

# META DATA

## Meta-data on India's Merchandise Trade Statistics

Foreign trade data is disseminated by DGCIS through (i) Quarterly publications in CD form and (ii) Generation of data from the Foreign Trade database as per user's request. The regular publications on India's foreign trade statistics brought out by the directorate are:

1. Monthly Statistics of Foreign Trade in India (on web portal) – Monthly
  1. Vol. I (Export including re-export)
  2. Vol. II (Import)
2. Statistics of Foreign Trade of India by Countries – Quarterly
  1. Vol. I (Export including re-export)
  2. Vol. II (Import)
3. Foreign Trade Statistics of India (Principal Commodities & Countries) (on web portal)– Monthly.

The International Merchandise Trade Statistics methodology and compilation procedure is followed in India as per the recommendations of the United Nations Statistical Commission and contained in the International Merchandise Trade Statistics Revision 2 (IMTS, Rev.2): Compilers Manual.

## CONCEPTS AND DEFINITIONS:

The concepts and definitions adopted in India for compilation of foreign trade (merchandise) statistics are as below:

## TRADE SYSTEM:

The *general trade system* is followed in India under which imports include all goods entering the economic territory of the country and exports include all goods leaving its economic territory. Statistics of re-exports and re-imports are included in total exports/imports, respectively.

## TIME OF RECORDING:

In consonance with the recommendations of IMTS, Rev.2 the time of recording in India is the date of lodgement of Customs declaration. At present the exports & imports are recorded at "Let Export Order"

(LEO) and “Out of Charge” (OOC) stages respectively, linked with submission of Shipping Bills/Bills of Entry (Customs Declaration).

#### **PARTNER COUNTRY ATTRIBUTION:**

The country of destination, as recorded by customs, is used as the partner for the purposes of export/re-exports statistics while imports are, by and large, credited to the country of consignment. However, no information on the last known destination for exports and country of origin for imports is compiled.

#### **PRINCIPAL COMMODITY:**

On the basis of the contribution to the country’s total export & import (in value terms), certain HS codes, mostly of similar nature have been clubbed together to constitute 168 principal commodities for export and import.

#### **DATA SOURCE:**

##### *Customs Declaration*

The merchandise traders submit Shipping Bills for exports and Bills of Entry for imports to the customs authority. These Bills form the source document for preparation of trade returns, commonly known as ‘Daily Trade Returns’ (DTR) which is transmitted by the customs authority to the DGCI&S for processing and presentation of statistics on merchandise trade.

The Statistics relate to Imports and Exports (including Re-exports) of Merchandise cleared through all the recognized Sea-Ports, Air-Ports and Land Customs Stations, Inland Containers Depots, Export Processing Zones and Foreign Post Offices located all over the country.

##### *Other Sources*

Special Economic Zones of India are considered to be independent economic territory, within the economic territory of India for the purpose of merchandise trade. Any goods (merchandise) entering/leaving the SEZ are following the procedure similar to the Customs procedure but processed by the SEZ authority (under the administrative control of the Ministry of Commerce & Industry). Only the physical exports/imports of SEZ

are considered for Nations' merchandise trade (excludes the 'deemed exports' & 'DTA sales' of the SEZ). The Export/Import data of Merchandise cleared through all SEZs of India are included.

#### **MODE OF DATA TRANSMISSION:**

DGCIS receives transaction-level foreign trade data from the Customs as well as Special Economic Zones in three different modes, namely, (i) through electronic transfer from the Indian Customs Electronic Data Interchange (EDI) Gateway, on daily basis, (ii) in electronic media or through e-mail from a number of ports across the country and (iii) in the form of hand-written DTRs. These three modes are termed respectively as, EDI, Non-EDI and Manual.

#### **COVERAGE:**

India's international merchandise trade statistics records all goods which add to or subtract from the stock of material resources of the country by entering (imports) or leaving (exports) its economic territory. Goods simply being transported through the country (goods in transit) or temporarily admitted or withdrawn (except for goods for inward or outward processing) are not included in the international merchandise trade statistics.

#### *Goods for inclusion*

*Non-monetary gold:* Non-monetary gold is any gold which is not defined as monetary. It may include, for example, gold shipped from one country to another in powder form or other unwrought or semi-manufactured forms, as well as gold coins (not in circulation) and bars. Such gold might be for industrial use, such as in the manufacturing of jewellery, intended as a store of value, etc.

*Banknotes and securities, and coins not in circulation:* These items include both unissued and taken out of circulation banknotes, securities and coins as they are regarded as goods rather than as financial items and are included in imports or exports as any other products. Issued banknotes and securities and coins in circulation are regarded as financial items and are excluded.

*Goods traded in accordance with barter agreements:* These are goods which are exchanged between countries without use of any means of payment. However such trade is not found to exist in the country at present, hence not recorded separately.

*Goods traded on government account:* This category refer to any goods which cross borders as a result of, for instance, regular commercial transactions of governments, goods under government foreign aid programmes (whether or not the goods constitute a grant, a loan, a barter or a transfer to an international organization). These goods intended for civilian use are included.

*Humanitarian aid including emergency aid:* Food, clothing, medicine and other goods entering or leaving a country under humanitarian aid programmes or as emergency assistance, whether provided by governments, international or non-governmental organizations. Recording full commodity and partner detail for such trade may represent disproportionate effort, and if so, its inclusion in the total of exports/ imports without such detail is appropriate. However, if this trade consists of some important commodities (light weight and high value, such as medicine), those commodities are recorded in international merchandise trade statistics in full commodity and partner detail under the appropriate headings of the commodity classification.

*Goods for processing with or without change of ownership:* Goods for processing are goods sent abroad or brought into a country, under a specific arrangement between the involved parties (which may or may not include the change of ownership) and for a specific operations as defined by the statistical authorities of the compiling country. Usually they entail further transformation that is changing the characteristics of the goods. Goods for processing without change of ownership are a subset of this general concept. Goods for processing may be brought into a country under the special customs procedures such as for importation for inward processing or processing under customs control as well as be declared for home use. Goods resulting from processing might be returned to the sending country, sold in the country of processing or be sent to a third country. The choice of the customs procedure may vary from country to country and from trader to trader depending on many factors such as the level of customs duties, taxation, other fees and charges and the expected clearance time. In view of the decreasing of customs duties and relaxing of other administrative requirements, in India it is declared as importation for home use and, subsequently, for outright exportation.

*Returned goods:* If an exported good is subsequently returned, it should be included in imports and identified also as re-imports at the time when it is returned. Similarly, goods imported and subsequently returned should be included in exports and identified also as re-export, at the time they are returned. While following this in India, separate recording is not being done for re-exports/re-imports.

***Goods dispatched or received through postal or courier services:*** Recording full commodity detail for such trade may represent disproportionate effort, and if so, its inclusion as a single total is appropriate. However, if this trade consists of some important commodities (light weight and high value, such as diamonds and other precious gems), those commodities are recorded in international merchandise trade statistics in full commodity detail under the appropriate headings of the commodity classification, while the remainder of the postal or courier trade - unclassified by commodity - should be recorded as a single total. Foreign Post Offices located in the country recording such details and supplying data to DGCIS.

***Goods under financial lease:*** There are two kinds of leases in common usage: *financial and operational*. Goods are considered to be under 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. Goods under financial lease are included in international merchandise trade statistics. An operational lease is any lease which does not have the above characteristics. Goods under operational lease are excluded from international merchandise trade statistics. In some cases, the duration of the lease can be used as an indication of whether the lease is financial (one year or more) or operational (less than one year).

***Ships and aircrafts:*** These goods are included in international merchandise trade statistics when they change ownership between residents and non-residents (includes financial leasing). In this context, acquiring of a ship or aircraft is treated as adding to its material resources (the reverse also applies). Ships and aircrafts are included whether they enter/leave economic territory of the involved countries or remain in international waters or are used in international flights. Such transactions (change of ownership while in the international water/flight) are not the subject of customs documents, hence they are recorded using non-customs data sources, such as registry of additions and deletions of Directorate General of Shipping/Civil Aviation.

***Goods delivered to or dispatched from offshore installations located in the economic territory of a compiling country from or to the economic territory of another country are included.***

***Goods received or sent abroad by international organizations:*** These goods, are included in imports of the countries receiving goods from such organization and in exports of countries sending goods to those organizations

***Goods in electronic commerce:*** The term “goods in electronic commerce” refers to goods which physically move across country borders as the result of transactions executed entirely, or to a significant extent, by electronic means (e.g., goods ordered and paid for via the Internet). Such goods are in the scope for both exports and imports.

***Used goods:*** Used goods are being included in both exports & imports. This includes any used industrial equipment or consumer appliances (e.g. used computers or cars) as well as used containers crossing borders under commercial recycling arrangements (e.g., empty bottles for recycling).

***Waste and scrap:*** Waste and scrap, including products which are dangerous to the environment, are recorded and classified under the appropriate commodity heading if their commercial value is positive.

***Mobile equipment that moves outside the country of residence of its original owner:*** For example, equipment which are sent for temporary use and for a specific purpose - such as for construction work, fire-fighting, offshore drilling or disaster relief - from one country to another, are included in exports/imports and classified as “*Project Goods*” in the Indian Trade Classification (ITCHS).

#### ***Goods for exclusion***

***Monetary gold:*** The definition of monetary gold adopted for the purposes of international merchandise trade statistics is gold that is exchanged between national or international monetary authorities or authorized banks. Since monetary gold is treated as a financial asset rather than a good, transactions pertaining to these are excluded from the international merchandise trade statistics of India.

***Issued banknotes and securities and coins in circulation*** represent evidence of financial claims, and are excluded from international merchandise trade statistics.

***Goods consigned to and from the territorial enclaves:*** The movement of goods between a country and its enclaves abroad is considered as an internal flow, and are excluded.

***Non-financial assets, ownership of which has been transferred from residents to non-residents without crossing borders.*** These assets include land, structures, equipment and inventories. Such a transfer of ownership of

non-financial assets is considered to be a financial operation, and is, therefore, excluded from international merchandise trade statistics.

*Goods for military use are excluded from the scope of international merchandise trade of the country.*

*Direct Transit Trade:* Trade of the adjacent countries passing in transit through the country where the foreign goods are not placed at the free disposal of the traders and are not warehoused.

*Transshipment Trade:* Trade relating to goods transferred from one vessel to another at the same or different ports.

*'Proscribed Substances' under Atomic Energy Act, 1962 are excluded.*

*Passenger Baggage: Excluded.*

*Ships' Stores: Excluded.*

#### COMMODITY CLASSIFICATION:

The HS Nomenclature 2007 edition of the World Customs Organization is currently followed in India for classification of the commodities. On the basis of HS-2007, a detailed classification of the commodities at 8-digit level (augmenting the WCO 6-digit classification with 2 additional digits to meet the country specific requirements) has been prepared and adopted with effect from April 2008.

#### QUANTITY:

Customs Tariff Classification provides standard unit of measurement for Quantity corresponding each 8-digit level item being traded. The quantity figures reported are net of packing.

#### VALUATION:

Exports are valued and recorded on free on board (FOB) basis while imports are recorded cost, insurance & freight (CIF) basis.

#### **DYNAMIC DATA REVISION POLICY OF DGCIS:**

According to the data revision policy adopted by DGCI&S while releasing the data of a particular month, the data of the previous months (both for principal commodities and 8-digit HS codes) will also be revised by taking into account the late received data in the respective months, which were received after the initial release of data for that month. This will establish comparability as monthly data, if added up from April to any particular month will tally with the cumulative figures shown against that month in the latest monthly data release. This revision policy has been implemented with effect from 2009-10.

#### **CLASSIFICATION OF DATA BY VARIOUS TYPES OF ACCESS:**

According to the approved data dissemination policy the disaggregated foreign trade data compiled & disseminated by DGCIS is provided to registered and authenticated users on payment of necessary charges. No charge is levied for supply of data to the Central Government Ministries/Departments, State Governments, Reserve Bank of India, United Nations and World Trade Organization. Some aggregated level information are also provided free of cost to the users through the website of DGCIS.

#### **NEGATIVE LIST:**

The transaction level data having identity particulars of exporters/importers, like name, address, Importer-Exporter (IE) code etc. are not disseminated. However, transactionwise import data, suppressing the identity of the importers are provided to different private users for anti-dumping investigations after proper authentication by the Directorate General of Anti-Dumping and Allied Duties (DGAD).

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