF's Data Dissemination Standard. It was pointed out that the DQAF would require guiding material for its application. The question was raised as to who would have an interest in preparing such an assessor's guide. The DQAF was also considered useful for assessing Technical Assistance work. Agencies could identify those parts of the DQAF that are relevant to their work and prepare individual building blocks. This material and additional comments should be posted to the EDG. The presentation of the DQAF at the next OECD Trade Statisticians meeting would also help to include the views of countries.

The OECD pointed out that their Quality Framework, which OECD Departments have to apply to their databases, is an important tool to foster internal coherence. The UNSD will see how to link its questionnaire on the countries' IMTS, Rev.2 compliance with the IMF's DQAF at 3-digit level.

B. Classifications

4(d) HS revision

The WCO reported on provisionally adopted amendments that the HS Committee intends to bring before the WCO Council in June 2004 for final approval. The 2007 review cycle concentrates on the Information Technology Sector to make

the nomenclature more relevant for its users. Major proposals are stemming from the European Community, United States and Japan. However, a decision has not been taken as to which approach is best. Any comments on the current HS 2007 revision should be sent to UNSD who agreed to present a summary on behalf of the Task Force to the HS Council before end of June 2003, the deadline for submissions for HS 2007 amendments.

The Task Force was also of the opinion that the accumulated HS revisions would require a 4th revision of the SITC. They agreed to analyse the HS revisions in the context of their effects on the SITC. UNSD will prepare a note for the Statistical Commission in 2004.

4(e) Simplification of data elements in Customs procedures

The participants were informed of UNSD's letter on the EDG that indicates that this initiative does not result in any loss of statistical information. WCO will keep the Task Force up-to-date on any new developments.

C. Methodology

4(f) Improving the estimation of aggregate exports and imports

The UNSD reported about its recent study of comparing estimation methods for trade flows at 3-digit level. In the case of Lebanon, where hard data is now available, the study revealed that extrapolation would give better results for adjunct periods whereas for periods farther away mirror statistics work better. The IMF, in its DOT publication, estimates total trade flows with regression methods. Verification of these trade estimates is often carried out through relating results to other statistics such as production. In general, these reports suggest that there is no uniform methodology to be applied to all countries. It was agreed to collect interesting papers on this issue and to post them to the EDG category on estimation. UNSD will further investigate this issue and report back to the next TF meeting.

4(g) Index numbers of international trade

Various organisations presented their activities. For example, Eurostat's new module in Eurotrace allows for comprehensive processing of index-related information and will be tested in the EU - Mediterranean technical assistance programme. UNCTAD is focussing its activities on unit value calculations for manufacturing products because of the developing countries' limited possibility to implement price surveys. Eurostat invited UNCTAD to also test the new Eurotrace version.

The IMF presented its draft annotated outline for a Manual on Foreign Trade Indices. It aims at providing guidance for producing the best possible indices in each country. While the IMF intends to produce this Manual as a guidance material, all TF members were of the opinion that the draft Manual would benefit from feeding it into the UN Statistical Commission's process to guarantee a broad review by NSOs across regions. This would be particularly helpful for its acceptance. The TF participants were also of the view that the Manual's underlying structure is too much

oriented towards Balance-of-Payments concepts. Implementation of such a Manual would be difficult since the majority of countries compile merchandise trade statistics on a cross-border basis using customs records as the main source of information. Countries follow the change of ownership principle for trade statistics purposes in a very limited number of cases only. Merchandise data are also available at a more disaggregated level than BOP data for which no commodity detail is required. The Manual should take into account the nature of the available data and focus on how to use that data for compiling indices. Cases that combine both price surveys and unit value calculations could be identified and linkages between the two approaches could be worked out. In the light of these comments, the production schedule of the Manual was considered too tight and it was suggested to reconsider it. It was also proposed that the inter-agency Task Force on International Trade in Service Statistics be informed as the Manual covers also services. The organizations were furthermore invited to provide information on software tools that can help implementing the Manual.

The UNSD reported that a report entitled *National Practices in Compilation and Dissemination of External Trade Index Numbers* has been prepared and will be submitted for publication in the second half of 2003. The report is available on the EDG. Information contained in this report could be of help for preparation of the Manual.

In conclusion, the TF welcomed the IMF draft outline but stressed that the end product should cover all uses of trade indices including the analyses of merchandise trade flows and should also bear in mind resource constraints, particularly in developing countries, which could preclude the direct collection of price statistics. Indications on compiling unit value indices are therefore important and should be included. Therefore, the production time schedule of the manual would need revision, and other relevant task forces (e.g., services) should be consulted. All participants were invited to post their comments to the EDG to allow the WTO to prepare a summary document that should be transmitted to the IMF by mid July at the latest.

D. Databases on international trade

4(h) COMTRADE: status, technical issues and EDP strategies

During 2002, Comtrade country coverage has considerably been extended (more than 130 countries for all of the years during 1995-2000).

The UNSD has signed a Memorandum of Understanding with the World Bank, ITC and OECD on the use of Comtrade data and the joint data collection.

The UNSD reported that the Comtrade mainframe version would come to an end, most probably during 2004. Currently, both systems are updated for new country periods. The Comtrade Internet version however already has more users than the mainframe and this increased exposure to the general public would also require good metadata descriptions for the trade data.

On the impact of partner suppression in low value trade flows (below 501\$), UNSD reported that studies had not revealed any significant effect on the countries' bilateral trade flows.

ESCWA presented its Project Document on technical assistance in international trade statistics. This project aims at enhancing capacity building and thus improving the quality of international trade statistics in the ESCWA region. The Task Force was asked to which extent it could help finding funds for this project.

For Eurostat, funds can only be requested if a cooperation framework exists between EU and ESCWA similar to the EU and Mediterranean region. Other funding institutions could be regional UNDP offices, regional banks or Paris 21. The WTO will also check its technical assistance programmes for a possible inclusion of parts of this project.

Before presenting the document to potential donors, the participants however suggested that it should be modified into a "selling" document. For example, it could include issues that link statistical capacity building to economic programmes. Strategic questions such as the in- or exclusion of oil statistics would also need clarification. ESCWA should post its document to the EDG to allow organizations to provide detailed comments. Once the document has been turned into a "selling" document, agencies can prepare a supporting statement and feed it into their respective mechanisms for technical assistance. It was also highlighted, that before doing so national authorities would need to explore, to the extent possible, their own funding possibilities.

The WTO reported about the current status of the Integrated Database (IDB) which contains information on tariffs and matching tariff line imports. Data collection is carried out in the form of 'official' submissions from WTO Members mostly through their WTO missions. Data undergo strict standardization and verification procedures before they are integrated in the IDB. Access to the IDB is restricted to WTO Members and some international organizations: FAO, IMF, ITC, OECD, UNCTAD and the World Bank. Data sourced from the IDB can be disseminated up to the detail of 6-digit HS level but the WTO needs to be informed in advance of any publication using IDB data.

4(i) Metadata management in merchandise trade statistics

The participants reported their individual practices on metadata management. The OECD stressed the importance of metadata within its data quality framework. Meta databases are tools that can be attached to data points to ensure coherence and consistency among various databases. Especially for data sharing, such as the OECD/UNSD or the IMF/UNSD, standard metadata structures will have to be agreed upon. Good practices should be exchanged and it was agreed that data quality frameworks could be a prerequisite to agree on well-defined structures of metadata. The IMF agreed to present their DQAF data model at the next Task Force.

5. Exchange of data and information amongst international organizations

5(a) Aggregate trade data

The UNSD continued to source most of its aggregate export and import trade figures from data reported to the IMF. For 2003, the UNSD work plan includes further activities on the verification of IMF aggregates and reconciliation with Comtrade totals. UNSD, and all other organizations, were asked to post irregularities they encounter on using IMF total trade figures by country to the EDG.

5(b) The EU in international trade statistics

The WTO reported that it is now sourcing all its EU trade time series from Eurostat directly (value, by product and partner, volume). UNSD provides the detailed EU data in both HS and SITC classification in Comtrade. OECD also uses Eurostat's extra-trade figures for the EU. Eurostat repeated that all its data are available in COMEXT and that they can be accessed online.

5(c) Exchange of detailed trade data between OECD and UNSD

Both OECD and UNSD reiterated that their data sharing agreement was working well. All OECD countries are now falling under the data sharing agreement. The objective is now to work on extending the Memorandum of Understanding to include joint data processing and possibly a common database as of mid 2004.

5(d) Internet site with aggregate exports and imports by country

The WTO informed the participants about the progress of work. The input from data providers has resulted in a preliminary core data set. Reconciliation of the data to conform, to the extent possible, with the agreed concepts and definitions was progressing on an incremental basis. A first core data set could be provided by the co-ordinating agency (WTO). The TF members were reminded during the course of the discussions, that the role of the international agencies was to improve inter country comparability, which could result in adjustments to country data, and to the inclusions of estimates. The importance of accurate and transparent metadata in this respect was emphasised. The TF agreed to update the data set twice a year, April and October. Both, OECD and UNCTAD would be ready to provide first estimates during March/April of each year. Following the EU enlargement, Eurostat could also provide data for the newly acceding countries as of 2004.

A number of TF members pointed out that the initial questionnaire sent out by WTO was not satisfactory as it did not conform to the organization's record structures. It was therefore agreed that data submissions for 2002 can follow the organisation's own record structures and WTO will then include them in a database (db system to be determined).

The TF agreed to continue the reconciliation of numbers, to provide 2002 data during June/July, to create a CDS database and to prepare a prototype Internet site for dissemination of the CDS by October 2003.

5(e) EDG - International Trade Statistics

The OECD reported on the revamp of the EDG. The new system will allow multiple attachments and improve the notification system. It will be implemented after the TF meeting. The OECD agreed to post documents of its Trade Statistics meetings to the EDG.

6. Cross-cutting issues

6(a) Status of the globalisation projects

Eurostat reported that it is preparing a draft regulation on FATS statistics. To support such a regulation, it will carry out a detailed analysis of users' needs to see who uses the data for what purpose. The OECD reported that its Manual on Globalisation Indicators is in the final stages for publication. The two publications, the Manual and "The Indicators of Economic Globalisation", will be posted to the EDG. It is however questionable whether the Manual becomes an official OECD document.

6(b) Treatment of digitised products

UNCTAD drew the participants' attention to the forthcoming expert meeting on measuring e-commerce from 8-10 September 2003. Furthermore, UN/ECE is organising the World Summit of Digitised Products in Geneva from 8 to 9 December 2003. All documents will be available from the respective web-sites.

6(c) Interaction between BOP, SNA and external trade

Eurostat reported on its recently launched reconciliation study of trade and BOP statistics. It should result in a Handbook on the "Measurement of Goods in Foreign Trade Statistics and in the Balance of Payments". The project will last for 2 years and should result in an increased transparency for the countries' adjustments in going from merchandise to BOP trade figures.

6(d) OECD's Trade Indicators Project

This project tries to get together knowledge in trade and trade-related areas to create a framework in which a number of political and analytical questions could be answered. It should establish communications between trade statisticians and researchers to produce in the end a collective database that can be published as a regular OECD programme.

7. Technical assistance

The international organizations reported on their various activities. EUROSTAT updated the participants on its activities regarding the EU enlargement and the EU Mediterranean, Cotonou, and regional cooperation agreements such as COMESA or UEMOA, etc.. There is also a specific country programme for China.

The new version of Eurotrace is tested in Morocco and Turkey. Modules on seasonal adjustment and time series analysis will be added. Eurostat said it will also check to which extent its cooperation with Gulf countries can be of assistance to the ESCWA technical assistance project. WTO's priority objective is to help build capacity for trade negotiations. In the tariff area, there are some 10 activities planned in 2003.

The participants agreed that the implementation of UNCTAD's ASYCUDA and Eurostat's Eurotrace are extremely helpful in improving Comtrade's data coverage and in adding useful trade indicators afterwards (ASYCUDA + Eurotrace = Comtrade + Trade indicators). UNSD in cooperation with UNCTAD and Eurostat will establish an inventory of countries that have either of the systems implemented and will link this information with the data availability in Comtrade.

Other business

8(a) Time and place of next meeting

The TF participants decided to reconvene the 2004 Task Force meeting in Addis Ababa provided UN/ECA will kindly offer its premises. The WTO will investigate and report back to the TF. 30 March to 1 April 2004 were mentioned as possible dates.

Following Ms. Roslyn Jackson's taking up of new responsibilities, the meeting thanked her for the professionalism and commitment with which she has chaired these meetings since 1999 and wished her good luck in her future activities.

The FAO distributed its latest CD-ROM on World Agricultural Trade by origin and destination.

Annex 1: List of participants

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Annex 2: List of available papers

- Name of the Task Force – Note by UNSD
- Compilers' Manual - a progress report by UNSD
- Supplement to Compilers' Manual - a progress report by UNSD
- progress report Statistical Territories of the World for Use in International Merchandise Trade Statistics – report by UNSD
- Amendments provisionally adopted to date by the HSC of the WCO
- Comparing trade data estimation procedures – note by UNSD
- Draft outline for the Export and Import Price Index Manual
- Export and Import Price Index Manual – proposed project plan (IMF)
- Technical Information on index number of international trade – a progress report by UNSD
- Status, Usage and EDP Strategies – note by UNSD
- Impact of partner suppression in low value trade – note by UNSD
- UN/ESCWA – A Proposed Project Document
- Metadata practices – WTO Merchandise Trade Section
- EU in international trade statistics -- report by EUROSTAT
- EU in international trade statistics -- comments by WTO
- Exchange of detailed trade data between OECD and UNSD -- UNSD/OECD joint report
- The Common Data Set – establishing the timing and frequency of updates – WTO
- Web dissemination of the CDS – note by WTO
- Status of the globalisation projects -- update by EUROSTAT
- Presentation of a study for the reconciliation of trade and BOP statistics (EUROSTAT)
- OECD's Trade Indicators Project -- overview by OECD
- TA project proposal -- report by ESCWA

Annex 3: Summary of actions decided

Action	Who
item 4a: Outline for CM Supplement until September 2003 on EDG	UNSD
item 4a: Rename item	WTO
item 4a: Investigate online publications of trade-related manuals	UNSD
item 4a: Send comments to Eurostat on Methodologica glossary	All
item 4b: Post web link of officially notified RTAs to EDG	WTO
item 4b: Inform IACCSA on geo-nomenclature harmonization	OECD/WTO
item 4c: IMF to present DQAF at OECD meeting for countries' comments	IMF/OECD
item 4c: Agencies to provide comments/building blocks for the DQAF's Assessor's guide on EDG.	All
item 4c: UNSD questions on concepts and definitions to be linked to the 3-digit IMF DQAF	UNSD
item 4d: Note on SITC, Rev.4 to Statistical Commission	UNSD
item 4d: Comments on HS 2007 revision to UNSD for draft note by mid June 2003. UNSD to prepare summary note by end June	All/UNSD
item 4f: Post papers on estimation methodologies/studies to EDG	All
item 4f: Prepare further case studies on estimation of country trade flows at 3-digit level	UNSD
item 4g: Post comments on the draft Manual to EDG by end June	All
item 4g: WTO to summarise comments and transmit to IMF	WTO
item 4h: ESCWA to post their TA document and rewrite with a view to present it to possible donors	ESCWA
item 4i: IMF to present its data model used in the DQAF	IMF
item 5a: Problematic total trade figures of countries to be posted to the EDG	All/UNSD
item 5d: continue the reconciliation of numbers, provide 2002 data during June/July, and create a CDS database as well as a prototype Internet site for dissemination of the CDS	All/WTO
item 5e: post OECD Trade Statistics meeting documents to the EDG	OECD
item 7: Prepare Asycuda/Eurotrace inventory and compare Comtrade data availability	UNSD UNCTAD Eurostat

Annex 4:**TASK FORCE ON INTERNATIONAL MERCHANDISE TRADE STATISTICS***Addis Ababa, March 2004***Provisional Agenda**

- 1. Adoption of the provisional agenda**
- 2. Minutes of the meeting held in Geneva, 7 - 8 May 2002**
- 3. Review of decisions of other international meetings with regard to merchandise trade**
 - (a) Report of the 35th UN Statistical Commission
 - (b) Report of the Inter-agency Committee for Coordination of Statistical Activities (Geneva, September 2003)
 - (c) The Millennium Development Goal Declaration
 - (d) Report of the 5th OECD Trade Statisticians meeting

4. Data collection and disseminationConcepts and Definitions

- (a) Supplement to the Compilers' Manual for International Merchandise Trade Statistics (*update by UNSD*)
- (b) the Statistical Territories of the World for Use in International Merchandise Trade Statistics (*update by UNSD*)
- (c) Data Quality Assessment (*update by the IMF*)

Classifications

- (d) revision of the HS and SITC (*update by WCO and UNSD*)
- (e) simplification of data elements in Customs procedures (*update by WCO*)

Methodology

- (f) improving the estimation of aggregate exports and imports (*update by UNSD*)
- (g) Index numbers of international trade (*update by IMF and UNSD*)

Databases on international trade

- (h) COMTRADE: status, technical issues and EDP strategies (*update by UNSD*)
- (i) Statistical metadata in merchandise trade (*report by OECD*)

5. Exchange of data and information amongst international organizations

- (a) aggregate trade data (*update by UNSD and IMF*)
- (b) the EU in international trade statistics (*report by EUROSTAT*)
- (c) exchange of detailed trade data between OECD and UNSD (*joint update*)
- (d) Internet site with aggregate exports and imports by country (*update by WTO*)
- (e) EDG - International Trade Statistics

6. Cross-cutting issues

- (a) Reports of relevant Task Forces and working groups (BOP revision, Inter-agency TF on Trade in Services, etc.)
- (b) status of the globalisation projects (*update by EUROSTAT and OECD*)
- (c) treatment of digitised products (*exchange of views and information*)
- (d) interaction between BOP, SNA and external trade (*update by EUROSTAT*)
- (e) the OECD's Trade Indicators Project (*update by OECD*)

7. Technical assistance (*updates by various international organizations*)**8. Other business**

- (a) time and place of next meeting