

Composition, definitions & methodology

The data for this report comes from a variety of sources. How it is compiled and presented is explained in this chapter.

1. Composition of geographical and economic groupings	194
2. Definitions and methodology	198
3. Specific notes for selected economies	205
4. Statistical sources	207



North America

Bermuda
Canada*
Mexico*
United States of America*
Other territories in the region not elsewhere specified

South and Central America and the Caribbean

Antigua and Barbuda*	Chile*	Ecuador*	Jamaica*	Saint Lucia*
Argentina*	Colombia*	El Salvador*	Netherlands Antilles*	Saint Vincent and the Grenadines*
Bahamas**	Costa Rica*	Grenada*	Nicaragua*	Sint Maarten
Barbados*	Cuba*	Guatemala*	Panama*	Suriname*
Belize*	Curaçao	Guyana*	Paraguay*	Trinidad and Tobago*
Bolivia, Plurinational State of*	Dominica*	Haiti*	Peru*	Uruguay*
Brazil*	Dominican Republic*	Honduras*	Saint Kitts and Nevis*	Venezuela, Bolivarian, Rep. of
Other territories in the region not elsewhere specified				

Europe

Albania*	Czech Republic*	Hungary*	Malta*	Slovak Republic*
Andorra**	Denmark*	Iceland*	Montenegro*	Slovenia*
Austria*	Estonia*	Ireland*	Netherlands*	Spain*
Belgium*	Finland*	Italy*	Norway*	Sweden*
Bosnia and Herzegovina**	France*	Latvia*	Poland*	Switzerland*
Bulgaria*	FYR Macedonia*	Liechtenstein*	Portugal*	Turkey*
Croatia*	Germany*	Lithuania*	Romania*	United Kingdom*
Cyprus*	Greece*	Luxembourg*	Serbia**	
Other territories in the region not elsewhere specified				

Commonwealth of Independent States (CIS)^a

Armenia*	Georgia**	Moldova*	Turkmenistan
Azerbaijan**	Kazakhstan**	Russian Federation*	Ukraine*
Belarus**	Kyrgyz Republic*	Tajikistan*	Uzbekistan**
Other territories in the region not elsewhere specified			

^a Georgia is not a member of the Commonwealth of Independent States but is included in this group for reasons of geography and similarities in economic structure.

Africa

Algeria**	Congo*	Guinea*	Morocco*	South Africa*
Angola*	Congo, Dem. Rep. of*	Guinea-Bissau*	Mozambique*	Sudan**
Benin*	Côte d'Ivoire*	Kenya*	Namibia*	Swaziland*
Botswana*	Djibouti*	Lesotho*	Niger*	Tanzania*
Burkina Faso*	Egypt*	Liberia**	Nigeria*	Togo*
Burundi*	Equatorial Guinea**	Libya**	Rwanda*	Tunisia*
Cameroon*	Eritrea	Madagascar*	Sao Tome and Principe**	Uganda*
Cape Verde*	Ethiopia**	Malawi*	Senegal*	Zambia*
Central African Republic*	Gabon*	Mali*	Seychelles**	Zimbabwe*
Chad*	Gambia*	Mauritania*	Sierra Leone*	
Comoros**	Ghana*	Mauritius*	Somalia	
Other territories in the region not elsewhere specified				

Middle East

Bahrain*	Israel*	Lebanon**	Saudi Arabia, Kingdom of*	Yemen**
Iran**	Jordan*	Oman*	Syrian Arab Republic**	
Iraq**	Kuwait*	Qatar*	United Arab Emirates*	
Other territories in the region not elsewhere specified				

Asia

Afghanistan**	Hong Kong, China*	Malaysia*	Papua New Guinea*	Tonga*
Australia*	India*	Maldives*	Philippines*	Tuvalu
Bangladesh*	Indonesia*	Mongolia*	Samoa*	Vanuatu*
Bhutan**	Japan*	Myanmar*	Singapore*	Viet Nam*
Brunei Darussalam*	Kiribati	Nepal*	Solomon Islands*	
Cambodia*	Korea, Republic of*	New Zealand*	Sri Lanka*	
China*	Lao People's Dem. Rep.*	Pakistan*	Chinese Taipei*	
Fiji*	Macao, China*	Palau	Thailand*	
Other territories in the region not elsewhere specified				



Regional integration agreements				
Andean Community (CAN)				
Bolivia				
Colombia				
Ecuador				
Peru				
ASEAN (Association of South East Asian Nations) / AFTA (ASEAN Free Trade Area)				
Brunei Darussalam	Indonesia	Malaysia	Philippines	Thailand
Cambodia	Lao People's Dem. Rep.	Myanmar	Singapore	Viet Nam
CACM (Central American Common market)				
Costa Rica	El Salvador	Guatemala	Honduras	Nicaragua
CARICOM (Caribbean Community and Common Market)				
Antigua and Barbuda	Belize	Guyana	Montserrat	Saint Vincent and the Grenadines
Bahamas	Dominica	Haiti	Saint Kitts and Nevis	Suriname
Barbados	Grenada	Jamaica	Saint Lucia	Trinidad and Tobago
CEMAC (Economic and Monetary Community of Central Africa)				
Cameroon	Chad	Congo	Equatorial Guinea	Gabon
Central African Republic				
COMESA (Common Market for Eastern and Southern Africa)				
Burundi	Egypt	Libya	Rwanda	Uganda
Comoros	Eritrea	Madagascar	Seychelles	Zambia
Congo, Dem. Rep. of	Ethiopia	Malawi	Sudan	Zimbabwe
Djibouti	Kenya	Mauritius	Swaziland	
ECCAS (Economic Community of Central African States)				
Angola	Central African Republic	Congo, Dem. Rep. of	Gabon	Sao Tome and Principe
Burundi	Chad	Equatorial Guinea	Rwanda	
Cameroon	Congo			
ECOWAS (Economic Community of West African States)				
Benin	Côte d'Ivoire	Guinea	Mali	Senegal
Burkina Faso	Gambia	Guinea-Bissau	Niger	Sierra Leone
Cape Verde	Ghana	Liberia	Nigeria	Togo
EFTA (European Free Trade Association)				
Iceland	Liechtenstein	Norway	Switzerland	
European Union (27)				
Austria	Estonia	Ireland	Netherlands	Spain
Belgium	Finland	Italy	Poland	Sweden
Bulgaria	France	Latvia	Portugal	United Kingdom
Cyprus	Germany	Lithuania	Romania	
Czech Republic	Greece	Luxembourg	Slovak Republic	
Denmark	Hungary	Malta	Slovenia	
GCC (Gulf Cooperation Council)				
Bahrain	Oman	Qatar	Saudi Arabia, Kingdom of	United Arab Emirates
Kuwait				
MERCOSUR (Southern Common Market)				
Argentina	Brazil	Paraguay	Uruguay	
NAFTA (North American Free Trade Agreement)				
Canada	Mexico	United States		
SAPTA (South Asian Preferential Trade Arrangement)				
Bangladesh	India	Nepal	Pakistan	Sri Lanka
Bhutan	Maldives			
SADC (Southern African Development Community)				
Angola	Lesotho	Mauritius	South Africa	Tanzania
Botswana	Madagascar	Mozambique	Seychelles	Zambia
Congo, Dem. Rep. of	Malawi	Namibia	Swaziland	Zimbabwe
WAEMU (West African Economic and Monetary Union)				
Benin	Côte d'Ivoire	Mali	Senegal	Togo
Burkina Faso	Guinea-Bissau	Niger		



Other groups

ACP (African, Caribbean and Pacific countries)				
Angola	Côte d'Ivoire	Haiti	Niger	South Africa
Antigua and Barbuda	Cuba	Jamaica	Nigeria	Sudan
Bahamas	Djibouti	Kenya	Niue	Suriname
Barbados	Dominica	Kiribati	Palau	Swaziland
Belize	Dominican Republic	Lesotho	Papua New Guinea	Tanzania
Benin	Equatorial Guinea	Liberia	Rwanda	Timor Leste
Botswana	Eritrea	Madagascar	Saint Kitts and Nevis	Togo
Burkina Faso	Ethiopia	Malawi	Saint Lucia	Tonga
Burundi	Fiji	Mali	Saint Vincent and the Grenadines	Trinidad and Tobago
Cameroon	Gabon	Marshall Islands	Samoa	Tuvalu
Central African Republic	Gambia	Mauritania	Sao Tome and Principe	Uganda
Chad	Ghana	Mauritius	Senegal	Vanuatu
Comoros	Grenada	Micronesia	Seychelles	Zambia
Congo	Guinea	Mozambique	Sierra Leone	Zimbabwe
Congo, Dem. Rep. of	Guinea-Bissau	Namibia	Solomon Islands	
Cook Islands	Guyana	Nauru	Somalia	
Africa				
<i>North Africa</i>				
Algeria	Egypt	Libya	Morocco	Tunisia
<i>Sub-Saharan Africa</i>				
<i>Western Africa</i>				
Benin	Gambia	Guinea-Bissau	Mauritania	Senegal
Burkina Faso	Ghana	Liberia	Niger	Sierra Leone
Cape Verde	Guinea	Mali	Nigeria	Togo
<i>Central Africa</i>				
Burundi	Central African Republic	Congo	Equatorial Guinea	Rwanda
Cameroon	Chad	Dem. Rep. of the Congo	Gabon	Sao Tome and Principe
<i>Eastern Africa</i>				
Comoros	Ethiopia	Mauritius	Somalia	Tanzania
Djibouti	Kenya	Seychelles	Sudan	Uganda
Eritrea	Madagascar			
<i>Southern Africa</i>				
Angola	Lesotho	Mozambique	South Africa	Zambia
Botswana	Malawi	Namibia	Swaziland	Zimbabwe
Territories in Africa not elsewhere specified				
Asia				
<i>East Asia (including Oceania):</i>				
Australia	Indonesia	Mongolia	Samoa	Tuvalu
Brunei Darussalam	Japan	Myanmar	Singapore	Vanuatu
Cambodia	Kiribati	New Zealand	Solomon Islands	Viet Nam
China	Lao People's Dem. Rep.	Papua New Guinea	Chinese Taipei	
Fiji	Macao, China	Philippines	Thailand	
Hong Kong, China	Malaysia	Republic of Korea	Tonga	
<i>West Asia:</i>				
Afghanistan	Bhutan	Maldives	Pakistan	Sri Lanka
Bangladesh	India	Nepal		
APEC (Asia-Pacific Economic Cooperation)				
Australia	Hong Kong, China	Malaysia	Russian Federation	Viet Nam
Brunei Darussalam	Indonesia	New Zealand	Singapore	
Canada	Japan	Peru	Thailand	
Chile	Korea	Papua New Guinea	Chinese Taipei	
China	Mexico	Philippines	United States	
BRIC (Brazil, Russian Federation, India and China)				
DEVELOPED ECONOMIES:				
North America (except Mexico)		European Union (27)	EFTA (Iceland, Liechtenstein, Norway, Switzerland)	Australia, Japan and New Zealand
DEVELOPING ECONOMIES:				
Africa		South and Central America and the Caribbean, Mexico	Europe except the European Union (27) and EFTA; Middle East	Asia except Australia, Japan, and New Zealand
LDCs (Least-developed countries)				
Afghanistan	Comoros	Kiribati	Nepal	Tanzania
Angola	Congo, Dem. Rep. of	Lao People's Dem. Rep.	Niger	Timor Leste
Bangladesh	Djibouti	Lesotho	Rwanda	Togo
Benin	Equatorial Guinea	Liberia	Samoa	Tuvalu
Bhutan	Eritrea	Madagascar	Sao Tome and Principe	Uganda
Burkina Faso	Ethiopia	Malawi	Senegal	Vanuatu
Burundi	Gambia	Mali	Sierra Leone	Yemen
Cambodia	Guinea	Mauritania	Solomon Islands	Zambia
Central African Republic	Guinea-Bissau	Mozambique	Somalia	
Chad	Haiti	Myanmar	Sudan	
Six East Asian traders				
Hong Kong, China	Republic of Korea	Singapore	Chinese Taipei	Thailand
Malaysia				

2. Definitions and methodology

2.1 Merchandise trade

2.1.1 Exports and imports

Two systems of recording merchandise exports and imports are in common use. They are referred to as general trade and special trade and differ mainly in the way warehoused and re-exported goods are treated. General trade figures are larger than the corresponding special trade figures because the latter exclude certain trade flows, such as goods shipped through bonded warehouses.

To the extent possible, total merchandise trade is defined in this report according to the general trade definition. It covers all types of inward and outward movement of goods through a country or territory including movements through customs warehouses and free zones. Goods include all merchandise that either add to or subtract from the stock of material resources of a country or territory by entering (imports) or leaving (exports) the country's economic territory. For further explanations, see United Nations International Trade

Statistics, Concepts and Definitions, Series M, N° 52, Revision 2.

Unless otherwise indicated, exports are valued at transaction value, including the cost of transportation and insurance to bring the merchandise to the frontier of the exporting country or territory ("free on board" valuation). Imports are valued at transaction value plus the cost of transportation and insurance to the frontier of the importing country or territory ("cost, insurance and freight" valuation).

Table IV.2

Products

A. Primary products

(i) Agricultural products (SITC sections 0, 1, 2 and 4 minus divisions 27 and 28)

of which,

- Food (SITC sections 0, 1, 4 and division 22)

of which,

0 - Food and live animals

1 - Beverages and tobacco

4 - Animal and vegetable oils, fats and waxes

22 - Oil seeds and oleaginous fruits

- - Fish (SITC division 03)

- - Other food products and live animals (SITC sections 0, 1, 4 and division 22 minus division 03)

- Raw materials (SITC divisions 21, 23, 24, 25, 26, 29)

of which,

21 - Hides, skins and furskins, raw

23 - Crude rubber (including synthetic and reclaimed)

24 - Cork and wood

25 - Pulp and waste paper

26 - Textile fibres (other than wool tops and other combed wool) and their wastes (not manufactured into yarn or fabric)

29 - Crude animal and vegetable materials, not elsewhere specified

(ii) Fuels and mining products (SITC section 3 and divisions 27, 28, 68)

of which,

- Ores and other minerals (SITC divisions 27, 28)

of which,

27 - Crude fertilizers, other than those of division 56, and crude minerals (excluding coal, petroleum and precious stones)

28 - Metalliferous ores and metal scrap

- Fuels (SITC section 3)

- Non-ferrous metals (SITC division 68)

B. Manufactures (SITC sections 5, 6, 7, 8 minus division 68 and group 891)

(i) Iron and steel (SITC division 67)

(ii) Chemicals (SITC section 5)

of which,

- Pharmaceuticals (SITC division 54)

- Other chemicals (SITC divisions 51, 52, 53, 55, 56, 57, 58, 59)

of which,

51 - Organic chemicals

52 - Inorganic chemicals

53 - Dyeing, tanning and colouring materials

55 - Essential oils and resinoids and perfume materials; toilet, polishing and cleaning preparations

56 - Fertilizers (other than those of Group 272, i.e. Fertilizers, crude)

57 - Plastics in primary forms

58 - Plastics in non-primary forms

59 - Chemical materials and products, not elsewhere specified



Products (continued)

(iii) Other semi-manufactures (SITC divisions 61, 62, 63, 64, 66, 69) of which,

- 61 - Leather, leather manufactures, not elsewhere specified and dressed furskins
- 62 - Rubber manufactures, not elsewhere specified
- 63 - Cork and wood manufactures (excluding furniture)
- 64 - Paper, paperboard and articles of paper pulp, of paper or of paperboard
- 66 - Non-metallic mineral manufactures, not elsewhere specified
- 69 - Manufactures of metals, not elsewhere specified

(iv) Machinery and transport equipment (SITC section 7)

- Office and telecommunication equipment (SITC divisions 75, 76 and group 776)
of which,

- - Electronic data processing and office equipment (SITC division 75)
- - Telecommunications equipment (SITC division 76)
- - Integrated circuits, and electronic components (SITC group 776)

- Transport equipment (SITC group 713, sub-group 7783 and divisions 78, 79)

of which,

78 - Road vehicles (including air-cushion vehicles)

79 - Other transport equipment

- - Automotive products (SITC groups 781, 782, 783, 784 and subgroups 7132, 7783)

of which,

781 - Motor cars and other motor vehicles principally designed for the transport of persons (other than public-transport type vehicles), including station wagons and racing cars

782 - Motor vehicles for the transport of goods and special purpose motor vehicles

783 - Road motor vehicles, not elsewhere specified

784 - Parts and accessories of the motor vehicles and tractors

7132 - Internal combustion piston engines for propelling vehicles listed above

- - Other transport equipment (SITC division 79, groups 713, 785, 786 minus sub-group 7132) of which,

79 - Other transport equipment

713 - Internal combustion piston engines, and parts thereof, not elsewhere specified

785 - Motorcycles and cycles, motorized and non-motorized

786 - Trailers and semi-trailers, other vehicles (not mechanically propelled), and specially designed and equipped transport containers

- Other machinery (SITC divisions 71, 72, 73, 74, 77 minus groups 713, 776 minus sub-group 7783) of which,

- - Power generating machinery (SITC division 71 minus group 713)

of which,

71 - Power generating machinery and equipment

minus

713 - Internal combustion piston engines, and parts thereof, not elsewhere specified

- - Non-electrical machinery (SITC divisions 72, 73, 74)

of which,

72 - Machinery specialized for particular industries

73 - Metal working machinery

74 - General industrial machinery and equipment, not elsewhere specified and machine parts, not elsewhere specified

- - Electrical machinery (SITC division 77 minus group 776 and subgroup 7783)

of which,

77 - Electrical machinery, apparatus and appliances, not elsewhere specified and electrical parts thereof

minus

776 - Thermionic, cold cathode or photo-cathode valves and tubes

7783 - Electrical equipment, not elsewhere specified, for internal combustion engines and vehicles; and parts thereof

(v) Textiles (SITC division 65)

(vi) Clothing (SITC division 84)

(vii) Other manufactures (SITC divisions 81, 82, 83, 85, 87, 88, 89 excluding group 891) of which,

- Personal and household goods (SITC divisions 82, 83 and 85)

of which,

82 - Furniture and parts thereof, bedding, mattresses, mattress supports, cushions and similar stuffed furnishings

83 - Travel goods, handbags and similar containers

85 - Footwear

- Scientific and controlling instruments (SITC division 87)

- Miscellaneous manufactures (SITC divisions 81, 88 and 89 minus group 891)

of which,

81 - Prefabricated buildings, sanitary plumbing, heating and lighting fixtures and fittings, not elsewhere specified

88 - Photographic apparatus, equipment and supplies and optical goods, not elsewhere specified; watches and clocks

89 - Miscellaneous manufactured articles, not elsewhere specified

C. Other products: commodities and transactions not classified elsewhere (including gold); arms and ammunition (SITC section 9 and group 891)

9- Commodities and transactions not classified elsewhere in SITC

891 - Arms and Ammunition

D. Intermediate products include all parts and accessories as well as industrial primary and processed intermediate products. The "fuels and lubricants" category (BEC code 3) was excluded.

BEC codes 42, 53, 111, 121, 21, 22



2.1.2 Products

All product groups are defined according to Revision 3 of the Standard International Trade Classification (SITC).

Throughout this report, other food products and live animals; beverages and tobacco; animal and vegetable oils, fats and waxes; oilseeds and oleaginous fruit are referred to as other food products; electronic data processing and office equipment is referred to as EDP and office equipment; and integrated circuits and electronic components is referred to as integrated circuits.

Agricultural products according to the AOA (WTO Agreement on Agriculture) definition refer to HS chapters 1 to 24 (excluding fish and fish products) and a number of manufactured agricultural products (for further information see "The Legal Texts, The Results of the Uruguay Round of Multilateral Negotiations", WTO). This definition does not correspond to the definition of agricultural products presented in the breakdown of merchandise trade by main commodity group (see table II.1).

2.1.3 World trade network

The world merchandise trade network by region and product from which Appendix tables A2 and A12 are derived is based on export data. The network is constructed in the following way:

First, total merchandise exports from each of the seven regions are aggregated from the individual country or territory figures published in Appendix table A6.

Next, the total merchandise exports of each region are distributed by destination and then by product. The regional and commodity breakdown is based on UNSD *Comtrade database*, EUROSTAT, GTIS GTA database, national statistics and Secretariat estimates.

During this process, the principal adjustments to the figures are as follows:

- (i) Exports of ships to the open registry countries Panama and Liberia are re-allocated from each region's exports to South and Central America and Africa to "unspecified destinations" (a category not shown separately).
- (ii) China's exports are adjusted to approximate their final destination.

- (iii) Exports of non-monetary gold, where known, are included. When they cannot be broken down by destination, they are allocated to "unspecified destinations".
- (iv) South Africa's trade does not include trade with the former Southern African Customs Union members.
- (v) "Estimates for the Middle East include unrecorded re-exports of the United Arab Emirates which accounted for 4 per cent of the region's total exports in 2012. As of this publication, these are no longer distributed by product and destination and are instead included in unspecified products and destinations."

2.1.4 Merchandise trade by product, region and major trading partner (Commodity and Appendix tables)

Appendix tables are derived from UNSD *Comtrade* and EUROSTAT. For trade by product, world totals include shipments which have not been distinguished by origin or destination. For trade by region and partner, world totals include goods which have not been specified by product.

The following adjustment has been made to the figures:

Exports of ships to the open registry countries Panama and Liberia are reallocated from each economy's exports to South and Central America and Africa to "unspecified destinations" (a category not shown separately).

The selection of each economy's major trading partners is based on a ranking of total trade (exports plus imports) of each economy with their trading partners in 2012 (member States of the EU (27) are counted as one trading partner).

Commodity tables in Chapter II by product, region and major trading partner are also derived from UNSD *Comtrade* and Eurostat.

2.1.5 Merchandise trade and the goods account in balance of payments statistics

Merchandise trade statistics serve as an input for the compilation of the goods account in the balance of payments (BOP) and the rest of

the world account in the System of National Accounts (SNA).

The compilation of international merchandise trade statistics (IMTS) relies principally on customs records complemented, as appropriate, by additional sources to enhance their coverage (for instance, to include electricity, or trade in vessels and aircrafts). These statistics essentially reflect the physical movement of goods across borders, while National Accounts and BOP statistics record transactions that involve change in ownership.

The goods account in the BOP is generally compiled on the basis of IMTS after they have been adjusted for coverage, timing, and valuation.

Coverage differences between BOP statistics and IMTS concern mainly:

- items such as blueprints, videos, and tapes which are regarded as services within the BOP (hence are excluded from goods) whereas they are included in merchandise trade statistics at the value of the material support;
- goods that for practical reasons are excluded from merchandise trade but should in theory be recorded in BOP statistics, such as fish and salvage sold abroad by resident vessels, or imports of bunkers and stores acquired abroad for mobile equipment operated by residents;
- goods under the improvement and repair trade regime should be excluded from IMTS, but they are to be included in the goods account at the value of the repair under the BPM5;
- another coverage difference concerns goods that are imported in an economy where they undergo processing operations, and are thereafter re-exported. IMTS recommends that these movements be recorded on a gross basis, whereas BPM5 distinguishes between goods that return to the country of origin (included within the goods account but reported separately) and those that are sent to a third economy (such flows are considered as trade in general merchandise between the economy of origin and final destination, and should be excluded from the goods account of the economy where the processing takes place).



The physical movement of goods across border measured in IMTS do not necessarily coincide in timing with changes in the ownership of goods. BPM5 therefore recommends the application of specific adjustments for such cases.

As far as valuation is concerned, the issue that affects most data comparability concerns the point of valuation, namely, whether goods are valued at the importer's border - that is at the cost, insurance and freight value - or at the free on board value at the exporter's border. IMTS guidelines recommend the adoption of the c.i.f. valuation for imports whereas the fifth edition of the IMF's Balance of Payments Manual (BPM5) requires the f.o.b. valuation. Additional adjustments may be made by BOP compilers to conform to the BPM5 requirement for a market price for valuing trade, processing trade, and with respect to currency conversion.

Once adjusted, merchandise trade is recorded in the goods category of the current account, along with services, income, and current transfers. Therefore, within the balance of payments framework transactions in both goods and services are harmonized and provide for comparable statistical series. Strictly speaking, it is not correct to aggregate the figures for commercial services and merchandise shown elsewhere in this report.

It should be noted that some economies still apply the concepts of the fourth edition of the Balance of Payments Manual, and thus do not include goods for processing and goods procured in port carriers in the goods account.

2.2 Trade in commercial services

Depending on the location of the supplier and the consumer, the General Agreement on Trade in Services (GATS) defines four modes of supply. In addition to the cross-border supply (mode 1), where both the supplier and the consumer remain in their respective home territories, GATS also covers cases where consumers are outside their home territory to consume services (mode 2 – consumption abroad), or cases where service suppliers are in the territory of the consumers

to provide their services, whether by establishing affiliates through direct investment abroad (mode 3 – commercial presence), or through the presence of natural persons (mode 4).

A country's balance of payments, that is the services account, can be used to derive estimates covering trade in commercial services for modes 1, 2 and 4. The Balance of Payments does however not include most of the information on the local deliveries of services through foreign affiliates that is required to estimate the size of mode 3. A framework for collecting these data, the Foreign Affiliates Statistics (FATS) has been developed and adopted by the international statistical community in 2002. Further information on these "new" statistics is developed below.

2.2.1 Trade in commercial services between residents and non residents of an economy

Exports and imports

Exports (credits or receipts) and imports (debits or payments) of commercial services derived from statistics on international service transactions are included in the balance of payments statistics, in conformity with the concepts, definitions and classification of the fifth (1993) edition of the IMF Balance of Payments Manual.

Definition of commercial services in the balance of payments

In the fifth edition of the Balance of Payments Manual, the current account is subdivided into *goods*, *services* (including *government services, not included elsewhere*), *income* (investment income and compensation of employees), and *current transfers*. The *commercial services* category in this report is defined as being equal to services minus *government services, not included elsewhere*. *Commercial services* is further subdivided into *transportation services, travel*, and *other commercial services*.

Transportation services covers sea, air and other including land, internal waterway, space and pipeline transport services that are performed by residents of one economy for those of another, and that involve the

carriage of passengers, the movement of goods (freight), rentals (charters) of carriers with crew, and related supporting and auxiliary services

Travel includes goods and services acquired by personal travellers, for health, education or other purposes, and by business travellers. Unlike other services, travel is not a specific type of service, but an assortment of goods and services consumed by travellers. The most common goods and services covered are lodging, food and beverages, entertainment and transportation (within the economy visited), gifts and souvenirs.

Other commercial services corresponds to the following components defined in BPM5:

- (i) *communications services* includes telecommunications, postal and courier services. Telecommunications services encompasses the transmission of sound, images or other information by telephone, telex, telegram, radio and television cable and broadcasting, satellite, electronic mail, facsimile services etc., including business network services, teleconferencing and support services. It does not include the value of the information transported. Also included are cellular telephone services, Internet backbone services and on-line access services, including provision of access to the Internet;
- (ii) *construction* covers work performed on construction projects and installation by employees of an enterprise in locations outside the territory of the enterprise (the one-year rule to determine residency is to be applied flexibly). In addition goods used by construction companies for their projects are included which implies that the "true" services component tends to be overestimated;
- (iii) *insurance services* covers the provision of various types of insurance to non residents by resident insurance enterprises, and vice versa, for example, freight insurance, direct insurance (e.g. life) and reinsurance;
- (iv) *financial services* covers financial intermediation and auxiliary services provided by banks, stock exchanges, factoring enterprises, credit card enterprises, and other enterprises;



(v) *computer and information services* is subdivided into computer services (hardware and software related services and data processing services), news agency services (provision of news, photographs, and feature articles to the media), and other information provision services (database services and web search portals);

(vi) *royalties and licence fees*, covering payments and receipts for the use of intangible non-financial assets and proprietary rights, such as patents, copyrights, trademarks, industrial processes, and franchises;

(vii) *other business services*, comprising trade-related services, operational leasing (rentals), and miscellaneous business, professional and technical services such as legal, accounting, management consulting, public relations services, advertising, market research and public opinion polling, research and development services, architectural, engineering, and other technical services, agricultural, mining and on-site processing; and

(viii) *personal, cultural, and recreational services* is subdivided into two categories, (i) audiovisual services and (ii) other cultural and recreational services. The first component includes services and fees related to the production of motion pictures, radio and television programmes, and musical recordings. Other personal, cultural,

and recreational services includes services such as those associated with museums, libraries, archives, and other cultural, sporting, and recreational activities.

Coverage and comparability

With the implementation of BPM5, the coverage and comparability of services trade data have improved over time.

However, given that these improvements have been made gradually, they also resulted in a number of breaks in series and are subject to significant distortions.

First, some countries do not collect statistics for certain service categories. Second, some service transactions are simply not registered. If central bank records are used, situations where no financial intermediaries are employed are not counted. In the case of surveys, the coverage of trading establishments is often incomplete. A particularly serious problem is that services transmitted electronically are frequently unregistered as well as when the transactions take place within multinational corporations. Third, statistics may be reported on a net rather than on a gross basis, often as a result of compensation arrangements such as in rail transport or in communications services. Fourth some services transactions may be difficult to capture. It is often easier for compilers to collect more complete and reliable information on trade in services exports rather than on imports given the large number and diversity of

importers compared to that of exporters, e.g. financial services, computer services. Fifth, some particular service transactions may not be classified to the appropriate BPM5 services classification. Methodologies to build estimates for certain service categories may also differ between economies, notably due to the continuing efforts to improve these statistics. Some economies have made progress in the estimation of insurance services to take into account premium supplements and claim volatility (i.e. in the case of catastrophic events). Sixth, the alternate sources used for countries which are not members of the IMF do not necessarily comply with the IMF concepts and definitions. Seventh, misclassification of transactions may lead to an underestimation of commercial services when service transactions are registered as income, transfers or trade in merchandise rather than trade in services or, conversely, to an overestimation of commercial services when transactions pertaining to income, transfers or official transactions are registered in the private service categories.

These distortions may be particularly significant at the detailed level, i.e., for a detailed service category, and may lead to considerable asymmetries between countries' reported trade flows by origin and destination.

The estimation of world trade by services components has been based on reported economy data as shown in the following table:

Table IV.3

Number of economies reporting Balance of Payments services components for 2011

	Exports	Imports
Total commercial services	188	188
Transportation services	166	167
Travel	167	166
Other commercial services	166	166
Communications services	159	159
Telecommunications services	129	129
Construction	124	132
Insurance services	151	161
Financial services	132	137
Computer and information services	129	134
Computer services	92	104
Royalties and license fees	126	142
Other business services	155	161
Personal, cultural, and recreational services	120	124
Audiovisual and related services	72	74



First, total trade in commercial services from each of the seven regions is aggregated from the individual economy figures published. The breakdown of these data is then applied to missing countries before aggregating regional and world totals. Tables on major traders are based on reported data only.

Statistics on international trade in services are produced jointly and published simultaneously with UNCTAD.

Regional and world estimates for 2012 for sub-item of other commercial services should be considered as preliminary.

From BPM5 to BPM6

A number of economies have started to compile their balance of payments statistics according to the sixth edition (2009) of the IMF Balance of Payments Manual (BPM6). In August 2012, the IMF has started to publish annual and quarterly figures according to the new methodology, with the new series beginning in 2005.

Starting with 2009 data, UNCTAD and WTO have been converting trade in commercial services figures from BPM6 to BPM5 for the economies which only report BPM6-based data. The objective of this conversion is three-fold: (i) ensuring to the fullest extent cross-country comparability; (ii) providing users with the longest possible time series (which are currently only available on a BPM5 basis); (iii) comparability with the more detailed EBOPS and partner statistics.

The conversion mapping used by UNCTAD-WTO can be summarized as follows:

- *Manufacturing services on inputs owned by others and maintenance and repair services*, the two new services items in the BPM6 presentation, are subtracted from the total;
- *Net exports under merchanting*, which have been moved in the goods account, are added back to *other business services* and thus to *total commercial services*;
- *Postal and courier services* are subtracted from *transport services*;
- *Communication services* is built adding *postal and courier services* to *telecommunications*;

- *Computer and information services* is obtained by adding *computer services* and *information services*.

- Financial Intermediation Services Indirectly Measured (FISIM), if separately reported, are subtracted from *financial services* and from the total.

This conversion was applied to the following reporters (according to the level of detail reported): Armenia, Australia, Bangladesh, Belarus, Belize, Bermuda, Bosnia and Herzegovina, Canada, Chile, Fiji, Georgia, Hong Kong (China), India, Jamaica, Kuwait, Macao (China), Malaysia, Nicaragua, Philippines, the Russian Federation, Samoa, the Kingdom of Saudi Arabia, Singapore, Thailand and Ukraine.

Bilateral trade

As from 2007, available reporters' bilateral trade with the European Union refers to the EU(27).

2.3 Foreign Affiliates Statistics

The new statistical framework on Foreign Affiliates Statistics (FATS) is developed in the Manual on Statistics of International Trade in Services 2010, the OECD Benchmark Definition of Foreign Direct Investment and the OECD Handbook on Economic Globalisation Indicators. The statistical framework covers both goods and services producing enterprises.

It analyses the universe of affiliates for which foreign investors own more than 50 per cent of the voting power or equity interest.

Depending on the compiler's view, one can distinguish inward FATS, that is, activities of foreign-owned affiliates in the compiling economy, or, outward FATS, that is, foreign affiliates of the compiling economy active abroad. Variables such as sales, value added, number of employees, etc. are used to describe the affiliates' activities. These variables are broken down by country of origin or destination of investments and also by type of primary activity of the affiliates. The United States also provide a breakdown into total supply of goods and total supply of services products. In the case of services industries the concept of supply (or output) is based

on measures that better capture service output (i.e. the margin). This mainly has an impact on the measurement of activities of wholesalers and retailers, insurers and financial intermediaries.

From a GATS perspective, the size of mode 3 in a given country can be approximated through the value of the output (or supply) of services by foreign-owned affiliates. In the absence of data on output, sales of services are used. In tables i.24-i.26 the focus is on services (i.e. to measure the GATS concept of supply of services through commercial presence), whereas table iv.4 covers both goods and services.

FATS are currently available mainly for OECD and a small number of non-OECD economies. Given the recent development of these statistics, comparability and coverage of individual economy data may not always be complete. Availability of detailed data and long-time series varies considerably between economies.

2.4 Trade in global value chains

The measurement of trade in value added terms traces the source of the value added, by country and industry that is contained in the products (goods and services) traded across the world.

Value added is defined as the value that is added by industries to produce goods and services. In a national account sense, it reflects the compensation of labour, capital, non-financial assets and natural resources used in the production as well as net indirect taxes, when relevant.

The value added approach reflects the interconnection of economies and sectors as well as the increasing importance of trade in intermediate inputs that takes place among international supply and production chains. It provides insights on where the value added comes from and thus on the actual contribution of trade to economies.

Trade in value added indicators are estimates based on Inter-Country Input-Output (ICIO) tables. ICIO tables cover both goods and services. They regroup national Input-Output tables and international trade statistics into a consistent framework to describe



sale and purchase of goods and services between producers and consumers from various economies and industries. They enable to disentangle domestic and foreign value added in each economy and industry.

Trade in value added estimates presented in this publication are sourced from the OECD-WTO "Trade in value added" (TiVA) database and the OECD ICIO table. The latter covers 57 economies plus a "rest of the world" aggregate. Industries are regrouped into 37 sectors and cover productive activities in the primary, secondary and tertiary sectors classified according to the International Standard Industrial Classification (ISIC) Revision 4.

2.4.1 The decomposition of gross exports into their value added components

The breakdown of conventional export data (gross) into their value added components allows showing the role played by economies in global value chains.

The **domestic value added content of exports** is composed of the following indicators:

(i) The domestic value added, embodied either in final or intermediate goods/services, directly consumed by the importing country. This represents a one-to-one country transfer of value added, with exported goods/services crossing borders only once.

(ii) The domestic value added contained in intermediates exported to a first country which re-exports them to a third country as embodied in others goods/services. This indicator represents a one-to-many country transfer of value added, when exported goods/services cross borders more than once. This illustrates the level of participation of an economy within international production.

(iii) The domestic value added of exported goods/services which is eventually re-imported by the country itself. Such a value added round-trip between two countries highlights the domestic value added content present in a country's imports.

The **foreign value added content of exports** corresponds to the value added

of inputs that was imported in order to produce intermediate or final goods/services to be exported. It can also be referred to as vertical specialization, when expressed in percentage.

2.4.2 The sectoral value added contributions to gross exports

Exports from a (domestic) industry do not only contain value added produced within the same industry but also value added sourced from other industries within the economy or from other economies.

The value added approach to estimate trade flows can describe both the geographical and sectoral origin of the value added contained in gross exports of any given industry. Table IV.3 presents the value added origin (columns) of gross exports (rows) according to the domestic and foreign source and by main sector. This highlights the extent of the global value chains phenomenon and outlines the interconnection and related dependency across countries and sectors for the production and trade of goods and services.

2.5 Other definitions and methods

2.5.1 Annual changes

Throughout this report, average annual percentage changes are analogous to compound interest rates. In calculating the average annual rate of change between 2005 and 2012, for example, data for calendar year 2005 were taken as the starting point, and data for calendar year 2012 as the end point.

2.5.2 Prices

Commodity price movements are primarily described by indices largely based on spot market prices, and therefore exclude transactions governed by longer-term contracts. Price indices for such commodities as food, beverages, agricultural raw materials, minerals, non-ferrous metals, fertilizers and crude petroleum are obtained from IMF Primary Commodity Prices (July 2012 release). Aggregates for all primary commodities and for non-fuel primary commodities are calculated using IMF weights (Appendix table A36). Beginning with the first quarter of 2011, the crude oil

price index shown in Appendix table A36 is computed excluding West Texas Intermediate (WTI), which accounts for one third of the IMF's crude oil index. The price of WTI became largely dislocated from international markets in early 2011 and is thought not to represent well prices in international oil trade. For more information, see Box Comm.1 of the World Bank's Global Commodity Market Outlook, January 2012 (see page 65 of the complete report on <http://go.worldbank.org/WI8LCZ6PTO>).

Export and import prices by commodity group of Germany, Japan and the United States are sourced from national statistics. Aggregates are calculated by weighting the countries' price indices with the export and import values of the countries' respective base year (Appendix tables A37 and A38).

2.5.3 World merchandise trade indices

The volume indices and the deflators (i.e. price indices or unit values) are taken from a range of different international and national sources. The reported deflators and volume indices may not always be available for the most recent years or may differ in product coverage from the corresponding value indices.

Aggregation of the indices to obtain a world total is a two-tier process. First, export and import deflators from national and international sources are complemented with Secretariat estimates for missing data. They are then aggregated to obtain regional totals. The volume index for each region is obtained by dividing the respective trade value index for each region by the corresponding regional deflator.

Second, the total world merchandise volume index is obtained by deflating the world trade value with the aggregate of regional deflators. Throughout the aggregation process trade values of the previous year are used as weights.

2.5.4 World production

Production of agriculture (including hunting, forestry and fish), mining and manufacturing is defined according to major Categories A, B, C and D of the International Standard Industrial Classification of all Economic Activities Revision 3 (ISIC). World production in



these sectors is estimated by combining production indices published by the FAO, OECD, UNIDO and UNSD. The world index is derived through aggregation of the three sectors by using value added shares in 2005 as weights.

2.5.5 World gross domestic product

To be consistent with production figures, World GDP growth is estimated as a weighted average of individual economies' real GDP growth. The weights used are shares of economies in 2005 world nominal GDP converted to dollars at market exchange rates.

The use of official exchange rates which are not market-based for some major economies, together with the fluctuations of the United States dollar vis-à-vis major currencies, can have a significant impact on the weighting pattern. The increasing use of weights based on purchasing power parities (PPP) by other international organizations is meant to attenuate "anomalies" linked to these factors. In a period of widely diverging growth rates among countries and regions, the choice of the weighting pattern can have a marked influence on the global growth estimate. For the 2000-2011 period, global growth estimates based on PPP-weights indicate a significantly faster growth than estimates using weights based on GDP data measured at market exchange rates. This is because of differences in the two weighting patterns.

2.5.6 Re-exports and re-imports

Under the system of general trade adopted in this report, re-exports are included in total merchandise trade (see Section II.1).

However, in the case of Hong Kong, China, the magnitude of its re-exports (amounting in 2012 to \$471 billion), if included in regional or world aggregates, would adversely affect the analytical value of the statistics by introducing a significant element of double counting. Therefore, Hong Kong, China's re-exports are excluded from the world and from Asia aggregates (unless otherwise indicated); only Hong Kong, China's domestic exports and retained imports are included in the totals.

For this reason, the figures for world exports and for exports of Asia shown in Appendix tables A2 and A12 are smaller than those in Appendix table A6. When retained imports are not published, an approximation is made on the basis of re-export values.

China reports imports from China (re-imports), a trade flow which accounted for 7.9 per cent (\$142.9 billion) of its total merchandise imports in 2012. These imports consist of products which have been produced in China and thereafter temporarily exported. The product structure of China's imports from China indicates that in absolute terms office and telecom equipment is the largest category (\$86.1 billion) in this particular trade flow. The share of re-imports is particularly large in the imports of telecommunications equipment (46.4 per cent), EDP and office equipment (40.6 per cent), electrical machinery (28.5 per cent) and in textiles (15.4 per cent). Further information on these imports is provided in Box 2 of the *International Trade Statistics 2005*.

3. Specific notes for selected economies

3.1 Merchandise trade statistics of the European Union

Beginning with the 2002 report, EU data compiled according to national statistical practices have been replaced, starting 1993, with data compiled by Eurostat in accordance with EU legislation. The concepts and definitions adopted by the EU are in line with the United Nations' *International Trade Statistics, Concepts and Definitions, Series M, N° 52, Revision 2*. As a result, the conceptual differences between EU member states' data have been substantially reduced. Moreover, for the EU as a whole, Eurostat data are more timely than the previous source, thus reducing substantially the amount of estimation included in the EU aggregate.

Since January 1993, statistics on the trade between the member states of the EU have been collected through the "Intrastat" system (see GATT

1994, *International Trade Trends and Statistics*). The coverage of this system, which relies on reports submitted by firms for transactions above a minimum value, is not as wide as the previous one, which was based on customs declarations. This is particularly noticeable on the import side. For example, prior to the adoption of the Intrastat system, reported intra-EU imports (c.i.f.) closely matched reported intra-EU exports (f.o.b.). However, from 1993 onwards, the reported value of intra-EU imports has been on average around 3 per cent lower than the value of intra-EU exports, indicating a substantial under-reporting of intra-EU imports. As a result of this inconsistency, the Secretariat has substituted intra-EU exports data for intra-EU imports at the aggregate EU level when estimating regional and world totals. However, this adjustment is not allocated between EU member countries. Hence, the sum of reported imports of individual EU members does not add to the figure for EU imports as a whole. This adjustment is also reflected in the volume estimates for the EU as a whole.

3.2 Merchandise trade of South Africa with SACU (South African Customs Union)

South Africa's merchandise exports (and imports) exclude shipments to (from) other SACU members (Botswana, Lesotho, Namibia and Swaziland). Partner statistics indicate that South African shipments amount to 85 per cent of these countries' total merchandise imports in 2004. This share – most likely – increased thereafter and represents an important trade flow for the African region. If South Africa's exports would be adjusted for these shipments to SACU members, its total exports would be about \$ 6 billion higher in 2012 and intra-African trade would be substantially higher, with intra-SACU trade being the largest intra trade flow for regional trade agreements in Africa.

3.3 Major breaks in data continuity of merchandise trade

Beginning 2003, Singapore includes merchandise trade with Indonesia.



Beginning 2008, Indonesia's imports are reported according to the general trade system.

With respect to the Russian Federation, considerable uncertainty remains about the accuracy of foreign trade statistics, especially as regards imports. A large proportion of the reported data on imports consists of official estimates of inflows of goods which enter the economy without being registered by the customs authorities. Such adjustments to import data accounted for 6 per cent of the officially reported totals in 2012; and, on the export side, for about 1 per cent of total reported exports.

Merchandise trade flows between the European Union member States include trade associated with fraudulent VAT declaration, which concerns mainly office and telecommunications equipment. Between 2006 and 2007, intra-EU merchandise trade statistics have been particularly affected by a considerable reduction in this fraudulent trade in the United Kingdom.

3.4 Trade in services of the United States

Over recent years the United States Bureau of Economic Analysis has continuously improved its trade in commercial services estimates.

In 2011, the United States implemented a number of changes in the classification of certain services transactions beginning with statistics for the year 1999. Apart from regular updates in source data, these improvements were part of a broader effort to align with the recommendations of the new IMF Balance of Payments Manual (BPM6).

In particular, revisions incorporated the results of BEAs 2009 financial services benchmark survey (which did not contain a reporting threshold) as well as the reclassification of postal services from U.S. government miscellaneous services to other transportation. U.S. expenditures by foreign nationals working at international organizations were removed from other services. Revised methodologies were used for estimating the U.S. expenditures of foreign residents who work in the United States for less than 1 year and for estimating U.S. air carriers expenditures in foreign ports. Finally, cruises fares

were reclassified from passenger fares to travel. As a result of these changes, United States' exports and imports of services were revised upwards.

Also in line with this gradual movement towards the BPM6 recommendations, the U.S. Bureau of Economic Analysis moved film and television tape distribution services from audiovisual and related services (part of personal, cultural and recreational services) to royalties and licence fees starting with 1999.

In 2010, the United States revised its goods and services accounts to reflect the reclassification of certain transactions from services to goods. In particular, in previously published statistics, certain exports and imports of military-related goods were recorded on a transactor basis and were combined with other services transactions in the services account. In addition, expenditures on goods and services by foreign air and ocean carriers in U.S. ports (exports) and by U.S. air and ocean carriers in foreign ports (imports) were included in "other" transportation services.

Beginning with statistics for 1999, fuel expenditures by foreign and U.S. air and ocean carriers were reclassified from "other" transportation services to goods. A number of changes in terms of content were also introduced. Beginning with 2006 and continuing with 2007 surveys of transactions in selected services and transactions in financial services, transactions with affiliated and unaffiliated persons are collected on the same form and in the same detail. This in particular reduces the potential for duplicate reporting or omissions. It is important to note that given this major revision, some time series were significantly revised and for some other detailed services items, including both affiliated and non affiliated trade, data are not available prior to 2006.

Another major revision was introduced in 2003, when the United States revised its methodology for estimating trade in insurance services. The new methodology measures insurance services as premiums less normal claims. Normal claims comprise two components: "regularly occurring claims" that are calculated as an average of all claims paid during the previous six years, and a share of "catastrophic claims" that is added-on to "regularly occurring claims" in equal increments over the two decades following their event.

As comprehensive data collection on insurance services started in 1986, the first six-year average of "regularly occurring claims" could only be calculated for 1992. As a result, time series on trade in insurance services, and consequently on other commercial services, have been revised back to 1992. To complete the 2003 revision, in 2004 the United States added to insurance services an estimate of premium supplements (or income earned on technical reserves of insurance companies). Insurance companies provide financial protection to policy holders through the pooling of risk and provide financial intermediation services through the investment of reserves. The income is treated as accruing to the policy holders who pay it back to the insurers as supplements to premiums to cover the full cost of insurance. The investment income of insurance companies is not output in and of itself; it is used to impute the value of the implicit component of insurance services attributable to financial intermediation.

3.5 Travel exports and transportation services exports and imports of Japan

In order to enhance the coverage of estimates of travel exports and imports, the Bank of Japan and the Japanese Ministry of Finance reviewed their compilation methodology, notably by including results from a new expenditure survey of foreign travellers as of 2003. This revision had a major impact on the estimates for travel exports. This methodology was reviewed in 2007 based on the results of a new survey (International Travelers' Survey on Expenditures) which are used in the new compilation method to directly estimate the amounts spent by travelers to pay for goods and services. This applies to exports and imports data as from 2006.

3.6 Trade in other commercial services of India

In the course of 2004, the Reserve Bank of India released new data following the introduction of a new reporting system to improve the coverage of Indian trade in services statistics (mainly affecting the item



other business services). The data shown in tables for India for “computer services” refer to WTO Secretariat estimates. The Indian figures reported by the Reserve Bank of India and international agencies refer to “software services” (covering Information Technology (IT) and IT enabled services). The coverage of “software services” does not correspond to the definition of computer services in international guidelines. WTO secretariat estimates are drawn from the software figure which is broken down into a computer/IT component included in the item “computer services”, and an IT enabled services component included under the item “miscellaneous business, professional and technical services” (under “other business services”). This breakdown is done on the basis of the information published in the annual RBI report “Survey on Computer Software & Information Technology Services Exports”.

3.7 Trade in commercial services of United Arab Emirates

Commercial services trade statistics of United Arab Emirates only cover transportation and travel.

3.8 Trade in commercial services of Nigeria

New data from 2005 compiled on the basis of BPM5 recommendations were released by the Bank of Nigeria in 2007. This results in a break in series for Nigerian data in 2005.

3.9 Trade in commercial services of South Africa

In 2006 the Reserve Bank of South Africa improved its commercial services estimates, and revised its data back to 2001 (resulting in a break in series for that year).

3.10 Trade in other commercial services of Bahrain

New data compiled from 2004 for other commercial services items, resulting in a break in series for that year.

3.11 Trade in other commercial services of Oman

In 2008 new data compiled (new national data from new survey of corporate firms in 2007) for other commercial services items, resulting in a break in series for 2005 for exports and 2003 for imports.

3.12 Trade in commercial services of the Islamic Republic of Iran

Starting with 2004, Iran compiles data according to the recommendations of the BPM5.

3.13 Trade in commercial services of the Kingdom of Saudi Arabia

New data are compiled from 2005 according to BPM5 principles. Prior to 2008 a number of items (e.g. financial services, other business services) were still not all classified according to the BPM5 definitions and some items were received net.

3.14 Trade in commercial services of Singapore

Starting with 2009, trade in commercial services figures of Singapore are converted from the BPM6 to the BPM5 presentation. As figures for *net exports under merchanting* are not separately reported, exports of total commercial services and of other commercial services respectively are about 20% and 35% lower than previously reported. The break in series of 2009 results from this difference in coverage.

3.15 Trade in commercial services of France

Figures released in 2012 reflect a new supplementary survey on international trade in services (ECEIS), which is

submitted by resident non-financial corporations exporting or importing services that are not subject to the general direct reporting requirement. The expansion of the sample of surveyed firms led to a break in series and to a substantial upward revision of service receipts and payments, excluding travel, in 2009. Starting with 2011, a new reporting system has been implemented for financial intermediaries, also resulting in a break in series for financial services, both credits and debits.

3.16 Trade in financial services

For Singapore (from 1995), and Switzerland, (from 1999) data on trade in financial services include Financial Intermediation Services Indirectly Measured (FISIM). This is not in accordance with BPM5 recommendations.

For Australia and Hong Kong (China), data include FISIM starting from 2009, due to the countries' transition to BPM6. In the case of Hong Kong, China FISIM have no geographical breakdown.

4. Statistical sources

Most frequently used sources for statistics are:

EUROSTAT, *Comext and on-line databases*
FAO, *FAOSTAT Agriculture database*
FAO, *Production Yearbook*
GTIS, *Global Trade Atlas database*
IMF, *Balance of Payments Statistics*
IMF, *International Financial Statistics*
IMF, *World Economic Outlook database*
OECD, *Main Economic Indicators*
OECD, *Measuring Globalisation: The Role of Multinationals in OECD Economies*
OECD, *Monthly Statistics of International Trade*
OECD, *National Accounts*
OECD, *Statistics on International Trade in Services*
OECD/IEA, *Energy Prices & Taxes*
UNECE, *Economic Survey of Europe*
UNECLAC, *Overview of the Economies of Latin America and the Caribbean*
UNIDO, *National Accounts Statistics Database*



UNSD, *Comtrade database*
(for OECD members the *UNSD-OECD Joint Trade Data Collection and Processing system*)

UNSD, *International Trade Statistics Yearbook*

UNSD, *Monthly Bulletin of Statistics*

UNSD, *Servicetrade database*

World Bank, *World Development Indicators*

These sources are supplemented by national publications and other international databases and Secretariat estimates.

Figures for total merchandise trade are largely derived from IMF, *International Financial Statistics*. Data on merchandise trade by origin, destination and product are mainly obtained from Eurostat's Comext database, the Global Trade Atlas and UNSD's *Comtrade database*. Some inconsistencies in the aggregate export and import data for the same country or territory between sources are inevitable. These can be attributed to the use of different

systems of recording trade, to the way in which for example IMF and UNSD have converted data expressed in national currencies into dollars, and revisions which can be more readily incorporated in the IMF data.

Statistics on trade in commercial services are mainly drawn from the IMF *Balance of Payments Statistics*. Data for European Union members, EU candidate and EU observer countries as well as the EU(27) aggregate are drawn from Eurostat's on-line database from 2004. For other economies that do not report to the IMF (e.g., Chinese Taipei) data are drawn from national sources. Estimations for missing data are mainly based on national statistics. Statistics on trade in commercial services by origin and destination are also derived from national statistics.

GDP series in current dollars are mainly derived from the World Bank *World Development Indicators*, supplemented in some cases with statistics from the IMF *World Economic Outlook database*.

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Closing date for merchandise trade statistics (Customs basis) and commercial services (Balance of Payments basis) is 15 July 2013. For foreign affiliates trade in services statistics the closing date is 16 August 2013.

