

SECRETARIAT OF THE PACIFIC COMMUNITY

REGIONAL MEETING OF HEADS OF PLANNING AND HEADS OF STATISTICS (HOPS)

(Noumea, New Caledonia, 22–26 July 2013)

Session 2: Progress of work on International Merchandise Trade Statistics in PICTs

(Document presented by the Secretariat of the Pacific Community)

EXECUTIVE SUMMARY

1. *International Merchandise Trade Statistics* (IMTS) data are weak in the Pacific Region. There exists a gap between available (and reliable and timely) data and unmet demands. Under Objective 2 Phase 1 (2011–2014) of the *Ten Year Pacific Statistics Strategy* (TYPSS), SPC focussed on strengthening the compilation and dissemination of IMTS in the Region. In doing so SPC is using best practice and is standardising the methodology of the compilation in the Region.

Key achievements

2. Provision of Technical Assistance to countries since mid 2011 and a one-week workshop followed by a one-week attachment of PICTs trade statisticians in 2012 have encouraged trade statisticians to use best practice for the compilation of IMTS, better analyse IMTS data, and use appropriate dissemination standards. Countries are at different stages of implementing the recommendations from the Workshop. So far:
 - a. fiji has completed all tables, and Samoa 12 of the 15 standardised tables recommended;
 - b. samoa and Niue have joined Fiji in disseminating a well analysed IMTS as Official/Press Release; and
 - c. a Pacific Compilation Guide on IMTS, which is a “**how-to-do**” document, is in the drafting stage.

Main challenges faced

3. The major challenge relate to data coming from Customs: the *Harmonized Commodity Description and Coding System (HS) 2012* needs to be used by Customs, re-exports data should be captured, correct quantity information should be provided and codes identifying mode of transport and trade agreements should be made available to *National Statistics Office* (NSO). Customs should provide trade data to NSOs, at the most, a month after the reference period.
4. Other challenges include staff shortage due to the smallness of the NSOs, high staff turnover, and many NSOs not able to attract (and retain) qualified staff due to low pay structure.

Proposed way forward/Recommendations

5. The Pacific IMTS Compilation Guide will be finalized by the end 2013 and this will give the NSOs a much needed reference manual which they need to closely follow to implement recommendations from the workshop. SPC will continue providing technical assistance.
 - With customs records the main and normally the preferred data source, to improve the quality and timeliness of IMTS compilation, HOPS is invited to recommend to countries to strengthen their working relationships between NSOs and Customs offices, to enable NSOs to regularly source all required data from Customs.

INTRODUCTION

1. International Merchandise Trade Statistics (IMTS) data still remain weak in the Pacific Region. There still exists a gap between available (and reliable and timely) data and unmet demands. Under Objective 2 Phase 1 (2011-2014) of the Ten-Year Pacific Statistics Strategy, the Statistics for Development Division (SDD) of the Secretariat of the Pacific Community is working towards improved statistical processes to ensure ready access to quality and timely IMTS. In doing so the focus is on using best practice recommended by the United Nations, but having it adapted to the Pacific Region.

KEY ACHIEVEMENTS

Workshop

2. A workshop was held from the 27th to 30th November 2012 at the Secretariat of the Pacific community (SPC) in Noumea, New Caledonia. It brought together key people involved in the production of IMTS and they were the data providers¹, the users², the compilers³ and the development partners⁴. Discussions centred on the different user needs, that ranged from data sets of varying detail by country and commodity, and how SPC together with other technical agencies can contribute towards the compilation of IMTS using best practice⁵ to meet the needs of these various users, either directly or with adjustments taking into consideration data normally available and data collection procedures without compromising reliability and the timeliness of the IMTS.
3. Major output of the Workshop was a set of 15 tables that all countries were to try and complete by November 2013. SPC is monitoring the progress of the completion of these tables and assisting/will assist⁶ countries compile them. 41 % of the countries submitted their monitoring reports and of them *per cent of countries completed which table is summarised in the matrix below:*

INTERNATIONAL MERCHANDISE TRADE STATISTICS: MONITORING REPORT

<u>TABLE No</u>	<u>TABLE TITLE</u>	<u>% of responding countries completed the respective tables</u>
0	Reconciliation between IMTS and General Merchandise on a BOP Basis	29
1	Balance of Trade – all items	100
2	Imports by HS	100
3	Domestic exports by HS	100
4	Re-exports by HS	100
5	Total exports by HS	86
6	Principal domestic exports	86
7	Principal imports	71
8	Balance of Trade by major partner countries	71
9	Trade by Region	57
10	Trade by trade agreements	43
11	Exports by SITC	57
12	Imports by SITC	57
13	Retained imports classified by BEC	43
14	Mode of transport	0

¹ Customs

² Pacific Islands Forum Secretariat, Pacific Financial Technical Assistance Centre and SPC

³ National Statistical Organisations

⁴ United Nations, Oceania Customs Organisation, Australian Bureau of Statistics and New Zealand Statistics

⁵ The 3 main classifications: Harmonized Commodity Description and Coding System (HS) 2012, Standard International Trade Classification (SITC) Revision 4, Classification by Broad Economic Categories (BEC) Revision 3. IMTS Manual 2010. Monthly dissemination via public release.

⁶ Guam was not able to attend the Workshop.

Attachment

4. From 3rd to 7th December 2012, that is, immediately following the Workshop, 19 trade statisticians from the Region were attached to SPC. The aim of the attachment was to get hands-on experience in compiling trade statistics and be able to analyse IMTS. Major outputs at the end of the attachment were the:
 - a. compilation of IMTS for American Samoa which involved classifying commodities traded
 - b. a “work-in-progress” Pacific IMTS compilation guide. Currently SPC is working with the UN trade representative to sort out international trade (treatment with respect to balance of payments and national accounts as well) with respect to fish.

Technical Assistance

5. In country Technical Assistance since mid 2011 enabled up-skill counterparts. Countries covered so far are: Fiji, Vanuatu, Federated States of Micronesia, Palau, Kiribati, Tuvalu, Niue, Samoa and American Samoa. In country technical assistance has the advantage of having more than one person trained and this is useful for the Pacific NSOs where the staff turnover is high.

MAIN CHALLENGES WITH IMPLEMENTATION

6. The major challenge is issues with data from Customs:
 - a. Focus of Customs is more on Revenue data and less on data they provide to NSOs for the compilation of the IMTS. Would be good if Customs:
 - b. Adopted the HS 2012 classification. Some countries are still using the HS 2002, whilst others 2007.
 - c. Capture data on re-exports. Currently for most of the countries this is sourced from the enterprise survey.
 - d. Provide correct quantity information. This will help greatly in the construction of the export and import unit value index.
 - e. Provide NSOs codes to identify mode of transport and trade agreements so that data can be compiled thus for use by users needing these data.
7. Improvement in the quality of IMTS given to NSOs will also lead to quality Balance of Payments and Gross Domestic Product numbers. Customs should also provide trade data to NSOs, at the most, a month after the reference period.
8. The IT system used by Customs needs upgrading (NZ Stats is looking into PC Trade).
9. Other challenges include staff shortage due to the smallness of the NSO, high staff turnover and not being able to attract (and retain) qualified staff due to low pays.

Proposed way forward during final years of Phase-1 (2013-2014) and upcoming Phase-2

10. SPC will continue providing technical assistance both in the compilation of the IMTS and the analysis of it.
11. SPC is going to continue dialogue with the technical partners to improve compilation of IMTS in the Pacific, in particular with the Oceania Customs Organisation and the Statistics New Zealand.
12. SPC will start circulating the draft Pacific IMTS Compilation Guide to NSOs for comments by October and hopes to have this guide published by end 2013. The compilation guide will give the NSOs a much needed reference manual which they will need to closely follow to implement recommendations from the workshop.

Recommendations for consideration by HOPS

- With customs records the main and normally the preferred data source, to improve the quality and timeliness of IMTS compilation, HOPS is invited to recommend to countries to strengthen their working relationships between NSOs and Customs offices, to enable NSOs to regularly source all required data from Customs.