

COMPILATION OF TRADE STATISTICS IN UGANDA:

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1.0 INTRODUCTION

International Merchandise Trade Statistics (IMTS) records all goods that adds to or subtracts from the material stock resources of a country by entering or leaving its economic territory. Inflow of goods across the country's frontiers constitutes imports whereas, outflows exports. One of the aims of collecting these series is to give the exact picture of the performance of the economy in relation to the rest of the world.

The statistics for international flow of merchandise serve a variety of needs. Reliable and timely data on external trade are vital for national and regional policy formulation and planning. International trade statistics forms an important component of Gross Domestic Product (GDP), a key measure of the economic growth. Trade data also provide an input to compilation of Balance of Payments statistics (current account) that measure the level of the country's international trade and investment positions. Besides, the IMTS guides in formulation of trade and trade liberalization related policies as well as regional integration initiatives.

The External Trade Statistics Unit of the Uganda Bureau of Statistics (UBOS) is responsible for compiling, analyzing and publishing external trade statistics in Uganda. The data compiled by the Unit mainly covers visible trade which includes manufactured goods, petroleum products, agricultural products, fish and minerals. Imports are recorded at CIF prices whereas, exports at FOB prices.

There are several users of IMTS in Uganda. These include the central Government, local Governments, the private sector, researchers, academicians and the general public. The data needs for each institution or individual vary in detail.

2.0 NATIONAL PRACTICES OF COMPILING IMTS IN UGANDA

2.1 Introduction

This section describes the legal mandate of UBOS with respect to production and dissemination of statistics generally and the processing of the information received from (Customs and other sources) until the moment the External Trade Statistics (ETS) are officially published and disseminated. Dissemination is as an important statistical activity as is statistical production.

2.2 Legal mandate of UBOS

The 1998 UBOS Act mandates UBOS as the principle data Collection, Analysis, Production and Disseminating Agency of the official statistics in Uganda. The Act also mandates UBOS to be the coordinating agency of all producers and users of statistics. This legislative framework empowers UBOS to produce and publish any type of statistics in Uganda. UBOS may delegate any other organization/agency to produce specific type of Statistics as deemed necessary under close collaboration. For example, the Bank of Uganda (BOU) is delegated under the memorandum of understanding with UBOS to produces BoPs and Monetary Statistics.

2.3 Data sources

Besides Customs Declarations, there are numerous other sources of IMTS in Uganda to ensure complete coverage. This is based on the fact that not all transactions are subject to customs surveillance and control. These include but are not limited to the Uganda Coffee Development Authority (UCDA for Coffee exports), the Cotton Development

Organization (CDO for Cotton exports), the Uganda Electricity Transmission Company (UETC, formerly UEB for electricity exports), Uganda Tea Authority (UTA for Tea exports), Ministry of Agriculture, Fisheries and Animal Industry for Fish exports, and Association of Flower Exporters.

UBOS in collaboration with the BOU and the Uganda Revenue Authority (URA) has also embarked on the Informal Cross Border Trade (ICBT) surveys to capture the hitherto unrecorded transactions between Uganda and her neighbours. The results of the first phase of border monitoring have been published and the second phase is under way. The ICBT survey project and the results from the first phase will be shared with the participant of this workshop in due course.

2.3.1 Customs Records

Over 90 percent of ETS data are obtained from the Customs department of the URA. The information is collected using the Customs documents namely Single Bill of Entry and Direct Assessment Forms (F88 forms) filled in by Importers and Exporters or their clearing agents. For computerized customs centers, data capture is done using an Automated System for Customs Data (ASYCUDA), whereas non-computerized stations use Database software. 85 percent of all customs stations in Uganda have ASYCUDA. Two ASYCUDA versions are in use; 2.7 still being used in upcountry border stations and ASYCUDA++ used at Customs Business Centers under Direct Trader Input (DTI).

There are 39 Customs Offices in Uganda, the majority of which (about 25) are remote stations but with less than 10 percent of customs tax revenue. The remote stations are not automated, which makes data from these stations difficult to include in the ETS. There is a big backlog of un-captured data from these stations that is not easily known. About 7000 electronic declarations are handled per month. The declarations are processed within a maximum of 48 days for those stations using ASYCUDA 2.7 and less than 4 hours using DTI (ASYCUDA++). Uganda uses 53 Customs Procedures (CPCs), but it is difficult to tell how many declarations are handled per customs procedure.

Classification of the goods is done using the HS system and manually by physical verification of declared goods. Uganda is currently using HS2002 code. Valuation of is done under GATT valuation rules, the commonly used rule being rule 1 and 3. The origin and destination of goods is identified using several documents like Bill of lading, Airway bill, invoices, goods manifests, etc.

The above data (declarations) are then sent electronically to UBOS from the Customs in 15 days from the end of month. The UBOS and URA have a Service Level Agreement (SLA) for trade data exchange, thus facilitating timely and production of ETS. UBOS receives all the information requested for from Customs, with the exception of trader identifications. The files collected are in Dbase from non automated remote stations and ASCII form for ASYCUDA centers. ASCII files are meant to be loaded onto EUROTRACE directly. Also, EUROTRACE has been installed at the Customs headquarters to facilitate quick and prompt data validation and check by the customs authorities.

2.3.2 Non-Customs data Sources

Data from non Customs sources are collected on paper and are key punched in Dbase software by the Statistical Assistants at UBOS before being included into the national data set. These data augment the data collected from Customs but do not substitute it.

2.4 The Trade System used in Uganda

There two types of trade systems commonly used in compiling IMTS. These are; General and Special trade systems. For the case of Uganda, Special trade system has been in use until 2003. Since January 2004, UBOS commenced using the General trade system in compilation of IMTS. The available data up to December 2003 was compiled using Special trade system. Efforts are being made to review the historical data and recompile the data under the General trade system in line with the UN recommendations.

3.0 DATA PROCESSING, ANALYSIS AND PUBLICATION

This section briefly describes the processes of data cleaning, validation, processing, analysis and publication. The common software packages used at UBOS and data reconciliation processes that are instituted are highlighted.

3.1 Software

There are quite a number software packages available at the UBOS for processing statistics for IMTS. These are, EUROTRACE, DBASE, EXCEL, SPSS and LOTUS 123. The use of a given software package depends on the detail of required statistics.

As discussed earlier, the data obtained from Customs is in two forms, Dbase and ASCII format. The ASCII files are meant for direct loading and transmission onto EUROTRACE. It should be noted that the two files from ASYCUDA++ and non-ASYCUDA have different structures and number of variables. The data structure for both files are modified and merged by DBASE software into one file. Finally, the data collected from all the said sources are scrutinized, edited and merged into one national file for imports and exports.

The trade data is stored in two formats. The Dbase files are for internal use while the data in EUROTRACE is used for transmission to Common Market for Eastern and Southern Africa (COMESA) secretariat.

3.2 Data analysis and publication.

Traditionally, data analysis for trade statistics has been in form of growth rates, aggregates by SITC classifications and geographical aggregates presented in tabular form. Here below are the Tables generated from the trade series:

- ◆ Balance of trade
- ◆ Exports by value and volume (quantity)

- ◆ Exports (value and quantity) by region and country of destination
- ◆ Imports (value and quantity) by region and country of origin
- ◆ Value of domestic exports by percentage
- ◆ Domestic exports by value grouped according to SITC
- ◆ Imports by value grouped according to SITC
- ◆ Imports by value grouped according to SITC
- ◆ Re-exports by value grouped according to SITC
- ◆ Re-exports by region and country of destination

The dissemination of IMTS is done on monthly, quarterly and annually basis in the following publications:

1. Statistical Abstract – This is an Annual publication.
2. Key Economic Indicators- a Quarterly publication
3. External Trade Statistics Bulletin- Annually, planned to be produced on Quarterly basis.
4. Background to the Budget- Published every beginning of a Fiscal year.
5. Monthly summary Tables and specific user requests

3.3 Reconciliation of Data

Since data comes from numerous sources, discrepancies are expected. For example at one time in 1997, import data compiled by BOU did not tally with those collected by URA. The BOU used the financing side whereas URA relied (rightly so) on the declaration forms filled in by importers. Therefore, officials from UBOS, BOU and URA initiated regular meetings and commissioned studies to reconcile the trade data. The problem of the above discrepancies no longer exists as a result of the reconciliation efforts.

At a national level, there is a Committee responsible for reconciling and agreeing on several aspects of IMTS called International Trade Statistics Reconciliation Committee (ITSRC) that comprises of the above three institutions in addition to the Ministry of Finance, Planning and Economic Development, Ministry of Tourism, Trade and Industry, Uganda Export Promotion Board (UEPB), Private Sector Foundation and Uganda

Chamber of Commerce and Industries. The Committee sits on a quarterly basis to review the status of ETS in the country with regard to completeness, timeliness and usage.

4.0 THE STATUS OF DATA AVAILABLE

The database currently available at the UBOS for IMTS covers the period 1994 to August 2004. Before 1994, trade data was based on estimates obtained from the Ministry of Trade, Industry, Tourism and Wildlife. The Data were in aggregate figures which couldn't allow decomposition into recommended international classifications of commodities. After establishment of the URA in 1991, followed by introduction of ASYCUDA 2.7 version and now ASYCUDA++, the IMTS became available in required detailed classifications and to an extent in good time.

Although the compilation of IMTS has greatly improved over time, it remains poor in completeness and lacks adequate timeliness. There are still some problems associated with generation of accurate and timely statistics. These problems are:

4.1 *Inaccurate recording*

The level of precision and accuracy of recording leaves a lot desired. This is common with exports where little emphasis is placed on accurate recording non-tax revenue interests. Compilation of trade statistics from Customs Bills of Entry still suffers from considerable defects of incompleteness, incorrect quantity, and abnormal values, which gives rise to errors in unit prices. This in turn leads to incorrect indices computation.

4.2 *Unrecorded trans-border trade*

There are a lot of informal trans-border transactions that take place between Uganda and her neighbours which are largely unrecorded. Salient issues regarding the impact of these transactions on the economy, commodities traded in and their volumes remain unanswered. This therefore implies that imports and exports in BOP are understated.

Besides, no records are available on smuggled goods, which enter directly into the economy for domestic consumption. UBOS has made effort in capturing these transactions. The results of Phase I of border monitoring are available and will soon be communicated to the workshop participants.

4.3 *Lack of timeliness*

There is also a problem of delay in remission of forms to various data capture centres from customs remote centre. This in turn leads to delays in data entry, editing and processing. The untimely availability of data leads to a vicious cycle of delays in analysis and production of Statistical Bulletins.

4.4 *Wrong classification*

Erroneous classification of commodities done by customs officials for purposes of tax evasion or may be done for classified commodities.

Despite the above deficiencies, the series for International flow of merchandise have been extensively used in the estimates of Gross Domestic Product (GDP), revision of tariffs, and trade negotiations in Uganda.

5.0 WHAT HAS BEEN DONE TO ADDRESS THE PROBLEMS

The UBOS and other agencies are trying to ensure the above problems are addressed and the missing data is captured. It is crucial to estimate the incompleteness and unrecorded external trade statistics so as to determine their extent.

5.1 Unrecorded cross border transactions (ICBT)

UBOS, BOU and URA have embarked on a project to capture the unrecorded trade between Uganda and her neighbours. The broad objective of the survey is to provide

estimates of the magnitude of ICBT and also give benchmark qualitative and quantitative data on these transactions. The data obtained is expected to improve on the completeness and coverage of Uganda's ETS.

5.2 Unprocessed F88 forms

Small items of trade across Uganda are recorded on customs forms F88. URA has not been able to process the data from these forms and incorporate it into the Export or import data. Trade Unit of UBOS recommended to the Customs department of URA, that data for F88 be captured separately. URA has implemented by assigning an officer to enter data on F88 forms. This will hopefully go a long way in bridging data gaps in External Trade Statistics.

5.3 Formation of International Trade Statistics Reconciliation Committee

As discussed earlier, in order to address loopholes arising from poor documentation, delays in data remission and discrepancies in the data, a committee comprising of officials from lead agencies was formed in 1999. This committee needs re-energizing to enable it do the job for which it was started.

5.4 Values for total imports and exports (1999-2004)

Year	Imports (US \$ Million)	Exports (US \$ Million)
1999	994.2	488.8
2000	958.2	401.6
2001	1,006.6	451.8
2002	1,073.7	467.6
2003	1,375.1	534.1
2004*	1,101.8	439.5

*2004 data is for January-August, however, July-August data is still provisional.

Source UBOS

The main imported commodities are Petroleum, petroleum products and related materials; Road vehicles (including air-cushion vehicles); Cereals and cereal preparations; Iron and Steel; and, Medical and pharmaceutical products. The main exported commodities are Electric Current; Coffee; Maize; Fish and Fish products; Tea and Tobacco.

The major trading partners are African countries with the average of 40 percent of imports; COMESA contributing to about 30 percent, followed by Europe with the average of 20 percent; EU contributing to about 19 percent. Asian countries, particularly Japan and China contributing over 25 percent of imports are ranked third.

For exports, Europe with over 50 percent ranks the first followed by COMESA countries with about 30 percent and Asia comes third. The details of specific countries can be found in the ETS Bulletin and UBOS website www.ubos.org.

Thank you very much.