



The Statistical Institute of Jamaica

INTERNATIONAL MERCHANDISE TRADE STATISTICS



INTERNATIONAL MERCHANDISE TRADE STATISTICS (IMTS) EXPLANATORY NOTES

The Explanatory Notes present an overview of Jamaica's international merchandise trade data including coverage and time of recording, sources of data, system of trade employed, commodity classifications, valuation, quantity measurement, partner country, reporting and dissemination as well as revision procedures. It also presents information on updated methodologies and practices.

RECENT UPDATES:

The name of the monthly bulletin has been changed from "External Trade Statistical Bulletin" to "International Merchandise Trade Statistical Bulletin". Similarly the name of the annual report has been changed from "External Trade Annual Report" to "International Merchandise Trade Annual Report". The change of name better reflects the statistics presented in these reports which relates to trade in merchandise only. The previous name "External Trade" connotes a wider range of trade statistics which would include trade in merchandise and services.

In addition, the Statistical Institute of Jamaica (STATIN) as part of its efforts to better meet the needs of our data users have now included the following tables in the monthly bulletin:

- Imports Classified by End Use (Consumer Goods, Raw Materials/Intermediate Goods and Capital Goods)
- Trade with Jamaica's Top Five Trading Partners
- Fiscal Year-to-Date Statistics
- Five year series of Traditional and Non-Traditional Domestic Exports

Wherever possible, data is presented to allow for comparison with previous periods.

DATA SOURCES:

The International Merchandise Trade Statistics presented by the Statistical Institute of Jamaica (STATIN) are compiled primarily from the administrative records of the Jamaica Customs Department. This Department is responsible for the control of the flow of goods in and out of Jamaica. When goods enter or leave Jamaica, declarations must be filed with the Customs Department, giving such information as description, quantity and value of the goods, the country of origin of the commodities and the mode of transportation. Most of this information is required

for purposes of Customs Administration. However, the Customs and Exchange Control Acts designate that one copy of each declaration should be made available for statistical purposes. After the Customs Department has checked and verified the information presented to them, this copy is given to STATIN. The statistics developed from these Customs records are commonly referred to as "Customs Based Trade Statistics".

Supplementary data on the trade in certain major commodities (exports of banana, sugar, bauxite, alumina, gypsum, and imports of petroleum and petroleum products et al) are also collected from the relevant importing/exporting bodies and other reliable independent sources.

REPORTING PERIOD:

Annual trade statistics are compiled on the basis of the Gregorian calendar year, while statistics relating to the fiscal year are compiled for the twelve month period beginning April 1 of one year and ending on March 31 of the following year.

The data contained in the IMTS presented by STATIN reflect the data derived from documents submitted to STATIN by the Customs Department for that period. Therefore, the figures for imports and exports shown may not necessarily represent the actual amount of goods arriving in or departing from the harbours and airports during the specified period.

In general, the data are recorded in the calendar month in which the Customs procedures have been completed. This at times may result in discrepancies between the data published by STATIN and that obtained from other sources.

COVERAGE:

The figures contained in this report represent Jamaica's merchandise trade based on the "Special System" of trade as defined by the United Nations Statistics Department (UNSD)¹. Under this system, imports include all goods which have come into Jamaica, whether for domestic consumption or transformation and imports entering customs storage or manufacturing warehouses. Exports are a combination of domestic exports and re-exports. Domestic exports include commodities grown in the country, extracted from its natural resources or manufactured in the country. These include goods of foreign origin which have been assembled or materially transformed in the country. Re-exports are exports of goods of foreign origin which have NOT been materially transformed while in Jamaica. These include goods moving outward from customs storage or manufacturing warehouses. In principle the "Special System" of trade records all goods entering the country, as imports, and all goods leaving the country, as exports.

Effective January 1, 2010, data on International Merchandise Trade Statistics are compiled based on the guidelines set out in the UNSD manual International Merchandise Trade Statistics: Concepts

¹ Statistics Division, Department of Economic and Social Affairs. (1998). International Merchandise Trade Statistics: Concepts and Definitions (Rev. 2). In United Nations (Series M, No. 52), Studies in Methods. New York: United Nations

and Definitions, Revision 2 (IMTS, Rev 2). At the 41st Session of the United Nations Statistical Commission held during February 23 – 26, 2010 the draft manual International Merchandise Trade Statistics: Concepts and Definitions, 2010 (IMTS 2010) was adopted. The External Trade Unit is now in the process of upgrading its system of compilation to comply with concepts and definitions outlined in the IMTS 2010 and therefore move towards the “General System” of Trade².

- Inclusions

As recommended by the UNSD, included in the International Merchandise Trade Statistics presented by STATIN are:

- Non-monetary gold
- Banknotes and securities, and coins not in circulation – recorded at transaction value
- Goods traded in accordance with barter agreements
- Goods traded on Government account
- Humanitarian aid, including emergency aid
- Goods for military use
- Goods acquired by all categories of travelers, including non-resident workers, exceeding US\$500
- Goods on consignment
- Media, whether or not recorded
- Goods for processing with or without change of ownership – recorded at full value
- Goods which cross borders as a result of transactions between related parties
- Returned goods
- Electricity, gas and water sold to territorial enclaves of other countries physically located in Jamaica (included as of January 1, 2010)
- Goods dispatched or received through postal or courier services
- Migrant's effects – in an aggregated manner
- Goods transferred from or to a buffer stock organization
- Goods under financial lease
- Ships and aircrafts – when they change ownership between residents and non-residents
- Used goods
- Waste and scrap – where there is a positive commercial value
- Goods in electronic commerce

Items recommended for inclusion by the UNSD, but not yet captured in the data presented by STATIN include:

- Bunkers, stores, ballast and dunnage
- Goods delivered to or dispatched from offshore installations located in the economic territory of Jamaica
- Fish catch, minerals from the seabed and salvage

² Ibid

- Goods traded between Jamaica's territorial enclaves and other countries

- Exclusions

As recommended by the UNSD, the following are excluded from the International Merchandise Trade Statistics presented by STATIN:

- Goods simply being transported through the country
- Goods temporarily admitted or dispatched and samples
- Monetary gold
- Issued banknotes and securities and coins in circulation
- Goods consigned to and from Jamaica's territorial enclaves abroad
- Goods received or sent abroad by international organizations
- Non-financial assets, ownership of which has been transferred from residents to non-residents, without crossing borders
- Goods treated as part of trade in services, including:
 - Goods acquired by all categories of travelers, including non-resident workers for their own use which falls below US\$500
 - Newspapers and periodicals sent under direct subscription
 - Goods purchased by foreign governments through their embassies
 - Media carrying customized software
- Goods under merchanting
- Goods under operational lease
- Goods lost or destroyed after leaving the economic territory of an exporting country but before entering the economic territory of Jamaica
- Goods functioning as means of transport
- Waste and scrap having no commercial value
- Content delivered electronically

THE JAMAICA FREE ZONE:

Effective January 1, 2010, the International Merchandise Trade Statistics presented by STATIN includes Free Zone Statistics in line with international standards. The term "Free Zone" refers to *a part of the territory of a country where any goods introduced are generally regarded, insofar as import duty and taxes are concerned, as being outside the customs territory and are not subject to the usual customs control*. Free Zones include investment promotion zones, export processing zones, foreign trade zones, commercial free zones or industrial free zones. These zones can be delineated geographically or can be single entity companies.

Prior to this publication, only data on single entity Free Zones were included in the trade data as their imports and exports were being captured in the customs territory. Companies operating in the Kingston and Montego Bay Free Zones, which were outside of the customs territory of Jamaica, were previously treated as operating outside of Jamaica, and treated as foreign country i.e. "Jamaica Free Zone". As such, trade between the Jamaica Free Zone (excl. Single Entity Free Zone Companies) and countries other than Jamaica ("the Rest of the World") was not included in the

trade data prior to January 1, 2010. The Jamaica Free Zone in its entirety is now treated as part of the domestic territory of Jamaica as recommended by IMTS and in keeping with the concepts and definitions of other statistical systems namely the United Nations System of National Accounts (SNA 2008) and the Balance of Payments (BPM6).

CLASSIFICATION SYSTEMS:

The import and export data are recorded using Jamaica's adaptation of the Harmonized Commodity Description and Coding System (HS)³. Currently data is being recorded using Jamaica's adaptation of the Harmonized System 2007 version (HS2007). The HS is used primarily for Customs purposes and represents a multipurpose goods nomenclature according to their degree of manufacture. This data is subsequently converted on a one to one relationship to an extended version of the Standard International Trade Classification (SITC)⁴. SITC, Revision 4 (Rev. 4) is currently being used by STATIN. The SITC is essentially an economic classification which categorizes items by type, e.g. Food, Beverages, Mineral Fuels, Chemicals, Manufactured Goods, Machinery and Equipment and provides an appropriate basis for the analysis of merchandise trade data.

Allied to the SITC is an End-Use or Economic Function Classification which groups goods into the following broad categories: -

- I. Consumer Goods
- II. Raw Materials and or Intermediate Goods
- III. Capital Goods

These broad groups are broken down into a number of sub-groups which are reflected in various IMTS Summary reports.

BASIS OF VALUATION:

For Customs purposes, imports are recorded at values established according to the provisions of the Customs Act. In general it requires that the value for duty of imported goods be equivalent to the transaction value or the price actually paid or payable. Imports are valued on the cost including insurance and freight (c.i.f.) basis which represents the cost to the importer of buying the goods and bringing them to this country, but excluding customs or any other duty paid on arrival. Exports are shown on a free on board (f.o.b.) valuation basis, i.e. the value of the goods including charges up to delivery on board the exporting vessel. Values shown are primarily recorded in terms of

³ The Harmonized System is a multipurpose commodity classification system developed by the World Customs Organization (WCO), which primarily classifies goods according to their degree of manufacture. Jamaica's adaptation of the HS is based on the application of the Common External Tariff (CET) which further sub-divides the Harmonized System or HS for customs purposes.

⁴ The SITC is the United Nations (UN) commodity coding system for International Merchandise Trade, and is used to classify commodities according to kind.

Jamaican dollars. However, the rates of exchange prevailing at the time of importation or exportation are used to convert to U.S dollars.

QUANTITY DATA:

All quantities and values are based on the declaration of importers/exporters on the customs documents which are subject to verification by Customs Officials. Quantities are normally expressed in terms of the unit of quantity specified by the Common External Tariff (CET). Measures of weight and volume generally exclude any packaging required for shipment and "numbers" relate to complete units, and do not include parts. The conversion rates employed include:

Kilogram (kilo) = 2.2 lbs.

Litre (4.54609 litres) = 1 gal.

Tonne (metric tons) = 1.02 tons

PARTNER COUNTRIES:

The statistics in this report refer to merchandise trade between Jamaica and the rest of the world. Imports are credited to "Country of Origin or Manufacture" or, where origin cannot be established the country of consignment is used. Exports are assigned to the "Country of Last Known Destination", that is the last country to which the goods are to be shipped from Jamaica without, as far as known, any commercial transaction in an intermediate territory, irrespective of whether or not bulk has been broken in the course of transport.

ROUNDING OF FIGURES:

In a number of tables presented in IMTS Reports generated by STATIN, the figures are rounded to the nearest thousand. As a result, addition of the rounded figures may not always exactly agree with the rounded totals shown in the tables.

SYMBOLS:

The following symbols are used in these reports

n/a	not available
-	by itself, nil or negligible, or before a figure, minus
n.e.s.	Not elsewhere specified
n.e.s.o.i	. Not elsewhere specified or included
r.	Revised figures
p.	Preliminary figures ⁵

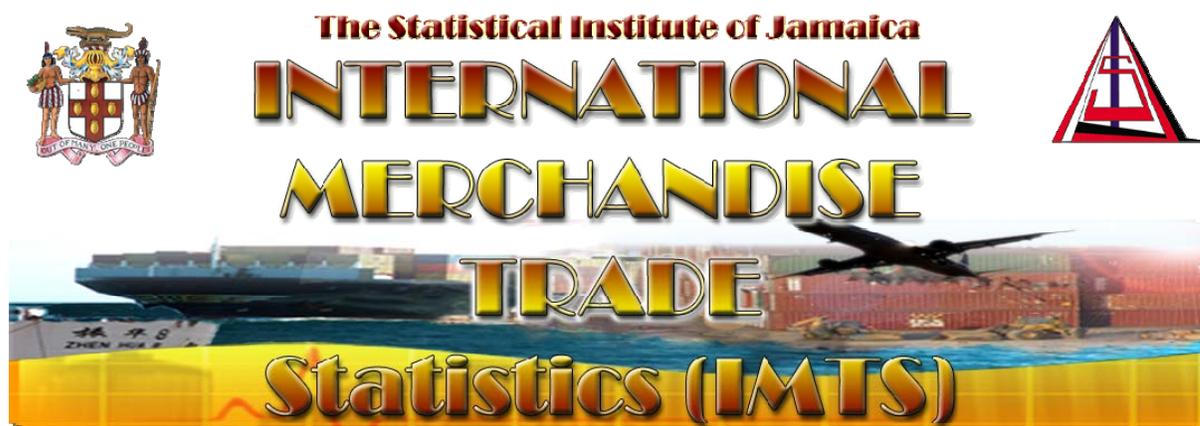
⁵ Note: preliminary data refers to data as received from the Jamaica Customs Department with minor cleaning.

SOURCES OF FURTHER INFORMATION:

Detailed reports based on a number of commodity classifications are available from the External Trade Unit. Where further disaggregation is desired, STATIN undertakes research of unpublished data at a cost, providing the data required conforms to STATIN's data dissemination standards.

REVISION PROCEDURE:

- Statistics for current months published in the monthly bulletins, contain preliminary figures. These figures are subsequently revised and published in the International Merchandise Trade Statistics Annual Report. Figures for previous months of the current year (For example those published in



the International Merchandise Trade Statistics Statistical Bulletin) remain subject to revision until the annual report is published.

- Annual Data: Revision to the data for one year will appear in the Annual Report of the following year. These revisions are highlighted in the summary tables in Part I of the Annual Report.

Questions, comments or requests for further details should be addressed to the Communications and Marketing Unit of the Statistical Institute of Jamaica, 7 Cecelio Avenue, Kingston 10 or e-mailed to: info@statinja.com. Information is also available on the website: www.statinja.gov.jm