



STATISTICS DIRECTORATE

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National Accounts and Economic Statistics - International Trade Statistics

**Detailed Minutes of the 3rd International Trade Statistics meeting
held on 5-7 December 2001**

*4th INTERNATIONAL TRADE STATISTICS EXPERT MEETING
Château de la Muette, Paris
7 April 2003 - 9 April 2003 (morning)*

Beginning at 10.00 a.m. on the first day

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DETAILED MINUTES

Chairs:

Wednesday morning: Mr. Enrico Giovannini, Chief Statistician of OECD

Wednesday afternoon, Thursday and Friday morning: Mr. Andreas Lindner, Head of the Trade, Industry, Agriculture and Services Section, National Accounts Division

1. Welcome and opening

1. Mr. Enrico **Giovannini**, Chief Statistician of OECD, welcomed the participants to this 3rd Trade Statistics meeting organised by OECD and opened the meeting. He was pleased to see that there was a growing number of participants with over 50 delegates from 22 countries, 5 international organisations, economic research institutes and also private organisations taking part.

2. This high degree of participation from OECD countries and international organisations underlines the increasing need for exchanging views on methodological issues and co-ordination/harmonisation issues. This meeting will try to evaluate present and future needs concerning trade statistics, and address data reconciliation and classification issues. A short questionnaire had been sent out on thresholds and confidentiality treatment, e-commerce and software. He also mentioned that the co-ordination between UNSD/ EUROSTAT and OECD was well established. In addition, OECD would seek countries opinions about how OECD could best fulfil its role in the future.

3. Concerning organisational questions, he informed Delegates that, after the Business Statistics Unit last year, the International Trade in Services team has joined the Section headed by Mr Lindner, now called TIAS (Trade, Industry, Agriculture and Services). It is expected that this will bring merchandise and services trade closer together and lead to improved consistency. One immediate effect of this more integrated approach is that this merchandise trade meeting be followed immediately by the trade in services meeting with a couple of delegates having expressed the intention to cover both meetings.

4. Mr Enrico Giovannini announced also that Mr François Lequillier had taken up the position of Head of the National Accounts Division, replacing Mr Paul McCarthy.

5. Mr. **Lindner** then introduced the organisation of this meeting and explained the structure of the agenda items. After reports on recent developments at OECD and international co-operation issues in trade statistics, member countries will report on identified important developments in their country. Discussion will be facilitated by the roundtable modus operandi. A new agenda item on globalisation will be added under the item 9 of the agenda. Friday would be a more “visual “day with presentations and demonstrations of statistical tools developed for trade analysis in several national and international organisations. Finally, OECD will present a new project on trade indicators to be started in 2002 and the Secretariat would welcome the views of delegates on this subject. The last part of the meeting would focus on an exchange of views on areas in trade statistics requiring closer attention in the future and the possible role OECD could play in this respect. The meeting will close by Friday around lunch time.

2. Adoption of the agenda (STD/NA/ITS/A(2001)01)

6. The draft agenda was adopted (STD/NA/ITS/A/(2001)01).

3. Minutes of the previous meeting [ITS 2000, 20-22 November 2000 : STD/NA/ITS(2001)2]

7. There were no other comments relating to the minutes.

4. Recent developments

i) At OECD

*a) **OECD's new statistical strategy [Report by the chief statistician of OECD] (STD/NA/ITS(2001)4)***

8. **Enrico Giovannini**, the new Chief Statistician of OECD and Director of the Statistics Directorate, presented the new statistical strategy of OECD, which has been launched at the beginning of this year. Statistics are a core activity at the OECD; and constitute an essential input for analytical work. The elaboration of internationally comparable data and developing international statistical standards are key to OECDs work. The quality of statistics underpins the credibility and the image of the OECD. The Statistics Directorate is playing now a key role with its proposed new statistical strategy and has received the support of the Secretary General of OECD to implement it. The OECD council has endorsed the proposed strategy and had requested a development report every 6 months. The overall aim has been to develop a modern statistical information system. The main objectives is to improve the quality and consistency of existing statistical products; develop new statistics according to emerging users' needs, enlarge the audience for OECD statistics, increase the efficiency of OECD statistical activities and enhance the role OECD is playing in the international statistical network. OECD would also develop a quality management approach.

9. OECD will develop a comprehensive information system using the data warehouse in order to improve the efficiency of a decentralised framework. Market research has been carried out to find the best IT solution. The new system should be implemented during 2002 and in 2003 all activities will be conducted coherently within the new framework. In order to improve the communication with users and to improve dissemination of statistics, a number of short term actions have been implemented such as the creation of the statistical portal, the increasing dissemination of data and metadata via the internet, regular publication of statistical press releases etc.. In order to improve quality, an annual integrated statistical program was compiled, a procedure for data collection has been defined etc. Short term actions have been also launched to enhance accessibility, avoid redundancy and develop metadata (data glossary, data catalogue). 2001 has been the year of infrastructure. 2002 will be the year of quality and 2003 the year of full implementation of the new system.

10. The **Eurostat** delegate congratulated OECD for this comprehensive approach. Eurostat, which worked already with OECD on the data glossary, had adopted the same approach. He focused on the need for a better co-ordination for external trade players. He also welcomed the link with the services area and mentioned the importance of having a common methodology between these two areas. He also pointed out the importance of linking external trade with other economic areas such as it was illustrated last year by a paper on business registers.

11. The delegate of **UNSD** also congratulated OECD about these recent achievements in the field of statistics at OECD. He mentioned that the data dictionary and the portal are an useful tool for the entire range of statistics held. The delegate of **WTO** was also impressed by the new program and found the statistical glossary also very interesting. She wished to know if other organisations were contributing and

when it would be disseminated. Enrico Giovannini informed the participants that the delegates will soon receive a letter about the availability of the glossary. The glossary will be accessible through the web using a password. OECD was waiting for feedback from the delegates. The glossary has been developed to improve internal co-ordination in order to avoid inconsistencies between different publications and is to be shared with other international organisations. The SDXM (Statistical Data Exchange Methodology) was an international group working on the possibility to use XML to share information (databases, metadata etc..) via the Internet. **OECD** mentioned that it could be a common tool that could be updated and enlarged across organisations for their specific area. He agreed with the delegate of **Eurostat** on the need to integrate trade statistics with other statistics areas.

12. The delegate of **Canada** also congratulated OECD about its strategy and asked what would be the role for OECD Member countries. **OECD** replied that the role of Member countries was crucial. The Member countries should be involved to voice user needs and to evaluate the quality of OECD statistics. They also could help to develop instruments/ tools that could be helpful at national level. The glossary could become a national tool for NSOs.

13. Following a question from the **Swiss** delegate relating to the role that countries will have to play regarding quality, Enrico Giovannini explained that the quality framework must first be agreed by all directorates. The system should not be too heavy but linked to management. He also explained that Statistics Canada was also applying a quality program based upon self-assessment and they had studied how guidelines had been applied. These two questions will be discussed at high level at OECD. The quality framework should be finalised in June 2002 and will be applied in 2003. The project will be enlarged to receive feedback from data providers.

b) OECD trade in goods and trade in services [report by OECD]

14. **Andreas Lindner** informed the participants about the re-organisation undertaken recently within the Statistics Directorate. It is hoped that the integration of the Trade in Services Unit into the Trade, Industry Agriculture and Services Section will help to better understand conceptual issues and ultimately help to better harmonise customs-based and BoP-based trade methodologies. One important improvement could consist of quantifying differences of CIF to FOB data. The example of e-commerce was a good case for illustrating borderline conceptual issues, where an element could be classified as good in which case it was subject to GATT or as service belonging to GATS. Consistent Geo-nomenclatures are another illustration of synergies to be realised. This was an opportunity to have a more comprehensive view on trade in goods and services. Delegates were informed that the services meeting will follow the trade in goods meeting and in the future both meetings will be kept back to back. He introduced Mr Bill Cave, the administrator in charge of services.

15. **Bill Cave** explained that methodological issues such as e-commerce had not yet been sorted out. The services experts were working on the implementation of the new manual on trade in services to harmonise methods amongst member countries. They will work with countries in order to improve their statistics in services by implementing a new data collection by partner country and initiate work on the measurement of software trade. They will try to bring together policy and analytical needs and the development work they need to do beyond the manual.

c) New statistical products [report by OECD] (STD/NA/ITS(2001)16)

16. **OECD** reported on three types of new products, which can be divided into: Internet-based , paper products, and media-related electronic products. Concerning Internet, SourceOECD is a powerful tool allowing now access to all statistical and non statistical publications for external users. Olisnet was created before the generalised use of the Web for authorised users from OECD governments and contains

also unpublished data sets. Finally, the statistical portal is a simplified central system to access quickly and easily statistical information (data and text, manuals etc.). The second type of products concerns 3 new paper/electronic products: The Newsletter, which establishes a link between users and producers. It is written for non-specialists, and typically contains several subjects on methodological issues or development work for a very wide audience. The Statistics Brief is the second element of this category. It concentrates on a particular theme and targets decision makers, journalists and a wider public. It typically addresses statistical measurement issues. The first issue was about measurement issues of trade (goods & services) and the Secretariat is currently receiving a very positive feedback from outside. The working papers in statistics, the third element, are more detailed scientific papers and address a more specialised audience. Finally, a series of statistical press releases has been launched. One of the press releases concerns quarterly trade results. The first test in September 2001, which presented volume figures for G7 for the second quarter of 2001, was encouraging and the first issue was released in January 2002. In this context, the Secretariat stressed the importance of timely availability of volume data and agreed dates of advance releases in order to be able to produce time-bound trade information. The Secretariat welcomed the views on the delegates about these new products.

17. The delegate of **UNSD** explained that UNSD also publishes the same kind of products but it required significant resource needs. He would like to have feedback on resource implications. OECD answered that, of course, it was not a free exercise in term of resources. That is why as much as possible standard procedures and presentations have been developed to optimise resource requirements.

18. The delegate from **Germany** explained that the Statistics Brief has been circulated across the entire Bundesamt and received a good echo. This initiative was a useful tool for statisticians. OECD welcomed the positive echoes and announced that the next Statistics Brief on the Euro will be issued in January 2002.

19. In answering a question from **Eurostat** relating to the source of data for EU15 in the press release, the Secretariat stated that EU-15 was calculated as the sum of national data. OECD pointed out that this was in line with the dual track strategy in place in place meaning that OECD accepts EU aggregates provided by Eurostat while continuing to collect national data for the EU. OECD proposed to have a bilateral follow up of this question together with Eurostat. Eurostat agreed.

d) OECD (trade) data on the web [secretariat]

20. The **Secretariat** presented the new Website, which regroups in one place all information on statistics across OECD. On the OECD Internet site there are two ways to access statistics : one by using the navigation tool bar and the other by passing through the statistical portal which is included under themes. The thematic classification was based on that of the United Nations. A thematic access to OECD products are Olisnet and SourceOECD, for which a free access can be obtained for 2 months. Olisnet was and is the main communication tool with Member countries. A statistical glossary will be included in the future. Delegates were also informed that the statistical portal is the most visited theme of the OECD Internet site. The Secretariat informed that new “friendly” URLs are available for themes of the statistical portal: <http://www.oecd.org/statistics>. The Secretariat would welcome feedback from Delegates.

21. The delegate of **UNCTAD** wanted to know how OECD managed simultaneously the statistical portal and themes, where statistics were also presented. OECD explained that this is due to OECDs decentralised structure. It is precisely for this reason that one single entry point, the statistical portal, is an important short cut to find data.

22. The delegate of **UNSD** congratulated OECD on having “statistics” on the OECD home page and would have liked such an upfront display of statistics on the United Nations homepage, too. The delegate of **WTO** echoed this remark..

23. A presentation on WDS (the web data server) using trade statistics was given showing how to quickly obtain data and options available. Particular features shown included the easy way of transposing dimensions, “drilling down” to the most detailed commodity level, how to directly plot results including colour coding, and export of data in different formats. The secretariat explained that this tool was truly multidimensional and allowed access to all OECD data. It is considered to be user friendly and intuitive.

24. In response to a question from the UNSD delegate about the way the search engine works for commodity codes in ITCS, the Secretariat replied that it was based on the title of the Harmonised System code. The next step could be to work on an index. Following a question from the delegate of WTO, OECD also explained that search functions can also be based on HS codes, not text. The Secretariat pointed out that it is planned to add the possibility of having several reporter countries in one query for the next release.

ii) Trade system and IT perspective

25. The representative of the **IT Directorate of OECD** described the system of trade from an IT perspective referring to the migration from the mainframe computer to Oracle Express / Unix beginning in 1995. The new system was a modernised client system. The International Trade System represented some 80% of all OECD data. The advantages of this system were that it was stable, secure and needed low maintenance. The disadvantages were the cost and necessary expert know necessary to adapt the system in a context of rapidly evolving software. In a long-term perspective, a move to a standard SQL NT system was envisaged. The Secretariat pointed out that ITS was the first database fully migrated at OECD. He explained that it was impossible to know what the future from an IT perspective would be in five years time. Hence, the Secretariat would like to gather views from delegates, IT experts and from other organisations about how they manage their respective trade databases (“big” by nature) and exchange views on envisaged plans for the near future. A proposal was made to create an informal IT experts group on the management of trade data which would exchange views and could make recommendations. Such an informal group would report back to the 4th OECD ITS meeting in spring 2003.

26. The delegate of the **United Kingdom** mentioned that they have the same software supplier and expressed interest in co-operation with OECD. The delegate of **UNCTAD** explained that statisticians were often automatically involved in computer and software issues and expressed his interest in the creation of a network from an IT perspective. He also mentioned the necessity to exclude commercial considerations. The delegate of **Australia** referred to ABS’ central data dissemination approach and expressed his willingness to liaise on that subject in ABS with a view to participate.

27. The delegate of **UNSD** also declared interest in participation. He mentioned that COMTRADE was the same kind of database as ITS on a world-wide scale. The database still resides a mainframe but they are working on a client server approach. It should be of particular interest to continue the already existing exchange of views on trade-related IT matters between UNSD and OECD. OECD could perhaps benefit from their experience migration to an SQL-based IT environment.

28. The Secretariat welcomed this positive echo and stressed that the current ITS system was very powerful, with resource-effective processing and publishing routines. No current problem existed but it was necessary to look ahead. As conclusion it was agreed that OECDs IT Department follows up on this issue with member countries and International Organisations and reports back at the next ITS meeting where this issue will be on the agenda.

iii) *Co-operation issues in trade statistics*

e) *International Trade Task Force Meeting 27-29 March 2001, Beirut [report by WTO] (STD/NA/ITS(2001)3).*

29. The delegate from **WTO** (the convenor of the Task Force) mentioned that the Task Force was created in 1993 to strengthen co-operation at international level. The Task Force worked on merchandise trade statistics issues with particular emphasis on reducing the response burden on NSOs and on improving quality, timeliness and consistency of trade data. The 2001 Task Force meeting took place in Beirut hosted by ESCWA. Progress was made in data sharing arrangements and improvements in data quality and consistency as well as on international standards. The delegate pointed out work underway on consistent trade aggregates which could be disseminated to all users. The Task Force also helped to reduce duplication among different organisations and contributes to setting consistent data standards in trade statistics to enhance the credibility of international trade. The delegate of WTO mentioned that during the last OECD trade meeting, some delegates expressed their desire to participate in the EDG. The participants of the EDG preferred, however, not to allow access to a wider audience at this point.

f) *Update of UNSD compiler manual [report by UNSD]*

30. The delegate of **UNSD** informed the participants that a final text version was now available. The compiler manual has been written (and revised in 2000) with the aim to assist countries in implementing the recommended concepts and definitions of merchandise trade statistics. The finalised version will be sent to the editor and will be translated into the 6 official UN languages. The compiler manual tries to provide advice to institutions and organisations and contains several amendments in response to more recent statistical concerns.

31. He mentioned also that some international instruments already existed such as the WTO questionnaire on evaluation and origin definition. The existing recommendations should be followed for units of quantity or for the Harmonised System codes. Within the manual there is a list of 10 areas where extra work should be initiated (listed in a summary paper made available at the meeting). It also covers practical advice on how to deal with important issues, such as thresholds. The Compiler Manual will be printed around June 2002 and than disseminated. Training sessions to introduce and promote the manual will be organised. It is planned to have a downloadable version on the UNSD web site.

32. Following a question from OECD about the existence of an item relating to statistical registers, the delegate of UNSD also referred to the interesting and relevant presentation by the Italian delegate at last year's ITS meeting on linking trade data to business registers. He stressed the need to further explore the whole range of analytical uses to be made using business registers together with detailed trade flows allowing the identification of ownership of a transaction. Such an integrated information base would also be useful for work on globalisation.

33. The **Eurostat** delegate congratulated UNSD for the work accomplished. He mentioned that Eurostat is working on an own manual for the EU which is based upon the compiler's manual and the concepts and definitions of UNSD. He underlined the importance of the statistical register issue which requires further investigation.

34. The delegate of **Switzerland** explained that they compared their own definitions with those proposed in the manual. They have found many differences. He noticed that in some instances the manual was somewhat vague and stressed the need for stricter and more detailed rules to avoid diverging country practices. For example, electric current was not considered as merchandise although it was described as a merchandise in the manual. How should it be taken into account? In Eurostat, the electric current is

considered as merchandise. In Germany, some individual contracts have been settled for electric current and data were then included in the statistics. It was necessary to establish clearer rules.

35. The UNSD delegate answered that electric energy was considered as merchandise trade. It was not recorded by customs declarations but needed other sources of information. The manual explained that the relevant service should carry out a survey to obtain the relevant information from authorities, companies, producers of electricity, or industry surveys to be incorporated in trade statistics. They should define an approach consistent with trade. Another example was trading in ships which the Netherlands omitted from their imports. Many countries excluded trade in ships from their statistics because data were not available in customs declarations. The amount of exports of ships was three times that of imports. The manual now presented procedures to follow for this particular trade flow.

36. **OECD** pointed out that more explanations were necessary and suggested a list of items could be useful. It would be discussed on Friday and a list of issues would be drawn up to be addressed at the next meeting. The delegate of **Eurostat** agreed and remarked that a follow-up on this subject was important. Countries should provide input on difficulties they encountered in meeting implementation guidelines of the manual.

37. The delegate of **Switzerland** mentioned that, as of the first January 2002, there will be the third revision of the HS in force and there will be a new customs position for special wastes. Merchandise flows were antagonistic in that no negative valuation were allowed. The delegate of **UNSD** explained that sold waste was considered as a product, whereas such a transactions would be excluded in merchandise trade when the exporter pays the importer. In addition, quantities should be recorded separately.

38. The delegate of **Australia** observed that trade was also part of National Accounts. It was important to take a broader view on trade and consider links and implications for other economic statistics. The delegate of UNSD answered that, whenever possible, trade flows excluded from merchandise trade records are recorded separately and estimates made available for compilation purposes of National Accounts and Balance of Payments.

g) UNSD-OECD update data sharing [report by UNSD and OECD]

39. The delegate of **UNSD** presented the background to the data sharing. He explained that for many years, OECD/UNSD asked the countries the same set of data, which were then converted into dollars. Some years ago, it was decided to reduce the burden for countries and UNSD and OECD decided to use the same exchange rates. For a few years, a comparison was made to see if each organisation received the same data. This was conclusive and it was decided that only OECD would collect the data for OECD countries and make them available to UNSD. The project started with 13 countries with the aim to extend it to all OECD countries. The system was working well even if there were some problem of data delivery. The delegate of UNSD expressed his satisfaction with this system, thanked the countries that helped to contribute to the success of this project and its continuity. He repeated his commitment to reach full coverage of countries.

40. **OECD** explained that this approach made sense and was done to reduce the burden of NSOs. The MoU was completed 2 years ago. A joint letter had been sent in Mars 2000 to 13 countries and in 2001, 9 countries had been added. The experience was positive and the next step should be to agree on identical output (processed) figures.

41. The delegate of **Eurostat** expressed his willingness to provide figures on a monthly basis to UNSD and OECD for those countries that apply the same methodology. Seven countries applied their national concept but for the others it could also be done.

42. **OECD** welcomed this offer and stated that OECD intends to also have direct access to Comext. He thanked the countries for providing trade data in time. He emphasised the need to receive data as soon as possible in order to help OECD to fulfil its role.

h) Update on OECD's monthly and yearly data [report by OECD] (STD/NA/ITS(2001)9).

43. **OECD** informed Delegates about recent developments. For yearly data, the situation has generally improved over the past two years and there was a stable time lag for data transmission since 1998. The Secretariat was working together with those countries to improve the situation in cases where data delivery could be accelerated. Timely delivery to OECD becomes all the more important since - because of the data sharing agreement - delays in delivery automatically also affect UNSD and WTO. OECD would like to encourage data providers to send data as soon as possible and re-iterated that the Secretariat requests provisional figures as well as final data.

44. Concerning monthly data, OECD informed the group that 90% of supplied data was available by the end of the following quarter. There was a significant reduction in time lag and an increasing electronic transmission of data. The Secretariat invites countries to provide final figures for monthly data in order to be coherent with other trade data sets.

i) Inter-Agency statement of trade data needs [report by WTO/UNSD/OECD] (STD/NA/ITS(2001)18).

45. The delegate from **WTO** explained that the merchandise trade statistics of UNSD and OECD were used by other organisations such as WTO, ITC etc. Since OECD countries represent some 75% of world trade, timely data availability for these countries is crucial, hence this joint note by all three International Organisations. WTO uses COMTRADE data, which contains the data transmitted from OECD. It goes without saying that timely trade data availability is crucial for trade negotiations and WTO's ability to provide international policy advice. Significant improvements have been made but some further efforts are still needed to reduce data gaps and time delays. The submission of provisional data would be useful to avoid delays. During 2001, some transmission delay problems existed with Australia, Denmark, the UK and the USA. A plea was made to use, wherever possible, an automatic procedure of data transmission to OECD.

46. Round table discussion on trade data transmission

47. The **Secretariat** explained that if OECD received provisional figures by March, it was useful for analysis. The supply of provisional figures should enable potential gains in timeliness. These data are used in turn by other organisations. OECD invited the OECD Members to check back home to see what can be done. Paper ITS(2001)9 provides a solid factual basis to check and to compare with others. The Secretariat explained that for **Australia**, an agreement was reached three years before with ABS to receive data in August. OECD will work with Australia to revisit this agreement in view of a more timely delivery of data.

48. The delegate of the **United Kingdom** stated that he had learned already at the last ITS meeting that several problems occurred with their data and promised to find out what the reasons were and to get back to OECD. The delegate of **Norway** explained that data delivery for final figures was fine. But normally they would be able to send provisional data in January. The delegate of **Denmark** will go back and ask in his office why OECD received data so late. The delegate of the **United States** promised that the provisional figures will be sent earlier. The delegate of **Iceland** will send data in March. The delegate of the **Netherlands** informed the meeting that data were available in June and noticed that data were supplied

in September. He will try to get it sent in June to OECD. He also mentioned that some monthly indices were available but not reported to OECD. He will report back to OECD to see what happened.

49. The delegate of **Finland** informed the meeting that he could send provisional figures in March. The delegate of **Sweden** would like to know when the delivery of provisional and final figures data were needed. Final figures could be provided after 5 months in May. The delegate of **Hungary** mentioned that the information provided in the room document was correct and OECD received data in March in time. The delegate of **WTO** pointed out that data received in June would arrive too late for their calculations. Ideal would be the reception of final detailed data by May. The delegate of **Canada** explained that they were able to deliver data in time and pointed out that no lag existed between release and data reception by OECD.

50. The **Secretariat** thanked the countries for the numerous improvements made to data delivery and the clear willingness to do better wherever possible. Again, he stressed the importance of sending data to OECD as soon as possible because UNSD was waiting for it as well. The delegate of **Norway** would like to know if OECD send the data only to UNSD and what were OECDs contact names in Norway. The Secretariat answered that data were only sent to New York. OECD had a contact management system, but the contact names may change over time and - without being properly informed- an outdated contact name could explain some delays. He explained that, as far as OECD is concerned, the Trade Unit therefore prefers the generic account: std.tradestats@oecd.org that should be used for routine correspondence and each data delivery. He pointed out that the use of a generic account was a good way to ensure timeliness, consistency and continuity in data transmission between services. The Secretariat will check for the name of the Norwegian contact name.

51. The delegate from **Belgium** stated that monthly data was an important subject and may be even more so than annual trade. He mentioned that for Belgium, there was a lag of 4 weeks in data reception. Rapid estimates were available after 6 weeks. He was ready to provide the same estimates given to Eurostat to OECD, which would result in a gain of one month. The **Secretariat** thankfully accepted this proposal and pointed out the importance of having monthly data as early as possible.

52. The delegate from **Eurostat** explained that they calculated indices for all Member states, but there were problems for unit value indices. They will investigate with Member countries the availability of price indices. The delegate from **UNSD** mentioned that they collected information from countries on their methodology of calculating unit value or volume indices. They had information for 90 countries on techniques applied. A technical report on Index Numbers will be published mid 2002. The developing countries will learn from the developed countries and vice versa. The manual will give some advice and a list of desirable products to be produced in the future.

5. Recent developments in OECD countries

a) *Recent Australian Customs developments and their impact on Australia's International Trade Statistics [report by Australia] (STD/NA/ITS(2001)13)*

53. The delegate from **Australia** explained that they and Customs are in the midst of introducing two new systems : the cargo Management Re-engineering (CMR) project and the Accredited Client Program (ACP). The CMR is a new business process designed to facilitate the flow of legitimate trade and allow industry maximum flexibility in communicating electronically with Customs. The process will be completed in 2/3 years.

54. The ACP influences basic features of quality, but the ABS is working towards minimizing the impact on timeliness and accuracy. The desire was to substantially reduce the cost to industry of reporting

each single transaction to customs. The importers and exporters will report to Customs per month rather than per transaction. Three options are proposed for periodic declaration: the first one is based on a concatenation of individual entry lines on a transactional basis. The second one will contain information not otherwise available to customs but completed by them using other sources (e.g. from the separately submitted cargo reports relating to these transactions). The third one will include aggregated entries for transactions with similar cross-classified characteristics. ABS was not sure about the impact on the quality of data. The critical point was that the ABS's quality assurance procedures would need to be revamped.

55. The delegate from **Australia** asked participants if they had made similar experiences concerning relationship with customs. **OECD** asked what was the impact on quality and if the option 3 was the worst case scenario. The delegate from Australia agreed that option 3 was the worst case in term of quality but the case 2 was the worst case because he was not sure that it would be achievable by Customs. The delegate from **Belgium** wanted to reassure the delegate from Australia because Belgium had a similar system, which works well. About 300 companies no longer fill customs declarations and now send a monthly résumé of transactions directly to the Bank of Belgium. Transactions were aggregated by product and country. They noticed that there was no negative impact on quality. Advantages were that on a country basis only small errors occurred. Errors for aggregates could be more important but are corrected later. One disadvantage could be the additional lag in timeliness because data arrived a month later.

56. The delegate from **UNSD** stressed the benefit to NSOs, which are now processing a smaller number of transactions. He wanted to know if there were any savings made on resources. The delegate from **Australia** answered that savings were minimal because the cost of data storage was minimal. As processing was made on a mainframe, there was no real gain with lower volumes of data. The delegate from the **US** mentioned that they were at an early stage in a similar process and they were working together with customs on something like option 3. Option 1 would be worse. They would like to know how Australia handled aggregates deadlines. The delegate from **Australia** said there were some delays in data transmission, but data generally were available within 20 days after the reporting month.

57. The **UK** delegate pointed out that they had a similar system for a number of years already. He stressed the important issue of monitoring. Indeed, enterprises submitting late in the month meant there was significant trade flows missing that needed to be estimated. In the simplified clearance procedure, it was difficult to match with declarations, so there was an estimated 5% reduction in quality, which was judged acceptable. For **Canada**, the reporting system took longer time to report and importers preferred the system on a flow basis. Therefore, Canada requested data on a flow basis rather than aggregates. They will try to collect directly more information from importers and exporters to obtain more accurate information on HS and quantity data wherever available. The quality was judged satisfactory, but accuracy loss occurred for transportation. The delegate from UK stated that they had experienced good relations with customs and services agreements existed on what to expect from each other. NSO also participated in customs training program.

58. **OECD** proposed to come back to the Australian experience at the next meeting and specifically address effects on quality.

*b) **Harmonisation of Foreign Trade in Slovak Republic [report by the Slovak Republic]**
(STD/NA/ITS(2001)17)*

59. The delegate from **Slovakia**, the newest OECD Member country, presented the history of his NSO and the new collaboration with OECD on data collection. The Slovak Authorities are very keen to adapt to international rules. They plan to introduce Intrastat in 2004 and appreciate the well-established co-operation with OECD in trade statistics. The importance of OECD countries is evidenced by the fact that since 1993 the share of OECD countries in total Slovakian trade has doubled from 35 % to 75%.

60. **OECD** expressed its great satisfaction with the smooth integration of the Slovak Republic into the ITS. Both monthly and yearly data are of high quality and delivered on time.

c) Roundtable discussion: confidentiality treatment threshold, data availability and access

61. The **Secretariat** explained that the round table would be based on the synopsis of the short questionnaire sent to OECD Members as part of the preparations for this meeting. Aspects of data transmission were already discussed before and did not need to be repeated here. OECD mentioned that most countries applied passive confidentiality but a more detailed treatment of this issue would be needed. Perhaps at the next meeting.

62. Concerning thresholds, **Eurostat** explained that different types of threshold existed and it was necessary to specify which kind was applied. For Extrastat, it concerned each transaction; for Intrastat it was the total amount for one firm for one year. The delegate from **Belgium** agreed with Eurostat on the fact that it was necessary to specify what kind of threshold was applied. Thresholds for Intrastat were complex and linked to the turnover of companies. For Extrastat, there was only one threshold, which explains why variations between countries were less pronounced. **OECD** stated that a more detailed synopsis would be needed to have a clearer and complete view. The quality aspects of data move more and more to the forefront of concern. The delegate from **Belgium** mentioned that the quality reports of Eurostat include information on threshold, timeliness etc.

63. The delegate from the **United Kingdom** reminded participants that IMF's SDSS contained a lot of useful information. **OECD** answered that the EU quality report was an EU standard, but an enlarged standard report for all OECD Member countries was needed for which the IMF information was not entirely sufficient. The delegate from **UNSD** pointed out that the relevant information to be recorded should be to collect the information about transactions below the threshold. He asked whether or not any estimates were calculated and included in total trade. He also mentioned the need to identify particular transaction by country. The delegate from **WTO** observed that it was in general difficult to find information about estimates in NSO publications and users sometimes had problems in comparing data. The United Kingdom estimated intra trade but these figures were not sent to UNSD. Information for Germany was not broken down by products and information for Netherlands was not broken down by partner.

64. The delegate from **Germany** said that it was difficult to have information on adjustment procedures from other EU countries. Some clarifications on this subject were needed. In 2002, there will be the following new thresholds: 200 000 Euro for Intrastat and 1000 Euro for Extrastat. The delegate from **Australia** explained that the corresponding work done by the ABS was available on the web site. It contained information on common elements, minimum requirements and tables. **OECD** stressed the importance of having a complete list on trade thresholds applied.

65. **Eurostat** said that for thresholds metadata could be misleading. Indeed Intrastat and Extrastat were compiled by two completely different systems: customs for Extrastat and surveys for Intrastat. For national purposes countries combine the two sources. But it was difficult to identify the origin of estimations between Intrastat and Extrastat. Countries should be careful when trying to find explanations for end users to avoid possible misunderstandings.

66. **OECD** clarified that there was a round table discussion regarding the use of national versus community concepts at the last meeting. Users clearly needed more explanations about practices followed and the reasons for it. The delegate from **Norway** remarked that customs did not always cover all trade, especially for ships. As no surveys existed, the information was taken from registers to identify ship owners and questionnaires were then sent to them. Customs had in particular problems to report on oil and

gas; therefore, these were removed from customs data. OECD was invited to draw up a list of identified shortcomings and to launch a further round of reflections on this subject with member countries for discussion at the next meeting.

6. E-Commerce and software issues

a) *Cross border electronic commerce and international trade statistics [report by UK] (STD/NA/ITS(2001)1)*

67. The delegate from the **United Kingdom** presented a paper highlighting statistical measurement issues relating to the delivery mode of goods and services of e-commerce and software. UNCTAD and OECD had also contributed to this work. The central question was the borderline issue of whether classifying transactions as good or service. The policy dimension becomes evident when one considers that goods fall under the GATT (dutiable and no quotas) while services fall under GATS (not dutiable and quota restrictions). As an increasing number of goods was now supplied in electronic form (digitizable products), threshold and classification issues arise calling for a more complete statistical treatment.

68. The United Kingdom had conducted a survey on e-commerce business which clearly showed that existing surveys need to be improved by using improved sampling methods, a review of types of transactions picked up, and a better distinction made in household surveys by origin of purchases.

b) *E-commerce and software issues in Germany [report by Germany] (STD/NA/ITS(2001)8)*

69. The delegate from **Germany** explained that e-commerce goods delivered physically were included in trade in goods whereas goods delivered online were excluded. Consequently, that part of goods ordered online but delivered offline was included in merchandise trade while goods delivered online were excluded from merchandise trade statistics. In particular this part needs to be quantified. Germany would like to propose adding a new variable to the Intrastat questionnaire which permits to identify the method of order as “conventional” or “online”.

70. Concerning software classification issues, the delegate from Germany proposed to consider a finer subdivision of the content of software to be able to distinguish digitized information such as music, films and the like from standard software or software for particular applications. Also different modes of delivery modes of software should be identified. This distinction was difficult to apply and mechanisms of customs control did not work in the case of software. The valuation of software remained a topic awaiting solution. The delegate from Germany highlighted his keen interest in pursuing this matter further with OECD and other countries.

c) *Report on the new Task force on software measurement in national accounts [report by OECD] (STD/NA/ITS(2001)6)*

71. **OECD** reported on measurement of software in National Accounts which was partly linked with international flows in software. The background was that, following SNA 93, the different national practices in recording software as intangible fixed assets had a significant impact on comparability of GDP growth. In response to this, OECD launched a task force on measurement of software in National Accounts together with Eurostat. The task force will concentrate on trade flows of software in National Accounts and software deflation issues. A report on the joint OECD/EUROSTAT questionnaire on software practices should be available by mid 2002. The first draft will be available in January 2002. Part 3 of the questionnaire was dedicated to trade in goods.

72. There were three types of measurement issues. Measurement 1 was based on the definition already outlined in the German paper in that software could be traded in different forms, such as tangible/intangible media e.g. on-line delivery. The measure was often bundled with hardware or other services and it was difficult to define whether it was goods or services and what the value of CD-ROMs/diskettes would be. The measurement 2 referred to the differentiation between built-in software and standard pre-packed software and the fact that a single software copy can be used by any number of machines leading to a considerable change in market value. Other issues were subscriptions for regular updates (e.g. anti-virus software), in-house developments, valuation of intra-firm trade and classification issues. Some HS 96 codes exist for software goods, some others in BoP for trade in services.

73. Comments from experts were welcome on their own procedures on software processing or any supplementary information on software issues, practical measurement issues and validation of data on software flows.

d) Round table discussion on E-commerce/Software

74. **OECD** invited the participants to comment on the valuation of e-commerce, classification issues, linkages with the NA framework etc. The delegate from **Belgium** proposed a minimalist solution. He explained that foreign trade experts could not solve this problem. The measure of traditional goods ordered by electronic means should be identified separately. Software should be included in a minimalist way as it was only recorded for standard software. The electronic shipment of software should not be included; BOP experts were in better position to record this kind of information.

75. The delegate from **Switzerland** noted that electronic transmission was increasing and replacing physical transfer. Estimates should be made to compensate for less VAT returns from private firms via customs duties. Electronic trade was rising, but nothing was done to capture this trade. Since 1998, new directives are expected. For National Accounts, the classification was based on the use of merchandise. So it was necessary to distinguish which part of software concerned firms or household uses. Swiss statistics contain a distinction by private or commercial use which improved reliability of figures.

76. The delegate from **Norway** explained that the Bank of Norway was in charge of BOP for trade in services. They worked on a completely new system for trade in services. A project group had been created to propose statistical solutions on e-commerce by 2003. The problem of software was considered less important. "Unregistered" trade was not captured in the customs system although it was important for goods and also for NA. The definition of e-commerce as goods or services was not yet in its final stage. Future "electronic trade" will neither be easily captured nor classified.

77. **Eurostat** admitted that there were more questions than answers for the time being. It was increasingly difficult distinguishing between goods and services and to determine boundaries. A group like this one - or a sub-group - could usefully pursue this issue further. The problem needed to be solved pragmatically. Eurostat agreed with the delegate from Germany to add a new variable.

78. The delegate from **Germany** proposed the creation of a group that would look into this matter and examine valuation issues. The delegate from **Switzerland** expressed rather a preference for software being part of the BoP. He stressed the need to bring closer together NA, BoP and ITS and to use to the greatest extent possible existing survey information.

79. The delegate from **Australia** mentioned that it was time to look at commodity classifications and to review the goods/services split. An agreement was needed on policy to be adopted.

80. The delegate from **Switzerland** disagreed with the delegate from Germany on the introduction of a new variable. He pointed out the need to define the part of services included in merchandise

transactions. For software, it was a problem of definition: services, goods or property rights. Discussions should take place in WTO because it concerned GATT, GATS and TRIPS. WTO should provide rules and OECD should continue to help advancing matters by bringing experts from member countries together.

81. The delegate from **Germany** disagreed with the delegate from Switzerland and answered that the introduction of a new variable was really important. NA was different and specific software should not be included in trade. OECD pointed out that physical characteristics of goods were changing and trade statistics needed to take this into account. OECD invited volunteers to work on this subject and to report back to the next meeting. E-commerce and software were subjects on which NA needed improvements. If a sound solution were found on software measurement, analysis on e-commerce would benefit.

82. The delegate from **UNSD** wished to draw attention to the fact that some questions that had been raised had already been resolved. There was an agreement that standard software should be recorded by customs. There was still an outstanding issue about defining digitized products as goods or services. The manual did not cover digital products, which were considered as trade in services. Customs had information on trade in specialised software, part of that was considered merchandise trade. Regarding valuation, the WTO agreement will provide answers. **Eurostat** re-iterated that it was necessary to have a more detailed discussion on this subject. For instance, it is necessary to look at all HS codes to see the possible extend of digitizable products.

Thursday, 6th December 2001

7. Data reconciliation

a) US-Canadian trade data exchange [report by USA and Canada] (STD/NA/ITS(2001)5)

83. The delegates from **Canada** and the **United States** reported on the project of bilateral trade reconciliation, in which the respective bilateral export statistics are replaced by the corresponding import statistics of the importing country. Since import data were more accurate than export data, more reliable measures of bilateral trade could be obtained.

84. This project can be considered a success and, besides the elimination of export undercoverage, other objectives have been met, such as the publication of identical figures and a considerable reduction of response burden and costs. Some differences still exist, concerning shipments involving third countries, inland freight rates, classification differences and different seasonal adjustment methods. Transit trade can lead to double counting, distorting both countries' published balances. The increasing integration of multinational firms is altering the trade export pattern in particular for Canada and the identification of the country of ultimate destination is difficult.

85. **Eurostat** congratulated the USA and Canada for the clear and useful presentation and asked whether there is not a similar exercise going on with the United Kingdom. The delegate from the US answered that the US and the United Kingdom customs worked together on a pilot program for released goods.

86. The delegate from **UNSD** was impressed by the high level of co-operation in this project from all players. He noted that Canada added 4000 additional items to provide information for importers. He would like to know how importers reacted to these new demands. The delegate from **Canada** answered that in many cases the larger importers were also exporters and in any case they already had to report all these codes. But he did not know what was their reaction. Nevertheless, in many cases it was perceived as progress. The delegate from **Germany** explained that he had found a report on mirror figures on US trade on Internet. There were data between Mexico and Canada for which the differences were enormous. He suggested that Mexico may be included in the exchange. He also mentioned that a distinction should be

made between countries engaged in trade agreements with or without common boundaries. The delegate from Canada agreed on the existence of differences and explained that they also worked on data reconciliation with Mexico. It mainly was a problem of duplication and the determination of the country of origin. Indeed, Mexico did not make the distinction between the US and Canada and recorded most data as coming from the US as country of origin. They will try to resolve this problem.

87. The delegate from **Switzerland** asked if transit trade in goods was recorded, and if so, in which format. The delegate from Canada answered that they recorded inbound transit, but data quality was judged to be poor. The **US** answered that transit trade was a very small part of trade and concerned mostly transit by vessels. It was difficult to match figures.

*b) Reconciliation of Intra-EU trade statistics [report by EUROSTAT]
(STD/NA/ITS(2001)11)*

88. **Eurostat** reported on the asymmetry problem since the introduction of Intrastat, where intra EU aggregate dispatches are about 5 % higher than the corresponding arrivals. While extra-EU statistics are not affected by this asymmetry, the external balance of the Euro area is systematically overestimated (around 10 billion Euro per year). An ad hoc committee was created in 1999 in order to reduce or eliminate the asymmetries. Two approaches were tested: time series analysis (up-bottom) by member state and reconciliation using a multivariate model on Euro area level. The latter one clearly produced the better results, although only on aggregate level both from a country and product perspective. Future work will focus on further development and analysis of data reconciliation using multivariate models. First reconciled data should be published in 2002.

89. The delegate from **United Kingdom** mentioned that Eurostat needed to be careful regarding the media if they wanted to publish the results. Media may interpret it that Eurostat had no faith in Intrastat. **Eurostat** explained that they were aware of such a possibility. However, figures only concern aggregates, not individual member states. In addition, data generated for the ad hoc committee was experimental.

8. Measurement and adjustment issues

*a) Seasonal adjustments of external trade series [report by EUROSTAT]
(STD/NA/ITS(2001)15)*

90. This project, called "SATIE", was launched by Eurostat to calculate seasonally adjusted data and volume and value indices. A large number of monthly series were calculated using the Tramo/Seats method and the Demetra software system. OECDs Monthly Trade Series were also used. Strong additivity constraints were encountered for gross data. Two types of methodologies for different user needs. For people interested in aggregates, such as EU12 or EU15, a direct approach was used. For ECB, market development users interested in components, an indirect approach using less detailed breakdown by product and partner was used. The project resulted in additional time series available in Newcronos, such as seasonally adjusted value and volume index data. Some political problems were encountered with the indirect approach because of different results from those published by national authorities.

91. The delegate from **Switzerland** reported that they had begun to work on a similar project, but had encountered differing views expressed by different players concerning the adjustment methods to be applied. Eurostat explained that using Demetra estimations was very resource effective and to be preferred vis-à-vis X12.

b) OECD Short-term Economic Statistics Expert Group [Secretariat] Oral report

92. The **Secretariat** informed Delegates that OECD had set-up a new group, which was called “ the OECD short term economic statistics expert group”. The objective of this group is to improve the quality, comparability and timeliness of short term indicators and to provide a forum for exchanging information. There has been strong demand to improve data comparability and co-operation between European and Non European countries of OECD (see results of “Benchmarking Study”). Although discussions are still ongoing on the focus of this group, possible statistical subjects of particular interest include output and demand indicators and prices.

93. The delegate from **Australia** expressed his interest on the idea of working on short term measures and indicators.

9. Classifications

a) Reclassification of OECD’s Foreign trade by NACE categories [report by the DIW] (STD/NA/ITS(2001)7)

94. The aim of the project of the **German Institute of Economic Research (DIW)** was to link detailed foreign trade, production and labour data together in order to expand the analysis of production and factor input to competitiveness. To do so, OECD trade data has been converted from SITC (source HS) into ISIC and NACE. Some problems were encountered due to confidentiality (in particular for smaller countries) and because of the transition from a product-based classification to an activity-based classification. Other issues related to inconsistencies in intra-EU trade at a higher level of aggregation and differences in coverage and thresholds. It was for the first times that the DIW has build up such a data set, based upon OECDs trade statistics for the 24 member countries. It is planned to expand the database to all 30 countries of OECD, plus China. A strong plea was made to OECD to continue working on a consistent set of bilateral data by product for value, quantity and unit value and the work of this expert group was considered to be very important in helping to advance methodological research and data quality.

95. **Eurostat** stated that it was a misleading to use NACE, a classification by type of activity. The DIW should rather use the CPA classification. For example, food and beverage could be included in different activities. It was feasible linking NACE and CPA using statistical register as presented by the Italian delegate at OECDs last ITS meeting. A similar project existed at Eurostat they would report back at the next OECD meeting on progress made.

96. The delegate from **DIW** responded that their database was built as a compromise to calculate export ratios by production and import penetration ratios. Distinctions had to be made between imports and exports. The argument of Eurostat was relevant for imports and the use of input-output techniques was recommended. For exports, two methods exist to correct export shares of individual industries. The first one was by rearranging exports by the enterprise register to obtain exports of enterprises according to NACE. The second was to work on a matrix that showed the distribution of growth based upon the production value of industries. This could then allow calculating production by CPA.

97. Additional problems arose with the allocation of primary and secondary activities when comparing trade figures with employment and production data. **Eurostat** stressed the importance of linking metadata to quantitative data to avoid misunderstanding. **OECD** found this approach interesting and deserving further investigation. In particular, and as stated, linking trade to business registers could be a promising avenue to be further explored.

b) Update on ISIC/CPC revision work [oral report by the Secretariat]

98. The purpose of this presentation by the **Secretariat** was to inform delegates about progress made in the revision of ISIC/CPC, which was close to NACE/CPA. The 2002 ISIC/CPC was now agreed by the UN expert group and submitted for approval to UNSC. But the ISIC/CPC changes 2002 were quite minor. The 2007 revision of ISIC/CPC is expected to be far more substantive and details are still to be worked out. The UN questionnaire was distributed to countries in August 2001 via the UN regional organisations. They began to identify priorities in late 2001. Since part of the questionnaire was dealing with trade the question arises as to what extent should the ISIC revision take into account HS classification changes and if any specific trade related issues needed to be considered by the ISIC/CPC group.

99. OECD stressed the importance to maintain links with HS2002 and the next version of HS. Furthermore, this item was included on the agenda of the next meeting of the Inter-Secretariat Working Group on Agricultural Statistics (IWG.AGRI), where also borderline issues such as the treatment of fish farming will be discussed and on the agenda of the International Trade Task Force, which will meet again in April 2002. WTO, the convenor of the Task Force, stressed the need to address these issues in the Task Force context as well because of the available expertise. This was a clear opportunity to influence classification revision issues. The delegate from **UNSD** pointed out that links between HS/ISIC/CPC must be imperatively maintained. There was considerable value in having trade also broken down according to ISIC or CPC. EUROSTAT suggested that this group should also keep this issue on the agenda as was the case for software. The CPC was a nomenclature that combined the two and the link with HS should be kept.

100. **OECD** proposed to include this item on the agenda of the next meeting in order to elaborate a more detailed position. **UNSD** observed that the timetable of the revision cycle of the HS 2002 and HS2007 would permit input from this group.

c) OECD work on converting from HS to ISIC Revision 3 [oral report by the Secretariat]

101. The **Secretariat** provided an update on work done by OECD on correlation tables between the commodity-based classification HS (Harmonised system) and the activity-based nomenclature ISIC Revision 3, which was already presented at the last meeting. It focused on the links that could be established between foreign trade and industry, the limits of such a conversion and provided data comparisons (concerning the countries United Kingdom and Canada) and some examples of indicators which could be derived from such figures. Since September 2001, ISIC Revision 3 has been included in OECDs ITS database. Some clarifications were still needed relating to the statistical treatment of waste and scrap. Delegates welcomed this development and thought that such a database could be used for trade estimates by industry. There was also a need to examine the relationship between ISIC and regional classifications, such as NAICS, NACE, and ANZSIC.

102. The delegates from the **US** and **Canada** expressed interest in the data results and OECD agreed to share with them the detailed results.

d) Globalisation [oral report by the Secretariat]

103. The **Secretariat** explained that a group of experts on globalisation has been working now for 10 years and developed during the past 3 years a manual on the measurement of the driving forces of globalisation. Four driving forces were identified: direct investment, multinational companies' activities, technology diffusion (license, patent) and globalisation of trade. Concerning trade, work progressed on defining appropriate globalisation indicators, the links between trade and globalisation, the measurement of intra firm trade between parent company and affiliates and so forth. The new manual also mentions the

growing importance of trade in services, which was increasing more rapidly than trade in goods. Other areas of investigation relate to intra-industry and intra-regional trade, international sub-contracting and new ways to calculate trade balances.

10. Data quality and analysis

a) Quality criteria in foreign trade statistics [report by Germany] (STD/NA/ITS(2001)12)

104. The delegate from **Germany** introduced implementation aspects of the quality initiative in foreign trade statistics, which Eurostat and member states have agreed upon. Amongst the six criteria against which the quality has to be assessed, namely accuracy, timeliness, accessibility/relevance, comparability, comprehensibility and coherence, the most important ones were accuracy and timeliness. Concerning the former, this implied considerable work on exclusions of goods, threshold, level of non response, adjustments, controls corrections and application of confidentiality rules. Concerning the latter, significant achievements have been realised in Germany: on average, over the past five years, detailed intra-community results become available some 50 days after the reference month (down from 115) and detailed extra-community results are available after 40 days (down from 100).

105. **OECD** congratulated Germany for this considerable improvement in availability and confirmed that, since mid-2000, German data was received much faster than in the past and also included now a first dispatch of preliminary data as requested.

106. The **Swiss** delegate explained that the policy of confidentiality of Switzerland was to add a confidential code to each chapter of the classification. At the end of each chapter, confidential data was aggregated and totals, hence, include all confidential trade. He invited the other countries to adopt the same policy.

b) OECDs quality questionnaire on data capture [report by OECD] (STD/NA/ITS(2001)10)

107. As part of OECDs commitment to improving the quality of its statistics, a detailed review (based upon an internal standard questionnaire) of quality and timeliness aspects has been carried out for both monthly and yearly trade statistics. The results revealed considerable differences between countries and will permit to proceed with a targeted and focused approach to improve the current situation country by country. Problem cases were identified for immediate follow-up, and indications were obtained how and where to reduce the response burden on source agencies while improving the overall quality of OECD outputs and increasing user satisfaction. One important conclusions was to push for generic accounts with member countries to avoid delays or, worse, breakdown of communication due to staff changes. In some cases, it was necessary to strengthen weak contacts or to establish new contacts. The Secretariat counts on Member countries to help OECD to further complete relevant methodological information. A particular interesting aspect of this exercise was that typical country patterns emerged across statistical subject matters.

108. The delegate from **Germany** found the presentation interesting, but wondered how accuracy could be assessed. OECD explained that standards need to be applied across countries, such as the IMF - standards. As announced at various occasions, OECD will come up in 2002 with an explicit strategy in this respect. The delegate from **UNSD** asked if timeliness could be a characteristic of quality because quality and timeliness competed against each other. OECD agreed to this and said there was a clear trade off between the two. However, in particular statistical short-term indicators, such as monthly trade aggregates and indices, need to be published as soon as possible to be useful. **WTO** said that if a NSO decided that good statistics will not be obtained before a given time lag OECD would have to accept this. OECD agreed to this and explained that quality assessment is above all a national appreciation.

Nevertheless, international standards and frameworks support countries in assessing quality. For **Canada**, accuracy and timeliness was when the client was satisfied and quality when they user needs were met. For **Australia**, the accuracy was linked to the timing of OECD data receipt and not to the accuracy of data at national level.

Friday, 7th December 2001

c) Quality issues of trade data : the perspective of public and private sector trade strategies [report by ITC] visual presentation

109. The delegate from the **International Trade Centre (ITC)** presented ITC's market analysis tools and underlined the fact that detailed trade information are and remain the most important dataset for market analysis. The importance of having homogeneous nomenclatures was stressed for micro analyses. ITC needed more data for the ongoing work on globalisation and market access. The presenter stressed the need to closer link trade data to business users and was convinced that the market for trade data is much larger than at present. However, the segmentation by user groups called for more integrated solutions and greater transparency. General problems concerned the deficient coverage of services and empty spots in geographical coverage of international databases for some developing countries. He thanked OECD for organising the ITS meetings which are very useful for an international exchange of ideas and thematic discussions on particular problems. He informed delegates about ITC's Internet site containing a wealth of data and analyses. Answering a question from **Germany**, he explained that data was currently not available for free for the public sector although this may change in the future.

d) ALIX: Statistical tools for exporting enterprises [report by CFCE] visual presentation

110. The **CFCE** provides French exporting companies, professional organisations and others detailed trade information about foreign markets. The CFCE carries out advanced market analysis to determine - inter alia - the potential of dynamic market, potential competitors and the place of France in the global market. ALIX has proven to be a powerful tool, based upon detailed COMTRADE data for world trade. ALIX presents a link between users and producers. Intra-firm activities presented measurement difficulties and so far unresolved challenges. Due to globalisation, new measures in trade statistics were necessary to record the intra firm phenomena.

e) GTI: The global trade atlas [report by United States] visual presentation

111. The delegate from **GTI** presented very up-to-date trade data made available to a wide public on a commercial basis. Data was made available to governments, which accessed their data using the global trade atlas, which contains import and export HS data of 42 countries down to 8 digits. Data was updated and constantly revised several times a week.

f) Data analysis using TSA-Express [The Netherlands] visual presentation

112. A team of the **University of Wageningen** presented Time Series Analysis Express, a tool developed for agricultural economic research on agricultural trade. The model is used at OECD and in the Netherlands. The trade data used comes from COMEXT and PC TAS of the ITC. The database was divided into three part, metadata, user metadata and trade data. Navigation and user customisation was easy and three basic types of output can be easily obtained: spreadsheets, portfolio analysis and trade balances.

g) Tariffs and trade: the OECD query and reporting system [OECD trade directorate] visual presentation

113. The **Secretariat** provided an update on the Tariffs and Trade project which was a joint venture of three OECD directorates: the Statistics directorate for data, ITN for software and the Trade directorate for tariff data. The objectives of this project were analysis of tariff liberalisation initiated by the Uruguay Round. The CD-ROM is a query and reporting system, designed for trade negotiators and analysts and allows linking tariffs and trading patterns. Future developments will include additional years, countries and preferential duties.

114. In opening the discussion concerning these visual presentations, the **Secretariat** explained that the purpose of these presentations was to give data providers examples of the use of their data. Answering a question of the delegate from the **Netherlands** about the use of their system, the presenter of TAS-express explained that the system was mainly used by the Dutch government and the European commission. In response to a question from the **Swedish** delegate about the update cycle of GTI atlas, the presenter of **GTI** answered that they had contracts with national offices which sent monthly data with updates and revisions. Most updates were provided by Eurostat but they had individual contracts with some NSOs, such as the one of the United Kingdom and also with French customs. The delegate from **Iceland** asked how users could know whether data were provisional or final. The presenter of GTI clarified that this rarely happened.

115. The delegate from **Norway** wanted to know where the data of TAS-express came from and if they had any information on the importance of the confidential trade in the trade data. The presenter of TAS-express answered that they had not encountered particular problems with confidential data. They used official release data from Eurostat and UNCTAD and reprocessed data when necessary. The delegate from **Australia** pointed out that users must be clearly informed about data consistency, because confidential information could sometimes be found through information released by the partner country. The delegate from **GTI** explained that when a country suppressed a code at 2-digit level, the partner country sometimes provided that information. The delegate from **ITC** mentioned that they added a help function on the HS name linked to the nomenclature. The objective is to give direct links to metadata on specific web site. The delegate from Australia stated that direct links were an excellent idea. He would like to know if the experience on HS/CPC could be helpful for HS trade. ITC answered that a more market-oriented approach was clearly necessary, but more experience in exploring possibilities was needed.

11. Looking ahead

a) Trade indicators project 2002 [Secretariat] (STD/NA/ITS(2001)19)

116. The **Secretariat** presented an outline of the OECD trade indicators. This project would build upon available internal and external know-how and expert knowledge and be conducted in several phases. Scaled over several years because of no additional resources, it would begin in 2002 with stocktaking of merchandise trade and related indicators. In a second phase, BoP-based goods and services data would be analysed for possible inclusion. The last part will consist of an selection process within and outside OECD. The process would be by means of a Task Force to be set up which will meet at a Roundtable meeting at OECD around mid-2002 to launch the project. An electronic discussion forum to be created as well could allow maintaining a regular and well-structured flow of information. Several experts from Member countries and other international institutions have already expressed their interest in this project.

117. The delegate from **UNSD** asked about the meaning of the term “indicators”. **OECD** explained that this term is used to describe “second-level” data, which combines two or more variables into one

meaningful measure to highlight levels, trends, structures and so forth across countries. Simple examples would include the RCA, import penetration ratios, and so forth. The delegate from **ITC** expressed his strong interest in this project and his willingness to co-operate with OECD. The experience of ITC in this field is considerable and it can be confirmed that there is a big demand for trade-related indicators. Target users and specific output to be clearly identified. Indicators could be bundled into themes. For instance, ITCs environmental trade maps showed how trade and environment were linked. International trade statistics (ideally by activity) clearly are the best data source for the study of globalisation and OECD is well equipped on both. ITC will be happy to participate but it was needed to fix specific needs and target group(s). OECD answered that the logical target groups for OECD are national governments, but also NGOs. The planned Roundtable meeting in 2002 will allow clarifying issues further.

118. Following a question of **Australia** on the link with the globalisation project, **OECD** answered that it was not a subset of the manual on globalisation but linkages should be taken into account. Eurostat expressed interest in participating. The delegate from **ITC** observed that data sets needed for understanding globalisation included FDI and also statistics on FAT. He mentioned that OECD had done a remarkable work on FDI with data broken down by country or sector and OECD could further strengthen its leadership role in FDI through incorporation into the indicators project. The delegate from Australia pointed out that determining the ultimate owner was an important question requiring further work.

b) Trade issues needing closer attention and OECD's role

119. The purpose of this agenda item was to gather opinions and views from participants about future work. The **Secretariat** suggested to look into strengthening links with industry (or rather business) statistics and with services data. Informal sub-groups could be set up to investigate particular issues and to report back to the next meeting. Cases in point are e-commerce/software, globalisation, IT - infrastructure for trade data management. It became clear at this meeting that the ITS meetings fulfilled a useful purpose and that member countries were extremely willing and co-operative in helping OECD (and in doing so also WTO and UNSD) to have high quality and timely trade data. OECD explicitly wanted to thank member countries for this.

120. The delegate from **UNCTAD** welcomed the initiative of working on a closer integration of foreign trade figures with industry. It could be interesting to work on FDI, FATS, and services data. OECD answered that those items will be discussed on the meeting of services the following week. The delegate from the **United Kingdom** asked that an item on links between HS2007, BEC and SITC should be added to the agenda of the next meeting. OECD accepted and the delegate from UNSD agreed to give a report on that subject during the next meeting.

121. The delegate from **Eurostat** confirmed to provide a report on ongoing work on business registers and added that it could be useful if other countries could share their own experience as well. Regarding difficult measurement issues, reference should be made to the guidelines contained in the compiler manual. The delegate from **Australia** informed participants that a matching exercise with business registers will be carried out on an experimental basis in 2002 and results will be made available. He was supportive of drawing up a list of issues and the creation of informal groups. The delegate from the **United States** agreed on business registers as theme and promised to make some findings available on intra-company trade.

122. The delegate from **Canada** mentioned that the OECD questionnaire for this meeting was useful. He proposed that OECD could launch a questionnaire to investigate who is doing what with respect to changing customs procedures, changing confidentiality rules and new analytical work underway. A country group could be formed which could report back. The **Secretariat** was in favour of such a lead country approach and agreed to think about this issue and come back on it. The delegate from

Switzerland asked to add processing to the list. Due to changes on production processing the same product could cross frontiers several times as was the case in Switzerland. The delegate from **ITC** mentioned that it could be interesting to draw up for the next meeting an overview of suppliers of national and international trade data, their characteristics and legal status (private - public).

123. The delegate from **Iceland** mentioned that a survey on international e-commerce was done for EEA countries which could be shared. The delegate from **Norway** expressed thanks to OECD for a very good meeting. He said that, as convenor of the ITS meetings, OECD could collect metadata information, and make it available on Internet together with explanations on definition problems. The Secretariat answered that metadata was at the centre of OECD concern and the subject of metadata will be included in the next agenda. The delegate from **Australia** proposed to introduce a roundtable discussion at the beginning of the meeting. OECD agreed and mentioned that this was already done at the first ITS meeting in 1999 and considered to be very useful.

124. The delegate from **Germany** thanked for the well-structured and interesting meeting and supported the idea of a "tour de table". Regarding metadata, he proposed to have a common questionnaire between OECD/EUROSTAT/UNSD. OECD agreed. The delegate from **UNSD** mentioned that a document describing metadata uses in each country was in preparation. The database was on their web page. The UN concepts and definitions were divided into 80 recommendations on methodology. The delegate from the **United Kingdom** mentioned the quality reports from Eurostat which are available on their web site.

12. Date of next meeting

125. The **Secretariat** explained that November and December were not considered ideal months for meetings because the Statistics Directorate has to organise three international meetings within three months. OECD, therefore, proposes to hold the next ITS meeting in early 2003. The exact date will be determined after consultation with the Trade Task Force in April 2002. As for the first time this year, the trade in Services meeting will be held back to back with the ITS meeting. Perhaps half a day could be used as a joint meeting for crosscutting issues.

13. Closing

126. The Secretariat thanked participants and interpreters and closed the meeting.