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1 INTRODUCTION

1.1 Purpose of the user guide

1. The purpose of this user guide is to assist in the use and analysis of the statistics of trade in goods published by the Statistical Office of the European Communities (Eurostat). The guide describes the basic methodology used for the compilation of statistics, the role of Eurostat in the dissemination of them as well as the sources which are available to the users. It provides also some information on the differences that exist between EU statistics and those published by Member States and by other international organisations.

2. This publication is aimed at the general user of these statistics and does not require a specialist background to be understood. However, while it is written as a free-standing document, it is part of a wider project (still underway) which provides detail on the methods that should be used for the collection of trade data and on the concepts and definitions on which those data are based.

3. This edition was completed in March 2005 and reflects the position at that date.

4. The information contained in this guide does not supersede existing regulations governing international trade statistics and has no legal force. Eurostat (Unit F2 'international trade', fax: (352 - 43 01 30019) will be pleased to provide further information to users on particular issues not dealt with.

5. The guide can be read in complete sequence or by accessing particular sections. The most important part of the guide for the user is certainly Section 2 on methods. This describes most of the basic concepts and definitions and explains the variables that the user can exploit. It also addresses the differences that may exist between different sources. The guide is supported by 7 annexes

1.2 Use of international trade statistics

6. The need for statistics on trade in goods is self-evident. International trade forms an important part of the world economy and, as such, must be measured reliably and the relevant statistical data should be comparable and widely disseminated.

7. International trade statistics are an important primary source for most public- and private-sector decision-makers. For example, they help European companies carry out market research and define their commercial strategy; they enable Community authorities to prepare for multilateral and bilateral negotiations within the framework of the common commercial policy and to evaluate the progress of the internal Market and the integration of European economies. In addition, they constitute an essential source of information for balance of payments statistics, national accounts and short-term economic studies.

8. The statistics satisfy this need in a variety of ways. Users may need either very aggregated or very detailed data on products or partner countries. They may be interested in movements of values of trade in current prices or in movements of the volume of trade at constant prices. Alternatively, their interest may be in the weight of trade or some other quantity measure.

9. These examples, which are far from exhaustive, show the diversity of the users and their requirements. Eurostat tries to meet these various needs and to adapt to

the changing environment as the progression toward globalisation, in particular, is becoming more and more important.

10. The system for collecting statistics on the trade in goods has undergone major changes in recent years. The introduction in 1988 of the Combined Nomenclature (CN) and Single Administrative Document (SAD) led to important changes in statistics on trade with non-member countries. Subsequently, the advent of the Single Market on 1 January 1993, with its removal of customs formalities (the traditional source of statistical data on international trade) between Member States enforced the adoption of a new data collection system, Intrastat, as the basis for statistics on intra-Community trade.

11. The introduction of Intrastat involved a methodological break with the past and, initially at least, reduced the quality of the statistics. Many efforts have been made to improve the quality of the results but also to rationalise the statistical system and reduce the burden on data providers while maintaining a satisfactory level of information.

1.3 Links with balance of payments and national accounts

12. One important use of international trade statistics in the majority of countries is to provide a data source for the estimation of those components of the balance of payments and the national accounts which relate to trade in goods. The most appropriate definitions for these components are set out internationally in the *Balance of Payments Manual (Fifth edition)* (BPM5) published by the International Monetary Fund and in the *System of National Accounts – 1993* (SNA) jointly published by the United Nations, the Commission of the European Communities and other international organisations.

13. The latest international recommendations which particularly relate to trade statistics are given by *International Merchandise Trade Statistics: Concepts and Definitions (Series M, No 52, Rev. 2)* published in 1998 (IMTS). While these take account of the recommendations of BPM5 and recommend a move toward harmonisation among different concepts, there are differences between the recommendations for international trade statistics and the goods account of the balance of payments in, for example, coverage, valuation and some special aspects.

14. These differences reflect both the differing priorities of users and the problems of data collection because of the more detailed requirements of international trade statistics.

15. It is not the purpose of this guide to discuss in detail the adjustments that must be made to international trade statistics to convert them to figures on a balance of payments basis (where it is the trade statistics that are the source of the balance of payments figures). It is sufficient to note that such conversion is necessary. It may have a substantial effect on the figures, for example from the different methods of valuation used for imports.

1.4 Institutional framework

1.4.1 General

16. The compilation of trade figures rests on a series of Council and/or European Parliament and Commission regulations; the final work is a co-operative effort between Eurostat and the appropriate bodies in the Member States which are responsible for collecting and processing the basic information.

1.4.2 National authorities

17. Annex 1 provides a list of competent authorities in each Member State. These are most often the national statistical institutes but also include some national Customs authorities and, for Belgium, even the National Bank. In practice, the division of responsibilities for collection, processing and dissemination of trade data may be quite complex and vary from Member State to Member State. The authorities listed in Annex 1 can be contacted by users of trade data who wish to query some aspects of national data.

1.4.3 Community authorities

18. Eurostat (the Statistical Office of European Communities) has the responsibility for overseeing and developing work on international trade statistics of goods.

19. The main areas for which Eurostat is responsible are as follows:

- Methodology;
- Classifications;
- Dissemination of EU statistics;
- Analysis;
- Co-operation
- EDICOM program.[1]

20. Eurostat Directorate F operates in this area of responsibility in close collaboration with other Eurostat services and with the other Directorates General with an interest in the use of statistics on international trade in goods.

21. Co-operation between Member States and Eurostat is full and regular. It has been formalised by the creation of working parties and management committees. Where discussion is directed toward the creation or amendment of Council, European Parliament or Commission regulations serving as a basis for statistics, the procedures naturally follow those appropriate for EU legislation more generally.

1.5 Legal background

1.5.1 General

22. Eurostat is responsible for harmonising Community legislation in the field of statistics on the trading in goods and ensuring that the legislation is applied

[1] A set of actions relating to the trans-European network for the collection, production and dissemination of statistics on the intra- and extra-EU trading of goods (Edicom)

correctly. The statistics to be provided to Eurostat 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. Different legislation applies to statistics on trade between Member States (known as "intra-EU trade statistics" or "Intrastat") and trade between Member States and countries that are not members of the European Union ("extra-EU trade statistics" or "Extrastat").

23. A complete pool of texts regarding Community legislation in the field of external trade statistics is published by Eurostat and all legal texts of the community are accessible on Eur-Lex. The position, however, is not static with new legislation regularly being updated and adapted to reflect new needs and to further harmonise practices. Indeed, a revised legislation for intra Community trade statistics entered into force in January 2005 and a revision of the regulations on extra Community trade is planned for 2007.

24. The user of trade statistics does not require a detailed knowledge of this legislation. The consequences of the legislation in terms of issues of concern to the user, such as the trade systems and classifications used, are set out in Section 2 – Methods – below.

1.5.2 Intra-European Union trade

25. Statistics on trade between the Member States of the European Union are based on a European Parliament and Council Regulation (EC) No 638/2004 of 31 March 2004and on the implementing Commission Regulation (EC) No 1982/2004 of 18 November 2004 which lay down or supplement the rules on methodology, thresholds and specific movements. The Intrastat system, which was created as a means of collection of these statistics, came into operation on 1 January 1993. Its main features are given in the following paragraphs.

26. It provides for **direct collection of information from trade operators,** which send the relevant national administration a summary declaration for the previous month's operations. In France and Italy, these declarations also serve statistical and fiscal purposes.

27. It is based on **a close link with the VAT system** relating to intra-EU trade. The tax authorities of the Member States are required, at least once every quarter, to transmit to the statistical services a list of operators who have made purchases or sales and the value of these operations, so that the exhaustiveness and quality of the statistical data can be checked.

28. It aims **to reduce the burden on trade operators as far as possible**. For all trade operators involved, Intrastat meant a lighter workload compared with the previous system. The application of a threshold system meant, in practice, that very many operators were exempted from any formalities or the information which they had to provide was significantly reduced. The burden on providers is regularly reviewed.

29. Measures to **modernise data collection production and dissemination** have been introduced as part of a program called EDICOM. Numerous tools were developed. They were intended for both the information providers (for example, IDEP software helping in the compilation of declarations) and the national statistical services (collection and processing of statistical data).

1.5.3 Extra-European Union trade

30. Statistics on the European Union's trade with non-member countries are currently based on Council Regulation (EC) No. 1172/95 (consolidated version) of 22 May 1995, the implementing Commission Regulation (EC) No 1917/2000 of 07 September 2000 and two amending Commission Regulations ((EC) No1669/2001 on the threshold and (EC) 179/2005 on the transmission delay). Two features of Regulation 1172/95 deserve special mention.

31. The subject of extra-EU trade statistics and the information which they contain are defined with reference to the legislation and **customs procedures,** whereas the collection of data is based mainly on the Single Administrative Document (SAD).

32. 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 at Community level. Similarly, particular requirements 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', for example, military goods and postal consignments (see 2.5). Some Member States also compile statistics on transit, customs warehouses and free zones.

1.5.4 Other Community legislation

33. There is a range of other legislation which has relevance to statistics on trading in goods:

- Council[2] regulations relating to EU statistics, which provide a reference framework for all statistics, including those for trade;
- Customs regulations, particularly the community customs code and regulations for product nomenclature;
- Decisions regarding the electronic exchange of information that serves as a reference framework for the Edicom program.

1.5.5 International recommendations and provisions

34. In addition to the EU legal requirements there are a number of international recommendations and conventions relevant to this topic although they do not generally have direct legal force. Among them, many recommendations, as noted in 2.0 below, are contained in the United Nations Statistics Division publication *International Merchandise Trade Statistics: Concepts and Definitions (Series M, No 52, Rev.2)* (IMTS); *1998* and the *International Merchandise Trade Statistics: Compiler Manual; 2004* which represents an international reference publication on this subject.

35. A set of definitions concerning Customs issues that are relevant for some data on trade statistics is given within the Kyoto Convention (*International convention on the simplification and harmonisation of customs procedures*).

[2] n°322/97 of 17.2.97 JO L52 of 22.2.97

1.5.6 National legislation

36. While EU legislation harmonised most important aspects of the data that are compiled by Member States for transmission to Eurostat, members of the EU have the freedom to publish national statistics on alternative bases. Where such distinctions are important they are discussed in the relevant part of the guide (see 2.18).

37. Member States draw up their own instructions or national regulations. It is not the purpose of the guide to set out this legislation which may be available, however, from the national authorities listed in Annex 1.

2 METHODS

2.1 General

38. The statistics of trading in goods by the European Union (EU) cover both outward flows from Member States and inward flows into Member States. Methodology differs in a number of ways for external trade of the EU (extra-EU trade) or for trade between Member States (intra-EU trade).

39. In broad terms, outward flows from a Member State to a non-member country are called "exports": outward flows from one Member state to another are called "dispatches". Inward flows from a non-member country are called "imports": inward flows from another Member State are called "arrivals".

40. There is a range of methodological issues relevant to the definition and measurement of these international trade flows. These are considered fully in the United Nations Statistics Division publication *International Merchandise Trade Statistics: Concepts and Definitions (Series M, No 52, Rev.2)* (IMTS) which sets out internationally agreed recommendations for the treatment of the various issues.

41. Both the EU legislation and national practices are for the most part in line with the recent recommendations of the United Nations (1998). But there are some differences. This guide concentrates on describing the Community rules.

42. Community rules differ as between intra-EU trade and extra-EU trade. The following sections describe the main features of the largely harmonised statistics on trade in goods as published by Eurostat. It should be noted, however, that data published by individual Member States of their own trade do not always follow the concepts and definitions applicable for data transmitted to Eurostat. The main differences are mentioned in 2.18.

2.2 Trade systems

2.2.1 General trade and special trade

43. There are broadly two approaches, closely linked with customs procedures, used for the measurement of international trade in goods. These are the general trade system and the special trade system.

44. The general trade system is the wider concept and under it the recorded aggregates include all goods entering or leaving the economic territory of a country with the exception of simple transit trade. In particular, all goods which are received into customs warehouses are recorded as imports at that stage whether or not they

subsequently go into free circulation in the Member State of receipt. Similarly, outgoing goods from customs warehouses are included in the general trade aggregates at the time they leave the Member State.

45. The special trade system, on the other hand, is a narrower concept. Goods from a foreign country which are received into customs warehouses are not recorded in the special trade aggregates unless they subsequently go into free circulation in the country of receipt (or are placed under the customs procedures for inward processing). Similarly, outgoing goods from customs warehouses are not recorded as exports.

46. The differences between the two systems cause in particular a time lag when the movements are recorded, but it is more than that. For example, goods from country A, placed in a customs warehouse of country B and re-exported from there to country C will appear in general trade statistics for country B (if such a system is applied) but never in special trade statistics for that country.

47. Statistics on extra-EU trade are compiled on a special trade basis. Intra-EU trade statistics, however, which are defined specifically in terms of the Intrastat system and do not have a direct link to customs procedures, are not compiled on a general or special trade basis.

48. For their national figures of extra-trade, however, Denmark, Spain and Ireland and publish only according to the general trade system but provide extra-EU trade data to Eurostat on a special trade basis. Germany, Estonia, Cyprus, the Netherlands and the United Kingdom publish trade figures as well on a general and a special trade basis.

49. All Member States base their measurement of intra-EU trade on Intrastat system rules. However, the United Kingdom publishes their national figures of intra-EU trade fully on a general trade basis, including goods under custom control. They differ, therefore, from the figures they provide to Eurostat.

2.2.2 Intra-European Union trade

50. Intra-EU trade statistics record the arrival and dispatch of goods flowing between Member States according to the rules of the Intrastat system.

51. **Arrivals** in a given Member State include:

    a) goods in free circulation which enter the statistical territory (see 2.6 below) 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) Some goods movements are included in statistics based on specific conditions (see 2.5 below). In particular, aircraft and ships whose ownership has been transferred from a person established in another Member State to a person established in the Member State in question are included in the statistics of arrivals of this latter Member State.

52. **Dispatches** from 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) Some goods movements are included in statistics based on specific conditions (see 2.5 below). In particular, aircraft and ships whose ownership has been transferred from a person established in the Member State in question to a person established in another Member State are included in the statistics on dispatches of the former Member State.

53. Statistics do not cover goods in transit, that is goods that are merely passing across a Member State, by any means of transport, but are not stored there for any but transport reasons.

54. Diagrams illustrating the procedure for the statistical recording of arrivals and dispatches are given in Annex 2.

2.2.3 Extra-European Union trade

55. Extra-EU trade statistics record goods imported and exported by the European Union.

56. **Imports** into a given Member State include :

a) goods which enter the statistical territory of the Member State from a non-member country and are:

- placed under the customs procedure for release into free circulation (goods that will 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 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) some movements of goods are included in statistics based on specific conditions (see 2.5 below). In particular, aircraft and ships whose ownership has been transferred from a person established in a non-member country to a person established in the Member State in question are included in import statistics of this Member State.

57. **Exports** from a given Member State include:

a) goods which leave the statistical territory (see 2.6 below) of the Member State bound for a non-member country after having been placed:

- under the customs export procedure (final export, export following inward processing, etc.); or

- under the customs outward-processing procedure (usually goods destined to be processed, transformed or repaired for subsequent re-import).

b) some goods movements are included in statistics based on specific conditions (see 2.5 below). In particular, aircraft and ships whose ownership has been transferred from a person established in the Member State in question to a person established in a non-member country are included in export statistics of that Member State.

58. Extra-EU trade statistics do not, therefore, record exchanges involving goods in transit, placed in a customs warehouse (purely for storage) or given temporary admission (for trade fairs, temporary exhibitions, tests,…).

59. Diagrams of the procedure for the statistical recording of imports and exports are given in Annex 2.

2.3 Coverage

60. In broad terms, the aim of international trade statistics is to record all imports or exports of goods that add to or subtract from the stock of material resources of a country.

61. There are inevitably some problems in practice in defining the precise boundary that corresponds to the theoretical aim and more so in implementing the regular, timely and detailed production of monthly data.

62. The coverage of the statistics that are required to be sent to Eurostat follows almost entirely from Community legislation although on a few points the interpretation is implicit rather than explicit. The following paragraphs indicate the major areas that may raise problems.

63. **Barter trade** is included (although there are inevitably some problems of valuation).

64. Goods on **consignment** are included. (Goods on consignment are goods intended for sale but not actually sold at the time they cross the frontier).

65. Goods on **operational lease** are generally excluded but are included in their national figures and in the figures that they provide to Eurostat by France, Greece and Sweden.

66. **Goods on financial lease** are generally included. (A financial lease effectively transfers the ownership of the goods to the lessee).

67. **Goods traded between enterprises under common ownership** are included (although this may raise problems of valuation).

68. **Goods traded on government account** are generally included.

69. Trade in **electrical energy** – and indeed gas and water - is included (even though electrical energy might not be intuitively seen as a physical good).

70. **Goods in transit** (either in simple transit or transit involving transhipment) across the European Union area are not included in trade statistics. However, goods which enter the European Union area are released into free circulation and are then transferred from the Member State of entry to another Member State or, conversely, originate in one Member State but leave the European Union area

through another where customs procedures are carried out, must be included in statistics.

71. Eight Member States (Denmark, Spain, Luxembourg, Hungary, the Netherlands, Austria, Poland and Slovenia) do not follow this practice in their national figures and goods in transit are excluded from statistics. Before 1998 Belgium also did not cover these flows. (see Annex 6)

72. Statistics do not generally include **illegal trade**, for obvious practical reasons, although figures for Germany include illegal trade that has been discovered.

73. **Maintenance and repair trade** was included up to December 2004 for Intra-EU trade and is now excluded. Maintenance and repair trade for Extra-EU trade is still included.

2.4 Exclusions

74. The implementing Regulations covering the compilation of intra-EU and extra-EU trade statistics contain explicit exclusions lists, which are very similar (see lists in Annex 4).

75. The list of exclusions also includes means of payment which are legal tender and securities and monetary gold. Monetary gold is gold effectively held by a country's authorities as a reserve asset. Trade in "non-monetary gold" is, therefore, included; the United Kingdom is unable for practical reasons to include monetary and non-monetary gold held as a store of value; both are therefore excluded by this Member State.

76. Trade data generally reflect the coverage implied by the list of exclusions although for Greece which, for practical reasons, includes goods on temporary admission in their main national figures, the EU data also include these goods.

77. It should be noted that statistics of intra-EU trade do not cover transactions between private individuals.

2.5 Specific movements

78. Specific movements are defined within Community legislation as 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 originates the movement, or the exporter or importer of the goods.

79. They are often categories of goods where the general guidelines given above may not entirely clearly indicate whether the categories should be included or excluded from trade statistics. They may also be categories where there are particular difficulties of data collection.

80. These "specific movements" of goods as currently defined in the Community legislation are:-

    a) industrial plants;

    b) vessels and aircraft;

    c) electricity

d) sea products;

e) ships' and aircraft's stores and supplies;

f) staggered consignments;

g) military goods;

h) offshore installations;

i) spacecraft and spacecraft launchers;

j) motor vehicle and aircraft parts;

k) postal consignments (extra-EU trade only);

l) petroleum products (extra-EU trade only);

m) waste products.

81. The collection and processing of information relating to these goods are generally covered by special rules. For both intra-EU trade and extra-EU trade, harmonised rules are contained within the regulations for (a) and (b) and (e) to (i) above. Intra-EU legislation determines as well the treatment of (c), (d) and (j). In the absence otherwise of harmonised statistical rules at Community level, national special provisions are applicable.

82. Some of the trade involving specific movements of goods is included in statistics published by Eurostat under alphanumeric codes (see Annex 5) rather than relevant headings of the numeric product nomenclature.

2.6 Statistical territory

83. The statistical territory of the European Union (and its Member States) corresponds generally to its customs territory. However, the statistical territory (but not the customs territory) of Germany includes Heligoland.

2.7 Nomenclatures and classifications

2.7.1 General

84. The basic classifications to be used for trade statistics are laid down in Community legislation and are necessarily used by all Member States. These classifications are discussed in the following sub-sections.

2.7.2 Product classifications

2.7.3 Combined Nomenclature

85. The most detailed results which 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 Commodity Description and Coding System, or more simply the Harmonised System or HS, includes more than 10 000 eight-digit codes.

86. Some changes are made to CN once a year to ensure that it is kept up date to reflect developing technology and trade exchanges. Diverging interests exist between users, who as a general rule seek more detail, and providers who would prefer to give less.

87. 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 database on detailed data and at COMEXT (see Annex 5).

88. The shape of the HS and CN classifications is illustrated in the following table.

Architecture of the classification (in 2005)

Nomenclature	Levels of breakdown	Code	Number
Harmonised System (HS)	Section	One digit	21
	Chapter	Two digits	99
	Heading	Four digits	1 244
	Sub-heading	Six digits	5 224
Combined Nomenclature (CN)	Sub-heading	Eight digits	10.096
SITC	Section	One digit	10
	Division	Two digits	67
	Group	Three digits	261
	Sub-group	Four digits	1 033
	Sub-heading	Five digits	3 118

89. As an example of the 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.

2.7.4 TARIC

90. Results are also available at Eurostat in accordance with TARIC sub-headings (Integrated Tariff of the European Communities), although these data cannot be accessed by the general public. TARIC applies only to imports (that is flows from third countries) and concerns Community measures such as quotas or preferences. Each TARIC code comprises 10 digits (a sub-division of a CN eight-digit code).

2.7.5 Standard International Trade Classification

91. The HS and CN are in a sense multi-purpose classifications for both Customs and statistical applications. They are therefore concerned heavily with the nature or material of the products. For analytical purposes alternative classifications may be used. Certain results are presented in accordance with the Standard International Trade Classification (SITC Rev. 3), which is managed by the United Nations. Aggregated data on trade are often presented by the one and two digit categories of the SITC. An example of a 1-digit category (section) is "chemical products" and of a 2-digit category (division) "medicinal and pharmaceutical products".

92. The adoption of the HS in 1988 necessitated a revision of the SITC. This latest version (Rev. 3) adopts the structure of the HS, so that the smallest modules of the SITC Rev. 3 are defined by HS sub-headings. A link is available from SITC Rev.3 to CN.

2.7.6 Other product classifications

93. Before the adoption of HS and CN, external trade statistics used a product classification called **Nimexe.** This is not used any more but users may come across some historic series in terms of this classification.

94. Data on foreign trade may sometimes be published and analysed by a number of other classifications all of which can be related to the finest CN headings that are used to collect the basic data. The following classifications may be encountered by the user.

95. The **Classification by Broad Economic Categories** (BEC) permits the conversion of international trade data compiled on the SITC into end-use categories that are more meaningful for economic analysis and within the framework of the System of National Accounts (capital, intermediate and consumer goods).

96. The BEC includes nineteen basic categories. The allocation of components of the SITC to BEC is carried out on the basis of the main end-use of the commodities in each SITC, Rev.3, basic heading, although it is recognised that the use of many commodities that are traded internationally, for example passenger cars, may vary.

97. The **Classification of Products by Activity in the European Economic Community (CPA 2002)** is a European version of the **United Nations' Central Product Classification (CPC)** but arranged so that each product heading is assignable to a single heading of the European activity classification NACE Rev 1.1. (See below). A further product classification related to the CPA which is used for studying industrial production is the PRODCOM list. The relationship between the classifications PRODCOM and the CN mean that it is possible to compare external trade and domestic production of individual goods at a fine level of detail.

2.7.7 Classification by activity

98. The classification of activities is NACE Rev 1.1 which was made obligatory in the European Union from January 1993. It is not a classification of products but of economic activities that create products. However, it is possible to associate the sub-headings of the CN with the activities or industries indicated in NACE Rev 1.1 and so create an analysis of foreign trade in terms of headings of NACE Rev 1.1 that are familiar to many users of industrial statistics.

99. However, it is important to note that such a figure of, say, exports for a particular industry does not represent the exports of that industry when it is defined in the usual business statistics way as the aggregate of statistical units classified to that particular industry. This is because an industry in general makes (and exports) some products that are the products of other industries. Similarly, the analysis of imports may generate confusion.

2.7.8 Nomenclature of countries and territories

100. The nomenclature of countries and territories for the external trade statistics of the Community and statistics of trade between Member States - known as the "Geonomenclature" is an essential element in compiling these statistics. In particular, it makes it possible to identify those involved in trade, i.e. the reporting country and the partner country. If necessary the geonomenclature is subject to annual revision in order to incorporate the adjustments needed for statistical purposes and to take into account any geopolitical changes.

2.8 Reference period

101. **Intra-EU trade statistics** are compiled monthly. Information is generally recorded in the calendar month in which the goods were traded or, failing that, in the following month. The reference period might be assigned by the Member States to a given month on the basis of the date on which Value Added Tax becomes chargeable on intra Community acquisitions.

102. **Extra-EU trade statistics** are also compiled monthly. The reference period in theory is again 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.

103. For balance of payments purposes, the reference timing is that of change of ownership. In practice, it would be difficult to operate such a definition for international trade figures and in any event that would not in theory be such a satisfactory definition for those interested in the transport aspects of the trade data. However, it is believed that the definitions used generally coincide with the timing of ownership changes, although by no means always.

104. In Eurostat publications, quarterly and yearly data are formed from the aggregation of the relevant months. National practices in the treatment of revisions and corrections, however, may mean that the position is more complex and figures for a quarter or a year may be published which are not exactly the aggregates of published monthly figures.

2.9 Statistical thresholds

2.9.1 General

105. In order to limit the burden on businesses of providing information on trade, while at the same time maintaining an acceptable quality of data, a system of thresholds is operated for both intra-EU trade and extra-EU trade below which no information, or reduced information, is collected.

2.9.2 Intra-EU trade thresholds

106. In order to reduce the burden on enterprises, particularly small and medium sized ones, the Intrastat system is designed so that the workload for information providers varies according to the amount of trade in which they are engaged. To achieve this, each Member State applies a system of thresholds aimed at guaranteeing a satisfactory quality of statistical data and limiting the workload for companies. (The adjustments carried out by some Member States to estimate for

information not collected because of these thresholds are discussed the Quality Report of foreign trade statistics)

107. There are various types of threshold. They are discussed in the following paragraphs.

108. It has already been mentioned that intra -EU trade statistics do not cover arrivals and dispatches carried out by private individuals. In addition, small businesses which are exempt from periodic value added tax declarations are also exempted from Intrastat declarations.

109. Exemption thresholds: Enterprises who never achieved this threshold in acquisition or dispatches do not have to compile Intrastat declarations. Their periodic VAT declarations will be taken for the statistical declarations. Coverage above the threshold, all partners included, must be at least 97% of the total trade

110. Simplification thresholds: Enterprises having a level of acquisitions or dispatches above the exemption threshold, but below the simplification threshold, may provide only a limited data set. They may report only on "product", "partner country" and "value". The trade of these Parties responsible for providing information may not exceed a maximum of 6% of the total trade of the Member State [Only FR, SK and LU use it].

111. Small transaction threshold: Depending on National Authorities, Parties responsible for providing information could group together transactions with individual values less than 200 Euro, reporting only on "product code 99 50 00 00", on "partner country" and on "value".

112. Statistical Value threshold: Member States may collect the statistical value of the goods from part of the data providers whose trade shall amount to a maximum of 70 % of the relevant Member State's total trade expressed in value.

113. The thresholds applied by the individual Member States are agreed on annually. Those in operation since 2000 are set out in the Quality Report of foreign trade statistics.

2.9.3 Extra-EU trade threshold

114. Extra-EU trade statistics do not cover imports and exports whose value and net mass are lower than statistical thresholds fixed by Member States within the limits permitted by Community legislation. The limits in the legislation are fixed so that no export or import with neither net mass of more than one tonne nor a value of more than 1000 euros need be recorded. Since 2002, legislation, however, requires Member States to adjust their statistical data to incorporate trade below the threshold in their total results.

115. The amount of trade below the thresholds adopted by the Member States is generally below 1% for both imports and exports. The amount may be higher for some particular products.

2.10 Statistical data

2.10.1 Intra-EU trade data

116. The main statistical data published by Eurostat for intra-EU trade are as follows:

- the declaring Member State
- the reference period
- the flow
- the product, as defined in the Common Nomenclature
- the trading partner (see 2.11)
- the statistical value (see 2.12)
- the net mass (in tonnes) (see 2.13.1)
- the quantity in any supplementary units (litres, number of parts, etc.) (see 2.13.2)
- the mode of transport (see 2.14.1)

2.10.2 Extra-EU trade data

117. All the data described in paragraph 118 are also available for extra-EU trade. In addition data are available to the public for trade with third countries on:-
    - the statistical procedure (see 2.11)
    - the nationality of the means of transport at the frontier (see 2.15)
    - whether or not the goods are transported in a container (see 2.15)
118. Information on tariff data (TARIC, preference) is also available in COMEXT, but access is restricted to public authorities.

2.11 Statistical procedure

2.11.1 General

119. Within extra-EU trade, goods may be transferred from a Member State to a third country, or the other way around, under Customs control, and then return to the country of departure. Community legislation requires that these transfers are classified in various categories. These categories are known as statistical procedures, following from customs procedures.
120. The procedures are described in the paragraphs below. It should be noted that the application of a procedure is independent of the nature of the transaction concerned (purchase/sale, processing under contract, etc.). In particular, some of the goods traded for processing, in the more general economic sense of the term, are included under normal imports and exports.

2.11.2 Normal imports and exports

121. Normal imports and exports are mainly goods exported definitively, or released into free circulation, either directly or via a customs warehouse.

2.11.3 Inward processing trade

122. The inward processing procedure makes it possible to import goods temporarily so that they can be processed (assembled, transformed or repaired) and then to export the resulting compensating products, while benefiting from an exemption

from duties, levies or checks which would be carried out under the trade policy normally applicable to imported goods.

123. 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.

124. The 'drawback system' covers goods in free circulation, with a reimbursement of, or rebate on, import duties relating to these goods if they are exported outside the European Union customs territory as compensating products.

125. Data are available separately on:

- Imports for inward processing (suspension system)
- Imports for inward processing (drawback system)
- Exports after inward processing (suspension system).
- Exports after inward processing (drawback system)

2.11.4 Outward processing trade

126. 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' variant is applicable to all other products.

127. Data are available separately on:-

- Imports after outward processing
- Imports after outward processing for textiles
- Exports for outward processing
- Exports for outward processing for textiles

2.12 Partner country allocation

128. For exports and dispatches, the trading partner is in principle the country (or Member State) of final destination of the goods (as it is known at the time of export/dispatch). This practice is also applied by all Member States in their national figures.

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

130. In certain well defined cases (returned goods, goods which have been processed in a third country, works of art), the partner country required for imports is the country of consignment.

131. For arrivals (intra-EU trade), the trading partner is the Member State of consignment of the goods. This is the Member State from which the goods were despatched without some halt or legal formality in another country apart from any

for transport reasons. Conversely, if there was such an operation in another country, that country becomes the Member State of consignment.

132. The method of trade allocation to a partner country is one major reason for problems that arise with the comparison of national and community figures. (See 2.18)

2.13 Valuation

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

134. The statistical value is based on the customs value 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 may be calculated by the national authorities from the invoiced amount given in the declaration.

135. In the case of goods imported or exported for processing, it is always the total value of the goods which should be entered, before and after processing, not just the value added by the processing procedure.

136. Values are collected in the national currency. In the Eurostat publications, they are expressed in multiples of euros. The currency conversion is based on the monthly average of the conversion rates or for recent figures the fixed conversion rates from national currencies to euros.

2.14 Quantity measurement

2.14.1 Net mass

137. The most common unit of measurement of quantity used in the collection of trade data is the net mass. This was collected for all goods until 1997. Since then it has not been required for certain categories of goods in intra-EU trade when it is not the most suitable quantity unit.

138. The net mass is the net mass of the goods without packaging. It is collected in kilograms but in publications it is usually expressed in tonnes.

2.14.2 Supplementary units

139. Supplementary units are units other than the net mass, for example, litres, number of parts or square metres. They have to be indicated for certain goods where they are deemed useful. The appropriate supplementary unit is given, where relevant, in the published version of the Combined Nomenclature.

140. There can of course be differences of scale between the units collected and forwarded to Eurostat and those appearing in the publications (for example, hectolitre is used instead of litre). Extra attention is, therefore, necessary.

2.15 Transport data

2.15.1 Mode of transport

141. The "mode of transport" at the frontier is one of the statistical data that are available for both intra-EU and extra-EU trade; however, from 1 January 2001, the collection of mode of transport in intra-EU trade has been optional for Member States and applies only to those providers above a certain threshold.

142. The mode is defined for exports/dispatches as the active means of transport with which goods are presumed to leave the statistical territory of the Community for exports or of the Member State of dispatch for dispatches. For imports/arrivals it is defined as the means of transport with which the goods are presumed to have entered the statistical territory of the Community for imports or of the territory of the relevant Member State for arrivals.

143. The modes of transport put forward to be distinguished by the Community legislation are:

- Sea transport
- Rail transport
- Road transport
- Air transport
- Postal consignment
- Fixed transport installations
- Inland water transport
- Own propulsion

Further detail may be collected by Member States.

2.15.2 Nationality of means of transport

144. For extra-EU trade, data are collected on the nationality of the means of transport at the Community frontier when the transport is by sea, road, air or inland waterway.

2.15.3 Containerisation

145. Again for extra-EU trade, information is collected on whether or not goods are transported in containers (except for postal consignment or the own propulsion category).

2.16 Confidentiality (methodology)

2.16.1 Confidential data

146. As a general definition, data used by the national and Community authorities for the production of Community statistics are considered confidential when they allow statistical units to be identified, either directly or indirectly, so disclosing individual information. The precise operational criteria determining which statistical data are considered confidential are fixed by each Member State in the light of national legislation or practice.

147. Data can be classed as confidential for all types of trade flows (imports, exports, arrivals or dispatches); confidentiality can concern both value and quantity variables, all the partner countries or a particular partner country. The considerable amount of detail of external trade data that combines the products of the Combined Nomenclature with partner country means that the potential for the creation of confidential data is extremely high.

2.16.2 Passive confidentiality

148. For statistics on trading in goods Member States generally apply the principle of "passive confidentiality", that is they have to take appropriate measures only at the request of importers or exporters who feel that their interests would be harmed by the dissemination of the data.

2.16.3 Active confidentiality

149. Passive confidentiality is therefore different from "active confidentiality", where the statistical service takes the initiative in acting on a potentially disclosive situation.

2.16.4 Product confidentiality

150. Information about a product being traded may be regarded as commercially sensitive by the information provider for either the value of trade, the quantity of trade, or perhaps the ratio between the two since this would give an indication of price of the product. There are various ways in which the nature of the product can be concealed although at the cost of a loss of information to the user of the statistics. These methods are discussed further in 4.4.

2.16.5 Country confidentiality

151. Alternatively, in addition, the information provider may regard the origin or destination of a good as commercially sensitive.

2.17 Statistical discrepancies and asymmetries

2.17.1 Asymmetries and "mirror" statistics

152. Users interested in the flow of trade from country A to country B may examine exports from A to B (as reported by A) or imports into B from A (as reported by B) or both. They may use national figures, Eurostat data or those of other international organisations. Each source is likely to give to some extent different data. This causes uncertainty and difficulties for the user.

153. The existence of these discrepancies is an obstacle for the user who may have little way of deciding which source to prefer. But it also represents the starting point for detailed comparison that may help to improve the measurement of flows.

154. In bilateral comparisons it is advisable first to ensure that the comparisons are possible in the sense that data are legitimately comparable. In particular, it is difficult to make comparisons of flows that do not follow from the same basic concept (for example external trade and balance of payments).

155. Problems can arise concerning aggregated data for the "European Union". The exports of the EU to the rest of the world are clearly not the same as the sum of

the total exports/dispatches of each Member State since the latter includes intra-EU trade.

156. Bilateral comparison in the form of “mirror” exercises is a traditional tool for detecting the causes of differences in statistics.

157. "Mirror" statistics may be compiled for extra-EU or intra-EU trade statistics, using either national data or harmonised data. Some sources of asymmetries are common to all these data sets, while others have an impact on a specific one only. "Mirror" statistics of conceptually harmonised Intrastat data should generally be less affected by asymmetries than those for extra-EU trade.

2.17.2 Intra-EU statistical discrepancies

158. In theory, intra-EU statistics of Member States are easily compared – in particular if the COMEXT source or the data f is used rather than national figures, since:

- the data to be compared are drawn up on the basis of a broadly common methodology and common definitions;
- the problem of the FOB and CIF valuations generally plays a smaller role in view of the geographical context and the structure of intra-Community trade;
- given the rules for determining reference periods, time delays should not have a such a large impact - at least on annual results;
- the trading partner for arrivals is always the Member State of consignment, not the country of origin of the goods.

159. However, since the Intrastat system came into operation, bilateral comparisons have revealed major and persistent discrepancies in the various Member States’ intra-EU trade statistics. The main reasons are given in the following paragraphs.

160. Intrastat is based on a system of thresholds (see 2.9 and 4.3) which makes it possible to exempt two-thirds of operators (especially small and medium-sized enterprises) from statistical formalities. For a given transaction, therefore a company might be required to provide statistical information in one Member State, whereas its supplier or customer in another Member State is exempted. The coverage of trade, after application of the statistical thresholds, has varied between 93% and almost 100% depending on the Member State and should be above 97% for each Member State since the beginning of 2005. The imbalance caused by the thresholds can be reduced at a global level by means of adjustments. Since January 2005 the principle of full coverage is in force which implies that Member States should estimate undeclared trade (including trade below threshold) at least at chapter level and by partner country.

161. The phenomenon of late or non-response by certain companies is a serious weakness in the Intrastat system. The non-response rate has decreased since 1993, but remains high, with over 10% of companies failing to provide information. This represents about 3-4% in terms of value at Community level. There does not appear to be a significant downward trend in this rate. The majority of Member States try to offset the loss of coverage by means of adjustments (ranging from less than 1% to 14% of the trade value).

162. It is possible that an operation is not published by one of the two partners because of statistical confidentiality but is by the other. However, the application of confidentiality procedures should not generally affect the results for total trade.

163. Although adjustments (see 4.2) are carried out designed to improve the quality of the statistics and compensate for the negative effects of non-response and thresholds, they do not completely avoid inconsistencies between the statistics of the various Member States.

164. 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 is generally the month in which the goods are exchanged or, at worst, the following month. However, misapplication of the rules and delays in the data processing can have a non-negligible impact on monthly statistics.

165. Classification of products under one of over 10 000 sub-headings in the Combined Nomenclature can be a problem for businesses - particularly those which are not computerised. The result can be errors and discrepancies at the most detailed level.

166. Although intra-Community trade statistics are based on a methodology which is harmonised to a great extent, there are still a number of specific movements for which, in the absence of common rules, national practices diverge. In particular, in certain cases, simplifications may be allowed which can affect comparisons of results at the most detailed level (see 2.5).

167. Valuation of transactions is one of the main reasons for discrepancies, particularly the use of different methods for calculating the statistical value of dispatches (FOB value) and arrivals (CIF value).

168. Triangular trade can affect comparisons of both intra- and extra-EU trade. In the intra-EU context triangular trade is said to exist in the case of a company in Member State A which sells goods to a company in Member State B, which in turn sells them to a company in Member State C, although the goods are "physically" forwarded only once - from A to C.

169. 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, a considerable risk that A or C will regard Member State B as its trading partner.

170. An example illustrating another problem linked to indirect movements, in particular when combined with the special treatment of transit trade adopted by some Member States is given below. (For background see 2.3). The phenomenon described is known as the "Rotterdam" effect.

Japanese goods are imported into Europe; they are released for free circulation in the Netherlands, and 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 the Netherlands as the declaring Member State, since the customs declaration is made there);
- dispatch (intra) from the Netherlands to France;
- arrival (intra) in France.

For Netherlands national statistics, no trade is recorded, as the import from Japan and dispatch to France is regarded as transit trade.

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.

2.17.3 Extra-EU statistical discrepancies

171. A comparison of the statistics on extra-EU trade with the figures published by non-member countries for the same trade flows inevitably shows some discrepancies. These exist whether national or Community sources are used.

172. Many of these differences can be largely explained by the following factors:

- Methodological differences: trade coverage, definition of partner country, definition of statistical territory, different valuations in theory or practice particularly the difference between FOB and CIF valuations;
- Time lag: the same operation can be recorded under a different reference period because of transport times or also because of processing delays;
- Statistical confidentiality: the same operation cannot be recorded in the trade of one of the two partners because of statistical confidentiality (or the procedures used to avoid disclosure may differ);
- Different practices in the treatment of revisions;
- Problems of currency conversion.

173. These practical and methodological issues can give rise to considerable discrepancies. Eurostat regularly performs a reconciliation of EU trade statistics with those of its main trading partners (for example, USA, Canada and Japan) in order to measure and, so far as possible, explain differences .

2.18 Methodological differences

2.18.1 Differences between Community and national figures

174. There are differences between the methodology applicable to trade statistics published by Eurostat (known as Community figures) and those published by

Member States. The differences exist because, while the information provided to Eurostat is largely harmonised, Member States may publish data based on different concepts and definitions. Some of these differences have been mentioned in Section 2 and the most important identified there. They are summarised here. Member States may publish more than one version of their trade figures or may separately publish information which could be used for different purposes. The comparisons that follow are made with what is regarded as their main data.

175. The main sources of conceptual differences between national and Community figures are given in the following paragraphs.

176. *Treatment of goods in transit***.** Goods in transit through the European Union (both simple transit and transit with transhipment) are not included in trade statistics. However, goods which enter the European Union through one Member State where they are released for free circulation before being transferred to another, or originate in one Member State and leave the EU through another where exports customs formalities are carried out, should be covered in Community data by both Member States. However, eight Member States do not currently follow this practice at national level.

177. *Trade system*. For extra-EU trade, three Member States use a general trade system completely for their national figures while providing data on a special trade basis to Eurostat. The position is different for intra-EU trade, with only one Member State (The United Kingdom) publishing its figures on a general trade basis but sending data to Eurostat following the Intrastat regulations.

178. *Partner country – arrivals:* Czech Republic, Germany, Spain, France, Ireland Austria and Poland use country of origin as criterion for their national figures, but provide data to Eurostat on a country of consignment basis.

179. It is worth noting that coverage differences, in the sense of the inclusion or exclusion of particular products, do not contribute significantly to the differences in sources. Even if there is some lack of harmonisation in the treatment of some movements or goods, almost always there is a correspondence between the treatment adopted for national figures and that used for data transmitted to Eurostat. An abstract on conceptual differences between national figures and those sent to Eurostat by Member States could be found in Annex 6.

2.18.2 Differences between Community figures and other international sources

180. No changes are made by Member States in passing data to UN, OECD or IMF. The differences that exist between data published by Eurostat and those published by Member States will therefore exist between Eurostat data and that published by these other international organisations.

181. There are two other practical reasons for discrepancies between the data published by the various international organisations.

182. The first is the issue of revisions. The national practices in revising data to correct past estimates are complex and vary between Member States as does their practice in providing revisions to Eurostat and other international organisations. It is clear that against this background it is likely that the data published by different organisations and related to different generations of data may differ.

183. Having a less important effect, methods to convert national data onto a common currency – euro for Community figures, dollars for other sources – may be different. For example, if the data flow to an international organisation is only annual, it seems the conversion must be carried out with an annual factor. This will produce different results from conversion on a monthly basis; the latter - used by Eurostat - is of course preferable.

184. These data management problems are regarded as major contributory factors to the differences. An agreement has been reached to limit the problem laying down that UN will obtain data from OECD and this organisation will be provided with totals for the EU and for the euro-zone by Eurostat.

185. However, users of multiple sources should be aware of these problems. The selection of a source may be based on other factors such as how old, how detailed or how up-to-date the information available is. From this standpoint it is worth noting that the Community database an detailed data is based on a regular monthly flow of data that should allow revisions to be taken on a regular basis.

3 DATA COLLECTION

3.1 General

186. This guide is aimed at users of trade statistics and does not have the objective of giving a detailed description of collection procedures. Nevertheless in this section a little general information is given on this issue.

187. A fundamental aspect of those procedures is that intra-EU flows are measured twice by Member States – both as dispatches and as arrivals.

3.2 Data sources

188. Information on extra-EU trade is collected by the Member States from the statistical copy of the customs declaration (SAD). Several Member States use simplified collection procedures (for example, electronic declarations), which do not generally affect the content of the information forwarded to Eurostat.

189. Information on intra-EU trade is collected by the Member States using the various media placed at the disposal of the information providers. These may be paper or electronic declarations provided for at national level. The declarations are addressed directly to the competent national administrations.

190. The information providers are generally enterprises of a sufficient size according to the thresholds system implemented within the framework of Intrastat.

191. For intra-EU trade (and to a lesser extent for extra-EU trade) there are thresholds below which the information is either absent or simplified. These have been adopted to limit the burden on information providers, while preserving an acceptable quality of statistical information.

192. Within the framework of Intrastat, Eurostat has developed a number of tools designed to facilitate the various stages of statistics production: completion of the declaration (using electronic forms and software), exchange of data between providers and the national administrations, data processing at national level, exchange of data between the national authorities and Eurostat and, finally,

dissemination. All these tools have been developed under the EDICOM Programme (**E**lectronic **D**ata **I**nterchange in **Com**merce).

193. For certain particular types of goods (ships and aircraft, for example), the statistical services may use other sources of information for both intra-EU and extra-EU trade.

3.3 Register of Providers of Statistical Information (PSIs)

194. An important tool for the statistics collection and compilation process is the register of information providers and indeed it is a mandatory requirement that a register is created and managed of units involved in intra-EU trade.

195. Three main uses for the register can be distinguished:

- The register provides an aid to efficient and timely collection. It can be used to monitor the receipt of information and operate reminder procedures;
- The register provides assistance in quality checking of received data, in particular by facilitating comparisons with past data;
- The register is an aid to analytical work. It provides a means of estimating for those units that have not responded or are below a threshold.

3.4 Data transmission

196. 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.

197. The data transmission deadlines to Eurostat are :

- for Extra-EU trade statistics detailed data: six weeks after the end of the reference month;
- for Intra-EU trade statistics detailed data: ten weeks after the end of the reference month to which the results refer;
- for Extra- and Intra-EU trade statistics aggregated data: 40 days after the end of the reference month .

198. Not all Member States are currently able to meet these transmission timetables although the situation has improved in recent years. Eurostat publish preliminary aggregates using, if necessary, estimates for missing countries.

199. Inevitably, the data first sent for a month are subject to the possibility of later revision, as a consequence of errors, omissions or – particularly with the Intrastat system – late declarations by information providers.

4 DATA PROCESSING AND ANALYSIS

4.1 Quality control

200. There are a range of aspects that are relevant to the quality of data: accuracy, measured in some suitable way, but also timeliness, availability and coherence with other data. This section is concerned essentially with the accuracy of the data and the methods used to check it.

201. The prime responsibility for ensuring the accuracy of the published trade data rests with national authorities. They generally have access to the detailed data, often at the individual transaction level, which facilitates many checking procedures. They are in contact with the information providers to follow-up incorrect or doubtful declarations.

202. Some procedures of control are quite basic. They ensure that documents have been fully completed and that codes entered are valid and that the correct units have been used.

203. Other checks are more sophisticated and assess the plausibility of the basic data, and sometimes aggregates, both in themselves and in comparison with other variables (for example past data).

204. Further limited checks are carried out by Eurostat, essentially to ensure that the transmission of the requested data has been carried out satisfactorily.

205. Another type of control can be carried out under the auspices of Eurostat or by Member States; it is a "mirror" comparison of trade flows between two countries measured by each of the partner countries. This is a fruitful method of identifying recurring problem areas (See 2.17 above).

206. As in all statistical work, a balance has to be struck between the resources devoted to checking and the likely benefit. With many millions of individual data forming the basis of trade statistics it is impossible to achieve complete accuracy for the published statistics. This places two important recommendations for users.

207. The first is to become aware of the margin of inaccuracies in the data used. This is particularly so in the commodity codes. The CN structure is detailed and, while it is supported by very precise explanatory notes, coding is not always easy.

208. A further major problem which may lead to inaccurate statistics, and that is certainly a constraint on the use of detailed data, is the practice of concealing confidential information. (See 2.16 and 4.4).

209. The second recommendation for users of detailed information is to regard themselves as part of the checking procedure. In practice they will often have specialist knowledge that allows them to identify plausibility of published data. Eurostat and the national offices will generally welcome any comment on the disseminated data.

4.2 Adjustments

4.2.1 General

210. The discussion here is primarily concerned with adjustments made to the trade statistics of Member States because of the incomplete coverage within the framework of Intrastat but also, to a much lesser extent, for extra-EU trade. This use of the term "adjustments" should not be confused with the procedures adopted to convert data produced following the standards for international trade into data in conformity with the system of national accounts or the balance of payments. (See points 1.3 above and 4.3 below).

211. Some Member States choose to make some corrections for incomplete coverage only in their balance of payment figures rather than in their trade statistics on

which their balance of payments figures are based. These Member States feel that the lack of reliable product or partner country detail makes the adjustments more suitable for the more aggregated figures in the goods account of the balance of payments.

4.2.2 Adjustment of values

212. Sub-section 2.9 discussed the various statistical thresholds that exist within the Intrastat system. In order to minimise the burden on information providers these thresholds remove or reduce the data requirements for smaller and medium-sized enterprises. In addition, there is inevitably a problem of late or non-response by information providers.

213. There is not yet a harmonised approach to these problems. However, the majority of Member States make adjustments for some or all of these factors in their national trade statistics; these adjustments are generally passed to Eurostat. Consequently, the issue of adjustments, while significant in relation to the quality of Community data is not a major factor in the differences between data published by Eurostat and that published by national offices and made available to other international organisations.

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

215. In addition, the adjustments made by Member States are included in the results broken down by product, either at the sub-heading level of the Combined Nomenclature or in Chapter 99 (see Annex 5).

216. The Intrastat regulation in principle excludes trade carried out by private individuals or very small enterprises which are not subject to VAT obligations. A priori, no adjustments are made to balance this loss of information.

217. More detailed information on individual Member States' adjustment practices for Intrastat data is given in the Quality Report on foreign trade statistics.

218. The position is less complex for Member States' trade with non-member countries. Almost all Member States operate a threshold below which individual transactions are not recorded. Since 2002 adjustments have to be made to compensate trade below the threshold.

4.2.3 Adjustment of quantities

219. There are two general situations in which quantity information can be estimated. When Member States operate a simplification threshold, and when information on quantities for certain products is not requested (see adjustment practices in Member States, Quality Report on foreign trade statistics).

4.2.4 Adjustments to a balance of payments basis

220. Most Member States estimate the goods account of their balance of payments by making adjustments to their international trade statistics to meet the different definitions required for the balance of payments. In practice, these adjustments aim to convert the international trade statistics to the basis required for the

national accounts since flows of goods and services are defined, in terms of coverage, in virtually identical fashion in the manuals relating to national accounts and balance of payment.

221. The necessary adjustments deal with differences of coverage, the treatment of particular operations and the time of recording of the transaction. In addition, as said, some Member States make adjustments to deal with the incomplete coverage of their trade statistics.

222. These adjustments are not discussed further in this guide. It should, however, be stressed again that it is necessary to distinguish carefully between the two methods of calculation to avoid confusion and to note that international trade statistics provide the most suitable data set for the measurement of physical flows of goods.

4.3 Revisions

223. Sub-section 3.4 noted that early versions of data sent to Eurostat by Member States are inevitably subject to revision for a number of reasons. Member States must inform Eurostat of the revisions to be made for each past month. Several Member States regularly make such corrections. Some transmit revisions only once a year to Eurostat for an entire 12-month period. Corrections, when received, are entered in the databases. They can entail many, often major, modifications to the published results.

224. Original data and revisions are entered onto the database as soon as practicable. The users of the on-line database have the benefit of the latest data available, although the lack of known timetables for updating can lead to the possibility of confusion.

225. When mistakes refer to relatively old data, national administrations judge the desirability of revising the data.

226. Member States revise their national figures and those sent to Eurostat, often on different timetables. They in general provide revisions of their data to other international organisations. This is (as already mentioned) another reason for differences between data published by Eurostat and data published by various other international organisations.

4.4 Confidentiality (processing)

4.4.1 Confidential data

227. Sub-section 2.16 outlined the methodology for treating confidential data. The treatment of confidential data rests with Member States who, with the exception of Czech Republic, adopt identical procedures for their national figures and the data they send to Eurostat. It is believed that no difference exists between national figures and data provided to other international organisations.

    The data can be camouflaged only on the level of the results detailed by product. Member States' real trade with a particular partner country - at total exports and imports level - is thus known.

228. Confidentiality has an inevitable effect on the quality of the data. In particular the existence of data regarded as confidential can change over time and so create

discontinuities in the series. In order to minimise this effect on the quality and usefulness of the published data, the treatment that has been adopted is documented so far as is possible in the external trade database without of course disclosing the actual information (see below and Annex 5). There are mainly two types of confidentiality.

4.4.2 Country confidentiality

229. If a Member State wishes to conceal the destination or the origin of a product, the code of the partner country is replaced by a 'secret country' code. This usually distinguishes between intra-EU trade and extra-EU trade.

230. The following example illustrates the use of the "secret country" codes to conceal trading partner information.

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

Partners	***Values***
declared trade:	
Germany	1000
Italy	500
Japan	3000
Canada	200
published trade:	
Germany	0
Italy	0
Intra -EU trade	1500
Japan	0
Canada	0
Extra-EU trade	3200

4.4.3 Product confidentiality

231. A Member State may decide to make all or part of the trade under a product code confidential and so suppress the nature of the commodity involved. This may be because the value, quantity or their ratio – as a measure of price – is commercially sensitive. There are various degrees of confidentiality at product level.

232. The trade can be assigned to one of the special codes available in the external trade database containing one or more 'S's after the chapter (the first two digits), followed by the three-digit SITC code. Where the SITC classification is itself confidential, this SITC code is replaced by 999. (See Annex 5 for further details and the list of alpha-numeric codes used.) This method has the advantage that it permits the publication of results not camouflaged on the level of the chapters or SITC groups.

233. The confidential trade relating to one CN code can be hidden under another code from the same chapter with the same 6-digit root. The selected code generally brings together a set of heterogeneous products. This method of concealment

makes it possible to obtain HS 2 and 4-digit level results not marred by confidentiality.

234. If trading in the product is so sensitive that the HS chapter under which it should be classified must not be identified, it is included under Chapter 99.

235. As an example, the results relating to CN code 17024010 (isoglucose in solid form, containing, in the dry state, ≥20% and < 50% by weight of fructose) might be included in database on external trade under one of the following codes:

17024090 glucose in solid form and glucose syrup not containing added flavouring or colouring matter, and containing, in the dry state, ≥ 20% and < 50% by weight of fructose (excluding isoglucose)

17SSS061 confidential information about trade in Chapter 17 of the CN (sugars and sugar confectionery) and in Group 061 of the SITC Rev 3 (sugars, molasses and honey)

17SSS999 confidential information about trade in Chapter 17 of the CN (sugars and sugar confectionery) and unknown SITC Rev 3 Group

99SSS999 confidential information, unknown product.

4.5 Treatment of discontinuities

236. An almost inevitable problem in the compilation of statistics over time is the existence of discontinuities in the data collected. These can arise from methodological changes, from changes in classification or of definition of aggregates or – as was discussed in 4.4 above - from the application of different procedures for dealing with confidential data.

237. Some of the discontinuities may be insignificant, at least for the major aggregates; others may be sufficiently large to be relevant to interpretation of the data as a time series. While in theory it may seem desirable to remove the discontinuities by reworking back data or estimating it on current definitions, this is often not possible, at least at the detailed level. In the particular case of the creation of discontinuities by the treatment of confidential data, the nature of the problem means that the discontinuities cannot be removed. However, even information on the existence of these discontinuities is a warning for the users.

238. One particular, clearly identified, problem arises from the enlargement of the European Union, for example from the accession of Austria, Finland and Sweden in 1995 and of course the accession of the 10 new Member States in May 2004.

239. The most appropriate treatment for such "discontinuities" is not absolutely clear-cut and may depend on the particular use or analysis for which the data are intended. For example, a study of a time series of euro-zone exports from 1999 onwards should include Greece (Greece entered the euro-zone in 2001) only if required by the aim of the analysis.

240. A number of causes of discontinuity are worth mentioning:

- German reunification in October 1990. No adjustments to earlier data have been made for this.

- The introduction of the Intrastat system for recording intra-EU trade in 1993 led to a discontinuity because of changing methods, particularly the introduction of the threshold system.
- The enlargement of the EU from twelve to fifteen members in 1995. So far as possible the discontinuity has been removed from major time series.
- Until 31 December 1996 the statistical territory of France did not include the French overseas departments and that of Spain did not include the Canary Islands. (See 2.6).
- Since 1999 data recording for Belgium and Luxembourg is separate.
- The new treatment methods of specific movements laid down in the legislation valid from the year 2001 are also likely to introduce discontinuities difficult to assess.
- The accession of the 10 new Member States in May 2004 leads to structural changes in the behaviour of trade operators in the new and old Member States.

4.6 Currency conversion (of aggregates)

241. Currency conversion plays two roles in the compilation of trade figures. First there is the need to convert individual transaction values, which may be expressed in any currency, to the currency of the Member State compiling the data. That is a methodological problem touched on in 2.13.

242. There is also the need to convert Member States' aggregate statistics, expressed in their national currencies, into a common currency for the publication of Community data. Until the end of 1998 the common currency was the ECU. Since then it has been the euro. The conversions from national currencies to ECU or euro have been performed using monthly averages of daily exchange rates. These conversion factors are generally provided in Eurostat publications and, of course, for members of the euro-zone coincide with the irrevocably fixed rates for the period 1 January 1999 onwards.

243. It should be noted that conversion at the monthly level can lead to discrepancies between annual data (Eurostat source) and figures from other international sources where the conversion may have been carried out directly (and less satisfactorily) on the annual statistics.

4.7 Analyses

4.7.1 Unit value and volume indices

244. Data provided to Eurostat are in current prices, that is the prices relevant to the reference period concerned. For several analyses it is satisfactory to work in those values. For a study of movements of the current price value over time it may be helpful to convert the series of values into an index form but that is a simple arithmetic operation.

245. However, the development over time of the value of trade flows is determined by both the quantities sold and price variations. For a number of analytical purposes it is necessary to distinguish between these two elements and in particular to measure movements in the volume of trade estimated in constant prices of some

previous base year. It is thus desirable to have some measure of the development of price movements of international trade.

246. Over the EU as a whole there is no fully detailed and reliable set of relevant price deflators even at the total trade level that is derived from surveys of export prices which could be used to create series of the volume of trade. (See 4.7.2 below). It is therefore necessary to use the information from the trade system itself on values and related quantities to estimate a set of deflators. These are used to calculate unit value indices and to derive estimates of volumes.

247. The data transmitted for intra- and extra-EU trade statistics are used at their most detailed level, that is 8-digit CN sub-positions and by partner country, for calculating the indices. The movements of "unit values", which are derived from current price values divided by quantities for each flow, are used as indicators of price variations.

248. The calculation programs comprise a first stage for identifying extreme unit values which show implausible price movements and which must be disregarded in the calculations. There are also a limited number of areas (for example, ships) where the division of value by quantity gives an unsatisfactory measure of price performance.

249. As a second stage the system weights the finest level detail together in the most appropriate way. The weighting system adopted by Eurostat for the calculation of the indices uses the principle of chaining. That is, the weights are recalculated each year and movements from year to year are chained to give a longer run of data. This is in contrast to using weights from the pattern of trade in a base year changed only every five years.

250. The chaining procedure has the advantage that the weights used are more relevant to the periods measured and, in particular, improves the estimation of recent movements – which are generally those of most interest to analysts. It also makes it easier to deal with the annual changes to CN. However, although the calculation system uses weights which are changed annually, the published indices are presented for the convenience of users on reference years that are changed only once every five years. The current reference year for the unit value and volume indices is 2000.

251. The year to year links used in the calculations of the indices use the Fisher formula. This is a geometric average of the Laspeyres index and the Paasche index.

252. The unit value and volume indices are disseminated from the database on external trade. Indices are available for both exports/dispatches and imports/arrivals for a large number of partner countries and geographic and economic zones cross-analysed by section levels of the SITC Rev 3 and the 16 two-alpha-character headings of CPA/NACE Rev 1 (and aggregates based on them). There are more detailed product indices available by partner aggregates intra/extra EU25 as well as intra/extra euro-zone and the world. These include the 3-digit level of CPA/NACE Rev 1, the 2-digit level of SITC Rev 3 and the 2-digit level of HS. In addition, there are various hierarchic aggregations based on those classifications and also data for Broad Economic Categories (see 2.7).

253. Unit value and volume indices are calculated for the various aggregates for which data are adjusted for seasonal variations (see 4.9 below). In addition, series of the evolution of terms of trade are available. The evolution of terms of trade is measured by dividing the export unit value index by the import unit value index; it is said to be favourable when it increases, since the movement permits a country to purchase a larger quantity of imports for a given quantity of exports.

4.7.2 Price indices

254. The absence of a complete and detailed set of deflators from an independent source that could be used to create estimates of the volume of trade has already been stressed. However, it is worth noting that Member States compile an index of export prices derived from the analysis of price quotations and some also have similar import price information. Information on output prices of non-domestic turnover (essentially exports plus dispatches) is required at 2-, 3- and 4- digit level of NACE by Council Regulation (EC) No 1165/98 concerning short-term statistics. However, this seeks no partner country detail and in any event Member States are allowed to construct suitable unit value indices although these do not correspond to genuine price indices.

4.7.3 Other analyses

255. Another source of information for carrying out analysis is given by EUROPROMS (European production and market statistics). This puts together detailed and comparable data on the values and quantities of production and external trade of industrial products in the Member States and derives estimates of the domestic markets for each product (in particular, for comparability between trade headings and those of the PRODCOM list see 2.7). This is a valuable tool for enterprises (and in particular it permits the identification of possible errors in the basic data).

256. Some other analyses of potential value can only be made by national statistical institutes since they depend on access to information about individual enterprises which is not generally available to Eurostat. These exploit the power of the registers used in the collection of the basic data (see 3.3). An example of analyses of trade data that can be carried out nationally is the measurement of the trade by sector of activity of importers or exporters. Interested users should address their queries to the relevant national authorities.

4.8 Regional aggregation

4.8.1 General

257. The data available from the database provide complete detail, subject to the limitations of confidentiality, on the matrix of flows from and to Member States for each heading of the CN. In order to meet the users' requirements, aggregations by partner countries are possible.

258. The geo-nomenclature involved for gathering data was discussed in 2.7 Eurostat has defined certain geographical and economic zones for aggregating data.

4.8.2 Geographic zones

259. Examples of geographic zones are:-

- North America;
- Near and Middle East;
- Oceania and polar regions.

260. The geographic zones cover the whole world without overlaps. They are shown in detail in the Geonomenclature.

4.8.3 Economic zones

261. In addition to the purely geographic zones, a number of groupings of countries with some common economic features are defined. Examples of such economic zones are:

- EU25 (Member States of the European Union);
- Euro-zone (Member States who have adopted the euro: sometimes referred to as EUR 12);
- EFTA (European Free Trade Association);
- OPEC (Organisation of Petroleum Exporting Countries)
- NAFTA (North American Free Trade Agreement).

262. The economic zones currently defined do not cover the whole world and there is some overlap between zones. The current list of economic zones is shown in the Geonomenclature.

4.9 Correction for working days and seasonal adjustment

263. Information on EU trade is available monthly and much of it at a less detailed level is presented in publications and databases in a time series form. As with most economic data, the interpretation of the monthly or quarterly time series is made more difficult because of regularly recurring seasonal movements. For example, trade in many agricultural products is highly seasonal and month to month movements are often dominated by these seasonal factors.

264. Monthly, and quarterly, data are also affected by the varying lengths of months (and in particular the number of working days that they contain) and the effects of public holidays that may change from month to month in different years: Easter is the prime example.

265. One partial solution to the effects of seasonality on comparisons over time is to make them only with the same month or quarter of the previous year. But that is not a very satisfactory procedure since it cannot provide a proper measure of the movement of an aggregate through a year which does not equally depend on the movement through the previous year.

266. To deal with this problem a range of procedures has been devised to estimate and then to remove the seasonal (including working day and holiday) effects from

time series. Their essence is to breakdown the original monthly (or quarterly) data into three components: a seasonal component, a trend component and an irregular component.

267. The estimation of the seasonal component depends in part on a judgement as to how quickly it may change over time. The estimation of the trend depends similarly on assumptions about the appropriate model or method to use to estimate it.

268. During recent years, many improvements have been brought about in methodology and in the number of seasonally adjusted series available.

269. The series on EU trade are processed by the software DEMETRA, developed by Eurostat, that carries out corrections for working days as well as launching a method of seasonal adjustment known as TRAMO/SEATS. An analysis of the various methods available had been carried out previously. A full technical discussion of the methods available and the criteria for the choice is available in: http://forum.europa.eu.int/Public/irc/dsis/eurosam/library

270. The main impact on the user is in the number of series that are available. The country analysis will differ a little between the euro-zone series and the EU-25 series to provide series for non-euro-zone Member States as partners for the euro-zone series.

271. Series of values, as well as volume indices, are compiled as a set of raw series, adjusted series to take the number of working days and seasonal variations into account, and as trends. Unit value indices (see 4.7. above.) are not adjusted to take the number of working days and seasonal variations into account, due to their modest seasonality.

272. A key feature of the data set is its coherence. All series are calculated from the same data set taken at one point in time. As a consequence, for example, volume indices are equal to the value movements divided by the unit value indices. In addition, the more aggregated seasonally adjusted series are formed by the addition of their components (for example, the Member States series compose aggregate data for the euro zone and EU-25 countries).

5 DISSEMINATION

5.1 Type of users

273. Eurostat is responsible for disseminating EU and euro-zone external trade statistics. In parallel to the actions carried out to improve the quality and the availability of the statistics, Eurostat has also diversified the means of dissemination: DVD-ROMs, pdf and paper publications, on-line access to aggregated and detailed data.

274. Eurostat is aware of the wide range of users and their divergent interests, which may be served either directly via publications and access to data bases or indirectly via press releases allowing a broad dissemination of the most significant indicators for the general public.

275. Eurostat has designed a system of dissemination which meets most of these needs, while directing the users to appropriate data sources and providing them with the necessary information for the understanding and interpretation of the statistics.

276. Eurostat has also to ensure that its methods of dissemination meet the needs of the Commission and the other European institutions, the national authorities and the European Central Bank to permit them to carry out their functions. These range from broad aggregates to permit economic analysis to very detailed data generally required for trade negotiations.

277. Certain users may be mainly interested in trade value and others - such as transport companies or port authorities - by measures like quantity.

278. Annex 7 provides an overview on products disseminated regarding external trade statistics.

5.2 Publications on line

279. External trade publications in PDF format are disseminated from Eurostat website (www.europa.eu.int/comm/eurostat theme "External Trade") to the general public free of charges.

280. First results (including estimates) on Euro-zone and EU trade balances are published on line around 50 days after the reference month in the external trade **Euro-indicators News Release.** The precise date of the monthly release is disseminated on the website (select language and release calendar).

281. The **Monthly Bulletin** on external and intra-European Union trade complements the Statistical Yearbook (see below) with short-term data. It is designed to give, as rapidly as possible, the short term evolution of the external trade of the EU and its Member States. In particular, it contains trade flows, broken down by major SITC product groups, between the EU and its main trading partners.

282. The **Statistical Yearbook** on external and intra-European Union trade describes the long-term trends since 1958 in trade by the EU and its Member States. In particular, it sets out changes in the structure of trade between the EU and its main trading partners.

283. 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 cover the EU trade with its main trading partners (such as, for example, USA, Japan or Latin America), trade in certain strategic goods (such as, for example, high technology products or energy), or trade of particular interest (such as EU trade with the candidate countries).

284. The **Panorama on European Union trade** sets out to describe the features and trends of the EU external trade during the period 1988-2001. It emphasizes the place of the European Union on world market and analyses its trade flows with its main trading partners as well as the goods exchanged. The Panorama also looks into the trade between the Member States and of the euro-zone. The trade relations between the European Union and the candidate countries are tackled in a specific chapter.

5.3 Data on line

285. In addition to the publications previously listed**, aggregated and detailed data** can be consulted and downloaded from Eurostat website free of charges. The main statistical indicators are available such as the trade value by reporting country, trading partner and product. Aggregated data cover both short and long term indicators.

286. **Short term aggregated indicators** are disseminated according to the high levels of the Standard International Trade Classification (SITC Rev. 3) and the Broad Economic Categories (BEC) for the following indicators:

- gross and seasonally adjusted trade value (in million Euro),
- unit-value indices,
- gross and seasonally adjusted volume indices,
- growth rates of trade values and indices,

Short term indicators are updated on monthly basis at the date of the press release. They include all data published in the euro-indicators news release.

287. **Long term aggregated indicators** are disseminated according to major SITC groups for the following indicators:

- trade value (in billion Euro),
- shares of Member States in EU and world trade,
- shares of main trading partners in EU trade,
- volume indices.

Long term indicators are updated generally once a year when complete results are available for the last reference month.

288. **Detailed data** are disseminated according to the Harmonized Commodity Description and Coding System (HS2, HS4 and HS6) and the most detailed level of the Combined Nomenclature (CN8) for the following indicators:

- trade value (in 1000 Euro),
- trade quantity in 100 kg,
- trade quantity in supplementary units (published in the Official Journal of the European Communities relating to the annual revision of the Combined Nomenclature)

Detailed data are updated on monthly basis at the date of the press release.

289. In addition to statistics disseminated under the "External trade" theme, key indicators may be found in general domains gathering data coming from different themes (Eurostat Yearbook, Euro-indicators, structural indicators, etc).

5.4 DVD-ROM

290. External trade statistics users can find a selection of the data transmitted by the Member States in a DVD-ROM which is produced on a monthly basis. This DVD-ROM contains, for the most recent months, data broken down by Combined Nomenclature product and intra- and extra-EU partner country. It also contains

EUROPROMS database (data on production, external trade and domestic consumption of more than 5000 products).

291. The monthly COMEXT DVD-ROM is supplemented by two other DVD-ROMs produced on an annual basis. The purpose of these two DVD-ROMs is to allow the extraction of longer time series.

292. In addition to statistics, the DVD-ROM contains methodological information. In particular, there are confidentiality notes allowing the user to identify the products for which part of the trade was concealed by one or more Member States.

293. The COMEXT DVD-ROM runs under Windows and offers a wide variety of functions, among which there are:

- interrogation and extraction of data;
- creation of files that can be imported into a spreadsheet or a database;
- product code search by keywords;
- creation of aggregates defined by characteristic, period, declarant or partner country (geographic and economic areas are available) and product (SITC and CPA products are available).

294. A user manual is available with the DVD-ROM; it can be consulted directly in the application or printed out.

5.5 COMEXT database

295. Comext is the Eurostat reference database for external trade. It provides access not only to both recent and historic data from the EU Member States but also to statistics of a significant number of third countries. Connection to COMEXT is officially granted to the internal users of the Commission and any other European institution or Community body. The database is also accessible to the administrations of Member States belonging to the European Statistical System and to those Candidate Countries providing statistics to Eurostat.

296. External trade aggregated and detailed statistics disseminated from Eurostat website are compiled from Comext data according to a monthly process. Because Comext is a daily update database, data published on the website may differ from data stored in Comext in case of recent revisions.

297. Additional information is accessible in COMEXT depending on the type of trade (intra- or extra-EU trade) and flow (imports or exports). In particular, there is a breakdown by sub-heading of the TARIC (Integrated Tariff of the European Communities) collected for imports from third countries.

For extra-UE imports, COMEXT database users also have at their disposal information on tariff preferences with, in particular, a distinction between normal tariffs, preferences, with suspension or tariff quotas.

Transport statistics are available for intra- and extra-EU trade. These identify the means of transport: by sea, air, road, rail, inland waterway, own propulsion or by fixed transport installation.

5.6 Metadata

298. Users of trade data, as of any statistics, need to have descriptive and methodological notes to help them understand the nature and limitations of the data. It is the purpose of this guide to help the general reader in these areas.

299. In addition, metadata in SDDS format (base page and summary methodology) are systematically linked to any data disseminated through the Eurostat website.

300. This guide does not give full detail of the methods used by each Member State in compiling their trade figures or of the particular analyses that may be available nationally. To obtain this information the national authorities listed in Annex 1 can be contacted.

301. Product nomenclatures and country classification (Geonomenclature) are available at the Eurostat's classification server RAMON.

302. A Quality Report providing indicators measuring the quality of trade statistics is available on Eurostat website (theme "External Trade"). This report is updated yearly.

303. The Eurostat website is a source for some aggregate data. It also provides information on publications available on particular topics and ways to obtain them. It provides additional services for registered users. Some useful background information, for example, a full account of the evolution of the geonomenclature or an up-to-date catalogue of major publications, can be down-loaded from the site.

5.7 European Statistical Data Support

304. Eurostat set up with the members of the 'European statistical system' a network of support centres, which will exist in nearly all Member States as well as in some EFTA countries. Their mission is to provide help and guidance to Internet users of European statistical data.The complete details concerning this support network can be found on our Internet site:
http://epp.eurostat.cec.eu.int/pls/portal/url/PAGE/PGP_DS_SUPPORT

305. A list of worldwide sales outlets is available at the:
Office for Official Publications of the European Communities.
2, rue Mercier – L-2985 Luxembourg
URL: http://publications.eu.int
E-mail: info-info-opoce@cec.eu.int

Annex 1: National Authorities responsible for the compilation of foreign trade Statistics

	Country	National Authority
BE	**Belgium**	National Bank of Belgium Boulevard de Berlaimont, 14 B – 1000 BRUSSELS E-mail:information.foreigntrade@nbb.be Tel. : +32 2 221 52 10 http://www.intrastat.be/
CZ	**Czech Republic**	Czech Statistical office Na padesatem 81 CZ - 100 82 PRAHA 10 Tel. +420 274 052 111 http://www.czso.cz/eng/redakce.nsf/i/information_services
DK	**Denmark**	Danmarks Statistik Sejrogade, 11 Postboks 2550 DK-2100 KOBENHAVN Tel. :+45 3917 3917 http://www.dst.dk/HomeUK.aspx
DE	**Germany**	Statistisches Bundesamt (DESTATIS) Gustav-Stresemann-Ring, 11 Postfgach 5528 D-65189 WIESBADEN +49 611 75-1 http://www.destatis.de/e_home.htm
EE	**Estonia**	Statistical office of Estonia Endla 15, EST - 15174 TALLINN Tel: +372 6259 300 http://www.stat.ee/
EL	**Greece**	National Statistical Service of Greece Lycourgou Street, 14-16 GR-ATHENS 101 66 Tel.: +30 210 3289 396 http://www.statistics.gr/Main_eng.asp
ES	**Spain**	Departamento de Aduanas - Agencia Estatal de Administracion Tributaria Avda. Del Llano Catellano, 17 E - 28071 MADRID Tel. : +34 91 728 97 61 http://www.aeat.es/
FR	**France**	Direction Générale des Douanes et Droits Indirects Département des statistiques et des études économiques rue de la Tour des Dames, 8 F - 75436 PARIS CEDEX 09 Tel.: +33 1 5507 4595 http://www.douane.gouv.fr/
IE	**Ireland**	Central Statistical Office Ardee Road Rathmines IRL - DUBLIN Tel.: +353-1-498 4000 http://www.cso.ie/

	Country	National Authority
IT	**Italy**	Istituto Nazionale di Statistica Via Cesare Balbo, 16 I - 00184 ROMA Tel.: +39 06 4673 4140 http://www.istat.it/
CY	**Cyprus**	Statistical Service of Cyprus (CYSTAT) Michalakis Karaolis street CY – 1444 NICOSIA *Tel: +357 22602205* http://www.mof.gov.cy/mof/cystat/statistics.nsf/index_en/index_en?OpenDocument
LV	**Latvia**	Central Statistical Bureau of Latvia 1, Lacpesa Street LV-1301 RIGA Tel:+371 73 66 850 http://www.csb.lv/avidus.cfm
LT	**Lithuania**	Statistics Lithuania Foreign trade Statistics Section, 29, Gedimino Av. LT - 2726 VILNIUS Tel.: +370 5 268 00 29 http://www.lbank.lt/Eng/Statistics/
LU	**Luxembourg**	Service Central de la Statistique et des Etudes Economiques Centre Administratif Pierre Werner 13, rue Erasme L-1468 LUXEMBOURG B. P. 304 L-2013 LUXEMBOURG Tel. :+352 478 4252 http://statec.gouvernement.lu/
HU	**Hungary**	Hungarian Central Statistical Office Keleti Karoly u. 5-7 HU – 1024 BUDAPEST Tel: +361 345 6000 http://www.ksh.hu
MT	**Malta**	National Statistical Office Lascaris M – VALLETTA CMR 02 Tel: +356 21 22 32 21-5 http://www.nso.gov.mt
NL	**Netherlands**	Centraal Bureau voor de Statistiek Buitenlandse Handel Kloosterweg 1 PO Box 4481 NL-6401 CZ HEERLEN Tel: +31 45 570 6000 http://www.cbs.nl/en/
AT	**Austria**	Statistik Österreich Bundesanstalt des öffentlichen Rechts Guglgasse 13 A-1110 WIEN Tel: +43 1 711 28 http://www.statistik.at
PL	**Poland**	Central Statistical Office Al. Niepodlegosci 208 PL - 00925 WARSAW Tel: +48 22 60 83 453 http://www.stat.gov.pl/english/index.htm

	Country	National Authority
PT	**Portugal**	Instituto Nacional de Estatistica Avenida Antonio José de Almeida, 2 P-1000-043 LISBOA Tel: +351 21 842 6100 http://www.ine.pt/index_eng.htm
SI	**Slovenia**	Statistical Office of the Republic of Slovenia Vozarski pot 12, SI - 1000 LJUBLJANA Tel: +386 1 241 51 04 http://www.sigov.si/zrs
SK	**Slovakia**	Slovak Statistical Office Mileticova 3, SK – 824 67 BRATISLAVA Tel: +421 2 55 42 58 02 http://www.statistiks.sk
FI	**Finland**	TULLI - National Board of Customs P.O. Box 512 FIN-00101 HELSINKI Tel: +358 20 49 1 http://www.tulli.fi/en/03_Foreign_trade_statistics/index.jsp
SE	**Sweden**	Statistics Sweden – ES/UH Karlavägen 100 P.O. Box 24300 S -10451 STOCKHOLM Tel: +46 8 5069 4000 http://www.scb.se
UK	**United Kingdom**	HM Customs & Excise - Statistics and analysis of Trade unit Alexander House 21, Victoria Avenue SOUTHEND-ON-SEA Essex SS99 1AA Tel: +44 1702 36 1 http://www.hmce.gov.uk/business/importing/importing.htm

Annex 2: Scheme of statistical recording of imports (extra-EU trade) and arrivals (intra-EU trade)

<table>
<tr><td colspan="5">Goods entering the statistical territory of a Member State are recorded:</td></tr>
<tr><td colspan="3">as non-community goods[1]</td><td colspan="2">as community goods[1]</td></tr>
<tr><td rowspan="2">1. immediately released for free circulation
(goods intended for consumption in the importing Member State or for dispatch to another Member State)

1.1 from another Member State where they were placed under a procedure for inward processing or processing under customs control</td><td>2. immediately placed under a customs 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</td><td rowspan="2">3. immediately placed under a warehouse
or
free zone
or
temporary admission procedure</td><td rowspan="2">4. immediately placed under a transit procedure</td><td rowspan="2">5. arriving from another Member State:

□ 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</td></tr>
<tr><td>1.2 case other than that referred to in 1.1[2]</td><td>2.2 case other than that referred to in 2.1[2]</td></tr>
<tr><td></td><td>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</td><td colspan="2">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</td><td></td></tr>
</table>

Are included in extra-EU trade statistics3 , the goods referred to in 1.2., 2.2. and 7 (in bold/light grey)
Are included in intra-EU trade statistics3, the goods referred to in 1.1, 2.1 and 5 (in bold/dark grey)

[1] The concepts of 'Community' and 'non-Community' goods depend, not on the origin of 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 of boats and aircrafts in the statistics of intra-Community or extra-Community trade is the transfer of property between residents and non-residents.

Annex 3: Scheme of statistical recording of exports (extra-EU trade) and dispatches (intra-EU trade)

Goods leaving the statistical territory of a Member State are recorded:				
		as non-community goods[4]	*as community goods*[1]	
1. final export to a non-member country	**2. exported with provisional destination in a non-member country under an outward processing procedure**	**3. dispatched to another Member State**	**4. exported to a non-member country**	**5. dispatched to another Member State**[5] **and:**
1.1 following a customs procedure for inward processing or processing under customs control	**2.1 following customs procedure for inward processing or processing under customs control**	**3.1 following a customs procedure for inward processing or processing under customs control**	**4.1 final export** **4.2 export under a customs procedure for outward processing**	• **not in direct or interrupted transit in the Member State of dispatch**
1.2 following a warehouse/free-zone or temporary admission procedure	2.2 following a warehouse/free-zone or temporary admission procedure	3.2 following a warehouse/free-zone or temporary admission procedure 3.3 under a transit procedure	4.3 temporary export for later return without modification 4.4 in transit[6]	• **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**

Are included in extra-EU trade statistics7, the goods referred to in 1.1, 2.1, 4.1 et 4.2 (in bold/light grey)
Are included in intra-EU trade statistics4, the goods referred to in 3.1 and 5 (in bold/dark grey)

[4] The concepts of 'Community' and 'non-Community' goods depend, not on the origin of goods, but on their customs status.

[5] Including goods which will, in the Member State of destination, be the subject of a customs declaration for export to a non-member country.

[6] Goods from another Member State, in which the export declaration was drawn up.

[7] By way of derogation from the rules set out in this table, the criterion for recording of boats and aircrafts in the statistics of intra-Community or extra-Community trade is the transfer of property between residents and non-residents.

Annex 4: Exclusions

1. Sub-section 2.3 discussed categories of goods explicitly excluded by EU legislation from the compilation of statistics. Lists of these exclusions or exemptions are given in the respective Annex 1 of Commission Regulation (EC) No 1917/2000 of 9 September 2000 for extra-EU trade and of Commission Regulation (EC) No 1982/2004 for intra-EU trade.

2. The lists of excluded categories in the two regulations are not precisely identical but have most features in common.

3. In particular, the list applicable for extra-EU trade does not include goods where trade is temporary, goods under a customs procedure of temporary importation or exportation being expliciting excluded from the coverage of commerce.

4. The list applicable for intra-EU trade exempt the following:

a) *Means of payment which are legal tender and securities*

b) *Monetary gold*

c) *Emergency aid for disaster areas*

d) *Goods benefiting from diplomatic, consular or similar immunity*

e) *Goods for and following temporary use, provided all the following conditions are met:*

1. *No processing is planned or made,*
2. *The expected duration of the temporary use is not longer than 24 months,*
3. *The dispatch/arrival has not to be declared as a delivery/acquisition for VAT purposes.*

f) *Goods used as carriers of information such as floppy disks, computer tapes, films, plans, audio and videotapes, CD-ROMs with stored computer software, where developed to order for a particular client or where they are not subject of a commercial transaction, as well as complements for a previous delivery e.g. updates for which the consignee is not invoiced.*

g) *Provided that they are not the subject of a commercial transaction*

1. *Advertising material*
2. *Commercial samples*

h) *Goods for and after repair and the associated replacement parts. A repair entails the restoration of goods to their original function or condition. The objective of the operation is simply to maintain the goods in working order; this may involve some rebuilding or enhancements but does not change the nature of the goods in any way*

i) *Goods dispatched to national armed forces stationed outside the statistical territory and goods received from another Member State which had been conveyed outside the statistical territory by the national armed forces, as well as goods acquired or disposed of on the statistical territory of a Member State by the armed forces of another Member State which are stationed there*

j) *Spacecraft launchers, on dispatch and on arrival pending launching into space, and at the time of launching into space*

k) *Sales of new means of transport by natural or legal persons liable to VAT to private individuals from other Member States*

Annex 5: Alphanumeric Codes

1. Alphanumeric codes are used in intra- and extra-EU 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.

2. 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-EU trade involving transactions falling below the 'transaction threshold'. (See 2.8.1)

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' means a combination of machines, appliances, equipment, instruments and material coming under various headings of the Harmonised System classification and contributing to the activity of a large establishment for purposes of producing goods or supplying services.

Codes containing the letter M

Trade broken down at Chapter level only

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. (See 2.15 and 4.4.)

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. (See 4.2.)

Annex 6: Conceptual differences between national figures and those sent to Eurostat by Member States

Member State	Special trade system is **not** used for national data	Exemption of indirect trade; goods in 'quasi transit'	Country of origin is used on national level for arrivals
Belgium		*	
Czech Republic			*
Denmark	*	*	
Germany			*
Estonia			
Greece			
Spain	*	*	
France			*
Ireland	*		*
Italy			
Cyprus			
Latvia		*	
Lithuania			
Luxembourg		*	
Hungary		*	*
Malta			
Netherlands			
Austria		*	*
Poland		*	*
Portugal			
Slovenia		*	
Slovakia			
Finland			
Sweden			
United Kingdom			

Annex 7: Overview on external trade products

Title	Contents	Reference periods	Update	Media support
Press release	External trade Euroindicators: trade flows and balances of Euro zone and EU	Last month according to EU regulations (including estimates for missing data)	Monthly	Pdf (EN, FR and DE)
Monthly Bulletin	Short time series on EU trade with main partner countries and by main product groups	Up to the last month available	Monthly	Pdf (EN only)
Statistical Yearbook	Long time series on EU trade with main partner countries and by main product groups	As from 1958 and up to the last year available	Annual	Pdf (EN only)
Statistics in Focus	**Examples:** - The European trade of transport material - External trade of Western Balkan countries - Trade in goods with Candidate Countries by mode of transport - Extra-EU trade of Member States by mode of transport	Up to the last year available	-	Pdf and paper (EN, FR and DE)
Panorama of EU trade	Analysis of EU trade on the basis of charts and tables	1988-2001	-	Pdf (En, FR and DE) Paper (EN)
Data on line	**Short term aggregated data** EU and Euro zone indicators including raw and seasonally adjusted figures and indices	As from 1995 up to the last month available	Monthly	Database
	Long term aggregated data EU indicators including raw figures and indices (published in Eurostat Yearbook)	As from 1990 up to the last year available	Annual	
	Detailed data EU and Euro zone statistics detailed by products (according to CN8 and HS classifications)	As from 1995 up to the last month available	Monthly	

Title	Contents	Reference periods	Update	Media support
CD/DVD-ROMs	**Intra- and extra-EU trade** - Detailed statistics by partner countries and NC8 codes Monthly CD-ROM - EU Member States (including EUROPROMS data according to Prodcom classification)	Last 17 months (Monthly from 2003 or annual from 1995)	Monthly	DVD
	Supplements 1 (1 CD) & 2 (1 DVD) - EU Member States	Annual historical data from 1988	Annual	CD-ROM and DVD
	Complements 1 & 2 (2 DVDs) - EU Member States	Annual and monthly historical data from 1988	Annual	DVD
	Extra-EU trade by transport mode - Detailed statistics of the EU MS by partner countries and NSTR codes (2 DVDs)	Monthly data since 1998		
COMEXT database	**EU Member States** Detailed statistics on trade in goods according to EU concept	Up to the last month available	Daily	Database
	Candidate countries Detailed statistics on trade in goods harmonised with EU concept from January 1999	Up to the last month available		
	MEDA, TACIS and CARDS countries Data exchanges based on cooperation programmes	Up to the last period available		
	International databases : FMI-DOTS and UN-COMTRADE	Up to the last period available		