Improvement in Coverage of Foreign Trade Statistics

Foreign trade statistics

Foreign trade is defined as international exchange of goods and services. Transactions of resident real and legal persons in a country to sell goods (export) to other countries and purchase (import) from other countries constitute the scope of international trade in goods statistics.

In addition to goods, services are also exported and imported but in monthly foreign trade statistics published by Turkish Statistical Institute cover only international trade in goods statistics. International trade in services statistics are published under international trade in services statistics, annually.

Foreign trade statistics are one of the important indicators of the economy. It is used extensively by public institutions and organizations, business circles, academic circles and international organizations. It is also one of the most important input of the national accounts and balance of payments statistics. In Turkey, foreign trade statistics are produced and published by Turkish Statistical Institute (TurkStat) in cooperation with the Ministry of Trade. For data production of foreign trade statistics, data are obtained from administrative records of the Ministry of Trade.

International developments and new applications emerging in foreign trade are followed by Turkish Statistical Institute and the data obtained is made suitable for statistical production and reflected in foreign trade statistics. As a result of the detailed studies carried out since 2017, new data sources were added to the foreign trade statistics as of January 2021.

In this context:

1. Data obtained from the Electronic Trade Customs Declarations used by the Ministry of Trade in cross border electronic trade transactions are started to be used.

2. Transactions below 100 $ determined as statistical threshold, are started to covered in foreign trade statistics in accordance with the International Merchandise Trade Statistics Manual by using developments in information technologies.

1) Inclusion of electronic trade customs declarations in foreign trade statistics

Efficiency in international trade is increasing, new export and import forms are emerging. With the widespread usage of the Internet, some of the trade is done through electronic trade.

Cross border e-trade statistics are also partially covered in officially published foreign trade statistics obtained from customs declarations but cannot be separated.

Electronic Trade Customs Declaration (ETGB) has been implemented by the Ministry of Trade in order to enable electronic trade to be carried out quickly without being subject to customs procedures. ETGB is a declaration issued electronically by air cargo carriers, ie operators, for import and export. Electronic Trade Customs Declarations, examined by Turkish Statistical Institute and the Ministry of Trade, the necessary arrangements concluded by the Ministry of Trade, by the end of 2020. Declarations have been adapted to the production of statistics. Statistics obtained from ETGBs have been included in foreign trade statistics since January 2021.

In this context, the value of statistics produced by using ETGBs in the official foreign trade statistics announced in January 2021 is as follows:

Share of data from ETGB in foreign trade statistics, January 2021

Value: Thousand $

	Total foreign trade	ETGB data	Share (%)
Exports	15 045 336	80 619	0.54
Imports	18 079 376	11 380	0.07

Although the statistics obtained from electronic trade customs declarations are within the scope of total foreign trade statistics, they could not be given separately as cross border e-trade. Cross-border e-trade statistics will be published after completion of the studies on separation of e-trade transactions in customs declarations and other regulations.

2) Inclusion of values under statistical threshold in foreign trade statistics

According to the international methodology, transactions below a certain value or amount may not be included in the statistics to reduce the burden of compilers. These thresholds may vary from country to country depending on reasons such as trade volume and workload. In Turkey, 100 $ has been determined as statistical threshold and transactions below the threshold haven't been covered in statistics until 2021. However, in the International Merchandise Trade Statistics Manual (IMTS 2010), which includes the methodology, scope and definitions of the United Nations' on foreign trade statistics, it is stated that the threshold value application causes differences and asymmetries among the country data, and it is recommended that countries include transactions below the threshold value in the statistics. Developments in information technologies also enable the inclusion of transactions having value under threshold, which are low in value but high in number, in statistics. In addition, it is seen that a significant share of ETGB transactions used in electronic trade transactions are below 100 $.

For the reasons stated above, in order to include all foreign trade transactions in statistics in order to ensure methodological harmony with both the UN's recommendations on the subject and the ETGB declarations, which are the new data source of foreign trade statistics, transactions having value under threshold should be included in foreign trade statistics. In this context, transactions having value under 100 $ are also included in the statistics as of January 2021. This application was also reflected in the

data of 2020 in order to allow comparison of statistics by years. Thus, the scope of foreign trade statistics was expanded, and the application of statistical threshold was removed.

According to the general trade system published in January 2021, foreign trade statistics and the sum of values below the threshold are presented in the table below.

Total foreign trade and trade value under threshold (100 $), 2020-2021

Value: Thousand $

	Total foreign trade		Trade under threshold (100 $)		Share (%)	
Months	Exports	Imports	Exports	Imports	Exports	Imports
2020 Total	**169 669 410**	**219 509 837**	**207 924**	**114 785**	**0.12**	**0.05**
2020-1	14 701 547	19 214 398	15 184	9 551	0.10	0.05
2020-2	14 608 457	17 643 982	18 825	10 826	0.13	0.06
2020-3	13 353 542	18 822 163	16 599	11 085	0.12	0.06
2020-4	8 978 638	13 559 435	8 235	7 050	0.09	0.05
2020-5	9 956 404	13 393 625	11 644	5 914	0.12	0.04
2020-6	13 461 088	16 318 144	20 018	8 377	0.15	0.05
2020-7	14 892 112	17 717 773	19 617	9 708	0.13	0.05
2020-8	12 457 175	18 753 214	16 245	9 338	0.13	0.05
2020-9	15 992 041	20 846 245	20 917	10 740	0.13	0.05
2020-10	17 323 086	19 713 269	22 920	10 526	0.13	0.05
2020-11	16 092 912	21 142 392	18 397	11 060	0.11	0.05
2020-12	17 852 409	22 385 196	19 323	10 611	0.11	0.05
2021-1	15 045 336	18 079 376	15 271	7 995	0.10	0.04