

BALANCE OF PAYMENTS TECHNICAL EXPERT GROUP (BOPTTEG)

OUTCOME PAPER (BOPTTEG) # 14A

JUNE 2004

(1) Topic: **Re-Exports and Goods in Transit**

(2) Issues – see BOPTTEG Issues Paper # 14A

(3) Recommendations:

(i) The group recommended continuing the current treatment in international statistical guidelines of re-exports and goods-in-transit. Re-exports are included under goods and goods-in-transit are excluded. It was noted that the underlying principle is the change in ownership. The group recognized that re-exports do involve a change of ownership while goods-in-transit do not. Further, while goods-in-transit are clearly destined for another economic territory, goods imported and then exported are destined for the importing country at the time they are imported.

(ii) Although the group agreed that re-exports have different economic impacts, it had divided views on whether the new manual should suggest supplementary information on re-exports. It noted particular difficulties with identification and meaningful measurement of re-exports. Similar concerns apply to re-imports.

(4) Rejected Alternatives:

(i) The group rejected an option to show re-exports and re-imports as “of which” categories of exports and imports, noting difficulties with their identification and measurement.

(ii) The group rejected the alternative of excluding re-exports and re-imports from balance of payments statistics (also see section 3).

(5) Questions for the Committee:

(i) *Does the Committee agree with the BOPTTEG’s recommendation to continue the current treatment of re-exports and goods-in-transit? See 3(i) above.*

(ii) *Does the Committee has views on whether supplementary information on re-exports/re-imports should be suggested? See 3(ii) above.*