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# Methodology for Foreign Trade Statistics

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**Methodology for Foreign Trade Statistics**  
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# 1. Introduction

The international merchandise trade statistics compiled by the National Institute of Statistics and Census (INDEC) provide data on the movements of goods between countries and territories. They are a key instrument for making decisions and for the analysis of trade between countries.

The availability of these statistics in a timely manner and with high quality is essential to perform a deep analysis of the country's economy regarding the world, because of its crucial role in economic development, since trade brings together producers and consumers from different countries, integrating them into a global economic system.

The compilation of statistics on foreign trade is done with the aim of meeting the needs of the Government and agencies within the National Statistical System (NSS), as well as the requirements of enterprises, international organisations, researchers and the general public.

The first official foreign trade statistics of Argentina date from 1861 and were developed by the National Customs Administration. The General Statistics Directorate (DGE for its Spanish acronym), first institutional antecedent of INDEC, was created in 1894 by Law No 3180 and depended on the Ministry of Treasury. It was responsible for compiling statistics on exports and imports, which were published quarterly in the yearbooks of foreign trade.

## 1.1 Methodological basis

Considering that international merchandise trade statistics are also part of other economic statistics, the main concepts and definitions set by the international organisations listed below are considered as a conceptual framework:

- United Nations (2010). *International Merchandise Trade Statistics (IMTS). Concepts and Definitions*.
- World Customs Organization (WCO) (2012 and subsequent updates). Standard units of quantity.
- Latin American Integration Association (ALADI for its Spanish acronym) (2015 and subsequent updates). Instruction Manual for Uniform Foreign Trade Data Supply of Member Countries.
- MERCOSUR (2014). *Harmonization Manual of methodologies used for the compiling of the Foreign Trade Statistics in MERCOSUR*. Committee No. 6 Foreign Trade Statistics of MERCOSUR.

## 2. Basic information

Trade statistics are mainly compiled from customs records (shipment permits for exports; import clearances for imports). To complete the coverage, surveys to binational organisations of electric power and gas production and maritime and air transport companies are used as the only source of supplementary information.

In the case of exports, at the time of disseminating the data, there is only a part of the documentation available. Most pending documents are received in subsequent months, but they may be compiled in the same month of issuance or in subsequent months. These export data are delayed due to two main reasons: either the operation is still pending, meaning that the goods have not left the country (time of actual export), or the completion confirmation has not been reported in the customs database on the date the data were captured, although the goods have already left the country.

For imports, the value reported is mainly built on the basis of operations actually performed and perfected from the documentary point of view. It is not necessary to estimate data for publication.

The methodology for the treatment of pending information in the case of exports takes into consideration the following elements:

- The historical performance of data.
- The exogenous information available.
- The data structure by type of product, economic zone and export destination country, arising from export shipments for the reference month received by INDEC.

### 2.1 Technical advances in data processing

In 1988, INDEC implemented the first computerised system for the recording of shipping bills (for exports) and the import clearances (for imports) received from different customs of the country. With this system, foreign trade data began to be released, following an initial analysis, 60 days after the end of the reference month. Previously, the collection and processing of all the export and import operations used to be carried out manually.

The new forms of recording and the computerisation of customs improved data processing times. In July 1997, the Single Customs Document (DUA, for its Spanish acronym) was implemented as a replacement of shipping bills and import clearances, supplemented since April 1998 with the SIDIN (Computerised DUA System, for its Spanish acronym).

From April 1999 on, all customs facilities of the country were computerised, with the implementation of the MARÍA Information System. INDEC began to receive information in IT format. The figures of foreign trade began to be disseminated within 40 days of the end of the recording month.

At present, INDEC is connected with the General Directorate of Customs (DGA for its Spanish acronym) via the Internet and the data are disseminated 20 days after the end of the reference month. The current system is the MALVINA system, a new version of the MARÍA system.

### 3. Review of the recording system according to the recommendations of the International Merchandise Trade Statistics (IMTS)

In recent years, several changes were made to the compiling of foreign trade mainly due to the establishment of MERCOSUR in 1995, but also as a result of the evolution of international merchandise trade and the needs of data users, and because of amendments to related statistical frameworks (the system of national accounts and balance of payments).

According to international recommendations, shipments abroad which are performed with revisable prices, are included in the total exports, with price adjustment depending on quality and operations on consignment, among others. These are mainly mineral concentrates (Chapter 26, according to the NCM, Common MERCOSUR Nomenclature) and oil (Chapter 27, according to the NCM). This means that values change according to the confirmation of the prices of transactions. Exporters have 60 to 180 days to confirm the prices.

**1997:** Operations arising from fuel supply to ships and aircraft, food and other goods, called *ranchos*, are incorporated. For exports, the amount includes supply to foreign ships and aircraft in the country; for imports expenditure incurred by Argentines abroad is considered. The information sources used are customs documentation of maritime exports for *ranchos* and transport companies' surveys on sea imports and air export and imports for *ranchos*.

**1999:** The operations corresponding to "lags" (abandoned goods in custom warehouses) are incorporated to import figures, since DGA began to record these operations using the MARÍA Information System.

**2000:** Argentina adopts the General Trade System, recording the entry and exit operations of free zones to and from third countries, dismissing the operations of entry or exit of goods from these areas, to and from the customs territory. This change favours the harmonization of external trade statistics of the MERCOSUR members.

**2004:** Operations carried out under the courier system, which are the goods dispatched or received through postal or courier services, are incorporated to figures of exports and imports.

**2012:** The new version of the MARÍA system, the MALVINA system, was implemented.

**2017:** ENARSA and the Ministry of Energy are established as main sources of data for exports and imports of natural gas and the series beginning in 2014 are modified.

## 4. Scope of foreign trade statistics and time of recording

From a conceptual point of view, international merchandise trade statistics include all goods that are added to the stock of material resources of the country, due to entry of goods (imports); or subtracted from it, due to the exit of goods (exports).

Products transported through the country (goods in transit), or temporarily admitted or withdrawn (except goods for processing domestically or abroad) are not added or subtracted from the stock of material resources and therefore are not included in statistics of foreign trade in goods.

Generally, the goods are recorded at the time they enter or leave the statistical territory of the country, according to the different trading systems.

For exports, the time of the shipment of goods is considered; and for imports, entry of goods to the market.

In order to delimit the transactions used to compile the trade balance, and in accordance with international recommendations on the subject, these transactions were divided into three groups:

- Goods that are included in the trade balance.
- Goods to be analysed separately for inclusion or exclusion.
- Goods that are excluded from the trade balance.

### 4.1 Goods transactions to be included in the trade balance

**Non-monetary gold:** The transactions of non-monetary gold are not only included in the regular trade statistics; they are also identified in the detail of the exchanged products and classified in national tariffs of related goods.

**Goods traded on Government account:** These transactions, which in many cases represent an important segment of total trade, are included along with the other exchange movements and classified according to the details of national tariffs of the goods.

**Goods for military use:** Military transactions such as arms, ammunitions, vehicles, ships and aircraft are recorded and included in the ordinary statistics.

**Electricity, gas, oil and water:** Although these transactions are not always recorded by customs, the relevant information is included where appropriate.

**Banknotes and securities, and coins not in circulation:** These products are recorded by commercial value and not nominal and classified in national tariffs of the corresponding goods.

**Media, whether or not recorded:** Included in the statistics of international merchandise trade at their full transaction value, except for media used for carrying customized software or software written for a specific client or originals of any nature.

**Goods under financial lease:** Goods are considered to be under financial lease when the lessee assumes the rights, risks, rewards and responsibilities in relation to the goods and from an economic point of view can be considered as the de facto owner. An operating lease is any lease that does not have the above characteristics. Goods under operating lease are excluded from international merchandise trade statistics. In practice, it may be difficult to differentiate between these two types of leases. Therefore, in some cases, the duration of the lease can be used as an indication of whether it is a financial lease (one year or more) or operating (less than one year).

**Free zones and special customs areas:** The term “free zone” (or “customs free zone”) means a part of the territory of a State where any goods introduced are generally regarded, insofar as import duties and taxes are concerned, as being outside the customs territory. In free zones, there is a total elimination of duties, whereas in special customs areas there is a partial elimination of duties. The nature of the operations that goods may undergo within these spaces determine their classification as commercial and/or industrial. For countries adopting the General Trade System, flows of foreign products entering these zones or areas are recorded as imports, and flows of products leaving the areas, as exports, except goods in transit. Flows of goods leaving these zones or areas for domestic consumption are not recorded as imports, nor are flows of national products to these areas recorded as exports.

**Reimport and re-export of goods:**

- a) Re-exportation is the export of foreign goods in the same state in which they were previously imported.
- b) Reimportation is the import of domestic goods which are in the same state in which they were previously exported.

**Goods on consignment:** It is a transaction in which the goods are sent to or received from abroad without prior sale or purchase contract.

**Goods for processing:** Goods for processing are goods sent abroad or imported by a country for submission to any activity under contract, such as oil refining, metal processing, vehicle assembly or clothing manufacturing. These goods, as well as their products, are recorded as imports and exports and valued at gross value before and after processing. They can be with or without change of ownership.

**Returned goods:** These are goods returned to the exporting country, because the country of destination rejects the goods for not finding them in accordance with sanitary, commercial or other agreements. These goods are recorded as reimports by the country that previously exported them. Similarly, goods imported and subsequently returned are included in exports and identified as re-exports when they are returned.

**Goods traded in accordance with barter agreements:** Goods exchanged between countries without use of any means of payment.

**Humanitarian aid, including emergency aid:** In this category are all goods entering or leaving the country under humanitarian aid programs or as emergency assistance, whether provided the Government, international or non-governmental organisations. Recording full commodity and partner detail for such trade may represent a disproportionate effort, and if so, they are included in the total of exports/imports without such detail.

**Goods acquired by all categories of travellers, including non-resident workers:** To a significant scale as defined by national law, they are included.

**Goods that cross borders as a result of transactions between related parties:** These are goods in cross-border transactions between related parties, including parties related by ownership and/or control.

**Goods dispatched or received through postal or courier services:** These goods are recorded in the statistics of international merchandise trade in full commodity detail.

**Migrants' effects:** All goods entering or leaving the country are included in this category.

**Ships and aircraft:** These goods are included in the international trade in goods statistics. The acquisition of a ship or aircraft is treated as adding to the material resources of a country (the reverse also applies). The ships and aircraft in question are included whether they enter or leave the economic territory of the involved countries or remain in international waters or are used in international flights.

**Goods delivered to or dispatched from offshore installations located in the economic territory of a compiling country, (from or to the economic territory of another country):** They are included in the international merchandise trade statistics.

**Fish catch, minerals from the seabed and salvage:** These goods landed from vessels of one country in national ports from another country or acquired by vessels of one country on the high seas from vessels of another country are included in the statistics of the country both in terms of exports and of imports.

**Bunkers, stores, ballast and dunnage:** Those that are acquired by national aircraft and vessels outside the economic territory of the country, or from foreign vessels and aircraft inside the economic territory of the country, or are landed in national ports from foreign vessels and aircraft are included as imports. Those that are supplied to foreign vessels or aircraft in the economic territory of the country, or by national vessels or aircraft to foreign vessels or aircraft outside the economic territory of the country, or are landed in foreign ports from national vessels or aircraft are recorded as exports.

**Satellites and their launchers:** Treatment of satellites, satellite launchers or their parts is equivalent to the treatment of ships and aircraft and depends on the kind of transaction involved. Some cases for inclusion are described below.

- Case 1: A satellite launcher is produced in country A and sold to country B for use. This transaction should be recorded as an export of country A and import of country B.
- Case 2: A satellite is produced and launched in country B on behalf of country A. The satellite should be treated as an export of country B (import of country A) at launch when control of the satellite is turned over from country B to country A. Launch and other related activities should be treated as services provided by country B to country A.

**Goods in electronic commerce:** They are the goods that physically move across country borders as a result of transactions executed entirely, or to a significant extent, by electronic means (e.g., goods ordered and paid for the Internet).

**Gifts and donations:** These goods are included even if they do not have financial consideration.

**Used goods:** This category covers any used industrial equipment or consumer goods (e.g., used computers or cars) as well as the used containers crossing borders under commercial recycling arrangements (e.g., empty bottles for recycling).

**Waste and scrap:** Waste and scrap, including products that are dangerous to the environment, are recorded and classified under the appropriate commodity heading if their commercial value is positive.

**Mobile equipment that changes ownership while outside the country of residence of its original owner:** This category includes equipment that was initially sent from one country to another for temporary use and for a specific purpose, such as construction work, firefighting, offshore drilling or disaster relief, but which changes ownership as a result of, for example, the subsequent gift or sale to a resident of that country.

**Goods received or sent abroad by international organizations:** They are included in imports if the country receives the goods from such organisations and in exports if the country sends the goods to those organisations.

## 4.2 Special goods transactions

Some of the operations in the above-mentioned item 4.1 are considered special transactions and compiled separately when it is not possible to identify the nomenclature according to the NCM.

### Chapter 99: Special transactions (as defined by INDEC)

- 99980100: Supply of fuel and lubricants to ships and aircraft
- 99980200: Supply of ships and aircraft excluding fuels and lubricants
- 99980300: Simplified exports and imports
- 99980400: Goods dispatched by postal services
- 99980500: Samples

## 4.3 Goods transactions to be excluded from the trade balance

**Goods for repair or maintenance:** This category includes goods temporarily crossing borders for repair or maintenance abroad. Such activities reinstate or maintain the quality of the goods and do not result in the creation of a new product.

**Waste and scrap:** Waste and scrap having no commercial value are excluded, but separately recorded using appropriate quantity units.

**Goods lost or destroyed after leaving the exporting country but before entering the importing country and after ownership has been acquired by the importer:** Such goods are excluded from the detailed import statistics of the country, but recorded for adjustment purposes.

**Goods consigned to and from the territorial enclaves:** The movement of goods between the country and its enclaves abroad is considered as an internal flow and is excluded.

**Monetary gold:** Gold transactions between central banks or monetary authorities are considered transactions in monetary gold and are excluded from the trade balance, as these movements do not increase or decrease the material wealth of the country and only affect monetary resources.

**Issued banknotes and securities, and coins in circulation:** They represent evidence of financial claims and are excluded from international merchandise trade statistics.

**Goods temporarily admitted or dispatched:** Goods are considered as temporarily admitted/dispatched if at the time of admission/dispatch it is known that their intended stay in the receiving country is temporary (as defined by the statistical authority) and if after their stay they can be withdrawn/returned in the same state (except for normal wear and tear). This category includes, but is not limited to, goods identified in the Kyoto and Istanbul Conventions as goods covered by the “temporary admission subject to re-exportation in the same state” customs procedure. Examples of temporary admission of goods are means of transport, containers and equipment connected with transport.

**Goods in transit:** Goods that enter or leave the country with the sole purpose of reaching a third country.

**Non-financial assets, ownership of which has been transferred from residents to non-residents without crossing borders:** Such assets include land, structures, equipment and inventories. Such a transfer of ownership is considered to be a financial operation and is therefore excluded from the statistics.

**Goods treated as part of trade in services:** This category includes

- a) Goods acquired by all categories of travellers, including non-resident workers and carried across the border in amounts or values not exceeding limits established by national law;
- b) Newspapers and periodicals sent under direct subscription;
- c) Goods supplied by and to enclaves of foreign governments (embassies, military bases, etc.) and international organisations located in the statistical territory of a host country are excluded since they are included in the sixth edition of the *Balance of Payments and International Investment Position Manual* (BPM6) under services.
- d) Media used for carrying software customised or written for a specific client or originals of any nature, when identified.

**Goods under merchanting:** The purchase of goods by a resident of the compiling economy from a non-resident combined with the subsequent resale of the same goods to another non-resident without the goods being present or crossing the border of the compiling country.

**Goods under operating lease:** This category comprises goods shipped under operating (i.e., non-financial) leasing agreements. In the absence of other information, the duration of a lease of less than one year can be taken as an indication that the lease is an operating lease.

**Satellites (and their launchers as applicable) moved to and launched from another country without change of ownership:** If a satellite produced in a country A is moved from there to country B for launching without change of ownership it is to be considered in country A as an internal operation not constituting external trade (similar to ships going to and remaining in international waters). The same satellite entering country B should be considered a temporary admission and not included in imports.

**Goods functioning as means of transport:** This category of goods includes a wide range of items, from ships and aircraft and containers used to transport cargo in ship/rail/road supply chains to empty bottles that are returned to be refilled.

**Content delivered electronically:** The electronic delivery (downloading, e-mailing, streaming, etc.) from one country to another of any content (e.g., books, newspapers and periodicals, directories and mailing lists, musical audio downloads, streamed audio content, films and other video downloads, streamed video, systems software downloads, application software downloads, online games, etc.) is excluded.

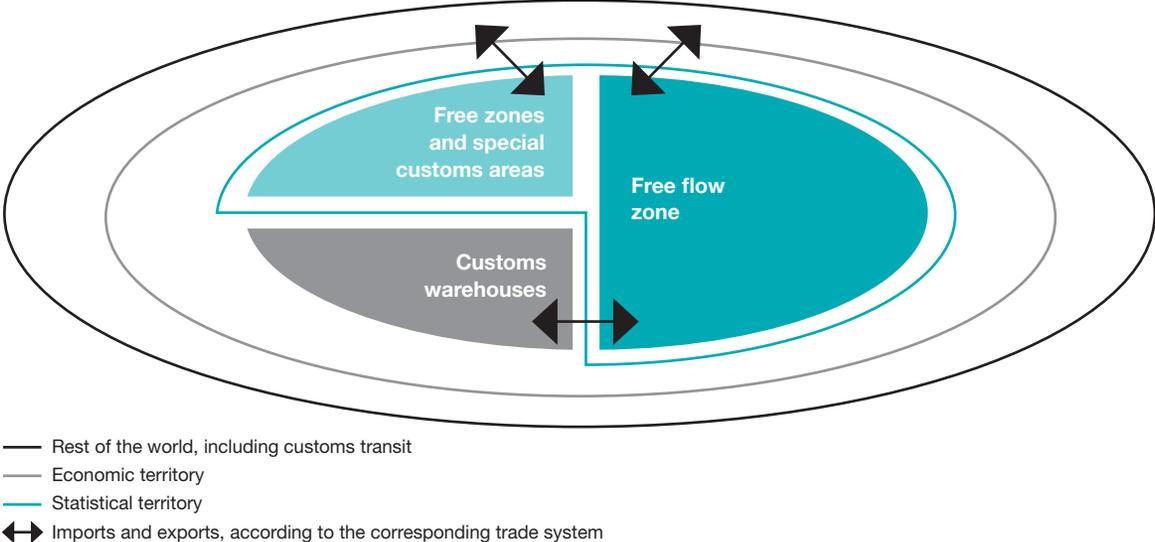
### 4.4 Statistical territory

The statistical territory of a country is the territory with respect to which trade data are being compiled. For the international merchandise trade statistics of Argentina, it includes the following elements:

- The 24 Argentine provinces (free flow zone)
- Territorial waters and continental shelf
- Free zones and special customs areas

**It does not include:**

- Customs warehouses



## 4.5 Product classification

In 1 January 1988, several countries adopted a new nomenclature through the International Convention on the Harmonized System.

This classification, known as the Harmonized System (HS), aims to facilitate international trade and the collection, comparison and analysis of statistics related to it. In 2012 the 5th Amendment of this system came into force.

The nomenclature also aims to establish a correlation, as narrow as possible, between import and export statistics, statistics of production and transport, and the Standard International Trade Classification (SITC) of the United Nations.

From 1991 on, Argentina officially adopted the Harmonized System to classify goods exports and, from 1992, for imports, uniting in a single nomenclature both types of operations.

Since 1995 the MERCOSUR Common Nomenclature has been in use, based on the Harmonized System, which means that the import and export statistics of Argentina are classified according to this nomenclature.

Additionally, INDEC publishes the information classified by other criteria which are analytically relevant:

- International Standard Industrial Classification of All Economic Activities (ISIC).
- Standard International Trade Classification (SITC).
- Classification by Broad Economic Categories (BEC). Data are presented according to this classification based on the primary end-use of the goods of the SITC items. This classification aims to link the data, whenever possible, with the end-use categories of the National Accounts System.
- Exports by Major Categories (GR, for its Spanish acronym): primary products, manufactured goods of agricultural origin, industrial manufactures and fuels.
- Imports by economic use: capital goods; intermediate goods; fuels; parts and accessories for capital goods; consumer goods and passenger motor vehicles.
- National Classification of Economic Activities (CInAE, for its Spanish acronym), based on ISIC Rev.4.
- Central Product Classification (CPC).

## 4.6 Time of recording

**Exports:** exports by air and sea are recorded on the date the loading of goods on the means of transport is completed. Exports by land are recorded based on the date of crossing the border, information provided by the exit customs office.

**Imports:** the time of recording is the time on the customs clearance, regardless of the date of arrival in the country.

## 4.7 Valuation

**Exports:** the specified values refer to FOB (free on board) prices at the port or goods shipment location. That is, the price of the transaction also includes internal costs incurred to transfer the goods to the place or shipping port.

**Imports:** values are recorded at FOB and CIF (cost, insurance and freight) prices. The latter includes the FOB value plus freight and insurance (excluding import duties) incurred in bringing the merchandise from the port or place of loading, to the first port or place of arrival in Argentina.

The values recorded in non-dollar currencies are converted to US currency at the daily exchange rate of the relevant month, prepared by the Banco de la Nación Argentina (buyer for exports, seller for imports).

## 4.8 Quantity measurement

Argentina uses the standard units of quantity recommended by the World Customs Organization (WCO) to facilitate the collection, comparison and analysis of international statistics based on the Harmonized System and the NCM. Both exported and imported amounts are expressed in net kilograms, excluding the weight of the packaging. Since 1988 information is also collected on the gross weight of the goods, including packaging.

In addition to these main units, there are secondary units of measurement for some goods: unit, kilowatt per cubic meter, etc.

The standard units of quantity used are as follows:

- **Net weight**
  - kilograms (kg)
  - carat (carat)
- **Length**
  - metres (m)
- **Area**
  - square metres (m<sup>2</sup>)
- **Volume**
  - cubic metres (m<sup>3</sup>)
  - litres (l)
- **Electrical power**
  - 1000 kilowatt-hour (1,000 kWh)
- **Number (units)**
  - pieces/items (u)
  - pairs (2u)
  - dozens (12u)
  - thousands of pieces/items (1,000u)
  - packs (u (set/pack))

## 4.9 Duty paid

They are calculated based on the *ad valorem* duties and/or specific duties paid by several import goods and entered in customs declarations under current regulations. Values are expressed in US dollars.

## 4.10 Partner country

For export and import statistics, data by country are grouped in two ways: according to continent, or economic area.

For exports, the last known country of destination for the clearance of goods for shipment is considered.

**Country of destination:** Is the country declared upon shipment as the country where the goods will be finally delivered.

Imports may be further classified by country of consignment or origin. The definitions proposed by the Customs Cooperation Council are:

**Country of consignment** is the country from which the goods were initially dispatched to the importing country, based on the revised Kyoto Convention.

**Country of origin** is where the goods are produced or manufactured under the criteria for applying customs tariffs, quantitative restrictions or any other measure related to trade.

In the case of operations arising from supply ships and aircraft, since it is goods consumed on board, it proves meaningless to differentiate the country of destination for exports and the source or origin of imports.

INDEC has traditionally published import data by country of consignment. Since 1995, it has officially used the origin country to define the partner country of Argentine imports, but also continues to develop the information by country of consignment. The figures by country of origin are available from 1987 onwards. Meanwhile, exports are classified by country of destination.

## 4.11 Mode of transport

Argentina collects and disseminates the international trade statistics classified by mode of transport with the highest level of detail possible of products (as an independent dimension of the data) to enable information on the mechanisms of transport and for analytical purposes, and so that the mode reported will be the mode of transport used when goods enter or leave the statistical territory of a country.

## 4.12 Customs

Import data by customs facility indicate where import declarations (formalization of the document) are completed.

The export figures are available according to the customs office where the process starts (customs formalization) and since 1988, according to output, which is where merchandise is effectively sent abroad.