Approved by the order of the Chairman of the Committee on Statistics of the Ministry of National Economy of the Republic of Kazakhstan

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**Methodology in the field of maintaining statistics of international trade in goods**

1. **General provisions**

1. This Methodology refers to the statistical methodology, formed in accordance with international standards and approved in accordance with the Law of the Republic of Kazakhstan dated March 19, 2010 "On State Statistics".

2. The methodology defines the main methods for calculating statistical indicators on foreign and mutual trade, comparable at the international level.

3. This Methodology is applied by the Committee on Statistics of the Ministry of National Economy of the Republic of Kazakhstan in the formation of statistical data on statistics of foreign and mutual trade.

4. The following definitions are used in this Methodology :

1) mutual trade of the Eurasian Economic Union (hereinafter - EAEU) - trade between EAEU member states;

2) EAEU foreign trade – trade of the EAEU Member States with third countries;

3) trading country - a country in whose territory a legal or natural person is registered (permanently resides) who sold or bought goods;

4) CIF (cost, insurance, freight Incoterms 2010) - a condition for the delivery of goods, according to which the price of the goods includes its cost and the cost of insurance and transportation of goods to the port of the importing country;

5) with statistical adjustments - these are scientifically based statistical calculations that make it possible to estimate (in monetary or quantitative terms) the volumes of this or that phenomenon not taken into account by the official statistical survey on the basis of methods for achieving full data coverage;

6) from the country of departure - the country from which the international transportation of goods has begun, information about which is given in the transport (transportation) documents;

7) country of destination - the country where the goods will be consumed, used or processed;

8) statistical value of goods - the cost of goods, expressed in United States dollars (hereinafter - US dollars ), reduced to a single price basis (for exported goods - according to the FOB price type, imported - according to the CIF price type), recalculating the cost in US dollars is carried out at the official rate of the National Bank of the Republic of Kazakhstan;

9) country of origin - the country in which the goods were completely produced or subjected to sufficient processing in accordance with the criteria or procedure determined by the customs legislation of the EAEU;

10) import of goods – importation into the territory of an EAEU Member State of goods that are added to the stocks of material resources of an EAEU Member State;

11) export of goods – export from the territory of an EAEU Member State of goods that reduce the stock of material resources of an EAEU Member State;

12) invoice value - a direct cash payment to the seller, which does not take into account other payments and which are included in the cost of the transaction or excluded from it;

13) FOB (free on board, Incoterms 2010 ) - a condition for the delivery of goods, according to which the price of the goods includes its cost and the costs of delivering and loading the goods on board the ship.

1. **Scope of data**

5. The scope of international merchandise trade statistics is determined by general and specific guidelines. General guidelines are a general rule, while specific guidelines are formulated to confirm or clarify how data are statistically processed for a limited number of product categories. The application of the general guidelines to them is not clear enough due to:

specific features of goods;

the specifics or complexity of the trade, or any practical considerations regarding data collection.

6. As a general guideline, international merchandise trade statistics take into account all goods added to or subtracted from a country's stocks of material resources as a result of their entry (importation) into its economic territory or exportation (exportation) outside its economic territory.

7. The following categories of goods are taken into account in the statistics of foreign trade and statistics of mutual trade:

1) non-monetary gold, precious metals that do not act as a means of payment, securities, banknotes and coins that are not in circulation;

2) goods sold on the accounts of the state, including goods for civil and military purposes, in the implementation of regular commercial transactions by governments; goods supplied under the state foreign aid programs; war reparations and restitution;

3) humanitarian and technical assistance;

4) goods received as a gift;

5) goods temporarily imported (exported) for a period of one year or more;

6) goods imported (exported) under a financial lease (leasing) agreement;

7) military and dual-use goods;

8) goods imported (exported) under consignment agreements;

9) goods imported (exported) under barter agreements;

10) goods imported (exported) for the purpose of their processing, as well as products of processing;

11) goods imported (exported) as contributions to statutory funds;

12) goods of own production of enterprises with foreign investments;

13) goods used as information carriers and software tools, such as packaged sets of floppy disks or CDs with computer programs and (or) data recorded on them, audio and video materials intended for general or commercial use (but not developed by by individual order);

14) returned goods previously exported and accounted for in exports, and then returned goods are recorded as imports. Similarly, previously imported and returned goods are treated as exports;

15) goods imported (exported) as a result of transactions between parent corporations and enterprises of their direct investment (branches, departments);

16) fish, fish products, seafood, minerals from the seabed caught (extracted) and salvaged cargo, unloaded from a foreign ship in the port of an EAEU Member State or purchased by a ship of an EAEU Member State on the high seas from a foreign ship, as well as those sold on the high seas;

17) bunker fuel, ballast, on-board stores and other materials are taken into account when they are sold to foreign ships and aircraft in the territory of an EAEU member state, as well as when they are purchased by ships and aircraft of an EAEU member state from foreign ships and aircraft in the territory of the state – of an EAEU member or unloaded from foreign vessels and aircraft in a port of an EAEU member state;

18) goods sent by international mail;

19) vehicles imported by individuals of an EAEU member state for the purpose of permanent placement.

8. In the statistics of mutual trade with the EAEU countries, goods that are the subject of commercial transactions are taken into account.

9. The following categories of goods are not taken into account in foreign trade statistics and statistics of mutual trade:

1) goods whose value does not exceed the statistical threshold;

2) monetary gold, national and foreign currency (except for those used for numismatic purposes), securities put into circulation;

3) goods that are not the subject of commercial transactions:

imported (exported) by individuals for their own use, in quantitative or value terms not exceeding the norms established by the legislation of the EAEU member state;

periodicals (newspapers, magazines) sent by direct subscription to individuals;

goods purchased by diplomatic or other missions of foreign states, armed forces, scientific organizations on the territory of an EAEU member state for their own needs;

goods temporarily imported (exported) for a period of less than one year;

EAEU Member State abroad;

goods transported by pipeline transport, necessary for its commissioning;

supplies-goods to ensure the normal operation and maintenance of ships, aircraft and trains engaged in international transportation, intended for consumption by passengers and crew members, as well as intended for sale to passengers and crew members;

watercraft and aircraft imported (exported) for maintenance purposes;

goods imported (exported) for the purpose of repair;

goods intended for demonstration and (or) use during exhibition and fair events, as well as cultural, sports, entertainment and other events;

goods supplied on account of a pledge;

samples of goods;

reusable shipping container;

goods imported (exported) on complaints;

EAEU member state, when changing the customs procedure, are not re-recorded in the customs statistics of foreign trade (without changing the direction of movement of goods);

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1. **The moment of accounting for exports and imports of products**

10. According to foreign trade statistics, the moment of accounting for exports and imports of goods is:

1) when importing - the country of origin of the goods;

2) when exporting - the country of the last known destination (country of destination) of the goods.

11. According to the statistics of mutual trade the moment of accounting for exports and imports of goods is:

1) when importing - the country of departure of the goods;

2) in case of export, the country of destination of the goods.

1. **Сlassification of products**

12. The use of detailed commodity classifications is driven by the need to be able to fully define and describe commodity data in an internationally comparable form for use in statistical and analytical purposes and in trade development negotiations.

13. In the Republic of Kazakhstan, the Commodity Nomenclature of Foreign Economic Activity EAEU (hereinafter - CN FEA EAEU) is used as a classifier of goods.

# 14. The principle of building CN FEA EAEU is based on the distribution of information about product codes in accordance with five levels of detail:

# 1st level - sections;

# 2nd level - group ( subgroups ) (2-digit code);

# 3rd level - commodity item (4-digit code);

# 4th level - subposition (6-digit code);

Level 5 - sub-subposition (10-digit code).

15. The numbers of sections, subgroups and subitems do not participate in the formation of the code. Top level classification sections.

# 16. Each product according to CN FEA EAEU has a 10-digit numeric code. In total, CN FEA EAEU codes consist of 97 groups and 21sections, strictly observing the principles of unambiguously assigning goods to one or another group.

1. **Quantitative accounting of products**

17. Quantity is an important parameter of international trade statistics that is needed for use in various policy and analytical purposes, including transport infrastructure development planning, energy balances, and balance sheets of agricultural and other commodities, assessment of the environmental impact of international trade, verification of cost data trading and building series of trade indices.

18. Units of quantity reflect the physical characteristics of goods. Since they are free from the problems of determining the value of goods, quantitative data, when carefully compiled, represent a reliable indicator of the international movement of goods. The use of appropriate units of quantity also allows for more internationally comparable data on such movements, as the differences between the importing and exporting countries are less significant in quantity than in value. Quantities are often used to validate cost data by calculating so-called value units (value divided by quantity).

19. In foreign trade statistics and mutual trade statistics, the quantitative units specified in CN FEA EAEU shall be used. Weight figures are taken into account on the basis of net weight, in kilograms.

20. Net weight for goods transported in packaged form is the mass of the goods, taking into account only the primary packaging, if in such packaging, based on consumer properties, the goods are presented for retail sale, its primary packaging is separated from the goods before consumption without violating consumer properties goods. In other cases, net weight is the mass of the goods without taking into account any packaging.

21. For certain goods, the quantity is also recorded in additional units of measurement (pieces, liters, cubic meters and others) provided for by CN FEA EAEU.

1. **Valuation of products**

22. For all goods covered by international merchandise trade statistics, whether sold, exchanged or delivered without payment, their statistical value shall be taken into account.

23. In order to ensure comparability of data of statistics of international trade in goods and based on various analytical needs and practice of trade and statistical accounting in the Republic of Kazakhstan, the following are determined:

statistical value of exported goods by type FOB;

statistical value of imported goods by CIF type.

24. Recalculation of the statistical value of goods in US dollars is carried out at the rate established by the National Bank of the Republic of Kazakhstan in the statistics of mutual trade at the time of receipt of the goods at the warehouse during import, at the time of shipment of the goods from the warehouse during export.

25. The basic terms of delivery of goods are determined in accordance with the Classifier of terms of delivery, approved by the Decision of the Commission of the Customs Union dated September 20, 2010 No. 378.

26. The invoiced value represents the expected direct cash payment to the seller and does not take into account other payments included in or excluded from the transaction price. The invoice price serves as the starting point for determining the value of the transaction.

1. **Adjustments for the non-observed economy according to the statistics of foreign and mutual trade in goods**

27. In order to ensure the completeness of the official statistical information of the EAEU member states, it is necessary to carry out statistical adjustments of unrecorded volumes of foreign and mutual trade in goods.

28. According to the experience of European countries, in particular the Federal Statistical Office of Germany, in order to carry out unrecorded volumes of foreign and mutual trade and achieve full coverage of data, adjustments are made for free trade (below the statistical threshold), that is, for small enterprises exempted from providing a statistical form and for late responses and non-responses.

29. The German recalculation procedure is based on the so-called top-down method, recalculation based on the total cost. Other countries of the European Union apply the so-called bottom-up method, that is, a different approach, counting at a detailed level and disseminating for the overall result.

30. The top-down approach is based on comparing two or more data sources for the same phenomenon. This method is used to carry out additional calculations of unrecorded volumes of mutual trade on a monthly basis.

31. The sources of data when using the discrepancy assessment method are information from documents submitted by participants in foreign economic activity to the authorized bodies during a statistical survey of mutual trade and information from applications for the import of goods and payment of indirect taxes submitted to the tax authorities.

32. To determine the value of the recalculation, the total amount of data from the statistical authorities is subtracted from the total amount of data from the tax authorities.

33. The distribution of the volume of recalculations using the “top-down” method is carried out proportionally both by country and by CN FEA codes, where the total value received (difference with the data of the tax authorities) is divided into all countries and commodity items at the level of 2characters (99 trademarks CN FEA positions).

34. In the “bottom-up” method, on the contrary, the adjustment is done at a detailed level, where the volumes for all countries and articles of the CN FEA are summed up to the total value received (difference from the data of the tax authorities).

35. In general, for the year in Germany, the adjustment for exports is 0.4%, for imports - 1.2%.

36. The non-response count is reduced with each revision, starting 2months after the first publication, and amounts to 6 consecutive revisions. Additional annual review for all months in October of the following year.

37. When adjusting for non-responses in Germany for export, the adjustment is about 5.5% (first result) to 0.8% (final result at annual review). When importing, it is similar from 8.5% to 1.8%. The residual count is the (actual) dropout of responses.

38. The calculated share for exempt trade always remains equal up to the statistical threshold of the respondents (500,000 euros, from next year the statistical threshold will be 800,000 euros): exports 1.6%, imports 3%.

39. The total cost of adjustments is taken from the tax value, but at the time of publication of the data it is not on hand, due to the transfer of tax data with a delay. To do this, a recalculation coefficient is determined based on the experimental values of previous years and represents the total amount of transferred values at the time X and the difference to the total cost.

The main benefits of data revisions are:

1. improved data quality (more up-to-date data);
2. harmonization of the method of revisions in member countries;
3. reducing discrepancies at a detailed level.

40. In the Republic of Kazakhstan, data on mutual trade statistics are updated annually based on the results of joint work on a “mirror” comparison of data with the authorized bodies of partner countries in the EAEU.

41. Starting from 2016, international experience in recalculations will be introduced into national practice, taking into account the provisions of the UN methodology and the Eurasian Economic Commission.