



National Bank of Serbia

Balance of Payments Statistics Division

The feasibility of using invoice values for merchandise trade in Serbia

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Institutional framework

- Statistical Office of the Republic of Serbia (SORS), the National Bank of Serbia (NBS) and the Ministry of Finance have a **Memorandum of Understanding** in the area of macroeconomics and financial statistics.
- Statistical Office of the Republic of Serbia (**SORS**) is in charge of compilation of **international merchandise trade statistics (IMTS)** and **system of national accounts (SNA)**. The IMTS data are passed on to the BoP division in the NBS.
- **Balance of payments (BoP) statistics** as well as **international trade in services statistics (ITSS)** are compiled by the National Bank of Serbia (**NBS**).
- After **adjustment**, **BoP data** on exports and imports of goods are **used in the national accounts**.



Data sources

❖ Goods:

- Statistical Office of the Republic of Serbia (SORS) processes data from **customs declarations** according to IMTS recommendations (General trade system).

❖ Services:

- For most services, the main data source is **ITRS** (International Transaction Reporting System). **SORS** estimates the **transport and insurance costs of goods**, according to the terms of delivery, mode of transport and residence of the carriers.
- Serbia has a **closed ITRS system**, which guarantees **complete** and in principle **correct information** as well as a good geographical breakdown.
- Transactions are disclosed by **type of service** and **counterpart country** without threshold. **Credit** and **debit** are separately reported.



Access to invoice values

- Actual **invoice values** for exports and imports of goods are **available** from External Trade Statistics Division of SORS, which has access to the Customs data at the most detailed level of CN nomenclature.
- Results of the analysis based on **customs declarations** regarding invoiced parities of delivery terms:

Average of 2014-2020 period		
	Exports of goods	Imports of goods
The share of terms of delivery in total value		
CIF	36%	81%
Of which:		
residents	77%	35%
non-residents	23%	65%
FOB	64%	19%
Of which:		
residents	60%	52%
non-residents	40%	48%



Access to invoice values

❖ IMPORTS OF GOODS

➤ *FOB-type*

- Freight and insurance are almost always filled in with **acceptable quality**.
- For imports, this information is needed for Customs to check for taxation purposes that freight and insurance, together with the invoiced value, add up to the statistical value for each item.

➤ *CIF-type*

- Freight and insurance are in **general not filled in**, since the invoice values for these delivery terms already include freight and insurance costs, which equals the statistical value being object of taxation.
- If freight and insurance are filled in, it is done unnecessary and arbitrary, and this **information is therefore not useful**.



Current adjustments in BoP statistics

- For the purpose of adjustments of the following items according to the BPM6 methodology, the **SORS regularly provides monthly series to the NBS:**

- ❖ Imports of goods according to FOB parity

SORS provides the **exports of goods in FOB value**, so **no adjustment** is needed.

- ❖ Exports and imports of services

Considering that basic **data source** for transport services is the **ITRS**, adjustments are required for **CIF** invoiced exports and imports, in accordance with transporter's residency.

Estimated transportation and insurance costs by **terms of delivery**, **mode of transport** and **residence of carrier** are provided to the NBS together with data for transport and insurance of exports and imports of goods.



Current adjustments in BoP statistics

- Adjustment of the **services account of BoP** takes place in case of **CIF type contract**.
- ❖ **Concerning exports of goods:**
 - CIF-contract: transport and insurance provided by residents – are added to exports of related services. (*not captured via ITRS*)
 - CIF-contract: transport and insurance provided by non-residents – are removed from imports of related services. (*initially recorded via ITRS*)
- ❖ **Concerning imports of goods:**
 - CIF-contract: transport and insurance provided by residents – are removed from exports of related services. (*initially recorded via ITRS*)
 - CIF-contract: transport and insurance provided by non-residents – are added to imports of related services. (*not captured via ITRS*)



New method – invoice values

❖ No adjustment is needed for goods account

❖ Freight services

- The new method based on invoice value would mean that the compilation of freight transportation would be **completely excluded from Foreign Trade Statistics (FTS)** as the only information necessary is the invoice value from customs or FTS. NBS would need to adjust payments of freight services that are invoiced separately from the goods.
- At the moment, we use **ITRS** for payments data, but when we launch **services survey**, we would use data from it, with an explanation that only **services which are separately invoiced** should be reported.

❖ Insurance services

- At the moment we use the **model to estimate insurance services** based on financial reports of insurance companies and supervisory data. We would need to adjust the model by **excluding goods insurance**.



New method – invoice values

❖ Arguments in favour of using invoice values

- **No estimates** are needed for **goods account and for freight services**
e.g. from imports invoice value to estimated CIF value in FTS and then to estimated FOB value for BOP and SNA
- **Better cross-country comparability**
- Due to less estimations, probably **lower errors and omissions**
- **Simplified process of compilation**

❖ Arguments against using invoice values

- The **line between goods and services would be lost**, but these services which, by this concept, would be included in goods, are connected to trade of goods, so it could be explained to the data users.



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Thank you for your attention!

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