

STATISTICS ON THE TRADING OF GOODS

USER GUIDE

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Introduction

The Statistical Office of the European Communities (Eurostat) compiles statistics on the trading of goods from data which are collected, checked, compiled and transmitted each month by the statistical institutes of the Member States.

Within this framework, **Eurostat** performs numerous tasks:

- Firstly, it is responsible for harmonising Community legislation in the field of statistics on the trading of goods and ensuring that the legislation is applied correctly. The statistics are therefore based on precise legal texts, directly applicable in the Member States, and on definitions and procedures which have to a large extent been harmonised (cf. Annex 1, list of relevant Community legislation).
- Eurostat is also responsible for disseminating the statistics. Its major concerns in this area are to improve the quality and topicality of the statistics transmitted by the Member States and to diversify the methods of dissemination: in addition to the monthly production of a CD-ROM and more traditional paper publications aimed at the public, the national and Community administrations have on-line access to the 'COMEXT' database (which contains all the available data on foreign trade). The main results can also be accessed via the Internet.
- Within the framework of Intrastat (the system for collecting statistics on intra-Community trade), Eurostat has developed a number of measures and automated tools designed to facilitate the various stages of production: completion of the declaration (using electronic forms and declaration software), exchange of data between industry and the national statistical institutes, data processing at national level, exchange of data between the national authorities and Eurostat, processing by Eurostat and, finally, dissemination. All these steps are defined under the EDICOM Programme (Electronic Data Interchange in COMmerce).
- Cooperation is a major area of concern for Eurostat. Foreign trade statistics are a key indicator of the economic development of the European Union's trading partners and cooperation is a key instrument for improving the quality and comparability of these statistics.

It must be stressed that most of the action taken by Eurostat is decided on and implemented in close cooperation with the Member States, which are responsible for collecting and processing the basic information (see Annex 2 for details of the competent national authorities). Cooperation has been formalised by the creation of working parties and management committees.

The usefulness of the statistics on the trading of goods published by Eurostat no longer needs to be demonstrated. They are an instrument of primary importance for numerous public- and private-sector decision-makers. For example, they enable Community authorities to prepare multilateral and bilateral negotiations within the framework of the common commercial policy and to evaluate the progress of the Single Market and the integration of European economies; they help European companies to do market research and define their commercial strategy; and they constitute an essential source of information for balance of payments statistics, national accounts and studies of economic cycles. This list, which is not exhaustive, demonstrates the diversity of the users and their needs.

Eurostat tries to meet these various needs while adapting to **a changing environment**. The system of collecting statistics on the trading of goods has undergone major changes in recent years. The introduction in 1988 of the Combined Nomenclature (CN) and Single Administrative Document (SAD) had already made some important changes to statistics on trade with non-member countries. Above all, it was the advent of the Single Market 1 January 1993, with its removal of customs formalities (the traditional source of statistical data) between Member States which caused the most confusion, leading to the adoption of a specially designed collection system, Intrastat, for statistics on intra-Community trade.

These changes necessitate greater vigilance on the part of statistical users because they obviously affect the nature, quality and coverage of the data. In particular, the introduction of Intrastat in 1993 involved a methodological break with the past and affected the quality of the statistics. Efforts are being made to improve the quality of the results, rationalise the statistical system and reduce the burden on data providers, while maintaining a satisfactory level of information.

Important note

The information contained in this guide does not supersede existing regulations governing foreign trade statistics. It therefore has no legal force and is intended only as a means of providing users with a simple, basic methodology and describing the various Community statistics which they can access. Eurostat (Unit C/4, fax: (352) 43 01 34339) will be pleased to provide further information.

CHAPTER I

METHODOLOGICAL RULES

A. Statistics on trade with non-member countries

A.1. Legal basis

Statistics on the European Union's trade with non-member countries (hereafter referred to as 'extra-EU trade statistics') are based on Council Regulation No 1172/95 of 22 May 1995 ⁽¹⁾, which is supplemented by various Commission Regulations ⁽²⁾ laying down detailed rules and dealing with certain specific aspects, such as product classifications, country codes, etc.

Two features of the Regulation deserve special mention:

- In conformity with the concept of 'special trade', the subject of external trade statistics and the information which they contain are defined with reference to the Regulation and **customs procedures**, whereas the collection of data is based mainly on the Single Administrative Document (SAD).
- In order to meet their **specific national needs**, the Member States collect and process other information which is contained in the SAD but which is not required for statistical purposes at Community level. Similarly, specific regulations governing certain fields exist at national level in the absence of harmonisation at Community level. This is particularly so in the case of 'specific' movements (military goods, postal consignments, etc.; see A.8.). Some Member States also compile statistics on transit, customs warehouses, free zones and free warehouses.

A.2. Coverage

Extra-EU trade statistics record movable property imported and exported by the European Union.

The following are regarded as **imports** in a given Member State:

- a) goods which enter the statistical territory of this Member State from a non-member country and are:
 - placed under the customs procedure for release into free circulation (goods intended to be consumed in the importing Member State or dispatched to another Member State), either immediately or after a period in a customs warehouse; or
 - placed under the customs procedure for inward processing ⁽³⁾ or processing under customs control (usually goods destined to be processed, transformed or repaired for subsequent re-export) either immediately or after a period in a customs warehouse.

- b) boats and aircraft whose ownership is being transferred from a person established in a non-member country to a person established in the Member State in question.

The following are regarded as **exports** in a given Member State:

- a) goods which leave the statistical territory of this Member State bound for a non-member country, having gone through;
 - the customs export procedure (final export, export following inward processing, etc.); or
 - the customs outward-processing procedure (usually goods destined to be processed, transformed or repaired for subsequent re-import).
- b) boats and aircraft whose ownership is being transferred from a person resident in the Member State in question to a person resident in a non-member country.

Extra-EU trade statistics do not, therefore, record exchanges involving goods in transit, placed in a customs

⁽¹⁾ Up to 1996, the rules were based on a Council Regulation dating from 1975 (No 1736/75).

⁽²⁾ Cf. Annex 1 for a complete list of relevant Community legislation.

⁽³⁾ Including inward processing in a customs warehouse.

warehouse or given temporary admission (for trade fairs, temporary exhibitions, tests, etc.).

The field covered by these statistics corresponds to what is known as 'special trade'.

This accounting method is quite different from the 'general trade' method, which takes into account all goods entering and leaving the statistical territory, with the exception of simple transit. In particular, imports at customs warehouses and exports which have been in customs warehouses are included under general trade.

A diagram of the procedure for the statistical recording of imports and exports is given in Annex 3.

A.3. Party responsible for providing statistical information

As a general rule, the declaring party provides the statistical information while completing the customs formalities.

A.4. Reference period

Extra-EU trade statistics are compiled monthly. The reference period is the calendar month in which the goods are imported or exported. In practice, information is generally assigned to the month in which the customs authority accepts the declaration.

A.5. Statistical territory

The statistical territory of the European Union (and its Member States) corresponds to its customs territory. However, the French overseas *départements* (Guadeloupe, Guyane, Martinique, Réunion) and the Canary Islands were regarded as non-member countries until 31 December 1996.

NB:

On the basis of this definition of statistical territory, Eurostat publications contain the results for the Member States, considered individually as 'declaring countries', and those for the European Union as a whole.

A.6. Statistical data

The main statistical data published by Eurostat are as follows:

- the declaring Member State,
- the reference period,
- the goods flow,
- the product,

- the non-member trading partner,
- the statistical procedure,
- the statistical value,
- the net mass (in tonnes),
- supplementary units (litres, number of parts, etc.).

Definitions of these data (together with the codes used) are given in II.B.1.

Other data are also available:

- TARIC goods codes (for imports only),
- preferences (information on any preferential tariff which may apply),
- mode of transport,
- the nationality of the means of transport at the frontier,
- the container.

Transport data are available from the COMEXT database (see III.A.). Information on the TARIC code and preferences is also available in COMEXT, although access is restricted to public authorities.

A.7. Exclusions

Extra-EU trade statistics do not cover the following imports and exports:

- those whose value and net mass are lower than the statistical threshold fixed by a Member State within the limit permitted by Community legislation. The threshold is fixed so that any export or import with a net mass of more than one tonne or a value of ECU 800 is recorded;
- those which are excluded pursuant to special provisions of Community legislation (cf. Annex 4).

A.8. Specific movements of goods

Specific movements are movements of goods whose characteristics are significant for the interpretation of the information. The characteristics may relate to the movement itself, the nature of the goods, the transaction which gives rise to the movement, or the exporter or importer of the goods.

Specific movements of goods include mainly movements of military goods, ships and aircraft, marine products, domestic and foreign armed forces, industrial plant, staggered consignments, ship's provisions, facilities used on the high seas, etc.

The collection and processing of information relating to these operations are generally covered by special or simplified rules. In the absence of harmonised statistical rules at Community level, national provisions

apply.

Some of the trade involving specific movements of goods is included in Eurostat statistics under alphanumeric codes (see Annex 6).

B. Statistics on trade between Member States

B.1. Legal basis

Statistics on trade between the Member States of the European Union (hereafter referred to as 'intra-EU trade statistics') are based on Council Regulation (EEC) No 3330/91 of 7 November 1991 and on the various implementing Regulations which lay down or supplement the rules on methodology, thresholds and forms (cf. Annex 1 for a complete list of relevant Community legislation).

The Intrastat system, which was created as a means of collecting information relating to trade between Member States, came into operation on 1 January 1993. Its main features are as follows:

- It provides for **direct collection of information from companies**, which send the relevant statistical institute a summary declaration for the previous month. In France and Italy, these declarations also serve statistical and fiscal purposes.
- It is based on **a close link with the VAT system** relating to intra-Community trade. The tax authorities of the Member States are thus required, at least once every quarter, to transmit to the statistical services a list of operators which have made purchases or sales, and the value of these operations, so that the exhaustiveness and quality of the statistical data can be checked.
- It aims **to reduce the burden on companies as far as possible**. For all companies involved, the advent of Intrastat resulted in a lighter workload compared with the previous system. Moreover, the application of a threshold system meant that very many operators were exempted from any formalities or that the information which they had to provide was significantly reduced.
- Also with a view to simplification, measures to **modernise data capture and transmission** were introduced as part of the EDICOM programme. Numerous tools were developed and promoted. They were intended for both the information providers (e.g. EDP software packages) and the statistical services (improved collection and processing of statistical data).

B.2. Coverage

Intra-EU trade statistics record the arrival and dispatch of movable property recorded by each Member State.

Arrivals in a given Member State include:

- a) goods in free circulation which enter the statistical territory of the Member State;
- b) goods which have been placed under the customs procedure for inward processing or processing under customs control (for processing, transformation or repair) in another Member State and which enter the statistical territory of the Member State in question;
- c) boats and aircraft whose ownership is being transferred from a person resident in another Member State to a person resident in the Member State in question.

Dispatches in a given Member State include:

- a) goods in free circulation which leave the statistical territory of the Member State bound for another Member State;
- b) goods which have been placed under the customs procedure for inward processing or processing under customs control (for processing, transformation or repair) in the Member State and which are destined for another Member State;
- c) boats and aircraft whose ownership is being transferred from a person established in this Member State to a person established in another Member State.

A diagram of the procedure for the statistical recording of arrivals and dispatches is given in Annex 3.

NB:

- Intra-EU trade statistics do not record goods in transit.
- Intra-EU trade statistics are not based on either the general or the special trade system; these concern

customs procedures. Given its coverage of transactions, however, Intrastat closely matches the general trade system.

B.3. Party responsible for providing statistical data

In theory, any natural or legal person who engages in trade between Member States is obliged to provide statistical data. In practice, those companies who are required to make tax (VAT) declarations when trading in goods between Member States are responsible for providing statistical information.

B.4. Statistical thresholds

In order to reduce the burden on enterprises, particularly SMEs, the Intrastat workload for information providers varies according to the amount of trade between Member States in which they are engaged. Each Member State therefore applies a threshold system aimed at guaranteeing a satisfactory quality of statistical data and reducing the workload for companies. There are various types of threshold:

- an **assimilation threshold**, below which no statistical declaration is required. In certain Member States, all or part of trade below this threshold is included, subject to adjustments (cf. II.B.2.);
- a **simplification threshold**, below which only data on 'product', 'partner Member State' and 'value' are required;
- a threshold which exempts some information providers from reporting the **statistical value**;
- a **transaction threshold** which allows information providers to group together transactions with individual values of less than ECU 100.

As a guide, the thresholds applied by the Member States since 1993 are set out in Annex 5.

B.5. Reference period

Intra-EU trade statistics are compiled monthly. The reference period is the calendar month, the information for each arrival or dispatch being assigned to a given month on the basis of the date on which Value Added Tax becomes payable. In practice, information is generally recorded in the month in which the goods were traded or, failing that, the following month.

B.6. Statistical territory

The statistical territory of the Member States corresponds to their customs territory.

However, until 31 December 1996, the French overseas *départements* and the Canary Islands did not form part of French and Spanish territory respectively, but were regarded as non-member countries.

NB:

On the basis of this definition of statistical territory, Eurostat publications contain the results for the Member States, considered individually as 'declaring countries', and those of the European Union as a whole.

B.7. Statistical data

The statistical data published by Eurostat are as follows:

- the declaring Member State,
- the reference period,
- the goods flow,
- the product, as defined in the Combined Nomenclature,
- the partner Member State,
- the statistical value,
- the net mass (in tonnes),
- supplementary units (for example: litres, number of parts),
- mode of transport.

The definitions of these data (together with the codes used) are given in II.B.1.

B.8. Exclusions

Intra-EU trade statistics do not cover the following arrivals and dispatches:

- Those effected by private individuals or small enterprises which are exempt from periodic tax declarations.
- Those which are excluded pursuant to special provisions of Community legislation (the list of exclusions is reproduced in Annex 4).

B.9. Specific movements of goods

Specific movements are movements of goods whose characteristics are significant for the interpretation of the information. The characteristics may relate to the movement itself, the nature of the goods, or the transaction which gives rise to the movement, from either the exporter's or importer's point of view.

Specific movements of goods include mainly movements of military goods, ships and aircraft, sea products, domestic and foreign armed forces, industrial plant, stag-

gered consignments, ship's stores and bunker supplies, installations sea, etc.

The collection and processing of information relating to these operations are generally covered by special or simplified rules. In the absence of harmonised statistical rules at Community level, national provisions apply.

Some of the trade involving specific movements of goods is included in Eurostat statistics under alphanumeric codes (see Annex 6).

C. Methodological differences

C.1. Differences between Community statistics and the statistics of non-member countries

There can be differences in the methods used by the European Union and those adopted by its trading partners in the rest of the world: in terms of trade coverage, these include the choice of partner country, the value of transactions, etc.

Thus, the European Union bases its foreign trade statistics on the '*special trade*' system, while the USA, Japan and Canada, for example, apply the '*general trade*' system (cf. I.A.2. for the definition of these systems).

These methodological differences can give rise to considerable statistical discrepancies (cf. II.C.). Eurostat regularly performs a reconciliation of EU trade statistics and those of its main trading partners (e.g. USA, Canada and Japan), in order to measure and explain the discrepancies.

Nevertheless, it should be stressed that considerable efforts have been made at international level to improve the harmonisation of methods. In terms of product classifications, for example, more than 150 countries use the Harmonised Commodity Description and Coding System (HS). Also, the United Nations publishes a handbook of methodological recommendations for compiling external trade statistics⁽⁴⁾.

C.2. Differences between Community statistics and national statistics

Community legislation serves as a basis for compiling the extra- and intra-Community trade statistics published by Eurostat and the Member States. However, as the boxed example below shows, Community statistics, which cover the European Union as a whole, and the statistics compiled by the Member States, which are concerned with the national dimension, are not always directly comparable. There can be methodological differences which make precise comparison of these statistics impossible.

The principal differences are as follows:

- **Breakdown by partner country**

For arrivals of goods from other Member States, certain Member States record the **country of origin** as the partner country, whereas the **Member State of consignment** appears in Community statistics relating to the same movements.

- **Treatment of goods in transit**

Some Member States, particularly Belgium and the Netherlands, do not record goods which they consider to be 'in transit'. This involves, firstly, imports from non-member countries which are cleared in these Member States before being dispatched to other

⁽⁴⁾ 'International Trade Statistics - Concepts and Definitions' (latest edition, 1982). Eurostat is involved in a project, coordinated by the UN Statistical Division, to thoroughly revise this document.

Member States and, secondly, goods from other Member States which are immediately re-exported to non-member countries.

These goods are normally recorded under intra- or extra-EU trade, as appropriate. This phenomenon is known as the 'Rotterdam effect'.

- **Other differences**

Other methodological differences can cause discrepancies between national and Community statistics (examples: classification at national level as 'general trade' rather than 'special trade', or not recording repairs on the grounds that they are services).

Example

Japanese goods are imported into Europe; they are released for free circulation in Belgium, then dispatched to France (Member State of consumption). For such an operation, the various recordings will be as follows:

- **For Community statistics, three operations are recorded:**
 - *import of goods originating in Japan (with Belgium as the declaring Member State, since the customs declaration is made there);*
 - *dispatch (intra) from Belgium to France;*
 - *arrival (intra) in France.*
- **For Belgian national statistics, no trade is recorded, as the import from Japan and dispatch to France are regarded as transit.**
- **For French national statistics, goods originating in Japan are entered as imports. France records Japan as the country of origin, as indicated on the Intrastat declaration. This information is considered statistically more relevant at national level.**

Chapter II

COLLECTION AND COMPILATION OF STATISTICS

A. Data collection and transmission

Information on **extra-EU trade** is generally collected by the Member States from the statistical copy of the customs declaration (SAD). Most Member States use simplified collection procedures (summary declarations, electronic media etc.) which do not affect the nature or exhaustiveness of the information forwarded to Eurostat.

Information on **intra-EU trade** is collected by the Member States using the media placed at the disposal of the information providers. These may be the Intrastat forms made available pursuant to Commission Regulation (EEC) No 3590/92 or other media (including electronic media) provided for at national level. France and Italy also use the form for tax purposes. The declarations are summary and are addressed directly to the competent national authorities.

For certain specific types of good (boats and aircraft, for example), the statistical services may have recourse to other sources of information.

Once the data have been collected, checked and processed by the Member States, they are forwarded to

Eurostat on electronic media which meet precise standards.

The transmission deadlines are as follows:

- for extra-EU trade: six weeks after the end of the reference month;
- for intra-EU trade: eight weeks after the end of the month to which the results refer in the case of overall results (broken down by trading partner), or 10 weeks in the case of detailed results.

In the event of error, omission or late transmission of the data by the information providers, the Member States must inform Eurostat of the corrections to be made for each month. Most Member States regularly make corrections, although some transmit them only once a year for an entire 12-month period.

Corrections are entered in the databases. They can entail numerous major modifications to the published results.

B. Contents and presentation of the results

B.1. Nature and definition of the data

1. Product Nomenclature

1.1. Combined Nomenclature

The most detailed results, which are published by Eurostat and can be accessed by the public, are broken down by sub-headings of the Combined Nomenclature (CN). This tariff and statistical classification, based on the international classification known as the Harmonised System (HS), includes more than 10 000 eight-digit codes.

Eurostat also has results broken down in accordance with TARIC (Integrated Tariff of the European Communities), which can be accessed by the competent authorities. TARIC has been in existence since 1988. It applies only to imports and permits the application of Community measures such as quotas or preferences. Each TARIC sub-heading comprises 10 digits.

1.2. Standard International Trade Classification

Certain results are presented in accordance with the Standard International Trade Classification (SITC), which is managed by the United Nations. Conversion tables allow recoding from the Combined Nomenclature to the SITC.

The changeover to the HS in 1988 necessitated a new revision of the SITC. This version (Rev. 3) adopts the structure of the HS, so that the smallest modules of the SITC are defined by HS sub-headings.

NB:

- There are also alphanumeric product codes which make it possible to process confidential or adjusted data, and a number of individual cases for which it is not always possible to break the results down at a detailed level of the classification. These codes are accessible via the COMEXT⁽¹⁾ database. A summary list of these codes appears in Annex 6.
- Intra- and extra-EU trade statistics are also available broken down by product, in line with other classifications, particularly NACE (Standard Classification of Economic Activities in the Community) and the PRODCOM (Community Production Statistics) list.

Architecture of the classification (as of 1998)

Nomenclature	Levels of breakdown	Code	Number
Harmonised System (HS)	Section	One digit	21
	Chapter	Two digits	99
	Heading	Four digits	1 241
	Sub-heading	Six digits	5 113
Combined Nomenclature (CN)	Sub-heading	Eight digits	10 587
CTCI	Section	One digit	10
	Division	Two digits	67
	Group	Three digits	261
	Sub-group	Four digits	1 033
	Sub-heading	Five digits	3 118

Example of classification of a product in the Combined Nomenclature:

Chapter 10 of the HS: cereals

Heading 10 06 of the HS: rice

Sub-heading 10 06 20 of the HS: husked brown rice

Sub-heading 10 06 20 11 of the CN: Parboiled round-grain rice, husked, brown rice.

⁽¹⁾ The alphanumeric codes will soon be available on CD-ROM.

2. Trading partners

For exports and dispatches, the trading partner is the **country (or Member State) of final destination** of the goods.

For imports (extra-EU trade), the trading partner is the **country of origin**. In general, goods obtained entirely from a given country originate in that country; goods produced in two or more countries are deemed to originate in the country where the last transformation or substantial processing took place.

In certain cases (returned goods, goods which have been processed in a non-member country, works of art), the partner country for imports is **the country of consignment**.

For arrivals (intra-EU trade), the trading partner is **the Member State of consignment** of the goods.

In practice, the country (or Member State) of consignment is the one from which the goods were originally dispatched to the Member State of import/arrival. In the case of extra-EU trade, it is therefore normally the country in which the export formalities were carried out.

Countries are coded according to the classification of countries and territories known as the 'geonomenclature', which is managed by the Commission and published in the Official Journal of the European Communities. The coding is numerical, each country code comprising three digits.

NB:

There is also a breakdown of results by 'economic or geographical region' which is done by aggregating the codes of the geonomenclature (ACP countries, MERCOSUR countries, Central and Eastern European countries, etc.).

3. Statistical procedure

The statistical procedure makes it possible to classify imports and exports by various categories (extra-EU trade only).

The following distinctions are therefore made:

- **Normal imports and exports:** mainly goods exported definitively and released into free circulation, either directly or via a customs warehouse.
- **Imports for inward processing and exports which have undergone inward processing (suspension and drawback system).** Inward processing makes it possible to import goods temporarily so that they can be processed (assembly, transformation, repair, etc.) and the resulting products exported, while ben-

efiting from an exemption from duties, levies and/or checks carried out under the trade policy normally applicable to imported goods.

The 'suspension' system covers non-Community goods, generally destined for re-export outside the Community's customs territory as compensating products, without the goods being subject to import duties or trade policy measures.

The 'drawback system' system covers goods in free circulation, with a reimbursement of or rebate on import duties payable on the goods if they are exported outside the Community's customs territory as compensating products.

- **Exports for outward processing and imports which have undergone outward processing ('tariff' or 'textiles' variant).** Outward processing makes it possible to export goods temporarily for processing and to import the compensating products with a full or partial exemption from duties and levies. The 'textiles' variant, introduced in 1995, concerns only certain textile products or clothing, whereas the 'tariff' alternative is applicable to all other products.

The statistical procedures are coded as follows:

Imports

- 1 normal
- 3 after outward processing
- 5 for inward processing, suspension system
- 6 for inward processing, drawback system
- 7 after outward processing (textiles)

4 Total imports (procedures 1+3+5+6+7)

Exports

- 1 normal
- 3 after outward processing
- 5 for inward processing, suspension system
- 6 for inward processing, drawback system
- 7 for outward processing (textiles)

4 Total exports (procedures 1+3+5+6+7)

NB:

- Inward and outward processing procedures are independent of the nature of the transaction concerned (purchase/sale, processing under contract, etc.). In fact, part of the flow of goods for processing, in the economic sense of the term, is included under normal imports and exports.
- Procedure 4 covers all transmitted results, for both intra- and extra-EU trade.

4. Statistical value

The statistical value is the value calculated at national frontiers. It can be a FOB value (free on board), for exports/dispatches, or CIF (cost, insurance, freight), for imports/arrivals: it therefore includes only incidental expenses (freight, insurance) incurred in the part of the journey located on the territory of the Member State from which the goods are exported (in the case of exports/dispatches) and in the part of the journey located outside the territory of the Member State which imports the goods (in the case of imports/arrivals).

The statistic value is generally based on the customs value ⁽²⁾ in the case of extra-EU trade, or on taxable value, in the case of intra-EU trade. Under the Intrastat system, the statistical value is not provided systematically by the information providers; it can be calculated by the national statistical institutes from the invoiced amount given in the declaration.

In the case of processing, it is always the total value of the goods which is entered, before and after processing, not only the value added.

Values are collected in units of national currency. In the publications, they are expressed in thousands of ecus, the currency conversion being based on the averages of the daily conversion rates.

5. Net mass

Net mass is the net mass of goods without packaging. It is recorded in kilograms.

In the publications, net mass is expressed in tonnes.

Since 1997, the net mass of certain categories of goods for which it is not the most suitable unit has not been required for intra-EU trade statistics.

6. Supplementary units

Supplementary units (i.e. other than mass; for example, litre, number of parts, square metres) have to be indicated for certain goods.

There can be differences between the units collected and forwarded to Eurostat and those appearing in the publications (example: hectolitre instead of litre).

B.2. Adjusted data**1. Adjustment of values**

Statistics on the value of trade between Member States are subject to adjustments, mainly for the following reasons:

- non-response or late response by information providers,
- absence of statistical declarations by companies falling below the assimilation threshold.

Some Member States adjust their results to mitigate these difficulties.

The overall results published by Eurostat take into account the adjusted results provided by nine Member States, and are available in a specific file - the 'Intra-Trade Adjusted Data' file, which contains monthly results, broken down by trading partner.

In addition, the adjustments made by seven Member States are included in the results broken down by product, either at the sub-heading level of the Combined Nomenclature (Austria, Denmark⁽³⁾) or in Chapter 99 (cf. Annex 6).

2. Adjustment of quantities

Quantities (weight or supplementary units) are estimated for 'simplified' declarations (except in Greece) or, sometimes, when value adjustments are broken down by product. Member States generally estimate quantities by applying the value/volume ratio of trade above the simplification threshold.

Information on the Member States' adjustment practices is given in Annex 7.

B.3. Confidential data

The criteria determining which statistical data are considered confidential are fixed by each Member State in

⁽²⁾ The customs value does not include, *inter alia*, import duties or other Community taxes on the import or sale of goods.

⁽³⁾ Currently in preparation.

the light of national legislation or practice. For foreign trade statistics, Member States generally apply the principle of 'passive confidentiality', i.e. they take suitable measures at the request of importers or exporters who feel that their interests would be harmed by the dissemination of the data.

The confidential nature of trade can affect:

- imports (arrivals) and/or exports (dispatches);
- the added value and/or net mass and/or supplementary units.

Two types of data can be made confidential in connection with a Member State's trade: the CN product code and the partner country code.

1. Product confidentiality

A Member State may decide to make all or part of a product code confidential.

In practice, any product code available in COMEXT containing one or more 'S's after the chapter (the first two digits), followed by the three-digit SITC code, is confidential. Where the SITC code is not known, it is replaced by 999.

If trading in the product is so confidential that the HS chapter under which it should be classified is not known, it is included under Chapter 99.

Finally, another camouflage method applied by some Member States is to include the trade which is to be made confidential relating to one CN code under another code from the same chapter.

Example:

By applying product confidentiality, the results relating to CN code 17024010 can be included in COMEXT under one of the following codes: 17024090, 17029030, 17SSS061, 17SSS999, 99SSS999.

2. Confidentiality as to the trading partner

If a Member State wishes to conceal the destination or the source (origin) of a product, the code of the partner country is replaced by a 'secret country' code⁽⁴⁾.

The application of 'trading partner confidentiality' does not preclude product confidentiality.

Example:

Application by a Member State of 'trading partner confidentiality' to exports and dispatches of product 32041500:

Partners	values
<i>declared trade:</i>	
004 (Germany)	1000
005 (Italy)	500
732 (Japan)	3000
404 (Canada)	200
<i>published trade:</i>	
978	1500
979	3200

B.4. Indices

1. Introduction

The development over time of the value of trade is determined by price variations and the quantities sold. Eurostat calculates Fisher chain-indices to measure these two factors. The monthly bulletin published by Eurostat presents the indices calculated according to the SITC for each Member State on a strictly comparable basis. These indices can be consulted in Eurostat databases.

2. Methods

The data transmitted for intra- and extra-EU trade statistics are used at the most detailed level for calculating the indices. The unit-value indices (values divided by quantities) are used as indicators of price variations. The calculation programs comprise an automatic system for identifying the extreme unit values which would suggest implausible price movements.

This system prevents extreme variations due to non-price factors which would otherwise involve a distortion of the unit-value index. For products whose unit values are rejected, variations are established in the light of variations for similar products.

More detailed information on the methods used for calculating the indices can be found in Annex 8.

⁽⁴⁾ For intra-Community trade: code 978 (975 up to 1993); for extra-Community trade: code 979 (976 up to 1993).

B.5. Seasonally-adjusted data

Seasonally-adjusted statistics are published in the monthly bulletin. There are four series:

- Intra-EU trade (in ECU billion),
- Extra-EU imports (in ECU billion),
- Extra-EU exports (in ECU billion),
- Extra-EU trade balance (in ECU billion).

Raw monthly series (intra-EU dispatches, extra-EU exports and extra-EU imports) are taken from the COMEXT database from 1986 onwards, and are seasonally adjusted using the X12/Regarima program. Among other characteristics, changes in level (the introduction of the Intrastat system in 1993 and EU enlargement in 1995) are taken into account. Lastly, the seasonally-adjusted trade balance is calculated as the difference between the European Union's seasonally-adjusted series for exports and for imports.

C. Statistical discrepancies

C.1. Statistical discrepancies relating to extra-EU trade

A comparison of the EU's own statistics on extra-EU trade with the figures published by non-member countries pertaining to the same trade can reveal certain discrepancies, most of which can be explained by the following factors:

- methodological differences: trade coverage, partner country, different values, etc. (cf. I.C.2.);
- time lag: the same operation can be recorded under a different reference period because of transport times;
- statistical confidentiality: the same operation cannot be recorded in the trade of one of the partners because of statistical confidentiality.

- the trading partner for arrivals is always the Member State of consignment, not the country of origin of the goods.

However, since the system came into operation, bilateral comparisons have revealed major and persistent discrepancies in the various Member States' intra-Community trade statistics. The main reasons are as follows:

C.2. Statistical discrepancies relating to intra-EU trade

In theory, there should be few discrepancies if the Member States' intra-EU statistics are compared, since:

- the data to be compared are drawn up on the basis of a common methodology and common definitions;
- the problem of the CIF/FAB evaluation generally plays a negligible role in view of the geographical context and the structure of intra-Community trade in the various Member States;
- the distinction between 'general' and 'special' trade does not feature here;
- given the rules for determining reference periods, time delays do not have a major impact - at least on annual results;

1. Thresholds

Intrastat is based on a system of thresholds (cf. I.B.4.), which makes it possible to exempt two-thirds of European operators (especially SMEs) from statistical formalities. For a given transaction, therefore a company might be required to provide statistical information in one Member State, whereas its supplier/customer in another Member State is exempted. The coverage of trade, after application of the statistical thresholds, varies between 93% and 99.8%, depending on the Member State. The imbalance between transactions caused by the thresholds can, however, be reduced at a global level by means of adjustments.

2. Non-response

The phenomenon of non-response by certain companies is a serious flaw in the Intrastat system. The non-response rate has decreased since 1993, but remains high, with over 10% of the companies required to provide information, i.e. 3-4% in terms of value at Community level. There does not appear to be a significant downward trend in this rate. Most Member States try to offset by means of adjustments (ranging from less than 1% to 14%, depending on the Member State).

3. Other reasons

- **Statistical confidentiality:** The same operation cannot be recorded by one of the partners because of statistical confidentiality. However, the application of confidentiality should not affect the overall results.
- **Adjustments:** Although adjustments (cf. III.B.2.) are designed to improve the quality of the statistics while compensating for the negative effects of non-response and thresholds, they also introduce inconsistencies between the statistics of the various Member States, because of the lack of methodological harmonization. Moreover, five Member States (France, Greece, Italy, Spain and Portugal) do not adjust the results forwarded to Eurostat.
- **Time lag:** In theory, with the Intrastat system there should be no time lag between the date of registration of a transaction as a dispatch in one Member State and the date on which the same transaction is recorded as an arrival in another. In practice, the reference month should be the month in which the goods are physically moved or, failing that, the following month. Misapplication of the rules can have a non negligible impact on monthly statistics.
- **Differences in the classification of goods:** Classification of products under one of nearly 11 000 sub-headings in the Combined Nomenclature can be a problem for businesses - particularly those which are not

computerised and large companies trading in a broad range of products. The result can be errors and discrepancies at the most detailed level.

- **Methodological differences:** Although intra-Community trade statistics are based on a methodology which has been harmonised to a great extent, there are still a number of specific movements for which, in the absence of common rules, national practices can diverge. In certain cases, simplifications may be allowed which make comparisons at the most detailed level difficult (cf. I.B.9.).
- **Triangular trade:** Triangular trade exists where a company in Member State A sells goods to a company in Member State B, which in turn sells it to a company in Member State C, although the goods are physically moved only once - from A to C.

In cases such as this, intra-Community trade statistics should record a dispatch from A bound for C, and an arrival in C of goods from A.

There is, however, considerable risk that A or C will regard Member State 'B' as its trading partner.

- **The value of transactions:** There are various reasons for discrepancies: one is the use of different bases for calculating the statistical value of dispatches (FOB value) and arrivals (CIF value); etc.

CHAPTER III

DISSEMINATION OF STATISTICS (1)

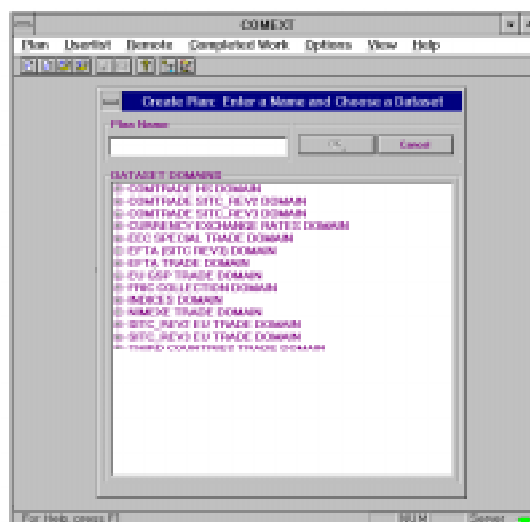
A. The COMEXT database

This database, which is based on the client/server concept, is Eurostat's reference base for external trade. It provides access to data from the EU Member States and more than 100 other countries, including the United States, Japan and the EFTA (European Free Trade Association) countries.

Thanks to its very considerable flexibility, COMEXT offers users access to several types of data from various sources and with different structures, via a unique interface. The information, which is available in English, French and German, is divided into domains, which in turn are divided into datasets (i.e. standardised sets of data classified according to pre-defined classifications). More than 200 classifications (codes and headings) are currently accessible.

Currently the domains are as follows:

- **EEC Special Trade** contains monthly, quarterly and annual data, from 1988 onwards, on the external trade of the EU Member States in terms of with the Combined Nomenclature (CN) or TARIC (only for extra-EU imports). The Comext aggregation system makes it possible to convert the data to the other main product classifications: the General Industrial Classification of Economic Activities within the European Union (NACE), the Standard International Trade Classification (SITC), the PRODCOM list, etc. This domain also contains the Intra-Trade Adjusted Data.
- **Fric** contains annual and quarterly data on the external trade of the first 12 Member States of the EU, basically broken down by trading partner, dating back as far as 1958. The breakdown by product in accordance with SITC Rev. 2 is also available for the years since 1980.
- **Nimexe trade** contains the annual data for the first 12 EU Member States, broken down by trading partner and product according to the Nimexe classification (the EU's external trade classification, in use until 1987), for the period from 1976 to 1987.
- **SITC-REV2 EU trade** contains the annual data for the 12 EU Member States, broken down by trading partner and product according to SITC Rev. 2, for the period from 1977 to 1987.
- **SITC-REV3 EU trade** contains the annual data for the first 12 EU Member States, broken down by trading partner and product according to SITC Rev. 3, for the period since 1988.
- **EU GSP trade** contains the annual data for the EU Member States, broken down by trading partner, product and generalised preference for the period since 1988.
- **Comtrade** is the United Nations database on external trade. This domain covers the external trade of most countries of the world, broken down by trading partner and product in terms of SITC Rev. 2 and Rev. 3 and the Harmonised System (HS), and covers the period since 1980.
- **EFTA (SITC3) trade** contains monthly and annual data, in terms of SITC Rev. 3 and for the period since 1995, on the external trade of the member countries of the European Free Trade Association (EFTA) (currently Iceland, Norway, Switzerland and Liechtenstein).
- **EFTA trade** contains the annual trade data, in terms of the HS and for the years since 1988, of countries which were EFTA members in that year (Austria, Finland, Iceland, Norway, Sweden, Switzerland and Liechtenstein).



(1) Access to trade statistics is described in Annex 9.

- **Currency exchange rates** contains the exchange rates of the various European currencies (including the ecu) since 1988, for each month and for cumulative periods.
- **Indices** contains the current contents of the databases 'Trend' (indices of the Member States' external trade, calculated on a monthly basis in accordance with EEC Special Trade - II.B.4.) and 'Volimex' (indices of non-member countries' external trade, calculated on an annual basis in accordance with Comtrade).
- **Transport** contains quarterly and annual data (since 1989) on the transport of traded goods (mode of transport, container, nationality of the means of transport ^(?)), in terms of value and quantity, with a breakdown by product (in accordance with the simplified NST/R classification) and by trading partner.

Comext makes it possible to construct aggregates (groups of codes), to apply validity dates and/or weightings to certain codes, to obtain time series or to view changes in the codes over time (changes to codes or their definitions, for a particular product or country).

There are two ways of retrieving data from COMEXT:

- ① an interactive method, which is preferable for small queries;
- ② batch retrieval, which is used for larger-scale consultation.

Whichever method is chosen, there are numerous options for processing the information:

- display and downloading of results (spreadsheet or word-processing format, flat format, etc.) onto hard disk, network disk or diskette;
- printout of the results in tabular form, the appearance of the tables being defined by the user in advance;
- creation of flat files for loading into other databases, post-processing in spreadsheet, etc.

Since the purpose of Comext is to set out the entire corpus of external trade data, other domains are to be added in the coming months, including data from the International Monetary Fund, data on the countries of Central and Eastern Europe, and seasonally-adjusted data on the European Union's external trade.

B. The New Cronos database



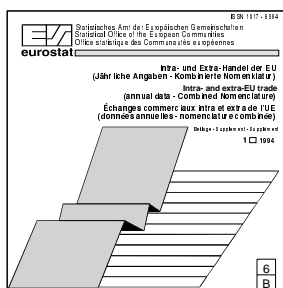
New Cronos is a numerical database containing macro-economic time series. It is available in three languages (English, French and German) and holds more than 70 million items of statistical data, divided into 49 domains covering various themes corresponding to those dealt with by Eurostat publications:

- general statistics;
- economy and finance;
- population and social conditions;
- energy and industry;
- agriculture, forestry and fishing;
- external trade;
- distributive trade, services and transport;
- environment;
- research and development.

In the 'external trade' domain, New Cronos contains numerous series corresponding to the main statistical indicators (results by country, partner regions and products).

^(?) The latter two items of information are available for external trade only.

C. The COMEXT CD-Rom



The COMEXT CD-ROM contains statistics on the EU Member States' intra- and extra-EU trade and on the trade of certain other countries:

- Intra- and extra-EU trade (Combined Nomenclature), monthly data for the period from 1988;
- Intra- and extra-EU trade (Combined Nomenclature), annual data for the years from 1988;
- Intra- and extra-EU trade (SITC Rev. 3 and NACE Rev. 1), annual data for the years from 1988;
- External trade of the Member States of the European Union (Nimexe), annual data for the period 1976-87;
- Trade by non-member countries (Harmonised System), annual data for the years from 1988.

A table, which can be accessed from the main menu, shows the availability of the data. The CD-ROM is updated once a month, thus providing access to the most recent data available.

Various product classifications are used; trading partners are identified either at country level, in terms of the geonomenclature, or by geographic or economic region (world, intra-EU, extra-EU, ACP, etc.).

The COMEXT CD-ROM runs under MS-DOS and Windows and offers a wide variety of functions:

- consultation and retrieval of data;
- downloading of data in files which can be imported directly into conventional spreadsheets;
- code search by keywords;
- creation of customised aggregates for the periods, countries and products;
- alternative methods of retrieval.

A user manual, which gives a complete description of all the functions, is available on the CD-ROM in an ASCII file; it can be consulted directly from the CD-ROM or printed out.

The COMEXT CD-ROM is therefore very user-friendly, and especially suited to operators in the private or public sectors who need to:

- obtain information on the external trade of the EU Member States;
- follow trends in the trade in particular products;
- identify new market openings.

D. Paper publications

D.1. Statistical Yearbook



The Yearbook on external and intra-EU trade describes the long-term trends (since 1958) in trade by the EU and its Member States.

It sets out changes in the structure of trade, broken down by major product groups, between the EU and its main external trading partners and between the EU Member States.

It is divided into seven sections:

- an analysis of recent trends in the European Union's trade;
- the European Union and world trade;
- the trading partners of European Union;
- goods traded with Extra-EU countries;
- goods traded within the European Union;
- the Member States and EU trade;
- external trade of the Member States.

The Statistical Yearbook is also available in electronic form.

D.2. Monthly Bulletin

The monthly bulletin complements the Yearbook with short-term data. It is published by Eurostat as part of the B series (short-term economic statistics) and is designed to give as rapidly as possible, the short term evolution of the external trade of the EU and its Member States.

It shows trade flows, broken down by major product groups, between the EU and its main trading partners and between the Member States.

The monthly bulletin is also available in electronic form.

D.3. Press releases

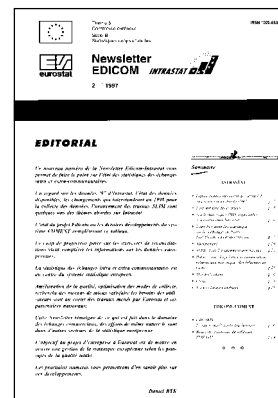
Press releases enable Eurostat to disseminate the short-term economic information available as quickly as possible. These quarterly press releases provide additional information on the intra-EU and external trade of the Member States and the EU as a whole.

D.4. Statistics in Focus

For each of the nine statistical themes which Eurostat deals with, the 'Statistics in Focus' collection contains up-to-date summaries of the main results of surveys, studies and analyses. In the field of external trade, these studies, which are quarterly, biannual or annual, basically cover the EU's trade with some of its main trading partners (USA, Japan, Latin America, CIS, etc.) or trade in certain strategic goods (high technology, energy, means of transport, etc.).

Each issue is between 8 and 16 pages in length and contains text and tables and/or graphs and/or maps.

D.5. Intrastat Newsletter



This biannual publication (June and December) is intended as a source of information for everyone involved with or interested in the Intrastat system and the development of the Edicom projects.

The Newsletter is not an official publication and should be regarded as an informal medium conveying general information for wide dissemination. Eurostat is convinced that the experiences and opinions of persons belonging to the various institutions involved could be of great value for everyone, and hopes that this publication will provide a forum for all concerned.

D.6. Thematic publications

1. The European Union's external trade with ACP countries and Overseas Countries and Territories (OCTs)

On 15 December 1989, the European Union and 69 African, Caribbean and Pacific countries signed the Fourth Lomé Convention.

Lomé IV lays down the ground rules for cooperation in the fields of the environment, agricultural and industrial development, regional integration and financial support provided by the European Union.



The Convention also contains important agreements designed to increase trade between the EU and ACP countries. The EU's trade in goods with the ACP countries currently represents just over 3% of its overall trade with non-member countries.

To provide material for a detailed analysis of trends in trade between the EU and the ACP countries, a special publication containing statistical data on the main trade flows between the two has been produced jointly by Eurostat and the European Commission's Directorate General for Development.

In the second section, statistics on trade with the Overseas Countries and Territories are set out in the same way as trade with the French overseas departments, with the main imports and exports by product and territory.

2. External trade of the European Union and the CIS

This publication, which is the result of cooperation between the CIS Statistical Committee and Eurostat funded under the TACIS Programme, sets out the main external trade data for the 12 CIS States, the 15 EU Member States and groups of these countries for the period 1994-96.

ANNEXES

ANNEX 1

COMMUNITY LEGISLATION RELATING TO STATISTICS ON THE TRADING OF GOODS (applicable as at 1 January 1998)

A. Statistics on trade between Member States (Methodology)

A.1. Basic Regulation

Council Regulation (EEC) No 3330/91 of 7 November 1991 on the statistics relating to the trading of goods between Member States
(OJ L 316 of 16 November 1991, p. 1),

amended by:

Commission Regulation (EEC) No 3046/92 of 22 October 1992 laying down provisions implementing and amending Council Regulation (EEC) No 3330/91 on the statistics relating to the trading of goods between Member States
(OJ L 307 of 23 October 1992, p. 27)

A.2. Implementing provisions

Commission Regulation (EEC) No 2256/92 of 31 July 1992 on statistical thresholds for the statistics on trade between Member States
(OJ L 219 of 4 August 1992, p. 40),

rectified by:

Corrigendum to Commission Regulation (EEC) No 2256/92 of 31 July 1992 on statistical thresholds for the statistics on trade between Member States
(OJ L of 13 July 1993, p. 32)

Commission Regulation (EEC) No 3046/92 of 22 October 1992 laying down provisions implementing and amending Council Regulation (EEC) No 3330/91 on the statistics relating to the trading of goods between Member States
(OJ L 307 of 23 October 1992, p. 27)

amended by:

Commission Regulation (EEC) No 2385/96 of 16 December 1996 simplifying the concept of net mass
(OJ L 326 of 17 December 1996, p. 10)

Commission Regulation (EEC) No 860/97 of 14 May 1997 with regard to the reporting of the value of goods
(OJ L 123 of 15 May 1997, p. 12)

Commission Regulation (EEC) No 3590/92 of 11 December 1992 concerning the statistical information media for statistics on trade between Member States
(OJ L 364 of 12 December 1992, p. 32)

Commission Regulation (EC) No 1125/94 of 17 May 1994 on the deadlines for forwarding statistics on trade between the Member States
(OJ L 124 of 18 May 1994, p. 1)

Commission Regulation (EC) No 2820/94 of 21 November 1994 fixing a threshold value for individual transactions in the context of statistics relating to trade between Member States
(OJ L 299 of 22 November 1994, p. 1)

Commission communication regarding the data required by the Member States from parties responsible for providing statistical information, within the context of statistics on trade between the Member States, pursuant to Articles 21 and 23 of Council Regulation (EEC) No 3330/91 (OJ C 378 of 13 December 1996, p. 2)

B. Statistics on trade with non-member countries (Methodology)

B.1. Basic Regulation

Council Regulation (EC) No 1172/95 of 22 May 1995 on the statistics relating to the trading of goods by the Community and its Member States with non-member countries (OJ L 118 of 25 May 1995, p. 10),

amended by:

Council Regulation (EC) No 476/97 of 13 March 1997 with regard to the statistical territory (OJ L 75 of 15 March 1997, p. 1)

B.2. Implementing provisions

Commission Regulation (EC) No 840/96 of 7 May 1996 laying down certain provisions for the implementation of Council Regulation (EC) No 1172/95 as regards statistics on external trade (OJ L 114 of 8 May 1996, p. 7)

C. Nomenclatures

C.1. Goods classification

Council Regulation (EEC) No 2658/87 of 23 July 1987 on the tariff and statistical classification and on the Common Customs Tariff (OJ L 256 of 7 September 1987, p. 1)

amended by

Council Regulation (EEC) No 3528/89 of 23 November 1989 amending Regulation (EEC) No 2658/87 on the tariff and statistical classification and on the Common Customs Tariff (OJ L 347 of 28 November 1989, p. 1)

Council Regulation (EEC) No 2913/92 of 12 October 1992 establishing the Community Customs Code - *Article 252* (OJ L 302 of 19 October 1992, p. 50)

Commission Regulation (EC) No 1734/96 of 9 September 1996 amending Annex I to Council Regulation (EEC) No 2658/87 on the tariff and statistical classification and on the Common Customs Tariff (OJ L 238 of 19 September 1996, p. 1)

C.2. Country classification

Commission Regulation (EC) No 2317/97 of 21 November 1997 on the country classification for the external trade statistics of the Community and statistics of trade between Member States (OJ L 321 of 22 November 1997, p. 19)

D. Edicom

D.1. Basic Decision

Council Decision 96/715/EC of 9 December 1996 on inter-administration telematic networks for statistics relating to the trading of goods between Member States (*Edicom*) (OJ L 327 of 18 December 1996, p. 34).

D.2. Action plan

Commission Decision (E/97/599) of 24 April 1997 approving 29 proposals for actions likely to benefit from Community financing under Council Decision 96/715/EC on inter-administration telematic networks for statistics relating to the trading of goods between Member States (*Edicom*) (not published in the Official Journal).

Commission Decision (E/97/784) of 20 May 1997 approving 23 proposals for actions likely to benefit from Community financing under the Council Decision 96/715/CE relating to inter-administration telematic networks for statistics relating to the trading of goods between Member States (*Edicom*) (not published in the Official Journal).

ANNEX 2

NAMES AND ADDRESSES OF THE COMPETENT NATIONAL AUTHORITIES

BELGIUM

Banque Nationale de Belgique
14, bd. de Berlaimont
B-1000 BRUXELLES
Fax: (32) 2 221 31 46

DENMARK

Danmarks Statistik
Sejrøgade 11
DK-2100 KØBENHAVN Ø
Fax: (45) 31 18 48 01

GERMANY

Statistisches Bundesamt
Postfach 5528
Gustav-Stresemann-Ring 11
D-65180 WIESBADEN
Fax: (49) 611 75 3965

GREECE

National Statistical Service of Greece
14-16, Likourgou
GR - 101 66 ATHENS
Fax: (30) 1 323 75 24

SPAIN

Agencia tributaria
Subdirección de Planificación Informática Aduanera
c/Guzman el Bueno, 137
E - 28003 MADRID
Fax: (34) 1 554 7896

FRANCE

Directorate-General for customs and excise duties
8, rue de la Tour des Dames
F-75436 PARIS CEDEX 09
Fax: (33) 1 55 07 49 41

IRELAND

The Revenue Commissioners
South Great Georges Street
IRL - DUBLIN 2
Fax: (353) 16 718 297

ITALY

ISTAT - Istituto Nazionale di Statistica
Via Cesare Balbo, 16
I - 00184 ROMA
Fax: (39) 6 4673 2560

LUXEMBOURG

STATEC
Case Postale 667
L - 2016 LUXEMBOURG
Fax: (352) 46 42 89

NETHERLANDS

Centraal Bureau voor de Statistiek (CBS)
Kloosterweg, 1 Postbus 4481
NL - 6401 CZ HEERLEN
Fax: (31) 45 5 72 74 40

AUSTRIA

Österreichisches Statistisches Zentralamt
Hintere Zollamtstrasse 2b
Postfach 4000
A - 1033 WIEN
Fax: (43) 1.715 0748

PORTUGAL

Instituto Nacional de Estatística
Av. Ant. José de Almeida
P - 1000 LISBOA
Fax: (351) 1 8473 966

FINLAND

National Board of Customs - Statistical Unit
P.O.B. 512
FIN - 00101 HELSINKI
Fax: (358) 9614 2813

SWEDEN

Statistics Sweden
Karlavägen, 100
S - 104 51 STOCKHOLM
Fax: (46) 8-783 4571

UNITED KINGDOM

HM Customs & Excise
Tariff and Statistical Office
Portcullis House
27 Victoria Avenue
GB - Southend-on-Sea, Essex SS2 AL
Fax: (44) 1702 367163

The statistical recording of goods on imports (extra-EU trade) and arrivals (intra-EU trade)

ANNEX 3A

Goods entering the statistical territory of a Member State as:		COMMUNITY GOODS ⁽¹⁾
NON-COMMUNITY GOODS ⁽¹⁾		
1. released for free circulation (good normally intended for consumption in the importing Member State or for dispatch to another Member State)	2. immediately placed under a customs procedure for inward processing or processing under customs control	3. immediately placed under a warehouse or free zone or temporary admission procedure
1.1. from another Member State where they were placed under a procedure for inward processing or processing under customs control	2.1. from another Member State where they were placed under a procedure for inward processing or processing under customs control	4. immediately placed under a transit procedure
1.2. case other than that referred to in 1.1. ⁽²⁾	2.2. case other than that referred to in 2.1. ⁽²⁾	5. goods arriving from a Member State of consignment and: <ul style="list-style-type: none"> • not in direct or interrupted transit in the Member State of arrival • in direct or interrupted transit in the Member State of arrival but leaving that Member State following export formalities outside Community statistical territory
6. following case 2: released for free circulation or again placed under a customs procedure for inward processing or processing under customs control in the same Member State	7. following cases 3 or 4: released for free circulation or placed under a customs procedure for inward processing or processing under customs control in the same Member State	

The goods referred to in 1.2., 2.2. and 7 (in bold/light grey) are included in **extra-EU trade statistics**⁽³⁾.
 The goods referred to in 1.1., 2.1. and 5 (in bold/dark grey) are included in **intra-EU trade statistics**⁽³⁾.

⁽¹⁾ The concepts of 'Community' and 'non-Community' goods depend, not on the origin of the goods, but on their customs status.

⁽²⁾ Mainly goods coming directly from a non-member country.

⁽³⁾ By way of derogation from the rules set out in this table, the criterion for recording boats and aircraft in the statistics of intra-Community or extra-community trade is the transfer of property between residents and non-residents.

ANNEX 3B

The statistical recording of goods on exports (extra-EU trade) and dispatches (intra-EU trade)

Goods leaving the statistical territory of a Member State as:		
NON-COMMUNITY GOODS ⁽¹⁾	COMMUNITY GOODS ⁽¹⁾	
<p>1. exported with final destination in a non-member country</p> <p>1.1. following a customs procedure for inward processing or processing under customs control</p> <p>1.2. following a warehouse/free zone/temporary admission procedure</p>	<p>2. exported with provisional destination in a non-member country under an outward processing procedure</p> <p>2.1. following customs procedure for inward processing or processing under customs control</p> <p>2.2. following a warehouse/free zone/temporary admission procedure</p>	<p>3. dispatched to another Member State</p> <p>3.1. following a customs procedure for inward processing or processing under customs control</p> <p>3.2. following a warehouse/free zone/temporary admission procedure</p> <p>3.3. under a transit procedure</p>
	<p>4. exported to a non-member country</p> <p>4.1. final export</p> <p>4.2. export under a customs procedure for outward processing</p> <p>4.3. temporary export for later return without modification</p> <p>4.4. in transit ⁽⁴⁾</p>	<p>5. dispatched to another Member State ⁽²⁾ and:</p> <ul style="list-style-type: none"> • not in direct or interrupted transit in the Member State of dispatch • in direct or interrupted transit in the Member State of dispatch, but previously put into free circulation in that Member State as non-Community goods

The goods referred to in 1.1., 2.1., 4.1 and 4.2. (in bold/light grey) are included in **extra-EU trade statistics**⁽²⁾.
 The goods referred to in 3.1. and 5 (in bold/dark grey) are included in **intra-EU trade statistics**⁽²⁾.

⁽¹⁾ The concepts of 'Community' and 'non-Community' goods depend, not on the origin of the goods, but on their customs status.
⁽²⁾ By way of derogation from the rules set out in this table, the criterion for recording boats and aircraft in the statistics of intra-Community or extra-community trade is the transfer of property between residents and non-residents.
⁽³⁾ Including goods which will, in the Member State of destination, be the subject of a customs declaration for export to a non-member country.
⁽⁴⁾ Goods from another Member State, in which the export declaration was drawn up.

ANNEX 4

LIST OF STATISTICAL EXCLUSIONS

Statistical data are not compiled for the following goods:

- a) means of payment which are legal tender, and securities;
- b) monetary gold;
- c) emergency aid for disaster areas;
- d) because of the diplomatic or similar nature of their intended use:
 - 1. goods benefiting from diplomatic and consular or similar immunity;
 - 2. gifts offered to a Head of State or to members of a government or parliament;
 - 3. items being circulated within the framework of mutual administrative aid;
- e) provided that the exchange is of a temporary nature, within the framework of intra-Community⁽¹⁾ trade:
 - 1. goods intended for fairs and exhibitions;
 - 2. theatrical sets;
 - 3. merry-go-rounds and other fairground attractions;
 - 4. professional equipment within the meaning of the International Customs Convention of 8 June 1968;
 - 5. feature films;
 - 6. experimental appliances and equipment;
 - 7. animals for competition, breeding, racing, etc.;
 - 8. commercial samples;
 - 9. means of transport, containers and ancillary transport equipment;
 - 10. packagings;
 - 11. hired goods;
 - 12. appliances and equipment for use in civil engineering;
 - 13. goods intended for inspections, analyses or tests;
- f) provided that they are not the subject of a commercial transaction:
 - 1. decorations, honorary distinctions and prizes, commemorative badges and medals;
- 2. travel equipment, provisions and other items, including sports equipment, intended for personal use or consumption which accompany, precede or follow the traveller;
- 3. bridal outfits, items involved in moving house, or heirlooms;
- 4. coffins, funerary urns, ornamental funerary articles and items for the upkeep of graves and funeral monuments;
- 5. printed advertising material, instructions for use, price lists and other advertising items;
- 6. goods which have become unusable, or which cannot be used for industrial purposes;
- 7. ballast;
- 8. photographs, exposed and developed films, drafts, drawings, copies of plans, manuscripts, files and records, official printed matter and printing proofs, as well as all information media used for an international exchange of information;
- 9. postage stamps;
- 10. pharmaceutical products used at international sport events;
- g) products used as part of common measures for the protection of persons or of the environment;
- h) goods which are the subject of non-commercial traffic between persons resident in the frontier zones defined by the Member States (frontier traffic); products obtained by agricultural producers on properties located outside, but adjacent to, the statistical territory where their holding is located;
- i) goods which, as part of intra-Community trade, leave a determined statistical territory prior to returning to it after crossing another territory, either directly or interrupted by the type of stops associated with the transport of goods;
- j) provided that the exchange is of a temporary nature, goods imported or exported with a view to repairing means of transport, containers, ancillary transport equipment (except goods which are subject to customs processing in the framework of extra-Community trade) and items replaced in the course of such repairs.

⁽¹⁾ All goods exchanged temporarily within the framework of extra-Community trade (under the admission or temporary export procedures) are excluded from the statistics.

ANNEX 5

AMOUNT OF INTRASTAT THRESHOLDS

A. Assimilation threshold

ECU

	1993	1994	1995	1996	1997	1998
	Dispatch					
Belgium	104 000	104 000	107 000	108 500	107 500	247 500
Denmark	105 500	105 500	107 000	110 000	340 500	335 000
Germany	102 000	103 500	104 500	106 500	105 000	102 000
Greece	29 000	27 000	37 500	35 500	42 500	42 000
Spain	28 500	25 000	37 500	37 500	56 500	54 500
France	37 500	38 000	38 000	38 500	38 500	38 000
Ireland	674 000	628 500	631 500	610 000	621 500	672 500
Italy	85 500	79 000	75 500	72 000	75 000	155 500
Luxembourg	104 000	104 000	107 000	107 000	107 500	103 500
Netherlands	79 500	81 000	187 000	190 000	235 000	227 000
Austria	-	-	112 000	113 500	112 000	109 000
Portugal	97 000	86 500	86 500	86 500	86 500	86 500
Finland	-	-	112 000	97 500	93 500	94 000
Sweden	-	-	98 500	104 000	105 000	172 000
United Kingdom	169 000	185 000	192 500	189 000	235 000	320 000
	Arrival					
Belgium	104 000	104 000	107 000	108 500	107 500	247 500
Denmark	66 000	66 000	66 500	68 500	204 500	201 000
Germany	102 000	103 500	104 500	106 500	105 000	102 000
Greece	19 500	18 000	23 500	22 500	26 000	26 000
Spain	28 500	25 000	37 500	37 500	56 500	54 500
France	37 500	38 000	38 000	38 500	38 500	38 000
Ireland	135 000	125 500	126 500	122 000	124 500	134 500
Italy	85 500	79 000	75 500	72 000	75 000	103 500
Luxembourg	104 000	104 000	107 000	107 000	107 500	103 500
Netherlands	79 500	81 000	187 000	190 000	235 000	227 000
Austria	-	-	112 000	113 500	112 000	109 000
Portugal	45 500	61 000	61 000	61 000	61 000	61 000
Finland	-	-	51 500	53 000	51 000	94 000
Sweden	-	-	98 500	104 000	105 000	172 000
United Kingdom	169 000	185 000	192 500	189 000	235 000	320 000

B. Simplification threshold

	<i>ECU</i>					
	1993	1994	1995	1996	1997	1998
	Dispatch					
Belgium	-	-	-	-	-	-
Denmark	-	-	-	-	-	-
Germany	-	-	-	-	-	-
Greece	87 000	81 000	88 000	83 500	94 500	94 000
Spain	100 000	88 500	99 500	100 000	100 000	96 500
France	209 500	212 000	212 500	216 000	216 000	454 000
Ireland	-	-	-	-	-	-
Italy	-	-	-	-	-	-
Luxembourg	248 000	248 000	254 500	254 500	256 000	370 500
Netherlands	181 500	185 000	-	-	-	-
Austria	-	-	-	-	-	-
Portugal	-	-	-	-	-	-
Finland	-	-	-	-	-	-
Sweden	-	-	-	-	-	-
United Kingdom	-	-	-	-	-	-
	Arrival					
Belgium	-	-	-	-	-	-
Denmark	105 500	105 500	107 000	110 000	-	-
Germany	-	-	-	-	-	-
Greece	50 000	47 000	84 500	80 500	94 500	94 000
Spain	100 000	88 500	99 500	100 000	100 000	96 500
France	105 000	106 000	106 500	108 000	108 000	227 000
Ireland	-	-	-	-	-	-
Italy	-	-	-	-	-	-
Luxembourg	248 000	248 000	254 500	254 500	256 000	370 500
Netherlands	181 500	185 000	-	-	-	-
Austria	-	-	-	-	-	-
Portugal	68 500	67 500	-	-	-	-
Finland	-	-	112 000	97 500	93 500	-
Sweden	-	-	-	-	-	-
United Kingdom	-	-	-	-	-	-

C. 'Statistical value' threshold

This threshold is applicable from 1st January 1998.

	<i>ECU</i>
	1998
	Dispatch
Belgium	All PSI* exempted
Denmark	All PSI* exempted
Germany	10 211 000
Greece	2 266 000
Spain	6 045 000
France	2 270 000
Ireland	40 357 000
Italy	3 627 000
Luxembourg	4 446 000
Netherlands	All PSI* exempted
Austria	3 627 000
Portugal	4 772 000
Finland	17 091 000
Sweden	11 464 000
United Kingdom	All PSI* exempted
	Arrival
Belgium	All PSI* exempted
Denmark	All PSI* exempted
Germany	7 658 000
Greece	647 000
Spain	6 045 000
France	2 270 000
Ireland	5 380 000
Italy	1 813 000
Luxembourg	2 470 000
Netherlands	All PSI* exempted
Austria	3 627 000
Portugal	3 096 000
Finland	6 836 000
Sweden	6 878 000
United Kingdom	All PSI* exempted

* PSI: Provider of Statistical Information

ANNEX 6

LIST OF ALPHANUMERIC CODES

- The alphanumeric codes are used in intra- and extra-Community trade statistics to identify confidential or adjusted data and trade for which a breakdown of the results at a detailed level of the product classification is not possible. This usually concerns goods for which some Member States allow a simplified declaration to be made.
- In principle, the results relating to the alphanumeric codes are included under the relevant chapter of the CN (e.g.: 63EEE000 Selections of goods of Chapter 63). If the chapter cannot be identified, the results are included under Chapter 99 (e.g.: 99EEE000 Selections of goods not specified elsewhere).

Codes containing the letter A

Intra-Community trade involving transactions falling below the 'transaction threshold' (cf. I.B.4.)

Codes containing the letter B

Catering and bunker supplies intended for the fuelling of ships and aircraft, for which a simplified declaration applies

Codes containing the letter E

Selections of goods, for which a simplified declaration applies

Codes containing the letter I

Components of industrial plant, for which a simplified declaration applies. 'Industrial plant' in this context means a combination of machines, appliances, equip-

ment, instruments and material coming under various headings of the HS classification and contributing to the activity of a large establishment for purposes of producing goods or supplying services.

Codes containing the letter M

Intra-Community trade broken down at Chapter level only (a practice adopted by some Member States in 1993 and 1994)

Codes containing the letter P

Goods transported by post, for which a simplified declaration applies

Codes containing the letter R

Returned goods, for which a simplified declaration applies

Codes containing the letter S

Confidential data (cf. II.B.3.)

Codes containing the letter T

Foodstuffs, drinks and tobacco, for which a simplified declaration applies

Codes containing the letter V

Motor vehicle components, for which a simplified declaration applies

Codes containing the letter Y

Adjusted data (cf. II.B.2.)

ANNEX 7

ADJUSTMENT OF DATA UNDER INTRASTAT - Practices adopted by the Member States -

A. Adjustment of values

Practices and availability of adjusted statistics

BLEU

Belgium and Luxembourg adjust their statistics separately.

Belgium:

To make adjustments for non-response, a variation rate calculated from the declarations available for a given month is applied to the exhaustive data for the same month of the previous year. The estimates for trade falling below the assimilation threshold are based on VAT data.

Luxembourg:

The estimates for non-response and trade falling below the assimilation threshold are based on the VAT data and the tendencies of the declaring companies. The estimates for non-response are forwarded to the National Bank of Belgium. Estimates for trade falling below the assimilation threshold are made for national statistics only.

Only the adjusted total results (excluding estimates made by Luxembourg for trade falling below the assimilation threshold) are transmitted to Eurostat.

Denmark

The adjustments for non-response and trade below the assimilation threshold are based on VAT data. If no Intrastat declaration is made, the fiscal value is used. If the fiscal value is much higher than the Intrastat value, the fiscal value is used. Adjustments are broken down by product. In April 1997, trade falling below the assimilation threshold was included in statistics (with a breakdown by product) for the first time.

Until 1995, only adjusted overall results were provided. Since 1996, adjustments have been provided with declared trade.

Germany

The estimates for non-response and trade falling below the assimilation threshold are based on VAT data at the global level. Between 1993 and 1996, adjustments for trade falling below the assimilation threshold were calculated only for national accounts and balance of payments purposes.

Adjustments are provided with declared trade.

Greece

No adjustment is made for non-response. Adjustments for trade falling below the assimilation threshold are made only at national level and are not transmitted to Eurostat.

No adjustment is transmitted to Eurostat.

Spain	No adjustment is made for <u>non-response</u> or for trade falling below the <u>assimilation threshold</u>. Trade falling below the simplification threshold is included in annual national publications only and is not transmitted to Eurostat.
France	No adjustment is made for <u>non-response</u> or for trade falling below the <u>assimilation threshold</u>.
Ireland	Estimates for <u>non-response</u> and trade falling below the assimilation threshold are based partly on the information providers' historical data and partly on tax data. The detail of adjusted information is a function of the available historical information. Arrivals are increased by 1.75%; this estimate is not broken down by partner country. Adjustments are transmitted with the data on declared trade.
Italy	No adjustment is made for <u>non-response</u> or for trade falling below the <u>assimilation threshold</u>.
Netherlands	The estimates for <u>non-response</u> and trade falling below the <u>assimilation threshold</u> are based on the VAT data for each 'missing' company. Only the adjusted overall results are currently transmitted to Eurostat.
Austria	Estimates for <u>non-response</u> are given: for each company, the declarations available the same month of the previous year are multiplied by the average rate of increase for companies in the same branch and of similar size. Estimates for trade falling below the <u>assimilation threshold</u> are made at a global level and are broken down at the most detailed level by applying the structure of transactions above the threshold. Adjustments are transmitted together with the data on declared trade.
Portugal	An overall adjustment is calculated (covering non-response, trade falling below the assimilation threshold, etc.). It amounts to 3-4%. Adjustments are made at national level only and are not transmitted to Eurostat.
Finland	No adjustment is made for <u>non-response</u> . Estimates for trade falling below the <u>assimilation threshold</u> are based on the VAT data. Adjustments are transmitted together with the data on declared trade.
Sweden	Estimates for <u>non-response</u> are based on the Intrastat data provided by the companies of similar size. The estimates for trade below the <u>assimilation threshold</u> are based on the VAT data. Adjustments are transmitted together with the data on declared trade.

United Kingdom Estimates for non-response are based on the Intrastat data provided by companies selling similar products in the past. The estimates for trade falling below the assimilation threshold are based on VAT data and the structure of transactions by enterprises situated just above the threshold.

Adjusted overall results are transmitted to Eurostat. Adjustments are also provided separately: Eurostat combines them with declared trade.

B. Adjustment of quantities

Practices and availability of adjusted statistics

BLEU Only Luxembourg applies a simplification threshold. Quantities are estimated but not transmitted to the National Bank of Belgium or Eurostat.

Denmark Denmark estimated quantities until it dispensed with the simplification threshold in 1997. The estimates are included in Eurostat's statistics.

Greece Although it applies a simplification threshold, Greece does not estimate quantities.

Spain No quantities are estimated, since trade falling below the simplification threshold is not included in the statistics transmitted to Eurostat.

France France began estimating quantities in 1996. The estimates are now included in Eurostat statistics.

Ireland Quantities have been estimated and included in Eurostat statistics since 1993. The estimates are based on historical data.

Austria Quantities have been recorded and included in Eurostat statistics since 1995.

Finland Quantities have been estimated and included in Eurostat statistics only since 1996.

ANNEX 8

FOREIGN TRADE INDICES - Methodology and sources -

1. Fixed Base Indices versus Chained Indices

- 1.1. This introduction sets out how Eurostat's external trade indices are calculated. The indices are of the chained Fisher type. In other words: the base year is revised each year. The 1989 indices have 1988 as base year, the 1990 indices have 1989 as base year, and so on. Each index is expressed in terms of 1990 as reference year (i.e., 1990 = 100) by chaining all the Links back and up to 1990.
- 1.2. Chain indices have several attractive properties. Firstly, the index weights used to construct the index will be derived from recent values and quantities traded, and will therefore be responsive to the changing patterns of world trade. To take a concrete example, suppose that fuel prices decreased dramatically between the start of the decade and last year, but between last year and this all prices have been static. A rise in fuel imports and a fall in non-fuel imports compared with last year that kept the total value of imports unchanged would be recorded by a chain index as no change in Volume or Price, which seems intuitively reasonable. A Laspeyres Volume index with a fixed base year at the start of the decade would show a rise in Volume between last year and this year, and the corresponding Paasche Unit Value index would register a fall.
- 1.3. A second advantage of chain indices is that they are more robust in the face of an abnormal event such as a temporary peak in commodity prices. If this occurs in the base year, it can distort the weighting of a fixed base index until it is rebased.
- 1.4. Thirdly, since the CN classification changes each year due to the subdivision and regrouping of headings, better quality comparisons are made by focusing on year to year changes. The alternative is to find groupings of products that are stable over several years, and these are necessarily defined over a wider range of products.
- 1.5. There was a particular interest in obtaining good indicators of short-term trends expressed by users of external trade indices within the Commission. Few would deny the superiority of chain indices for this purpose. This was a major factor in their favour. Though there is more controversy about their advantages as medium- and long-term indicators, many recent writers on the subject prefer them.

2. The Choice of Index Formula

- 2.1. The Member States use various formulae to calculate external trade indices. Four countries use a Fisher formula for Unit Value indices, four use Paasche and one uses Laspeyres. Users within the Commission expressed a preference for indices of the Fisher type.
- 2.2. The conventional index formulae are used to calculate the Links between year, month and the average of the previous year. These are:

Laspeyres Unit Value Link:

$$(1) \quad \frac{\sum_{i=1}^n V(y-1, i) \frac{u(y, m, i)}{U(y-1, i)}}{\sum_{i=1}^n V(y-1, i)}$$

Over the longer term, chain Laspeyres and Paasche indices drift apart. There does not appear to be any reason to believe that one gives a 'truer' result than the other. On the other hand, the chain Fisher index, a geometric average of the two, closely approximates the Tornqvist- Theil approximation to the Divisia index, which has a number of advocates.

Paasche Unit Value Link:

$$(2) \quad \frac{\sum_{i=1}^n v(y, m, i)}{\sum_{i=1}^n v(y, m, i) / \frac{u(y, m, i)}{U(y-1, i)}}$$

Value Link:

$$(3) \quad \frac{\sum_{i=1}^n v(y, m, i)}{\sum_{i=1}^n V(y-1, i)}$$

Laspeyres Volume Link:

$$(4) \quad \frac{\text{Value Link}}{\text{Paasche Unit Value Link}}$$

Paasche Volume Link:

$$(5) \quad \frac{\text{Value Link}}{\text{Laspeyres Unit Value Link}}$$

Fisher Link:

$$(6) \quad \sqrt{\text{Laspeyres Link} \times \text{Paasche Link}}$$

where:

$v(y, m, i)$ = value of trade in item i for month m of year y

$$V(y-1, i) = \frac{1}{12} \sum_{m=1}^{12} v(y-1, m, i)$$

$u(y, m, i)$ = Unit Value of item i for month m of year y

$U(y-1, i)$ = average Unit Value of item i for year $y-1$, calculated as total value divided by total quantity.

3. The data sources

3.1. The primary source of data is the CN trade statistics supplied to Eurostat by the Member States. Since 1 January 1993, the date of abolition of the inner frontiers of the Union, statistics on trade between the Member States are no longer collected via customs declarations. Instead, monthly and recapitulative statistical declarations are transmitted directly by companies to the relevant national administrations. The smallest companies, which are the majority, need not supply a declaration or only need to supply a simplified declaration on which no quantity or supplementary unit information is indicated. The delay in transmission of the detailed results to Eurostat is relatively long and numerous Member States are confronted with the problem of companies which should declare but do not. This change in collecting the statistical information is the source of the abnormal behaviour of the volume index with the partners Intra-EU and World between 1992 and 1993.

For the following groups of products (defined in SITC Rev.3), unit values calculated from trade data give an unsatisfactory indication of price performance:

SITC 525	Radioactive and associated materials
SITC 667	Pearls, precious and semi-precious stones, unworked or worked
SITC 792	Aircraft and associated equipment; spacecraft (including satellites) and spacecraft launch vehicles; and parts thereof
SITC 793	Ships, boats (including hovercraft) and floating structures
SITC 883	Cinematographic film, exposed and developed, whether or not incorporating sound track or consisting only of sound track
SITC 896	Works of art, collectors' pieces and antiques
SITC 897	Jewellery, goldsmiths' and silver-smiths' wares, etc.

At present the Unit Value Change of each of these groups is imputed from other Unit Value Series (in fact with the Unit Value Changes of the other non-rejected products belonging to the same SITC 2-digit code).

- 3.2. The raw data are classified by reporter country, flow, CN 8-digit product code and partner country. Eurostat's approach is to work with the data at this detailed level. Most countries calculate their indices after the data have been summed over partner countries. This has certain apparent advantages. In addition to reducing the dimensionality of the data, the number of discontinuities is also reduced. Trade with a particular partner may be recorded for only a few months of the year, whereas there is trade with some partners in most months. On the other hand, even a cursory examination of Unit Value series broken down by partner shows that the hypothesis of a common Unit Value is very often unrealistic.

This is either because identical goods are priced differently for different partners or because the CN 8-digit category covers a number of qualities or types of product and different partners demand or supply different proportions of these individual products. Therefore unit values calculated after aggregation over partners may fluctuate because of the instability of the partner breakdown of trade. The same arguments apply to aggregated versus detailed products. In all events, information on the partner is a means of stratifying unit values into more homogeneous product groups. For these reasons, Eurostat's Unit Value indices are calculated from the original data without aggregation over partners or products.

- 3.3. One exception to the rule of no aggregation is where there is a change in the CN between two years. In this case products are combined to produce an aggregate with the same definition in both years. Changes in the geographical definition of partner countries are much less frequent and are usually insignificant. In this case the most appropriate match between pairs of countries is made.
- 3.4. For most CN codes there is information on value, weight and sometimes a second, supplementary quantity unit, such as number of items. In this case two types of Unit Value (per tonne and per supplementary unit) are available. A Unit Value based on supplementary unit (for example, value per car) is not necessarily a better measure of price than value per tonne. If there are many products covered by a CN code, and if their price is perfectly correlated

with their weight, then value per tonne will be unaffected by fluctuations in product composition. The reliability with which weight is measured compared with the reliability of supplementary unit data is also a factor. For European data, evidence from indirect tests suggests that weight has been measured more reliably than supplementary units in the recent past, and so average value per tonne is generally used. In the longer term, technical change can cause substantial biases in both types of Unit Value.

- 3.5. One of the ways in which confidentiality is treated in the CN data is by allocating trade in a product to a special geographic code, in order to disguise the origin or destination. There are some products where this is an important factor, and the proportion of the declared value of trade to the actual value for a particular geographic zone (such as extra-EU) may fluctuate from month to month. No attempt is made at present to adjust the Volume indices to compensate for these fluctuations.
- 3.6. CN data record the value of trade in thousands of ecus. All Eurostat's Unit Value indices are expressed in ecus. Conversion to other currency units is straightforward.
- 3.7. The EU data are also broken down by statistical regime, so that, for example, goods imported for immediate processing before re-export to their country of origin, are distinguished from normal imports. Only normal trade (statistical regime 1) is used to calculate Unit Value indices, though total trade is used for the Value indices from which the Volume indices are calculated.
- 3.8. Any errors in the monthly data are corrected only months later. Therefore an Annual index based on the 12 months aggregated would also contain the errors. However there are partly corrected annual figures. These are used for calculating the annual Volume Links that are chained back to the reference year. Where they occur, the errors in the monthly data may distort the monthly and quarterly Volume figures. Thus, for the more detailed indices, there are occasional discrepancies between the annual average of the Monthly and Quarterly Volume indices and the Annual index.

4. Dealing with extreme values

- 4.1. Administrative procedures for validating trade data vary between Member States. Since the monthly data used by Eurostat to calculate indices are the

first release of these data, and substantial revisions are often made subsequently, extremely large Unit Value movements are unfortunately not unusual.

In one sample of data, a Unit Value 700 times greater than that for the previous year was found. In general, we would expect underlying prices to move fairly smoothly. These extremes are therefore due either to recording errors of one sort or another or data inhomogeneity. Whatever the cause, a wide-tailed distribution of Unit Value changes can lead to the usual Index formulae giving unreliable results. Eurostat's method of dealing with wide-tailed distributions is to use the robust regression technique first described by Hinich and Talwar.

- 4.2. The method starts from the observation that, whereas the level of unit values across partner countries may differ, changes in levels are very similar not only across partner countries but also across related products, compared with the background level of noise in Unit Value data. A study by Eurostat, however, showed significant variations across reporting countries (related to exchange rate fluctuations, etc.). With this in mind, Eurostat has divided the raw data into two parts: the part with intra-EU partners and the part with non-member countries. Each part contains some 300 blocks of data for each reporting country and flow. Each block contains data for a particular set of 8-digit CN product codes and for all partner countries which belong to that part for these product codes. The assumption is that within a block, the Unit Value of every data item behaves in the same way.
- 4.3. Thus the items will be accepted whose Unit Value change relative to the median Unit Value change of its block behaves within certain bounds (for example, plus or minus 10%) and the others will be provisionally rejected. Provisional rejection of an item may be because the month $m-1$ Unit Value is of doubtful quality, or is not available. Therefore these items are tested for a second pair of months. Normally the change between months m and $m-2$ is then used. In this case the item is accepted if it passes the second test. These rules were derived from a simple probabilistic model for the frequency of high and low outliers. Though they weed out unsuitable observations in the current month, they do not give any protection against outliers in the base year unit values. One solution would be to calculate the annual figure only from monthly data where

the item was accepted. However for technical reasons this is not done at present. Instead an item is also rejected if the ratio of the Unit Value in the current month to that of the base year is outside the range $([0,2;5,0])$. This range was set after examination of the typical price variations found in seasonal and non-seasonal goods, and can be changed in unusual circumstances.

- 4.4. The above rejection procedure has the virtue of identifying a Unit Value ratio as extreme compared with the general movement in its class (= block) from month to month. This is likely to be more satisfactory than setting an arbitrary range for absolute fluctuations. The next step is simply to calculate Laspeyres and Paasche Links for the current month (with last year as base year) using only the accepted items. These are then used as an estimation of the Unit Value change for items whose unit values have been rejected. The definitions of the blocks are independent of the final indices and the data in them may be used by more than one final Index. For each Index a record is kept of the current month value and the base year value of items with non-zero trade that are accepted by the above tests. Current weighted and base period weighted sample coverage ratios are then calculated (i.e. accepted value as a percentage of total value), and a compromise figure for the sample coverage is found by taking the geometric average.
- 4.5. The Value Links for indices are calculated using all items and not just accepted ones. The implied assumption is that doubtful unit values are due to errors in quantities alone. On average, some 11% of the current value of items is rejected (this corresponds with a sample coverage of 89).
- 4.6. The exclusion of items with a small value of trade in the previous year has been found to have virtually no impact on the Index Links that are weighted by value. However there is a considerable saving in computational effort since there are large numbers of such items. Currently items with a base year value of less than ECU 100 000 or 1% of its block's base year value, whichever is the smallest, are not considered when calculating Unit Value indices. This results in excluding on average 3% of the total value of trade, but over 70% of all items by number.

5. Calculation of the monthly Index Links

- 5.1. At the start of each year, CN codes for the previous year and the current year are related to blocks and to indices. The cumulative annual data for the pre-

vious year are processed, retaining items defined by flow/product/partner which are above the threshold for each block. Changes in the CN are dealt

with by creating product aggregates with the same constituents in both years. There are also a few seasonal CN codes that are combined to give a product aggregate which covers the whole year.

- 5.2. Each month, the 'isolated' monthly CN data for retained items are processed, block by block, to give Laspeyres and Paasche numerators and denominators for all the primary indices that are required. This information is stored, and used by a further stage of processing to produce index Links at a higher level of product or zone aggregation. In addition external price information may be combined with the Unit Value indices at this stage.
- 5.3. Sets of indices are calculated for several product classifications. Higher levels of product class (e.g. SITC 1-digit section) are found by aggregation of the numerators and denominators of the constituent indices. Sometimes a constituent index for a small country is missing for one month. Either its trade is zero, or its sample coverage ratio is judged too low to give a reliable Unit Value Index. It has been found that it is not satisfactory to calculate the larger Index simply by aggregating those constituent indices that happen to be available, since if the missing index has a large weight and has a level

different from the others, the aggregate index will jump about as the index comes in and out. Eurostat's solution is to estimate the level of the missing Unit Value index, and (in the case of zero trade) the index weight for the Paasche index.

- 5.4. Indices for the EU as reporting unit are found by combining the country indices. Laspeyres Unit Value and Volume Links for the EU are calculated by weighting the Laspeyres Links for each individual reporting country by the value of trade for the previous year (before elimination of items below the threshold). A EU Value Link is found by combining the Value Links for individual reporters with the same weights. The Paasche Links for the EU are found by division.
- 5.5. CN data are usually not available for new Member States in the years before they joined the EU. Therefore the EU index is calculated without Greece as reporting country until December 1981, refers to the EU without Spain and Portugal until December 1985 and refers to the EU without Austria, Finland and Sweden until December 1995. Thus a 1986 Index is calculated by splicing the change for EUR12 between 1985 and 1986 into the 1985 level of the index for EUR10.

6. Chaining the Links

- 6.1. The Monthly Laspeyres and Paasche Volume Links give an index of Volume for the current month relative to the average of the data (isolated) of the previous year. Quarterly Unit Value and Volume Links are calculated by summing the Monthly Links over the quarter and dividing by three. Annual Unit Value Links are found by summing the Quarterly Links and dividing by four. The Annual Value Link used to calculate the Volume Index, is calculated from revised annual data (cumulative), rather than the original monthly values. This can cause differences of greater or lesser size in the implied Monthly Value index! The chaining with the Annual Links is the cause of this phenomenon. Thus the Quarterly and Annual Unit Value Links are effectively averages of the Monthly Unit Value Links weighted by the Monthly Volume Links. This method is used, rather than the simple averaging of the Monthly Unit Value Links, to preserve the relationship 'Volume x Unit-Value-Change = Value-Change' for all

periodicities. The annual indices thus obtained may differ from those that would be calculated from annual data directly, partly because of the elimination of extreme unit values at the monthly level.

- 6.2. Once the Annual Links have been found, the indices are chained backwards (and upwards) to the reference year.

Example of the chaining of an index backwards for month m of year y with reference year 1990 = 100:

$$\begin{aligned}
 &= 100 \times (\text{Annual Link for 1991, base 1990}) \\
 &\quad \times (\text{Annual Link for 1992, base 1991}) \\
 &\quad \times \dots\dots\dots \\
 &\quad \times (\text{Annual Link for year y-1, base y-2}) \\
 &\quad \times (\text{Monthly Link for month m, year y, base y-1}).
 \end{aligned}$$

ANNEX 9A

ACCESS TO TRADE STATISTICS

1. Access to the COMEXT database

Basically, access is reserved for the European Institutions (contact the Informatics Correspondent) and national authorities (contact Eurostat Unit C/1).

2. Access to the NewCronos database

Commission departments can obtain access via the EuropaPlus server.

All users can access most of the information contained in NewCronos (also available on CD-ROM) via the bodies listed in Annex 9b.

3. Other means of access to data (CD-ROM, paper publications)

These publications are available from the Sales Offices listed on page 3 of the cover and from the bodies listed in Annex 9b.

The Intrastat Newsletter (cf. III.D.5.) is also available free of charge. To obtain it, fax your request to Eurostat Unit C/4 at (352) 43 01 34 339.

*The **Eurostat Catalogue**, which lists all Eurostat's publications, statistical documents, CD-ROMs and electronic information products, can be obtained from the bodies listed in Annex 9b or from the Office for Official Publications of the European Communities.*

The catalogue appears annually in English, French and German.

ANNEX 9B

EUROSTAT DATA SHOPS

BELGIUM

Eurostat Data Shop Bruxelles/Brussel

Rue Joseph II, 121
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B-1049 BRUXELLES/BRUSSEL
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Fax: +32-2-295 01 25
E-mail: piera.calcinaghi@eurostat.cec.be
Member of the MIDAS network

Languages spoken: EN, FR, IT, NL

SPAIN

INE

Eurostat Data Shop

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Tel: +34-1-583 91 67
Fax: +34-1-579 71 20
E-mail: datashop@mundiprensa.es
Member of the MIDAS network

Languages spoken: ES, EN, FR

DENMARK

**DANMARKS STATISTIK
Bibliotek og Information
Eurostat Data Shop**

Sejrøgade 11
DK-2100 KØBENHAVN Ø
Tel: +45-39 17 30 30
Fax: +45-39 17 30 03
E-mail: bib@dst.dk

Languages spoken: DK, EN

FRANCE

INSEE Info Service

Eurostat Data Shop

195, rue de Bercy
Tour Gamma A
F - 75582 PARIS CEDEX 12
Tel: +33-1-53 17 88 44
Fax: +33-1-53 17 88 22
Member of the MIDAS network

Languages spoken: FR

GERMANY

**STATISTISCHES BUNDESAMT - Berlin
Information Service/Eurostat Data Shop**

Otto-Braun-Straße 70-72
D-10178 BERLIN
Tel: +49-30-23 24 68 67
Fax: +49-30-23 24 64 00

Languages spoken: DE - EN

ITALY - Rome

ISTAT

**Centro di Informazione Statistica - Sede di
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Member of the MIDAS network

Languages spoken: ES, DE, EN, FR, IT

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ONS Sales Office
Eurostat Data Shop
OFFICE FOR NATIONAL STATISTICS
 1 Drummond Gate
 GB-LONDON SW1V 2QQ
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Member of the MIDAS network

Languages spoken: EN

NETHERLANDS

(date of opening still to be announced)

STATISTICS NETHERLANDS
Eurostat Data Shop - Library
 P.O. Box 4000
 NL-2270 JM VOORBURG
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Languages spoken: EN - NL

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