

METHODOLOGICAL NOTE

Central Bank of the Republic of Uzbekistan and the National Statistics Committee on the discrepancies in external trade statistics indicators

The Central Bank of the Republic of Uzbekistan and the National Statistics Committee of the Republic of Uzbekistan compile external trade statistics on the basis of the recommendations of the sixth edition of the International Monetary Fund's Balance of Payments and International Investment Position Manual (*BPM-6, 2009*) and of the United Nations International Merchandise Trade Statistics (*IMTS-2010*). In this context, differences in the following key approaches to the recording of external trade set out in these international methodological manuals give rise to differences between the indicators (*rendering them mutually non-comparable*).

In particular:

- Divergences in the classification of the regimes under which goods are brought in;

Under BPM-6, paragraph 10.22, in certain cases economic ownership of goods brought into or taken out of the country does not pass from the supplier to the recipient. For example, exports and imports of goods associated with tolling (*processing of raw materials*) and with repairs of goods are not included in external trade. For such transactions, only the value of the service provided is recorded in the services account of the balance of payments.

In accordance with paragraph 20.11 of the IMTS-2010 Manual, goods sent for processing are recorded when they enter or leave the economic territory, irrespective of whether a change of ownership takes place.

- Differences in valuation methods (CIF/FOB);

For the compilation of balance of payments indicators, paragraph 10.30 of BPM-6 requires imports of goods to be valued on an FOB (*free on board*) basis. Where goods imported into the country are valued on a CIF (*cost, insurance and freight*) basis, they must be revalued to an FOB basis.

In accordance with paragraph 4.8 of the IMTS-2010 Manual, for the statistical valuation of international merchandise trade, countries record imports at CIF value and exports at FOB value, in line with the World Trade Organization Agreement on Customs Valuation.

- Trade statistics recording systems: general and special trade;

In compiling international trade statistics, the recording of imports and exports of goods may follow the principles of either the “general trade system” or the “special trade system”¹.

Since balance of payments indicators are compiled on the basis of the double-entry principle, the general trade system is applied in order to ensure consistency between financial flows and international accounts statistics (*BPM-6, paragraph 10.25*).

Under the special trade system, by contrast, goods are recorded only once customs clearance has been completed (IMTS-2010, paragraphs 2.23–2.25).

– Differences in respect of the personal belongings of individuals;

In accordance with paragraph 10.22 of BPM-6, goods intended for personal use that are brought into or taken out of the country by individuals are not included in goods statistics. This is because, although the state border is physically crossed, economic ownership of such goods does not change, that is, the individual remains the owner of that property both before and after crossing the border.

At the same time, under IMTS such goods may be recorded in external trade statistics.

In international practice, the external trade indicators of the balance of payments compiled by central banks and the external trade statistics published by statistical agencies may diverge from one another owing to differences in the methodological approaches applied.

¹ *The general trade system covers goods registered for entry into the territory of the country, including customs warehouses and free trade zones. The special trade system covers only goods cleared for entry into the free circulation area.*