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METHODOLOGICAL GUIDE FOR THE COMPILATION OF INTERNATIONAL MERCHANDISE TRADE STATISTICS FOR MEMBER STATES OF THE ECONOMIC COMMUNITY OF WEST AFRICAN STATES (ECOWAS)

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FOREWORD

The Economic Community of West African States (ECOWAS) has adopted its statistics policy with the aim of establishing a regional mechanism for the harmonious development of statistics. This policy ensures the effective collection, compilation, analysis and dissemination of data at both national and regional levels.

This document, entitled 'Methodological Guide for the Compilation of International Merchandise Trade Statistics (IMTS) in ECOWAS Member States', proposes practical methods for processing data for the production of IMTS in the countries of the Community. It is an adaptation of the manual *International Merchandise Trade Statistics*: *Concepts and Definitions* (IMTS 2010).

This Guide is, therefore, an important tool for harmonising practices in the compilation of IMTS within Member States.

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ECOWAS also expresses its gratitude to the World Bank for its support through the Project for Harmonisation and Improvement of Statistics in West Africa (HISWA).

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ACRONYMS AND ABBREVIATIONS

BEC	Broad Economic Categories
BPM	Balance of Payments Manual
CET	Common External Tariff
CIF	Cost, Insurance, and Freight
CPC	Central Product Classification
ECOWAS	Economic Community of West African States
ETLS	ECOWAS Trade Liberalisation Scheme
FOB	Free On Board
HISWA	Harmonisation and Improvement of Statistics in West Africa
HS	Harmonised System
IMF	International Monetary Fund
IMTS	International Merchandise Trade Statistics
ISIC	International Standard Industrial Classification
NSO	National Statistical Office
OECD	Organisation for Economic Co-operation and Development
SDMX	Statistical Data and Metadata eXchange
SITC	Standard International Trade Classification
SNA	System of National Accounts
UN	United Nations
UNSD	United Nations Statistics Division
WAEMU	West African Economic and Monetary Union
WCO	World Customs Organisation
WTO	World Trade Organisation

EXECUTIVE SUMMARY

The Methodological Guide for the Compilation of International Merchandise Trade Statistics (IMTS) aims to harmonise, strengthen and improve the quality of foreign trade statistics within the Member States of the Economic Community of West African States (ECOWAS). It serves as a reference tool for harmonising methods for the collection, processing and dissemination of trade data, by aligning with the international standards established by the United Nations' International Trade in Goods Statistics 2010 (IMTS 2010).

The development of this Guide is part of the Project for the Harmonisation and Improvement of Statistics in West Africa (HISWA). This activity is supported by the World Bank and contributes to the implementation of ECOWAS regional statistical policy. The guide addresses the need for reliable and comparable data to support trade policies, economic planning, and the monitoring of regional integration.

The main objectives of this guide are to:

• Promote the harmonisation of statistical practices in ECOWAS member states;

• Improve the comparability, consistency, and reliability of trade data;

• Strengthen the institutional and technical capacities of national statistical systems;

• Support the formulation, implementation, and monitoring of regional economic and trade policies such as the Common External Tariff (CET) and the Trade Liberalisation Scheme (TLS).

The document is structured around six chapters:

1. The conceptual and legal framework, which presents the legal foundations for the collection and dissemination of trade statistics, including national legal provisions, international agreements (World Trade Organisation, World Customs Organisation, United Nations), and the institutional mechanisms of ECOWAS. This chapter emphasises the need for a legal framework guaranteeing the quality, confidentiality, and inter-institutional coordination of data.
2. The concepts and definitions that allow the harmonisation of essential terms (imports, exports, re-exports, economic territory, statistical territory, FOB/CIF value, partner countries, modes of transport, etc.) in order to ensure a common interpretation of trade indicators in all member countries.
3. The scope and trade system, which distinguishes the general (recommended) trade system from the special trade system, specifying the categories of goods included or excluded. This chapter proposes guidelines for the statistical treatment of specific cases such as processed goods, non-tariff trade, or informal flows.
4. Trade valuation, which defines valuation methods according to international standards: CIF (cost, insurance, freight) for imports and FOB (free on board) for exports. This chapter also addresses issues of currency conversion, quantity measurement, and valuation of specific goods.

5. The data compilation strategy, which describes the procedures for collecting, validating, and integrating data from customs and non-customs sources (surveys, energy, postal services, banks, etc.). This chapter emphasises the importance of cooperation between National Statistical Offices, customs administrations, and other institutional partners.
6. Metadata quality and dissemination highlight the need for a quality assurance framework and comprehensive metadata documentation. This chapter recommends the use of standardised formats such as Standard Data and Metadata eXchange (SDMX), and the establishment of regional digital platforms for the harmonised dissemination of trade statistics.

INTRODUCTION

A. BACKGROUND

0.1. International merchandise trade is the exchange of physical goods that cross a country's customs border and change its stock of material resources.

0.2. In the context of economic integration, the Economic Community of West African States (ECOWAS) plays an important role in the facilitation of trade among its Member States. To support this objective, it is essential to produce reliable and harmonised statistics on international merchandise trade. These data not only measure intra- and extra-regional trade flows but also help identify imbalances, monitor the economic performance of Member States, and promote greater complementarity among national economies.

0.3. International merchandise trade statistics serve as a strategic tool to strengthen regional integration, support economic development, and enhance the region's overall competitiveness. They also provide a decision-making tool for implementing regional trade policies, such as the Common External Tariff (CET), ECOWAS Trade Liberalisation Scheme (ETLS) and many other free trade agreements.

0.4. Differences in data sources, definitions, collection methods, and classifications can undermine the consistency of regional analyses in the absence of a common methodology. Accordingly, the development of a methodological guide for compiling international merchandise trade statistics is of particular importance. Such a guide will harmonise statistical practices across ECOWAS Member States, build national capacities, and enhance the quality and comparability of disseminated data.

0.5. As part of the process of harmonising data collection methodologies and transforming existing statistics for comparability, the ECOWAS Commission has developed tools and documents for the harmonisation of external trade statistics within the Community.

0.6. This guide provides a comprehensive methodological framework for the collection and compilation of IMTS in ECOWAS Member States, irrespective of the level of development of their statistical systems. The IMTS manual 2010, developed by the United Nations Statistics Division (UNSD), serves as the background upon which the regional Guide is built.

0.7. This manual is structured into six (6) chapters. The first chapter addresses the conceptual and legal framework, the second focuses on concepts and definitions, the third chapter is on

the scope of IMTS and trade system, the fourth chapter discusses valuation, the fifth chapter deals with data compilation strategies, and the sixth chapter covers data quality, metadata and dissemination.

B. IMPORTANCE OF INTERNATIONAL MERCHANDISE TRADE STATISTICS

0.8. International merchandise trade statistics are among the most important statistical systems for economic management and policy making. As highlighted in IMTS 2010, they provide essential information on the movement of goods across borders, reflecting the economic relationship between a country and the rest of the world. Without reliable trade statistics, governments and institutions would lack the foundation needed to evaluate external sector performance and design effective trade and economic policies.

0.9. A major importance of trade statistics is their role in policy design and monitoring trade agreements. They enable governments to develop trade policies, negotiate bilateral and multilateral agreements, and monitor compliance with international and regional commitments. These statistics also provide insights into tariffs, trade liberalisation, and protectionist measures, ensuring that policymakers can adjust strategies in response to changing global conditions.

0.10. Trade statistics are also crucial for market analysis and infrastructure planning. They allow manufacturers, traders, and policymakers to identify reliable sources of supply and potential export markets. At the same time, they inform decisions on the development of transport networks, ports, and logistics systems required to support growing trade volumes, thereby improving efficiency in the movement of goods.

0.11. In addition, IMTS provide a key foundation for national accounts and balance of payments statistics. Data on imports and exports are central to Gross Domestic Product (GDP) measurement, external sector analysis, and foreign exchange planning. By integrating trade flows into broader macroeconomic indicators, trade statistics contribute to a comprehensive assessment of economic performance and stability.

0.12. Finally, trade statistics support development planning and private sector decision-making. For developing economies, they provide evidence for diversification strategies, highlight the structure of imports and exports, and reveal trade's contribution to employment and income. Businesses and investors also rely on this information to

assess competitiveness, identify opportunities, and align investment with development priorities.

CHAPTER 1: CONCEPTUAL AND LEGAL FRAMEWORK

1.1. This chapter highlights the importance of conceptual and legal frameworks for the development and dissemination of international merchandise trade statistics (IMTS) within ECOWAS Member States.

A. CONCEPTUAL FRAMEWORK

1.2. This guide intends to provide recommendations that are based on the best international practice that are to be used for the compilation of IMTS in ECOWAS Member States. The conceptual framework reflects both the multipurpose nature of these statistics and concern for the availability of adequate data sources and data-compilation procedures. This guide follows an integrated approach to economic statistics, common concepts, definitions, classifications and data-compilation strategies. It contains recommendations intended to make the compiled data consistent with all the requirements of these systems.

1.3. However, giving priority to the need for statistics that reflect physical cross-border movements of goods, the guide maintains the main elements of the conceptual framework established in the edition of the IMTS 2010 recommendations, which aligns with the conceptual framework adopted in the System of National Accounts, 2008 (2008 SNA) and Balance of Payment Manual edition 6 (BPM6).

B. LEGAL FRAMEWORK FOR IMTS

1.4. The legal framework for the compilation and dissemination of IMTS covers the availability of, and access to, necessary data sources such as customs records and non-customs sources, effective institutional arrangements and ensuring the protection of confidentiality. In other words, the legal agreements, relevant laws and regulations that govern such data-provision, as well as all other aspects of data compilation and dissemination in a country, constitute the legal framework for IMTS. It is important that legal acts and appropriate administrative regulations be in place to mandate trade statisticians to collect, compile and disseminate high-quality trade statistics and to safeguard the confidentiality of the microdata (IMTS 2010).

1.5. There are four legal acts governing IMTS:

a. Legal acts governing customs records;
b. Legal acts regulating non-customs data sources;
c. Legal acts regulating institutional arrangements; and
d. Legal acts protecting the confidentiality of traders and trade information**.**

1.6. **Legal acts governing customs records:** The World Customs Organisation (WCO) is the international platform at which countries reach agreements on customs regulations, while the World Trade Organisation (WTO) is the body concerned with international trade agreements. From an IMTS perspective, the two most relevant conventions adopted by WCO are the revised International Convention on the Simplification and Harmonisation of Customs Procedures (known as the revised Kyoto Convention, or RKC), and the International Convention on the Harmonised Commodity Description and Coding System (HS) which set out the commodity classification for trade statistics.

1.7. **Legal acts regulating non-customs data sources**: International merchandise trade statistics are based largely on information from customs records, but compilers are not limited to using only those documents. Certain kinds of transactions (Informal Cross Border Trade: ICBT, Electricity, Mines, Petroleum, etc.) do not pass through customs, and therefore information on those transactions needs to be obtained from other data sources. The result of the survey conducted by the UNSD in 2006 showed that, besides customs declarations, countries also use postal records, tax records, currency exchange records, enterprise surveys, aircraft and ship registers, foreign shipping manifests, and reports of commodity boards. Additional data sources may be necessary or useful in completing or verifying a country‘s international merchandise trade statistics. The means by which these non-customs data are accessed and maintained are of great importance for the compilers of international merchandise trade statistics.

1.8. **Legal acts regulating 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 mechanisms of cooperation are lacking or are not sufficiently detailed, then it might be more difficult, and time consuming, to establish effective institutional arrangements.

1.9. In this context, it is recommended that compilers participate actively, where appropriate, in the necessary amendments to national legislation or relevant administrative regulations, in order to establish a solid foundation for improving the quality and timeliness of trade statistics (IMTS, para. 8.14). It is recommended that national laws and regulations designate a single government body responsible for the compilation and dissemination of official trade statistics. These provisions define the rights and responsibilities of all bodies involved in the collection, processing and dissemination of these statistics. This will enable these agencies to be better equipped to establish the necessary institutional guidelines detailing their involvement in the statistical process.

1.10. **Legal acts protecting confidentiality of traders and trade information:** Confidentiality of information in the case of international merchandise trade statistics encompasses confidentiality of personal information (for instance, on individual records, the trader could be identified by name and address, or by a publicly accessible identification number) and confidentiality of commercial information. In general, the confidentiality of personal information should be protected by law in every country. The compiling agency may also establish appropriate regulations to safeguard confidentiality in the exchange of basic information among agencies. However, regardless of the legal status of confidential information, whether personal or commercial, this information should still be included in the trade statistics but reported in aggregate form, so that the confidential aspects of these operations are not identified. It is also desirable for national legislation to define rights and responsibilities regarding access to the microdata, highlighting the appropriate principles and procedures. The responsible agency should cooperate with the national legislature in establishing such laws.

C. ECOWAS LEGAL STANCE ON INTERNATIONAL TRADE STATISTICS

1.11. The Economic Community of West African States (ECOWAS) continues to advance its mission of regional integration through legal, economic, and statistical alignment among its Member States. Article 84 of the ECOWAS Treaty underscores the imperative for Member States to eliminate incompatibilities in their national policies and adopt a

unified stance on regional matters. This commitment is reinforced by the core ECOWAS principles, subsidiarity, transparency, coherence, proportionality, complementarity, solidarity, and cooperation, which serve as guiding values for collective decision-making and governance.

1.12 In pursuit of harmonised trade data, Decision C/DEC/12/01/06, which revises the earlier Decision C/DEC/3/6/86, establishes standardised procedures for compiling foreign trade statistics across Member States. These statistics are vital for understanding the flow of merchandise between a Member State and the global economy, and they are categorised into four key components, which are:

- Bilateral trade: Exchange between two countries;
- Intra-regional trade: Trade within ECOWAS Member States;
- Intra-continental trade: Trade within the African continent; and
- Global trade: Trade with countries outside Africa.

1.13 Together, these frameworks and principles form the backbone of ECOWAS's strategy to foster economic cohesion, improve data comparability, and support evidence-based policymaking across the region.

CHAPTER 2: CONCEPTS AND DEFINITIONS

2.1. Key concepts and definitions are essential for understanding international merchandise trade statistics.

2.2. **International merchandise trade statistics:** Describes the movement of goods between the economic territory of the country and the rest of the world, excluding flows of excluded goods.

2.3. **Goods:** Goods are defined as physical, produced objects for which a demand exists, over which ownership rights can be established and whose ownership can be transferred from one institutional unit to another by engaging in transactions on markets, plus certain types of so-called knowledge-capturing products stored on physical media that can cross borders physically. (IMTS 2010, para. 1.5).

2.4. **Economic territory:** The economic territory of a country has the dimensions of physical location and legal jurisdiction. Therefore, for IMTS 2010 purposes, any installation or apparatus, whether mobile or not, located outside the geographical territory of a country, owned by the country's resident(s) and remaining under the country's jurisdiction, is treated as part of its economic territory. This applies, for example, to drilling rigs, ships, aircraft, space stations, etc.

2.5. **Statistical territory:** The statistical territory of a country is the territory with respect to which trade data are being compiled. The definition of the statistical territory may or may not coincide with the economic territory of a country or its customs territory, depending on the availability of data sources and other considerations. It is recommended that countries provide a detailed description of their statistical territory and make that description publicly available as a part of their metadata to ensure a transparent identification of the flows of goods recorded in their trade statistics (IMTS 2010, para. 2.1).

2.6. **Elements of statistical territory:** The statistical authorities of a country may define its statistical territory by listing various elements of its economic territory which belong to it. These elements are usually described with reference to the country's customs legislation and may vary from country to country. However, it is recommended that countries use, as far as possible, the definitions of the customs terms as contained in the annexes to the Revised Kyoto Convention. For the purposes of international comparison,

it is recommended that countries make clear whether or not the following territorial elements exist in their country, and whether or not they are included in their statistical territory:

a) Islands;
b) Territorial waters;
c) Continental shelf;
d) Offshore and outer space installations and apparatus;
e) Commercial free zones;
f) Industrial free zones;
g) Customs warehouses;
h) Premises for inward processing;
i) Territorial enclaves of the compiling country in other countries;
j) Territorial exclaves, that is, enclaves of other countries in the compiling country (IMTS 2010, para. 2.3).

2.7. **Customs territory**: In the majority of countries, trade data collection is based on customs procedures, and many of these countries adopt the boundary of their customs territory as the boundary of their statistical territory. The customs territory is the territory in which the customs law of a State applies. However, a growing number of cross-country flows of goods are not captured by customs authorities or are captured inadequately (e.g., flows between member States of customs unions and shipments of goods into and out of customs-free zones). Therefore, in many cases, the statistical territory is defined more broadly than the customs territory and compilers of trade statistics are obliged to use non-customs sources (e.g., non-customs administrative sources and sample surveys of traders) to approximate the trade transactions related to the statistical territory (IMTS 2010, para. 2.2).

2.8. **Material resources of a country:** These are the resources present in its economic territory, whether they belong to residents or non-residents.

2.9. **Import:** This refers to recording all goods that increase a country's stock of material resources when they enter its economic territory (IMTS 2010, para. 1.2).

2.10. **Export:** This refers to the recording of all goods that decrease a country's stock of material resources by leaving its economic territory (IMTS 2010, para. 1.2).

2.11. **Re-export:** This refers to the export of foreign-origin goods that were previously recorded as imports (IMTS 2010, para. 2.18).

2.12. **Re-import**: This refers to importing domestically exported goods that were previously recorded as exports (IMTS 2010, para. 2.16).

2.13. **Trade system:** Depending on what parts of the economic territory are included in the statistical territory, the trade data-compilation system adopted by a country (its trade system) may be referred to as general or special. (IMTS 2010, para. 2.12).

2.14. **General trade:** The general trade system is in use when the statistical territory coincides with the economic territory (IMTS 2010, para. 2.13). Consequently, it is recommended that the statistical territory of a country applying the general trade system include all applicable territorial elements (*a*) to (*h*) as listed in para. 2.6 above.

2.15. **Special trade:** Special trade system is in use when the statistical territory comprises only a particular part of the economic territory, so that certain flows of goods which are in the scope of IMTS 2010 are not included in either import or export statistics of the compiling country. Countries may apply various definitions of special trade. Traditionally, the "strict" and the "relaxed" definitions of the special trade are differentiated (IMTS 2010, para. 2.23).

2.16. **Customs procedure:** A customs procedure is a treatment applied by the customs to goods which are subject to customs control. The customs procedure is the basis for the correct identification of the flows of goods for inclusion or exclusion under general or special trade (IMTS 2010, para. 8.4).

2.17. **Units of measurement:** These describe the physical characteristics of the goods. The primary standard unit for measuring quantity is the kilogram of the goods' net weight. Net weight refers to the actual mass of the goods without packaging.

2.18. **Packaging**: This includes all external and internal containers (cases, boxes, or cartons), as well as all supports and envelopes, excluding transport equipment, such as containers, tarpaulins, and lifting devices and materials for related transport equipment.

2.19. **Quantity units:** Quantity units refer to physical characteristics of goods. The use of appropriate quantity units may also result in more internationally comparable data on these movements, because differences in quantity measurements between the importing and the exporting countries can be less significant than in value measurements.

Therefore, quantities are often used in checking the reliability of the value data via the calculation of so-called unit values (value divided by quantity).

2.20. **Transactional value**: The transactional value is the price actually paid or payable for the goods, including certain adjustments such as the customs value of imported goods, provided that certain conditions for a fair, uniform and neutral valuation are met.

2.21. It is recommended that for all goods covered in international merchandise trade statistics, whether sold, exchanged or provided without payment, a statistical value is recorded following the specific rules defined below:

- **Customs valuation and statistical value**: The main source of information for establishing the statistical value is the customs value, which is placed on goods by customs administrations in accordance with national legislation and other relevant regulations. National practices of customs valuation, especially for goods that are not subject to ad valorem duties, often vary from country to country and, consequently, the trade statistician needs to be aware of those practices to understand the customs values and to be in a position to make necessary adjustments while compiling statistical value of the goods. (IMTS 2010, para. 4.2)
- **Transaction/Invoice value**: The transaction/invoice value of imported goods shall be the transaction value, that is the price actually paid or payable for the goods when sold for export to the country of importation after necessary adjustments. (IMTS 2010, para. 4.3)

2.22. **Free on Board (FOB) value:** FOB values include the transaction value of the goods and the value of services performed to deliver goods to the border of the exporting country.

2.23. **Cost, Insurance and Freight (CIF) value**: This includes the transaction value of the goods, the value of services performed to deliver goods to the border of the exporting country and the value of the services performed to deliver the goods from the border of the exporting country to the border of the importing country.

2.24. **Partner countries:** These are nations that exchange goods and services with one another, forming a network of economic relations. In the compilation of IMTS, it is recommended that the ISO 2 country coding system be adopted.

2.25. **Country of origin:** The country of origin of a good is determined by the rules of origin established by each country. Generally, rules of origin consist of two basic criteria

- The criterion of goods “wholly produced” (obtained) in a given country, where only one country enters into consideration in attributing origin;
- The criterion of “substantial transformation”, where two or more countries have taken part in the production of the goods (IMTS 2010, para. 6.6).

2.26. **Country of consignment:** The country of consignment (in the case of imports) is the country from which goods were dispatched to the importing country, without any commercial transactions or other operations that change the legal status of the goods taking place in any intermediate country. If, before arriving in the importing country, goods enter one or more further countries and are subject to such transactions or operations, the last intermediate country where such transactions or operations took place should be taken as the country of consignment. (IMTS 2010, para. 6.4).

2.27. **Country of shipment in the case of imports:** This is the country from which goods are shipped, whether or not commercial transactions or any other operations that change the legal status of the goods occur after the goods are dispatched from the exporting country. If such transactions do not occur, the country of shipment is the same as the country of consignment (IMTS 2010, para. 6.5).

2.28. **The country of shipment in the case of exports:** This is the country to which goods are shipped, whether or not commercial transactions or any other operations that change the legal status of the goods are expected to take place before arrival of the goods in that country (IMTS 2010, para. 6.12).

2.29. **Country of last known destination:** The country of last known destination is the last country—as far as it is known at the time of exportation—to which goods are to be delivered, irrespective of where they have been initially dispatched to and whether or not, on their way to that last country, they are subject to any commercial transactions or other operations that change their legal status. For instance, if all what is known at the time of exportation is that goods are to be delivered to country A but have been initially dispatched to a third country (country B) where they are subject to commercial transactions or other operations that change their legal status, that third country (country

B) is the country of consignment and country A is the country of last known destination. If goods are delivered to country A without any such transactions or operations occurring, country A is both the country of consignment and the country of last known destination (IMTS 2010, para. 6.13).

2.30. **Mode of transport:** This is a system for moving goods from one country to another, distinguished by the type of vehicle and infrastructure used.

2.31. **Means of transport :** It refers to the specific carrier by which goods are moved across international borders**.** This includes all types of vehicles used in international traffic to transport persons or goods for commercial or industrial purposes. This applies to ships, aircraft, road vehicles, railway rolling stock, as well as their accessories, spare parts, fuels and lubricants contained in their normal tanks (IMTS 2010, para. B.25).

2.32. **Nationality of the means of transport:** It is indicated by the identity of the country to which the means of transport belongs.

2.33. **Customs declaration:** A customs declaration is "any statement or action, in any form prescribed or accepted by the customs, giving information or particulars required by the customs". The customs declaration indicates the customs procedures under which goods enter, move within or leave the country (IMTS 2010, para. 8.3).

2.34. **Customs procedures**: A customs procedure is a "treatment applied by the customs to goods which are subject to customs control". The customs procedure is the basis for the correct identification of the flows of goods for inclusion or exclusion under general or special trade (IMTS 2010, para. 8.4).

2.35. **Customs office:** This is the place where the customs declaration is registered and settled.

2.36. **Time of recording.** As a general guideline, it is recommended that goods be recorded at the time when they enter or leave the economic territory of a country (IMTS 2010, para. 1.8)

2.37. **Liquidation date**: This is the day when the Customs Inspector validates the calculation of the customs duties and other taxes that the declarant must pay to the Customs Administration, in accordance with the applicable laws and regulations related to their customs declaration.

CHAPTER 3: SCOPE OF IMTS AND TRADE SYSTEM

3.1. This chapter provides clarification on the scope of application of IMTS time of recording of goods, trading system and product classification.

A. SCOPE OF IMTS AND TIME OF RECORDING

3.2. The scope of international merchandise trade statistics is defined by the general and specific guidelines. While the general guidelines provide the universal rule, the specific guidelines are formulated to reconfirm or clarify the statistical treatment of a limited number of categories of goods for which the application of the general guidelines may not be clear due to the peculiarity of the goods, the special nature or complexity of the transaction or some practical considerations of data collection.

A.1 General Guidelines

3.3. The general guideline of the international merchandise trade statistics recommends that record all goods which add to or subtract from the stock of material resources of a country by entering (imports) or leaving (exports) its economic territory is to be included.

3.4. Estimation of trade below customs and statistical thresholds. These are flows of goods which comply with the general and the specific guidelines on the scope but are below the applicable customs or statistical thresholds for direct recording. Countries are encouraged to estimate and include such flows in their foreign merchandise trade statistics following the present IMTS 2010 recommendations if they are economically significant as determined by the statistical authorities of the compiling country.

A.2 Specific Guidelines

3.5. With respect to certain categories of goods, the specific guidelines clarify whether those goods should be: (a) included in IMTS; (b) excluded from IMTS; (c) excluded from IMTS but separately recorded to assist in the derivation of the totals of IMTS for balance of payments and national accounts purposes or for other statistical needs.

- **Goods recommended for Inclusion**

3.6. Non-monetary gold : IMTS 2010 adopts the definition of monetary and non-monetary gold provided in BPM6. IMTS compilers are encouraged to consult with the compilers

of balance of payments or monetary authorities to ensure appropriate and consistent treatment.

3.7. Banknotes, securities, and coins not in circulation: This item includes banknotes, securities and coins that are unissued or that are taken out of circulation. They are regarded as goods rather than as financial items and should be included in imports or exports as any other products. Issued banknotes, securities, and coins in circulation are regarded as financial items and should be excluded.

3.8. Goods traded in accordance with barter agreements: These are goods that are exchanged between countries without the use of any means of payment.

3.9. Goods traded on Government account: This category refers to any goods that cross borders as a result of regular commercial transactions of governments, goods under government foreign aid programmes, whether or not the goods constitute a grant, a loan, a barter or a transfer to an international organisation, and war reparations and restitutions. These goods can be intended for either civilian or military use

3.10. Humanitarian aid, including emergency aid: This item includes food, clothing, medicines and other goods entering or leaving a country under humanitarian aid programmes or as emergency assistance, whether provided by governments, international or non-governmental organisations.

3.11. Goods for military use: Even if recording goods for military use might pose practical difficulties, they should be included, following all IMTS 2010 recommendations.

3.12. Goods acquired by all categories of travellers, including non-resident workers: These, to a significant scale as defined by national law, are to be included. Such goods are often referred to as “shuttle trade”.

3.13. Goods on consignment: These are goods intended for sale but not actually sold when they cross the border. If reliable information exists that allows a determination of the appropriate statistical value at the time when such goods cross the border, their revaluation after sale is not needed.

3.14. Media, whether or not recorded: As a general guideline, media, whether or not recorded is included in international merchandise trade statistics at its full transaction value, except for media used for carrying customised software or software written for a

specific client or originals of any nature, which should, in principle, be excluded. Such exclusions should be based on the definitions recommended in BPM6.

3.15. Goods for processing with or without change of ownership: Goods for processing are goods that are sent abroad or brought into a country under a specific arrangement between the involved parties, which may or may not include change of ownership, and for specific operations as defined by the statistical authorities of the compiling country. It is recommended that, in all cases, goods for processing and goods resulting from such processing (compensating products in customs terminology), are to be included in the merchandise exports and imports of the countries at their full (gross) value unless those goods fall into the category of goods temporarily admitted or dispatched and goods for repair and maintenance, which are excluded from merchandise trade statistics.

3.16. Goods which cross borders as a result of transactions between related parties: These are goods in cross-border transactions between related parties, including parties related by ownership and/or control. These goods should be included following all IMTS 2010 recommendations.

3.17. Returned goods: If exported goods are subsequently returned, they should be included in imports and identified as reimports when they are returned. Similarly, goods imported and subsequently returned should be included in exports and identified as re-exports when they are returned.

3.18. Electricity, gas, oil and water: International sales and purchases of electricity, gas, oil and water, although not always recorded by the customs authorities of some countries, constitute international transactions in goods and should be included in IMTS. Countries are encouraged to establish appropriate procedures to ensure that records of this trade are as accurate as possible. It is also important that trading partners in such transactions record these flows using the same method to improve international comparability.

3.19. Goods dispatched or received through postal or courier services: Recording full commodity detail for such trade may represent disproportionate effort, and if so, its inclusion as a single total is appropriate. However, if such trade consists of some important commodities (frequently of lightweight and high value, such as diamonds

and other precious gems), those commodities should be recorded in international merchandise trade statistics in full commodity detail under the appropriate headings of the commodity classification. The remainder of the postal or courier trade, unclassified by commodity, should be recorded as a single total.

3.20. Migrants' effects: The recording and inclusion of the physical movements of migrants' effects is important for countries where migration is taking place on a significant scale, and migrants take their personal property with them. Some countries include only the dutiable portion of these goods, while others apply value or quantity limits as criteria for their inclusion. Where migrants' effects are economically important, all goods in this category should be included.

3.21. Goods transferred from or to a buffer stock organisation: A buffer stock organisation is one that maintains a stock of certain commodities and sells or buys them in order to influence supply and demand in the world market.

3.22. Goods under financial lease. There are two kinds of leases in common usage: financial leases and operating leases. Goods are considered to be under financial lease if the lessee assumes the rights, risks, rewards and responsibilities in relation to the goods and, from an economic point of view, can be considered as the de facto owner. Goods under financial lease should be included in international merchandise trade statistics. An operating lease is any lease which does not have the above characteristics. Goods under operating lease should be excluded from international merchandise trade statistics. In practice, it may be difficult to differentiate between these two types of leases. Therefore, in some cases, the duration of the lease can be used as an indication of whether the lease is financial (one year or more) or operating (less than one year).

3.23. Ships and aircraft. These goods are to be included in IMTS when the general guideline is not applicable or sufficient, based on the change of economic ownership between residents and non-residents. In this context, the acquisition of a ship or aircraft is treated as adding to the material resources of a country (the reverse also applies). The concerned ships and aircraft are included, whether they enter/leave the economic territory of the involved countries or remain in international waters or are used in international flights. Frequently, such transactions are not recorded by customs. In the

absence of customs documents, they should be recorded using non-customs data sources, such as registry additions and deletions or enterprise surveys, as appropriate.

3.24. Goods delivered to or dispatched from offshore installations located in the economic territory of a compiling country (from or to the economic territory of another country) are to be included.

3.25. Fish catch, minerals from the seabed and salvage: These goods, landed from vessels of one country in national ports of another country or acquired by vessels of one country on the high seas from vessels of another country, are in the scope of IMTS 2010 for both exports and imports and should be recorded where economically or environmentally significant.

3.26. Bunkers, stores, ballast and dunnage that are acquired by national aircraft and vessels outside the economic territory of the compiling country, or from foreign vessels and aircraft inside the economic territory of a country, or are landed in national ports from foreign vessels and aircraft, are in the scope of IMTS 2010 for imports and should be recorded where economically or environmentally significant. Bunkers, stores, ballast and dunnage that are supplied to foreign vessels or aircraft in the economic territory of the compiling country, or by national vessels or aircraft to foreign vessels or aircraft outside the economic territory of the compiling country, or are landed in foreign ports from national vessels or aircraft, are in the scope of IMTS 2010 for exports and should be recorded where economically or environmentally significant.

3.27. Satellites and their launchers: Treatment of satellites, satellite launchers or their parts is equivalent to the treatment of ships and aircraft and depends on the kind of transactions involved. Some cases for inclusion are described below.

- Case 1. A satellite launcher is produced in country A and sold to country B for use. This transaction should be recorded as an export of country A and an import of country B.
- Case 2. A satellite is produced and launched in country B on behalf of country A. The satellite should be treated as an export of country B (import of country A) at launch or when control of the satellite is turned over from country B to country A. Launch and other related activities should be treated as services provided by country B to country A.

3.28. Goods in electronic commerce. This refers to goods that physically move across country borders as the result of transactions executed entirely, or to a significant extent, by electronic means (e.g., goods ordered and paid for via the Internet). Such goods should be included for both exports and imports.

3.29. Gifts and donations: Such goods should be included following all applicable IMTS 2010 recommendations.

3.30. Power lines, pipelines and undersea communications cables: Compilers are advised to include these goods and/or parts thereof in exports/imports when they are dispatched from one country for installation in another. However, when dispatched from a country for installation in international waters (territory), they are to be treated as exports/imports only if there was a change of ownership between a resident and a non-resident.

3.31. Used goods: Used goods are to be included following all applicable recommendations. This category covers any used industrial equipment or consumer goods (e.g., used computers or cars) as well as used containers crossing borders under commercial recycling arrangements (e.g., empty bottles for recycling).

3.32. Waste and scrap. Waste and scrap, including products that are dangerous to the environment, should be recorded and classified under the appropriate commodity heading if their commercial value is positive.

3.33. Mobile equipment that changes ownership while outside the country of residence of its original owner: This category includes equipment that was initially sent for temporary use and for a specific purpose, such as for construction work, firefighting, offshore drilling or disaster relief, from one country to another, but which changes ownership as a result of, for example, the subsequent gift or sale to a resident of that country.

3.34. Goods received or sent abroad by international organisations are included in imports of the countries receiving goods from such organisations and in exports of countries sending goods to those organisations.

- **Goods recommended for exclusion**

3.35. **Goods in transit/ transhipment.** Goods are considered as transit/transhipment if they: (a) enter and leave the compiling country solely for the purpose of being transported to another country; (b) are not subject to halts not inherent to the transportation and (c) can be identified when both entering and leaving the country.

3.36. It may be administratively easier for traders to declare goods, not as being in transit, but as regular imports on arrival and exports on departure. Irrespective of the customs procedure applied when goods cross the compiling country's border, if it is known that their destination is a third country, the goods should be treated as simply being transported through the country and excluded. However, goods that are not under "transit" or "transshipment" customs procedure and change ownership after entering the economic territory of a country should be recorded as imports and re-exports if they leave the country in the same state as imported. Countries are encouraged to make efforts to identify such movements, using both customs and non-customs sources of data, and to exclude them from trade statistics.

3.37. **Goods temporarily admitted or dispatched:** It is recommended that goods are considered as temporarily admitted/dispatched if, at the time of admission/dispatch, it is known that their intended stay in the receiving country is temporary (as defined by the relevant authority of a country) and, after their stay, they can be withdrawn/returned in the same state (except for normal wear and tear). This category includes, but is not limited to, goods identified in the Kyoto and Istanbul Conventions as goods covered by the "temporary admission subject to re-exportation in the same state" customs procedure. Such goods include display equipment for trade fairs and exhibitions; art exhibits, commercial samples and pedagogic material; animals for breeding, show or racing; packaging, means of transport, containers and equipment connected with transport; and equipment for the working of lands adjacent to the border by persons resident abroad. In cases where movements of goods are not covered by a specific customs procedure, the statistical authorities should establish criteria for determining whether the goods movement should be considered temporary.

3.38. **Monetary gold:** Monetary gold is gold to which the monetary authorities (or others who are subject to the effective control of the monetary authorities) have title and is

held as reserve assets. Gold bullion not held as reserve assets is not a financial asset and is included in non-monetary gold. Since monetary gold is treated as a financial asset rather than a good, transactions pertaining to it should be excluded from international merchandise trade statistics.

3.39. **Issued banknotes, securities, and coins in circulation** represent evidence of financial claims and are excluded from international merchandise trade statistics.

3.40. **Goods consigned to and from the territorial enclaves**: The movement of goods between a country and its enclaves abroad is considered an internal flow and should be excluded. Non-financial assets, ownership of which has been transferred from residents to non-residents without crossing borders. Such assets include land, structures, equipment and inventories. Such a transfer of ownership of non-financial assets is considered to be a financial operation and is therefore excluded from international merchandise trade statistics.

3.41. **Goods treated as part of trade in services:** This category comprises: (a) Goods acquired by all categories of travellers, including non-resident workers and carried across the border in amounts or values not exceeding limits established by national law if amounts or values of such goods exceed legal limits, however, they should be included in international merchandise trade statistics; (b) Newspapers and periodicals sent under direct subscription; (c) Goods supplied by and to enclaves of foreign Governments, such as embassies, military bases, etc., and international organisations located in the economic territory of a host country are excluded since they are included in BPM6 under services; and (d) Media used for carrying software customised or written for a specific client or originals of any nature, where identified.

3.42. **Goods under merchanting:** Merchanting is defined as the purchase of goods by a resident of the compiling economy from a non-resident, combined with the subsequent resale of the same goods to another non-resident without the goods being present or crossing the border of the compiling country. Such goods are excluded from international merchandise trade statistics.

3.43. **Goods under operating lease:** This category comprises goods shipped under operating (i.e., non-financial) leasing arrangements. In the absence of other

information, the duration of a lease of less than one year can be taken as an indication that the lease is an operating lease.

3.44. **Goods lost or destroyed after leaving the economic territory of the exporting country but before entering the economic territory of the intended importing country** are to be excluded from imports of the intended importing country (but are included as exports of the exporting country). If, however, the ownership of such goods has already been acquired by the importer, their value should be separately recorded by the intended importing country so that the detailed data may be adjusted to derive totals of merchandise imports for national accounts and balance of payments purposes.

3.45. **Satellites (and their launchers as applicable) moved to and launched from another country without change of ownership**: If a satellite produced in country A is moved from there to country B for launching without change of ownership, it is to be considered in country A as an internal operation not constituting external trade (similar to ships going to and remaining in international waters). The same satellite entering country B should be considered a temporary admission and not included in imports. Launch and other related activities can be treated as services provided by country B to country A.

3.46. **Goods functioning as means of transport.** This category of goods includes a wide range of items, from ships and aircraft (other than ships and aircraft carrying them) and containers used to transport cargo in ship/rail/ road supply chains to empty bottles that are returned to be refilled.

3.47. **Content delivered electronically**: The electronic delivery (downloading, e-mailing, streaming, etc.) from one country to another of any content (e.g., online books, newspapers and periodicals, directories and mailing lists, musical audio downloads, streamed audio content, films and other video downloads, streamed video content, system software downloads, application software downloads, online games, etc.) is explicitly excluded from the scope of international merchandise trade statistics.

- **Goods recommended for exclusion, but to be separately recorded**

3.48. Certain categories of goods that are recommended to be excluded from IMTS for conceptual and practical reasons are required to be included in the totals of international merchandise trade statistics compiled under BPM6 and the 2008 SNA. In addition, information on certain categories of goods is required for other purposes. ECOWAS member states are encouraged to undertake efforts to collect the relevant data to the extent possible or to make estimates of trade in such goods for use in balance of payments, national accounts and other purposes. The cooperation of several agencies may be required to obtain such data or estimates.

3.49. **Goods for repair or maintenance:** This category comprises goods temporarily crossing borders for repair or maintenance abroad. Such activities reinstate or maintain the quality of the goods and do not result in the creation of a new product. This category does not include goods temporarily admitted or dispatched and goods for processing.

3.50. **Waste and scrap**: Waste and scrap having no commercial value are to be excluded but should be separately recorded using appropriate quantity units.

3.51. Goods entering or leaving the economic territory of a country illegally: This category includes, for example, smuggling, trade in stolen vehicles and shipments of narcotic substances, the use or possession of which is illegal in one or both of the compiling countries.

3.52. Goods lost or destroyed after leaving the exporting country but before entering the importing country and after ownership has been acquired by the importer: Such goods are excluded from the detailed import statistics of the intended importing country but recorded for adjustment purposes. They are included in the detailed export statistics of the exporting country.

B. TRADE SYSTEM

3.53. International merchandise trade statistics are compiled using both the special trade system and the general trade system. The statistics are compiled by grouping customs procedure codes corresponding to the definitions of special trade and general trade together.

B.I GENERAL TRADE SYSTEM

3.54. The general trade system is applied when a country's statistical territory coincides with its economic territory. It provides the most comprehensive coverage of international merchandise trade statistics, as it includes all goods entering or leaving the entire economic territory, including free zones, customs warehouses, and other special areas. ECOWAS Member States are generally encouraged to adopt this system as it offers the most complete record of trade flows.

3.55. General imports and exports are flows of goods entering/leaving the statistical territory of a country applying the general trade system (see Figure 1) and recorded in compliance with the general and specific guidelines.

3.56. The general imports consist of imports under the general system, which comprises both foreign goods entering the statistical territory (including goods after outward processing) and reimports of domestic goods previously exported. For clarity of analysis, reimports are recommended to be separately identified.

3.57. Exports consist of domestic goods leaving the territory (including those that obtained domestic origin after inward processing) as well as re-exports of foreign goods. Re-exports, too, should be coded separately to support more detailed trade analysis.

3.58. To improve accuracy, it is recommended that information on applied customs procedures be incorporated into the datasets of the various Member States, as this enables the correct identification of re-exports, re-imports, goods for processing, and related-party transactions. Where customs is not the compiling authority, this information should still be transferred regularly to the national statistical agency.

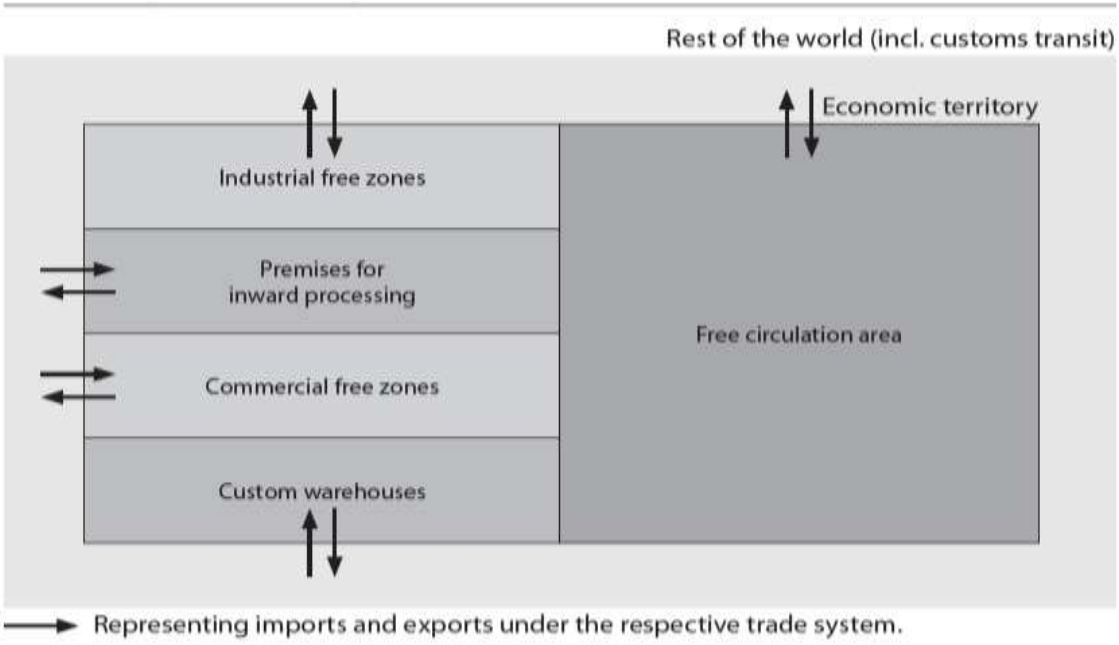
- **Time of recording under the general trade system.**

3.59. Regarding the time of recording, transactions should be registered when goods actually enter or leave the economic territory. In customs-based systems, this often corresponds to the date of lodgement of the customs declaration (that is, the date when customs accepts the declaration for processing). If such dates differ considerably from the date when goods actually cross the border of the economic territory (e.g., if goods are cleared well before or after their arrival) or non-customs data sources are used (e.g., enterprise surveys) then more appropriate dates should be identified and used (e.g., the date of arrival/departure of the goods carrier as indicated in the

transportation documents). It is recommended that Member States engage with their respective Country's relevant authority to determine the best appropriate date as applicable.

3.60. Although the general trade system is recommended, some countries may encounter difficulties in implementation, particularly when customs records for certain territorial elements (e.g., free zones) are incomplete. In such circumstances, they may adopt the special trade system as an alternative.

Figure 1: Territorial Elements, Potential Imports and Exports under the General Trade System



B.II **SPECIAL TRADE SYSTEM**

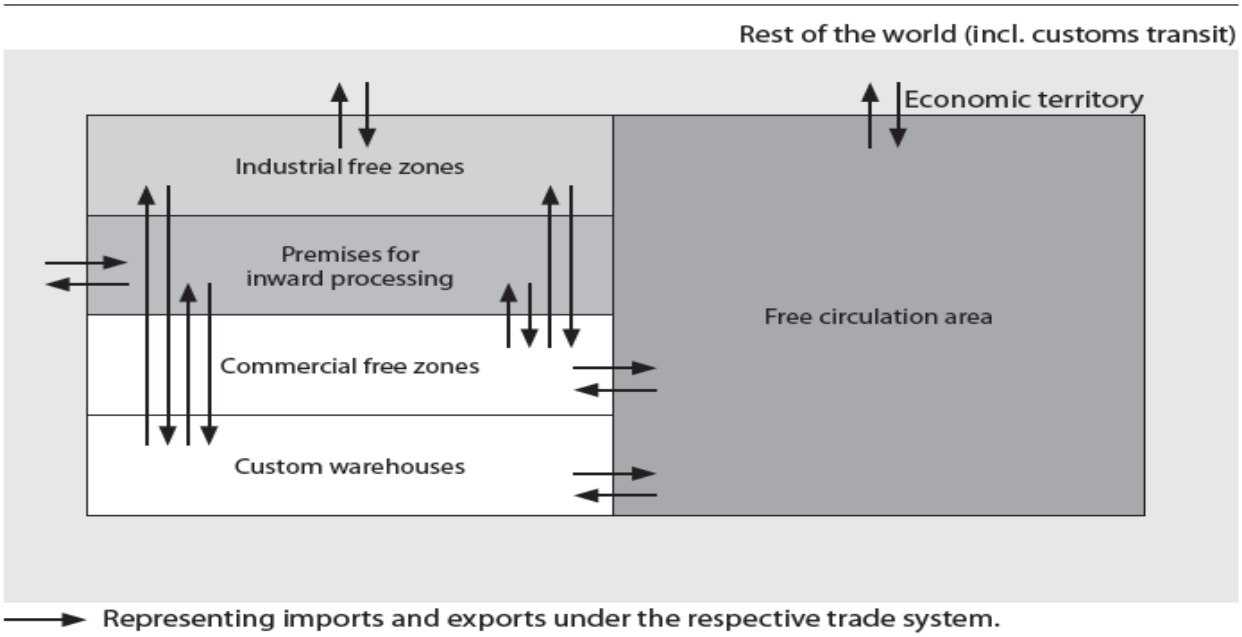
3.61. The special trade system applies when the statistical territory covers only part of the economic territory. As a result, certain flows of goods within the scope of IMTS 2010 are excluded from import or export statistics. Countries apply different versions of this system, commonly distinguished as the 'strict' and the 'relaxed' definitions.

3.62. The strict definition is in use when the statistical territory includes only the free circulation area (the part within which goods "may be disposed of without customs restriction"). In such a case, imports consist only of goods entering this area, and exports only of goods leaving it. Goods imported for inward processing, as well as

goods moving into or out of free zones and customs warehouses, are excluded. Compensating products after inward processing also would not be included in exports.

3.63. Under the relaxed definition, the scope is broader. It includes (a) goods entering for or leaving after inward processing, and (b) goods moving into or out of industrial free zones. These are recorded in international merchandise trade statistics, providing somewhat wider coverage than the strict definition.

Figure 2: Territorial Elements, Potential Imports and Exports under the Special Trade System in its Relaxed Definition



B.III LIMITATION OF THE SPECIAL TRADE SYSTEM

3.64. A limitation of the special trade system is that it narrows the coverage compared to the general trade system because not all goods that are in the scope of IMTS are covered. Moreover, its application is inconsistent across countries, creating comparability issues. Some apply the strict form, while others use variants of the relaxed form, sometimes including selected free zones in their statistical territory.

3.65. **Time of recording under special trade system:** The time of recording under the special trade system is the time when goods enter or leave the statistical territory, usually approximated by the lodgement date of the customs declaration, or by other

relevant dates where appropriate. This mirrors the approach under the general trade system.

3.66. If a special system is used, then the lack of territorial coverage and the lack of uniformity in the application of the special trade system has a negative impact on the usefulness of trade data for the purposes of policy analysis and for the compilation of national accounts and balance of payments statistics. Therefore, Member States using this system are encouraged to develop plans to introduce the general trade system. However, it is recognised that a change from the special to the general trade system would require important administrative restructuring that may be impractical for some Member States. Therefore, it is recommended that those still using the special trade system should compile or estimate the following statistics on at least an annual and a quarterly basis, with full geographical and commodity breakdowns unless such trade is insignificant:

- When the strict definition is used, statistics on goods imported into and exported from premises for customs warehousing, premises for inward processing, industrial free zones or commercial free zones;
- When the relaxed definition is used, statistics on goods imported into and exported from premises for customs warehousing or commercial free zones.

3.67. These additional compilations support adjustments needed for converting data to a general trade system basis for use in balance of payments and national accounts.

C. COMMODITY CLASSIFICATIONS

3.68. The primary reason for using detailed product classifications is to enable the identification and collection of product details in a consistent manner internationally, for various customs, statistical, analytical, and trade negotiation purposes. As data collection and analysis needs vary, different product classifications have been developed, each with varying levels of detail and classification criteria. Nevertheless, all these classifications are closely related.

- **Harmonised Commodity Description and Coding System**

3.69. The Harmonised System was adopted by the Customs Cooperation Council in June 1983, and the International Convention on the Harmonised Commodity Description and Coding System entered into force on January 1, 1988, known as "HS88" (IMTS 2010, para. 3.4).

- **ECOWAS Common External Tariff (CET)**

3.70. The ECOWAS Tariff and Statistics Nomenclature is a Common customs nomenclature based on the Harmonised System of Description and Coding of Goods (HS) adopted by the ECOWAS Community. It is a 10-digit Tariff and Statistical Nomenclature defining the list of goods making up the Tariff and Statistics Nomenclature categories of the CET. It is one of the principal instruments for harmonising and strengthening the ECOWAS Member States Common Market. In order to establish an economic union, the community is to ensure, in stages, among other means, the establishment of a common market through “the adoption of a common external tariff and a common trade policy vis-à-vis third countries.

3.71. It is recommended that Member States should use the CET nomenclature for the collection, compilation, and dissemination of international merchandise trade statistics at the most detailed level (10 digits), which is an extension of the World Customs Organisation (WCO) Harmonised System (HS) nomenclature.

- **Standard Classification for International Trade (SITC)**

3.72. At its third session in 1948, taking into account the needs of countries, inter-governmental bodies and international agencies for greater international comparability of trade data, the Statistical Commission recommended that a revision of the League of Nations’ Minimum List of Commodities for International Trade Statistics be prepared. In cooperation with Governments and with the assistance of expert consultants, the United Nations Secretariat drew up the 1950 edition of the United Nations Standard International Trade Classification (IMTS 2010, para. 3.12).

3.73. The document has undergone several revisions, and it is recommended that, in addition to the Harmonised System (HS), Member States may also use the Standard

International Trade Classification (SITC) for the analysis and dissemination of trade statistics, depending on user requirements.

- **Classification by Broad Economic Categories (BEC)**

3.74. The original version of the Classification by Broad Economic Categories (BEC) was devised mainly for use by the United Nations Statistics Division for the summarisation of data on international trade by large economic classes of commodities and as a means for converting trade data compiled in terms of SITC into end-use categories that were meaningful within the framework of SNA categories approximating the three basic classes of goods in SNA, namely capital goods, intermediate goods and consumption goods. BEC has 19 basic categories that can be aggregated to approximate these three basic classes of goods, thus permitting trade statistics to be considered jointly with other sets of general economic statistics, such as national accounts and industrial statistics, for national, regional or global economic analysis (IMTS 2010, para. 3.20).

- **Central Product Classification (CPC)**

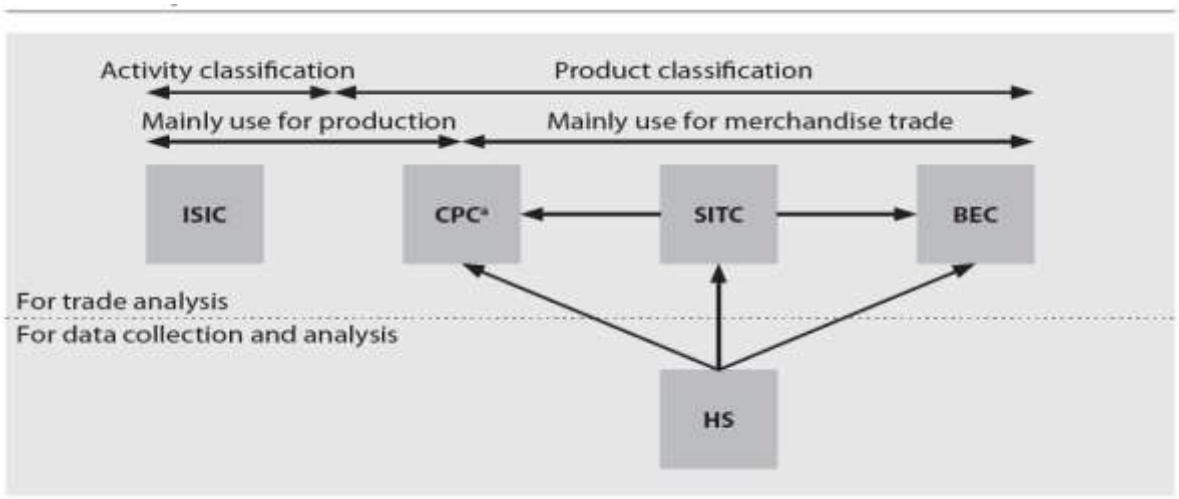
3.75. The Central Product Classification (CPC) originated from initiatives in the early 1970s to harmonise international classifications. The new classification was intended to cover both goods and services (products) and to use the detailed subheadings of the Harmonised System as building blocks for the part dealing with transportable goods.

3.76. The first version of the CPC, called the Central Product Classification, was approved by the Statistical Commission at its twenty-fifth session in 1989, and then published by the United Nations in 1991.

- **Classification of All Economic Activities (ISIC)**

3.77. Unlike HS, SITC, BEC and CPC, which are product classifications, the International Standard Industrial Classification of All Economic Activities (ISIC) is the international reference classification of productive activities. Its main purpose is to provide a set of activity categories that can be utilised for the collection and reporting of statistics according to such activities.

Figure 3: Relationship between Different Classifications



a Includes services.

CHAPTER 4: VALUATION

4.1. This section provides details on establishing the statistical value of CIF (cost, insurance and freight) and FOB (free on board) values based on the invoiced price and delivery terms (according to Incoterms 2010). Additional guidelines are provided on the valuation of selected product categories and on currency conversion issues.

4.2. It is recommended that for all goods covered in international merchandise trade statistics, whether sold, exchanged or provided without payment, a statistical value is recorded following the specific rules defined below:

4.3. Customs value and statistical value: The main source of information for establishing the statistical value is the customs value, which is placed on goods by customs administrations in accordance with national legislation and other relevant regulations. National practices of customs valuation, especially for goods that are not subject to ad valorem duties, often vary from country to country, and consequently, the trade statistician needs to be aware of those practices to understand the customs values and to be in a position to make necessary adjustments while compiling statistical value of the goods.

4.4. Transaction value: The transaction value is the price actually paid or payable for goods, including some adjustments, such as the customs value of imported goods, provided that certain conditions for a fair, uniform and neutral valuation are met.

4.5. WTO Agreement on Valuation. It is recommended that Member States adopt the WTO Agreement on Customs Valuation as the basis for valuation of their international merchandise trade for statistical purposes. This recommendation applies to both imports and exports.

4.6. The World Trade Organisation (WTO) Agreement on Customs Valuation allows countries to include in or exclude from the customs value, in whole or in part, such components as: “(a) the cost of transport of the imported goods to the port or place of importation; (b) loading, unloading and handling charges associated with the transport of the imported goods to the port or place of importation; (c) the cost of insurance.”, FOB-type and CIF-type values. In principle, under the Agreement, countries can choose two different approaches to the valuation of goods, namely free on board (FOB)-type or cost, insurance and freight (CIF)-type values. FOB-type values include the transaction

value of the goods and the value of services performed to deliver goods to the border of the exporting country. CIF-type values include the transaction value of the goods, the value of services performed to deliver goods to the border of the exporting country and the value of the services performed to deliver the goods from the border of the exporting country to the border of the importing country.

4.7. It is recommended that Member States universally apply FOB-type values for the valuation of exports and use the CIF-type values for the valuation of imports. The CIF-type value of imported goods is important for various purposes, such as monitoring the prices of goods available on the domestic market, compilation of the supply and use of the Table for input-output analysis, etc.

4.8. Statistical value of exported and imported goods: To promote the comparability of international merchandise trade statistics, while taking into account various analytical needs and the commercial and data-reporting practices of the majority of Member States, it is recommended that:

- The statistical value of exported goods be an FOB-type value;
- The statistical value of imported goods be a CIF-type value. However, Member States are encouraged to compile an FOB-type value of imported goods as supplementary information.

4.9. Countries that compile only CIF-type values for imported goods are encouraged to compile separate data for freight and insurance, at the most detailed commodity and partner level possible. It is recognised that the compilation of imports on the FOB-type basis and the separate compilation of data for freight and insurance may entail a significant additional burden for respondents and merchandise trade statistics compilers and should be undertaken based on national situations and needs.

A. INCOTERMS

4.10. Customs administrations generally require that the FOB or CIF type value be placed on the customs declarations by traders or, if necessary, they calculate those values themselves based on the various documents submitted by traders. Such supporting documents may include the contract of sale, which normally contains the terms of delivery of goods, the price of the goods, and the invoice issued by the seller of the

goods to the buyer. The price of the goods negotiated between traders and reflected in the invoice (also referred to as invoice price) depends on the terms of delivery. The terms of delivery are an agreement between the seller and the buyer as to who is responsible for the cost and risk of delivering the goods to the agreed place.

4.11. The delivery term “free on board” (FOB) applies only when goods are dispatched from the exporting country by sea or inland waterway, and the term “cost, insurance and freight” (CIF) applies only when goods are delivered by sea or inland waterway to the port of importation. When other means of transport are used for exports, and FOB is not applicable, the term “free carrier” (FCA) at the port of export can substitute for it; if neither FOB nor FCA is applicable (e.g., exports by railroad or pipeline), the term “Delivered at frontier” (DAF) of the exporting country may be used. Since the invoice prices of the goods delivered under the FOB, FCA and DAF terms reflect the costs of delivery of goods to the border of the exporting country, they are similar and are referred to as FOB-type values.

4.12. If, in the case of imports, CIF is not applicable, the goods can be delivered on the basis of “carriage and insurance paid to” (CIP) at the port of importation. Since the invoice prices of the goods delivered under the CIF and CIP terms reflect the costs, including freight and insurance, of goods delivery to the border of the importing country, they are similar and are referred to as CIF-type values. If other kinds of terms of delivery are used (such as “ex works”, “free alongside ship”, etc.), other sources of data need to be used to establish the FOB-type or CIF-type value by adding to or subtracting certain cost items from the invoice price.

4.13. Commercial practices in international merchandise trade display a variety of details in terms of the delivery of goods. Statisticians should carefully examine available data sources and information, including the terms of goods delivery, in order to derive the recommended FOB/CIF values. In addition, they should establish close cooperation with customs and other primary data collectors to provide guidance on methodology in relation to the statistical value and to ensure the availability of adequate data. It is recommended that the customs value, when established in compliance with the WTO Agreement on Customs Valuation, forms the basis of the statistical value.

4.14. Compilers should be aware that values placed on goods by customs authorities may not necessarily comply with statistical requirements. If the customs values of economically significant shipments of goods are established with a clear deviation from those requirements, trade statistics compilers should use values derived from non-customs sources or estimated values, if deemed more accurate. This might be especially important in the case of exports. Therefore, compilers are encouraged to contact the exporters of major commodities and, if necessary, to conduct special studies to determine the statistical value on the basis of the cost of production, including the cost of materials, compensation of employees and other relevant information.

4.15. Most of the goods covered by trade statistics across borders as a result of commercial transactions (purchases/sales), and their statistical value can be established using their customs values or contracts of sale. However, customs values may not be available, and contracts of sale may not be available as well, or they may not contain all the necessary information. In such cases, the data compiler should resort to other commercial documents, such as invoices, contracts of carriage and insurance contracts.

B. SELECTED ISSUES ON VALUATION

4.16. The document discusses the principles for valuing goods in international transactions, in accordance with the WTO Agreement on Customs Valuation and the IMTS 2010 recommendations. It explains how to assess the value of certain specific categories of goods that present valuation difficulties. Main recommendations:

a. Banknotes, coins, and securities should be valued based on the value of the paper or metal, not their face value.

b. Recorded media (e.g., CDs, DVDs) should be valued at the full transaction value, including any related service costs. Custom-made or original software is excluded.

c. Electricity, gas, oil, and water should be valued excluding delivery charges, which must be identified and deducted to obtain the correct statistical value.

d. Goods under financial lease should be valued according to the prices of comparable goods sold across borders, excluding any service components (training, maintenance, etc.).

e. Goods for processing should be valued at their full (gross) value, even without a change of ownership, following WTO valuation methods.

f. Returned goods should be valued at their original transaction value.

g. Goods bundled with services only the goods should be valued, except where services are included under CIF or FOB valuation methods.

C. CURRENCY CONVERSION

4.17. The value of trade transactions may be expressed initially in a variety of currencies or other standards of value. Compilers are required to convert these values into a single unit of account in order to produce consistent and analytically meaningful national statistics suitable, inter alia, for measuring trade flows and the compilation of national accounts and balance of payments statistics. From the perspective of the data compiler, the national currency unit is the preferred reference unit of account. However, if the national currency is subject to significantly larger fluctuations than other currencies, the analytical value of the data may be diminished. In those circumstances, it might be appropriate to use another more stable unit of account so that the values of international transactions expressed in that unit would not be significantly affected by the appreciation or depreciation of the currencies in which the given transactions occur.

4.18. In accordance with the WTO Agreement on Customs Valuation, it is recommended that:

a. Where the conversion of currency is necessary for the determination of the customs value, the rate of exchange to be used shall be that duly published by the competent authorities of the country of importation concerned and shall reflect as effectively as possible, in respect of the period covered by each such document of publication, the current value of such currency in commercial transactions in terms of the currency of the country of importation;

b. The conversion rate to be used shall be that in effect at the time of exportation or the time of importation, as provided by each Member State.

c. An equivalent approach to conversion should apply for both imports and exports. In cases when both buying and selling (official/market) rates are available, the rate to be used is the midpoint between the two, so that any service charge (i.e., the spread between the midpoint and those rates) is excluded. If a rate is not available for the date of exportation or importation, it is recommended that the average rate for the shortest period applicable be used.

d. Multiple official exchange rates. Some countries use a regime of multiple exchange rates, under which different exchange rates are applicable to different categories of traded goods, favouring some transactions and discouraging others. It is recommended that trade transactions be recorded using the actual rate applicable to specific transactions, noting which official rate was used for each currency.

e. Parallel or black-market exchange rates. Transactions that involve parallel or black-market rates should be handled separately from those that involve official rates. Compilers of trade statistics should attempt to estimate the exchange rate actually used in transactions in such markets and should use that rate for conversion.

D. QUANTITY MEASUREMENT

4.19. The World Customs Organisation (WCO) standard units of quantity clarify the concept of net weight.

Table 1: Standard Quantity Units Recommended by the WCO

Physical Characteristics	**Additional Units**	**Abbreviations**
Weight	Kilogram/Carat	Kg/carat
Length	Meter	M
Surface	Square meter	m^2
Volume	Cubic meter/litre	m^3 /l
Number	Part / Item / Head	U
	Pair	2 u
	Dozen	12 units
	Thousand pieces/items	1000 units

Physical Characteristics	Additional Units	Abbreviations
	Packages	Packages or sets of units
Electrical energy	1000 Kilowatt-hours	1000 kWh

Source: IMTS 2010, para. 5.3.

4.20. IMTS 2010 recommended that countries collect or estimate, validate and report quantity information in the WCO standard units of quantity and in net weight on all trade transactions (IMTS 2010 para. 5.5). Specifically, it is recommended that:

a) Countries use the applicable WCO standard units of quantity when collecting and reporting international merchandise trade statistics on the basis of the Harmonised System;

b) In the case of the HS headings (subheadings) where the standard unit is other than weight, a net weight also be compiled and reported;

c) Weight figures be reported on a net weight basis; however, if only gross weight is available, it should be recorded and used for estimation of net weight;

d) Countries that use units of quantity other than the WCO standard units or use units of quantity different from the one recommended for the specific commodity (HS six-digit subheading) provide the conversion factors to the recommended standard units in their metadata. In 2011, WCO adopted a new Recommendation on the use of standard units of quantity to facilitate the collection, comparison and analysis of international merchandise trade statistics based on the HS Nomenclature 2012 Edition.

4.21. It is recognised that in the commercial practice of many countries, the quantities of some goods might be recorded in other units of quantity, as the application of the WCO -recommended quantity units is not an international legal obligation. If such non-standard units are in use, it is a good practice to provide users with the appropriate factors of conversion to net weight and, if required by users, the appropriate WCO standard units of quantity.

E. PARTNER COUNTRY

4.22. Trade statistics by partner country, both for the total value of trade in goods and for the value and quantity of trade in individual commodities, are of significant analytical value. They are used for several purposes, including the

a) analysis of economic trends and regional trade patterns;
b) the calculation of trade shares;
c) market analysis;
d) the business decisions;
e) trade policy monitoring and negotiations;
f) the compilation of national accounts;
g) balance of payments; and
h) checking the accuracy and reliability of trade data.

Trade-by-partner statistics are frequently used by analysts to estimate imports and exports of a country that does not report trade data or does so only after substantial delay.

- **Partner country attribution**
- **Imports**

4.23. *Country of consignment:* The country of consignment (in the case of imports) is the country from which goods were dispatched to the importing country, without any commercial transactions or other operations that change the legal status of the goods taking place in any intermediate country. If, before arriving in the importing country, goods enter one or more further countries and are subject to such transactions or operations, the last intermediate country where such transactions or operations took place should be taken as the country of consignment (IMTS 2010, para. 6.4).

4.24. *Country of shipment*: The country of shipment (in the case of imports) is the country from which goods are shipped, whether or not commercial transactions or any other operations that change the legal status of the goods occur after the goods are dispatched from the exporting country. If such transactions do not occur, the country of shipment is the same as the country of consignment (IMTS 2010, para. 6.5).

4.25. *Country of origin*. The country of origin of a good is determined by the rules of origin established by each country. Generally, rules of origin consist of two basic criteria:

a) The criterion of goods "wholly produced" (obtained) in a given country, where only one country enters into consideration in attributing origin;

b) The criterion of "substantial transformation", where two or more countries have taken part in the production of the goods.

- **Exports**

4.26. *Country of consignment*. The country of consignment (in the case of exports) is the country to which goods are dispatched by the exporting country, without it being known at the time of exportation that any commercial transactions or other operations that change the legal status of the goods are taking place in any intermediate country. If there are several intermediate countries, the first intermediate country after leaving the exporting country should be recorded as the country of consignment or destination.

4.27. Country of shipment. The country of shipment (in the case of exports) is the country to which goods are shipped, whether or not commercial transactions or any other operations that change the legal status of the goods are expected to take place before the arrival of the goods in that country.

4.28. Country of last known destination. The country of last known destination is the last country as far as it is known at the time of exportation to which goods are to be delivered, irrespective of where they have been initially dispatched to and whether or not, on their way to that last country, they are subject to any commercial transactions or other operations that change their legal status

4.29. Identification of the partner country: The partner country is the place where the operator is established. This definition may have some shortcomings, but in most cases, it has proved to be the best approximation available. The assumption that the operator is a good indicator of the new concept of economic owner paves the way for the adoption of additional data sources for the correct classification and measurement of foreign trade in ships and aircraft.

4.30. Registration of partner country: Aircraft and vessels, when used in one country and then exported to another, will always retain the same country of origin. This is the case for almost all other second-hand goods. IMTS 2010 recommends that the country of shipment be recorded for imports as a second partner, in addition to the country of origin (see para. 6.26). Compilers and users may consider that the country of shipment provides more useful information on trade in ships and aircraft (as well as other second-hand goods). Therefore, it is recommended that this type of information on partners be provided in addition to, and not as a replacement for, data compiled by country of origin.

It is recommended to register:

a. In the case of imports, it is the country of origin and the country of consignment as the second partner country;

b. In the case of exports, it is the country of last known destination.

4.31. Classification of countries or regions. The United Nations, for statistical purposes, etc., uses ISO alpha-2 country codes to classify countries by geographical region or economic group

F. MODE OF TRANSPORT

4.32. The availability of trade data by mode of transport is very important for many purposes, including the monitoring of international transport routes, formulating transportation policy, assessing the impact of trade on the environment, etc. It is recommended that Member States compile and disseminate IMTS by mode of transport at the most detailed commodity level (as a separate data dimension) in order to provide information on transportation arrangements and for other analytical purposes. It is further recommended that the mode of transport that should be recorded is the means of transport used when goods enter or leave the economic territory of a country (IMTS 2010, para. 7.1).

4.33. To allow international comparability to the best possible extent, Member States are encouraged to use the main categories (1-digit) and, if they wish to do so, the detailed (2- or 3-digit) categories of the following classification for the compilation and reporting of trade statistics by mode of transport.

1. Air
2. Water
    2.1. Sea
    2.2. Inland waterway
3. Land
    3.1. Railway
    3.2. Road
4. Not elsewhere classified
    4.1. Pipelines and cables
        4.1.1. Pipelines
        4.1.2. Cables
    4.2. Postal consignments, mail or courier shipments
    4.3. Self-propelled goods
    4.4. Other

G. NATIONAL PRACTICES

4.34. Depending on their national requirements, Member States may wish to compile modes of transport codified at the one-, two- or three-digit level or create even more detailed breakdowns. The above classification is not intended to limit the flexibility of countries to implement a detailed classification according to their own requirements, but it is recommended that Member States clearly indicate the contents of the categories used, in particular whether postal consignments, mail or courier shipments and self-propelled goods are separately classified or included in the three main categories of air, water and land. The category "Other" is to be used when the available information does not allow a transaction to be attributed to any of the specific modes of transport categories.

4.35. Taking into account their national requirements and circumstances, Member States are to compile mode of transport not only according to the means of transport when crossing the border but also according to other criteria, such as the predominant mode of transport, which can be defined as the mode of transport that accounts for the majority of transportation costs or the longest part of the route by distance. Member

states should define such different criteria and record multiple modes of transport, as necessary, taking into account their data needs and circumstances, but it is recommended that detailed information about this additional recording of mode of transport be provided in the metadata.

CHAPTER 5 - DATA COMPILATION STRATEGIES

5.1. This chapter describes in detail the application of the general guideline that recommends registration and the data sources that are likely to be used in the development of IMTS.

A. DATA SOURCES

5.2. The collection of data on international merchandise trade through customs administrations has a long history, although the primary purpose of customs activity has not been only for the collection of statistical data. In a growing number of cases, the full coverage of IMTS cannot be achieved solely through customs records. Countries are encouraged to review their current data compilation practices and to develop a long-term strategy for dealing with the emerging issues to ensure the availability of high-quality and timely trade statistics. The data for the compilation of IMTS can be sourced from both customs and non-customs records.

A.1 Use of Customs Records

5.3. Statisticians are recommended to use customs records as the main and normally preferred data source since they reflect the physical movement of goods across borders that IMTS aim to record and are, in general, reliable, detailed and available in most countries.

5.4. Customs declarations**.** Statistical information is mostly derived directly from customs declarations. A customs declaration is “any statement or action, in any form prescribed or accepted by the customs, giving information or particulars required by the customs”. The customs declaration indicates the customs procedures under which goods enter, move within or leave the country (IMTS 2010, para. 8.3).

5.5. Customs procedures. A customs procedure is a “treatment applied by the customs to goods which are subject to customs control.” The customs procedure is the basis for the correct identification of the flows of goods for inclusion or exclusion under general or special trade. Customs usually applies a system of codes that allows flows of goods to be identified and prevents double recording of the goods which have undergone several customs procedures. It is recommended that statisticians closely cooperate with customs experts in order to correctly allocate customs procedure

codes and associated trade transactions according to the general or the special trade system.

5.6. Customs procedures under the Revised Kyoto Convention covering goods to be included in or excluded from trade statistics by countries applying the general trade system. Countries may not always strictly follow the standards and recommended practices of the Convention and/or have other procedures in addition to those identified in it. Therefore, compilers should decide on the inclusion and exclusion of any given procedures (IMTS 2010, para. 8.5 (a) and (b)).

5.7. Information about customs procedures. It is recommended that information about the customs procedures applied to individual transactions be part of the data set provided by customs to the agency responsible for the compilation of international merchandise trade statistics.

5.8. Access to supportive documentation and additional information at customs. Information available at customs is not limited to the customs declaration since supportive documentation, such as the commercial invoice, transport documents, import licenses and certificate of origin, usually accompanies the customs declaration. Compilers must make arrangements with the customs authorities to access these documents in order to fill the gaps and resolve quality issues in accordance with the law, and to use them as supplementary sources of information.

5.9. Depending on the national legislation and practices, customs records can include or exclude transactions of certain goods, such as electricity, gas, oil, ships and aircraft, goods sent by parcel and letter post, etc. Compilers should be aware of the coverage of the customs recording and should use additional data sources when necessary.

5.10. Customs authorities may also have valuable information about transactions in goods carried out within the economic territory but outside the customs territory, such as goods entering and leaving these zones. Compilers should be aware of such information and obtain access to it in order to compile IMTS to the fullest possible extent as recommended in IMTS 2010, para. 8.6–8.8).

5.11. The following information should be available on the customs declaration:

- the declaration number;
- the item number;
- the customs office;
- the product code;
- the declarant;
- the customs procedure;
- the net weight;
- the additional unit and the additional quantity;
- the statistical value CIF (for imports);
- the FOB statistical value (for imports and exports);
- Freight;
- insurance;
- the currency;
- for imports, the country of origin and the country of provenance;
- for exports, the destination country;
- the mode and means of transportation;
- the nationality of the means of transport;
- the type of tariff preference;
- the types of customs duties;
- the amounts of customs duties;
- the type of contract;
- the financial system;
- the importer or exporter; and
- the registration declaration date.

5.12. For simplified declarations, the following information must be entered:

- the customs office;
- the declaration or receipt number;
- the item number;
- the product code;

- the customs procedure;
- the net weight;
- the additional unit and quantity;
- the statistical value;
- the country of origin or destination; and
- the registration or declaration date.

A.2. Use of Non-customs records

5.13. The full coverage of international merchandise trade flows cannot be achieved by the use of customs records only, either because the relevant transactions are not or no longer subject to customs controls and surveillance (e.g., within customs unions or when customs authorities move to system-based rather than transaction-based customs control) or because record-keeping may not be adequate from a statistical point of view. It is recommended that in such cases, customs-based data be supplemented with information obtained from other sources, as necessary, to ensure full coverage of international merchandise trade statistics. It is recommended to use non-customs sources as substitutes for available customs records only if they provide a cost-effective way to improve the quality of trade statistics. A description of the non-customs sources used, including how they were used, as well as an assessment of their quality, should be provided in the metadata.

5.14. Non-customs data sources: There are various non-customs sources of data. Foreign shipping manifests can be used for cross-checking and supplementing information gathered from customs declarations. Many countries utilise enterprise surveys to collect data on transactions, which may not be captured by customs authorities (e.g., trade in electricity, water, gas, oil and goods for military use). Member States can use a data-collection system that relies on monthly reporting by enterprises. Additional information can also be supplied via the fiscal authorities through the value-added tax-collection system. Surveys are also used to capture so called shuttle trade and border trade. Currency exchange records and records of monetary authorities often provide timely information about international transactions, including merchandise flows.

5.15. Parcel post and letter post records are used to ensure that the merchandise flows through parcel and postal services are adequately covered. Reports from commodity boards may supplement and help to cross-check customs recording of trade in certain goods.

5.16. Non-customs data are unstructured in their format and can come in various forms. The following minimum information should be made available:

- the product code;
- the net weight;
- the complementary unit and quantity;
- the statistical value;
- the country of origin or destination and
- the date of entry or exit.

B. INTEGRATED APPROACH TO DATA COLLECTION

5.17. In the case of the use of non-customs data sources, such as enterprise surveys, it is recommended that countries take an integrated approach to data collection and make use of business registers and enterprise identification numbers in order to obtain the required information at minimal cost and burden on enterprises. The integrated approach to data collection is of particular importance for the fulfilment of additional information requirements, such as for goods for processing (including obtaining information on change of ownership), intrafirm trade, etc., which often cannot be satisfied by the use of customs declarations only.

C. RECONCILIATION AND INTEGRATION OF CUSTOMS AND NON-CUSTOMS DATA

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

D. INSTITUTIONAL ARRANGEMENTS

5.19. **General Provisions** : The establishment of the IMTS is based on statistical laws and other applicable national laws and regulations, which, to varying degrees, specify the rights and responsibilities of the relevant bodies.

5.20. ***Laws and regulations*****:** The compilation of IMTS is organised in accordance with the rules set out in the general provisions. 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. (IMTS 2010, para. 8.14)

5.21. **Institutions involved in compilation:** Several public bodies can participate in compiling official statistics for a country or region, particularly those related to international merchandise trade. The government entities involved in establishing the IMTS are the National Statistical Office, the Customs Administration, the Central Bank, the Ministry of Commerce, and other specialised public services.

5.22. **Effective institutional arrangements:** It is recognised that different institutional arrangements depending on of a country's government structure and other considerations can result in acceptable trade statistics provided that the agency responsible for the overall IMTS compilation follows internationally recognised methodological guidelines, utilises all available statistical sources and applies appropriate compilation procedures. Effective institutional arrangements are usually characterised 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 formalised working arrangements between agencies including agreements on holding inter-agency working meetings, as needed, and on the access to microdata that those agencies collect.

5.23. Formal arrangements should be complemented by informal agreements between the involved agencies and institutions. It is recommended that countries consider the establishment of the institutional arrangements necessary to ensure the compilation of the high-quality trade statistics as a matter of high priority and periodically review their effectiveness.

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

CHAPTER 6 – DATA QUALITY, METADATA AND DISSEMINATION

6.1. This chapter covers all aspects of trade data that should be addressed in metadata. It explains the importance of metadata for understanding the nature, scope and limitations of data and provides guidance on how to interpret trade statistics correctly. This chapter recommends the most appropriate forms and means of presenting and disseminating the IMTS and their metadata.

A. DATA QUALITY AND METADATA

6.2. Metadata are data about data which enable and facilitate sharing, querying, understanding and using statistical data over the different stages of collection, compilation and dissemination, and at their various levels of aggregation (i.e., from microdata to macrodata).

6.3. Metadata are considered to be all the information on the trade data that are relevant for the correct understanding of the content, coverage and limitations of the data, and provides guidance on the correct interpretation of the trade statistics. It exists at various levels of detail: at the overall level, metadata indicate the nature of the coverage of the trade statistics, and how data are collected and processed; at the next levels, information can be given on the main data variables, such as commodity classification, country nomenclature and country coverage, or valuation, and on specific trade flows.

6.4. They encompass administrative facts about the data (who has created them and when?), and the definition of concepts applied, as well as the description of how the data were collected and processed before they were disseminated or stored in a database. Not only are metadata important for users, but they also play a crucial role in the statistical production process, as common standards and definitions should be followed to the extent possible throughout all statistical domains in order to facilitate the linking and integration of statistical information.

6.5. Structural metadata are identifiers and descriptors which are essential for discovering, organising, retrieving and processing statistical data sets. They can be thought of as the labels that need to be associated with each data item in order for it to have any meaning at all.

6.6. Reference metadata are of a more general nature and may refer to specific statistical data, to entire data collections or even to the institution that provides the data.

6.7. **Metadata and data quality:** There is a bidirectional relationship between metadata and data quality. On the one hand, metadata provide details on the various quality dimensions of international merchandise trade statistics, as stated in the previous paragraph. On the other hand, the availability of adequate metadata to users is in itself a quality component through its role as an indicator of the accessibility of international merchandise trade statistics (IMTS 2010-CM, para. 25.5).

6.8. Compilers should aim to provide users with all the metadata required to understand both the strengths and the limitations of the international merchandise trade statistics they produce, documenting in a timely manner all methodological aspects underlying the data that are relevant for their proper use and interpretation (e.g., definitions, classifications, scope, confidentiality issues, etc.).

6.9. **Institutional arrangements for metadata compilation:** To reduce the burden associated with trade metadata projects, it is good practice for compilers to closely cooperate with the specific units responsible within the national statistical system, so that metadata are produced, that they adhere to a standard format and that they are properly maintained and updated.

B. PRESENTATION AND DISSEMINATION OF METADATA

6.10. **Layered presentation of metadata**: Compilers of international merchandise trade statistics must make sufficient metadata available to enable both the least and the most sophisticated users to readily assess data and their quality (IMTS 2010-CM, para. 25.7). It is good practice to structure metadata in layers of incremental detail while providing clear links between high-level and specific metadata concepts. Such a layered presentation allows the needs of diverse groups of users, who may have different levels of statistical expertise, to be met.

6.11. **Presentation of structural and reference metadata:** The IMTS 2010 manual recommends that structural metadata be presented as an integral part of the international merchandise trade statistics database in such a way as to be extractable together with any data item and published as part of statistical tables. On the other hand, reference metadata could be presented in the form of a detailed explanatory

note describing the scope, coverage, and quality of a data set and be made available electronically alongside the database or in special publications (IMTS 2010-CM, para.25.8).

6.12. **Use of standardised metadata concepts:** It is recommended that the dissemination of metadata related to international merchandise trade statistics be carried out in compliance with the approach adopted by a given country to metadata across all areas of economic statistics (IMTS 2010-CM, para. 25.9). Whenever feasible, therefore, it is good practice for compilers of international merchandise trade statistics structure to present their metadata using standardized concepts that are relevant across statistical domains (e.g., by adopting cross-domain concepts derived from the Statistical Data and Metadata Exchange (SDMX) framework or the Organisation for Economic Co-operation and Development (OECD) Glossary of Statistical Terms). The aim should be to promote harmonisation of statistical information and its related high-level metadata across various institutions and statistical domains, even if some specific metadata concepts are not applicable or are organised differently in different domains or institutions.

6.13. **Linking data and metadata:** As metadata are generated and processed during every step of the compilation process, there is a strong need for a metadata management system to ensure that the appropriate metadata retain their links with data. IMTS 2010 recommends that metadata dissemination be an integral part of the dissemination of international merchandise trade statistics (IMTS 2010-CM, para. 25.10). A good practice in this regard is to actively link metadata to the statistical data they describe, and vice versa, by implementing metadata-driven systems and management systems for metadata throughout the various stages of the statistical production process. Several information model specifications can contribute to achieving this goal (most notably SDMX and Data Documentation Initiatives). While such specifications are designed to enable performance of different functions, they can be used together in the same system, or complement each other, in the compilation and exchange of data and metadata.

6.14. **Metadata registries:** A metadata registry is a central repository, usually a database itself with information that allows linking the detailed definitions and the codes of the metadata items used to describe a particular statistical data set.

6.15. It is good practice for compilers of international merchandise trade statistics to put special emphasis on the development, maintenance and dissemination of metadata registries at the national and international levels in order to improve the harmonisation, standardisation, use, reuse and interchange of their metadata.

6.16. **Access to metadata :** Compilers of international merchandise trade statistics should endeavour to ensure that users have easy access to metadata through multiple dissemination channels, both in print and in electronic form (with online dissemination playing a key role). As a general rule, given that metadata has a strong public good component, its online dissemination should be free of charge. However, it is recommended that the international merchandise trade statistics they describe be disseminated for a fee, in accordance with the policies of the compiling organisation.

C. METADATA ITEMS RELEVANT FOR INTERNATIONAL MERCHANDISE TRADE STATISTICS

6.17. Structural metadata items for international merchandise trade statistics. The following are typical structural metadata items that belong to the trade values and quantities in each international merchandise trade statistics dataset (IMTS 2010, para. 25.13):

a. Reporting country: identification of the country that reported the given data set;
b. Reference period: identification of the specific month, quarter, year;
c. Trade flow: whether the data refer to exports, imports, re-exports, etc.;
d. Commodity code: identification of the commodity or commodity group;
e. Commodity description: stand-alone descriptors of the commodity codes at any level of aggregation;
f. Commodity classification: name of the classification used to report the data (e.g., HS2007, SITC Rev. 4, national classification, etc.);
g. Partner country or region: identification of the partner country or region;

h. Country or region classification (e.g., alpha-2 or alpha-3 ISO country codes; United Nations standard country or area codes for statistical use, etc.), including information on the country-composition of geographical regions;

i. Currency unit: identification of the currency unit (e.g., national currency, United States dollars, etc.) in which trade values are expressed;

j. Mode of transport;

k. Weight unit: identification of the weight unit in which trade quantity data (net weight data) are expressed;

l. Supplementary quantity unit: identification of the unit of measurement, by HS code, in which supplementary trade quantity data are expressed;

m. Valuation: identification of whether trade values are expressed in FOB or CIF terms; and

n. Custom procedure code (or applicable transaction code).

6.18. **Reference metadata items for international merchandise trade statistics**. The following items are typically part of the reference metadata associated with IMTS (IMTS 2010-CM, para. 25.14):

a. Legal framework and institutional arrangements (e.g., references to relevant laws and regulations, role of all institutions involved in compilation, etc.);

b. Underlying concepts and definitions (e.g., definition of statistical territory and trade system used, definition of statistical value, scope of IMTS and their relationship to national accounts and balance-of-payments statistics, etc.);

c. Description of data sources used and methodology of data integration (e.g., customs declarations and related customs records, non-customs administrative sources, enterprise surveys, and a brief description of how data obtained from these sources are merged to create an integrated data set);

d. Description of data-collection and data-processing procedures (e.g., frequency of data collection, description of specific procedures used for data collection, validation, editing, aggregation, etc.);

e. Estimation methods (e.g., estimation of value of trade below customs and statistical thresholds, CIF-FOB adjustments, estimation of quantities, etc.);
f. Dissemination policy (e.g., release and revision schedules);
g. Additional explanations and footnotes concerning the data, as required (e.g., explanatory notes on revisions, breaks in series, application of confidentiality rules, treatment of special categories of goods, etc.); and
h. Quality reporting.

D. DISSEMINATION

6.19. This part describes the factors to be considered when establishing the dissemination policy for IMTS by the responsible national agency. These factors include: variables to be made available; timeliness; coherence between disseminated data sets; statistical confidentiality; revision policy; users' needs; formats and means of dissemination; and dissemination of metadata and information on data quality, as well as issues related to the dissemination of statistics on international trade in goods.

- **Importance of dissemination**

6.20. This is one of the cornerstones of public confidence in good government, as such statistics can inform debate and decision-making both by Governments and by the wider community. In this context, the IMTS 2010 manual highlights the importance of countries' adherence to the United Nations Fundamental Principles of Official Statistics which state, inter alia, that:

a. Official statistics — provide an indispensable element in the information system of a democratic society, serving the Government, the economy and the public;
b. These statistics should be made available on an impartial basis by official statistical agencies to honour citizens' entitlement to public information;
c. The statistical agencies should facilitate a correct interpretation of the data and therefore have to present information according to scientific standards on the sources, methods and procedures of the statistics;

d. The statistical agencies are entitled to comment on erroneous interpretation and misuse of statistics.

6.21. In the light of these Principles, the dissemination of trade data and metadata is an integral part of the national programme of trade statistics and should be carried out with great care and attention to the needs of users, while at the same time ensuring adequate confidentiality of data providers.

6.22. **Factors to consider in data and metadata dissemination:** Compilers of international merchandise trade statistics are advised to consider the following factors in designing and implementing data and metadata dissemination strategies.

a. Variables to be made available;
b. Timeliness of data and metadata dissemination;
c. Coherence between disseminated data sets;
d. Statistical confidentiality;
e. Revision policy;
f. Groups of users and their specific needs;
g. Formats and means of dissemination.

6.23. **Variables to be made available:** Minimum set of data and structural metadata items to be disseminated. IMTS 2010 manual provides certain recommendations and encouragements in respect of what kinds of data and structural metadata items should be disseminated. They can be summarised as follows: countries should release international merchandise trade statistics for four trade flows (exports, re-exports, imports and reimports), detailed by six-digit HS codes and by categories of goods recommended for separate identification, with respect to each trading partner, using appropriate criteria for partner attribution, in terms of applicable statistical value and quantity units and by mode of transport.

6.24. Table 2 lists a suggested set of data and structural metadata items to be disseminated, as well as their possible values.

Table 2: SET OF POSSIBLE DATA AND METADATA ITEMS TO BE DISSEMINATED

Variables	Possible values
Reference period	E.g., identification of year for annual data, identification of year and month for monthly data, etc.
Trade flow	Exports, re-exports, imports, or reimports
Commodity or commodity aggregate	Six-digit HS commodity code, four -digit HS heading, HS Chapter, etc.
Commodity classification	E.g. HS 2022, HS 2012, HS 2007, etc.
Country of last known destination (for exports)	E.g., ISO alpha-2 country code
Country of origin (for imports)	E.g., ISO alpha-2 country code
Country of consignment (both for exports and imports)	E.g., ISO alpha-2 country code
Mode of transport	E.g., air, water, land and their subdivisions
FOB value	Monet value
CIF value	Monetary value
Currency unit	E.g., national currency, United States dollars, etc.
Quantity (net weight)	Physical quantity (in kilograms)
Supplementary quantity	Physical quantity (in supplementary unit of measurement)
Supplementary unit of measurement	E.g., liters, etc.

6.25. **Timeliness of first data releases:** Timeliness is defined in IMTS 2010 (para. 10.7) as the length of time between an event (the end of the reference period) and the availability of statistical information about this event. IMTS 2010 encourages countries to issue the first releases of data as follows: (a) monthly totals of exports and imports within 45 days after the end of the reference month, at least by major trading partners and basic commodity breakdown; (b) quarterly data within 60 days after the end of the reference quarter; (c) annual data within 90 days after the end of the reference year. IMTS 2010 manual further recommends that countries announce in advance the precise dates when those statistics will be released, revised and posted before the beginning of each year on the website of the national agency responsible for the dissemination of the official trade statistics.

6.26. **Dealing with the trade-off between timeliness, reliability and accuracy**: In producing data, there is usually a trade-off between the timeliness, on the one hand, and the reliability, accuracy and level of detail of the published data, on the other hand. Recognising this trade-off, IMTS 2010 (paras. 10.5-10.6) encourages countries, while making relevant decisions, to take into consideration a number of factors such as user requirements, timing of the collection of initial data by the customs

administrations and other source agencies, extent and timing of data revisions of the major data sources, and modes of data dissemination. It is good practice to discuss this trade-off explicitly with major user groups, in order to reach an understanding on the best solution, and to make this understanding publicly available.

6.27. **Timely publication of provisional estimates**: In order to improve the timeliness of the publication of statistics on international trade in goods, it is recommended that provisional estimates of total exports and imports, as well as those relating to trade by main products and trading partners, be published regularly, shortly after the end of the reference period. By their very nature, these estimates may be based on relatively limited data and are likely to be superseded at a later date by more accurate, though less up-to-date, figures. However, compilers and users should be aware of the trade-off between quality (extent of revisions) and timeliness (for example, it is generally not recommended to publish major revisions frequently (SCIM 2010, para. 10.10–10.12)). Qualitative aspects should be taken into account when determining the frequency of publication.

6.28. **Coherence between disseminated datasets:** Many countries use additional information for the compilation of annual trade statistics. In this connection, IMTS 2010 para. 10.9 stresses that the data for the fourth quarter (or for the twelfth month) need to be compiled and disseminated in their own right and should not be derived as the difference between the annual totals and the sum for the first three quarters (or 11 months) in order to provide undistorted data for all months and quarters. It is good practice to provide, in the reference metadata, an appropriate explanation in this respect, to assist users in the correct interpretation and use of the data. It is also good practice to make users aware of particularly significant cases of non-additivity over time, and to provide the reasons for their existence.

6.29. **Statistical confidentiality:** Statistical confidentiality refers to the protection of information of individual statistical units and should be distinguished from other forms of confidentiality under which information is not disseminated based on considerations such as national security concerns. It is good practice for compilers of IMTS to always strive for full coverage of all trade transactions that are within the scope of IMTS while applying appropriate methods to keep certain information

confidential. The IMTS 2010 manual para. 10.2 recognises the need both for statistical confidentiality and for balancing it against the demand for public information in cases where the application of statistical confidentiality would limit or make it impossible to provide sufficient or meaningful information. It is also good practice to disseminate, along with the data, a quantitative indicator of the goods subject to confidentiality.

6.30. **Development and implementation of confidentiality rules:** IMTS 2010 (para. 10.3) recommends that passive confidentiality be applied as much as possible, i.e., that data be treated as confidential only at the trader‘s request and when the statistical authority finds the request justified based on the confidentiality rules, unless the use of active confidentiality is already the established, desired and accepted practice. It is further recommended that in suppressing data due to confidentiality, any information deemed confidential (suppressed) be reported in full detail at the next higher level of commodity and/ or partner aggregation that adequately protects confidentiality. However, the implementation of these recommendations on statistical confidentiality also depends to a large extent on each country’s legislation and the general confidentiality policy adopted by its statistical system. An important challenge in the implementation of confidentiality rules is ensuring that confidentiality is applied across all the different classifications in which data are disseminated while preserving the goal of maximising information.

E. IMTS COMPILATION AND DISSEMINATION SOFTWARE

6.31. International merchandise trade statistics can be compiled and disseminated using modern software such as R, Python and EUROTRACE, which is the most widely used in the ECOWAS region.

6.32. EUROTRACE software can perform the following tasks;

- import and management of data essential to the compilation of international merchandise trade statistics, particularly customs data;
- processing of these data through quality controls and the application of standards;
- definition and calculation of several aggregates, particularly foreign trade indices;
- dissemination and publication.

EUROTRACE comprises three main modules ;

- EUROTRACE Data Base management System (DBMS) for data compilation;
- EUROTRACE Editor for data entry; and
- COMEXT standalone visualisation tool.

6.33. The use of this software is recommended in the ECOWAS Member States to enable the harmonisation of practices in the compilation of international merchandise trade statistics

6.34. As part of the process of harmonising data collection methodologies and transforming existing statistics for comparability, the ECOWAS Commission has developed the following tools and documents for the harmonisation of external trade statistics within the Community:

- A protocol for sharing ECOWAS external trade statistics
- ECOTRACE: the regional database for the compilation and dissemination of ECOWAS external trade statistics
- RNAETS: The Regional note for analysis of external trade statistics.

CONCLUSION

The production and dissemination of international merchandise trade statistics is a collective responsibility that involves all actors in the regional statistical system. With this methodological guide, ECOWAS provides Member States with a common reference framework, based on international standards and adapted to regional realities, to improve the reliability, consistency and comparability of data.

The harmonisation of statistical practices is an essential lever for monitoring intra- and extra-community trade such as the Common External Tariff (CET) and ECOWAS Trade Liberalisation Scheme (ETLS), implementing the African Continental Free Trade Area (AfCFTA), and strengthening the competitiveness of national economies.

It devolves on Member States, with the support of the Commission and technical partners, to rigorously implement the recommendations contained in this document. The quality of the statistics produced will be crucial in guiding economic policies, facilitating the monitoring of trade agreements and contributing effectively to the regional integration process.

Ultimately, this guide is not an end in itself but a dynamic tool, designed to evolve with practices, user needs and changes in global trade. Its effective implementation will be a decisive step towards a robust regional statistical system, serving the economic and social development of ECOWAS.

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Décision de la CEDEAO

APPENDIX

A. Foreign Trade Indices

A.1. Many users require more comprehensive information than just trade values by country or product, including data on prices and quantities.

A.2. Information on price and volume trends is typically presented in the form of indices.

A.3. It is recommended that all countries produce and publish, on a monthly, quarterly, and annual basis, quantity indices as well as unit value or price indices for their total imports and exports.

A.4. Countries are also encouraged to calculate and publish these indices, at least quarterly and annually, for product groups of particular importance.

A.5. Two types of indices can be calculated to reflect import and export prices: (i) unit value indices, which are primarily based on customs records, and (ii) export and import price indices, which are based on survey data. (IMTS 2010, para.IMTS 2010, para. 11.1 and 11.2)

B. Seasonally Adjusted Data

B.1 Monthly and quarterly data on international merchandise trade statistics are an important tool for defining economic policy, analysing the business cycle, and for modelling and forecasting.

B.2 However, they are often marked by seasonal fluctuations and other effects related to the number of working days per month, which can obscure other data characteristics that are important to analysts.

B.3 Adjusting the recording date involves estimating and eliminating seasonal or calendar influences from a time series to gain a better understanding of the underlying behaviour.

B.4 Countries are encouraged to develop and publish, as appropriate, monthly and quarterly data on international merchandise trade, adjusted for seasonal variations, on a regular basis (IMTS 2010, para. 11.3)

C. Linking Trade and Business Statistics

C.I It is important to link and integrate trade and business statistics for data development and analysis.

C.II A significant development in recent years in the field of economic statistics is the establishment and use of national business registers. These registers not only facilitate conducting surveys of businesses but also enable the linking of information from various data sources.

C.III Analysing trade based on business characteristics is an approach that enables the examination of the impact of globalisation on companies.

C.IV Countries are encouraged to integrate their trade register with their business register and take steps to establish an integrated system of economic statistics for data development and analysis.