



مركز الإحصاء
STATISTICS CENTRE

Merchandise Trade Statistics

Methodology 2022

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1. Overview

1.1. Introduction

Statistics Center - Abu Dhabi (SCAD) is the official authority responsible for compiling and issuing statistics on merchandise trade for Abu Dhabi. Merchandise trade statistics are key indicators to understand a country's trading relationships and an essential source of information for national accounts and balance of payments statistics.

As described in more detail below, SCAD's main source of data for merchandise trade is customs operations data obtained from the supervision of goods entry and exit and collection of customs duties. SCAD generally follows internationally recognized standards and concepts for compiling and publishing this data, using the special trade system (GCC) as outline in International Merchandise Trade Statistics (IMTS 2010) published by the United Nations Department of Economic and Social Affairs. But users should be aware of potential differences in classification systems (such as use of different editions of trade classification systems) as well as differences in compilation methods when making international comparisons. It should also be noted that the merchandise export data does not include oil or petroleum products (these are compiled separately, using information provided directly from oil exporting companies).

1.2. Concepts and definitions

Merchandise trade data measure exports/ imports/ re-exports of goods flowing between the Emirate of Abu Dhabi and other parts of the world (except to/ from other Emirates of the UAE).

Exports are valued on a free on board (fob) basis and imports are valued on cost insurance and freight basis (cif).

Trade flows are measured according to country of destination/origin, merchandise category and value.

The compilation of the Abu Dhabi merchandise trade data generally follows the key concepts and definitions outlined in IMTS 2010.

1.3. Abu Dhabi special considerations

It should be noted that Abu Dhabi is an emirate and one of 7 emirates in UAE, therefore certain limitations apply in collecting and obtaining trade data. Specifically, customs data are not sufficient to map intra-emirate trade because they do not allow for a strong regional breakout of flows. The lack of documentation of goods crossing internal borders within the UAE means that the published data on foreign trade flows provides an incomplete picture of Abu Dhabi's total exports/ imports, detracting from their usefulness in the potential compilation of balance of payment statements for the emirate.

The foreign trade statistics of Abu Dhabi monitors only merchandise entered or exited the international borders of Abu Dhabi Emirate, and thus not necessarily part of Abu Dhabi foreign trade. However significant part of Abu Dhabi foreign merchandise trade entering or leaving through the ports of the other Emirates in the UAE are not monitored; therefore, the scope of the statistics is restricted to the trade flows recorded at ports under the jurisdiction of the Abu Dhabi Customs Administration only.

1.4. Classifications and standards applied

SCAD aligns its data collection and processing, where possible, with international standards described in the International Merchandise Trade Statistics (2010) Compilers Manual published by the United Nations Department of Economic and Social Affairs. Merchandise trade data is collected and compiled in the GCC Customs Tariff Classification, an 8-digit level classification based on the Harmonized System (recommended for use used by customs authorities to identify products when assessing duties and taxes and for gathering statistics). Published data also available based on the Standard International Trade Classification (recommended for analytical purposes and comparison of international trade statistics) and Broad Economic Category system (the latter presenting end-use categories that are meaningful within the framework of System of National Accounts).

1.5. Available breakdown

Merchandise trade data is published with the following breakdowns:

- Broad Economic Category (BEC rev.4) is categorized into seven main groups (1-digit)
- Standard International Trade Classification (SITC4) categorized into ten groups (1-digit)
- Harmonized System (HS 2017) categorized into around 1000 sub-groups (4-digit)

1.6. Importance and objectives of the indicator

International trade forms an important part of the world economy and, as such, must be measured reliably and the relevant statistical data should be comparable and widely disseminated. Merchandise trade statistics are key indicators to understand a country's trading relationships and an essential source of information for national accounts and balance of payments statistics. Data informs decision-makers in the public and private sectors. For example, they help authorities to prepare appropriate trade policies; and companies use this data for market research and defining commercial strategies.

2. Indicator information

2.1. Geographical coverage

Only goods that enter and exit customs borders through customs ports (land, sea and air) of the Emirate of Abu Dhabi are covered.

2.2. Statistical population

All trade flows recorded at the customs ports (land, sea and air) of the emirate of Abu Dhabi are included:

Land ports

- Al Ghuwaifat Customs Centre
- Khatm Al Shikla Customs Centre
- Mezyad Customs Centre
- Al Hili Customs Centre
- Al Madheef port
- Free Zones
- Private Customs Warehouses

Airports

- Abu Dhabi Post Customs Centre
- Al Ain Post Customs Centre
- Al Ain Airport
- Abu Dhabi Airport
- Abu Dhabi Airport Customs Centre – Al Bateen
- Madinat Zayed Post Office

Sea ports

- Zayed Port Customs Centre
- Mussafah Port Customs Centre
- Customs Administration
- Mina Khalifa

2.3. Periodicity

Monthly, quarterly and annual data collection and publications.

2.4. Timeliness

SCAD is currently moving to the following publication timetable:

- Non-oil Foreign Merchandise Trade Through the Ports of Abu Dhabi Emirate: Published 45 days after the reference month.
- Statistics of Exporters and Importers Registry: Published 75-105 days after the end of the reference quarter.
- Statistical Yearbook – Balance of Payments and Trade: Published 3-6 months after the end of the reference year.

2.5. Units

All data are reported in nominal terms (million AED)

2.6. Reference period

The reference period for merchandise trade data collection is each calendar month.

3. Methodology

3.1. Alignment to international standards

The compilation of merchandise trade data broadly follows, where possible, the recommendations outlined in International Merchandise Trade Statistics (IMTS 2010) published by the United Nations Department of Economic and Social Affairs. This means that procedures for data collection and validation, data imputation and indexation are consistent with the methodology outlined therein.

3.2. Data sources

The source of data for merchandise trade is customs operations data obtained from the supervision of goods entry and exit and collection of customs duties. The General Administration of Customs provide SCAD with data on exports/imports/re-exports by HS code (including split by mode of transport, value, quantity, custom border, exporter/importer name and classification).

3.3. Data validation and editing

3.3.1. Data validation

SCAD receive data from customs on a monthly basis from the General Administration of Customs. The raw transactions data is tabulated by customs and reclassified according to HS statistical commodity classifications. As the value of trade transactions may be expressed initially in a variety of currencies, customs convert these values into the national currency using the current exchange rate to provide a single (reference) unit of account. After receiving this data from customs, SCAD apply automatic validation rules and coordinate with customs regarding any required adjustments.

3.3.2. Missing data adjustments

When SCAD identifies the need for editing of the source data, the source data provider (Customs Directorate) is contacted to edit or adjust data if deemed necessary. Adjusted data is then uploaded again by customs, together with high-level (aggregated) indicators which are cross-referenced with the more granular data by SCAD.

3.4. Data processing

Following data validation and quality adjustments (described above), a monthly report is then automatically generated by SCAD.

3.4.1. Seasonal adjustment

Data is not seasonally adjusted.

3.4.2. Deflating

Data is published in current prices.

4. Special cases

Export and import unit value index

Export and import unit value indices measure the overall change in the unit value of transactions in goods between the residents of an economic territory and residents of the rest of the world. Unit values in any period measure, for individual commodity classes in that period, the total value of shipments divided by the corresponding total quantity. SCAD also construct these indices based on customs operations data. As the data is processed in a similar way to domestic price indices, information is provided in a separate methodology document.

5. Outputs and quality

5.1. Dissemination and accessibility

Merchandise trade data are disseminated in pdf format on the SCAD website.

SCAD provides users with further information on the merchandise dataset and methodology (accessible via the website) with shorter methodologies attached to each indicator publication.

5.2. Length of available dataset

The non-oil merchandise trade dataset is available on a monthly basis on the SCAD website starting in 2012.

5.3. Methodology changes

Changes due to the introduction of new methods, guidelines, techniques or classification systems can lead to revisions after the time series data have been finalized. For instance, in 2018, the methodology for the registration of customs declarations of exports and re-exports was modified by the Customs Department to include all goods exported from the ports of the Emirate of Abu Dhabi regardless of the source of those goods. The non-oil exports series was revised for 2015-2019 to provide users with an updated statistical time series of Foreign Trade data.

5.4. Data coherence and comparability

In general, SCAD follows internationally recommended systems to facilitate cross-country comparisons of merchandise trade flows. But users should be aware of potential differences in classification systems (such as use of different editions of trade classification systems) as well as differences in compilation methods when making these comparisons.

When comparing corresponding bilateral flows reported by different statistical agencies, a 10-20% difference may generally be expected owing to exports being valued on an FOB basis and imports on a CIF basis. But further differences can arise due to other reasons such as time lags, confidentiality and misallocation.

5.5. Data accuracy and potential sources of errors

Data accuracy describes how closely the statistical indicator resembles the true value of the concept it measures, in this case foreign merchandise trade flows. SCAD reviews all data through its validation rules system to check for errors and outliers, adjusting the data with customs on a monthly basis.

Nevertheless, errors and gaps in coverage can still occur. One significant gap is the exclusion of exports of petroleum products.

The other main source of potential errors and gaps in coverage for merchandise trade data is the point at which the information is provided, i.e. when the customs declaration is completed. General Administration of Customs make use of electronic data entry systems that make use of comprehensive validation rules to help prevent certain types of typing errors, entry of invalid or implausible codes, and entry of values outside a certain range, as well as invalid or implausible combinations of entries. Although

customs records are generally reliable, detailed and readily available, it should be recognized that they are not free from the reporting burden and errors can still occur, such as misclassification of commodities.

5.6. Revision policy

Monthly estimates of Foreign Trade are released on the following schedule: “Preliminary” estimates, based on administrative data that are incomplete or subject to further revision by the source agency, are released near the end of the second month after the end of the reference month. No further updates are incorporated into the monthly Foreign Trade until the source finalizes its data four months after the end of the reference calendar year.

These revisions are necessary to incorporate definition and classification changes or to reflect the introduction of new and improved methodologies and new data.

5.7. Limitations of dataset

As noted above, the Abu Dhabi merchandise trade dataset does not measure inter-emirate trade.

It should also be noted that differences in reporting methodologies between the emirates resulted in significant historic discrepancies between bottom-up calculations of total UAE trade (Dubai + Abu Dhabi + RAK) vis-à-vis foreign trade as reported by the UAE Statistics Authority. These discrepancies averaged 400 AED bn (41% of UAE’s trade) over 2010-16. However, revisions to reporting methodologies from 2017 mean these gaps are no longer significant.

6. Institutional environment

Statistics Centre – Abu Dhabi (SCAD), as the competent government entity in charge of organizing statistical activities in the emirate, plays a pivotal role in supporting decision-makers, and policymakers in Abu Dhabi. The statistical activities in the emirate are organized by SCAD, with its strategic partners in the Statistical System of Abu Dhabi. The Law entrusts SCAD with the task of developing and organizing statistical in Abu Dhabi Emirate.

7. Glossary

Non-Oil Exports:

Non-oil Exports are those goods that are locally and entirely produced or with local resources contributing to their production (excluding crude oil) that exit from the customs and economic zone of the Emirate of Abu Dhabi to the outside world to constitute a deduction from the emirate’s goods stock balance.

Imports:

Are the goods that enter the customs and economic zone of the Emirate of Abu Dhabi coming from various parts of the world, except for the other Emirates in the United Arab Emirates, whether these goods enter directly or are withdrawn from customs bonded warehouses, temporary entry, or the free zones inside the United Arab Emirates, and they are cleared from customs to become part of the goods balance of the Emirate of Abu Dhabi.

Re-Export:

They represent the goods imported from abroad and enter the customs and economic zone and become part of the goods balance of the Emirate, and then re-exported as is, without any modification to them outside the United Arab Emirates.

Exporter and importer register:

An official register in the Department of Finance – Customs Administration and contains data about exports or imports of goods by companies and entities through the ports of the Emirate of Abu Dhabi.

Exporter:

Means the natural or legal person exporting goods.

Importer:

Means the natural or legal person importing goods.

Individual sector:

Represents natural persons residing in the Emirate of Abu Dhabi (citizens and non-nationals) who import and export goods through the ports of the Emirate of Abu Dhabi.

Business sector:

Represents all local and foreign establishments operating in the Emirate of Abu Dhabi that have imported and exported merchandise through the ports of the Emirate of Abu Dhabi.

Government sector:

Represent all ministries, federal and local departments and diplomatic bodies operating in the Emirate of Abu Dhabi that have imported and exported through the ports of the Emirate of Abu Dhabi.



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