



Food and Agriculture Organization
of the United Nations

Food Balance Sheets

Trade: import and export

Learning objectives

Participants will learn:

- a) What **TRADE data** are, why they are important, and how countries collect them
- b) The difference between **official trade data** and **unrecorded trade** resources
- c) What **mirroring technique** means and how it can help in case of missing data

Outline

Trade (Import and Exports):

1. Main features of trade data
2. Official data sources
3. Importance of accurate data
4. Alternative data sources
5. Imputation and estimation

1. Main features of trade data

- Imports

- transboundary flows of goods destined for a given final destination country that add to the total supply of goods available in that country

- Exports

- transboundary flows of goods from a given country of origin that take away from the total availability of goods in that country

Goods that come in and exit a given country without having undergone any type of transformation are therefore excluded from these definitions. These exits are categorized as **re-exports**

1. Main features of trade data

Trade data are the most likely to be **reported reliably** by official sources

Tax purposes, compliance with WTO and WCO guidelines

!!! However, particularly in trade of agricultural goods, official reported trade flows may not encompass all cross-border transaction

UNRECORDED TRADE

→ Example: Affect a country's food supply and food security

1. Main features of Trade data

UNRECORDED TRADE:

- Data from **other sources** (several additional data resources are available)
- **Mirror statistics** (data cross-checking tool)

2. Official data sources

A. Customs declaration

B. Additional official administrative data

C. Official data that estimate otherwise unrecorded trade flows

2. Official data sources

A. Customs declaration

- Most of the world's countries collect **official data on both imports and exports** of goods via customs declarations
- Customs declarations can require the provision of a **wide variety of information about a given cross-border transaction**, but they must include a commodity code for the product to aid in classification
 - They include a commodity code for the product (HS code)
 - Usually updated and disseminated frequently

2. Official data sources

B. Additional official administrative data

Additional official administrative data are:

- Shipping manifest, shipping registers, port administration reports, enterprise surveys

FBS compilers may wish to consult additional official administrative records in the case that **potential issues** with official customs data are identified

2. Official data sources

C. Official data that estimate otherwise unrecorded trade flows

In some cases, countries also produce official data estimating otherwise unrecorded trade flows

Example: Uganda, annually conducts an “Informal Cross Border Trade (ICBT)” survey to collect information about the scope of these trade flows

➔ The country’s 2014 survey suggested that ICBT exports were nearly **one-fifth the size of formal exports**, and agricultural goods represented almost half of those unreported trade flows

3. Importance of accurate data

Unrecorded trade flows can be important contributors to:

- I. Household income
- II. Localized food security

Example: trade data are particularly important for the accurate estimation of livestock population (especially for countries with nomadic populations)



For these reasons, official data may need to be supplemented with data from other sources

4. Alternative data sources

FBS compilers who for some reason cannot access national customs data or for compilers who wish to cross-check the data or consult other sources

- i. International trade databases
- ii. Mirroring technique
- iii. Unrecorded trade resources
- iv. Food aid data

4. Alternative data sources

4.i.a International trade database: COMTRADE

For the majority of the world's countries, official customs data is forwarded to the UN Statistics



UN Database Comtrade

<http://comtrade.un.org/>

Comtrade is a comprehensive database, which publishes trade statistics by year, reporting country, partner country, trade flow type (**import**, **export**, **re-export**), and **HS code**

Comtrade data are considered **official data**

4. Alternative data sources

4.i.b International trade database: FAO dataset

- FAO also produces a dataset on agricultural trade
- This dataset is elaborated on the basis of Comtrade data
- FAO's dataset attempts to account for food aid and unrecorded trade flows, rendering it a more complete dataset for food balance sheet purposes
- FAO's dataset contains imputations and estimations, thus it is not entirely an official data source

4. Alternative data sources

4.ii Mirroring technique

- Countries are encouraged to check the trade flows reported by their trading partners—referred to as “mirror” data
- Countries oftentimes tax imports through tariffs, there is a tendency for import data to be more closely and accurately monitored
- Most exports are not taxed, sometimes those trade flows are not adequately captured, even in official data
- In those instances, it may make sense for compilers to consult partner data and, investigate the discrepancy, and even override official trade figures

4. Alternative data sources

4.iii Unrecorded trade resources

In countries where unrecorded trade is reported to be substantial, compilers should at least attempt to quantify those values

Example: FEWS NET network produces periodic cross-border trade reports for both East and Southern Africa

Example: CILSS, for Comité permanent Inter-Etats de Lutte contre la Sécheresse dans le Sahel, collects data on unrecorded trade flows between eight West African countries for both major cereal grains and livestock

4. Alternative data sources

4. iv Food Aid Data

- For some countries, **food aid shipments** do not show up in commercial shipment data
- The World Food Programme (WFP) is the UN Agency that oversees most deliveries of food aid (**INTERFAIS website**)
- International Aid Transparency Initiative (**IATI**)
- FAO's **GIEWS** team will begin to collect and publish data on non-WFP food aid shipments

5. Imputation and estimation

✓ FAO recommendation:

No methodology is recommended as various datasets already exist

References

- Global Strategy to improve agricultural and rural statistics, 2017. *Handbook of Food Balance Sheet*, Rome, Italy, chapter 3.5, section 3.5.2
- FAOSTAT Trade domain: <http://www.fao.org/faostat/en/#data>

Thank You