

TECHNICAL NOTES

I. Introduction

The Philippine Statistics Authority (PSA) serves as the central statistical authority of the government that compiles and generates International Merchandise Trade Statistics (IMTS) or commonly known as Foreign Trade Statistics. IMTS is one of the designated statistics released by PSA, which was approved under Executive Order No. 352 - Designation of Statistical Activities That Will Generate Critical Data for Decision Making of the Government and the Private Sector.

IMTS is compiled by PSA from the copies of export and import documents submitted to the Bureau of Customs (BOC) by exporters and importers or their authorized representatives as required by law.

This Special Release features the fourth quarter of 2023 highlights of the Foreign Trade Statistics for Agricultural Commodities in the Philippines.

All documents (hard copies and electronic files) received within the cut-off date, which is every 25th day of the month, are compiled, processed, summarized, analyzed, and disseminated through statistical tables and releases. The processing includes coding, editing, reviewing, and validating results.

I.1. Objective

IMTS is compiled to serve the needs of many users including the government; the business community; compilers of other economic statistics, such as the Balance of Payments (BOP) and National Accounts of the Philippines (NAP); various regional, supranational, and international organizations; researchers; and the public at large.

The main uses are as inputs to the following:

1. Computing BOP by Bangko Sentral ng Pilipinas;
2. Estimating NAP by PSA;
3. Formulating national, regional, and international policies by National Economic Development Authority and Department of Trade and Industry; and
4. Other pertinent activities such as research studies on trade by public and private entities.

I.2. Historical Background

In 1973, the former National Statistics Office (NSO) (now part of the PSA) became the sole agency to compile foreign trade statistics. Prior to this period, the Central Bank of the Philippines (now known as the Bangko Sentral ng Pilipinas) also compiled and released foreign trade data. However, the differences in the concepts used by these two agencies resulted in conflicting foreign trade data. This led to an agreement that made NSO (now part of the PSA) the sole compiler of the official foreign trade statistics.

I.3. Coverage

The IMTS relate to the movements of goods between the Philippines and other countries and areas by sea or air, whether the goods are for private or government use or commercial purposes, gifts, or donations. However, the following classes of goods are excluded from the compilation of IMTS:

- a. Goods simply being transported through a country, includes goods under "in transit" or "in transshipment" customs procedures;
- b. Goods temporarily admitted or dispatched;
- c. Monetary gold;
- d. Issued banknotes and securities and coins in circulation;
- e. Goods consigned to and from the territorial enclaves;
- f. Goods under merchanting;
- g. Goods under operating lease;
- h. Goods lost or destroyed after ownership has been acquired by the importer;
- i. Goods functioning as means of transport;
- j. Content delivered electronically;
- k. Goods for repair or maintenance;
- l. Waste and scrap with no commercial value;
- m. Goods entering or leaving the economic territory of a country illegally;
- n. Goods treated as part of the trade in services;
- o. Fish and other marine products landed by Philippine vessels direct from the sea;
- p. Stores and fuels purchased abroad by ships and aircraft of the Philippine registry;
- q. Goods sent through parcel post; and
- r. Goods with Free on Board (FOB) value less than USD 25.

The agricultural commodity groups cover Chapters 01 to 24 of the 2022 PSCC which contain the following commodity classifications:

| CHAPTER | COMMODITY CLASSIFICATION |
|---------|--|
| 01 | Live animals |
| 02 | Meat and edible meat offal |
| 03 | Fish and crustaceans, molluscs and other aquatic invertebrates |
| 04 | Dairy produce; birds' eggs; natural honey; edible products of animal origin, not elsewhere classified |
| 05 | Products of animal origin, not elsewhere specified or included |
| 06 | Live trees and other plants; bulbs, roots and the like; cut flowers and ornamental foliage |
| 07 | Edible vegetables and certain roots and tubers |
| 08 | Edible fruit and nuts; peel of citrus fruit melons |
| 09 | Coffee, tea, mate and spices |
| 10 | Cereals |
| 11 | Products of the milling industry; malt; starches; inulin; wheat gluten |
| 12 | Oil seeds and oleaginous fruits; miscellaneous grains, seeds and fruit; industrial or medicinal plants; straw and fodder |
| 13 | Lac; gums, resins and other vegetable saps and extracts |
| 14 | Vegetable plaiting materials; vegetable products not elsewhere specified or included |
| 15 | Animal or vegetable fats and oils and their cleavage products; prepared edible fats; animal or vegetable waxes |
| 16 | Preparations of meat, of fish, or of crustaceans, molluscs and other aquatic invertebrates |
| 17 | Sugars and sugar confectionery |
| 18 | Cocoa and cocoa preparations |
| 19 | Preparations of cereals, flour, starch or milk; pastrycooks' products |

| CHAPTER | COMMODITY CLASSIFICATION |
|---------|---|
| 20 | Preparations of vegetables, fruit, nuts or other parts of plants |
| 21 | Miscellaneous edible preparations |
| 22 | Beverages, spirits and vinegar |
| 23 | Residues and waste from the food industries; prepared animal fodder |
| 24 | Tobacco and manufactured tobacco substitutes |

II. Data Collection

II.1. Data Collection Procedure

The PSA regularly receives copies of export and import declarations in electronic format provided by the BOC as stipulated in the Memorandum of Agreement (MOA) on the Electronic Exchange of Information between the BOC and the PSA.

Other export and import documents (hard copy) that did not pass through the online system of the BOC and its authorized VASPs are collected by the Central Office (CO) staff from the BOC collection points located in the National Capital Region (NCR) three times a week. Provincial Office staff collects the hard copies of export documents from the BOC collection points located in areas outside NCR at least once a week to complete the monthly coverage of the export and import statistics.

II.2. Sources of Information

The PSA regularly collects from BOC the following documents which are the sources of trade data:

- a. Export Declaration (ED);
- b. Informal Import Declaration and Entry (IIDE); and
- c. Single Administrative Documents (SAD) for Export Declaration (ED) and Import Entry and Internal Revenue Declaration (IEIRD).

The electronic copies of the SAD-ED and SAD-IEIRD that pass through the Automated Export Documentation System (AEDS) and Electronic to Mobile (E2M) System are provided by BOC and its authorized Value Added Service Providers (VASPs) to PSA every month through email and via shared Google Drive.

These electronic copies of export and import documents are utilized to generate export and import statistics together with the processed hard copy documents collected at ports located at NCR and outside NCR.

II.3. Data Items

A. Export Declaration (ED)

The ED form contains 52 boxes or items of information. Export trade statistics are obtained from the 11 of the boxes as follows:

| BOX NUMBER | DESCRIPTION |
|------------|---|
| Box 2 | Exporter / Supplier of Exporter and Address |
| Box 15 | Province of Origin |
| Box 18 | Vessel / Aircraft |
| Box 22 | Currency, Total FOB Value |
| Box 27 | Port of Loading |
| Box 31 | Description of Goods |
| Box 33 | Harmonized System (HS Code) |
| Box 34 | Gross Weight (in Kilos) |
| Box 37 | Customs Procedure Code (CPC) |
| Box 42 | FOB Price |
| Box 46 | FOB Value of Imported Raw Materials |

B. Import Entry and Internal Revenue Declaration (IEIRD)

The form is divided into 69 boxes with boxes 1 to 52 on the first page and boxes 53 to 69 on the back page of the document. The latter refers to all the charges and obligations of the importer when the transactions occur. Of the information, import data are obtained in 14 of the boxes as follows:

| BOX NUMBER | DESCRIPTION |
|------------|------------------------------|
| Box 8 | Name of Trader |
| Box 9 | Freight |
| Box 9b | Insurance |
| Box 16 | Country of Origin |
| Box 18 | Vessel |
| Box 20 | Terms of Delivery (FOB) |
| Box 22 | Foreign Currency (FOB Value) |

| BOX NUMBER | DESCRIPTION |
|-------------------|--------------------------------|
| Box 27 | Transshipment Port |
| Box 29 | Port of Destination |
| Box 30 | Location of Goods |
| Box 31 | Description of Goods |
| Box 33 | Code (HS and AHTN) |
| Box 35 | Item Gross Weight |
| Box 36 | Preference |
| Box 37 | CPC Code |
| Box 42 | Item Customs Value (FOB Value) |
| Box 43 | Valuation Method |

II.4. Trade System

The Philippines adopts the "General" trade system of recording foreign trade statistics. The customs frontier (not the national boundary) is used as the statistical frontier. Under this system, all goods entering any of the seaports or airports of the Philippines, which are properly cleared through customs and are remaining or under customs control, are considered imports, whether the goods are for direct consumption, merchandising, warehousing, or further processing. On the other hand, all goods leaving the country, which are properly cleared through customs, are considered exports.

III. Other Information

III.1. Time of Recording

As a general guideline stipulated in the 2010 IMTS Compilers Manual, it is recommended that goods be recorded at the time when they enter or leave the economic territory of a country. The Date of Registry of the exported or imported goods in the BOC is used as the proxy date in recording the time when the goods enter or leave the economic territory.

III.2. Customs Procedures

A customs procedure is a treatment applied by the customs to goods, which are subject to customs control. The customs procedure is the basis for the correct identification of the flows of goods for inclusion or exclusion under general or special trade. Customs usually apply a system of codes that allows flows of goods to be identified and prevents the double recording of the goods which have undergone several customs procedures.

III.3. Classification of Commodities

The 2022 Philippine Standard Commodity Classification (PSCC) is used to classify the commodities at the 11-digit code level for statistical purposes. The 2022 PSCC is the latest revision of the country's commodity classification. It is a detailed classification of all commodities on imports and exports being used for tariff and statistical purposes. The 2022 PSCC is an integration of the 2022 ASEAN Harmonized Tariff Nomenclature (AHTN) based on the Harmonized Commodity Description and Coding System (HS) issued by the World Customs Organizations (WCO) and the Standard International Trade Commodity (SITC) Revision 4 by the United Nations Statistics Division (UNSD).

IV. Concepts and Definitions of Terms

Balance of Trade (BoT) refers to the difference between the exports and imports of goods. A positive value indicates a favorable trade balance while a negative value indicates an unfavorable trade balance.

Exports refer to all goods leaving the country, which are properly cleared through customs. A distinction, however, is made between export for goods grown, mined, or manufactured in the Philippines (domestic exports) and exports of imported goods that do not undergo physical and/or chemical transformation in the Philippines (re-exports).

Imports refer to all articles, wares, goods, or merchandise of every kind or class entering the jurisdiction of the Philippines from any foreign port, either with intent to unload therein, or which, after such entering, are assumed therein, or incorporated in the general mass or property of the Philippines.

Free on Board (FOB). This term means that the seller's obligation to deliver is fulfilled when the goods have passed over the ship's rail at the named port of shipment. This means that the buyer has to bear all costs and risks of loss or damage to the goods from that point.

V. Dissemination of Results and Revision

V.1. Dissemination of Results

All documents (hard copies and electronic files) received within the cut-off date, which is 55 days after the reference quarter, are compiled, processed, summarized, analyzed, and disseminated through quarterly statistical tables and special releases.

The quarterly preliminary results of export and import statistics for agricultural commodities in the Philippines are disseminated in the form of Special Releases (SR). The quarterly SR is posted 70 days after the reference quarter at the PSA website (<https://psa.gov.ph/statistics/agricultural-export-import/quarterly>).

V.2. Revision Policy

All documents received after the cut-off date are included in the generation of the revised results. The revised data of the previous quarter are reported during the release of the preliminary report of the next quarter. Revisions are made for the previous quarters until the annual report is released four months after the reference year. These revised data are reflected in the annual publication, which is released eight months after the reference year.

Moreover, all documents received from April to December after the reference year are included in the second revision of the annual export and import statistics. The revised data are reported 15 months after the reference year.

VI. Citation

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