

THIRTY-FIFTH MEETING OF
THE STANDING COMMITTEE OF
CARIBBEAN STATISTICIANS

SCCS/2010/35/7

Roseau, Dominica
8-9 November 2010

29 October 2010

**PROGRESS ON THE COMPIATION AND DISSEMINATION OF MERCHANDISE
TRADE STATISTICS**

Status Report – Merchandise Trade Statistics

1. INTRODUCTION

During this year, the CARICOM Secretariat continued its efforts to further improve the compilation and dissemination of Merchandise Trade Statistics both at the national and regional levels. The work in this area continues to build on earlier interventions supported by our developmental partners, namely the Inter-American Development Bank (IDB) and the European Union (EU) under the Ninth European Development Fund (9th EDF), Caribbean Integration Support Programme (CISP). The Secretariat wishes to express its appreciation to these developmental partners for the support they have provided in the improvement of the Merchandise Trade statistics in the Region and looks forward to continue collaboration as the Region strives to advance the quality of statistics disseminated to its users.

This paper presents an update of the current and developmental work being undertaken in the Region which includes the following:

- Member States submission of 2009 annual data, their adherence to the Data Submission Protocol and the problems encountered in processing the data;

- Member States submission of 2010 quarterly data and the suggested timeline for the submission of these data;
- Status of Implementation of the Correlation Table;
- Online access to the Regional Trade Information System;
- Phase II of the Project, Enhancement of the Trade Information System in Member States and achievements under the first Phase;
- An overview of the Secretariat's work plan for the biennium 2011/2012 for Merchandise Trade.

2. STATUS OF SUBMISSION OF 2009 ANNUAL TRADE DATA TO THE SECRETARIAT AND CHALLENGES ENCOUNTERED

2.1 Annual trade data - 2009

The Secretariat continues to update the Regional Trade Information System with annual data submitted by Member States. However, the *timeliness* of the submissions continues to be a challenge for most Member States. As at the April timeline, only three (3) countries, **Guyana, Montserrat and St. Vincent and the Grenadines** submitted 2009 data (Guyana's data were provisional). This represented a decline over the submission of 2008 data in 2009 (5 Member States).

As at 31 August 2010, eight (8) Member States submitted data to the Secretariat. However due to inconsistencies of the data of two (2) Member States, the Regional Database was updated with imports data from seven (7) Member States and exports data from six (6) Member States. This also represented a decline when compared to Member States submissions last year (8 Member States).

The Secretariat commends the three Member States for adhering to the timeline and urges other countries to make every effort to do the same.

2.2 Adherence to the Data Submission Protocol

Member States are required to submit data as per the requirements outlined in the Data Submission Protocol. For 2009 submissions, only data received from *St. Kitts and Nevis* were fully compliant with the Protocol. Data received from other countries were missing several fields, namely, *reporting country, flow (imports, exports and re-exports), period, country of origin and unit of second quantity.*

2.3 Challenges Encountered in Processing 2009 Data

In processing the 2009 annual data received from Member States, several challenges were encountered. Almost all of the data received had to be pre-processed to make them consistent with the Data Submission Protocol. Further, there were cases of *the reporting country trading with itself, incorrect and unknown country codes for trading partners; the full names of trading partners as opposed to the codes for the respective countries.* There was also one case where the *data was coded according to the Standard International Trade Classification (SITC) as opposed to the Harmonised Commodity and Coding System (HS)* and two cases where the data showed a significant drop in the trade when compared to previous years. These inconsistencies were submitted to the respective countries and some countries have re-submitted revised data files.

The Secretariat therefore urges Member States to make every effort to submit data consistent with the *data submission protocol* by the *agreed to April timeline* as this affects the timely compilation and dissemination of the trade data.

2.3 Quarterly trade data 2010

The Secretariat continues to collect, compile and disseminate quarterly trade statistics. However, the number of Member States submitting quarterly data this year has significantly decreased compared to last year. As at 31 August 2010, first quarter data were received from only one (1) Member State compared to five (5) Member States in

2009 and countries are yet to submit second quarter 2010 data to the Secretariat. Member States are urged to make every effort to submit the data as soon as possible because of its significance in monitoring and guiding the decision-making process in the short term.

Further, at the last Meeting of the Standing Committee of Caribbean Statisticians (SCCS), it was proposed that countries provide feedback to the Secretariat relative to the suggested timeline for the submission of quarterly data (*i.e. countries should submit quarterly data within **one and half months** following the end of the quarter*). Based on feedback received, *eight (8) countries* have agreed with the suggested timeline. Five (5) have suggested alternative timelines, which varies from two (2) to three (3) months, mainly because they are processing some data manually and that there may be delays in receiving the data. **The Secretariat, therefore, would like to suggest that countries submit quarterly trade data within 3 months following the end of the quarter**, i.e. first quarter data should be submitted to the Secretariat by the 30th June, second quarter data by the 30th September and so on. The Secretariat requests feedback from Member States relative to the suggested timeline.

3. STATUS OF THE IMPLEMENTATION OF THE CORRELATION TABLE BASED ON HS2007 COMMON EXTERNAL TARIFF (CET)

The implementation of the Correlation Table in the Trade Information System at the National Statistical Offices is progressing very slowly due to the delay in the implementation of the HS 2007 based Common External Tariff (CET) in the respective Member States. Based on the data submitted so far, only *St. Vincent and the Grenadines* has implemented the HS 2007 based CET in 2009. This implies that only five (5) Member States have so far implemented the HS 2007 based CET. As a result, comparability of the data across Member States and the aggregation of data to show a regional picture continue to be challenging.

National Statistical Offices are urged to collaborate with their Customs Departments to make the necessary interventions for the implementation of the updated HS 2007 based CET.

4. ENHANCEMENT OF TRADE DATA DISSEMINATION IN CARICOM – STRENGTHENING OF TRADSYS – FUNDED BY THE IDB

4.1 Online Access to the Regional Trade Information System

The Secretariat is pleased to report that the Online Facility to access the Regional Trade Information System (Tradsys) can now be accessed at <http://www.tradsysonline.caricomstats.info>. Currently only summary reports are available as the facility was designed to use one harmonized CET for more detailed reports. The Secretariat has advanced the preparation of Correlation Tables that would link the previous two versions of the CET to the 2007 version, documenting all the changes in the process. Once completed, all data classified according to the 1996 and 2002 versions of CET would be converted to the 2007 version and all detailed reports would be activated in the facility.

Additionally, feedback received from Member States relative to the level of details they would allow to the privilege users of the facility, shows that six (6) countries have agreed to allow access up to 8-digits of the HS while two (2) countries have allowed access up to 6-digits and four (4) countries allowed access up to 4-digits. One Member State has allowed access up to 2-digits for its exports.

4.2 Endorsement of Data Submission Protocol by COTED

The Data Submission Protocol and related documents were resent to Member States for feedback, following the recommendation of the Twenty-Ninth Meeting of the Council for Trade and Economic Development (COTED) held in Georgetown, Guyana on 8-9 February 2010. The COTED urged countries to hold the necessary consultations with all the relevant stakeholders including the National Statistical Offices, Customs

Departments and Ministries of Trade with respect to the Action Plan and Data Submission Protocol and submit responses to the Secretariat by 31 March 2010. Member States failure to submit a response to the Secretariat on or before the stated deadline would be interpreted as their being fully in agreement with the Data Submission Protocol and the Action Plan as stated. No additional comments were received from Member States.

5. CONTINUATION OF THE PROCESS OF ENHANCING TRADE DATA PRODUCTION AND DISSEMINATION UNDER THE CARIBBEAN INTEGRATION SUPPORT PROGRAMME (CISP)

5.1 Update on Project and follow-up activities of Phase II

The Secretariat is pleased to report that the project, “Enhancement of the Trade Information System in Member States” which commenced in May 2009 was completed in April 2010. Under this project, the New Eurotrace Software was implemented in twelve (12) Member States and at the CARICOM Secretariat. Training in the use of the software was provided during the in-country visits and at the two-weeks training workshop held in Trinidad and Tobago in June 2009.

A follow-up workshop was held in Saint Lucia in March 2010 to address problems faced by Member States in the implementation of the Eurotrace software and to provide additional training on some aspects of the software as requested by Member States.

The feedback received at the Workshop indicates that only a few countries are using the software extensively. The Secretariat therefore urges countries to make every effort to start using the system as it is only through its use would countries become familiar and comfortable with the software.

Further, the Secretariat has contracted a firm to execute the second phase of this project which would build upon the work already put in place. The second phase would seek to address specific issues related to the improvement in the *range and quality* of the trade data produced focusing on:

- (i) Improving the quality of the data in the trade systems through creation of validation rules including range checks, unit value checks and the comparison of the trade data over time, current with historical;
- (ii) enabling the production of trade price and volume indices;
- (iii) improving the quality of intra-regional trade through the use of a mirror statistics framework; and
- (iv) facilitating the use of Web Comext for trade data dissemination.

Member States are requested to continue to support these activities as we strive to improve the Trade Information Systems in Member States.

5.2 Training in the New Eurotrace Software

In an effort to build capacity in the use of the Eurotrace Software, eight (8) persons from the Region benefited from introductory and advanced level training workshops held in Luxembourg in May and July 2010. These workshops were hosted by Eurostat and the Region's participants were funded by the European Union under the 9th EDF.

5.3 Development of a Eurotrace Domain for The Bahamas and facilitation of exchange visits by this Member State

Following a request from The Bahamas, the Secretariat, has advanced work on the development of a Eurotrace Domain for this Member State. The Secretariat has also arranged a two-week attachment for two persons from this country to visit the CARICOM Secretariat and Central Statistical Office of Trinidad and Tobago during the period 20 September-1 October 2010. These persons would receive training in the use of the Eurotrace Software and provide further inputs in advancing the development of their Domain during the visit to the Secretariat. Further, they would gain hands-on experience in the use of the software during their visit to Trinidad and Tobago. This attachment is being supported under the 9th EDF.

6. TECHNICAL WORKING GROUP FOR MERCHANDISE TRADE

The First Meeting of the Technical Working Group (TWG) on Merchandise Trade Statistics was convened on 9-10 November 2009 in Port-of-Spain, Trinidad and Tobago. At that Meeting, the Terms of Reference of the Group were finalised and Rules of Procedure were developed. The Group also developed a work plan and work has commenced on the preparation of guidelines which would be used by countries to assist in the documentation of their country practices in the compilation of Merchandise Trade. The second meeting of the Group would be held in November 2010.

7. WORK PLAN FOR MERCHANDISE TRADE FOR 2011/2012

For the forthcoming biennium, the Secretariat would continue its thrust in improving the production and timely dissemination of merchandise trade statistics at the national and regional levels. The following are some of the major activities the Secretariat proposes to undertake:

- Continue to collect, compile, validate and disseminate annual and quarterly trade statistics at the regional level in a timely manner;
- Provide technical assistance to requested Member States/Associate Members relative to the improvement of their trade information systems;
- Follow-up work in Member States relative to the use of the New Eurotrace Software;
- Monitor the production and dissemination of data in Member States and their adherence to the Data Submission Protocol;
- Maintain the Regional Online Facility. Explore expansion of this facility to include data warehousing capabilities;
- Build capacity at the national and regional levels through follow up workshops, exchange visits and through the Help Desk Facility; and
- Facilitate the work of Technical Working Group (TWG) on Merchandise Trade Statistics.

ACTION REQUIRED

The **Meeting** is **invited** to:

- **consider** the status of merchandise trade data submissions by Member States, the challenges encountered, and the progress of the developmental work being undertaken in this area including:
 - (a) Feedback on the submission of annual trade data relative to the adherence to the April timeline and Member States adherence to the Data Submission Protocol;
 - (b) Feedback on the suggested timeline (*within 3 months following the end of the quarter*) for the submission of quarterly trade data to the Secretariat;
 - (c) Support of the activities being undertaken under Phase II of the Enhancement of Trade Information Systems in Member States;
 - (d) Support to the 2010/2011 Work Programme of the Secretariat.

THIRTY-FIFTH MEETING OF THE STANDING COMMITTEE OF CARIBBEAN STATISTICIANS (35th SCCS)

Compilation of Merchandise Trade Statistics

MAJOR ACTIVITIES	DATA PRODUCTION	DATA DISSEMINATED	DATA GAPS	BEST PRACTICES/ CHALLENGES	RESOURCES REQUIRED Technical Assistance Training Applied or Required	REMARKS
<p>Status of Regional Trade Information System (Tradsys) Annual Merchandise Trade Data</p>	<p>Database updated 2008: Imports for 7 Member States, exports for 6 Member States. Data for 1 country are provisional</p>	<p>Web site: Summary data up to 2009 for total trade and trade with major trading partners</p>	<p>2009: Imports 6 Member States Exports 7 Member States</p>	<p>3 Member States adhered to the April timeline</p> <p>Challenges:</p> <p>Pre-processing of data to be consistent with Data Submission Protocol;</p> <p>Country trading with itself;</p> <p>Incorrect or unknown country codes;</p> <p>Full names of trading partners as opposed to codes;</p> <p>Data coded by SITC</p>		

MAJOR ACTIVITIES	DATA PRODUCTION	DATA DISSEMINATED	DATA GAPS	BEST PRACTICES/ CHALLENGES	RESOURCES REQUIRED Technical Assistance Training Applied or Required	REMARKS
				instead of HS		
Quarterly Merchandise Trade Data	Q1-2010: 1 Member State No Member State submitted Q2-2010.	Web site: Summary data for 2008-2009 for Member States submitting data	Q1-2010: 12 Member States Q2-2010: All Member States			

2. Progress of Projects Undertaken by the Secretariat to Enhance the Collection, Compilation and Dissemination of Merchandise Trade Data

PROJECTS	OUTPUTS / ACHIEVEMENTS	BEST PRACTICES/ CHALLENGES	REMARKS
Implementation of Correlation Table linking HS2007 and SITC Rev. 4 in trade processing system in Member States	1 Member State has incorporated the Correlation Table in its trade processing system in 2009.	Slow implementation of HS2007 based CET. Based on 2009 data received, only 5 Member States have implemented the revised CET.	Correlation Table can only be used by those countries which have implemented the HS2007 based CET.
Online Facility to access the Regional Trade Information System;	Facility can be accessed at www.tradsysonline.caricomstats.info Summary reports are available		Detailed reports would become available as soon as Correlation Tables are completed and data converted Facility was built to use one harmonized classification system (HS2007)

PROJECTS	OUTPUTS / ACHIEVEMENTS	BEST PRACTICES/ CHALLENGES	REMARKS
Enhancement of Trade Information System in Member States- Phase I and II	<p>Eurotrace Software was implemented in 12 countries. Data submission Protocol incorporated</p> <p>National and Regional Training were provided</p> <p>Phase II of project commenced-covers improving quality, enabling the production of trade indices; mirror statistics module and facilitating web context for data dissemination.</p>		Project was funded under the 9 th EDF
Capacity Building in Data Production and Dissemination – Training and exchange visits	<p>8 persons from the Region benefitted from Introductory and Advanced Level training which was hosted by Eurostat.</p> <p>The Secretariat is assisting in building a Eurotrace Domain for The Bahamas and to provide training to 2 persons</p> <p>2 persons from The Bahamas to benefit from hands-on experience in the use of the Eurotrace software in Trinidad and Tobago</p>		Participants funded under the 9 th EDF
