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Strengthening PICTs' capacity to produce quality and timely economic statistics

Session 3.3 Administrative data

"Issues in international trade statistics: compilation challenges, standards and systems"

Fiji experience

Nilima Lal Fiji Islands Bureau of Statistics Fiji compiles data on both, the international trade in goods, *as well as services*¹. This paper is going to focus on using administrative data to compile trade in goods and the issues and challenges with respect to the compilation.

International Trade in Goods

Source of the data

Importers, exporters, international carriers and their agents fill out the Customs Declaration, known as the Single Administrative Document (SAD), on external trade flows of goods [provisional entries for some eg sugar and gold and then when the actual price is realised, correcting entries are passed] and lodge it to the Fiji Islands Revenue and Customs Authority (FIRCA) on-line.

There are two levels of access: the first is to register the SAD and the second is to do direct assessment after which the clients visit FIRCA to pay the duty and or service charge. Only about 10% depend on FIRCA to do their assessment. All procedures can be completed 3 days prior to the arrival of the goods.

New clients are given on-line access after FIRCA completes a track check of them.

FIRCA uses the Automated System for Customs Data (ASYCUDA), Version 18D for processing all transactions. What used to take a week to process, ASYCUDA does it in a day. Other than the team providing the ASYCUDA SUPPORT MECHANISM for the Pacific², FIRCA has its own teams looking after the functional and the technical aspects of the system.

Data collection and Processing

FIRCA provides details of micro-level data to the Fiji Islands Bureau of Statistics (FIBOS) in ASCII files (Flat files) two weeks after the end of the reference period.

FIBOS uses the Statistical Analysis Software (SAS) to process the data and generate import, export and re-export tables. Total value of import, export and re-export that FIBOS gets is checked with what FIRCA has in their System to ensure that no commodity is left out.

Legal Basis

All data relating to international trade in goods are collected under the Statistics Act 1961. The Act not only stipulates the data providers to submit the data but also guarantees confidentiality of information supplied by them.

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¹ Reference can be made to the publication titled "Compilation Guide: International Trade in Services"

² Papua New Guinea, Vanuatu, Samoa and Fiji

Coverage

Included are all goods, which add to or subtract from the stock of material resources of Fiji by entering (imports) or leaving (exports) its economic territory. Goods in transit, that is goods entering and leaving Fiji with the exclusive purpose of reaching a third country are excluded, since they do not add to or subtract from the stock of material resources of Fiji. There are other exclusions also eg goods consigned to Fiji forces or diplomatic representatives overseas, aircraft spare being consigned overseas for use in Fiji aircraft, etc.

Editing

Data are edited for accuracy. Checks made are:

- Unit value checks,
- Trend analysis,
- Country of Origin,
- Country of Destination, and
- Verification of major commodities traded by making phone calls to those authorities/producers concerned.

Errors and concerns are communicated back to FIRCA and appropriate actions are taken by them and amended data are sent back to us.

Time of Recording

Date of lodgement of the customs declaration SAD. The SAD provides an approximation of the time the goods crosses the border, that is, the date when the goods enter or leave the economic territory of Fiji.

Trade System

The General Trade System is used.

Classifications Used

The commodity structure of external trade flows of goods is analysed using various internationally adopted commodity classifications, which have different levels of detail and are based on different classification criteria.

FIBOS uses the Harmonised Commodity Description and Coding System (HS) for the monthly collection, compilation and dissemination of international merchandise trade statistics. HS 2007 comprising eightdigits is used. Data are provided annually by the Standard International Trade Classification (SITC). SITC Rev 4 comprising five-digits is used.

FIBOS also releases annually Retained Imports³ using the Classification by Broad Economic Categories (BEC) that groups large economic classes of goods with reference to their end use. The three basic classes of goods are:

- Capital goods,
- Intermediate goods, and
- Consumption goods.

Due to the need to use trade data in the Supply and Use table we have also classified Trade data using the 5-digit Fiji Standard Industrial Classification.

Valuation

All data are reported in Fiji dollar. The World Trade Organizations Agreement on Valuation is used:

- Imports The statistical value of imported goods is a cost, insurance and freight (CIF) value. This includes the transaction value of the goods, the value of services performed to deliver goods to the border of exporting country and the value of services performed to deliver goods from the border of the exporting country to the border of the importing country.
- Exports The statistical value of exported goods is a free on board (FOB) value. This includes the transaction value of the goods and the value of services performed to deliver the goods to the border of the exporting country.

Quantity Measurement

The standard units of quantity recommended by the World Customs Organization are used. Use of this ensures that weight figures reported are on a net weight basis exclusive of the container, internal wrapping, or any other packaging.

Information available

Detailed tables are prepared by value and quantity of commodities and by the countries importing and exporting these commodities. Special tables are also prepared by

major domestic exports

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³ Total imports less re-exports

- major trading partners
- geographical regions eg Europe; Asia, Oceania
- Fiji's trade with countries with which it has special trade agreements eg South Pacific Regional Trade and Economic Cooperation Agreement (SPARTECA), the Cotonou Agreement; the Sugar Protocol agreement; and the Melanesian Spearhead Group (MSG) trade agreement.

Incorporation of data into other statistical products

Merchandise trade statistics are used by FIBOS in:

- Constructing trade indices
- Balance of payments current account
- Gross domestic product expenditure approach

Dissemination of information

Mode of release:

- Media: Monthly and annual Press Releases.
- Website: www.statsfiji.gov.fj
- Key Statistics: This is a quarterly publication of the FIBOS.
- "Fiji Facts and Figures" that is published annually.
- Annual published [electronic publishing from 2008] report titled "Overseas Merchandise Trade Statistics"
- Email: Data is sent in Portable Document Format (PDF) on request by users.

Frequency of release

Monthly release in HS 6 weeks after the end of the reference month

Annual Releases in HS, SITC and BEC a quarter after the end of the reference year

Annual Publication titled "Overseas Merchandise Trade Statistics" 9 months after the reference year. The lag of 9 months is necessary to allow for all correcting entries to be processed.

Advance notice

An Advance Release Calendar posted on the FIBOS' Website gives information on the release dates of the data on trade in goods and trade in services.

Issues Legislation

Bureau's legislation needs to be strengthened, in particular the coordination powers. This will help solve the <u>source data</u> related issues:

- Incorrect quantity information
- Incorrect classification eg mineral water getting classified with soft drinks
- Incorrect country of origin and destination eg kava from Vatican (VA) instead of Vanuatu (VU)

Missing data

Before releasing data for the reference month, FIBOS has to reconfirm data with importers and exporters of major commodities eg sugar: FIBOS has always found sugar to be underreported for the reference period.

Shuttle Trade

There is a need to see if this is significant. FIBOS has begun discussions with FIRCA.

High Staff turnover

By the time Officers gains sufficient experience, they are ready to move to another organisation. Filling in vacancies, training the new Officer – all of these take time.

Customer Service

Merchandise trade has a lot of users who come to the counter for information, request information through fax, email and also phone. A lot of time of the compilers gets spent attending to this. FIBOS should therefore have its Publication, Marketing and Fee for Services Unit fully functional by having the right resources eg electronic access of data at the counter.

Challenges

To produce QUALITY and TIMELY merchandise trade statistics is indeed a challenge. To be able to do this FIBOS works very hard:

- FIBOS maintains a good working relationship with FIRCA.
 Officers of both the organizations work together to solve
 issues via telephone, email and meetings. When meetings
 are held, FIBOS also invites the Central Bank and the
 National Planning Office.
- On-job training, team work and staff commitment helps.
 Sometimes FIBOS is not able to meet timelines, this happens when FIRCA is not able to answer queries on time. The users are informed accordingly of the new release date via a Press Release on the very day the Trade Release was supposed to have come out.

Client focus: FIBOS does its best to serve its customers well:

- As much as possible FIBOS gives its clients data in soft copies, instead of the clients spending hours extracting data from the hard copies. FIBOS has even switched over to producing its annual reports in electronic format as opposed to the voluminous hard copy.
- FIBOS staff try to attend to client requests in the shortest time possible.

Keeping abreast of latest development eg classification updates.

Further reference

Annual reports titled "Overseas Merchandise Trade Statistics".

Monthly and Annual Press Releases on Overseas Merchandise Trade Statistics

Current Account of the Quarterly and Annual Press Releases on Balance of Payments

Quarterly and Annual Press Releases on Import Price Index

Conclusion

FIBOS is pleased with the achievements it has made in the compilation of international trade statistics. Of course reviews and improvements are on-going process. FIBOS is at that stage where it can safely recommend to countries with scarce merchandise trade statistics, that if your country is trading with Fiji, you can refer to Fiji's trade data for mirror information with a word of caution to the users on Consistency between partner country data ie corresponding

import and export data between partner countries are not consistent after adjusting for cost, insurance and freight. Reasons for the difference could be:

- Classification concepts and detail: Destination/origin classification concepts in the presence of transshipment e.g. when a good is consigned through another country, and Lack of destination/source country detail in published statistics.
- Time of recording: A lag occurs between the shipment of an export and the receipt of an import.
- Valuation: Possible inconsistent valuation of a given shipment between source and destination due to currency conversion.
- Coverage: Free trade zones and bonded warehouses shipments, exclusion of military and government goods, value threshold for Customs registration of shipments and other goods missed by Customs are examples of coverage difference.
- Processing errors: Many types could occur e.g. provisional entries not corrected, wrong punching of information etc