

Global Merchandise Trade Data: Status and New Developments

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Annual Board Meeting
Center for Global Trade Analysis
West Lafayette, IN June 4, 2007



Presentation outline

- Consortium members input into process
- Country reporting status, trade growth, new complexities, and data quality
- Principles and acceptable methods for trade data
- New approaches for tackling complex problems and adhering to principles
- Special regional initiatives
- Documentation and webpage

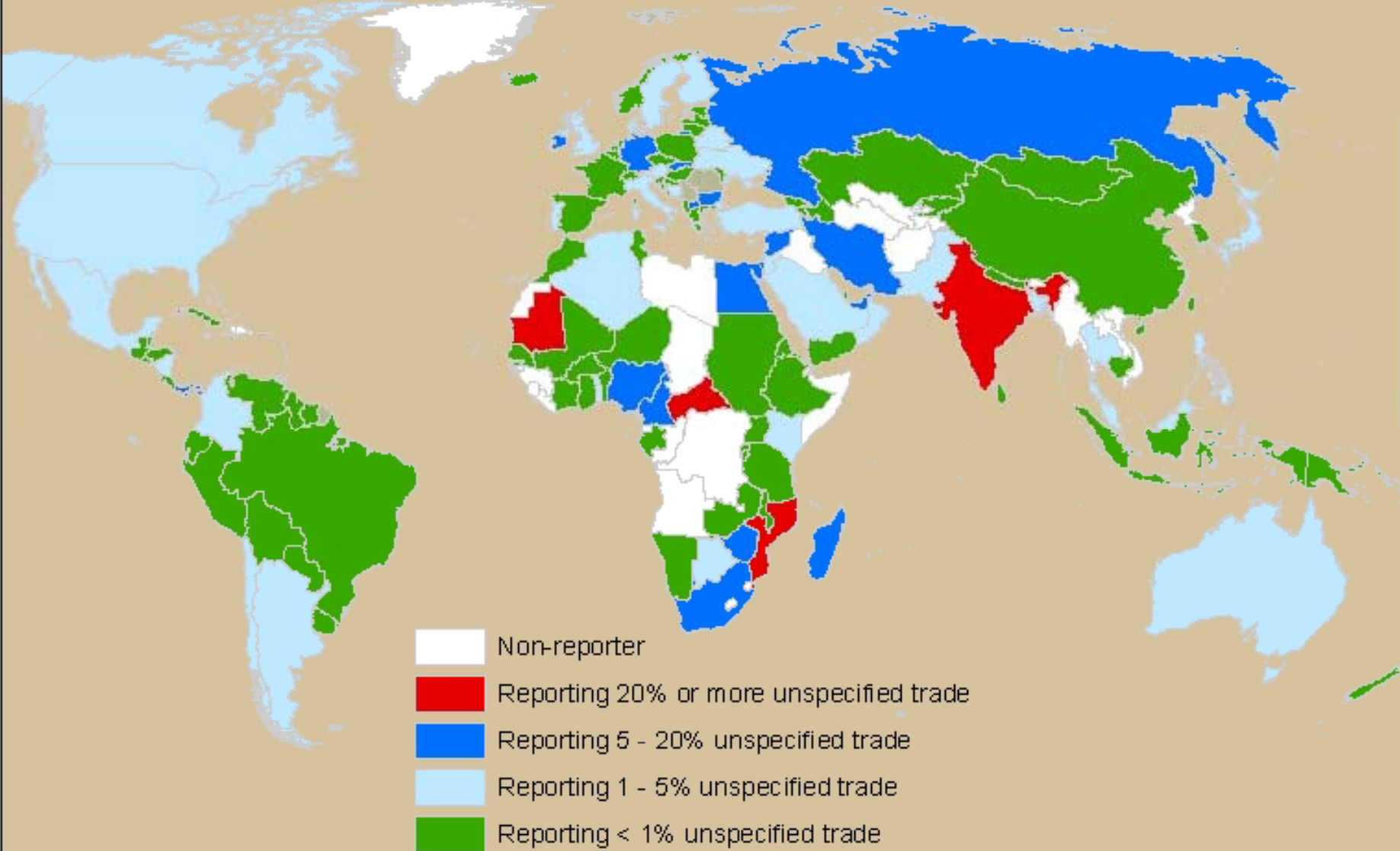


Consortium's input always welcome

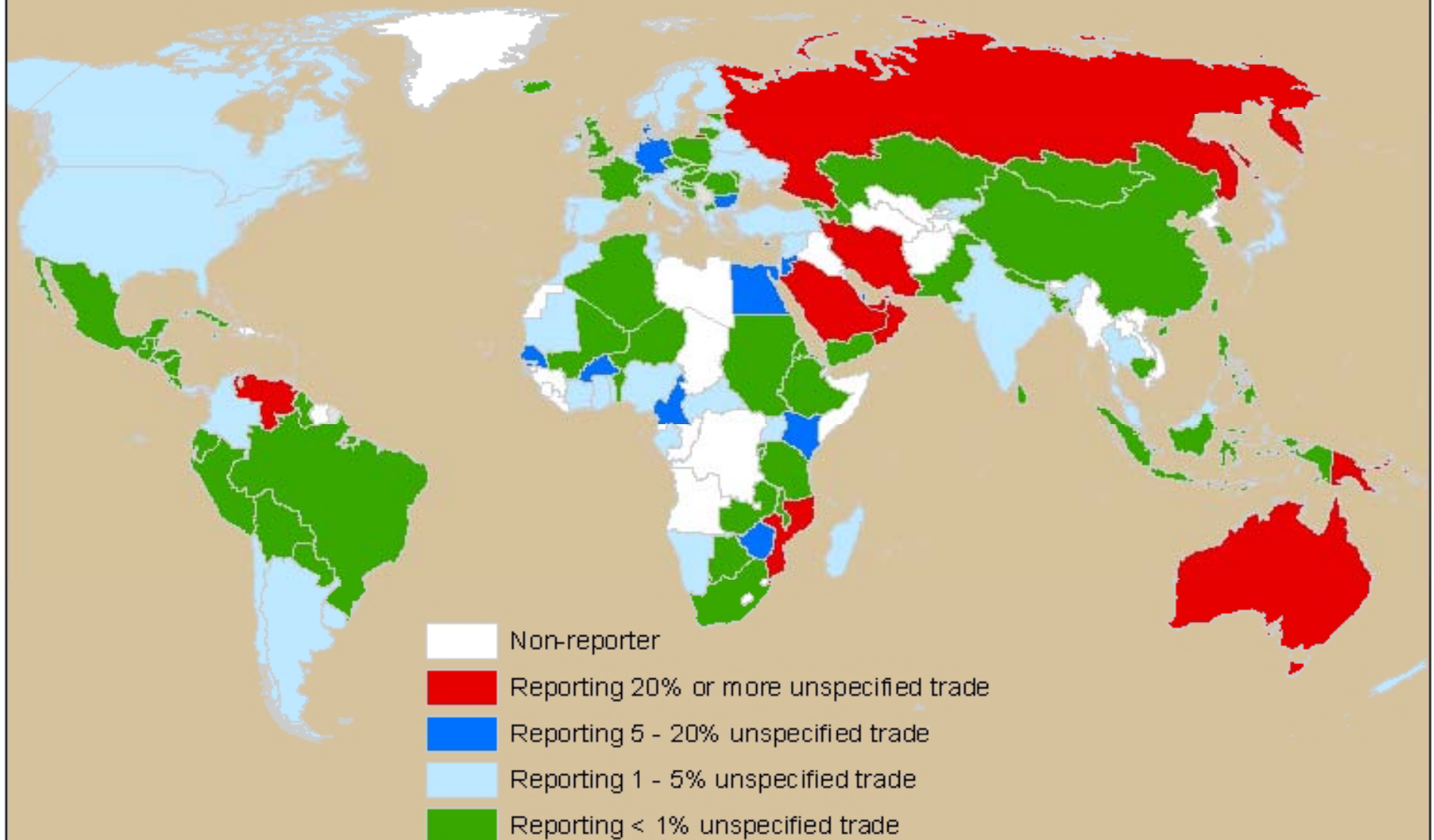
- No sane person should work alone on trade data (it takes a village)
- ITC's focus on China/Hong Kong and re-export treatment
- IDB assisting with "Maquilla" trade and Central American re-exports
- Nathan Associates providing some "hard to get" data
- CPB re-exports in EU but GTAP needs more information beyond Netherlands



Country Reporting Status for Imports 2003-2005



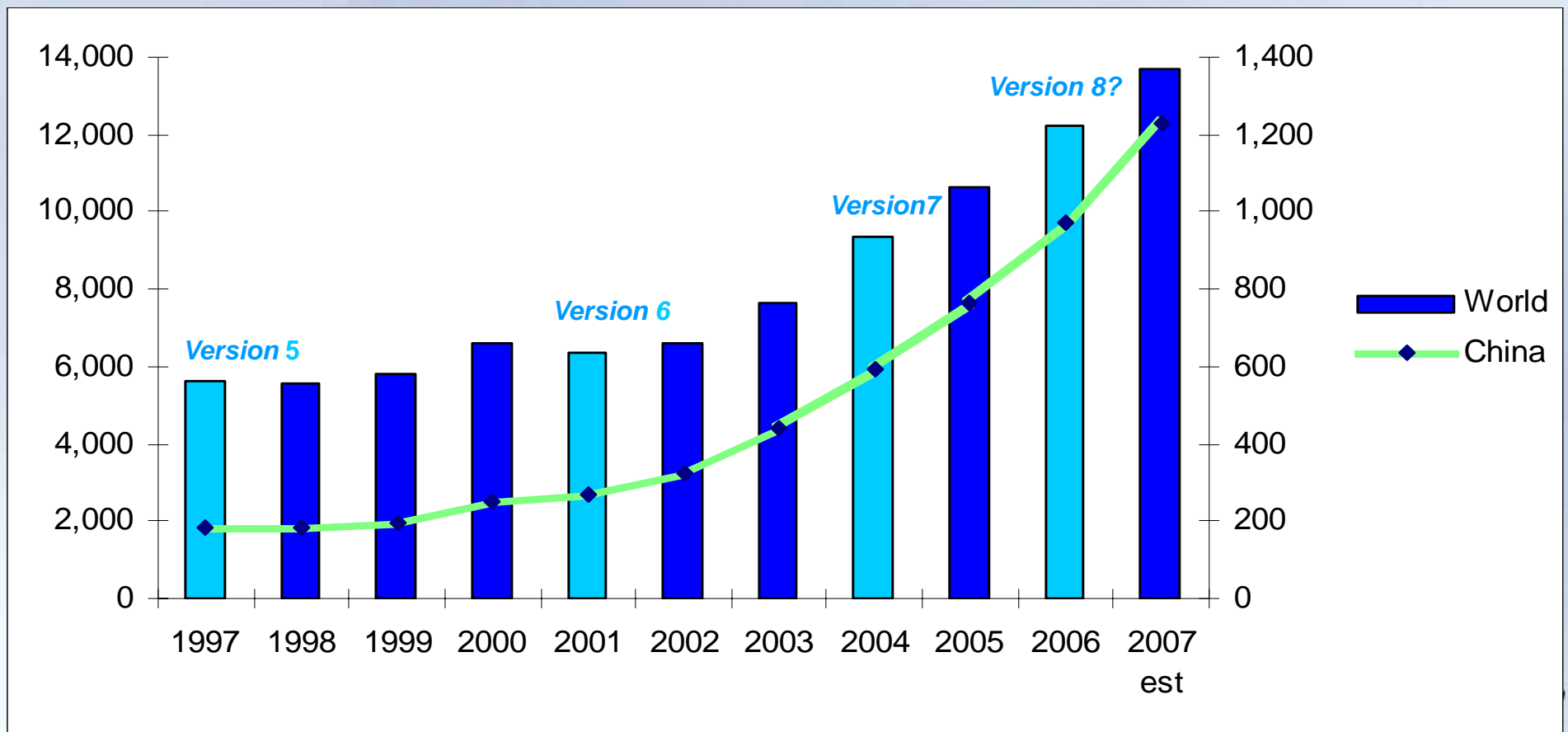
Country Reporting Status for Exports 2003-2005



Unprecedented Global Trade Growth with China as Primary Driver

Global Trade
\$billions

China
exports
\$billions



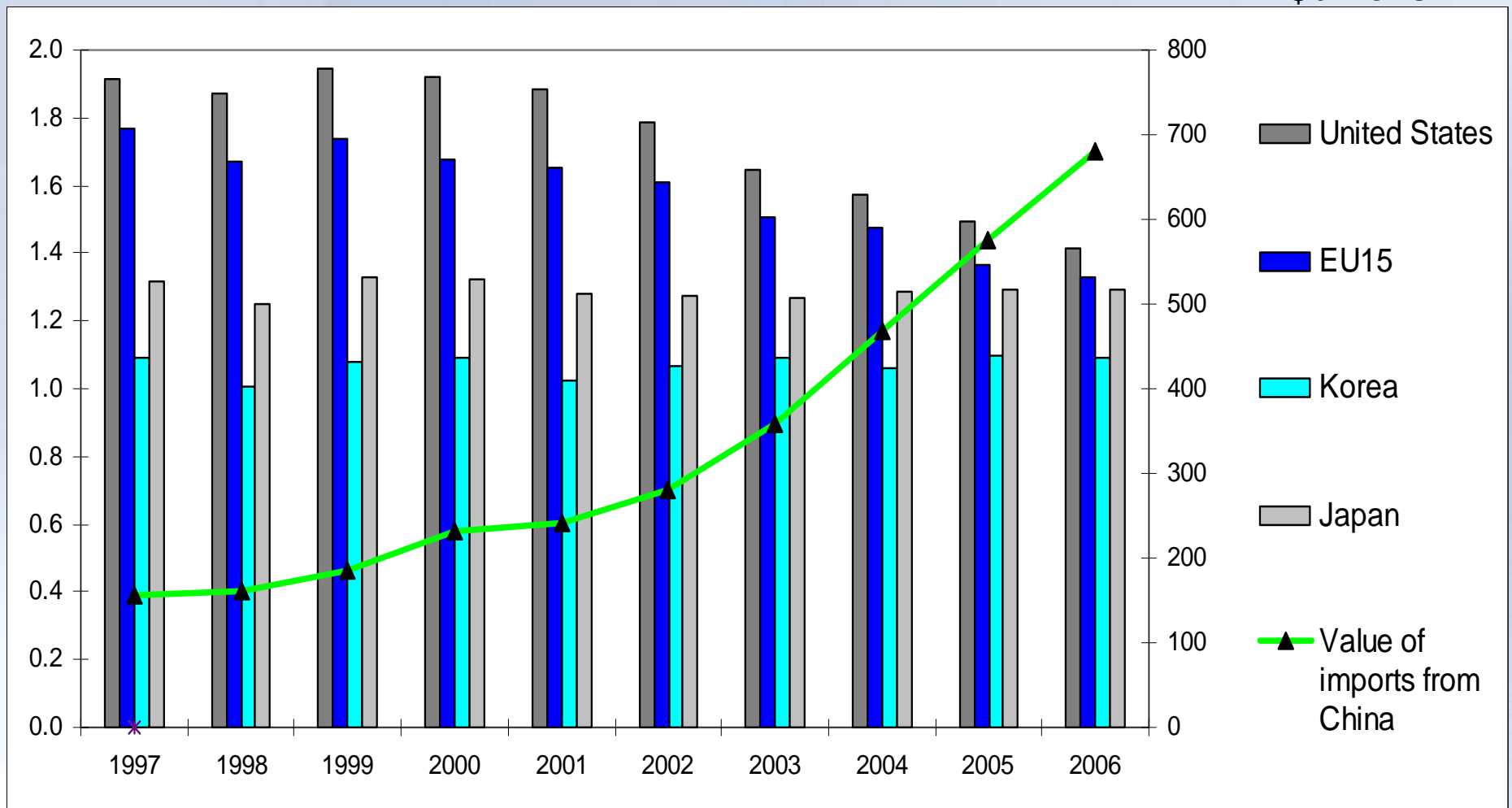
Source: China Customs, IFS for Global Merchandise



As China's exports grow discrepancies for traditional partners falling

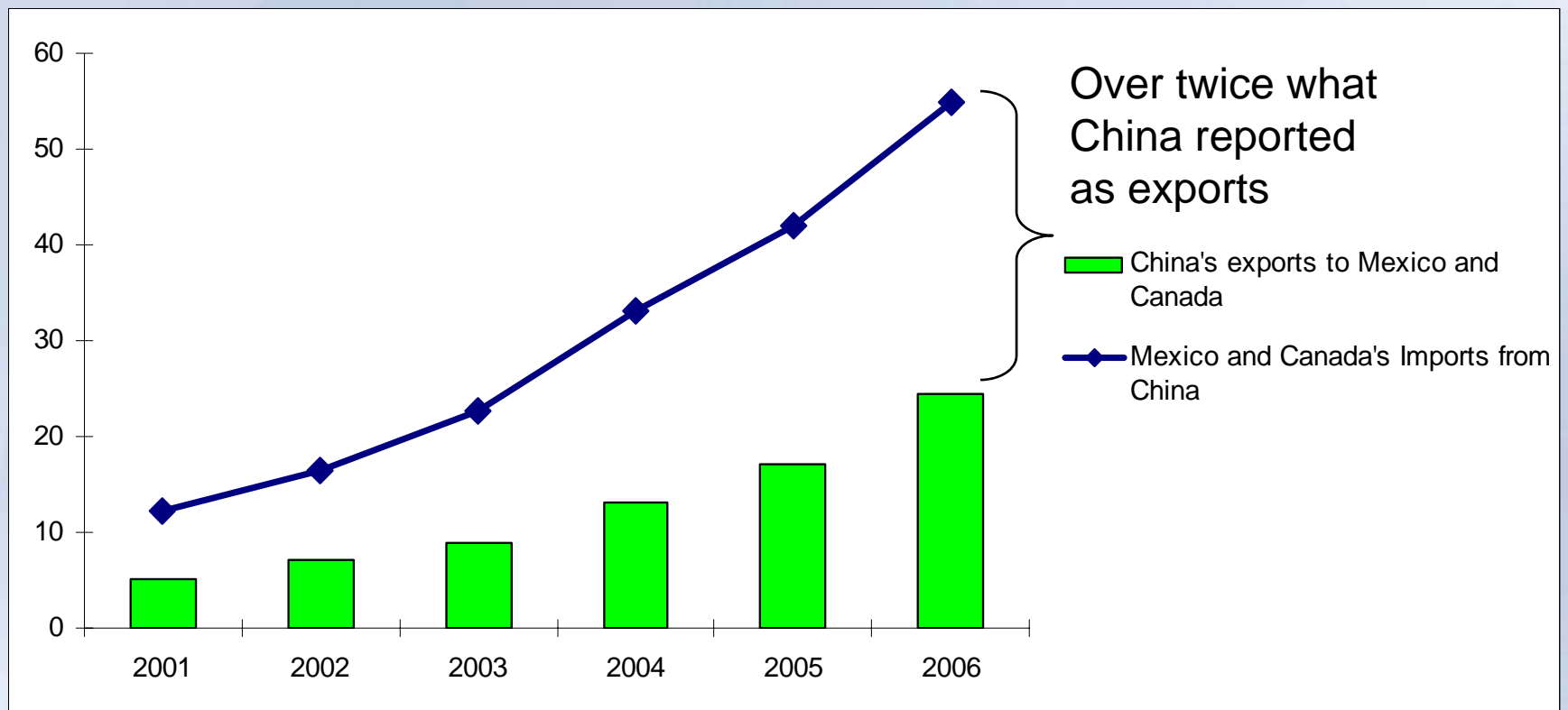
China exports to partner imports (ratio)

China exports \$billions



But discrepancies rise for all others like other NAFTA partners

\$billions



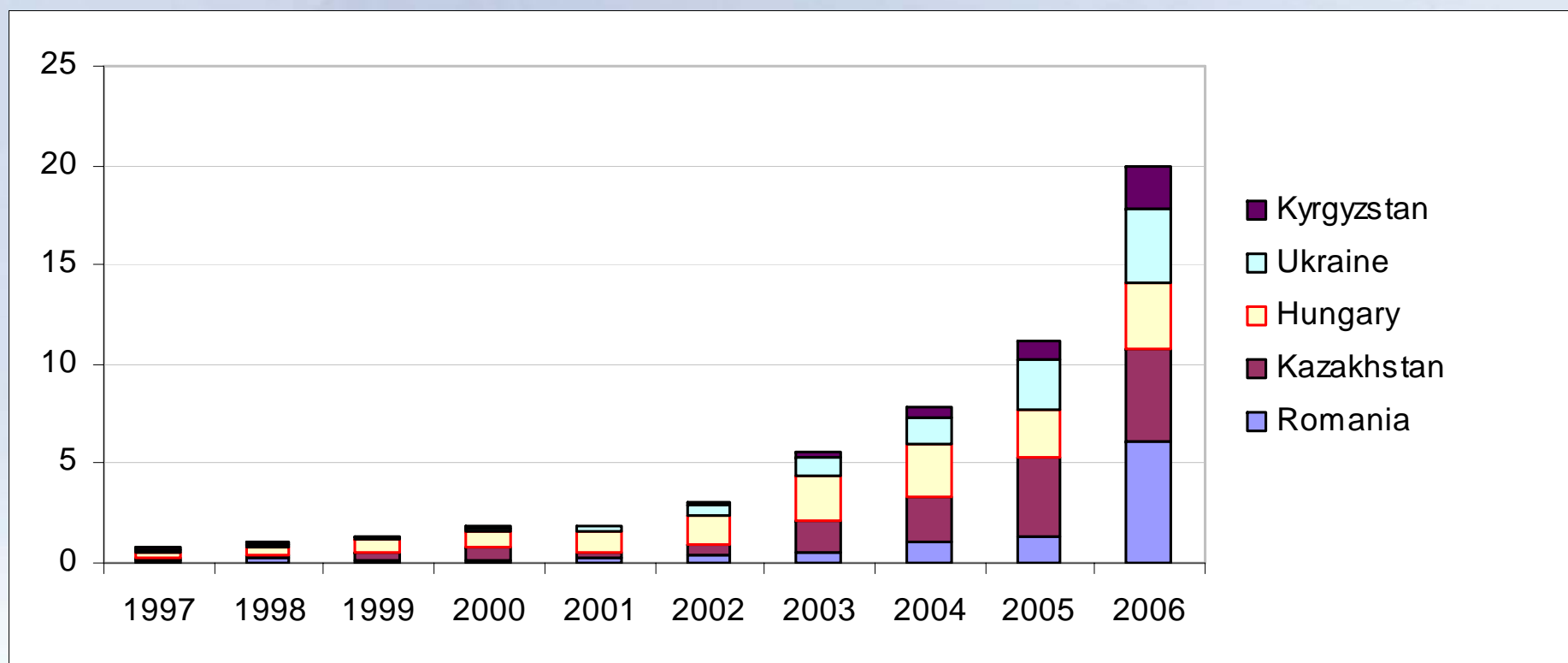
Source: China Customs, Mexico Secretary of Economy



New destinations for China's exports

Is this for real?

China
exports
\$billions

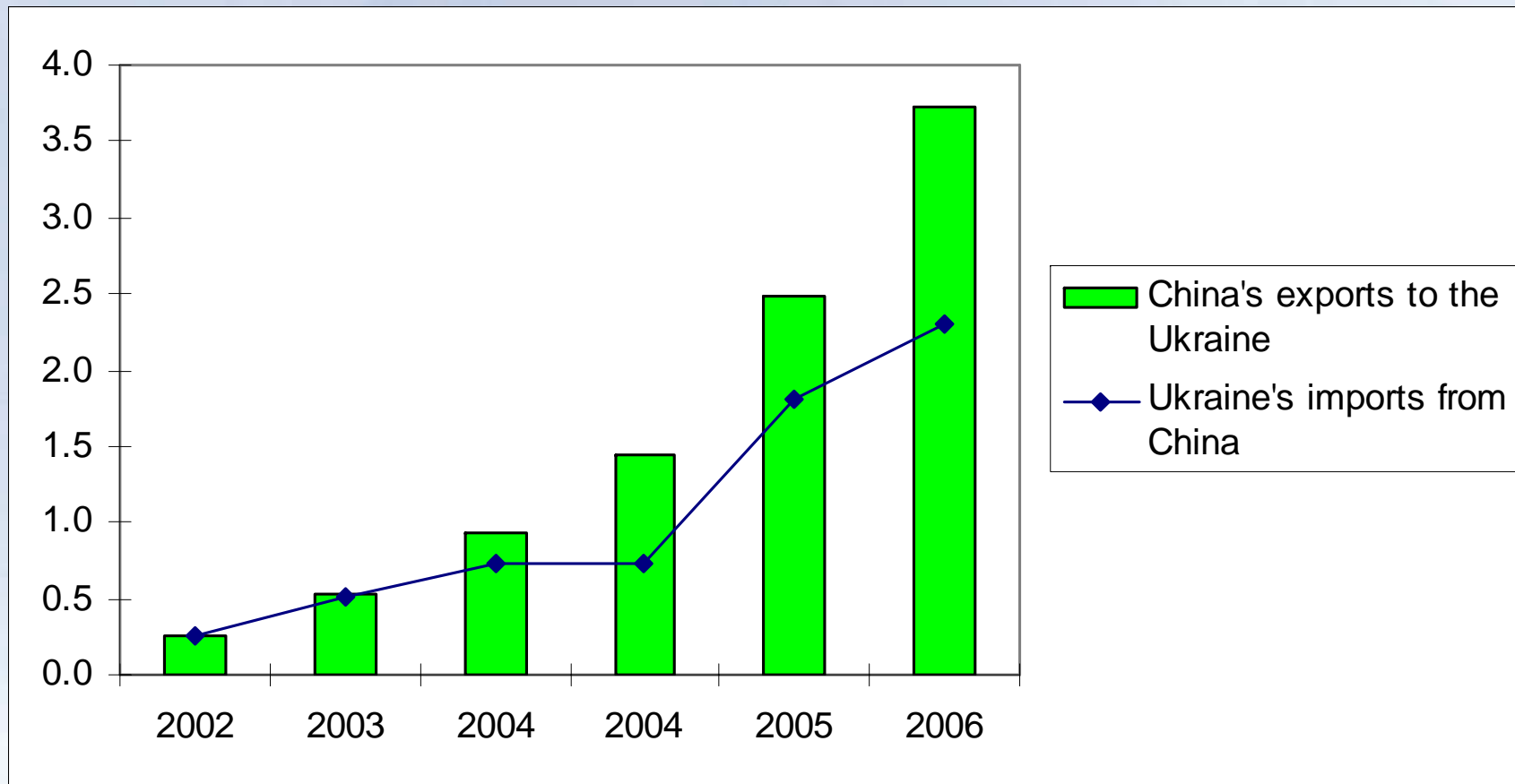


Source: China Customs



Could China be over-reporting exports to some?

\$billions

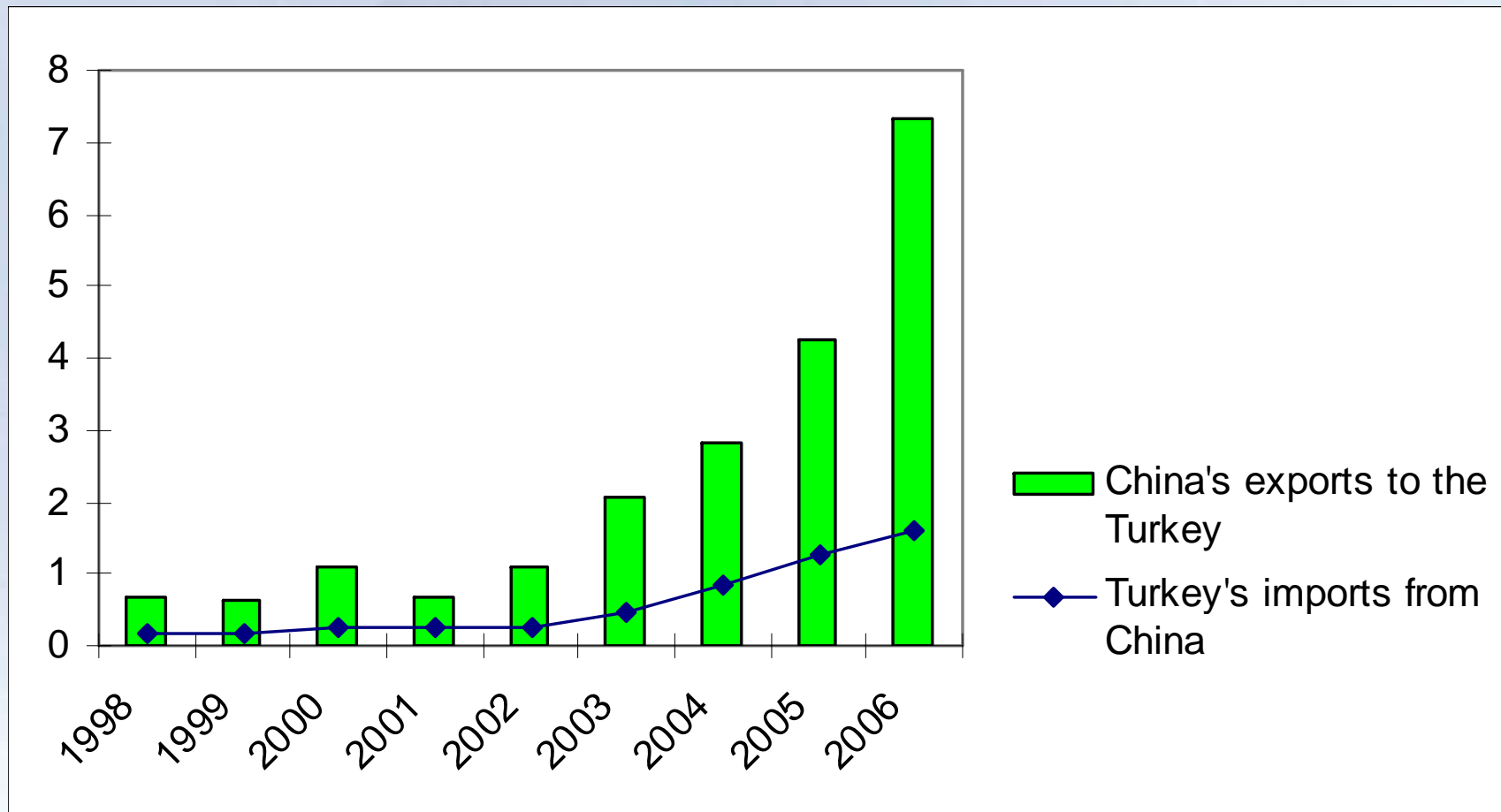


Source: China Customs and State Customs Committee of the Ukraine



Who knows?

\$billions

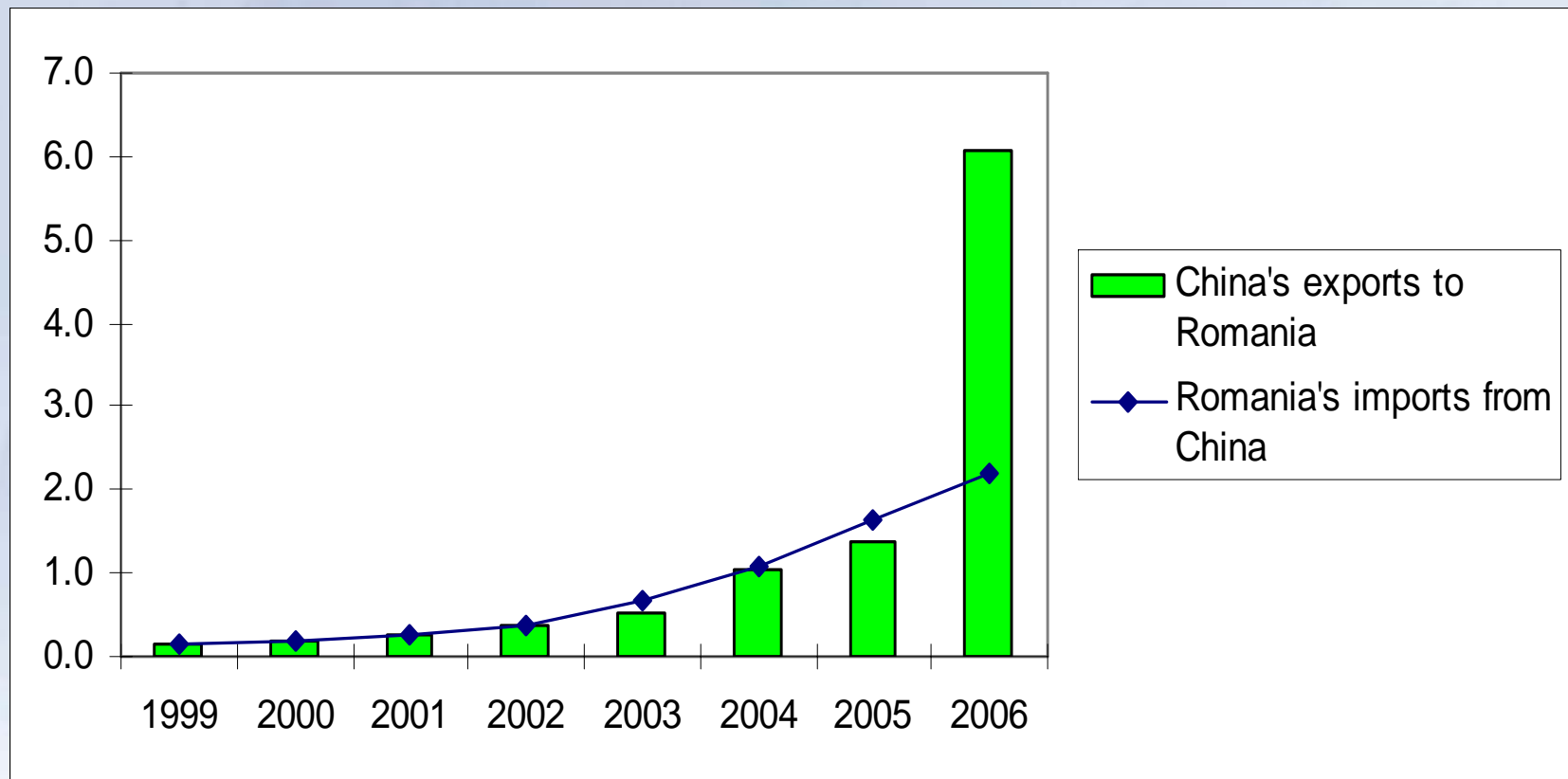


Source: China Customs, State Institute of Statistics of Turkey



Can't wait for Version 8?

\$billions

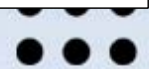
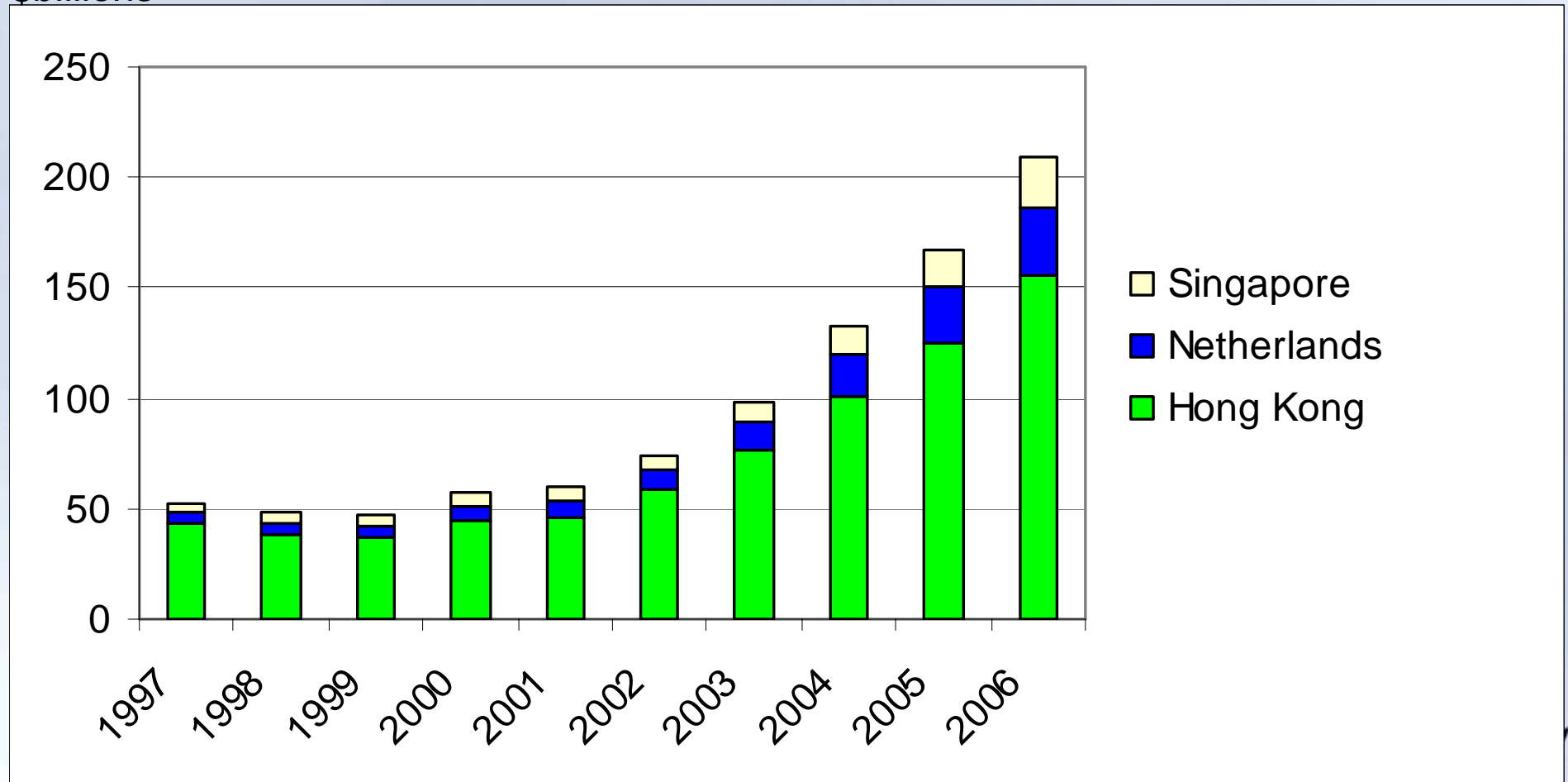


Source: China Customs



Large share of China's exports not going to a final destination

China
exports
\$billions



Principles of according to Gehlhar

- Never use generalizations of countries to reconcile
all countries have strengths and weakness
- Good reconciling can often be a simple act of ignoring apparent errors
preserving original data is a virtue
- Reconciling data does **not** mean adjusting for sake of eliminating discrepancies
adjusting data is an act of desperation
- Adjustments to original data should be a last resort
action is warranted when there is no evidence of truth
- Modifications to original data should be documented
prove modifications are closer to reality or perceived truth



Know Thy Data and Definitions

- Most merchandise trade data problems in 21st century are related to definition problems and complex multi-national firm production arrangements
- Problems are mostly industry specific not country specific e.g. Denmark is perfect with cheese and meat but lousy with footwear and other light manufactures (footloose industries get crazy)
- Understand definitions of what is being reported, e.g. “last port”, “for home consumption”, “national exports versus gross exports”



New challenges and past problems related to China

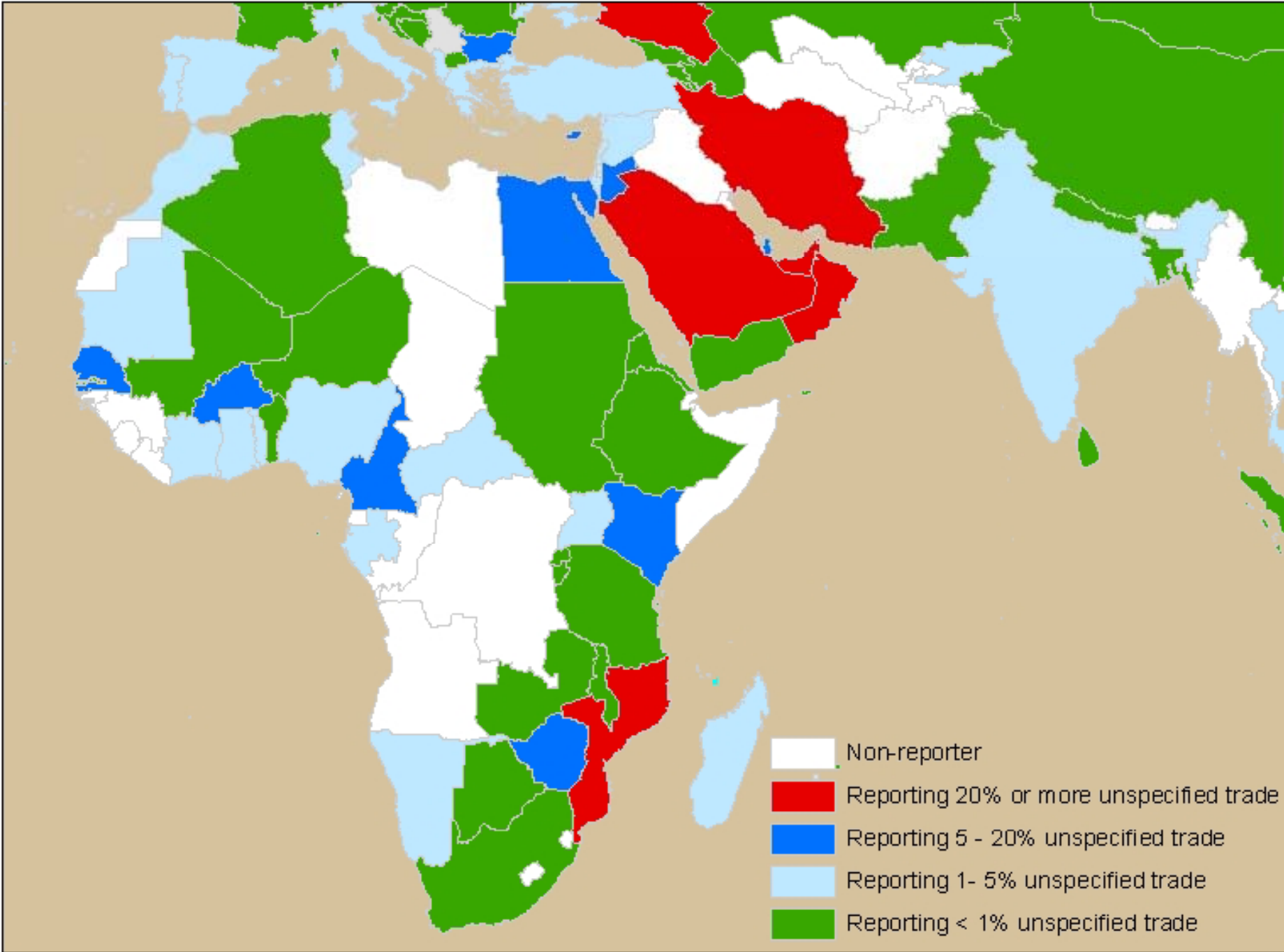
- Simply re-directing re-exports from Hong Kong resulted in over supply to some destinations
- Why? – some reporters had already acknowledged goods coming directly from China
- Discovered large amount of Hong Kong's re-exports had a round-trip ticket back to the China
- Unusually large discrepancies showing up in non-traditional countries trading with China/Hong Kong
- Needed updated and re-export margins



Strategy for China/Hong Kong

- Resolve discrepancies and estimate re-export margins
- Adjust least reliable data optimization technique





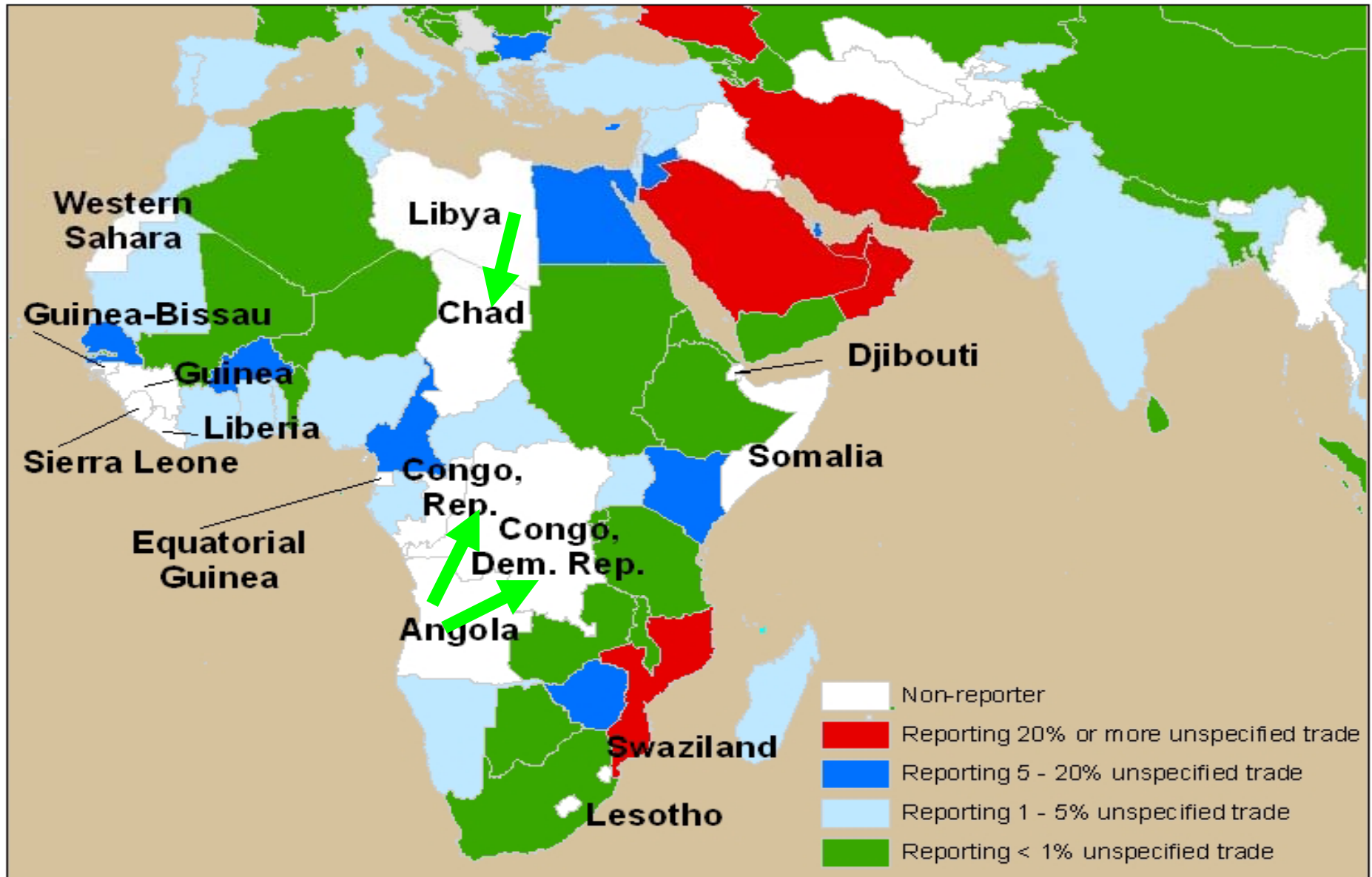
GTAP V7 Non-Reporting African Countries

	Imports		Exports	
	GTAP	IFS	GTAP	IFS
Angola	7,024	6,500	12,215	13,850
Chad	341	770	1,321	2,200
Congo, Dem.	1,140	1,873	1,899	1,413
Congo, Rep	1,246	1,986	3,083	3,900
Equatorial Guinea	688	1,540	4,052	5,190
Guinea	1,030	690	973	700
Guinea-Bissau	127	96	112	81
Libya	7,421	5,650	19,676	20,844
Sierra Leone	465	286	214	139
Somalia	324	na	90	na

Source: GTAP pre-release1, International Financial Statistics



Likely Significant Flows Missing



Documentation

- Webpage provides timely updates
- More technical report co-authored across Consortium members
- Things cannot get worse!
- If you like version 7 you might love version 8

