



UK Trade in Goods Statistics

GSS Quality Report

GSS Quality Report:
Overseas Trade Statistics &
Regional Trade Statistics

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1. Who should read this?

This paper should be read by all users of the United Kingdom (UK) Overseas Trade Statistics (OTS) and Regional Trade Statistics (RTS). It is the statement of how HM Revenue & Customs (HMRC) ensures the quality of Trade Statistics outputs.

2. Introduction

The Government Statistical Service (GSS) guidance on quality measurement and reporting, states that organisations producing statistics must show evidence of the quality of outputs by reporting against the nine ESS (European Statistical System) quality dimensions and principles.

Context for the quality report.

The [Overseas Trade Statistics \(OTS\)](#) is a detailed [National Statistics](#) dataset covering the UK's trade in goods at partner country and product level. They are published monthly and provide aggregated and detailed data for over 9,000 commodities and 250 partner countries. The OTS is compiled from data collected via the [Intrastat survey](#) (EU trade) and customs declarations non-EU).

The [Regional Trade Statistics \(RTS\)](#) is a National Statistics dataset (derived from the OTS) which is published quarterly. This details international trade conducted from the nine regions of England plus Wales, Scotland and Northern Ireland. This uses postcode address and VAT registration details of businesses to allocate trade to a region. **Note:** it does not detail international trade by place of departure or arrival of the goods in the UK.

Both of these statistics are published by HMRC via its statistical website www.uktradeinfo.com.

3. The Quality Dimensions - Assessment

Relevance	<i>The degree to which the statistical product meets user needs in both coverage and content.</i>
	<p>The statistical methods used to produce the OTS are designed to deliver statistical data sets which meet the coverage, timeliness and quality requirements set out in European legislation and Internationally agreed standards. As the RTS is derived from the OTS it retains these characteristics.</p> <p>Both the OTS and RTS serve the needs of many users, including governments,</p>

	business community, compilers of other economic statistics such as balance of payments (BoP) and national accounts, various regional, national and international organisations, researchers and the general public.
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<p>Accuracy and Reliability</p>	<p><i>The proximity between an estimate and the unknown true value.</i></p>
	<p>Estimates: For EU trade it is mandatory for businesses whose trade exceeds the value of the Intrastat threshold to submit monthly returns by the deadline. However, some businesses do not meet their legal obligations so HMRC include estimates for ‘non response’ and ‘partial response’ based on the trade previously reported by these businesses. These estimates typically account for around 0.1 per cent of final published value calculated five months after the period is first published. When the period is first published the estimates account for approximately 1.8 per cent of the total. Note: 2013 is the latest finalised year of trade.</p> <p>For businesses below the Intrastat thresholds, trade is estimated using the Below Threshold Trade Allocation (BTTA) process, by initially summing the values of EU trade supplied on their VAT returns. The BTTA process estimates the total value, net mass and supplementary units for each combination of 8-digit commodity code and partner country for below threshold businesses. The thresholds are calculated to enable HMRC to collect Intrastat declarations from businesses to cover at least 93 per cent of the total value of trade for EU imports and at least 97 per cent for EU exports. For 2013 the BTTA estimates accounted for 3.8 per cent of imports from the EU, and 2.5 per cent of exports to the EU.</p> <p>An additional adjustment is made for missing trade as a result of MTIC fraud. This accounts for approximately 0.8 per cent of the imports from the EU (2013 figures).</p> <p>Member States are required to calculate ‘statistical value’ as the value of the goods plus the costs of transporting the goods up to the declaring Member State’s border.</p> <p>The statistical value of imports from and exports to non-EU countries is the same as the value for Customs purposes, as business are required to calculate the statistical value as part of their declaration.</p> <p>For trade with EU countries, HMRC collects invoice value and converts it to statistical value using factors derived from a survey to determine ‘<i>ancillary costs</i>’. By doing this the UK avoids the need for all businesses to provide adjusted values on each line of trade on their supplementary declarations, thus reducing the burden on the business. For 2013 the net impact of the adjustment to statistical value is 0.21 per cent for imports from the EU, and -0.38 per cent for exports to the EU.</p> <p>Revisions: EU and non-EU trade statistics are systematically revised and updated to reflect more complete and correct information when it becomes available. Revisions are carried out until the data are classed as ‘final’ up to 15 months after the reference period, but no later than August of the following year. The HMRC Policy on Revisions is linked from the uktradeinfo website. For 2013 the average total net revision between the first published release and</p>

	<p>its 5th revision five months later was 1.0 per cent. Trade with non-EU countries tends to have minimal revisions, as declarations are made at the time the goods move and so there are no estimates included in the data.</p> <p>It is still possible to make a revision to 'final data' if it results in a substantial change to the interpretation of the data.</p> <p>RTS match rate: Not all trade can be allocated to a region. This could be due to trade declared without a VAT registration. In this case the RTS allocates this trade to an <i>unknown</i> region.</p>
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<p>Timeliness and Punctuality</p>	<p><i>Timeliness refers to the time gap between publication and the reference period. Punctuality refers to the gap between planned and actual publication dates.</i></p> <p>The timing of the publication of OTS is affected by balancing the requirements of the EU legislation that governs the collection of international trade data and the burden this places on businesses.</p> <p>It is also affected by the publication timetable of the Office for National Statistics (ONS) balance of payments on UK trade which uses data collected for the OTS.</p> <p>Non-EU and EU trade data is typically published around 5-6 weeks after the end of the reference month i.e. January data would be published in the first or second week of March. Where possible this will coincide with the ONS UK Trade release. From July 2014 account, Non-EU and EU trade data is published on the same day.</p> <p>RTS data is published quarterly. It is normally released around 10 weeks after the end of the reference period i.e. 2014 quarter 2 data (Apr-Jun) was released on 4 September 2014.</p> <p>All OTS and RTS releases are published to a pre announced timetable. There were no delays to publication from the timetable in 2013.</p>
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<p>Accessibility and Clarity</p>	<p><i>Accessibility is the ease with which users are able to access the data, also reflecting the format in which the data are available and the availability of supporting information. Clarity refers to the quality and sufficiency of the metadata, illustrations and accompanying advice.</i></p> <p>The OTS and RTS are both released through uktradeinfo.com.</p> <p>The releases consist of a summary of trade, aggregated data set and full commentary document, with simultaneous publication of the very detailed data via the interactive data tables on uktradeinfo, providing users with the flexibility to extract, download and build their own bespoke products. This includes creating data tables, charts and use of mapping software.</p>
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	<p>We also provide detailed information relating to the quality of the trade data, and publish methodologies and detailed reports on the work we have undertaken.</p>
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<p>Coherence and Comparability</p>	<p><i>Coherence is the degree to which data that is derived from different sources or methods, but refers to the same topic, are similar. Comparability is the degree to which data can be compared over time and domain.</i></p>
	<p>The UK produces the trade in goods data in accordance with EU legislation. This forms a set of international requirements for all Member States to follow. These broadly adhere to the United Nations International Merchandise Trade Statistics (IMTS) concepts and definitions.</p> <p>We publish details of the small number of instances where we are unable to comply with the EU legislation.</p> <p>The OTS is a key component to the Balance of Payments (BoP) data series (published by the ONS). Data released in the OTS differs from those published in the BoP, as they are compiled to different sets of rules, for example, BoP is seasonally adjusted and includes services. The OTS data also forms part of the National Accounts and the Prodcom publications released by the ONS.</p> <p>HMRC sends data to Eurostat to compile EU statistics. Eurostat published data will differ from the UK source because it uses a ‘special trade’ system. There are two recognised systems for recording trade – the ‘general trade’ system and the ‘special trade’ system. General trade is the definition used by HMRC and the ONS to compile UK trade statistics. Special trade is the definition used by Eurostat to compile Community trade statistics. The key difference between general and special trade is the treatment of goods entering Customs warehouses and freezones. Special trade excludes such movements.</p> <p>UK exports to another Member State should be broadly comparable with their imports from the UK (and vice versa). We undertake asymmetry analysis as part of our quality assurance for our EU trade. Asymmetry reports can be found at the bottom of this linked webpage.</p>

<p>Trade-offs between Output Quality Components</p>	<p><i>Trade-offs are the extent to which different aspects of quality are balanced against each other.</i></p>
	<p>The trade statistics are produced and released to strict timetables, formulated to satisfy legislative and ONS requirements. There is a trade-off in publishing the data in a timely fashion, and ensuring it is as complete and accurate as possible, minimising revisions. As a result there may be minor inaccuracies in the first set of published provisional statistics due to erroneously submitted or incomplete data. Consequently there is a scheduled revision process that</p>

	<p>updates the data alongside subsequent monthly releases.</p> <p>For EU data not yet submitted, HMRC includes an estimate for 'non-response' and 'partial response' based on the trade previously reported by these businesses. HMRC also estimates the value of trade (less than 7 per cent for EU imports from January 2014, and 3 per cent for EU exports) for small businesses that are below the Intrastat threshold. This strikes a balance between trying to reduce the declaration burden on business, and ensure high data quality.</p>
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<p>Assessment of User Needs and Perceptions</p>	<p><i>The processes for finding out about users and uses, and their views on the statistical products.</i></p> <p>We use a variety of channels to engage with the users of the OTS and RTS data. Key government stakeholders, other government users, and significant commercial and academic users (represented by the International Business Statistics User Group – IBSUG) are allocated a dedicated Client Manager. Website users and casual enquirers are supported by a dedicated Trade Statistics Customer Service team.</p> <p>Intrastat survey review: A review of Intrastat was carried out in 2009. A summary of the results can be found here.</p> <p>User Consultations: HMRC recognises the importance of consulting on policy, legislative and operational change and has set out its approach on HMRC.gov.uk. When it is appropriate to run a formal, public, written consultation exercise, HMRC Trade Statistics do so in accordance with the Cabinet Office guidelines. Informal consultation, surveys and reviews are also conducted periodically.</p> <p>All consultations are published in the dedicated User Consultation pages of the uktradeinfo website, and are promoted via the dedicated 'Home' page link, via News items, Alert Service emails and by circulation to the Client Management Network.</p>
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<p>Performance, Cost and Respondent Burden</p>	<p><i>The effectiveness, efficiency and economy of the statistical output.</i></p> <p>Non-EU trade data is collected through the Customs administrative data collection system. EU trade data is collected through the Intrastat survey.</p> <p>Over the last five years a number of things have been done to try and reduce the respondent burden of Intrastat. This has included removing net mass declarations on around one quarter of all products, and more significantly reducing the number of businesses who have to complete the survey.</p> <p>In 2010 HMRC reduced the value collection rate for EU imports to 95 per cent, which resulted in a 20 per cent decrease in the number of businesses required to complete the survey. This lowered the total respondent burden by around 10</p>
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	<p>per cent. The estimated current annual respondent burden of Intrastat is around £7.0m (2013-2014) based on approved National Statistics methodology for calculating compliance costs. The latest Official Statistics on HMRC Compliance Costs are here.</p> <p>From 2014, the collection rate of EU Imports was further reduced to 93 per cent. This will also result in a decrease in the number of traders required to complete the Intrastat survey and the annual respondent burden.</p> <p>HMRC continues to work with other EU Member States to develop legislation changes to further reduce the respondent burden.</p>
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<p>Confidentiality, Transparency and Security</p>	<p><i>The procedures and policy used to ensure sound confidentiality, security and transparent practices.</i></p> <p>Under EU legislation the OTS is required to have passive confidentiality applied to published data. Under 'Passive' confidentiality, data is only suppressed if a request for suppression is granted and it is perfectly acceptable to publish disclosive data.</p> <p>Our detailed Policy on Suppression is published on uktradeinfo. All unpublished trade data is subject to active disclosure rules. Data transfers are carried out in accordance with Government data security standards.</p> <p>Any data users who have pre-release access to the OTS and RTS are listed on the gov.uk website.</p>
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4. Further information.

HM Revenue & Customs – for Overseas Trade Statistics information

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