Estimating Foreign Trade According to 2008 SNA/BPM6

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Agenda item 3
Outline

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

• Transition from 1993 to 2008 SNA
• Change of economic ownership
• Goods sent abroad for processing
• Issue of trade activities of non-resident units
Goods sent abroad for processing
Goods sent abroad for processing (1)

• Cross border flows without change of ownership
• Excluding gross flows from imports/exports in NA/BoP
• The only transaction: processing fee
Goods sent abroad for processing (2)
Goods sent abroad for processing (3)

Processing fee

Principal

Processor
Goods sent abroad for processing (4)
Goods sent abroad for processing (5)

- Determining ownership
- Data sources
- Bridge table IMTS → NA/BoP
- Estimating processing fee
- Impact on input-output tables
- Eurostat Manual on goods sent abroad for processing
Foreign trade reported by non-residents
Foreign trade reported by non-residents (1)

• Cross border flows without resident units being involved
• Issue for countries of a customs union
• No conceptual change
• Registration for administrative purposes only
• Value of goods can change substantially
• Quasi-transit trade
• Excluding flows from imports/exports in BoP/NA
Foreign trade reported by non-residents (2)

Compiling economy

Non-resident unit

ROW
Foreign trade reported by non-residents (3)

Row

Compiling economy

Resident unit

Non-resident unit
Foreign trade reported by non-residents (4)
Foreign trade reported by non-residents (5)

Eurostat report with recommendations:
• Identification of non-resident units
• Exclusion of transactions of non-resident units
• Inclusion of transactions of resident units with non-resident units
• Mirror transactions
Foreign trade reported by non-residents (6)

Main messages:
• All countries in customs unions can be affected
• Impact in some countries substantial
• Complex issue; close collaboration needed between NA/BoP and IMTS
Conclusions and further work (1)

- Huge impact on NA/BoP due to strict application of the change of economic ownership rule
- For both topics NA/BoP need to cooperate closely with IMTS
- Differences should be explained to users
- Impact net recording of goods sent abroad for processing on I-O/SUT tables can be considerable
Conclusions and further work (2)

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