

Valuation of imports/exports – Countries opinions – National Bank of Republic of Moldova

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Moldova consistently opted for **adopting the invoice/transaction value in goods valuation in the new methodological BOP framework.**

As a member of CATT, during the consultations of the GZTT G1/C11 GN on the valuation of imports and exports (CIF/FOB Adjustment), we supported **Option 3: changing the recommendation for the valuation of imports and exports to the observed transaction value to be adopted in BPM7.**

This change, firstly aimed *at internal consistency regarding valuation of trade in goods within the SNA (to fully align with the principle of valuation of output at basic prices used for domestic transactions)*, is important from the perspective of harmonization and consistency *to be considered within the BPM 6 update process, having important conceptual (methodological), developing comparability and practical benefits.*

Conceptual considerations

The use of invoice/transaction value in trade in goods instead of statistical value with estimations or recalculations of CIF to FOB values for import, **is more consistent with the basic principles of BOP**

- to reflect real transactions between R and NR at **market price** - the invoice value is closer to this concept as a freely set price by partners of transaction (taking into account all the components of the transaction),
- to respect not only vertical **double-entry bookkeeping**, but also **horizontal double-entry bookkeeping** (it ensures the consistency of recording for each transaction category counterparties by both participants).

Comparability and analytical usefulness

Invoice valuation will support **new presentations** of BOP data, e.g. distribution **by invoice currency** and **geographical breakdown by country of transaction**. The two new presentations will enhance the analytical usefulness of trade in goods data.

The presentation of exports and imports of goods by country of transaction will improve the global geographical consistency and give a fresh view for users from the perspective of change in ownership.

Moldova addressed a proposal to CATT and GZTT to include Geographical presentation of trade in goods by country of transaction as an additional GN.

We also provided a data set for comparison of geographical breakdown of exports/imports of goods using country of shipment/destination versus country of transaction. A research on this issue for the period 2016-2019 was carried out.

https://www.bnm.md/files/Anuar_2019_eng_final.pdf (Annex 20)

Practical considerations

The invoice valuation will exclude many estimations, improve and simplify the process of BOP compilation. Invoice based data are closer to business accounting. Enterprises can report data from their accounting, which will make easier for compilers to combine different data sources, as most are invoice valued.

In Moldova, the National Bank has access to the customs database on micro level, including to information on invoice values. These data are mandatory and checked by customs.

Our concern is mainly about services (freight and insurance). We do not have data on the country of residence of the carrier and type of transport. Usually, only the last carrier is included in the customs database. However, we have a good questionnaire, collected by National Bureau of Statistics, on international trade in services and a closed ITRS.

Summary

Benefits:

- accurate data reflecting real transactions
- clear algorithms and methodologies
- no special calculations for neighbouring countries
- no cif-fob estimations
- high analytical value

Deficiencies:

- minor mistakes in initial data
- need to develop a software
- additional cost for IT update

Thank you!

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