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Establishment of a Trade Statistics Database
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REPORT OF THE AD-HOC EXPERT GROUP MEETING ON THE ESTABLISHMENT OF A TRADE STATISTICS DATABASE



UNITED NATIONS
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Subregional Headquarters for the Caribbean

CARIBBEAN DEVELOPMENT AND COOPERATION COMMITTEE



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**REPORT OF AD-HOC EXPERT GROUP MEETING
ON THE ESTABLISHMENT OF
A TRADE STATISTICS DATABASE**

A meeting of trade experts and major users was convened on 26 June at the office of the Economic Commission for Latin America and the Caribbean (ECLAC) in Port of Spain to discuss ECLAC's plans to design and build a database of trade and transport statistics for the countries of the Caribbean Development and Cooperation Committee (CDCC). The invitees included representatives of national and international organizations that create or analyse trade statistics. Attending the meeting were participants invited in their own right from: Barbados, Guyana, Jamaica, Puerto Rico, St. Kitts and Nevis, Saint Lucia and Trinidad and Tobago, as well as representatives from the Association of Caribbean States (ACS), the Inter-American Development Bank (IDB) and the Tourism and Industrial Development Company of Trinidad and Tobago (TIDCO). A list of participants is annexed to this report

Mr. Lancelot Busby, Economic Affairs Officer, ECLAC Subregional Headquarters for the Caribbean, deputized for the Director of the office in delivering the opening remarks. They were words of welcome, an explanation of the need for the database and a view of the benefit that would be derived from its creation and availability. Mr. Busby informed the meeting of the usefulness of the survey on the preparation of trade statistics in the English-speaking Caribbean. He urged the participants to contribute to the design of the database and appropriate part-ownership of it.

The Chair tabled a draft agenda governing the conduct of the meeting, which was considered and adopted by the meeting. The agenda was as follows:

1. Introductory remarks
2. Introduction of agenda
3. Presentation of the project and report on findings of a pilot survey
4. Presentation of Consultant's report
5. Presentation of other trade database projects

6. Partnering with countries to provide data on a continuous basis for OUR database:
 - (a) What database design emerges
 - (b) How can the countries contribute and what do they need to be able to provide the data being sought?
7. Concluding remarks and next steps

Mr. Busby presented the main aspects of the project entitled "Support to the Development of Trade in the Caribbean" as an introduction before inviting the Consultant, Mr. Joe Babooram, to present his report. Mr. Babooram presented the report by first stating the terms of reference and then dealing with what was required of him under those terms of reference.

Examining the technical feasibility of establishing databases of regional trade data, the Consultant reported that it was feasible in the light of the countries already possessing the data required in a form that could make for easy incorporation into a relational database. He disclosed that the project document envisaged 18 countries in the exercise. He received 15 responses from the survey.

Mr. Babooram combined the survey results with knowledge in his possession to give an evaluation of the ASYCUDA¹ system that is in widespread use in the Caribbean. He informed the meeting that it had been specially developed for developing countries. He advised that the importance of ASYCUDA lay in it being a source of capturing trade data and the construction of databases from the trade data produced by the system. Its main weakness lay in the difference of focus between the main users – the Customs Department and the Statistical Office. The former was interested mainly in revenues to be collected, whereas the latter required accurate recording of every item on the customs warrant.

EUROTRACE is a statistical package developed by the European Union to provide analysis of trade data. It is used by eight Caribbean countries at present. Data can be input into EUROTRACE directly from ASYCUDA or can be input manually.

Findings of the study

- The Consultant observed that it was technically feasible to produce a database with a high level of success, but pointed out to the limitations of a database caused by the problem of non-standardised codes between countries in the subregion. The normalisation required for the database should be done by ECLAC.

¹ Automated System for Customs Data.

- The hardware and software requirements of countries to enable optimum efficiency in processing the trade data varied.
- The risks attached to the project were those that countries would fail to deliver to ECLAC their databases for creating or updating the Caribbean database.

In contemplating the **choice of data source**, Mr. Babooram believed that Eurotrace would be the better data source since it was the more accurate data set. He thought that the meeting should establish the level of aggregation of data that would be used to feed into the database. Mr. Babooram informed the meeting that conversion tables that would enable normalization were already available.

Addressing the requirement to discuss **present and desirable systems**, the Consultant noted that the nomenclatures used throughout were the Harmonised System (HS) and the SITC², however, the coding schemes for recording data differed from country to country. The countries collected data at the item and transaction level. Some countries used dBASE or ACCESS, while others used custom-built software. The native output formats of those software solutions differed, making it necessary for ECLAC, as the centre of the normalization and data processing activity, to require a common manipulable output format. The desirable system would see ECLAC in receipt of timely, normalized (by ECLAC), uniformly codified data with at least the possibility of common system software applicable. This would suggest that ECLAC should receive the data in ASCII³ format.

The Consultant noted that his terms of reference required him to explore the possibility of constructing a **user-friendly analysis capability**. He noted that in that regard ECLAC would be breaking new ground. Mr. Babooram drew the attention of the meeting to two other communities that did similar work. They were the Common Market for Eastern and Southern Africa (COMESA) and the Economic Community for West African States (ECOWAS). Their regional databases were based on another product of the EUROTRACE system called "EUROTRACE REGIONAL". He commended those two initiatives to ECLAC and advised that they be studied with a view to assisting the ECLAC exercise.

In his short discussion of **risk analysis**, the Consultant identified the non-supply of data by the member countries as the main element of risk attached to the project.

He ended his presentation with a list of recommendations. These included:

- (a) Eurotrace data from the Statistical Offices should be used as opposed to the ASYCUDA data.

² Standard International Trade Classification.

³ American Standard Code for Information Interchange.

(b) Data should be captured in sufficient detail to permit meaningful analysis. This meant capture at the transaction level.

(c) Normalization should take place at ECLAC. Only codes relevant to the proposed system should be normalized and standard international codes should be used throughout.

(d) ECLAC should find a way to take a close look at EUROTRACE REGIONAL through study of ECOWAS and COMESA.

(e) The ECLAC database initiative should be supported by the Caribbean Community (CARICOM). Member countries could be kept updated on progress of the project through reports to STECO⁴ meetings.

The Director of the ECLAC Subregional Headquarters for the Caribbean, Ms. Len Ishmael, reiterated the importance of having access to trade data. She suggested that the meeting speak to the issue of the sustainability of the proposed database. She also recommended that the meeting speak to the challenges that should be overcome in order to ensure that the project is maintained.

On the subject of maintenance, the meeting was advised that personnel involved in checking data at national level could be trained in the more effective use of the packages that they used, for example, dBASE.

One participant advised that ECLAC would have to define the outputs desired and for what intervals of time. This would determine how the information should be collected. He saw the usefulness of studying and possibly adopting EUROTRACE REGIONAL or a constructed regional database capable of producing the desired outputs. He also advised that an examination of how both sets of data (ASYCUDA and EUROTRACE) are used and the type and quality of leading indicators that can be produced from those systems should be made with a view to bridging the gap between quality and timeliness. He further indicated that there existed the need to aggregate across the region. Using the Broad Economic Category analysis of imports as an example, he suggested that that analysis could be attempted by the project.

Another participant recalled that the question of quality versus timeliness had been addressed in Haiti by an agreement between the Customs Department and the Statistical Institute for the supply of clean data to the Institute. She proposed this as a useful paradigm but one that required much discussion and planning between the two offices concerned. On the subject of timeliness and accuracy, the Consultant, Mr. Babooram, observed that the project should include the trading community. Traders and brokers should be taken on board and sensitized as to the need for them to supply data of a higher quality than what they supplied at present. That exercise would be undertaken at national level. He informed the meeting that some Customs Departments had begun to fine brokers who supplied inaccurate data. One participant observed that relevant

⁴ Statistics, Trade and Customs Officials.

analysis on the basis of old data presented a problem, as the data had often not been set up to yield the required answers. The old database design that had been used in the subregion was not effective in analysing the trade data for the types of information needed today.

Regarding the political aspects of country collaboration, the Director of the ECLAC Subregional Headquarters for the Caribbean had undertaken to make the political links for support to the project. Reports to governments would be forthcoming through the CDCC meetings and through STECO. The Director clarified the question as to how the project could obtain data from a country on a timely basis by stating that training needs would be met at national level in response to the articulated need of the country. That was in train as the assessment of needs at country level had been done. In addition, the necessary dialogue was taking place at all levels to ensure, on the part of the countries, feelings of partnership in the creation of the database. That would serve as the incentive for the countries to provide data of quality on a timely basis. There was agreement that success depended on partnership in the exercise.

The ECLAC/CDCC secretariat raised the considerations of availability and accessibility of data. Some countries were not willing to supply trade data at the item level for fear that importers would be identifiable. The secretariat assured the meeting that it would act in a manner that would make every country comfortable with the level of aggregation or disaggregation made through the database. This move would protect confidentiality. A number of pre-programmed tabular outputs will be provided. If special tables outside that set were required, programming would be necessary. That could be discussed with the ECLAC office.

In response to an observation that reported currencies differed, the secretariat assured the meeting that conversion to any currency at the output stage was not a problem. That meant that the native currencies would remain those reported at country level. The database manipulation would take care of currency conversion to any desired currency.

Presentation of other trade database projects

The ACS representative informed the meeting that his organization had also embarked on a trade statistics database. It was named "An Integrated Information System for the Greater Caribbean" and was described as "a second-floor" facility and encompassed the Caribbean, the Central American and the G3 countries. That initiative would draw on the databases of the integrated secretariats. It would also store data on transport, national disaster and tourism statistics. With respect to the transport statistics, attention would be paid to constructing a port monitoring system that would collect information on facilities, transport of materials and goods and the flows of those products through the ports. The Consultant noted that it was possible to obtain such information from the customs warrants but warned of the danger of fluidity between country of origin and country of provenance.

The meeting observed the need to measure the contemporary phenomenon of foreign used products and recommended that an adequate way be found to monitor the flow of goods of that type. In the same vein, the meeting thought it necessary to measure trade flows deriving from e-commerce – a modality that was becoming increasingly popular.

The representative of the IDB informed the meeting of two initiatives in trade databases in which it was involved. They were:

(a) Working with the Free Trade Area of the Americas (FTAA) on exports, imports and the tariff for trade negotiators in the region (in CD format). The level of aggregation was not known. That initiative was using software of the Permanent Secretariat of the General Treaty on Central American Economic Integration (SIECA) and was implementing at national level.

(b) An initiative involving the CARICOM Secretariat in which a review of the Common External Tariff was being undertaken.

Developments in light of discussions

In light of the discussions, the Consultant recommended that the only way in which the database would be able to perform analysis by the use of the Central Product Code (CPC) or by transport items was to process at the level of transaction. That would actually make it easier for countries to send data to ECLAC. That approach would require a part of the time of a Research Assistant at ECLAC. ECLAC would better be able to normalise the incoming data.

The meeting discussed the modality of transfer of data to ECLAC. It was generally the case that countries had the capacity to burn CDs. Data would be sent to ECLAC in ASCII format or dBASE format. Monthly data should be submitted to ECLAC once per year in February. It was possible to retrieve trade data on a monthly basis from as far back as 1992, generally.

Statement by the participant from Puerto Rico

The participant from Puerto Rico was asked to make a statement of his area of work in trade statistics so that other participants could gain an appreciation of his work. He expressed pleasure at attending the meeting and explained the ebb and flow of Puerto Rico's identity with the Caribbean countries over the years. The present Caribbean focus was an expression of the orientation of the present government.

He explained that Puerto Rico was inside the United States Customs zone. Data came from the Commerce Department in Washington. The Department could supply information on partner country trade, Standard Industrial Classification (SIC) codes, an

analysis of imports and exports with a distinction between domestic exports and re-exports, an analysis of duty paid, and other such information bits. Since 1996 Puerto Rico had lost some 20,000 jobs because of globalisation. In pharmaceuticals, since 1996 there had been an increase of 2,500 jobs. During the recent past, companies had changed their status to survive globalisation.

At present a study of trade patterns was being conducted and gravity models were being used. Some data are made available for a fee at the two-digit level of the SIC at the Commerce Department. MISER data were used in Puerto Rico. They revealed that 50 per cent of Puerto Rico's exports were transhipped through other United States ports. Data on trade between Puerto Rico and the Virgin Islands and the United States were available in .pdf format.

Conclusion

Mr. Lancelot Busby brought the meeting to a close, thanking the participants for their sustained interest throughout the day of intense discussion. He expressed, on behalf of the Director, the pleasure that the Office had had in hosting the meeting. He promised to make the report available in a short time and to go ahead with the project activities.

Follow-up activities to be undertaken by ECLAC

1. The meeting agreed that the most profitable file that ECLAC should collect was the monthly file of every transaction. That would allow for the capture of the transportation statistics. The consolidated annual file could not yield that data.
2. ECLAC should undertake to normalize the incoming datasets. This would require on an ongoing basis an estimated five Research Assistant-months. Conversion tables can be made available to ECLAC for this purpose. Funding for this resource may have to be found.
3. In following its plan to supplement the hardware in locations where it might be deficient, ECLAC would re-check each national situation to ascertain if the need for assistance in that area still existed.
4. ECLAC would receive the data off EUROTRACE where that software is being used to process the trade data. Alternatively, the Office would discuss the format to be made available by the country for the required data sets.
5. ECLAC should become familiar with two currently used systems that process trade data from the ASYCUDA/EUROTRACE paradigm (ECOWAS and COMESA).

6. ECLAC should make provision for the immediate or gradual analysis of imports by broad economic category (BEC).
7. Traders and brokers should be included in the scope of attention of the project and should be trained to do a better job. This can and should happen nationally.

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