

CHANGE IN NEXT ISSUE

REVISIONS TO STANDARDS FOR INTERNATIONAL TRADE STATISTICS

INTRODUCTION

A minor coverage change will be made to Australian export and import statistics from July 1999. This will be reflected in the statistics presented in this publication from the next issue (September quarter 1999). The change results from revisions to the international standards relating to international merchandise trade statistics

BACKGROUND

Currently, the export and import statistics published by the ABS are compiled in broad agreement with the United Nations recommendations for international merchandise trade statistics as outlined in *International Trade Statistics, Concepts and Definitions*, Series M, No. 52 Rev 1.

In late 1998 the United Nations issued revised recommendations for international trade statistics in the publication, *International Merchandise Trade Statistics, Concepts and Definitions*, Series M, No. 52 Rev 2 (IMTS, Rev 2). The purpose of the IMTS, Rev 2 is to better meet the needs of users of international merchandise trade statistics through the provision of revised concepts and definitions which take into account the availability of relevant data sources and the data collection procedures used in member countries. Wherever possible these changes have been made in the direction of closer harmonisation with the System of National Accounts 1993 and the fifth edition of the Balance of Payments Manual, the conceptual frameworks of which are accepted as a longer term objective for international merchandise trade statistics.

IMTS, Rev 2 recommends changes in the treatment of two types of goods: those subject to lease and those used as carriers of information and software.

NATURE AND IMPACT OF THE CHANGES

Goods under Lease

From 1 July 1999, all goods under financial lease will be included in international merchandise trade statistics, regardless of the duration of the lease, while all goods under operational lease will be excluded regardless of the length of lease. The IMTS, Rev 2 considers goods to be under a financial lease if 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 operational lease is considered to be any lease which does not have the above characteristics.

Prior to this change, the duration of the lease was the main criterion used to determine whether the leased goods were included (leased for one year or more) or excluded (leased for less than one year) from Australia's imports and exports. In practice this meant that where an operational lease extended beyond one year, the leased goods were included in Australia's international merchandise trade statistics. However, such goods were excluded from our balance of payments statistics because no (de facto) change of ownership had occurred. The implementation of this change will mean that statistics on leased goods presented on an international trade basis will now be consistent with the same statistics shown on a balance of payments basis.

The impact of this change on the broad statistical aggregates shown in this publication will, however, be minimal. The goods most commonly leased are ships, drilling equipment and aircraft which are categorised to SITC Division 79, "Transport Equipment (excluding road vehicles)". For example, had this change been in place for the 1998-99 financial year the value of merchandise imports in SITC 79 would have been \$2,809 million, or 1.4% less than the figure of \$2,848 million shown in this publication. At the total imports level this change would have resulted in a reduction of 0.04% in the figure of \$97,623 million shown in this publication.

NATURE AND IMPACT OF THE
CHANGES *continued*

Goods as Carriers of Information or Software

IMTS, Rev 2 provides a much fuller explanation of how goods that are used as carriers of information and software are to be treated. The revised treatment is as follows:

- packaged sets containing diskettes or CD-ROMs with stored computer software and/or data developed for general or commercial use (not to order), with or without a users manual and audio- and videotapes recorded for general or commercial purposes are to be included in international merchandise trade statistics at their full transaction value; however,
- diskettes or CD-ROMs with stored computer software and/or data developed to order, audio- and videotapes containing original recordings, and customised blueprints etc. are to be excluded from international merchandise trade statistics, and the value of such "originals" is included as part of trade in services in the Balance of Payments.

As the ABS already treats these goods in this way in international merchandise trade statistics and the balance of payments, there are no further changes required to current practices and therefore no impact on the Australian statistics.