

Estimating Foreign Trade According to 2008 SNA/BPM6

UNECE, Group of Experts on National Accounts

Fourteenth session

Geneva, 7-9 July 2015

Agenda item 3

Outline

- Introduction
- Goods sent abroad for processing
- Foreign trade reported by non-residents
- Conclusions and further work

Introduction

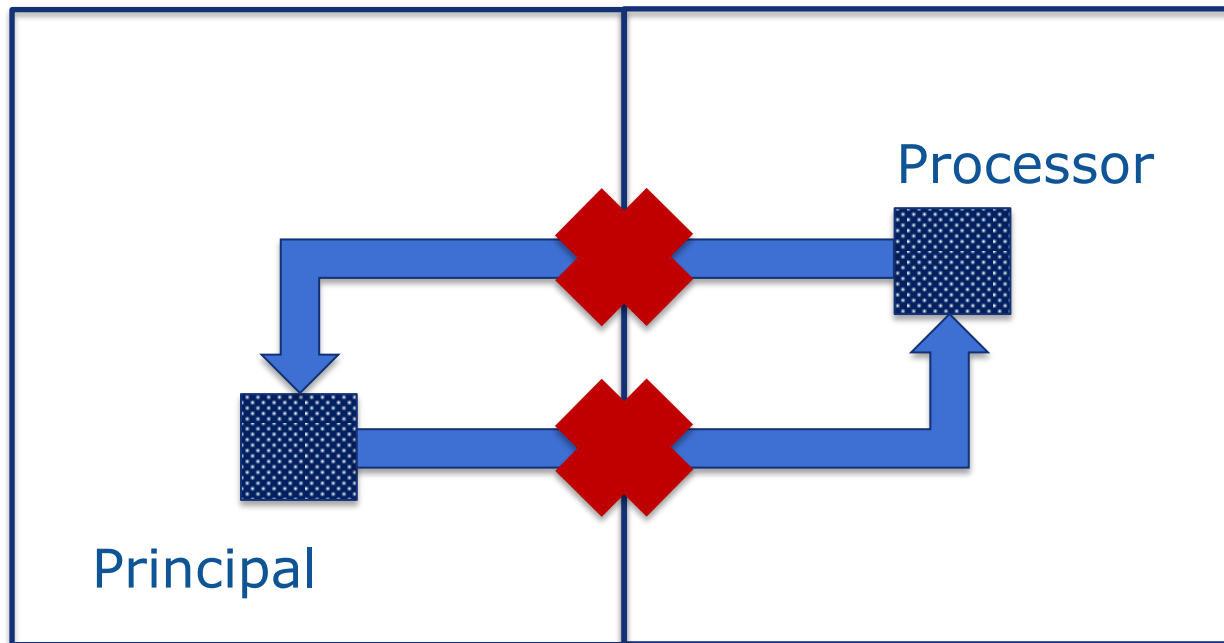
- Transition from 1993 to 2008 SNA
- Change of economic ownership
- Goods sent abroad for processing
- Issue of trade activities of non-resident units

Goods sent abroad for processing

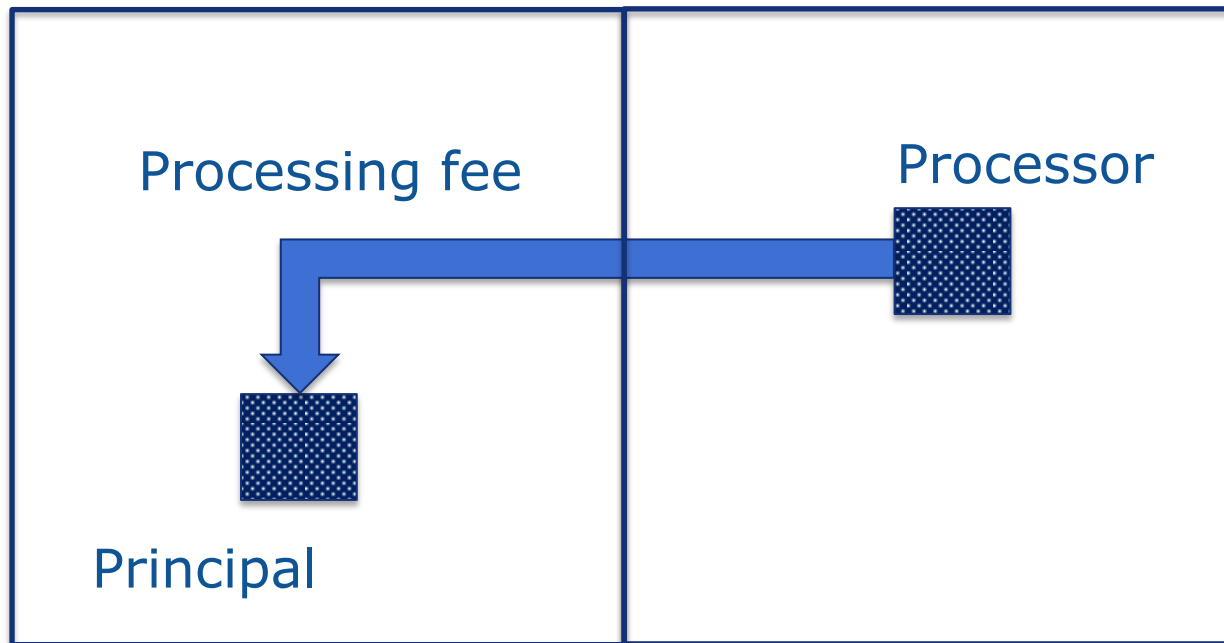
Goods sent abroad for processing (1)

- Cross border flows without change of ownership
- Excluding gross flows from imports/exports in NA/BoP
- The only transaction: processing fee

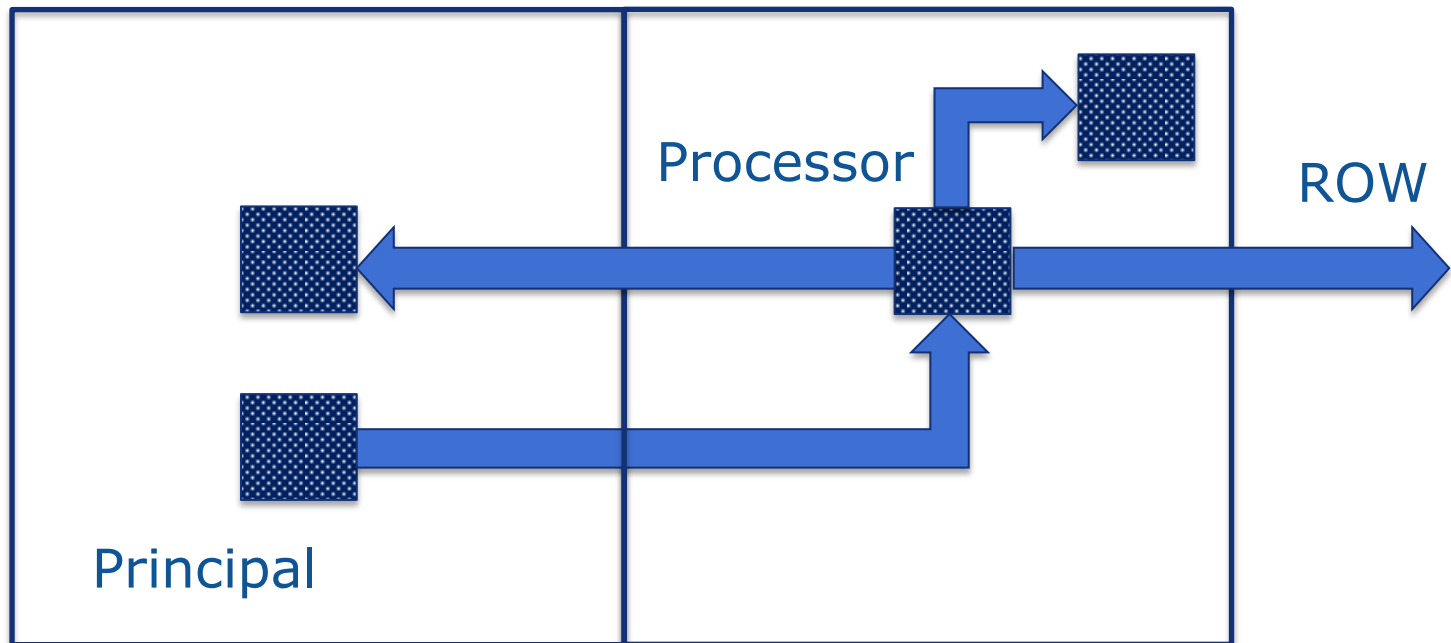
Goods sent abroad for processing (2)



Goods sent abroad for processing (3)



Goods sent abroad for processing (4)



Goods sent abroad for processing (5)

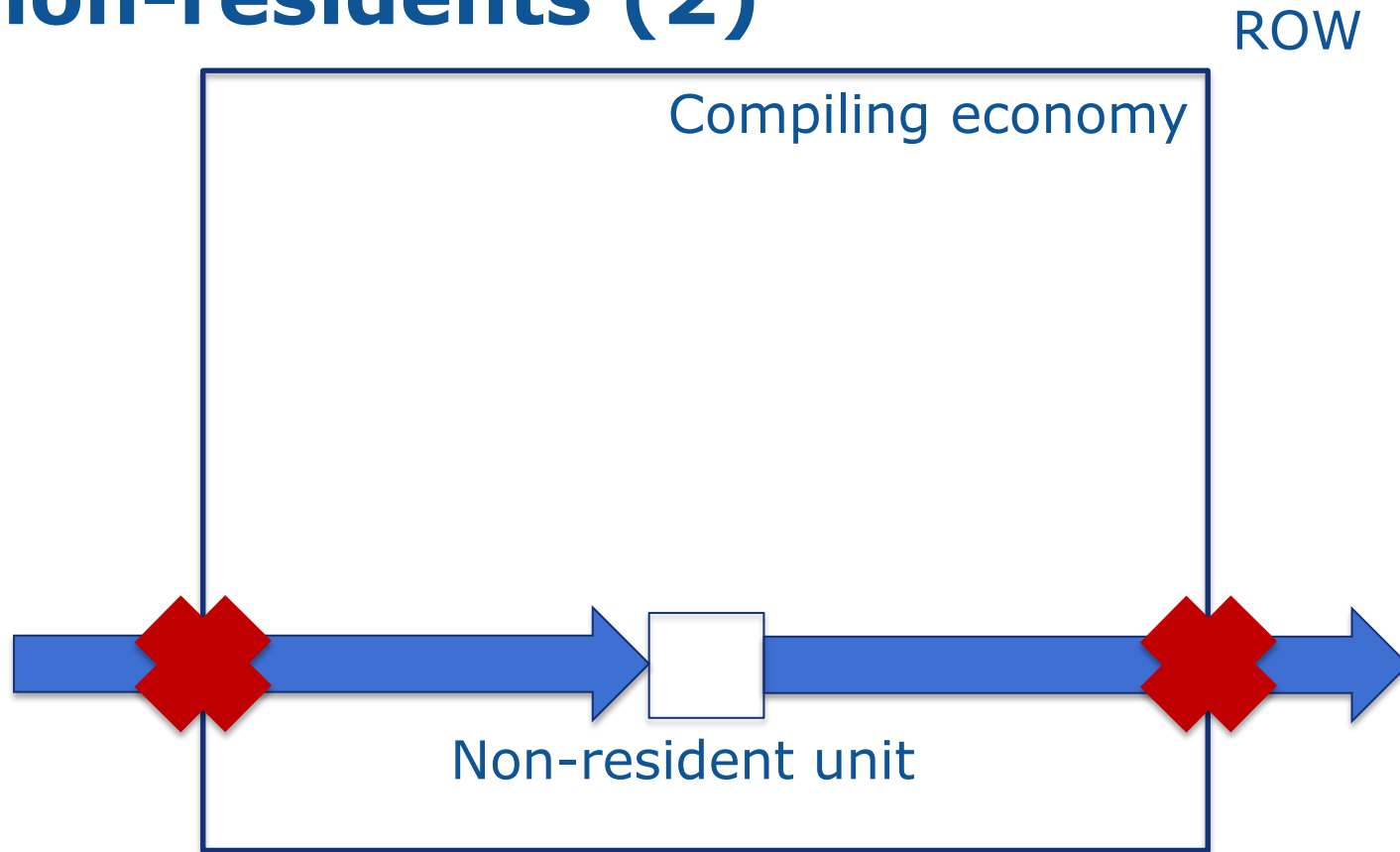
- Determining ownership
- Data sources
- Bridge table IMTS → NA/BoP
- Estimating processing fee
- Impact on input-output tables
- Eurostat Manual on goods sent abroad for processing

Foreign trade reported by non-residents

Foreign trade reported by non-residents (1)

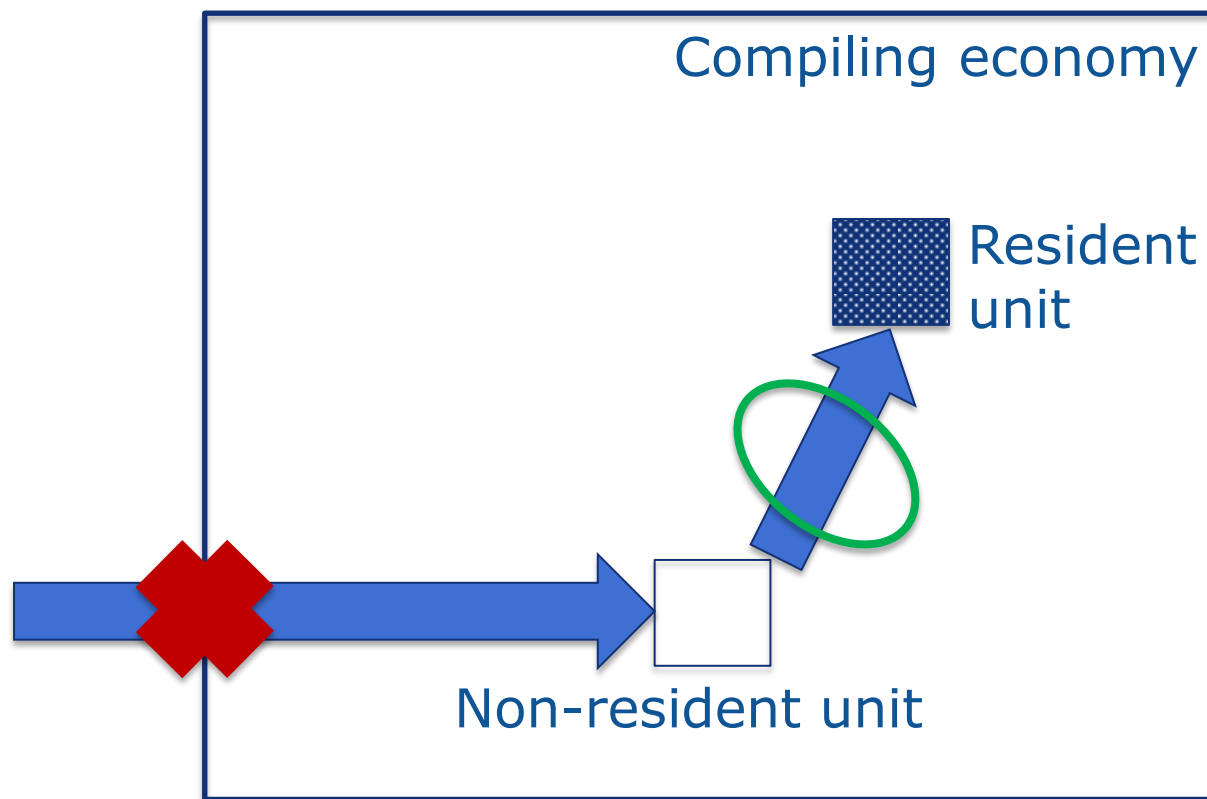
- Cross border flows without resident units being involved
- Issue for countries of a customs union
- No conceptual change
- Registration for administrative purposes only
- Value of goods can change substantially
- Quasi-transit trade
- Excluding flows from imports/exports in BoP/NA

Foreign trade reported by non-residents (2)

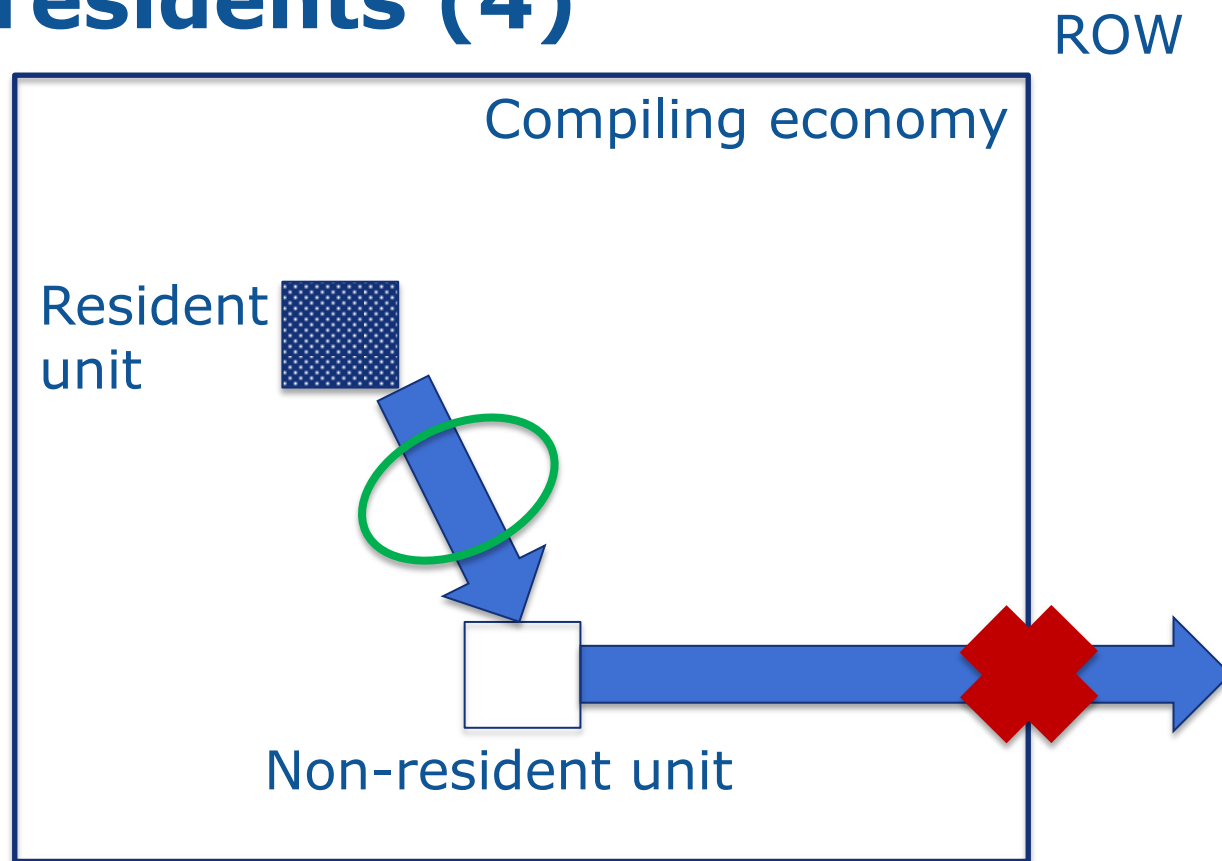


Foreign trade reported by non-residents (3)

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Foreign trade reported by non-residents (4)



Foreign trade reported by non-residents (5)

Eurostat report with recommendations:

- Identification of non-resident units
- Exclusion of transactions of non-resident units
- Inclusion of transactions of resident units with non-resident units
- Mirror transactions

Foreign trade reported by non-residents (6)

Main messages:

- All countries in customs unions can be affected
- Impact in some countries substantial
- Complex issue; close collaboration needed between NA/BoP and IMTS

Conclusions and further work (1)

- Huge impact on NA/BoP due to strict application of the change of economic ownership rule
- For both topics NA/BoP need to cooperate closely with IMTS
- Differences should be explained to users
- Impact net recording of goods sent abroad for processing on I-O/SUT tables can be considerable

Conclusions and further work (2)

- Future: update recommendations on foreign trade reported by non-residents with experiences of countries
- Plea for cross border cooperation
- Extra reason for setting up large and complex enterprises units in national statistical institutes

Thanks for your attention!