Reflecting Methodological Causes of Bilateral Asymmetry for the Forthcoming Revision of IMTS Concepts and Definition

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Statistics are derived from observations – therefore, the quality of observations directly influences the statistical outputs. In many statistical domains, the observations are undertaken by one observer at a given time or reference period (e.g., a survey by the National Statistical Office). However, International Merchandise Trade Statistics (IMTS) flows are usually recorded multiple times in different countries (within the same or different periods). Further, the methodologies to compile trade data may differ. In addition to these, there might be recording errors such as misclassifications or inaccurate trade values. All these give rise to a phenomenon widely known as Bilateral Asymmetries in official statistics, which can be defined as data discrepancies when the reported exports of country A to country B do not match the reported imports of country B from country A.

In the past, the issue of Bilateral Asymmetries has been largely acknowledged as part of the characteristics of trade data. Following the recommendation of the trade manual, countries have been conducting reconciliation studies to describe discrepancies. However, recently, it has become an important quality issue in developing derived trade indicators such as Trade in Value Added (TiVA) or Global Value Chains (GVCs) analysis. It is also utilized to measure a commercial part of illicit financial flows through trade mis-invoicing. Therefore, it is crucial to identify and describe the methodological root causes of Bilateral Asymmetries to include them in the research topic of the forthcoming revision of IMTS Concepts and Definitions (IMTS 2010). The objective is to propose changes and improvements to IMTS methodology to reduce Bilateral Asymmetries and provide better underlying data for its analysis.

Keywords:
Bilateral Asymmetries, Reconciliation Studies, Trade Statistics, Revision of Manual, IMTS