



INTRASTAT TRIENNIAL SURVEY REPORT

2005

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Executive Summary and Recommendations

This is the report of the Triennial Review of the Intrastat survey.

The objective of the Intrastat survey is to collect information on the trade in goods between the countries of the European Union (EU). It is the source of EU trade statistics in the UK.

Trade statistics are an important component of the UK Balance of Payments and are required by law to be supplied to the Statistical Office of the European Communities (Eurostat). Other Government Departments (OGD), businesses and organisations also use the trade statistics.

The Intrastat survey is compulsory for businesses that trade in goods above a certain threshold. The current number of traders that submit Intrastat declarations is 35,933. The estimated total trader compliance cost of completing the Intrastat survey is between £35,087,928 and £38,048,000.

The estimated total cost to Government of conducting the survey is £12,189,609.

Based on the issues raised by users and providers and developments within Government and the EU, the following recommendations have been put forward. More detail can be found on page 29.

- Statistics and Analysis of Trade unit (SATU) should ensure that all guidance clearly states delivery terms are only required from Businesses above the threshold.
- Increase and target publicity relating to paper and electronic versions of The Intrastat Guide – Notice 60.
- Future promotional work should focus on the savings to businesses associated with electronic submission.
- SATU should explore with the EU and other Member States (MS) the possibility of reducing the Intrastat reporting and coverage requirements.

Intrastat Survey – Key Facts

Date Survey Commenced	1 January 1993.
Statutory or Voluntary	Statutory.
Frequency	Monthly.
Main information collected	Statistical information on the movement of trade in goods between the UK and EC Member States.
Respondents	Businesses whose trade in goods between the UK and EC Member States is in excess of an annually set threshold.
Sample size	35,933 businesses are registered to supply supplementary declarations (SD). 16,001 are liable to supply arrival only declarations; 9,387 are liable to supply despatches only declarations; and 10,545 are liable to supply both arrivals and despatches declarations. These businesses supply 97 per cent of the value of Intra EU goods movements.
Coverage	VAT registered traders buying or selling goods with EC Member States.
Method	All VAT registered traders to supply global figures on the VAT return of total sales and purchases of goods with EC Member States. More detailed data via an SD is required from businesses operating above an annually set threshold.
Features	The Intrastat survey excludes services.
Primary use of results	Compiles the UK Balance of Payments in Goods figures; used as a key economic indicator by Treasury; and trade statistics data supplied to the European Statistical Office (Eurostat).
Subsidiary	Used by UK Government Departments to help inform government policy and emerging initiatives; Eurostat to monitor trade statistics activity within Europe; protection and promotion of businesses through initiatives such as anti-dumping, quotas and Common Agricultural Policy; compilation of Regional Trade data; to inform risk and intervention action within HMRC.
Publication	Monthly, quarterly and annual publication of the Overseas Trade Statistics; posted to the uktradeinfo.com website; for purchase via marketing agents; results also used in a variety of national and international statistical and economic publications.
Compliance costs to	Between £35,087,928 and £38,048,000 (see page 20 for

business (2004/5)

methodology)

Cost to Government

£12,189,609 (This figure includes the cost of processing and distributing non-EU trade statistics).

1 Introduction

Standing instructions on the control of statistical surveys require that regular monthly surveys to businesses be reviewed every three years. The aim of these procedures is to avoid unnecessary surveys, to ensure that control is exercised in the most cost effective way and that authorised surveys are conducted in such a way as to obtain the information needed while imposing the minimum burden on respondents.

The purpose of this review is to establish the effectiveness of the Intrastat survey, the cost to business and identify options for change that would allow improvements to be made. The review has been carried out subject to the guidelines set out in the instructions of the Prime Minister in 1999.

This review has been carried out with the assistance of an independent advisor – Mr Dieter Girmes of University College London, in order to provide external critical advice on the needs of users and the costs imposed on businesses. The review has been cleared with the HM Revenue & Customs Survey Control Unit before being submitted for Ministerial approval as required by the Prime Minister's instructions.

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2 Background

The completion of the Single Market on 1 January 1993 brought considerable benefits in terms of the freer movement of goods and less burdensome official requirements. Customs declarations within the EU had previously been required for all imports and exports and in most cases goods could not continue their journey until the declarations had been accepted by Customs. A small proportion of businesses are now required to supply SDs in the form of monthly schedules, removing the need to fill in documentation as goods leave or enter the country. The amount of data required has reduced substantially and is normally contained within business records. Pre Intrastat, UK businesses trading with Europe were required to complete in excess of 30 data fields for each import/export. With the introduction of Intrastat only 11 were required. In recent years, this has been reduced to just eight data fields.

Calls to reduce the scale of the survey and the burdens on data providers have been made since its inception, but steps to realise this have not generated any radical reductions. In the 1990s the EU Simplification programme (SLIM) reduced some of the data requirements, but user demand prevented any real simplification of product detail or coverage.

It is the move of compliance costs from an administrative regime to a statistical regime that has brought Intrastat increased attention. However, it should be noted that compliance costs involved in submitting Intrastat declarations are notably less than those involved in Customs procedures. In 1995 Austria, Finland and Sweden joined the EU (and therefore the Intrastat system) and in May 2004 a further ten countries joined therefore reducing the compliance costs of UK businesses trading with those countries.

3 Uses

The UK is required to collect and submit monthly trade data to Eurostat, the EU Statistical Organisation, as covered in EC legislation. The data are used by the European Central Bank.

Within the UK, the trade statistics are used by the ONS in the preparation of the UK Balance of Payments (BoP) and are regarded as an important economic indicator of the performance of the UK; export data in particular are used as an indicator of the state of health of the UK manufacturing industry.

The statistics are used by Government Departments to help set overall trade policy and generate initiatives on new trade areas. The volume of goods moving is also assessed to allow the planning of future transport infrastructure needs.

The commercial world uses statistics to assess markets both within the UK (e.g. to gauge import penetration) and externally (e.g. to establish new markets for their goods).

In addition, the UK provides statistical information to international bodies such as the United Nations (UN), the Office for Economic Co-operation and Development (OECD) and the International Monetary Fund (IMF).

4 Data Provision

Legal Data are collected under Council Regulation (EC) No 638/2004 (replaced Council Regulation No 3330/91). The implementing regulation is Commission Regulation (EC) No 1982/2004.

In addition, all VAT registered businesses must complete two boxes on their VAT returns showing the total value of goods supplied to other EU countries (dispatches) and the total value of goods acquired from other EU countries (arrivals).

Coverage VAT registered businesses whose trade with other EU countries exceeds a set threshold must supply information each month on their trade in goods with other EU member states. These are known as SDs and apply only to businesses that have exceeded the legally set threshold for the value of EU trade in goods. (EC legislation requires the UK to collect at least 97 per cent of the trade by value.) For 2005 the threshold was set at £221,000 per annum for arrivals and for dispatches of goods to other member states. The thresholds are reviewed annually and are changed only at the beginning of a calendar year. The thresholds for the following year are announced in November of the preceding year.

Data Providers The legal entity responsible for making the SD in the UK is the one that concluded the contract - with the exception of the freight contract - giving rise to the movement of the goods into or out of the country.

If the legal entity that concluded the contract is not resident in the UK then responsibility rests with the entity that arranged for the physical dispatch of the goods, or takes physical responsibility for goods that have arrived in the UK.

Businesses with EU trade above the threshold are legally obliged to:

- keep a copy of every SD they make or which is made on their behalf
- keep copies of all papers and documents which have been used for the purpose of compiling SDs
- produce any of the above records to an officer of HMRC when required to do so
- permit the officer to make copies or extracts or remove them for a reasonable period
- preserve records for six years, which is consistent with VAT requirements and applies equally to information stored by electronic means.

Complete and accurate declarations must be received no later than one month following the reference period to which they relate. The reference period is normally a calendar month.

Goods should be declared which have moved between the UK and another EU country by way of trade. This includes goods that are:

- bought and sold
- transferred within the same legal entity
- to be or have been processed or repaired
- supplied as part of a contract for services
- to be installed or used in construction
- supplied free of charge
- on long-term hire, loan or operational lease.

The data required are listed and described in Appendix A.

Intrastat Register

Central to the survey is the Intrastat Register. Based on information supplied from the VAT return it compiles a list of all businesses that exceed the threshold and therefore are required to submit further information. The information contained is used to coordinate SATU's compliance strategy, ensuring that traders supply timely and accurate data. A target response rate is in place designed to meet certain quality criteria laid down by Eurostat.

Throughout the year, exercises are undertaken including an Annual Review, which assists in cleaning and updating the Intrastat Register. The total number of Intrastat declarants at the end of 2005 was 35,933.

Data Submission

There are various ways in which data can be submitted:

- Paper
- Electronic Data Interchange (EDI)
- Internet

Quality Assurance

All submissions received are transferred on a daily basis to the Trade Statistics mainframe computer system (TS93). This system performs a number of checks against pre-defined business rules and expected trade patterns to assure the quality and accuracy of trade statistics provided to customers.

The validation process ensures that data are checked against standing data. The process automatically corrects common errors where possible; those remaining are identified and made available for on-line correction by SATU staff. This may involve contacting data providers or their agents to ascertain the correct information.

Data that have been validated are subjected to further checks that highlight *potential* errors or discrepancies. This process is known as credibility checking. Credibility parameters derived from past trends and statistical analyses are used to determine the accuracy of submissions at trade item or aggregated data levels. It is not possible to check every single potential error so a risk approach is taken. Resources are allocated to check and

confirm the accuracy of the data that have the greatest impact. This may involve contact with data providers or their agents.

Compliance

Every effort is made to educate and assist data providers with their Intrastat requirements, however those who continually fail to submit complete, accurate and timely declarations may be subjected to penalty action. This can involve SATU issuing financial penalties or in extreme circumstances, court proceedings.

Trade Challenges

When certain criteria are met and resources permit SATU will investigate and respond to enquiries relating to published data. Outcomes to investigations are reported to the enquirer and are used to update quality profiles. Any large errors will be reviewed and may lead to revisions to published data. The investigation may involve contacting the data provider or their agent to establish whether the data submitted were correct.

Below Threshold Trade

Any organisation that trades with the EU must declare the value of the trade, but the requirements on the businesses are lower if the value is less than the threshold. Below Threshold Trade is collected via VAT returns on an aggregated basis. The resulting figure is used in calculating the overall monthly trade figure.

5 Survey of Intrastat Data Providers and Users

A survey of traders registered to submit Intrastat declarations (data providers), as well as a separate survey of businesses/institutions that make use of Intrastat data (data users), has been conducted as part of this review. A copy of the questionnaires used, and their covering letters, can be found in Appendices B and C. Both surveys required the return of the completed questionnaire within six weeks.

HMRC statisticians in conjunction with an independent advisor developed both questionnaires.

5.1 Providers

All traders whose value of EU Imports or Exports (Arrivals or Dispatches) exceeds the level of the Intrastat threshold (£221,000 in 2005) have to submit declarations. This threshold is constructed so as to capture 97 per cent of the total trade in goods between the UK and the EU.

In May 2005, the Intrastat Data Providers Survey was distributed to 380 known Intrastat data providers selected at random. There were 227 replies, giving a response rate of 60 per cent. A summary of the results is given below.

The responders came from a broad range of economic sectors including agriculture, construction, textiles industry, wholesale trade, retail trade and the services sector. They also varied considerably in company size, both in terms of number of employees and turnover.

The responders were asked to complete a questionnaire on a range of issues concerning data submission, burden on business, areas of difficulty, business support and possible reforms to the Intrastat system.

5.2 Results

5.2.1 Submission of Intrastat Declarations

Table 1: Method of Declaration

	Numbers and percentages
	Responses
Manual process internally	148 (67)
Software system internally	66 (30)
Use a declaring agent	4 (2)
Other	3 (1)

Source: Statistics and Analysis of Trade Unit, HMRC

The majority of respondents (67 per cent) uses a manual processing system to complete their Intrastat declarations, however around 30 per cent use a software system. The remaining respondents either employ a declaring agent or some 'other' method.

Table 2: Software tool for completing Intrastat

Numbers and percentages

	Responses
IDEP and IDEP-INE	0 (0)
IDEP only	0 (0)
CN8 only	0 (0)
IRIS	0 (0)
In house developed software	29 (46)
Commercial software package	25 (40)
Other software	9 (14)

Source: Statistics and Analysis of Trade Unit, HMRC

Of the respondents that do use a software package, 46 per cent use an 'in-house' developed system, whilst 40 per cent use a commercially designed system. The remaining 14 per cent stated they use 'other' software.

Table 3: Method of submission

Numbers and percentages

	Responses
Electronic Submission	81 (36)
Electronic media (e.g. CD, DVD, or disk)	16 (7)
Post	120 (54)
Other	6 (3)

Source: Statistics and Analysis of Trade Unit, HMRC

Around 54 per cent of respondents made transmission of Intrastat declarations to HMRC by post, with 36 per cent by electronic submission and seven per cent by electronic media (i.e. CD, floppy disk). The remaining three per cent stated 'other'.

SATU currently operates an Internet 'on-line' system, as well as 'Electronic data interchange' (EDI) as electronic mediums for submitting declarations. It is fair to assume that the extensive development and customer service that has gone into making these systems user friendly, as well as improvements and cost savings in the internet have contributed to the shifting patterns in Intrastat data submission slowly swinging away from post to electronic.

5.2.2 Internet Questions

Table 4 shows traders responses when asked whether they thought the internet would provide cost savings for submitting their Intrastat declarations. 36 per cent answered yes. Around 43 per cent believed that the internet offered no costs savings, with 21 per cent uncertain.

Businesses were asked whether they thought the internet would provide time savings for submitting their Intrastat declarations. Interestingly, 46 per cent of respondents said yes, with only 37 per cent saying no. Given that 'time is money', it was expected that the results of the cost and time saving benefits of the internet questions would have yielded very similar results. However, it appears that more traders believe the internet offers time, rather than cost savings.

Businesses were asked whether they thought the internet would provide increased flexibility for submitting their Intrastat declarations. Around 44 per cent agreed, with 30 per cent believing there would be no increased flexibility, and 26 per cent of respondents uncertain.

Table 4: Savings through use of Internet

Numbers and percentages

	Yes	No	Don't know
Cost savings	76 (36)	92 (43)	45 (21)
Time	97 (46)	77 (37)	36 (17)
Flexibility	91 (44)	61 (30)	53 (26)

Source: Statistics and Analysis of Trade Unit, HMRC

5.2.3 Responsibility for making Intrastat declarations

Nearly all of the traders responded that a member of their organisation completes the Intrastat declarations, with only one per cent of Arrivals traders and three per cent of Dispatches traders using an agent (Table 5). Clerical staff are the most likely to complete Intrastat declarations, with 32 per cent of both Arrivals and Dispatches traders confirming this. Senior managers completed the declarations in around 28 per cent of both flows. However, a majority of the responding companies (around 80 per cent) were 'small/medium sized firms' with a turnover less than £10m and 50 or less staff. Around 30 per cent had a turnover of less than £2m, and 48 per cent employed less than 20 people.

Table 5: Responsibility for Completing Declarations

Numbers and percentages

	Arrivals	Dispatches
Within company		
Senior Manager	57 (28)	51 (28)
Middle Manager	37 (18)	28 (15)
Junior Manager	14 (7)	8 (4)
Clerical Staff	64 (32)	58 (32)
Other	22 (11)	18 (10)
Declaring agent	2 (1)	5 (3)
No Intra-EU trade in this category	7 (3)	15 (8)

Source: Statistics and Analysis of Trade Unit, HMRC

5.2.4 Time Spent

The majority of respondents estimated that the total number of staff days spent each month completing Intrastat was less than half a working day (64 per cent), with the next most frequent response being between a half and two working days (32 per cent (Table 6).

Table 6: Time Spent Completing Declarations

Numbers and percentages

	Responses
Less than half a working day	143 (64)
Between half and less than two working days	70 (31)
Between two and less than five working days	8 (4)
Between five and less than ten working days	0 (0)
Ten working days or more	1 (1)

Source: Statistics and Analysis of Trade Unit, HMRC

5.2.5 Difficulties encountered in Submitting Declaration

Traders were asked to rate how user friendly some of the data fields for Intrastat are to complete for both Arrivals and Dispatches (Tables 7 and 8). The two fields net mass and commodity code were the data elements that respondents felt were the most difficult to complete (for both Arrivals and Dispatches around 30 per cent of respondents thought commodity code and net mass were either very difficult or

quite difficult to complete). The country of dispatch/destination was deemed to be the easiest to complete (over 82 per cent for both Arrivals and Dispatches) stating it is either quite or very easy to complete).

A recent EU directive has stated that where commodity code requires supplementary units there will no longer be a requirement to declare net mass as well. SATU implemented this from January 2006, which should have alleviated the problems reported here.

Table 7: Data Field Difficulties (Arrivals)

Numbers and percentages

	Very Difficult		Quite Difficult		Neither Nor		Quite Easy		Very Easy	
Commodity Code	17	(9)	44	(22)	42	(21)	55	(29)	38	(19)
Country of Dispatch	1	(1)	2	(1)	25	(13)	68	(35)	99	(50)
Delivery Terms	2	(1)	12	(6)	43	(23)	70	(36)	66	(34)
Invoice Value	4	(2)	2	(1)	31	(16)	67	(34)	92	(47)
Nature of Transaction	4	(2)	8	(4)	42	(22)	66	(34)	73	(38)
Net Mass	25	(13)	31	(16)	36	(18)	52	(27)	51	(26)
Supp. Units	8	(4)	16	(8)	63	(34)	46	(25)	55	(29)

Source: Statistics and Analysis of Trade, HMRC

Table 8: Data Field Difficulties (Dispatches)

Numbers and percentages

	Very Difficult		Quite Difficult		Neither Nor		Quite Easy		Very Easy	
Commodity Code	15	(9)	32	(20)	36	(22)	47	(29)	32	(20)
Country of Destination	2	(1)	3	(2)	24	(15)	61	(37)	73	(45)
Delivery Terms	4	(2)	5	(3)	38	(24)	61	(38)	54	(33)
Invoice Value	2	(1)	3	(2)	33	(20)	58	(36)	67	(41)
Nature of Transaction	4	(3)	5	(3)	39	(24)	58	(30)	55	(34)
Net Mass	17	(10)	27	(17)	33	(21)	49	(31)	34	(21)
Supp. Units	8	(5)	11	(7)	53	(35)	44	(29)	37	(24)

Source: Statistics and Analysis of Trade, HMRC

The commodity code continues to be the most difficult data element to complete. However, a process of modernisation is planned for the Combined Nomenclature (CN) in 2007, which should lead to a simplification of the commodity code classification system (possibly reducing the number of commodity codes).

Traders were also questioned about specific problems experienced in completing their Intrastat declarations (Table 9) in the past 12 months, with 68 per cent of respondents stating they had no problems. Traders who specified they had encountered a problem were asked to indicate the nature of the problem.

Table 9: Specific problems in completing Intrastat

Numbers and percentages

	Yes	No
Classifying products	43 (60)	29 (40)
Determining partner country	3 (4)	69 (96)
Determination of Invoice value	9 (12)	63 (88)
Determination of Net Mass	29 (40)	43 (60)
Determination of Supplementary Units	14 (19)	58 (81)
Special movement	6 (8)	66 (92)
Electronic transmissions	15 (21)	57 (79)
Other	14 (19)	58 (81)

Source: Statistics and Analysis of Trade Unit, HMRC

The data elements that respondents said they have most problems in completing are: classifying products (commodity code) and determination of net mass. Nearly 60 per cent of those traders who experienced a problem stated product classification as the cause, 40 per cent stated net mass as the problem. The findings from this question support those answers given previously by traders when questioned about user friendliness of data elements.

5.2.6 Contacting HMRC regarding a problem

Respondents who stated they had a problem completing Intrastat declarations in the last 12 months were asked whether they contacted HMRC regarding this issue. Only 52 per cent sought HMRC help, with 42 per cent making no contact.

The majority of these traders (who did contact HMRC) were satisfied with the quality of help provided (69 per cent), professionalism of the staff (69 per cent) and the speed of the answer they were given (67 per cent).

Table 10: Contact with HMRC

Numbers and percentages

	Yes	No	Not Applicable
Quality of help provided	29 (69)	5 (12)	8 (19)
Professionalism of the staff	29 (69)	3 (7)	10 (24)
Speed of response	29 (67)	4 (10)	10 (23)

Source: Statistics and Analysis of Trade Unit, HMRC

5.2.7 Guidance Notes

Most respondents (63 per cent) were aware of 'The Intrastat General Guide – Notice 60'. However 37 per cent were unaware that this guidance existed. This is despite revised editions being sent to all Intrastat traders and all correspondence containing details of www.uktradeinfo.com, which includes an electronic version of Notice 60.

Of the traders who were aware of 'The Intrastat General Guide – Notice 60' nearly 63 per cent have used the paper version of this publication, but only around 13 per cent have ever used the online electronic version. Most of the respondents (85 per cent) stated they were happy with the clarity of information it provides.

Traders were questioned about their use and awareness of the Intrastat Classification Nomenclature (ICN), which lists all commodity codes and their descriptions. Approximately 79 per cent of respondents were aware of the ICN, however 21 per cent were not. Of the respondents who were aware of the ICN, around 72 per cent had made use of the paper publication, and 20 per cent had used the electronic version. Around 62 per cent of respondents said they were happy with the clarity of information in the ICN, but 38 per cent were unhappy.

In summary, a large proportion of the respondents are either unaware of 'The Intrastat General Guide – Notice 60', or have never used this. This could be deemed to be a contributing factor to some of the problems experienced in completing Intrastat declarations. Also, with 20 per cent of respondents unaware of the existence of the ICN, and 38 per cent unhappy at the clarity of its contents, it seems clear why traders find the classification of products to be the most difficult aspect of the Intrastat system.

5.2.8 Options for reform of Intrastat

The questionnaire asked the traders to specify how a potential change in the Intrastat system would impact upon the provider burden (Table 11). The most popular option for reform, with around 55 per cent of respondents stating that this would make submissions a 'lot easier' or a 'little easier', was the removal of delivery terms from the Intrastat form. Almost 48 per cent of traders stated changing declarations to quarterly submissions instead of monthly would make Intrastat a 'lot easier' or a 'little easier', however 26 per cent stated that this option would actually make Intrastat harder. For all five separate proposed options for reform, the most popular answer was that the changes would have 'no difference' for the trader.

Table 11: Options for Reform

Numbers and percentages

	Lot easier	Little easier	No difference	Little harder	Lot harder
Classification to 6 digits	25 (12)	59 (27)	127 (59)	0 (0)	5 (2)
Quarterly declarations	55 (26)	48 (22)	56 (26)	25 (12)	31 (14)
Delivery Terms removed	55 (25)	61 (29)	95 (45)	0 (0)	1 (1)
Single Flow recorded (Arrivals)	25 (14)	38 (22)	107 (61)	2 (1)	4 (2)
Single Flow recorded (Dispatches)	21 (13)	38 (24)	94 (60)	0 (0)	4 (3)

Source: Statistics and Analysis of Trade Unit, HMRC

It should be noted that submission of delivery terms is not required by most Intrastat traders (in excess of 95 per cent of traders are exempt). Only traders that have at least £14m worth of EU trade a year, for either Arrivals or Dispatches, need to complete this data field.

However, in practice a majority of traders below the delivery terms threshold do still provide this information. This could be due to the traders not realising their specific declarative obligations. We have already identified that a large proportion of Intrastat traders do not use the 'The Intrastat General Guide – Notice 60', and are therefore unaware of the regulations governing the use of the delivery terms field.

5.2.9 Intrastat Traders that use EU trade data

Nearly 68 per cent of respondents stated that they were unaware of EU trade statistics data, with only 32 per cent aware this information was available. The vast majority of respondents stated that their company does not currently receive or use Intrastat trade statistics (95 per cent).

HMRC made Intrastat trade data free to the public from January 2005. Given this information, 41 per cent of respondents said they would be interested in obtaining this information. The most popular form of trade data that respondents would be interested in receiving would be 'International Trade statistics related to their sector of activity', with over 90 per cent showing interest in this.

Table 12: Use of Trade Statistics

	Numbers and percentages	
	Yes	No
International trade statistics related to a particular country	28 (30)	65 (70)
International trade statistics related to your sector of activity	84 (90)	9 (10)
Regional Trade Statistics	24 (26)	69 (74)
Other	3 (3)	90 (97)

Source: Statistics and Analysis of Trade Unit, HMRC

5.2.10 Business Sector

The sample of traders for the providers' survey was randomly selected. Of the traders who responded, the highest proportion was from 'other service company' (27 per cent) and 'wholesale trade and distributor, except motor vehicles' (24 per cent). All sectors received at least six responses (Table 13).

Table 13: Respondents' Business Sectors

	Numbers and percentages	
	Number	
Agriculture, hunting, forestry, fishing	9	(4)
Agricultural and food industry	29	(13)
Raw materials and metal processing energy	9	(4)
Chemical Industry	13	(6)
Construction work	11	(5)
Textile, leather, wood industry and other	16	(7)
Car trade and repair	6	(3)
Wholesale trade and distributor, except motor vehicles and motorcycles	52	(24)
Retail trade, except motor vehicles and motorcycles	16	(7)
Other service company (please specify)	58	(27)

Source: Statistics and Analysis of Trade Unit, HMRC

5.2.11 Size of Organisation

Most of the traders who responded have a turnover of less than £10m per annum. Around 30 per cent have a turnover of less than £2m, and 44 per cent have a turnover of between £2 and £10m. A number of larger organisations did take part in this survey, with eight per cent having a turnover in excess of £36m. The remaining 18 per cent have a turnover between £10 and £36m.

An alternative measure for the size of an organisation is the number of employees. Around 72 per cent of respondents had 50 or less employees (48 per cent having 20 or less employees). About six per cent of respondents had in excess of 251 employees, with the remaining 22 per cent having between 51 and 250 employees.

5.2.12 Costs to Business

Between £35,087,928 and £38,048,000 is the range for the estimated Intrastat compliance cost. The first figure is calculated using only data garnered from the Providers Survey. This takes the average hourly wage of the person who completes Intrastat declarations, multiplied by the time taken each month, multiplied by the number of Intrastat traders multiplied by the number of months in a year. The second figure uses a standard methodology utilised for several years

incorporating the type of Intrastat declaration (i.e. manual or electronic) and the relative times taken to complete individual components of the declarations (each declaration line). Only the information relating to who completed the Intrastat return e.g. clerical grade, junior manager is extracted from the Providers Survey and incorporated into this methodology.

5.2.13 Summary of Findings

- the response rate for the survey was 60 per cent
- the majority of Intrastat data providers surveyed use a manual processing system and submit declarations by post
- the number using an electronic processing system and submitting declarations via the Internet has increased substantially compared with previous studies
- more traders believe there are time savings in using the Internet, however, these views do not extend to cost savings
- around 96 per cent of Intrastat traders spend less than two working days a month completing their declarations (64 per cent spend less than half a day a month)
- these time savings could be as a result of increased use of software systems for compiling declarations
- the commodity code and net mass data fields were deemed to be the most difficult aspects of Intrastat
- a large proportion of traders were unhappy with the clarity of information contained in the Intrastat Classification Nomenclature (ICN), which could be a contributing factor to the problems associated with classifying products
- a large proportion of traders are either unaware of 'The Intrastat General Guide – Notice 60', or have never used it. This could be a contributing factor to some of the problems experienced in completing Intrastat (almost half of the traders had experienced a problem completing Intrastat in the last 12 months)
- the most popular option for the reform of Intrastat was to remove the delivery terms field. However, in excess of 95 per cent of Intrastat traders are actually exempt from completing this field
- most Intrastat traders do not make use of EU trade data (95 per cent). However 41 per cent specified they would be interested in obtaining this information in the future, specifically data relating to international trade in their main economic sector of activity

5.3 Users

Intrastat trade data are published monthly and are freely available through SATU's internet site (www.uktradeinfo.com). They are used to produce the Balance of Payments - released to the press monthly through the Office for National Statistics (ONS). Data are supplied to other Government departments e.g. DEFRA, DTI and MoD on a regular basis. They are also available from a variety of Data Retailers.

The Intrastat Data Users Survey was distributed to 261 Intrastat users. There were 130 responses, which gave a response rate of 50 per cent. However, some of these responses were only partially completed, so some of the analysis will not be based on all 130 responses.

The users were asked to complete a questionnaire on a variety of issues concerning the quality, accuracy and uses of the trade data that SATU provide. They were also asked about time spent on interpreting and analysing the data, and about the impact of possible reforms of Intrastat.

5.4 Results

5.4.1 Types of Organisation

Of the users that responded to the questionnaire the highest proportion were from Importer/Exporter organisations (68 per cent). The three per cent of respondents that selected 'Other', included responses from UK manufacturing and distribution.

Table 14: Type of Respondent

	Numbers and percentages	
	Responses	
Importer/Exporter	77	(68)
Trade/Professional Association	12	(11)
Consultancy Service	9	(8)
UK Government Department	8	(7)
Other	4	(3)
Freight Agent	2	(2)
Press/Media (Journalism)	1	(1)

Source: Statistics and Analysis of Trade Unit, HMRC

5.4.2 Size of Organisation

The majority of respondents had an annual turnover of between £2m and £10m. Around 27 per cent had an annual turnover of between £10m and £36m and 20 per cent had a turnover of less than £2m. Some large organisations also responded to the questionnaire, with approximately 14 per cent having an annual turnover of more than £36m. Some nine per cent of the respondents stated that the question of 'annual turnover' is not applicable to them.

In terms of the size of the staff of organisations of Intrastat users around 65 per cent of respondents had 50 or fewer employees, (48 per cent had 20 or fewer employees). Approximately 22 per cent of respondents had between 51 and 250 employees and the remaining 13 per cent had more than 251 employees.

5.4.3 Economic Sectors of Interests

The users were asked to state which economic sector is the main area of interest to their organisation. The highest proportion of respondents is most interested in 'Raw materials' (30 per cent) and 'Other' (18 per cent) see Table 15.

Table 15: Sectors of Interest

	Numbers and percentages	
	Responses	
Raw materials	32	(29)
Other (please specify)	19	(18)
Agriculture	17	(16)
Construction and Building	13	(12)
Petrochemicals	10	(9)
Pharmaceuticals	6	(6)
Household, Textiles and Footwear	6	(6)
Electronic & Electrical	2	(2)
Aerospace & Defence	1	(1)
Motor Industry	1	(1)
Service Sector	0	(0)

Source: Statistics and Analysis of Trade Unit, HMRC

Some of the comments from respondents that selected 'Other' were: food, hospitality, commodities, natural fibres and chemicals.

5.4.4 Annual Expenditure on Intrastat Data

Users were asked approximately how much they spend annually on Intrastat trade data. Table 16 shows over 31 per cent of respondents stated that they use free data and therefore spend nothing. However, another 31 per cent of respondents stated that they spend between £100 and £249. Six per cent of respondents spend more than £1,000 annually on trade data.

Table 16: Annual Expenditure on Intrastat Data

	Numbers and percentages
	Responses
Nil – use free data	37 (31)
Less than £50	8 (7)
£50 - £99	15 (12)
£100 - £249	37 (31)
£250 - £499	7 (6)
£500 - £1,000	8 (7)
Over £1000	7 (6)

Source: Statistics and Analysis of Trade Unit, HMRC

Data became freely available on 1 January 2005, but despite this just over two-thirds of users still pay to obtain Intrastat trade data (possibly obtained indirectly from a data retailer).

5.4.5 Frequency of Obtaining Intrastat Data

The highest proportion of respondents obtains data at least once a month (54 per cent). Around 19 per cent stated that they never obtain Intrastat trade data. Out of the remaining 27 per cent, 15 per cent obtain trade data at least once a quarter and 12 per cent obtain trade data at least once a year.

5.4.6 Uses of Trade Statistics Data

Respondents were asked to state whether certain components of trade data were important to them for both Arrivals and Dispatches (Table 17). The commodity code was the element that users feel is the most important for both Arrivals (56 per cent) and Dispatches (34 per cent). The country and value fields were the next two most important elements, again for both Arrivals and Dispatches. The elements that were found to be the least important are chapters and delivery terms. This was both Arrivals and Dispatches.

Table 17: Importance of Data Fields

Numbers and percentages

	Arrivals	Dispatches
Commodity Code	73 (56)	44 (34)
Chapters (first 2 digits of commodity code)	4 (3)	2 (2)
Total Trade Level	30 (23)	18 (14)
Value	47 (36)	33 (25)
Delivery Terms	7 (5)	3 (2)
Country	51 (39)	36 (28)
Net Mass	36 (28)	23 (18)
Regional Trade Data	11 (9)	8 (6)

Source: Statistics and Analysis of Trade Unit, HMRC

The majority of respondents use Intrastat statistics for the purpose of monitoring market trends (74 per cent). Broad economic analysis is the purpose for using trade statistics for 15 per cent of the respondents, with the remaining 11 per cent using the data for various purposes, including: identifying marketing opportunities, price trends, monitoring competition and briefing MPs.

5.4.7 Time Spent on Analysis of Trade Statistics Data

The majority of users that responded to the survey spend less than one working day each month on analysing and interpreting the trade statistics (this equates to 77 per cent). Ten per cent spend between one and ten working days and four per cent spend more than ten working days a month. Out of all the respondents, ten companies did not know how much time their organisation spent on analysing and interpreting trade statistics.

5.4.8 Satisfaction

The respondents were asked to rate how satisfied they are with the accuracy of the Intrastat data supplied by HMRC (Table 18). For each of the different elements the majority of respondents were satisfied, apart from supplementary units where the majority of respondents selected 'Not Applicable'.

The highest percentage of dissatisfaction is 15 per cent; this is with the information at comcode level.

Table 18: Accuracy of Data Fields

Numbers and percentages

	Very Dissatisfied	Dissatisfied	Not Applicable	Satisfied	Very Satisfied
Value of Trade	2 (2)	11 (10)	23 (22)	66 (61)	5 (5)
Information at Chapter level	0 (0)	4 (5)	35 (42)	41 (48)	4 (5)
Information at Comcode level	1 (1)	14 (15)	27 (29)	45 (48)	6 (7)
Net Mass	2 (2)	7 (7)	33 (34)	50 (53)	4 (4)
Supplementary Units	0 (0)	6 (7)	41 (47)	37 (43)	3 (3)

Source: Statistics and Analysis of Trade Unit, HMRC

Some of the concerns of the respondents include the accuracy of the figures, the value of trade data are difficult to make sense of, the trade statistics are unreliable and are overstated and that HMRC take too long to look into challenges to published figures. However, it should be noted that in the majority of all data elements the Intrastat data was considered either 'Satisfactory' or 'Not Applicable'.

5.4.9 Comparison with other Trade Data Sources

The largest percentage of respondents (73 per cent) was unable to compare the trade data supplied by HMRC with any other sources (Table 19). This could be because they only use one source of data. Almost 17 per cent of respondents stated that HMRC Intrastat data are 'similar' to trade data supplied from other sources and seven per cent indicated that HMRC data are 'slightly worse' than that from other sources.

Table 19: Trade Data Comparisons

	Numbers and percentages	
	Responses	
Don't Know	80	(73)
Much Worse	2	(2)
Slightly Worse	8	(7)
Similar	18	(17)
Slightly Better	1	(1)
Much Better	0	(0)

Source: Statistics and Analysis of Trade Unit, HMRC

5.4.10 Improvements for Intrastat

Options for the reform of Intrastat are sometimes raised in European discussions. Users were asked to specify how any changes to Intrastat would impact upon their use of HMRC Intrastat data (Table 20).

Table 20: Options for Change

	Numbers and percentages				
	No Impact	Small Impact	Significant Impact	Large Impact	Major Impact
Classification to 6 digits	45 (49)	22 (24)	13 (14)	7 (8)	5 (5)
Detailed data quarterly, aggregate data monthly	36 (39)	28 (30)	12 (12)	9 (10)	8 (9)
Only arrival data published	33 (37)	23 (26)	15 (17)	9 (10)	9 (10)
Only dispatch data published	30 (36)	16 (19)	12 (14)	10 (12)	16 (19)

Source: Statistics and Analysis of Trade Unit, HMRC

For each of the alternatives suggested the most popular response was that there would be no impact on their requirements. However, around 51 per cent of respondents think that a reduction in classification to six digits will have an impact on their use of HMRC data with 13 per cent stating that this would be a large or major impact. Nearly 63 per cent of respondents thought that only collecting Arrivals data might

have an impact on their use of Intrastat data, of which, 37 per cent thought this would have a significant or larger impact. Over 64 per cent thought that only collecting Dispatches data will have an impact on their use of Intrastat data, 19 per cent thought this would be a major impact. Over 31 per cent think that having detailed data quarterly with aggregate data monthly will have a significant or greater impact on their use of Intrastat data.

The main concerns of respondents are:

- quarterly data would be considered out of date and almost impossible to complete trend analysis
- single flow would make country comparisons extremely difficult
- how any changes would impact upon their systems.

5.4.11 Other Comments

Respondents also requested some additional information:

- the last point of shipment in the EU
- that country of origin of the goods should be collected
- the trade data needs to be more up to date
- statistics are limited for some commodities (namely chemicals).

5.4.12 Summary of Findings

- the response rate for this survey was 50 per cent.
- the average money spent on buying data is between £100 and £249
- the majority of the respondents also obtained data at least once a month; only 19 per cent of the respondents claimed that they never obtain Intrastat data.
- commodity code was found to be the most important element that is utilised by companies. This is the case for both Arrivals and Dispatches.
- the elements that were found to be the least important are delivery terms and chapter.
- the vast majority of users spend less than one working day each month analysing and interpreting Intrastat statistics
- when asked about the accuracy of the data the majority of respondents were satisfied
- when considering other trade data sources the largest proportion of respondents could not compare HMRC's trade data with any other sources. This could be because the respondent does not use any other source of data.

6 Recommendations

- Providers of data stated that removal of the delivery terms would be the most beneficial change to the Intrastat requirement. This particular data field is only required if a business's value of EU trade exceeds £14 million (2005 threshold) in a year. This effectively makes the data field redundant for approximately 95 per cent of the trader population.

Action: SATU should ensure that all guidance clearly states delivery terms are only required from Traders above the threshold.

- A large number (37 per cent) of providers were unaware of The Intrastat Guide – Notice 60. It is thought that the guide could answer many of the providers' questions negating the need to contact HMRC.

Action: Increase and target publicity relating to paper and electronic versions of The Intrastat Guide – Notice 60.

- Although SATU has had some excellent results in the take-up of e-submission, it is clear from the review results that many traders do not feel there are enough savings to be made in making the switch from paper. This should be addressed, particularly in light of the opportunities which may arise for increasing Intrastat electronic submission alongside the mandation of electronic VAT submission.

- Action: Future promotional work should focus on the savings to businesses associated with electronic submission.

- The scale of the Intrastat survey remains high in relation to other statistical surveys of business.

Action: SATU should explore with the EU and other Member States the possibility of reducing the Intrastat reporting and coverage requirements.

Appendix A: Data Fields

Traders

VAT reg no.	This 9-digit code must be entered otherwise the declaration cannot be completed. This number acts as a reference for the trader or agent and is essential for excise purposes.
Branch identifier	Many organisations have a single VAT registration number, but more than one branch, a 3-digit code is used to identify the correct branch.
Name & Address	This field acts as a safeguard against the loss of a traders VAT reg no.

Agents

VAT reg no.	As above, for agent.
Branch identifier	As above, for agent.
Name & Address	As above, for agent.
Arrivals and Dispatches	Separate forms are required for imports and exports.
Period covered	A 4-digit numeric code that shows the period that aligns with the VAT periods.
No. of items	A 3-digit code that shows the number of items to be submitted on the declaration.

Data fields

Commodity Code	An 8-digit code that classifies the type of goods that are traded. These classifications are laid down in the Intrastat Classification Nomenclature (ICN).
Invoice Value	Value in pounds sterling rounded up to the nearest pound.
Delivery Terms	This data field shows the terms by which a good or goods are delivered to the purchaser. There are various means by which the goods can be transported and the delivery terms show who pays for the transport of the goods. Only traders which exceed a threshold are required to provide this information. The threshold for 2005 was £14,000,000.
Nature of Transaction	The nature of transaction code is a 2-digit code that is used in order to show the purpose of the trade, i.e. whether the goods are changing ownership or are part of some other movement across borders.

Net Mass	The net mass is used as a method of credibility checking and optional for some commodity codes. It is normally stated in kilograms in a numeric code.
Country from, country to	Mandatory, the EU country from which the goods were sent or where the goods are being sent to.
Traders reference	Non-mandatory, but is used to assist in answering queries.
Supplementary Units	This box is mandatory for certain products, as specified by the ICN. The purpose of the supplementary units is to provide information on the amount of items that are being transferred. A supplementary unit would be the number of units being traded, e.g. the number of bottles of wine, whereas the net mass would have the number of litres.

Appendix B: Questionnaire and Covering Letter (Providers)

Survey Team
Statistics and Analysis of Trade Unit
5th Floor SC Alexander House
21 Victoria Avenue Southend-on-Sea SS99 1AA
Tel 01702 366194/5 Fax: 01702 366596
Email: team.survey@hmce.gsi.gov.uk



HM Customs and Excise
Business Services and Taxes

FOR THE ATTENTION OF THE INTRASTAT MANAGER

«Name»
«Address1»
«Address2»
«Address3»
«Address4»
«Postcode»

Our Ref: **Intrastat Providers Survey**

Dear Sir or Madam

HM Revenue & Customs requests your help in improving the quality of EU Trade Statistics. Intrastat is the system for the collection, processing and publication of the Trade in Goods statistics between the UK and EU Member States. This covers both Arrivals (imports from the EU to the UK) and Dispatches (exports from the UK to the EU) of goods. All organisations participating in this survey have been randomly selected from current Intrastat declaring companies. All of the data received will be treated in strict confidence and in accordance with the Data Protection Act 1984; neither you nor your organisation will be identified in the review.

In order to ensure burdens on business are kept to a minimum all Government statistical surveys (of which Intrastat is one) are subject to periodic review. In order to achieve this we consult with providers and users of the Intrastat data to obtain information relating to the compliance costs and the subsequent use of the data. The review is monitored by an independent observer.

The aim of the providers' survey is to quantify the burdens placed on businesses, and to identify areas in which the Intrastat system could be improved. We would therefore be very grateful if you could complete the attached questionnaire and return it to us in the pre-paid envelope provided by The questionnaire is voluntary and should take no more than 15 minutes to complete.

Thank you for your time in helping us. If you have any queries concerning the questionnaire please contact the Survey team.

Yours sincerely

Survey Team

Intrastat Providers Questionnaire

1. By what method do you complete Intrastat declarations?

Please tick one box

- Mainly by manual process internally 1
- Mainly using a software system internally 2
- Either manually or using a software system principally with the help of a declaring agent (e.g. Customs or freight agent) 3
- Other 4

2. If you do not use a software tool please move onto question 3. If you use a software tool for completing your Intrastat Declarations, please indicate which one?

- IDEP and IDEP-INE 1
- IDEP only 2
- CN8 only 3
- IRIS 4
- In house developed software 5
- Commercial software package 6
- Other software (Please specify) 7

3. How do you currently submit your Intrastat Declarations?

- Electronic transmission 1
- Electronic media (e.g. via CD, DVD or disk) 2
- Post 2
- Other (Please specify) 3

4. Do you believe that using the Internet would provide cost savings and increase your flexibility in making Intrastat declarations?

- | | Don't Know | Yes | No |
|--------------|----------------------------|----------------------------|----------------------------|
| Cost savings | <input type="checkbox"/> 1 | <input type="checkbox"/> 2 | <input type="checkbox"/> 3 |
| Time savings | <input type="checkbox"/> 1 | <input type="checkbox"/> 2 | <input type="checkbox"/> 3 |
| Flexibility | <input type="checkbox"/> 1 | <input type="checkbox"/> 2 | <input type="checkbox"/> 3 |

5. Who is responsible for making your Intrastat declarations for arrivals/dispatches?

Tick one code only in each of the Columns below.

- | | Arrivals
(Imports) | Dispatches
(Export) |
|---|----------------------------|----------------------------|
| Within your company | | |
| Senior Manager | <input type="checkbox"/> 1 | <input type="checkbox"/> 1 |
| Middle Manager | <input type="checkbox"/> 2 | <input type="checkbox"/> 2 |
| Junior Manager | <input type="checkbox"/> 3 | <input type="checkbox"/> 3 |
| Clerical staff | <input type="checkbox"/> 4 | <input type="checkbox"/> 4 |
| Other (Please specify) | <input type="checkbox"/> 5 | <input type="checkbox"/> 5 |
| Declaring agent | <input type="checkbox"/> 6 | <input type="checkbox"/> 6 |
| No intra-European Union trade in this category | <input type="checkbox"/> 7 | <input type="checkbox"/> 7 |

6. Please give an average estimate of the total number of staff days spent each month on completing the Intrastat declaration?

- Less than half a working day 1
- Between half and less than two working days 2
- Between two and less than five working days 3
- Between five and less than ten working days 4
- Ten working days or more 5

7. Please indicate on the scales below how user friendly it is to complete the following fields for Arrivals.

	Very Difficult	Quite Difficult	Neither Nor	Quite Easy	Very Easy
Commodity Code	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5
Country of Dispatch	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5
Delivery Terms	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5
Invoice Value	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5
Nature of Transaction	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5
Net Mass	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5
Supplementary Units	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5

8. Please indicate on the scales below how difficult it is to complete the following fields for Dispatches.

	Very Difficult	Quite Difficult	Neither Nor	Quite Easy	Very Easy
Commodity Code	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5
Country of Destination	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5
Delivery Terms	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5
Invoice Value	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5
Nature of Transaction	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5
Net Mass	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5
Supplementary Units	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5

9a. Options for the reform of Intrastat are sometimes raised in European discussion. In order to report the UK view, it would be useful to know the impact on the effort required to complete declarations of the most commonly suggested alternatives:

Please tick appropriate boxes

	Lot easier	Little easier	No difference	Little harder	Lot harder
Reduction in classification to 6 digits	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5
Declarations required quarterly instead of monthly	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5
Delivery Terms removed	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5
Single Flow recorded (Arrivals)	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5
Single Flow recorded (Dispatches)	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5

9b. Understanding that information on trade in goods must be collected as a key economic indicator for the UK, what reduction in the Intrastat requirement would have the biggest impact for your business

10a. Have you had any problems in completing your Intrastat declarations in the last 12 months?

Yes
1

No
2

10b. If yes, please indicate the nature of the problem?

Please tick appropriate box(es)

- Difficulties in classifying products 1
- Difficulties in determining partner country 2
- Determination of Invoice value 3
- Determination of Net Mass 4
- Determination of Supplementary Units 5
- Difficulties with special movement (e.g. ships, aeroplanes, triangular trade in goods etc.) 6
- Difficulties with electronic transmissions 7
- Other (please specify) 8

11a. Did you contact Customs and Excise about the problem?

Yes
1

No
2

11b. If yes, were you satisfied with:

Please tick one box only per row

- | | Yes | No | Not Applicable |
|---------------------------------------|----------------------------|----------------------------|----------------------------|
| Content i.e. quality of help provided | <input type="checkbox"/> 1 | <input type="checkbox"/> 2 | <input type="checkbox"/> 3 |
| Professionalism of the staff | <input type="checkbox"/> 1 | <input type="checkbox"/> 2 | <input type="checkbox"/> 3 |
| Speed i.e. quickness of the answer | <input type="checkbox"/> 1 | <input type="checkbox"/> 2 | <input type="checkbox"/> 3 |

The Intrastat General Guide (Notice 60) covers the main Intrastat rules and procedures. This is available both in paper form, and electronically which can be accessed via the homepage of www.uktradeinfo.com.

12a Were you aware that Notice 60 existed?

Yes
1

No
2

If you have answered "NO" to question 11a please proceed to question 13a.

12b Have you ever used Notice 60?

Paper Version 1
 Electronic Version 1

No
2
2

12c If yes, are you satisfied with the clarity of Notice 60?

Yes
1

No
2

12d If you are not satisfied with the clarity of Notice 60, could you please advise us on any specific areas that you feel could be improved?

The Intrastat Classification Nomenclature (ICN) classifies all products into an eight-digit commodity code, which is then used in Intrastat declarations. This is available both in paper form, and electronically which can be accessed via the homepage of www.uktradeinfo.com

13a Were you aware that the ICN existed?

Yes
1

No
2

If you have answered "NO" to question 12a please proceed to question 13.

13b Have you ever used the ICN?

Paper Version 1
 Electronic Version 1

No
2
2

13c If yes, are you satisfied with the clarity of the ICN?

Yes
1

No
2

13d If you are not satisfied with the clarity of the ICN, could you please advise us on any specific areas that you feel could be improved?

Customs and Excise publishes Intra EU trade statistics data. This is available both in paper form, and electronically which can be accessed via the homepage of www.uktradeinfo.com.

14a. Were you aware of Intra EU Trade Statistics data?

Yes
1

No
2

14b. Does your company currently use/receive Intra EU Trade Statistics data?

Yes
1

No
2

14c. If no, given the fact that Customs and Excise will be making this data free to the public from 1st January 2005 would you be interested in receiving such data?

Yes
1

No
2

14d. If yes, please specify which kind of data may be of interest to you?

Please tick the Appropriate box(es)

- | | |
|---|----------------------------|
| International trade statistics related to a particular country | <input type="checkbox"/> 1 |
| International trade statistics related to your sector of activity | <input type="checkbox"/> 2 |
| Regional Trade Statistics | <input type="checkbox"/> 3 |
| Other (please specify)_____ | <input type="checkbox"/> 4 |

15. What is the main economic area of your company?

- | | |
|--|-----------------------------|
| Agriculture, hunting, forestry, fishing | <input type="checkbox"/> 1 |
| Agricultural and food industry | <input type="checkbox"/> 2 |
| Raw materials and metal processing energy | <input type="checkbox"/> 3 |
| Chemical Industry | <input type="checkbox"/> 4 |
| Construction work | <input type="checkbox"/> 5 |
| Textile, leather, wood industry and other | <input type="checkbox"/> 6 |
| Car trade and repair | <input type="checkbox"/> 7 |
| Wholesale trade and distributor, except motor vehicles and motorcycles | <input type="checkbox"/> 8 |
| Retail trade, except motor vehicles and motorcycles | <input type="checkbox"/> 9 |
| Other service company (please specify)_____ | <input type="checkbox"/> 10 |

16. What was the annual turnover of your company for the most recent year?

- | | |
|--------------------|----------------------------|
| Less than £2m | <input type="checkbox"/> 1 |
| Between £2 - £10m | <input type="checkbox"/> 2 |
| Between £10 - £36m | <input type="checkbox"/> 3 |
| More than £36m | <input type="checkbox"/> 4 |

17. What is currently the number of permanent staff in your company?

- | | |
|---------------------------|----------------------------|
| Twenty people or less | <input type="checkbox"/> 1 |
| Between 21 and 50 people | <input type="checkbox"/> 2 |
| Between 51 and 250 people | <input type="checkbox"/> 3 |
| More than 251 people | <input type="checkbox"/> 4 |

18a. Would you like Customs and Excise to update you directly with information or changes relating to Intrastat?

Yes	No
<input type="checkbox"/> 1	<input type="checkbox"/> 2

18b. If yes, please provide your name and email address below:

Name: _____
Email: _____

19. Please feel free to comment below on any other aspect of the Intrastat system that you think may be included in this questionnaire.

May I thank you for completing this questionnaire and ask you to return it in the pre-addressed envelope provided to:

Survey Team
Statistics and Analysis of Trade Unit
5th Floor, South West
Alexander House
Southend-on-Sea
SS99 1AA
Tel: 01702 367 227

Appendix C: Questionnaire and Covering Letter (Users)

Survey Team
Statistics and Analysis of Trade Unit
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HM Customs and Excise
Business Services and Taxes

FOR THE ATTENTION OF THE INTRASTAT MANAGER

«name»
«Address1»
«Address2»
«Address3»
«Address4»
«Postcode»

Our Ref: Intrastat Data Users Survey

Dear Sir or Madam

We would like to request your help in improving the quality of the provision of EU Trade Statistics by participating in our Intrastat Data Users survey. Intrastat is the system for the collection, processing and publication of the Trade of Goods statistics between the UK and EU Member States. This Covers both Arrivals (imports from the EU to the UK) and Dispatches (exports from the UK to the EU) of goods.

In order to ensure burdens on business are kept to a minimum all Government statistical surveys (of which Intrastat is one) are subject to periodic review. In order to achieve this we consult with providers and users of the Intrastat data to obtain information relating to the compliance costs and the subsequent use of the data. The review is monitored by an independent observer.

The aim of the users' survey is to establish your current satisfaction with Intra EU trade statistics data and to determine any improvements that could be made to the products we provide. We would therefore be very grateful if you could complete the attached questionnaire and return it to us in the pre-paid envelope provided by (INSERT DATE) 2005. The questionnaire is voluntary and should take no more than 15 minutes to complete.

All of the data received will be treated in strict confidence and in accordance with the Data Protection Act 1984, neither you nor your organisation will be identified in the review. All participating organisations have been randomly selected from current Intrastat data users.

Thank you for your time in helping us. If you have any queries concerning the questionnaire please contact the Survey team.

Yours sincerely

Survey Team

Intrastat Users Questionnaire

1. Which of the following best describes your organisation?

Please tick only one box

- i. Importer/Exporter 1
- ii. Freight Agent 2
- iii. Trade/Professional Association 3
- iv. Chamber of Commerce 4
- v. Research Institute/University 5
- vi. Press/Media (Journalism) 6
- vii. UK Government Department 7
- viii. Foreign Government or International Organisations 8
- ix. Political Organisation/Trade Unions 9
- x. Consultancy Service 10
- xi. Other (please state) 11

2. What economic sector is the main area of interest to your organisation?

- Agriculture 1
- Raw materials 2
- Petrochemicals 3
- Pharmaceuticals 4
- Motor Industry 5
- Household, Textiles and Footwear 6
- Electronic & Electrical 7
- Construction and Building 8
- Aerospace & Defence 9
- Service Sector 10
- Other (please specify) _____ 11

3. What was the annual turnover of your company for the most recent year?

- Less than £2m 1
- Between £2 - £10m 2
- Between £10 - £36m 3
- More than £36m 4
- N/A 5

4. What is currently the number of permanent staff in your company?

- Twenty people or less 1
- Between 21 and 50 people 2
- Between 51 and 250 people 3
- More than 251 people 4

5. What is your approximate annual expenditure on intra EU Trade data?

- Nil – use free data 1
- Less than £50 2
- £50 - £99 3
- £100 - £249 4
- £250 - £499 5
- £500 - £999 6
- Over £1000 (please specify) £ _____ 7

6. How frequently do you obtain the intra EU trade data?

- i. At least once a month 1
- ii. At least once a quarter 2
- iii. At least once a year 3

7. What are the most important components of trade data that your company utilises?

Please tick appropriate box(es)

By Product:	Arrivals	Dispatches
Commodity Code	<input type="checkbox"/> 1	<input type="checkbox"/> 1
Chapters (first 2 digits of commodity code)	<input type="checkbox"/> 2	<input type="checkbox"/> 2
Total Trade Level	<input type="checkbox"/> 3	<input type="checkbox"/> 3
Value	<input type="checkbox"/> 4	<input type="checkbox"/> 4
Delivery Terms	<input type="checkbox"/> 6	<input type="checkbox"/> 6
Country	<input type="checkbox"/> 7	<input type="checkbox"/> 7
Net Mass	<input type="checkbox"/> 8	<input type="checkbox"/> 8
Regional Trade Data	<input type="checkbox"/> 9	<input type="checkbox"/> 9

8. For what purpose do you use the trade statistics data?

- Monitoring market trends 1
- Broad economic analysis 2
- Identifying marketing opportunities 3
- Other (please specify) _____ 4

9. How much staff time is spent by your organisation on the analysis and interpretation of trade statistics each month?

- Less than half a working day 1
- Between half and one working days 2
- Between one and two working days 3
- Between two and five working days 4
- Between five and ten working days 5
- Ten working days or more 6
- Don't know 7

10a. How satisfied are you with the accuracy of the Intra EU trade statistics data collected by HMCE?

Please tick appropriate boxes

	Not Applicable	Very Dissatisfied	Dissatisfied	Satisfied	Very Satisfied
Value of trade	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5
Information at chapter level (first 2 digits of commodity code)	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5
Information at comcode level (full 8 digit commodity code)	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5
Net mass	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5
Supplementary units	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5

10b. Please elaborate on your previous answer:

11a. Overall how does intra EU trade data compare with other trade data sources?

Don't Know	Much Worse	Slightly Worse	Similar	Slightly Better	Much Better
<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5	<input type="checkbox"/> 6

11b. To what other trade data sources are you comparing, please elaborate:

12a. Options for the reform of Intrastat are sometimes raised in European discussion. In order to report the UK view, it would be useful to know the impact of the most commonly suggested alternatives on your requirements:

	Please tick appropriate boxes				
	No Impact	Small Impact	Significant Impact	Large Impact	Major Impact
Reduction in classification to 6 digits	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5
Detailed data quarterly, aggregate data monthly	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5
Only arrival data collected	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5
Only despatch data collected	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5

12b. Please elaborate on your answers:

13a. Would you like Customs and Excise to update you directly with information or changes relating to Intrastat?

Yes	No
<input type="checkbox"/> 1	<input type="checkbox"/> 2

13b. If yes, please provide your name and email address below:

Name: _____

Email: _____

14. If there is anything further that you wish to add, including any other trade data you would be interested in which HMRC does not currently publish, please use the space provided below.

May I thank you for completing this questionnaire, and ask you to return it in the Pre-addressed envelope provided to:

Survey Team

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