



**Luchtime seminar and workshop
on the occasion of
the 2012 Meeting of BWC States Parties.**

UN COMTRADE: Understanding trade data

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Geneva, December 2012

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Content: a reminder

A typical record is, e.g.:

Exports of cars from Germany to the United States in 2007, in terms of value (US dollars), net weight (kg), and supplementary quantity (number of cars)

- Exports: Trade Flow
- Cars: Product / Commodity (in HS [Harmonized System], SITC [Standard International Trade Classification] and BEC [Broad Economic Categories] classifications)
- Germany: Reporter
- United States: Partner Country
- 2007: Year (Since 1962 until now)
- Value, Net weight and Supplementary Quantity: Measurement

Quantity may be more suitable to monitor specific product as it is not influenced by price, exchange rate, inflation, valuation, transfer pricing, etc.

Quality of quantity information

- In most countries, the main source of trade statistics is customs declaration
 - Even though, in it there are quantity data items (gross weight, net weight and supplementary quantity), but the quality is normally not verified as thoroughly as the value (used in the calculation of customs duties)
 - However, statistical authorities may adjust and correct quantity information
- UN Comtrade also detects and adjusts extreme quantity outliers
- Nevertheless, quantity awareness campaign to Customs Administrations is currently underway



Tariff line data

- Tariff line data are data at the most detailed level of HS (more than 6-digit)
- The data are not comparable among countries, as HS 8-digit or 10-digit are not harmonized internationally
- Not all countries provide data at tariff line level, but if they do, the data are disseminated for limited interested audiences (and not for general public)
 - International organizations
 - Research institutes / Academics
- Generally, these data are for internal use and not for re-dissemination



User should aware of:

Limitation due to Confidential data

- Due to confidentiality, countries may not report some of its detailed trade.
- This trade will - however - be included at the higher commodity level and in the total trade value.
- For instance, trade data not reported for a specific 6-digit HS code will be included in the total trade and may be included in the 2-digit HS chapter.



User should aware of:

Data availability of reporting country

- Countries (or areas) do not necessarily report their trade statistics for each and every year.
- This means that aggregations of data into groups of countries may involve countries with no reported data for a specific year.
- UN Comtrade does not contain estimates for missing data. Therefore, trade of a country group could be understated due to unavailability of some country data.



User should aware of:

Data availability of the latest HS revision

- Data are made available in several commodity classifications, but not all countries necessarily report in the most recent commodity classification.
- Again, UN Comtrade does not contain estimates for data of countries which do not report in the most recent classification.



User should aware of:

Limitation of converted data

- When data are converted from a more recent to an older classification it may occur that some of the converted commodity codes contain more (or less) products than what is implied by the official commodity heading.
- No adjustments are made for these cases.
- This also applies to conversion from one classification (e.g., HS) to others (e.g., SITC, BEC)



User should aware of:

Exports do not equal to Imports

- Imports reported by one country do not coincide with exports reported by its trading partner.
- Differences are due to various factors including valuation (imports CIF, exports FOB), differences in inclusions/ exclusions of particular commodities, time of recording, partner country attribution, etc.



User should aware of:

Limitation of partner country information

- Almost all countries report as partner country for imports the country of origin which is determined by the rules of origin established by each country.
- Country of origin is based generally on the following criteria: «wholly produced» and «substantial transformation»
- Hence, the term ‘partner country’ in the case of imports does not necessarily imply any direct trading relationship.



Methods to estimate not available (detailed) data

- Using regression/extrapolation from historical series
 - Requires a lot of input data; usually used for higher frequency data; but does not work well during a crisis
- Applying evolution of prices / unit values
 - Assumption that volume does not change; Not easy task to compile detailed prices / unit values
- Applying growth of total trade
 - Simple; may be accurate for higher level of aggregation, but not at detailed data
- Using mirror statistics (data reported by trading partners)
 - Can give good indication; does not work if (main) trading partners data not available; influenced by diverse compilation practices
- Using econometric techniques
 - Requires a lot of assumptions when building model; different model for different product; can be complex



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