



Franz Granner
Directorate Business
Statistics

Vienna
22 October 2013

A new way of measuring foreign trade – SIMSTAT

Statistics Day 2013

Contents

1	SIMSTAT – definitions and background
2	SIMSTAT programme, proposals and projects
3	Chances and potential benefits
4	Single Flow Systems – Simple and Qualified
5	SIMSTAT Challenges
6	Organizational items and further steps

Terms and Definitions

INTRASTAT

Survey system on Intra EU trade in goods statistics

EXTRASTAT

(mainly customs related) system of trade in goods with third countries statistics

SIMSTAT

Single **M**arket **S**tatistics

Background and History

Intrastat was legally defined 1991

and began operating 1 Jan 1993

In Austria Intrastat was introduced 1995 in line with EU membership

- Most burdensome area of business statistics (appr. 50% of total statistical burden on enterprises).
- Initiative to implement a (simple) Single Flow System in the framework of the SLIM initiative in the late 90s totally failed.
- Many other initiatives to deliver reform - achievements considered as not sufficient.
- Conceptual proposal of a Qualified single Flow System by AT transmitted to Eurostat 2006
- SIMSTAT proposal 2012

The main aim of SIMSTAT is the simplification of Intrastat

achieved through substantial
reduction of response burden on
business enterprises

while maintaining a sound level of
quality

SIMSTAT should be seen as a programme comprising several
components in the form of individual projects

SIMSTAT programme is not limited to Intrastat only
(includes also components on trade in services and Extrastat)

SIMSTAT Proposals I

SIMSTAT

SP 1:

Reduction of goods dimension from CN-8 to HS-6 for Intra EU trade (rejected)

SP 2:

MS remain responsible for compilation and reporting of both trade flows.

SP 3:

The monthly periodicity of data reporting is maintained.

SP 4:

For intra EU trade in goods the coverage rate of 95% for arrivals should be replaced by the requirement that data should be 'statistically reliable' (*current proposal: 93%*).

SP 5:

A system for access to micro-data (firm-level data on intra-EU exports) will have to be established and agreed with Member States. All Member States will have to agree that their micro-data might be used by other countries.

For the intra-EU export data requirements, the ID number of the partner company needs to be collected from the exporter as new information. Possibility to collect other variables (e.g. country of origin) need to be analysed.

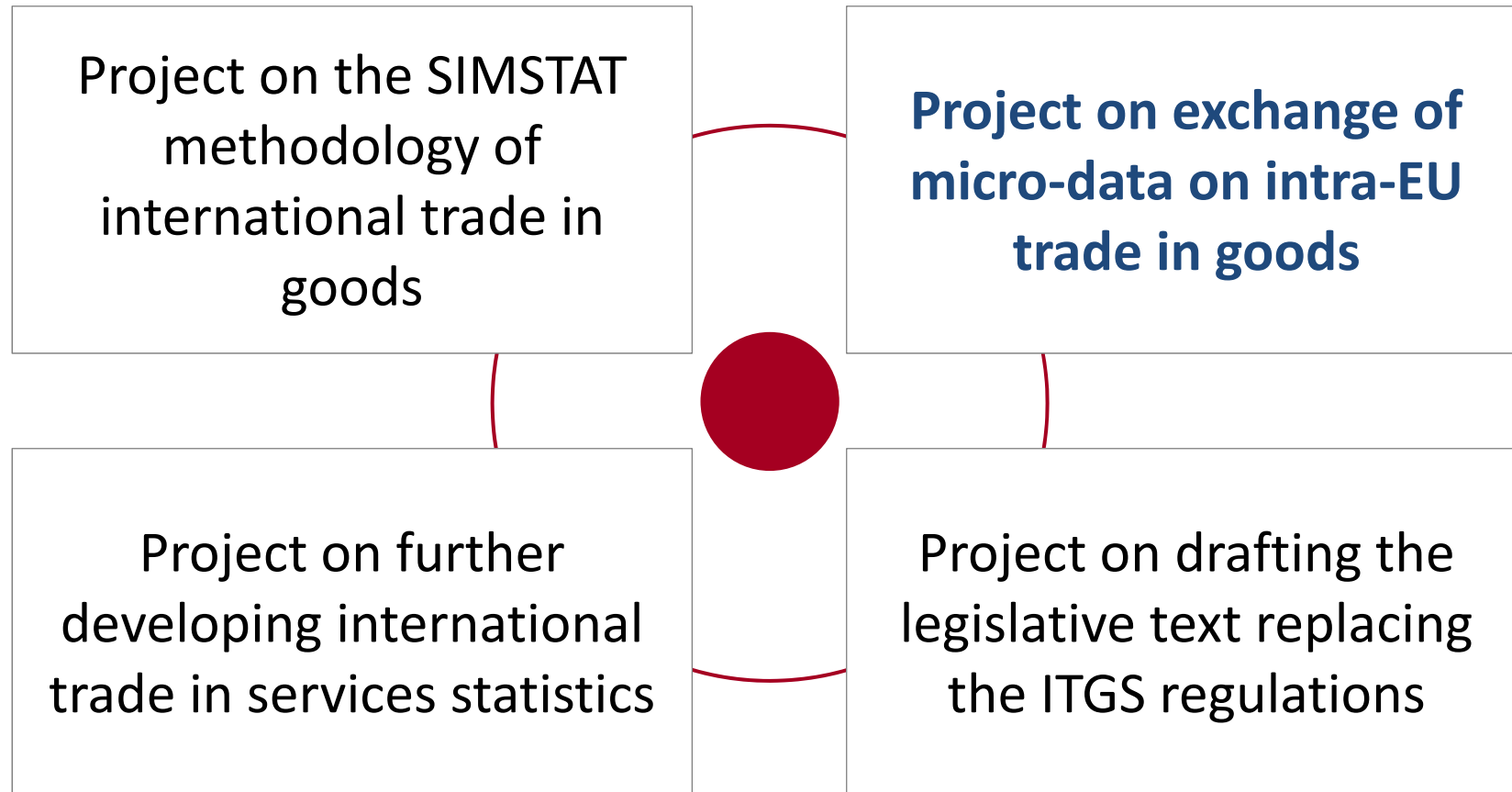
Proposed measures concerning International Trade in Services Statistics:

Short-term:

STEC (Service Trade by Enterprise Characteristics) – corresponding to TEC in ITGS

(very) Long-term:

Compilation of international trade in services on the basis of CPA
targeted timetable : 2020



Chances and potential benefits I

Chances and benefits of the programme depend highly on the eventual implementation of the system of micro data exchange

SIMSTAT objectives envisage

the exchange of MS dispatch data on partner ID level



the possibility for MS of arrival either to use this information to compile arrival figures in connection with statistical adjustment methods and administrative data or to continue to collect arrival data conventionally.

Even in case of perpetuation of primary collection of arrival figures

the **minimum advantage**
of the project is a significant extension of the possibilities for

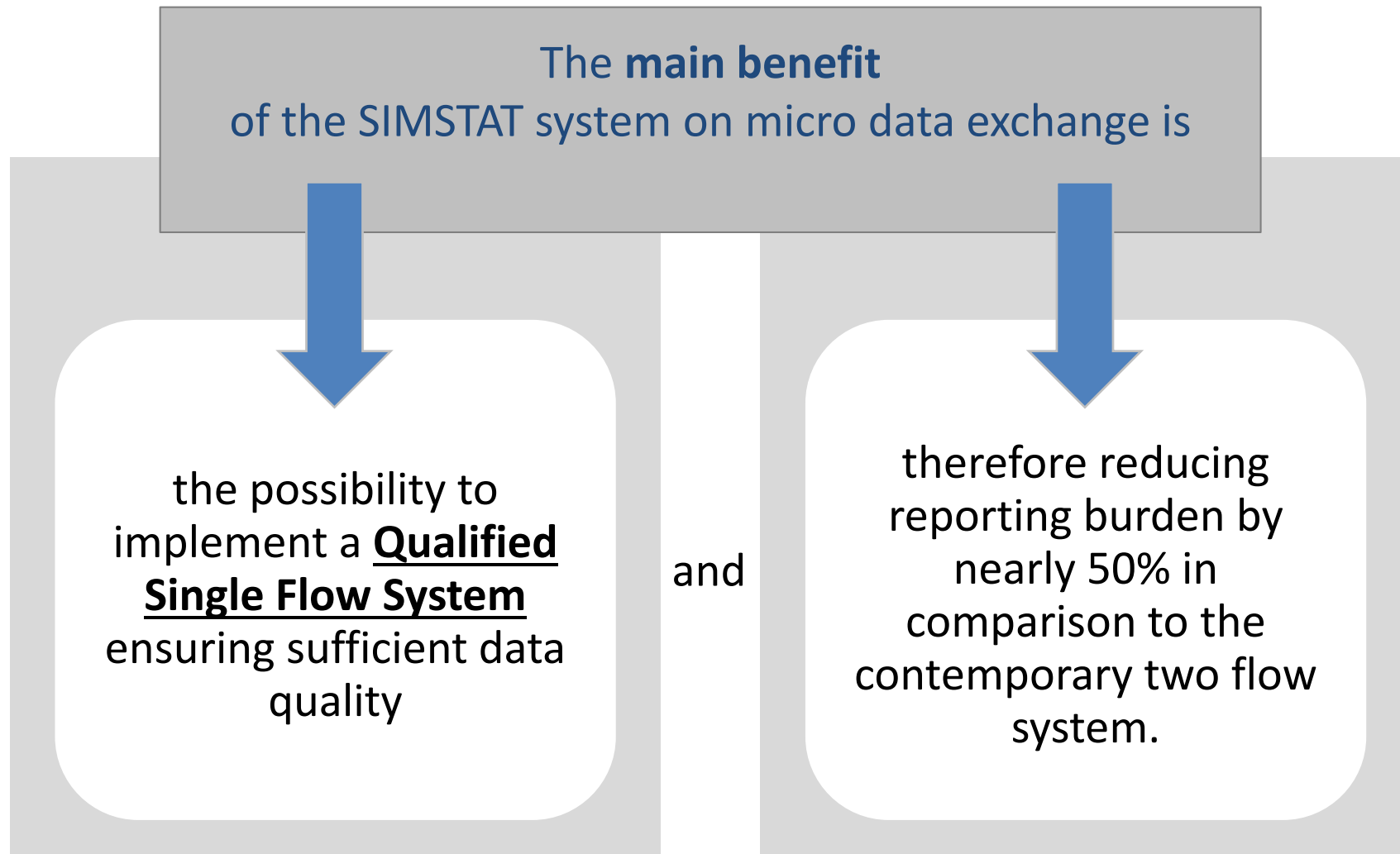


**data asymmetry analysis and
reconciliation exercises**



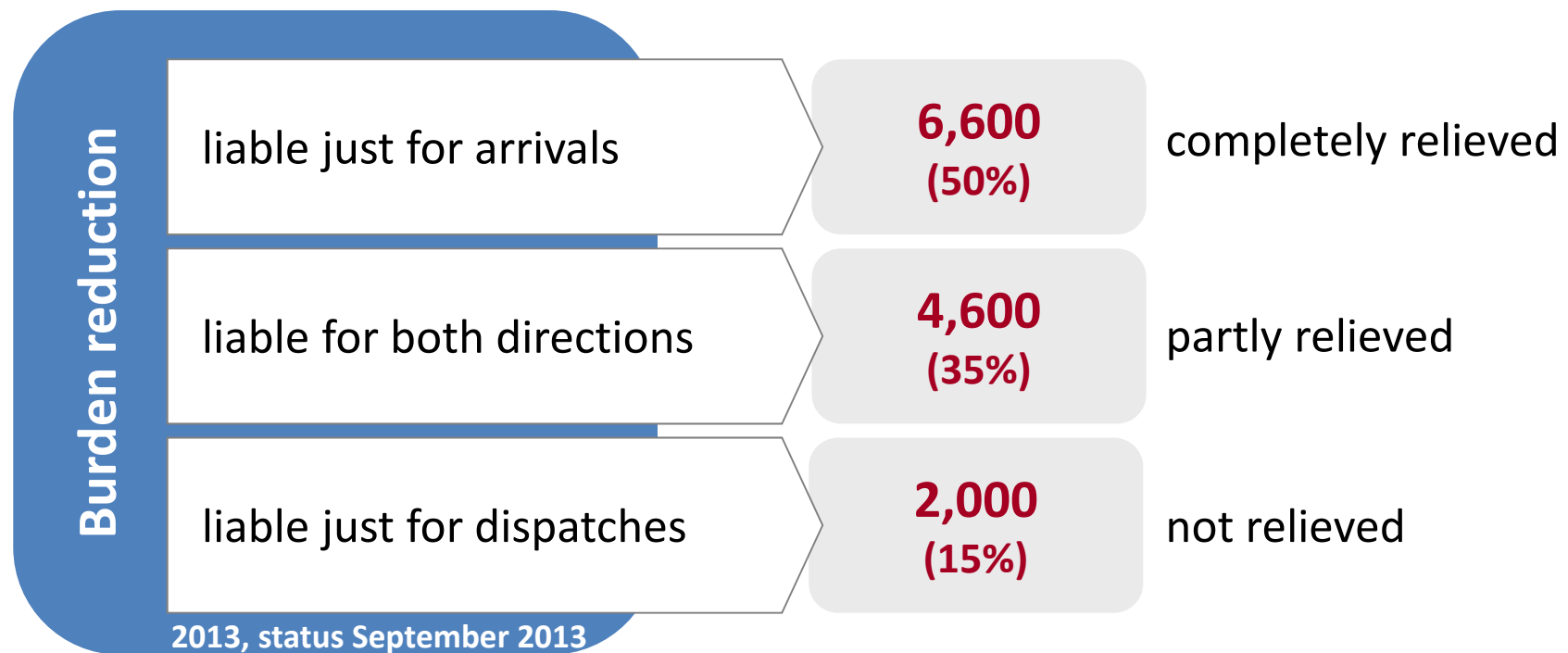
to ensure and improve data quality

Chances and potential benefits III



Single Flow (SF): consequences for the number of respondents in Austria

Direct data-collection of only dispatches – arrivals compiled as mirror results



Interrelated dependence of MS in terms of content and quality – Qualified SF (QSF)

„Simple“ Single Flow System (SSF)

Characteristics:

- Compilation of just one trade flow
- Substitution of the opposite direction by the aggregated mirror results of the partner MS

From the moment of the switching to the other system:

- Collection of only goods dispatches in the MS
- Collection of data by EUROSTAT and redistribution to the MS or decentralized data exchange

Dependence on other MS with respect to:

Timeliness and completeness

Quality of the data contents

Consequences:

National data producers would refuse to take over the **responsibility** for the results on the arrival side

For this reason a qualified version of Single Flow System (QSFS) might be focused which has to comply with legal, technical/organisational and qualitative conditions

Characteristics of a Qualified Single Flow (QSF) System

Availability and exchange of dispatch data on partner ID level and with additional variables on dispatch side (e.g. country of origin, delivery terms)

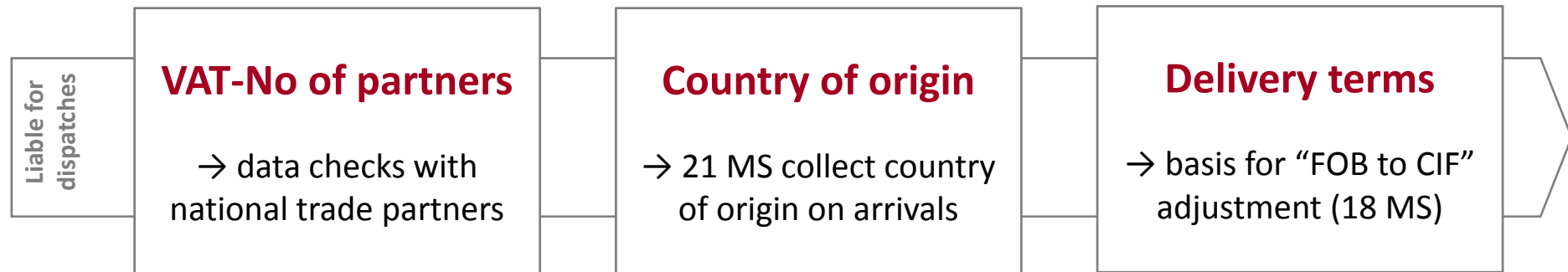
Possibility for NSIs to perform credibility checks and data adjustments using VAT and VIES administrative information to ensure a sufficient data quality

Reliable compilation of arrivals on CIF valuation base should be further possible

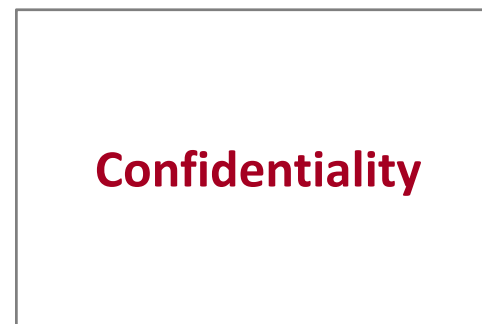
Compilation and publication of arrival figures according to national concepts in the breakdown by country of origin should be possible

QSF – legal and infrastructure preconditions

Collection of dispatches on CN8-level agreed extended



Infrastructure



Legal conditions to be anchored within a binding EU Regulation applicable in all Member States

Ensuring Quality by...

Timely availability of dispatches from other MS including VAT-information of trading partner

→ facilitate own plausibility checks on national level

Development of estimation methods

- VAT/VIES to substitute delayed/incomplete other MS dispatches
- for “FOB to CIF” adjustment of other MS dispatches

Adaption of meta information and implementation handbooks

Continuation of asymmetry-studies

MS are principally responsible for the quality of their dispatch data

The relevant data controls and necessary corrections have to be performed by the MS of dispatch before data transmission to the other MS via Data Hub. This is a central and indispensable infrastructure service for the MS of arrival.

These controls have to cover:

validity checks

as well as

credibility checks

General challenges for the SIMSTAT system II

Common minimum standards of data validation have to be fixed and met.

Timeliness of data availability must be ensured.

Adaptation of existing data production chains and implementation of new elements and steps.

Definition, specification and implementation of a workable system of call backs in case of credibility doubts by the receiving MS.

The close relation of the intra EU trade statistics system to VAT / VIES must be maintained as an essential pillar of the system.

identification of transactors, credibility of intra EU trade data reports, estimations for late and non response as well as for values of trade below the assimilation thresholds

Mandatory collection and exchange of the partner ID on dispatch side can be considered as the back bone of the system and as a conditio sine qua non, but also other additional variables are essential, if the collection of two flows is discontinued.

country of origin for compilation of arrival data by country of origin and delivery terms for purposes of CIF valuation of arrival data

Breaks in time series have to be avoided as much as possible.

Remaining breaks have to be documented.



**Consistency with National Accounts
as an essential objective**



Consistency with National Accounts I

National Accounts

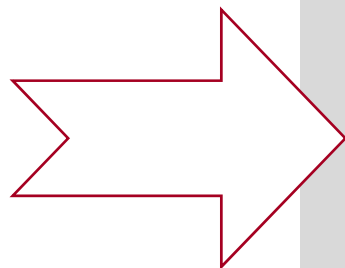
The recording of imports and exports in National Accounts is based on the change of ownership principle

ITGS

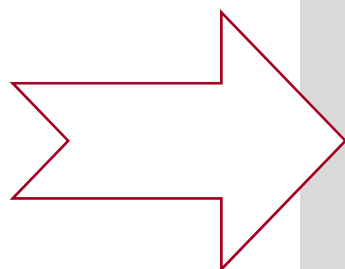
ITGS records flows of goods when they cross the border

This general challenge is solved under the present system and the main objective under a future system should be to maintain and/or improve the consistency of ITGS with National Accounts purposes.

Consistency with National Accounts II



Imports of goods according to the rest of the world account in NA require FOB valuation. As dispatch data of partner MS are valued FOB, the usage of these for the compilation of arrivals would be congruent from a conceptual point of view.



On the other hand imports by product in Input / Output Statistics should be valued CIF like in ITGS so that a correct CIF valuation of intra EU arrivals is also essential from a NA point of view (cp. mandatory collection of delivery terms).

Consistency with National Accounts III

A clear analytical advantage of a collection of the country of origin on dispatch side would be the possibility to identify and quantify re-exports in intra EU trade statistics.

It must be ensured, that the statistical treatment of “Specific Goods or Movements” furthermore corresponds to NA needs (e.g. the transfer of ownership as relevant criterion for the qualification as import or export in trade with vessels and aircraft).

SIMSTAT Project on exchange of micro-data

Project Steering Committee

Project Task Force

IT – Task Force

Simstat ESSNet “Preparation for exchange of micro-data on intra-EU trade between Member States” - Trial Tests in Q2/Q3 2015

Further necessary steps

1

Establishment of the technical infrastructure

2

Detailed technical specifications and definitions

3

Legal provisions and resources aspects

4

Elaborated harmonized guidelines for data compilation and validation

*Please address questions to:
Franz Granner
Directorate Business Statistics*

*Contact information:
Guglgasse 13, 1110 Wien
phone: +43 (1) 71128-7591
fax: +43 (1) 715 68 29
franz.granner@statistik.gv.at*

A new way of measuring foreign trade – SIMSTAT

Statistics Day 2013