

Summary of key chapter changes for TT-ITS content review

1. New chapter building on the previous IMTS cross-country data comparability sub-chapter and with content drawn from GNV3.

XII. Bilateral trade asymmetries

A. Introduction

12.1 Bilateral trade asymmetries remain a significant and widely recognized challenge in IMTS. Trade asymmetries refer to discrepancies in official data where the reported exports from Country A to Country B do not align with the reported imports of Country B from Country A.

12.2 Trade asymmetries stem from various methodological and non-methodological sources, including variations in coverage, complexities in partner country attribution, valuation methods, reporting time lag, currency conversion, differences in product classification, reporting errors, inaccuracies in data collection or processing, use of fraudulent documents, or traders' inability to provide accurate information.

12.3 Certain trade asymmetries are an inherent feature of IMTS, even with full adherence to this Manual's guidelines, due to differences in partner country attribution, valuation methods, time of recording, and the trade system adopted. These inherent discrepancies do not necessarily imply quality issues or require correction but should be considered in cross-country comparisons. Nonetheless, addressing other asymmetries remains important, given the growing demand for comparable data to support indicators like Trade in Value Added (TiVA) and insights into Global Value Chains (GVCs).

Comentado [DC1]: remove references to TiVA in this chapter

Comentado [mi2]: I think we should put here the methodology of bilateral asymmetries measurement.

B. Main sources for trade asymmetries

12.4 Reconciliation studies have identified the following sources for bilateral trade asymmetries.

Coverage

12.5 Divergence in coverage arises from variations in national compilation practices and statistical laws. Certain statistical elements recommended in IMTS may, in practice, be excluded by one country but included by its trading partner, resulting in asymmetries.

12.6 *Statistical territories.* Under the general trade system, it is recommended that countries record all trade within their economic territory, including premises for inward processing, free zones and customs warehouses. When partner countries use the special trade system and exclude these areas, asymmetries occur.

12.7 *Treatment for specific goods.* The treatment of returned goods, goods sent for testing or repair, new containers, and specific movements such as those involving ships and oil platforms, can vary between trading partners, contributing to inconsistencies in IMTS.

12.8 *Informal cross-border trade (ICBT) and illegal movement of legal goods.* These flows may cause discrepancies in IMTS between trading partners. Difficulties in obtaining reliable and comprehensive data on these transactions often result in inconsistent reporting or omissions by compiling countries, leading to asymmetries that hinder the comparability of bilateral trade data.

12.9 *De minimis trade.* Goods imported below a specific threshold are typically exempt from customs duties and may not be captured in customs records. Since these thresholds vary by country, low-value trade can be estimated differently in the IMTS of each partner, contributing to asymmetries.

Partner attribution

12.10 Another source of discrepancies lies in the partner country attribution. As recommended in Chapter 8 on Partner Country, exports should be recorded based on the country of last known destination, while imports should be recorded according to the country of origin. This can lead to asymmetries, especially in cases of indirect trade. Unlike direct trade, where goods move directly from Country A to Country B, indirect trade involves transit through one or more intermediary countries, known as countries of consignment. This can cause discrepancies in reported trade flows between partners. Re-exports further compound these discrepancies, as the importing country may report a different partner country than the one reported by the country of origin or by the country dispatching the goods.

12.11 Exporting countries may not always know the final destination country at the time of shipment. This is particularly common in long-distance trade or shipments using multiple modes of transport. On the other hand, importing countries are expected to follow the IMTS 2026 recommendations when determining the country of origin. Due to limited knowledge of the full trade route, either party may report a third country as the trade partner instead of each other. While this does not affect the total trade values reported, it results in

discrepancies in partner country attribution, causing differences in the recorded bilateral trade between the two countries.

Valuation

12.12 *Disparities between FOB-type and CIF-type valuations.* IMTS 2026 recommends the use of the free on board (FOB-type) valuation for exports, reflecting the value at the border of the exporting country, and the cost, insurance, and freight (CIF-type) valuation for imports, reflecting the value at the border of the importing country. Consequently, identical shipments are valued higher on the import side than on the export side.

12.13 *Trade margins in intermediary countries.* In indirect trade scenarios, such as re-exports, intermediary countries may apply trade margins that raise the recorded value of goods. These value increases often lead to higher import values reported by the final destination country. Consequently, import values may exceed the original export values declared by the country of origin, contributing to asymmetries in bilateral trade statistics.

12.14 *Long-term contracts.* In long-term contracts, value adjustments may not be synchronized between trading partners. For instance, the importing country may raise the import value for tax purposes, while the export value reported by the partner remains unchanged.

12.15 *Re-evaluation.* Divergent tax laws and variations in customs valuation practices can lead to differences in the assessed value of goods between exporting and importing countries. These disparities often occur when customs authorities adjust declared quantities or prices in customs declarations to better reflect the transaction value of the goods, in line with the WTO Agreement on Customs Valuation. Value adjustments may not be synchronized between trading partners. For instance, the importing country may raise the import value for tax purposes, while the export value reported by the partner remains unchanged.

Reporting time lag

12.16 IMTS 2026 recommends recording trade at the moment goods physically enter or leave a country's statistical territory. However, time lags in international transport can cause discrepancies: Country A may record exports in one period, while Country B records the corresponding imports in a later period. As a result, the same shipment may appear in different reporting periods, thereby contributing to asymmetries in IMTS between trading partners.

Currency conversion

12.17 Most IMTS are recorded in the official domestic currency of the compiling country. Fluctuations in the exchange rates between the invoiced currency and the reporting currency can cause valuation discrepancies. Additionally, the choice of exchange rate used for conversion can introduce further deviations in reported values.

Product classification

12.18 Divergent classification of goods may lead to asymmetries at the product level, yet total trade values remain unaffected. These discrepancies often occur when items with similar descriptions and identical tariff rates are classified under different tariff lines by trading partners. Further discrepancies may arise when partners use different editions of the Harmonized System. The use of the special HS chapters 98 or 99 for recording low-value goods, confidential transactions, or goods under special classification provisions, may compromise the comparability of data at a detailed product level.

Confidentiality

12.19 Countries may implement confidentiality rules that limit the disclosure of data for certain products or trading partners. While overall trade values are usually unaffected, these measures can cause asymmetries at detailed levels, such as specific product categories or bilateral trade flows. Confidentiality suppression can hinder reconciliation efforts, as incomplete information makes it difficult to identify and resolve discrepancies between partner countries' IMTS.

Misreporting

12.20 Misreporting of values, quantities, trading partners, product classifications, or customs procedure codes can lead to asymmetries in trade data, whether at the aggregate or product level. These inaccuracies may occur due to unintentional errors, such as data entry mistakes or incorrect completion of customs declarations. However, they can also result from deliberate actions intended to evade taxes, circumvent trade regulations, or facilitate illicit trade activities.

Quantity

12.21 Countries, regions, or industries may use various units of measurement to report the same products, leading to discrepancies. For instance, while one country may use metric tons, another might report in kilograms or pounds. Inconsistent conversion between these units can result in significant variations in reported data. These differences often reflect historical, cultural, or industrial preferences. To ensure data comparability, IMTS 2026 recommends using WCO standard units of quantity and net weight. The use of standard

units of quantity provides a metric for validating trade values, thereby aiding in the detection and assessment of trade asymmetries.

C. Encouragements

12.22 Following the recommendations and encouragements of **IMTS 2026** establishes a solid foundation for reducing bilateral symmetries and enhancing international comparability. Nevertheless, asymmetries continue to pose a well-known challenge due to the reasons outlined above.

12.23 The study, mitigation, and dissemination of information on bilateral trade asymmetries are vital for analyzing international trade. To enhance the usefulness of IMTS at both national and global levels, **countries are encouraged** to conduct periodic bilateral reconciliation studies. These efforts aim to identify and explain discrepancies, enhance the analytical value of trade data, and enable more meaningful international comparisons. In some cases, they also contribute to the accuracy and granularity of IMTS, supporting the development of TiVA indicators. Therefore, **countries are encouraged** to undertake the following measures:

- a) Conduct comprehensive studies and disseminate information about bilateral trade asymmetries with principal trading partners, and for major export and import products.
- b) Include a dedicated chapter outlining key methodological aspects, such as customs thresholds, re-evaluation practices, and any specific procedures applied in IMTS compilation, to enhance transparency and support the accurate interpretation of trade asymmetries.
- c) When conducting bilateral reconciliation studies, share information about the adherence to and divergence from the **IMTS 2026** recommendations and encouragements as a starting point for identifying asymmetries (see **Table X.X** Summary of key **IMTS 2026** recommendations and encouragements).
- d) Foster cooperation in facilitating bilateral reconciliation studies, encompassing the exchange of best practices in statistical methodologies, sharing detailed trade statistics, including information on non-observed trade, when necessary, with a guarantee of confidentiality, as national regulations and statistical authorizations allow.
- e) Enhance data granularity by introducing additional aspects such as country of consignment and country of origin for exports. This enables the reporting of statistics on indirect trade, re-imports, and re-exports, offering a more transparent view of trade flows from both importer and exporter perspectives. Incorporating

the nature of transaction and customs procedure codes will also further enrich the statistical coverage.

- f) Facilitate maximum data sharing for bilateral reconciliation studies by applying the minimum level of confidentiality required to satisfy legal requirements. This is especially important in cases where confidential products and/or trading partners play a significant role in bilateral trade asymmetries.
- g) Rectify any data inaccuracies discovered during reconciliation processes to enhance the quality of official statistics, particularly when inaccuracies result in substantial discrepancies and impede cross-country data comparisons. Any amendments or corrections should adhere to the established guidelines for data revision.

12.24 Further information and guidance on cross-country comparability and reconciliation studies is available in the IMTS Compilers Manual.

Comentado [ke3]: Would a recommendation not also be to investigate asymmetries using (on reported imports) both Country of Origin and Country of Dispatch. From a methodological viewpoint, Countries A's reported imports based on **country of Dispatch** from B; should / could align better to Country B's exports to Country A