

Coverage Practices

Kenya's Experience

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Overview of Kenya National Bureau of Statistics (KNBS)

- KNBS is a government agency, in the Ministry of Planning and National Development mandated by law to collect, analyze and disseminate socio-economic statistics needed for planning and policy formulation.

Background Information: Coverage

- The national methodology of compilation and dissemination of International Merchandise Trade Statistics is based on the principle of physical movement of goods between our Economy and the rest of the World as recommended in IMTS, Rev.2
- Hence as a general rule, we include in trade statistics goods which enter (imports) or leave (exports) the economic territory (except for goods in transit and temporary admissions/ withdrawals).

Coverage Cont.

- The existing recommendation for coverage should further be elaborated for clarity purpose in a bid to ensure that the compilers are well acquainted with the operational meaning of the terms (e.g. 'being simply transported', 'temporary admission', used in the definition for coverage. This will enable them to know whether goods entering/leaving the economic territory should be considered as adding to the material resources of a country or not.

Change of ownership

- Basing on the convention for recording goods, recording cannot be done simultaneously by exporter/importer. Hence, change of ownership can't be used as a basis of inclusion of certain goods in the trade statistics.
- Compilation of detailed commodity by partner trade statistics on the basis of change of ownership is not easy.

Change of ownership Cont.

- A list of categories of goods in relation to ownership change should be developed, reviewed and added to the revised manual.
- The reasons for use of change of ownership between residents and non-residents as an alternative criterion for inclusion of certain categories of goods should be clarified.
- It is hoped that by so doing, the compilers of trade statistics will have ease time when compiling such statistics.

Goods for Processing

- Change of ownership should be the determining factor for the goods to be treated as exports/imports. Otherwise, the transaction should be treated as an international trade in service.

Goods for Processing

- The existing recommendation (IMTS, Rev.2, para 28) for inclusion of goods for processing should be updated to define more clearly its scope.
- A new recommendation should be added stating vividly that goods for processing with physical inputs owned by others be separately recorded.

Trade between affiliated enterprises

- Goods which cross borders as a result of transactions between parent corporations and their direct investment enterprises (affiliates/branches) should be recorded separately for clarity purpose and for enhancement of BoP statistics compilation. The more information we have the better.

Trade between affiliated enterprises Cont.

- Hence the existing recommendation (IMTS, Rev. 2, para 29) ought to be supplemented by more elaborate new recommendation for clarity purpose.
- There is need to develop special coding system for showing vividly transactions between parent corporations and their direct investment enterprises (affiliates/branches).

The End

**Thank You For
Your Attention**

