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The OECD-UNSD cooperation in compiling, validating and disseminating detailed annual trade data

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THE OECD - UNSD COOPERATION IN COMPILING, VALIDATING AND DISSEMINATING DETAILED ANNUAL TRADE DATA

- A JOINT REPORT BY OECD AND UNSD -

Introduction

1. Some five years ago OECD and UNSD joined forces in the area of data collection and data processing. As of data for the year 2002 only OECD (and no longer UNSD) continues to collect data from OECD member countries and will be sharing all these with UNSD. **Annex 1** gives an overview of the reception dates of the trade datasets of OECD member states for the years 1998 to 2002¹. This has been a multi-year process in which OECD-UNSD co-operation has been gradually extended to cover all OECD countries. It involves the statistical service specialists and the IT specialists in both Organisations. Many joint meetings were held in both Headquarters to keep up the momentum gained and to coordinate next steps in this multi-stage project. It can be said that 2004 will be the crucial year for testing the solutions adopted.

Data collection

2. A general concern for both Organisations is **timeliness**. Much progress has been achieved but much still remains to be done. The review of reception dates for 2002 data reveals that the datasets of Belgium, Czech Republic, Greece and the Republic of Korea came extremely late. If 1 July would be seen as a target date by which annual trade data of OECD member states (for the preceding year) should be received, then extra efforts will need to be invested in the mentioned 4 countries plus Luxembourg, Mexico, Netherlands, Portugal, Slovakia and Spain. It should be noted, however, that 2002 may be an “atypical” year because of HS 2002.

- *Delegates are invited to express their opinion on how to further optimize data transmission to OECD (any improvement would benefit to UNSD and WTO as well).*

Joint OECD/UNSD letter

3. In an effort to improve the timeliness of data collection and to improve on the interpretation of the data received, OECD and UNSD have sent a joint letter to all OECD member states. This letter which was sent at the end of February 2004, requested provisional and final trade data for 2003 and outlined in detail the requirements for the dataset (see **Annex 2**). In addition, all OECD member states were requested to send HS 2-digit data, fully broken down by partner for the purpose of accommodating suppressed or missing information at the detailed level.

¹ Whereas data for the year 2002 were received only by OECD, reception dates for data of earlier years refer to collection efforts by both OECD and UNSD.

Data processing

4. It has been formally agreed upon between UNSD and OECD to take the cooperation in the field of international merchandise trade statistics one step further and to include data processing as a joint project. Recently, UNSD and OECD have signed a **new memorandum of understanding** in those terms. The database teams of UNSD and OECD work very closely together and have agreed upon one common data processing practice. The IT teams are implementing it; each writing separate parts of the system.

5. The following *decisions* were taken regarding the data processing system:

- (i) The basic national data will be **standardized at the most detailed commodity level available**; these data can be shared with other international organizations.
- (ii) Records will be **standardized with respect to country codes, commodity codes and quantity unit codes**; values in national currency will be converted to US dollars.
- (iii) The statistical territory as described by the country itself will be used for definition of the **statistical territory of that country as a reporter and as a partner**.
- (iv) Records **with non-standard HS codes** will be added to corresponding 2-digit level standard HS codes; these records with non-standard HS codes will also be maintained separately as **memorandum items**:

1) *Rejected Codes*

- (a) Assign – if possible – to a standard (HS) commodity code.
- (b) Assign – if necessary – to a non-standard HS code from here on called “**memorandum item**”, where **the treatment of memorandum items** is as follows
 - (i) It was decided that, where ever possible, data shown as memorandum items will be added to the appropriate HS 2-digit code, and that the memorandum items are kept in the database for direct use in data processing and for use as side-information in data dissemination;
 - (ii) Further it was decided that the memorandum items should take the form 98xxxxCH for specific cases, where xxxx can be filled with any combination of 4 digits and CH relates to a HS Chapter (2-digit HS code), or 999999 if data cannot be credited to any 2-digit HS code.
 - (iii) UNSD and OECD will agree on one list of memorandum items by mid 2004.

2) *Reported data at higher commodity level*

- (a) If reported data at a higher level of the commodity classification is substantially different in value then the sum of the aggregated lower level, then it is concluded that the reporting country added [on purpose] information to this level and – consequently – this information should be processed. The difference between the reported higher level and the sum of the aggregated lower level could be inserted into a newly created memorandum item. The treatment of the memorandum item is the same as under 1(b) (rejected codes) with the addition that reported data could occur at the 4-digit level.

- (b) If reported data at a higher level of the commodity classification is **not** substantially different in value than the sum of the aggregated lower level, then it is concluded that the reporting country did not add information on purpose, and consequently – this information will not be processed.

3) Conversion from one classification to another classification

- (a) If commodity code A correlates perfectly one-to-one with commodity code B of another classification, then code A will be converted to code B.
- (b) If commodity code A is fully included in the heading of commodity code B, then code A will be converted to code B.
- (c) If commodity code A is almost fully included in the heading of commodity code B, then code A will be converted to code B.
- (d) If commodity code A is only partially included in the heading of commodity code B, then code A will be converted to a memorandum item. The treatment of the memorandum item is the same as under 1(b) (rejected codes) with the addition that converted data could be included at the 4-digit level.

Action point. OECD and UNSD have agreed to undertake a study to determine which correlations should be qualified as “almost fully included” and which as “only partially included”.

- (v) The database will contain **two quantity fields**, one is net weight and the second one is quantity in terms of WCO recommended standard unit of quantity. These quantity unit codes are the following:

- 1 = N/A
- 2 = Area in square meters
- 3 = Electricity in 1000 kWh
- 4 = Length in meters
- 5 = Number of items
- 6 = Number of pairs
- 7 = Volume in liters
- 8 = Weight in kilograms
- 9 = Thousands of items
- 10 = Number of packages
- 11 = Dozens of items
- 12 = Volume in cubic meters
- 13 = Weight in carats

- (vi) For **estimation of quantities** the following sequence of priorities has been adopted:

- a) If a direct conversion from the reported quantity to net weight or WCO unit is possible, then this will be done; quantity conversion factors recommended by FAO will be used as much as possible;
- b) If direct conversion is not an option then quantity (or net weight) will be estimated if at least 20% of the value has the desired quantity unit; a threshold of 50% will be applied for developing countries;

- c) If both options, (a) and (b), are not available then a standard unit value will be used to estimate the missing quantity; UNSD is in the process of improving its procedure for the calculation of standard unit values and will make this procedure available by May 2004.
- (vii) Estimation of quantities will be necessary in the process of aggregating from one level to the next; quantities will not be shown at the 2-digit level or higher.
- (viii) These rules should be used in succession and in relation to the aggregation from one level of the classification to the next;
- (ix) Quantity conversion factors will be reviewed and agreed upon with the understanding that the factors provided by the FAO will be taken to the maximum extent possible;
- (x) Finally, it was decided that quantities will only be shown at the 4- and 6-digit levels of the HS and the 3-, 4- and 5-digit levels of the SITC.

Action points. UNSD will send to OECD HS headings with corresponding WCO units, the FAO conversion factors and the status of the standard unit value project.

Country codes:

The statistical territory as described by the country itself will be used for definition of the statistical territory of that country as a reporter and as a partner.

1. Decisions on specific country designation were necessary for the following territories:
2. Antarctica: Antarctica is not considered to be a consistent customs territory and therefore will not have a separate designation. If countries use this territory as a partner country designation, it will be assigned to "Other areas, not elsewhere specified".
3. Taiwan: Whereas OECD can use code 158 to identify Taiwan as a separate entity, UNSD will have to use "Other Asia nes", code 490, to incorporate trade with Taiwan.
4. Guam: UNSD will re-enter code 316 to its country codes, if possible
5. American Samoa: UNSD will re-enter code 16 to its country codes, if possible
6. There will be only one "not elsewhere specified area" per continent, namely for "North America", "South America", "Europe", "Asia", "Africa" and "Oceania".

Action points.

UNSD will send an updated list of country codes to OECD shortly reflecting the points given above.

Metadata comparison

UNSD will follow-up on metadata information provided from OECD for OECD countries. Information available at UINSD from the National Reporting Practices questionnaire will be matched with OECD's information and – in addition – information from UN Comtrade's explanatory notes will be used - where possible - to complete the meta-data. In doing so, both organizations also align metadata practice and content.

Annex 1
Reception dates for years 1998 to 2003

Country Name	1998	1999	2000	2001	2002
Australia	8-Sep-1999	30-Jun-2000	30-Jul-2001	12-Feb-2002	21-Mar-2003
Austria	29-Jun-1999	7-Apr-2000	23-Apr-2001	23-Aug-2002	12-Jun-2003
Belgium	15-Mar-1999	15-Mar-2000	28-Mar-2001	23-Mar-2002	17-Feb-2003
Canada	27-May-1999	25-Mar-2000	21-May-2001	30-May-2002	8-Jul-2003
Czech Rep	9-Aug-1999	23-Mar-2000	16-May-2001	28-May-2002	21-Nov-2003
Denmark	6-May-1999	5-Apr-2000	21-Mar-2001	4-Apr-2002	6-Mar-2003
Finland	29-Sep-1999	15-Jun-2000	14-Aug-2001	1-Mar-2002	21-Mar-2003
France	26-Feb-1999	13-Mar-2000	29-Mar-2001	20-Feb-2002	18-Jun-2003
Germany	9-Mar-1999	16-Mar-2000	11-Apr-2001	29-Jul-2002	21-Mar-2003
Greece	13-Jul-1999	10-Jul-2000	16-Feb-2002	3-Sep-2002	10-Feb-2004
Hungary	27-May-1999	2-May-2000	27-Mar-2001	13-May-2002	25-Aug-2003
Iceland	19-Feb-1999	19-Jun-2000	9-Jul-2001	4-Apr-2002	3-Jun-2003
Ireland	24-May-1999	26-Apr-2000	8-May-2001	13-Jun-2002	6-Aug-2003
Italy	20-May-1999	18-Sep-2000	10-May-2001	25-Apr-2002	9-May-2003
Japan	20-May-1999	22-Mar-2000	9-May-2001	4-Apr-2002	8-Jul-2003
Korea	15-Apr-1999	12-Jul-2000	30-Aug-2001	27-Mar-2002	24-Jan-2004
Luxembourg	N/A	24-Apr-2000	17-Aug-2001	3-Sep-2002	12-Sep-2003
Mexico	16-Jul-1999	5-Jul-2000	26-Sep-2001	28-Jun-2002	29-Sep-2003
Netherlands	29-Jun-1999	20-Sep-2000	18-Sep-2001	26-Aug-2002	16-Sep-2003
New Zealand	7-Jun-1999	13-Mar-2000	7-Feb-2001	18-Jun-2002	25-Aug-2003
Norway	7-Jun-1999	25-Jul-2000	26-Sep-2001	18-Jan-2002	25-Jun-2003
Poland	22-Jul-1999	13-Sep-2000	21-Sep-2001	15-Jul-2002	25-Apr-2003
Portugal	20-Jul-1999	24-Oct-2000	20-Nov-2001	4-Feb-2003	6-Oct-2003
Slovakia	N/A	N/A	N/A	N/A	8-Oct-2003
Spain	8-Jun-1999	11-Oct-2000	13-Jul-2001	14-Oct-2002	3-Oct-2003
Sweden	26-Jul-1999	12-Sep-2000	16-Mar-2001	22-Aug-2002	3-Apr-2003
Switzerland	18-Feb-1999	23-Feb-2000	21-Feb-2001	6-Jun-2002	21-Mar-2003
Turkey	10-May-1999	14-Aug-2000	14-Jun-2001	10-Sep-2002	12-Jun-2003
United Kingdom	29-Sep-1999	8-Mar-2000	8-Feb-2001	22-Apr-2002	6-Mar-2003
USA	16-Jun-1999	26-Jul-2000	19-Jul-2001	5-Mar-2002	6-Mar-2003

Annex 2
Joint Letter OECD-UNSD

**Statistics Division
United Nations
New York, NY 10017
United States of America**

**Statistics Directorate

Tour Europe
33, place des Corolles
92049 Paris La Défense 2
France**

Dear Sir/Madam,

The United Nations Statistics Division (UNSD) and the Organisation for Economic Co-operation and Development (OECD) would like to update you on the status of our cooperation in the collection and processing of detailed international merchandise trade statistics and to provide you with additional information regarding data and metadata requirements.

In accordance with the agreement between UNSD and OECD, beginning with 2003 data UNSD ceased to collect trade data directly from the OECD member states, and uses a copy of the data sent to OECD. Currently both organizations are finalizing standardization of the data processing procedures to ensure that the data processed by both organizations are identical. Upon completion of this activity trade data of the OECD member states will be processed by OECD only. UNSD will focus on compilation and processing data of non-OECD countries. The UN Comtrade database located at <http://unstats.un.org/unsd/comtrade/> will continue to contain trade data covering both OECD and non-OECD countries. We would like to confirm that as data providers you are entitled to free access to the UN Comtrade data reported for the most recent years as well as to all data referring to your country either as a reporter or as a partner country. Please contact UNSD for an ID and Password (comtrade@un.org).

OECD trade data providers will continue to benefit from free access to OECD's trade database and related products (through Internet, CD-ROMs and Paper Publications) and also be allowed to use the OECD Online Information System OLISNET (ID and Password upon request), covering OECD data and analytical publications (www.olisnet.oecd.org).

UNSD and OECD agreed to certain requirements regarding data and metadata elements which are requested from countries in order to enable both organizations to obtain data in accordance with the recommendations of the United Nations Statistical Commission as set out in *International Merchandise Trade Statistics: Concepts and Definitions, Revision 2* (United Nations publication, Sales No. E.98.XVII.16).

The data requirements include:

1. Submission of provisional data as soon as these become available and submission of final data afterwards;
2. For each submission two data sets are requested, namely:
 - a. one containing trade data at the most detailed commodity/partner level possible;
 - b. a second data set at HS 2-digit commodity level with complete partner breakdown.
3. Countries are also requested to inform OECD about their data release schedules, so that both organizations may adjust their data processing and data dissemination activities accordingly.

The summary details of the data and metadata requirements are provided in Annex to this letter. Another joint OECD/UNSD note containing more detailed metadata we have for your country will be sent shortly to you for reviewing.

We hope that you find our initiative appropriate and that your continued cooperation in provision of trade data is assured.

Yours sincerely,



Vladimir Markhonko
Chief, International Trade Statistics Branch
United Nations Statistics Division

Yours sincerely,



Andreas Lindner
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Economic Statistics Section
National Accounts and Economic Statistics
Statistics Directorate, OECD

Annex to the joint letter :

Supply of detailed Commodity by Partner trade data

The annex sets out the minimum required data fields plus some metadata information to accompany the data files.

<i>Field Name</i>	<i>Recommended Field Content</i>
Reference Year	Gregorian calendar January to December
Trade Flow	Import, re-imports, exports and re-exports
Commodity Code	According to the Harmonized System at the most detailed commodity level available
Partner country or area	In national nomenclature; country of origin for imports and country of last known destination for exports
Value	In national currency or US dollars; CIF for imports and FOB for exports
Net weight	In kilograms
Supplementary Quantity	In the WCO recommended standard units of quantity
Supplementary Quantity Unit	WCO recommended units for HS headings

If any of the recommendations cannot be met, please submit that information with the data files. Specifically:

- (i) Coverage: Except for the inclusions and exclusions as listed in *International Merchandise Trade Statistics: Concepts and Definitions, Revision 2²* (IMTS, Rev.2), do you include or exclude other categories of goods? If Yes, please list.
- (ii) Trade system: The General trade system is recommended for all flows; if you apply the Special trade system, please indicate which trade flows are excluded.
- (iii) Commodity Classification: ***Please provide descriptions of codes, which are not based on the HS system.***
- (iv) Valuation: If valuation is other than CIF (imports) and FOB (exports), please specify.
- (v) Quantity Measurement: Use of the WCO standard units of quantity is recommended. If these units are not used, please describe used national units and indicate them in Supplementary Quantity Unit field.
- (vi) Partner Country: Country of origin (for imports) and country of last known destination (for exports) are recommended. If other definitions of partner country are used, please describe. ***Please provide a full text description for any new country code.***
- (vii) Confidentiality: If confidentiality is used, please provide information about the special commodity and partner country codes used for that purpose. It is recommended that confidentiality is not applied to the aggregated levels of the commodity classification. ***Please provide the complete partner breakdown at the 2-digit level of the HS in a separate data set.***

² An electronic copy of this UN publication is available at:
http://unstats.un.org/unsd/publication/SeriesM/SeriesM_52rev2E.pdf