From Market Analysis to Multilateral Trade Negotiations
Using ITC’s tools Market Access Map and Trade Map

UNCTAD Virtual Institute
Date: 22 April 2015
About ITC

ITC's mission is to foster inclusive and sustainable growth and development through trade and international business development.

The UN body for design of policy recommendations to achieve economic and social development through trade and investment.

The forum to negotiate multilateral trade rules, monitor their implementation and handle trade disputes.
Our goals

Three goals

Strengthen the integration of the business sector of developing countries into the global economy

Improve the performance of trade and investment support institutions for the benefit of SMEs

Improve the international competitiveness of SMEs
ITC as a unique development agency

No other international development agency:

- Operates under the joint mandate of the UN and the WTO
- Has universal membership and neutrality
- Operates at government, TSI and SME level to promote trade
- Has as clear a focus on helping SMEs internationalise.
- Is 100% Aid for Trade.
- Works with the private sector to support private sector development
## Focus Areas and Programmes

<table>
<thead>
<tr>
<th>Focus Areas</th>
<th>Programmes</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Trade and market intelligence for SME competitiveness</td>
<td>Competitive Intelligence Programme</td>
</tr>
<tr>
<td></td>
<td>Non-Tariff Measures in Goods and Services Programme</td>
</tr>
<tr>
<td></td>
<td>Transparency in Trade Programme</td>
</tr>
<tr>
<td>2. Supporting regional economic integration and South-South links</td>
<td>Boosting Intra-African Trade Programme</td>
</tr>
<tr>
<td></td>
<td>Promoting South-South Links Programme</td>
</tr>
<tr>
<td>3. Connecting to value chains: SME competitiveness, diversification and links to export markets</td>
<td>Value Added to Trade Programme</td>
</tr>
<tr>
<td></td>
<td>e-Solutions Programme: linking businesses to markets</td>
</tr>
<tr>
<td>4. Strengthening trade and investment support institutions</td>
<td>Assess Improve Measure (AIM) for Results</td>
</tr>
<tr>
<td></td>
<td>Building Coalitions of Services Industries</td>
</tr>
<tr>
<td>5. Promoting and mainstreaming inclusive and green trade</td>
<td>Supporting Youth Entrepreneurship and Trade Programme</td>
</tr>
<tr>
<td></td>
<td>Empowering Women to Trade Programme</td>
</tr>
<tr>
<td></td>
<td>Empowering Poor Communities to Trade Programme</td>
</tr>
<tr>
<td></td>
<td>Trade and Environment Programme</td>
</tr>
<tr>
<td>6. Building a conducive business environment</td>
<td>National and Sector Export Strategies</td>
</tr>
<tr>
<td></td>
<td>Trade Facilitation Programme</td>
</tr>
<tr>
<td></td>
<td>Supporting trade negotiations</td>
</tr>
</tbody>
</table>
Introduction to International Trade
UNCTAD Virtual Institute

By: Basiel Bogaerts
Date: 22 April 2015
Overview

Theoretical Part

• Introduction
• ITC’s Market Analysis Tools
• International Trade Statistics: Trade Map
  • International Product Nomenclatures
  • Problems with International Trade Statistics

Live Demonstration of Trade Map
What do companies have to be aware of before exporting?

- Competition
- Custom tariffs
- Standards
- Technology
- What is the demand for the product
- Legal system, regulation
- Import restrictions
- Global and national market dynamics
- Different Tastes
ITC’s MARKET ANALYSIS TOOLS INCLUDE

Market Access Map
Improving transparency in international trade and market access

Trade Map
Trade statistics for international business development
Monthly, quarterly and yearly trade data. Import & export values, volumes, growth rates, market shares, etc.

The following institutions support free access to Trade Map through the North-South partnership programme:

- UNEFIRANCE
- NEWZELAND
- Ithraad
- QDB
- ADVANCE AUSTRIA

Trade Map provides - in the form of tables, graphs and maps - indicators on export performance, international demand, alternative markets and competitive markets, as well as a directory of importing and exporting companies.

Trade Map covers 220 countries and territories and 5300 products of the Harmonized System. The monthly, quarterly and yearly trade flows are available from the most aggregated level to the tariff line level.
The following institutions support free access to Trade Map through the North-South partnership programme:

Trade Map provides - in the form of tables, graphs and maps - indicators on export performance, international demand, alternative markets and competitive markets, as well as a directory of importing and exporting companies. Trade Map covers 220 countries and territories and 5300 products of the Harmonized System. The monthly, quarterly and yearly trade flows are available from the most aggregated level to the tariff line level.
International trade statistics: Trade Map

- Competition
- Custom tariffs
- Different tastes
- Global and national market dynamics
- Technology
- What is the demand for the product
- Legal system, regulation
- Import restrictions
- Different Tastes
International trade statistics: Trade Map

Identify the product code of your product

- HS-6 digit code
- National Tariff Line Code

Analyze markets

- Market scanning of importing countries
Identify your product code

The HS is an internationally recognized hierarchical product classification for trading purposes overseen by the World Customs Organization (WCO).
Identify your product code

National Tariff Lines (NTL) codes are more detailed than the HS

⇒ The NTL classification is not standardised internationally.
Identify your product code

Australia

Sub-heading
080450
Guavas,
Mangoes,
Mangosteens

08.04.50.00
..., mangoes and mangosteens, fresh or dried
Identify your product code

Japan

Sub-heading
080450
Guavas,
Mangoes,
Mangosteens

080450011
..., mangoes and mangosteens: **Fresh:** Mangoes

080450090
..., mangoes and mangosteens: **Dried**
Identify your product code

United States

Sub-heading
080450
Guavas

To determine your product code at NTL level, you need to know to which country you are exporting

08045040
..., mangoes and mangosteens, fresh, if entered during the period from September 1 through May 31, inclusive

08045060
..., mangoes and mangosteens, fresh, if entered during the period from June 1 through August 31, inclusive

08045080
Guavas, mangoes and mangosteens, dried
Problems with international trade statistics

- Inclusion of re-imports and re-exports
- The export value refers to the total or contract value, not the local value-added
- Similar products may be categorized differently
- Exchange rate fluctuations are not always recorded
- Trade data are not complete: smuggling, non-reporting, mistakes,…
Problems with international trade statistics
Example: mirror statistics

- **Australia** (reporting country)
  - Ex - direct data
- **Vietnam** (non-reporting country)
  - Im - mirror data
  - In Trade Map mirror data is presented in yellow colour
- **North Korea** (non-reporting country)
  - Impossible to get data
Mirror data – Be aware

Export

Price of the product

FOB: Free On Board

Imports

CIF: Cost Insurance Freight

Transportation and insurance costs

CIF: Cost Insurance Freight
Mirror data – Example*

Exports of Vietnam
- Invoice Value: $920
- FOB value: $920

Imports reported by the United States from Vietnam
- Invoice Value: $920
- Insurance Paid: $20
- Freight Paid: $60
- Total CIF Value: $1000

*Note the values above are only examples and no real world numbers
Other international trade statistics

- **WTO**, International Trade Statistics: Time series on international trade and Trade Profiles

- **UN Comtrade**: repository of official trade statistics and relevant analytical tables. It contains annual trade statistics starting from 1962 and monthly trade statistics since 2010

- **OECD**, International Trade (MEI) dataset: contains predominantly monthly statistics for OECD member countries and for some selected countries.

- **Eurostat**: the statistical office of the European Union, provides statistics at European level.
Methodological issues

- **Missing Trade Indicators:** No 5-year trend is calculated if the reporting country data is not available for at least a four-year period except if the first and last year are available.

- **Rounding vs. no data:** Trade data that are not reported are shown as a blank entry. Trade values < USD500 are rounded to 0 (USD thousand).

- **Exchange rates:** Local currencies are converted into US$ is a simple arithmetic mean of the daily intrabank rates, provided by www.oanda.com.
Thank you for your attention!

Mr. Basiel Bogaerts
Market Analysis and Research Section

International Trade Centre
Tel.: +41 (0)22 730 0170
Fax: +41 (0)22 733 4439