



TRAINFORTRADE

Strengthening knowledge and skills through innovative approaches for sustainable economic development

Module 2

Institutional Arrangement

Participants Manual

Training Course on International Merchandise Trade Statistics (IMTS)



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Forward

E-learning course on international merchandise trade statistics

International trade-in-goods are an increasingly important part of global commerce. International Merchandise Trade Statistics (IMTS) play a vital part in monitoring, analysis and projections of macroeconomic developments in individual economies and the world economy. IMTS are well developed and international standards have been defined in the IMTS 2010 to harmonize standards and practices. However, many measurement issues and comparability problems remain. Increasingly the important phenomenon of globalization, entailing the internationalization of production and sales and new forms of delivering goods and services to customers across countries, new developments in information and communications technologies and the growing importance of e-commerce requires new approaches and poses new methodological challenges.

The objective of this e-learning course on IMTS is to provide more easily accessible and rather complete training material for those involved in the collection, compilation, analysis and dissemination of IMTS.

The main goals are to enhance statisticians' ability to apply the most recent internationally agreed recommendations on IMTS, define best possible data sources, set up adequate collection systems, and enhance statistics compilation processes. Furthermore, the course would communicate the importance of quality, metadata, timely dissemination, and links to economic analysis and national policy objectives. The training would guide trainees on how to better use the internationally available guidance, especially the IMTS Concepts and Definitions 2010 and the related Compilers Manual.

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1. INTRODUCTION

This module describes the purposes and characteristics of effective institutional arrangements, and the governance and mechanism of cooperation, as well as the activities required to ensure the improvement of such arrangements and their positive impact on data quality and timely dissemination.

This module is based on the recommendations contained in chapter VIII of IMTS 2010, on data compilation strategies and is linked to chapter I of IMTS 2010-CM regarding the legal framework for merchandise trade statistics. The annexes to the chapter provide examples of institutional arrangements under various country circumstances.

2. IMTS 2010 RECOMMENDATIONS

IMTS 2010 New recommendations

Consider as a matter of high priority the establishment of the institutional arrangements necessary to ensure the compilation of high-quality trade statistics and periodically review their effectiveness (para. 8.17)

Systematic approach to data quality: Follow a systematic approach to data quality and develop standards and related good practices covering the institutional arrangements, the statistical processes and outputs (the entire trade statistics programme) (para. 9.4)

Decision by the Statistical Commission, at its forty-first session, in 2010

(d) Requested **that greater attention be given to the strengthening of institutional arrangements** in countries to ensure that proper national coordination mechanisms exist for the compilation of high-quality international merchandise trade statistics; also requested that cooperation with compilers of statistics on international trade in services, the balance of payments and the national accounts be ensured

Laws and regulations

The compilation of IMTS is organized on the basis of the statistical and other applicable national laws and regulations of countries, which, to different degrees, specify the rights and responsibilities of the agencies involved. The data sources for IMTS (in terms of their contents and availability) are subject to their own laws and regulations. In particular, customs records, the main data source for IMTS, are subject to customs laws and regulations. The national agency responsible for the overall compilation and dissemination of IMTS should, whenever appropriate, actively participate in the discussion of respective national legislation or relevant administrative regulations in order to establish a solid foundation for the high quality and timeliness of trade statistics.

Institutions involved in compilation

In most countries, several institutions and agencies are involved in the compilation of trade statistics. Typically, the most important are national statistical offices, customs administrations and central banks. In some countries, the ministry of trade or other specialized governmental bodies may be assigned responsibility for trade statistics or may play an important role, for example, by providing additional information.

Effective institutional arrangements

It is recognized that different institutional arrangements (depending on the structure of a country's Government other considerations) can result in acceptable trade statistics provided that the agency responsible for the overall IMTS compilation follows internationally recognized methodological guidelines, utilizes all available statistical sources and applies appropriate compilation procedures.

Effective institutional arrangements are usually characterized by (a) the designation of only one agency responsible for the dissemination of official trade statistics, (b) a clear definition of the rights and responsibilities of all agencies involved, and (c) the establishment of formalized working arrangements between agencies including agreements on holding inter-agency working meetings, as needed, and on the access to micro-data that those agencies collect. Formal arrangements should be complemented by informal agreements between the involved agencies and institutions, as required.

It is recommended that countries consider the establishment of the institutional arrangements necessary to ensure the compilation of high-quality trade statistics as a matter of high priority and periodically review their effectiveness.

Whatever the institutional arrangement, the national agency responsible for the overall IMTS compilation should periodically review the definitions, and methods used and the trade statistics themselves to ensure that they are compiled in accordance with relevant international recommendations and recognized good practices, are of high quality and are made available to users in a timely fashion.

Enhancing the data quality of international merchandise trade statistics

Enhancing data quality is a process covering all stages of the statistical production process and cuts across all issues covered in the present IMTS 2010 recommendations. It starts with validation of the data provided by the trader or broker when completing the customs declaration, requires appropriate institutional arrangements, for example, in order to allow adequate access to different data sources, and implies the appropriate use of information and communication technology among many other relevant activities.

Systematic approach to data quality

Actions for enhancing data quality are often focused on individual elements of the data, such as reported commodity, value, quantity, quantity unit and trading partner (or combinations thereof), but must also address more general issues of coverage and comprehensiveness of recording. The systematic approach to data quality implies that all aspects of the entire trade statistics program be examined and evaluated against certain principles and standards in order to more effectively identify and implement appropriate action to further improve data quality. It is recommended that countries develop such standards and related good practices covering institutional arrangements, statistical processes and outputs.

3. LEGAL ACTS REGULATING INSTITUTIONAL ARRANGEMENTS

Effective institutional arrangements

The establishment and maintenance of effective institutional arrangements among governmental agencies relevant to international merchandise trade statistics can be greatly facilitated if the national law contains clear provisions with respect to the roles, rights and responsibilities of those agencies as well as the mechanisms of their cooperation. If such provisions and mechanism of cooperation are lacking or are not sufficiently detailed, then it might be more difficult, and time consuming, to establish effective institutional arrangements.

In this context, it is good practice for compilers to actively participate, whenever appropriate, in the necessary modifications to national legislation or relevant administrative regulations in order to establish a solid foundation for enhancing the quality and timeliness of trade statistics. It is good practice for the national laws and regulations to designate only one governmental agency as responsible for the dissemination of official trade statistics and to define the rights and responsibilities of all agencies involved in the collection, processing and dissemination of trade statistics, so that those agencies will be in a better position to establish the necessary institutional arrangements detailing their involvement in the statistical process. For instance, if adequate legal provisions are in place, the responsible agency can establish, faster and more efficiently, a working arrangement with the organizations keeping records relevant to international merchandise trade statistics (e.g., records of imports and exports of electrical energy and of pipeline shipments of natural gas and crude oil, maintained by specialized governmental agencies, etc.).

4. PURPOSES OF INSTITUTIONAL ARRANGEMENTS

Usually, several governmental bodies participate in the compilation of a country's official trade statistics. The most important governmental entities participating in IMTS compilation are national statistical offices, customs administrations, central banks, tax authorities, the ministry of trade and other specialized governmental bodies such as, e.g., commodity boards, trade development boards, etc. The institutional arrangements are understood as constituting a set of laws, regulations and agreements between the involved agencies on the division of the responsibilities in the collection, processing, compilation and dissemination of external trade statistics of a country. The mandates and the main areas of activity of those agencies are usually defined by national law which provides the foundation for the working out of detailed institutional arrangements.

Purpose of institutional arrangements and international recommendation

The purpose of institutional arrangements is to ensure that high-quality national trade statistics are put at the disposal of national and international users in a timely and convenient manner, and that the statistical process is carried out with the maximum possible efficiency. In order to achieve these goals, the details of the responsibilities of the involved agencies should be elaborated, agreed upon and documented. IMTS 2010 (para. 8.17), recommends that countries consider the establishment of the institutional arrangements necessary to ensure the compilation of high quality trade statistics as a matter of high priority and periodically review their effectiveness.

In particular, the establishment and maintenance of effective institutional arrangement is necessary to ensure that (a) the needs of all interested governmental agencies and the general public are taken into account, (b) the applicable international standards are followed by all involved agencies, (c) all available resources are used in the most effective way, (d) proper quality assurance procedures covering various aspects of data production and dissemination are developed and executed in a transparent manner and (e) public confidence in the disseminated data is assured, so that the statistics are used to the maximum extent possible.

5. CHARACTERISTICS OF EFFECTIVE INSTITUTIONAL ARRANGEMENTS

Key characteristics of effective institutional arrangements

Depending on the country's legal framework, the structure of its government, available resources and other considerations, various institutional arrangements might exist and result in acceptable trade statistics. At the same time, not all types of such arrangements are equally effective. In this connection, IMTS 2010 (para. 8.16), identifies several key characteristics of effective institutional arrangements, namely: (a) Designation of only one agency responsible for the dissemination of official trade statistics; (b) A clear definition of the roles and responsibilities of all agencies involved; (c) Establishment of formalized working arrangements between the involved agencies, including agreements on holding inter-agency working meetings, as needed, and on the access to microdata collected by those agencies.

The responsible agency

It is good practice for the agency designated to be responsible for the compilation and dissemination of official trade statistics to be given the necessary authority and responsibility for monitoring and coordinating various aspects of the whole statistical process. The establishment of such an agency is also essential from the user perspective, as it reflects a clear designation of a single source of official data and contact point for any enquiries. This raises the confidence of users in the quality of the statistics and promotes its wide and effective use. In particular, it is good practice for this agency to be responsible for:

- a. The specification and implementation of the appropriate methodology for the compilation of the country's trade statistics in accordance with the internationally adopted standards and best practices;
- b. The development and the implementation of the appropriate inter-agency data compilation arrangements;
- c. The dissemination of the official trade statistics to users both domestically and internationally;
- d. Serving as focal point for consultation with trading partners on data reconciliation and data exchange and the representation of the country at various regional and international forums dealing with foreign trade statistics.

Rights and responsibilities of the involved agencies

It is good practice to ensure that the collective responsibilities of the agencies involved in the compilation of trade statistics cover all elements of the statistical process and are distributed in a manner that leads to the most effective use of the available resources and to high-quality data. The definition of the rights and responsibilities of all involved agencies should be unambiguous in order to minimize misunderstandings that might lead to a duplication of work or lack of attention to certain tasks.

Formalized arrangements between the involved agencies (memorandum of understanding)

It is good practice to ensure that the establishment of formalized arrangements between the agencies involved in the compilation of international merchandise trade statistics is documented through appropriate means such as a memorandum of understanding (MoU), which would, inter alia, include provisions for holding inter-agency working meetings and for accessing microdata collected by those agencies. In this connection, it is recognized that the content of any MoU will have certain limitations imposed by the applicable national legislation (due, for example, to the stipulation that the rules of inter-agency cooperation should be written in such a way as not to risk the disclosure of confidential information). It is good practice for the MoU to be worked out (under appropriate delegated authority) and signed by the appropriate units of the larger governmental agencies so as to facilitate their effective cooperation. The formal arrangements should be complemented by the informal working agreements between the relevant units of the involved agencies to ensure the effective implementation of the agreements.

Contents of a memorandum of understanding (MoU)

In general, a good MoU would contain:

- a. A preamble describing reasons for its establishment;
- b. A mission statement defining the scope and overall purpose of the MoU;
- c. An outline of a long-term work programme, a commitment to develop and implement midterm (e.g., biannual or annual) action plans designed to achieve the work programme's objectives (see sect. E for details) and a cost-sharing agreement;
- d. A list of participating agencies together with a clear description of their rights and responsibilities in the context of the agreed work programme, covering data collection, data transmission, data compilation, treatment of confidentiality, data quality, metadata and dissemination as well as methodological improvements (e.g., development of a national commodity classification, elaboration of methods of statistical valuation, etc.);
- e. The terms of reference and rules of procedure of the interagency body responsible for monitoring MoU implementation (e.g., a permanent committee);
- f. The terms of the MoU, including its effective date.

6. MAIN TYPES OF INSTITUTIONAL ARRANGEMENTS

Different institutional arrangements

The kinds of institutional arrangements in countries, and their governance and mechanism of cooperation, depend on many factors. The designation of the national statistical office as the agency responsible for the dissemination of official statistics and, the coordination of data collection and processing, is the most common practice in countries. Responding to the UNSD questionnaire in 2006, 78 per cent of countries confirmed that the compilation and dissemination of IMTS are normally the responsibility of national statistical offices. However, in the remaining countries, the official international merchandise trade statistics are compiled and disseminated by other governmental agencies, such as statistical departments of the customs administrations, central banks or a dedicated unit in a ministry. For example, the national statistical office might sign the MoU not with the national customs authority as a whole, but rather with its statistical unit which can result in the establishment of more effective working arrangements. As such, a unit may be dependent, to some degree, on the national statistical office regarding statistical methodology and will benefit from the closer cooperation with the national statistical office.

1. The statistical office as the responsible agency

Typical arrangements

The statistical office bears the overall responsibility for a country's official trade statistics, including issuance of methodological guidelines, raw data editing and processing, database maintenance and dissemination of official statistics. The customs administration bears responsibility for the collection of the basic records and for supplying the statistical office with these records on a regular basis: normally, customs would carry out some editing of records before passing them to the statistical office. Central banks and other governmental agencies provide additional information on trade flows not covered by customs records. The statistical office further edits all input data and merges them into a consistent data set.

Cooperation with other involved agencies

The reliance by the statistical office on data from sources external to itself requires close cooperative relationships with all governmental departments and agencies that provide data. The statistical office and the statistical unit of customs - the largest data supplier - along with other source agencies, should establish memorandums of understanding so that the roles and responsibilities of each party with regard to all aspects of the production and distribution of official statistics are clearly defined and elaborated in sufficient detail. It is good practice to periodically review the memorandums of understanding and update them as needed.

Example 1

Administrative agreement between the Federal Statistical Office (FSO) (the responsible agency) and the Federal Fiscal Authority (FFA) of Germany

The agreement between the FSO and the FFA of Germany describes the cooperation between both parties concerning the exchange of statistical customs data on external trade. It is not a legal act in a narrow sense but is nevertheless binding for both parties. One important feature of the agreement is that the main points and the legal basis are established in the main paper. Technical and other details, which may change frequently, are specified in the annex. Through this arrangement, change in these details is facilitated without changing the main agreement. The main topics covered by the administrative agreement include:

1. Transmission of the statistical customs data
 - a. Scope: The legal basis for the transmission and its scope is described here. The FFA commits to transmitting the relevant statistical data to the FSO after technical and methodical examination. The data are checked for formal validity (code checks) and if a mistake is detected, the responsible customs unit or the participant is obliged to correct the data. Only correct (plausible) data are transmitted to the FSO. Further details are specified in the annex. See International Merchandise Trade Statistics: Supplement to the Compilers Manual (United Nations publication, Sales No. E.08.XVII.9 NB E only and Corr. 1), para. 1.3.
 - b. Form of transmission: Basic details for the transmission of the data (institutions involved in data transmission, and data format) are specified. Further details (e.g., a list of variables) are specified in the annex.
 - c. Time and deadline of data transmission: The FSO retrieves the relevant data electronically on a daily basis.
2. Corrections: Corrections of already retrieved statistical data are made through a specific revision procedure.
3. Transmission of master data: The legal basis for the transmission of master data (e.g., identification number, name, address of the company, contact persons) is mentioned here. Master data are updated on a monthly basis. Details are specified in the annex.
4. Statistical confidentiality and tax secrecy: The FSO commits to obeying the legal obligations concerning statistical confidentiality and tax secrecy.

Contact persons: Both the FSO and the FFA commit to naming contact persons for clarification of methodical and technical issues. The administrative agreement can be updated or changed by mutual agreement

Example 2

Table of contents of the Statistics Canada/Canada Border Services Agency (CBSA) Memorandum of Understanding

The Memorandum of Understanding contains seven sections as follows:

Section I – General Roles and Responsibilities

Section II – Data Collection

Section III – Data Transmission

Section IV – Data Disclosure and Dissemination

Section V – Data Quality

Section VI – Harmonized System

Section VII – Costs

Each of the above sections is further subdivided into three subheadings, namely:

1) CBSA's Roles and Responsibilities

2) Statistics Canada's Roles and Responsibilities

3) Joint CBSA/Statistics Canada Roles and Responsibilities

Finally, the MoU contains the following lists:

List 1 – Import CBSA Transmission Data Variables

List 2 – Canadian Automated Export Declaration (CAED) Record Layout

List 3 – Import HS Update Data Variables

2. Activities of the coordination committee and working groups

Activities of the permanent committee and the technical working group

It is advised that the following activities be included in the work programme of the committee and working group, as applicable, taking into account their respective mandates:

- a. **Formulation of a long-term strategy and actions for improving trade statistics.** A long-term strategy is based on the review of the existing institutional arrangements and formulation of actions for their improvement, as required and appropriate. Further, it entails the establishment and implementation of a MoU between the responsible agency and other governmental bodies involved in the compilation of trade statistics. The strategy should foresee such activities as the identification of data gaps and existing inefficiencies (e.g., unused data sources, duplication of work, communication barriers, etc.) and include the formulation and timing of actions to remove them;
- b. **Discussion of changes in custom regulations and other relevant regulatory provisions.** The revision of the regulatory provisions may affect the availability and quality of information relevant for the compilation of international merchandise trade statistics. Therefore, the agencies involved in the preparation of such regulations and in the compilation of international merchandise trade statistics should discuss these changes in a timely manner in order to take into account the requirements for the compilation of trade statistics. In particular, the arrangements should allow for amending the rules on customs recording in order to maximize their usefulness for trade statistics;
- c. **Development of appropriate non-customs sources of data.** Non-customs data sources need to be developed as required to achieve the full coverage of trade statistics. The responsible agency, together with the other members of the coordination committee, should develop an action plan which would ensure that such data sources are identified and the necessary agreements with other governmental or non-governmental bodies are reached to allow access to use of their administrative data, or that additional data are collected through a national survey programme;
- d. **Adoption of an integrated approach.** The compilation and dissemination of international merchandise trade statistics should be seen as an integral part of the national statistical programme. Trade statisticians should cooperate with customs, other data providers and compilers of business statistics and statistics on international trade in services to make the best use of the available information and to realize efficiency gains

in data compilation. Close cooperation with compilers of other statistics can both improve the international merchandise trade statistics and be beneficial to other statistical domains. For example, in view of limited resources and to ensure that work is not duplicated, it is good practice not to initiate any additional surveys of traders without proper consultations with the compilers of enterprise statistics, as it might be possible to amend existing surveys so as to incorporate trade statistics requirements. On the other hand, compilers of international merchandise trade statistics can assist colleagues who are responsible for statistics on international trade in services by, for example, passing on to them any available information on cost of goods transportation and insurance. The necessary working arrangements have to be established and systematically implemented;

- e. **Modernization of the IT infrastructure and inter-agency data exchange.** The arrangements between the involved agencies must ensure the permanent access to the relevant primary data and facilitate consultations and revisions that are made during the statistical production process. It is good practice for the responsible agency to, inter alia, (i) take into account the technical systems available at the source agencies, and in particular, work closely with the customs administrations to incorporate validation rules into the automated data collection system(s); (ii) maximize the use of modern information technology for the exchange of data (e.g., virtual private networks (VPNs) and/or File Transfer Protocol (FTP) sites, as well as the implementation of the SDMX standard); and (iii) oversee data security through use of appropriate control mechanisms (e.g., defined submitters, reception and connectivity testing, setting dates and times of delivery, verification of data transfer, etc.);
- f. **Establishment of informal arrangements.** Regardless of the formal framework for collaboration, it is good practice for the involved agencies to establish regular communication between their staff to address technical issues that might emerge on a daily basis, such as the verification of the source information, the clarification of the metadata and the possible impact on data compilation of various regulatory changes, among others. This communication does not replace meetings involving all agencies for joint decisions on the work programme;
- g. **Organization of staff cross- training.** For example, the interpretation of customs records by statisticians working for the national statistical office or central bank is facilitated when statisticians have knowledge of the customs operation in situ. It is good practice to arrange for visits of the statisticians to the customs ports in order to allow them to better understand the procedures for different types of customs declarations and the limitations of the data. It is also important that customs administrations, with the help of statistical offices and central banks, organize training of their staff on the applicable statistical requirements and the importance of customs records for the compilation of high-quality trade statistics;
- h. **Conduct of outreach activities.** In order to ensure that the compiled data meet user demand and to secure user support, it is good practice to conduct periodic meetings with various user groups to make them aware of what data are available and how to use the data effectively, as well as to collect information on their needs to be included in planning further improvements in data compilation and dissemination. It is good practice also to invite to the meetings of the coordination committee, as necessary, other institutions and agencies (public, private and/or academic) with the aim of ensuring their potential contribution to the statistical process. For example, there can be meetings with various business associations to explain the importance of the accurate completion of the relevant customs documents and survey forms. Regular meetings with other government agencies, which are important users of the trade statistics, as well as with the compilers of national accounts and balance of payments statistics, are equally important, as these will help to achieve a better overall quality of national statistics.

7. INSTITUTIONAL ARRANGEMENTS AND DATA QUALITY

The effectiveness of institutional arrangements is ultimately judged by the quality of the disseminated trade statistics. Properly functioning institutional arrangements can significantly contribute to the enhancement of data quality.

As described in chapter IX of IMTS 2010, the dimensions of data quality include prerequisites of quality, relevance, credibility, accuracy, timeliness, methodological soundness, coherence and accessibility. Achieving quality improvements is a complex and time-consuming task. The development and implementation of an effective data quality assurance programme would usually require the cooperation of all involved agencies. Therefore, appropriate institutional arrangements are important in allowing and fostering such cooperation and should clearly identify the roles of each agency in such a programme.

Example 3

Experience of Brazil in the division of work on trade data quality

In Brazil, there is a clear division of labour on foreign trade data quality assurance. The agency responsible for the quality of the export data is the Secretariat of Foreign Trade (SECEX) of the Ministry of Development, Industry and Foreign Trade (MDIC), while the agency responsible for the quality of import data is the Federal Revenue Service of Brazil (Customs) of the Ministry of Finance. Export data quality is guaranteed by the validation system of SECEX/MDIC, as described in Annex IX.A of this Manual, while the quality of import data is guaranteed by the application of the Customs Valuation Agreement of the World Trade Organization (WTO) and by application of the parameterized customs system on the physical and documents supervision.

Example 4

Responsibilities for quality assurance: experience of Canada

In the experience of Canada, there are a number of players involved in the quality assurance of merchandise trade data:

- a. Canada Border Services Agency (CBSA), which is the supplier of the administrative data for imports, performs basic validity editing to ensure that valid codes for all data elements are transmitted to Statistics Canada. In addition, there is a CBSA amendment programme which is used to correct errors detected by CBSA or the importer. All amendments are also transmitted to CBSA. However, there are no CBSA validity checks or an amendment programme for exports, although corrections from exporters are occasionally received;
- b. The International Trade Division of Statistics Canada performs a series of checks and reasonability edits and imputations on import and export data. Further, High value transactions are routinely reviewed and corrected manually where necessary;
- c. Merchandise trade data are cross-checked against other data series for selected commodities so as to ensure consistency. Examples of such commodities are energy products, aircraft and agricultural products;
- d. Prior to dissemination, publicly released information is presented to Statistics Canada Senior Management to ensure reasonableness and further comparison with other data series.

Example 5

Cooperation between the National Statistical Institute of Italy (ISTAT) and the National Customs Authority, in particular on data quality Institutional arrangements – establishment of a committee

The National Statistical Institute of Italy (ISTAT), as responsible agency, has established and maintained long-lasting institutional cooperation with the National Customs Authority. From an operational point of view, a dedicated committee, composed of members of each organization and chaired by ISTAT, oversees all the technical, IT and methodological issues related to the successful data transmission of customs data. In addition, the Committee takes on board and examines any issues related to changes in national regulations, EU-level regulations and customs procedures as far as they may affect quality and timeliness in the production and dissemination of external trade figures. The Committee then informs the relevant superior bodies if some action is required in terms of changes in the national legislation or application procedures. In particular, ISTAT is continuously informed by the Customs Authorities of any changes in customs data structure and procedures.

Cooperation on data quality

The provision of high-quality customs data has always represented a key issue in the institutional and technical cooperation between ISTAT and the National Customs Authority. Up to now, the National Customs Authority has supported timeliness in data transmission while performing only formal quality checks on customs and statistical variables. On the other hand, ISTAT has developed a sound methodology for outlier detection and is regularly engaged in data quality checks performed automatically or under the direct supervision of trade experts at the product level. The National Customs Authority has recently expressed its strong interest in cooperating with ISTAT in order to improve the quality of customs data for statistical purposes, under the institutional umbrella of the National Statistical System. This initiative, which implies stronger cooperation on technical and methodological grounds with full respect for national confidentiality rules, was welcomed by ISTAT from both technical and cost efficiency perspectives. Given the sharp decline in human resources devoted to the foreign trade statistics production process all over the world, such cooperation can be regarded as offering an opportunity to devote the limited amount of available human resources to more value-added quality checks by moving downward (to the level of the data collection and preliminary validation process) more standardized inconsistency and data quality checks

Example 6

Institutional arrangements and the Automated Export System (AES): experience of the United States of America

Automated Export System of the United States of America

The Automated Export System (AES) of the United States is the central point through which export shipment data required by multiple Government agencies is filed electronically, using the efficiencies of electronic data interchange. Export information is collected electronically from the export trade community and edited immediately, with errors being detected and corrected at the time of filing. The editing and validation processes of the AES reflect the requirements of various partnering Government agencies to ensure complete, timely and accurate reporting of export information. As the AES evolves, additional edits and validations are added to the system so as to continuously improve the quality of export data submitted.

Entities that participate in the Automated Export System

The AES is a joint venture of the Foreign Trade Division of the United States Census Bureau, the United States Customs and Border Protection (CBP), the Department of Commerce (DOC), the Bureau of Industry and Security (BIS), the Department of State, the Directorate of Defense Trade Controls (DDTC), the Department of the Treasury, the Office of Foreign Assets Control (OFAC), the Department of Energy (DOE), the Office of Arms Control and Non-Proliferation, the United States Nuclear Regulatory Commission (NRC), and the export trade community. The AES mainframe resides with the CBP.

In order to facilitate electronic filing of export information to the AES, the AESDirect system was developed by the United States Census Bureau through an outside contractor. AESDirect, which is an internet based system, became operational on 23 September 1999 at www.aesdirect.gov. It eliminates the need for export filers to establish direct telecommunications with CBP and provides an interactive interface through which filers submit the required export information about their shipments. AESDirect also includes the edits and validations incorporated in the AES, and evolves as new requirements are included in the AES. Partnering Government agencies wanting to add additional edits and validations to the AES and AESDirect system contact the Census Bureau and prepare the respective requirements, which are then forwarded by the Census Bureau to the CBP AES Developers and the AESDirect contractor for inclusion in the two systems.

The AES also serves as a conduit through which required export information reaches appropriate Government agencies. The United States Census Bureau extracts AES data in order to compile and publish export trade statistics, while AES validates dual-use shipments against licences approved by the Bureau of Industry and Trade Security and forwards that information to the agency. Similarly, the Directorate of Defence Controls utilizes the AES partnership agency interface to validate outbound munitions shipments against previously approved licences and transmits the data to the agency. Partnering agencies will continue to work in cooperation as the AES goes through future phases.

Example 7

Institutional arrangements for foreign trade statistics: experience of Mexico

Importance of the legal framework for the institutional arrangements

The legal framework has been central to strengthening the institutional arrangements for the generation of statistical information in Mexico. In 2006, a provision in the Constitution established a National System of Statistical and Geographical Information (SNIEG), whose data is to be considered official. The SNIEG Law of 2008 designated the National Institute of Statistics and Geography (INEGI) as the independent coordinating entity of SNIEG. All of the Government agencies involved in the collection, treatment, generation and dissemination of national statistical and geographical information take part in the work of collegiate bodies of the SNIEG, called specialized technical committees. These committees are responsible for the development or revision of technical standards, and for the establishment of guidelines to define the conceptual framework of the processes involved in each subject area.

The Specialized Technical Committee on Foreign Trade Statistics

For more than 20 years, the Working Group on Foreign Trade Statistics of Mexico, which includes the General Customs Administration, the Central Bank (Banco de México), the Ministry of Economy and INEGI, has been responsible for defining criteria for the production and release of the international merchandise trade statistics of Mexico. Initially, these institutions worked mainly on the basis of official letters and meetings; however, changes in the law on Statistics now provide the legal framework supporting the work of a Specialized Technical Committee on Foreign Trade Statistics, which has assumed responsibility for conduct of the activities of the initial Working Group.

The roles of the various institutions that participate in the Committee are defined as follows: (a) INEGI is responsible for the coordination of the group's activities and for the dissemination of official data ensuring the implementation of international recommendations; (b) The Central Bank México is responsible for the statistical processing of custom records according to agreed criteria; (c) The General Customs Administration provides the administrative records and their characteristics; (d) The Ministry of Economy provides information about foreign trade rules and the nomenclature of imports and exports.

Work programme of the Committee

The Committee establishes a three-year work programme and meets approximately once every quarter. The Committee agrees and follows up on an agenda for the issues to be addressed by the Committee. The programme is focused on the improvement of the procedures for the production of trade statistics and the analysis of users' needs (including those of balance of payments and national accounts statisticians). In addition to face-to-face meetings, the Committee members communicate through teleconferencing to address specific issues related to the daily process of the production of statistical results, such as the analysis and clarification of source data.

The agreement on the creation of the Specialized Technical Committee on Foreign Trade Statistics of Mexico and the rules for the operation of this type of Committees are available from www.inegi.org.mx.

Main issues addressed by the Committee

The main issues covered in the work programme are the periodic revision of customs records to enable a proper interpretation of the declarations according to international recommendations, and the content of metadata to enable a clear explanation of the characteristics of the records and how they are processed to produce the statistics on international merchandise trade. The Committee agrees on the release calendar of preliminary and revised figures according to the current release policies.

Technical nature of the Committee

The success of the Committee is based on the participation of knowledgeable representatives on behalf of their institutions. In all cases, the participants are technical staff, as opposed to senior management staff; however, each participant receives the support of the respective institution for reaching agreements. The main task of the Committee is to provide timely answers to technical questions in respect of the production of statistical results, taking into account the simplification of customs procedures.

Example 8

Integrated Foreign Trade System of Brazil: institutional arrangements

Integrated Foreign Trade system (SISCOMEX) of Brazil

In Brazil, the coordination of the work between the various agencies involved in foreign trade is based on the assumption that each agency maintains its independence and the ownership of its information. Within this framework, Brazil has developed a fully computerized system for the registration of exports and imports, the Integrated Foreign Trade System (SISCOMEX), which records all foreign trade transactions of the country and involves all the entities that participate in foreign trade, including governing and consenting agencies.

Governing agencies

Governing agencies are those responsible for definitions, and include: the Customs of Brazil (Ministry of Finance, Federal Revenue Secretary), responsible for the tributary and tax police; the Central Bank of Brazil, responsible for the contracting exchange; and the Secretariat of Foreign Trade, responsible for the commercial operations of export and import (standard rules, trade remedies, trade promotion and statistics).

Consenting agencies

The consenting agencies are entities involved in foreign trade (30 in total) which are responsible for inspections and special permits, such as certification of origin, phytosanitary issues, controlled products, military products, etc. The Ministry of Agriculture, the Ministry of Health, the environmental control agencies (IBAMA), the quality control agency (INMETRO), the Ministry of Defence and the Ministry of Justice are the main consenting bodies.

Institutional arrangements in respect of Brazil's foreign trade statistics

In 1991, pursuant to a determination by the Presidency of Brazil, approved as law in the Congress, a technical and political accord was reached among the agencies involved. Based on this determination, a decision-making structure for foreign trade statistics was created, which consisted of a Managers Committee (composed of the ministers of the three Government agencies mentioned above), a Technical Committee (comprising technicians with extensive knowledge of foreign trade activities) and a set of subcommittees (made up of experts in each area and each body responsible for standards and rules), with each body clearly defined functions. This decision-making structure is also responsible for training users (both companies and individuals) and for infrastructure.

Working arrangements

Decisions are taken by each subcommittee and when there is no agreement, the matter is referred to the Technical Committee or, if necessary, to a higher level, that of the Managers Committee (Ministers) for a final decision. All three governing bodies have full access to the system within their area of responsibility, without need of approval by the others. All access and permissions have been previously negotiated within the technical subcommittee and the Technical Committee. Simple questions such as on responsibility for the administration of tables of code and names and the implementation of data checks in the data entry system (e.g., regarding parameters for preventive validation) were also previously defined for each body. These arrangements have allowed a single data source and a single flow of information to exist, with prior validation of all the variables and interconnection with other existing databases (e.g. the national register of companies with foreign trade data), as well as the implementation of the recommendations of IMTS.

Example 9

Inter-Agency Committee (IAC) on Trade in Goods of the Philippines: institutional arrangements

Philippines Inter-Agency Committee (IAC) on Trade in Goods

The Philippines has established an Inter-Agency Committee on Trade in Goods whose members belong to the following key agencies of the Government: the National Statistical Coordination Board (NSCB), the National Statistics Office, the National Economic and Development Authority, the Central Bank (Bangko Sentral ng Pilipinas), the Department of Trade and Industry, the Bureau of Customs and the Philippine Economic Zone Authority. There are two technical working groups under the Inter-Agency Committee, namely, the Technical Working Group on Trade in Goods and the Technical Working Group on Trade in Services.

The Technical Working Group on Trade in Goods is tasked: (a) To serve as a forum for the discussion of the issues raised by the stakeholders regarding the official statistics on trade in goods and services; (b) To conduct an in-depth review of all issues relating to Philippine trade statistics, including foreign and domestic trade on goods and services; (c) To conduct an in-depth assessment of available data on export of IT services and analyse possible improvements in data reporting, collection and consolidation; (d) To review the concepts, techniques, and methodologies used in the collection, processing and reporting of trade statistics to ensure conformity with prescribed statistical standards; (e) To recommend policies geared towards improved generation of trade statistics on goods and services; (f) To conduct an in-depth review of export statistics and valuation practices of exporting companies and to identify important issues; (g) To conduct an in-depth review of consigned imports; (h) To present the results and recommendations to the NSCB Executive Board for appropriate action.

Example 10

Experience of China: customs as the responsible agency

The General Administration of Customs of China (GACC) is the responsible agency for the compilation of international merchandise trade statistics. In China, customs is responsible for the collection, processing, compilation and dissemination of China's external merchandise trade statistics according to the customs law, the statistics law, and the regulation on customs statistics of China. The Statistical Department in the General Administration of Customs of China is responsible for the formulation of the methodology in accordance with the international standards that have been adopted, the organization of nationwide trade statistical operations, the development and implementation of data compilation arrangements, and the dissemination and analysis of merchandise trade statistics. For each of the 41 customs districts throughout China, a statistical office has been established which is responsible for the collection, verification, processing and transmission of its regional trade data to the General Administration of Customs of China.

Customs automation entry system

The customs declaration is the exclusive source of data for international merchandise trade statistics. The declarations are made through the Customs Automation Entry System and are examined by customs officers. The data records for compiling trade statistics are extracted and verified by the statistician in relevant customs districts, and then transmitted online from all customs districts to the computer centre of the General Administration of Customs on a monthly basis. The General Administration of Customs publishes data on a monthly basis, through media, online and through regular publications.

Cooperation between the general administration of Customs and other agencies

An institutional cooperation mechanism has been set up between the General Administration of Customs and other agencies to respond to users' requirement in order to improve the quality of statistics. Memorandum of understanding and agreements on statistical information services have been established between the General Administration of Customs and the National Bureau of Statistics, the Central Bank, the Ministry of Commerce and the State Administration of Foreign Exchange, among other bodies, for the compilation of other economic statistics according to SNA/BOP requirements, or for the purpose of trade administration and analysis.

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