MT.

S
1

CONFIDENTIAL FILING

Release date for Trade figures

TRADE

May 1987

Referred to	Date	Referred to	Date	Referred to	Date	Referred to	Date
~~18.5.87~~							
~~18.11.87~~							
~~29.2.88~~							
~~22.12.88~~							
~~25.4.89~~							
~~22.6.90~~							
~~25.2.92~~							
~~25.1.93~~							
25.2.93							

PREM 19/4466

Dd 8398366 2M 11/83 JET

chex.kf/mh1/56

cc Press
PS
VOs

pla.

Treasury Chambers, Parliament Street, London, SW1P 3AG
071-270 5000

25 February 1993

Mrs Mary Francis
Private Secretary to the
Prime Minister
10 Downing Street
LONDON
SW1

Dear Mary

EC TRADE STATISTICS

... You may be interested in the attached note which offers guidance to the interpretation of the new trade statistics.

Yours,

Mridul

MRIDUL HEGDE

RELATIONSHIP BETWEEN EC AND NON-EC TRADE DATA

Background

The abolition of border controls on 1 January meant that customs declarations, the previous source of EC trade statistics, ceased to be available for *intra-EC trade*. The new INTRASTAT system for recording intra-EC trade is up and running, but delays in assessing and processing the data mean that trade figures for the early months of this year will not be available until mid-June. But figures for *extra-EC trade* will continue to be published as normal; January's figures will be released on 25 ~~January~~ February. The changed arrangements have been widely publicised.

2. Outside commentators might try to estimate our overall trade position using the statistics for trade with non-EC countries. There is currently heightened interest in the trade figures because of speculation about the effects of the recent sterling depreciation on trade prices and volumes. For internal purposes, we too want to exploit any workable relationship that can be found between the 'non-EC' component of trade and UK trade as a whole.

3. We received the necessary back-run of data very recently, and have therefore only had time to do some limited chart-based analysis. This note reports on the relationship between EC and whole-world trade. The most detailed work concentrates on the period from 1988 and 1992. We would have preferred to use a longer run of data but CSO tell us that they can split aggregate volume and price data into EC and non-EC components only as far back as 1988.

Trends in our trade shares

4. Charts 1a and 1b show that our trade with other EC countries has grown as a percentage of total UK trade. For *exports* the rising trend continued in the late 1980s (partly because of the German reunification boom) while the upward trend for imports from the EC as a percentage of total imports has flattened off. This might suggest - not surprisingly - that the relationship between our EC and non-EC

imports is fairly close, while movements in UK exports to EC and non-EC countries, which depend more heavily on conditions in our overseas markets, are less closely related.

5. Chart 2a shows that the ***non-oil visible trade deficit*** with non-EC countries has been fairly stable since 1988, but that the overall non-oil deficit declined as the economy moved into recession, and widened again more recently. In terms of changes on a year earlier, Chart 2b shows that had we used non-EC data to estimate the overall deficit in 1990 and 1991, we would have underestimated the improvement in the visible trade balance taking place then.

What can be inferred about EC trade from figures for non EC trade?

6. The central question is what the non-EC figures will tell us about our EC trade; and thus about our whole-world trade. We are interested both in *short term trends* - the latest three months compared with the previous three months - and in the "*news*" in the latest single month's figures. The charts in the annex show for each main commodity group the relationships between EC and non-EC trade:

- first in terms of their levels, allowing us to look at underlying trends;
- second in terms of quarter-on-previous-quarter changes, which show up the relationships between short term trends;
- and third in terms of month-on-previous-month changes, which allow us see what we might infer from the latest non-EC trade figures.

7. For trade prices, which are not available for EC trade alone, we have compared non-EC prices with prices for trade with the whole world.

8. Charts for total non-oil trade are shown overleaf (Charts 3 to 6). Our conclusions, based on these charts and the more detailed charts (B1 to E7) in the annex, are:

- **Export volumes** (Chart 3). There is little sign of common short term trends between our EC and non-EC exports in the quarter-on-quarter changes (Chart 3b). Nor do the month-on-month changes (Chart 3c) suggest that anything can be inferred about EC trade from the latest figures for non-EC exports. The detailed charts in the annex show that the series for exports of fuels are more suggestive of a relationship than other categories of exports. These results are consistent with the view that our exports depend mainly on factors influencing *overseas demand* for our goods. The possible exception of fuels (ie oil) is one sector where *UK supply factors* are likely to be particularly important.

- **Import volumes** (Chart 4). A mixed picture. The annex shows that some components - eg food, drink and tobacco, basic materials, and service manufacturers - show a weak relationship between the quarter-on-quarter changes for EC and non-EC imports. Finished manufactures looked quite closely related until 1992 - when EC and non-EC changes moved in opposite directions. As regards the "news", there are signs of a relationship between the month-on-month changes in the series for imports of semi-manufactures, but no compelling relationship overall (Chart 4c).

  Overall the relationships between EC and non-EC import volumes - while closer than for export volumes - are still weaker than might have been expected. This may point to the need to allow for exchange rate effects, as third country competitiveness affects the sourcing of imports.

- **Export and import prices** (Charts 5 and 6). Non-oil EC trade prices have tracked "whole world" prices quite well, both for exports and imports. The annex shows that, not surprisingly the match is best for fuels, where a world market for homogeneous products is well established. Prices movements are very similar, quarter-on-quarter and month-on-month.

Assessment

9. Our chart-based analysis suggests that the monthly non-EC trade figures are not likely to be much use for assessing changes in our EC and total trade volumes. But they will have considerable use in providing an indicator of changes in export and import prices. So our main conclusion is that our apparatus for analysing the pass-through of exchange rate depreciation into domestic prices via import prices remains substantially intact post-INTRASTAT.

10. We plan some further work on EC/non-EC trade relationship and will of course continue to monitor the outturns closely.

Nd Price

RICHARD PRICE

Chart 1 (a) : Share of total UK exports going to EC countries

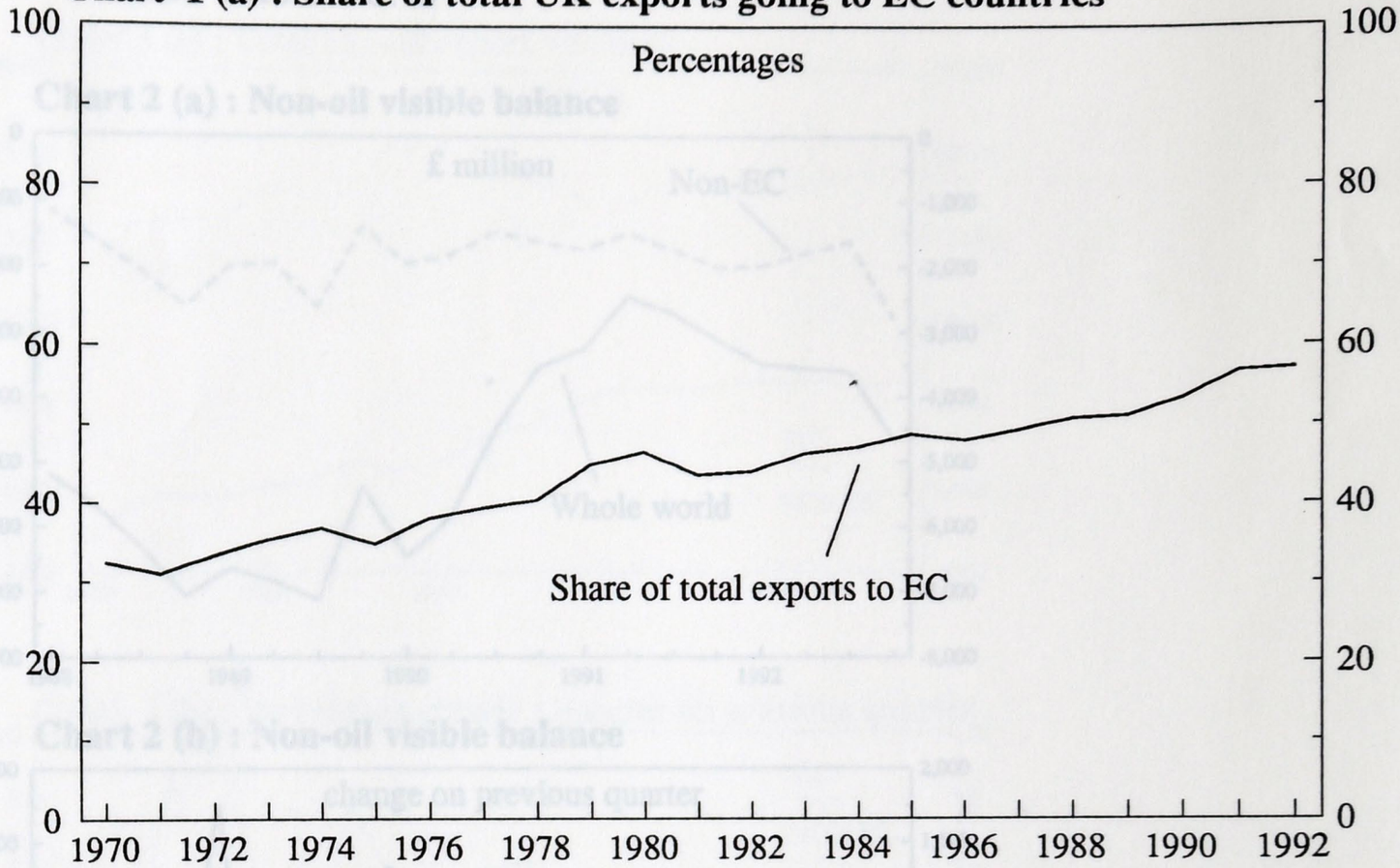
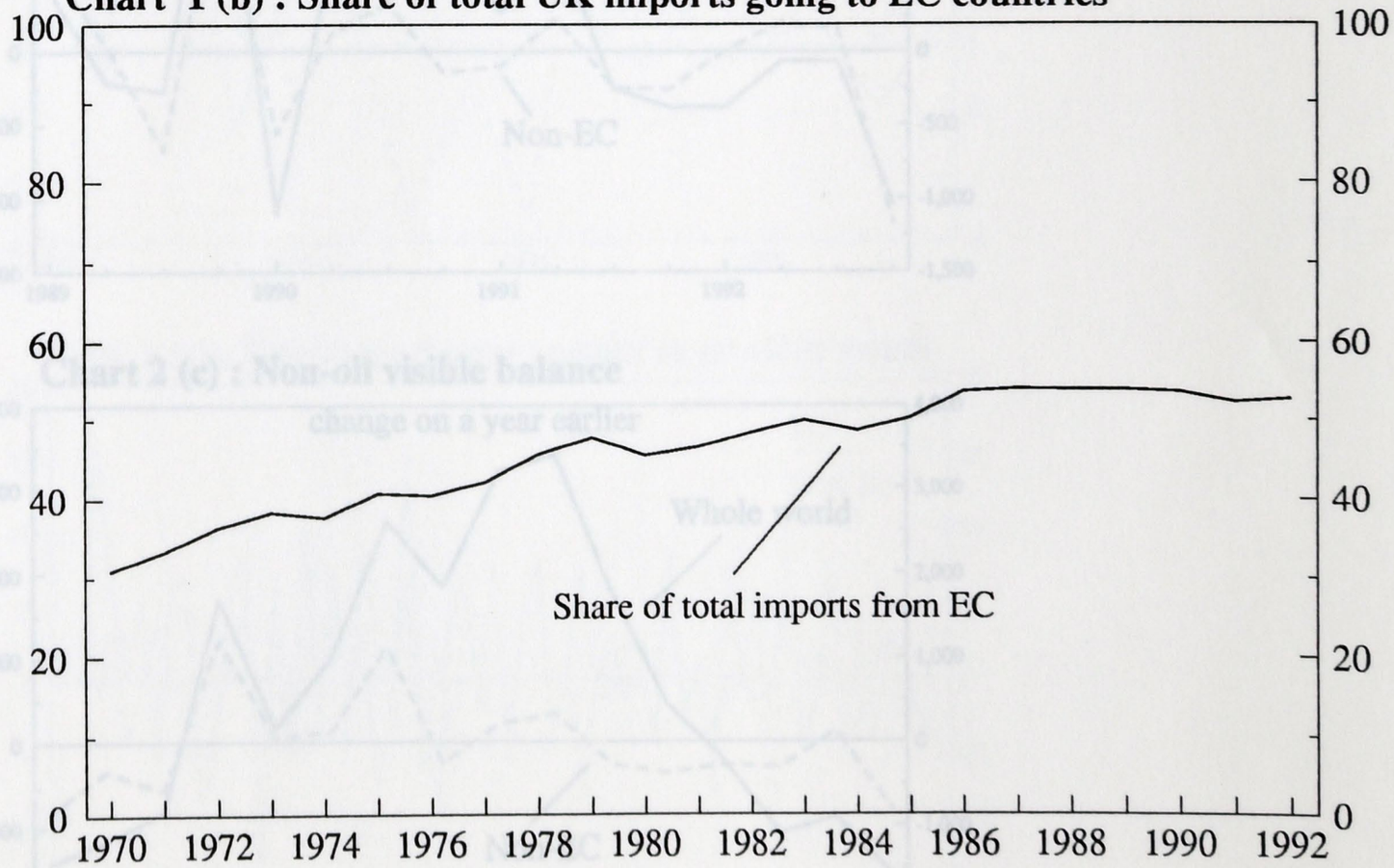


Chart 1 (b) : Share of total UK imports going to EC countries



hart 2: Non-oil visible balances with non-EC countries and whole world

Chart 2 (a) : Non-oil visible balance

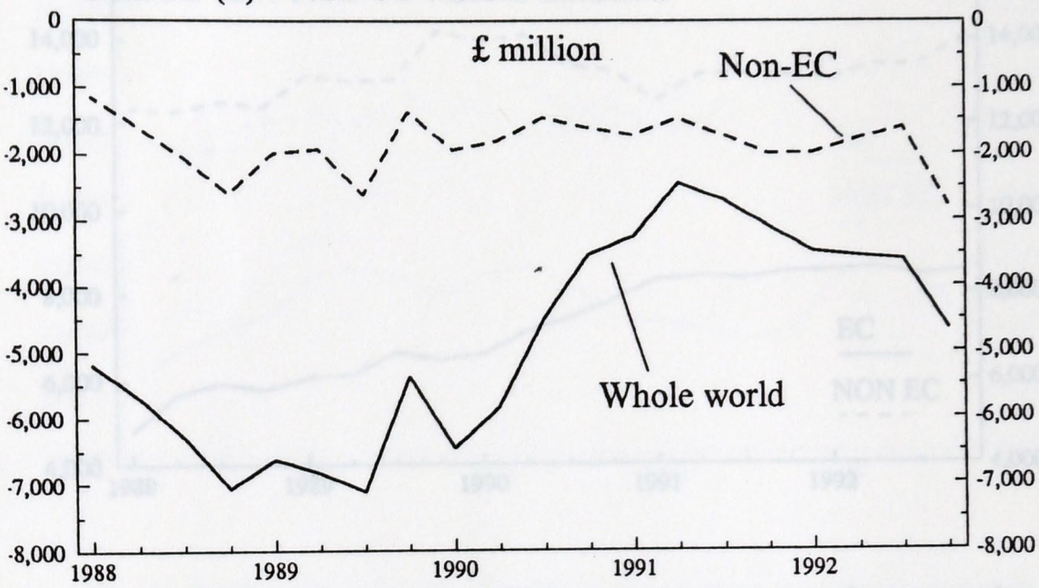


Chart 2 (b) : Non-oil visible balance

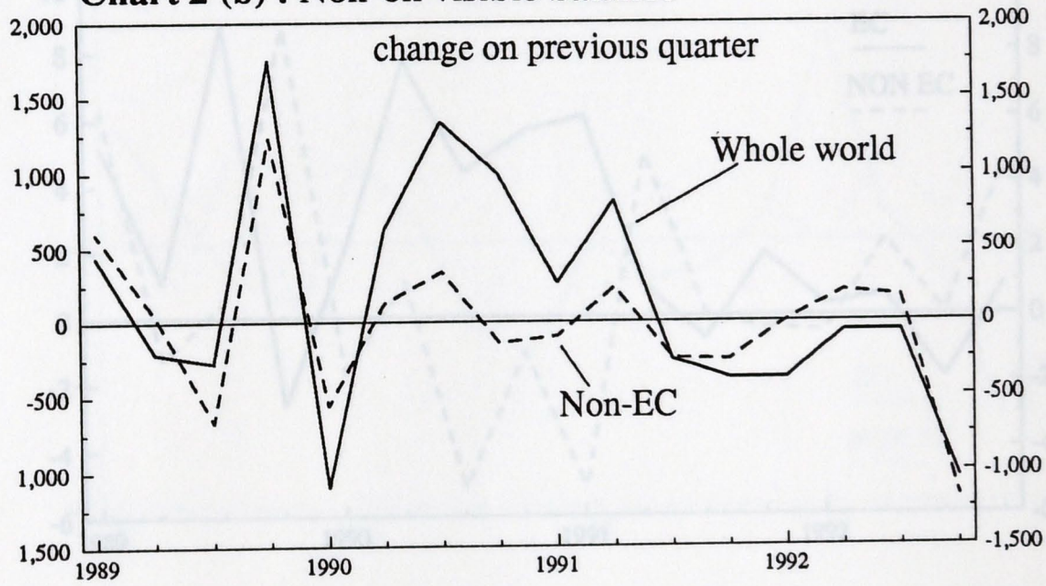


Chart 2 (c) : Non-oil visible balance

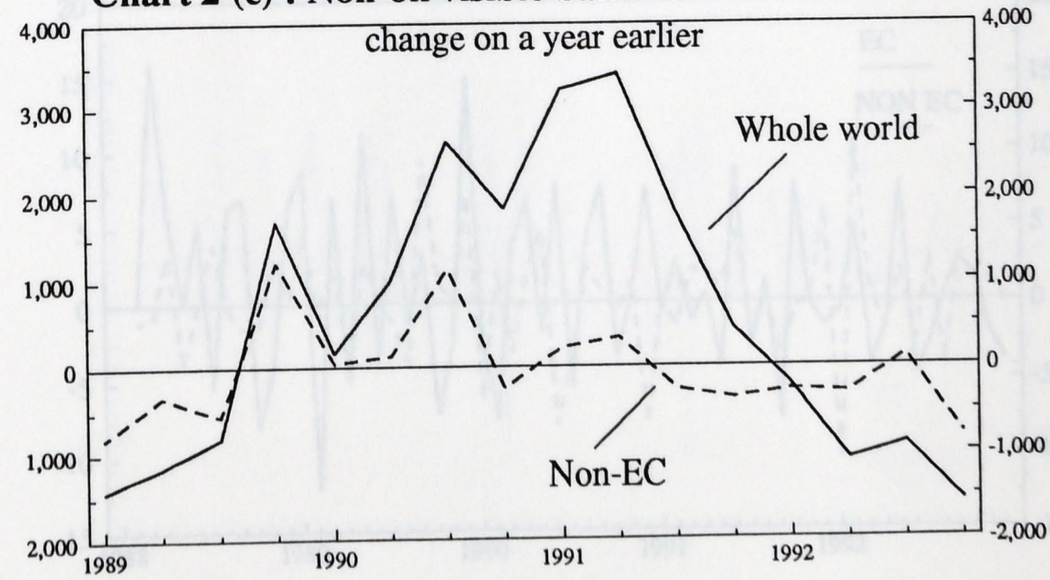


Chart 3: Total non-oil export volumes

Chart 3 (a) : Total non-oil export volumes

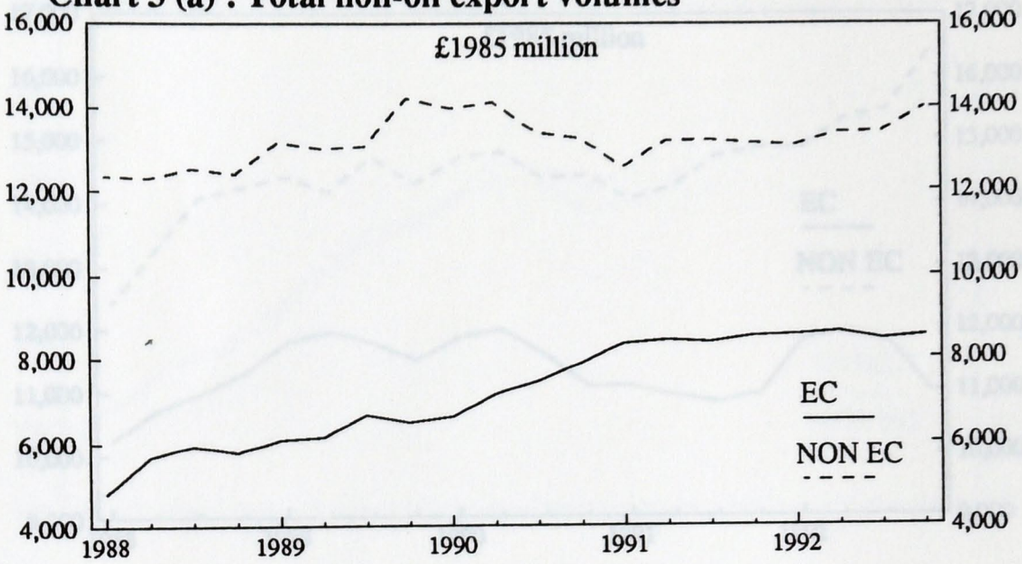


Chart 3 (b) : Percentage change : quarter on previous quarter

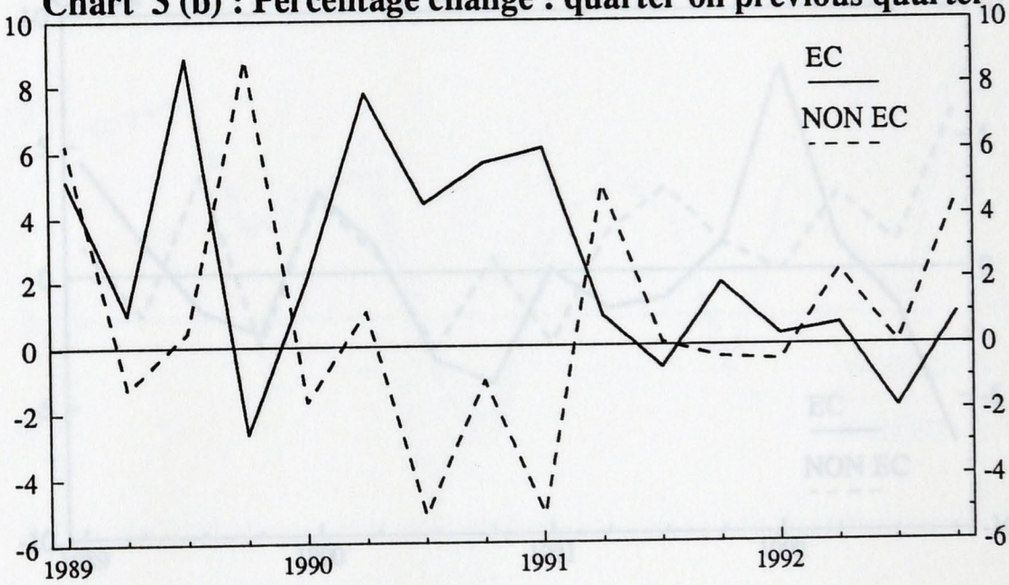


Chart 3 (c) : Percentage change : month on previous month

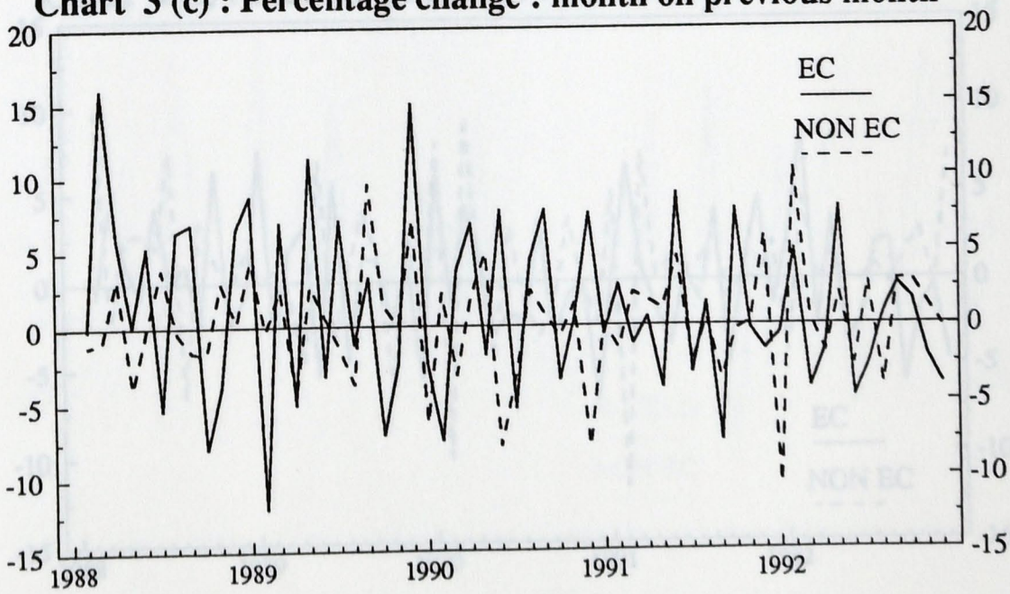


Chart 4: Total non-oil import volumes

Chart 4 (a) : Total non-oil import volumes

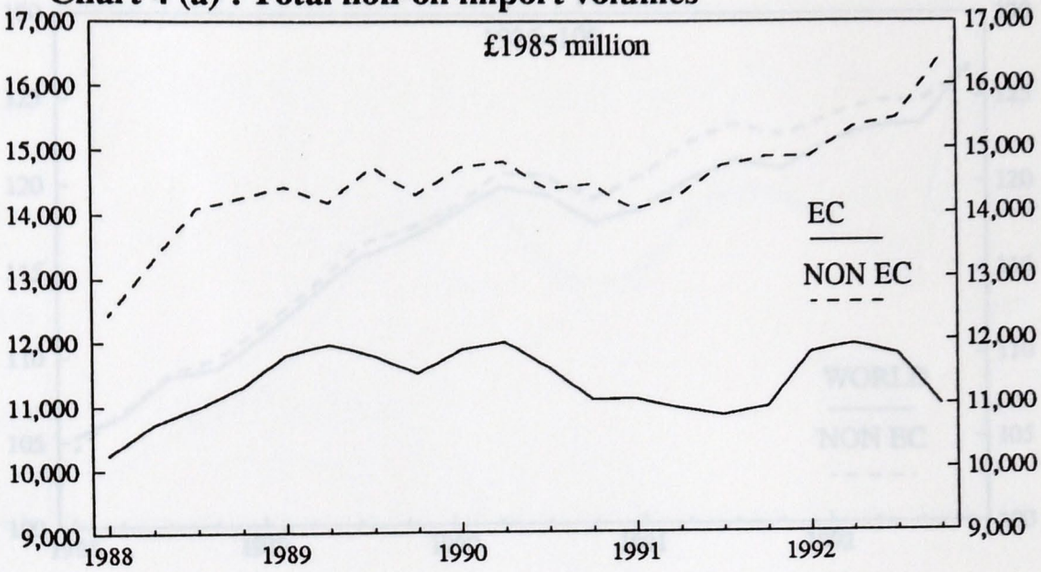


Chart 4 (b) : Percentage change : quarter on previous quarter

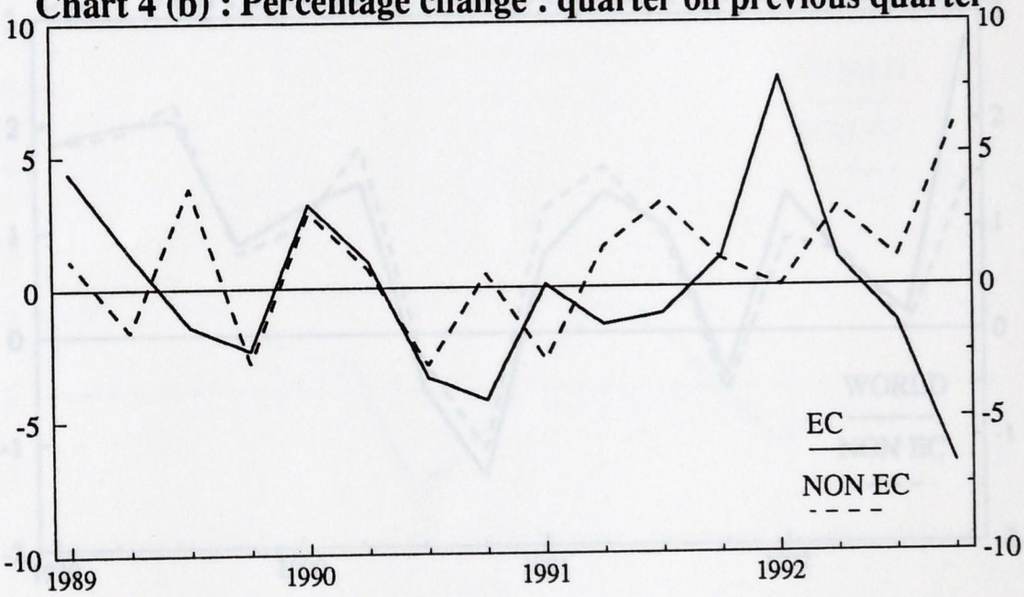


Chart 4 (c) : Percentage change : month on previous month

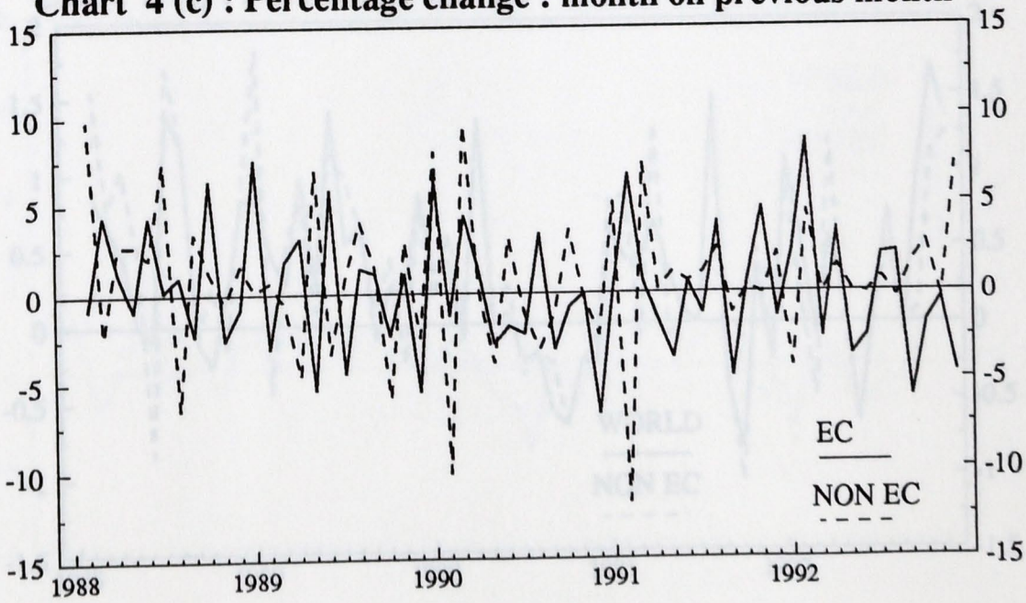


Chart 5: Total non-oil export prices

Chart 5 (a) : Total non-oil export prices

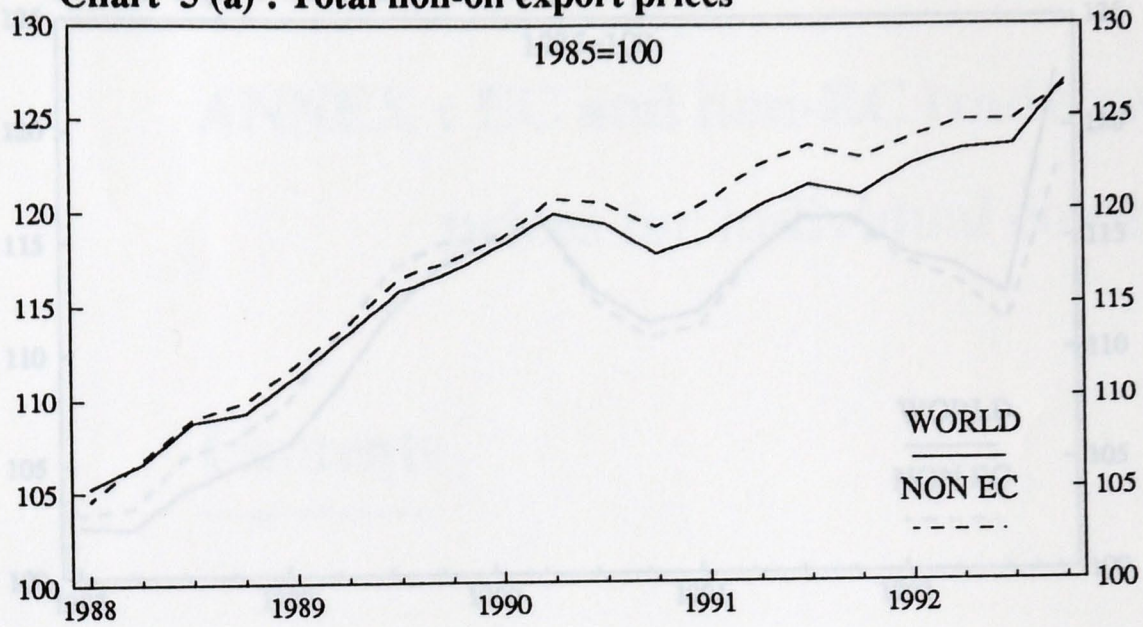


Chart 5 (b) : Percentage change : quarter on previous quarter

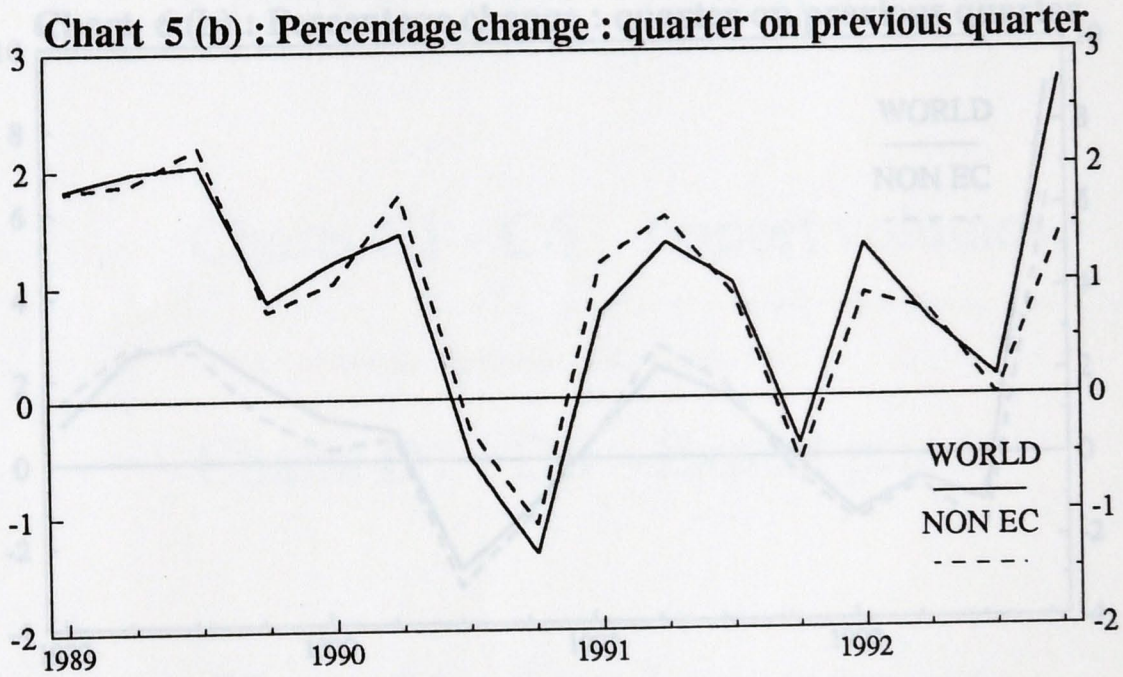


Chart 5 (c) : Percentage change : month on previous month

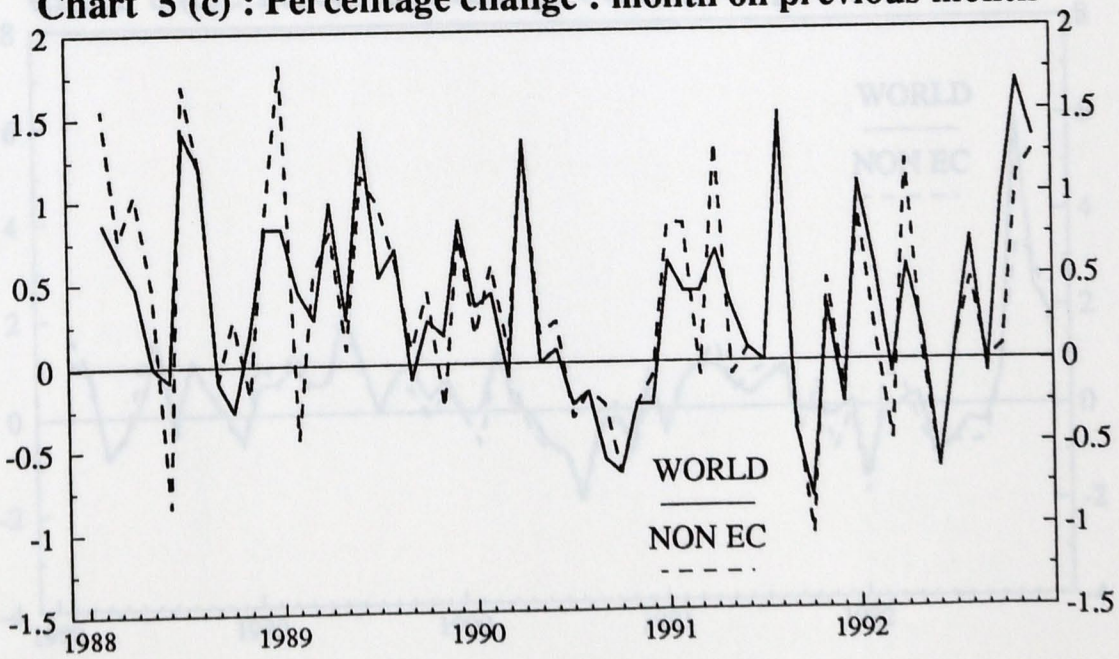


Chart 6: Total non-oil import prices

Chart 6 (a) : Total non-oil import prices

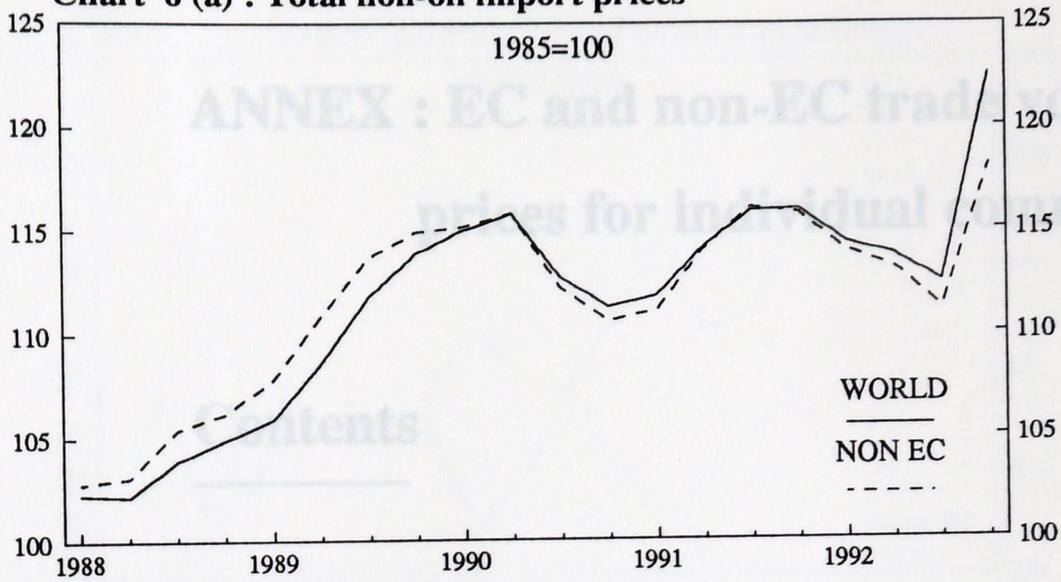


Chart 6 (b) : Percentage change : quarter on previous quarter

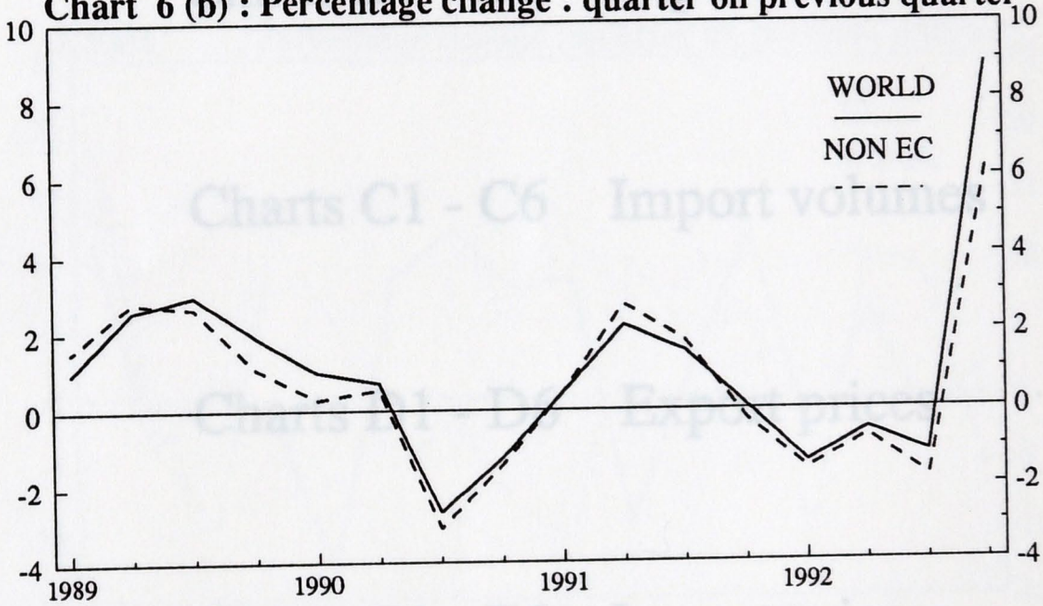
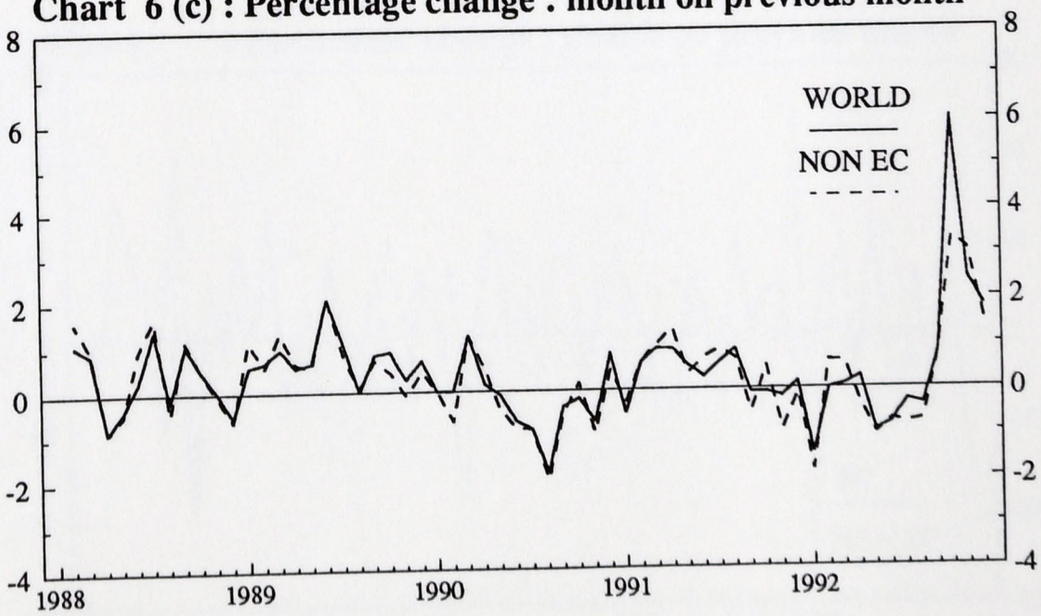


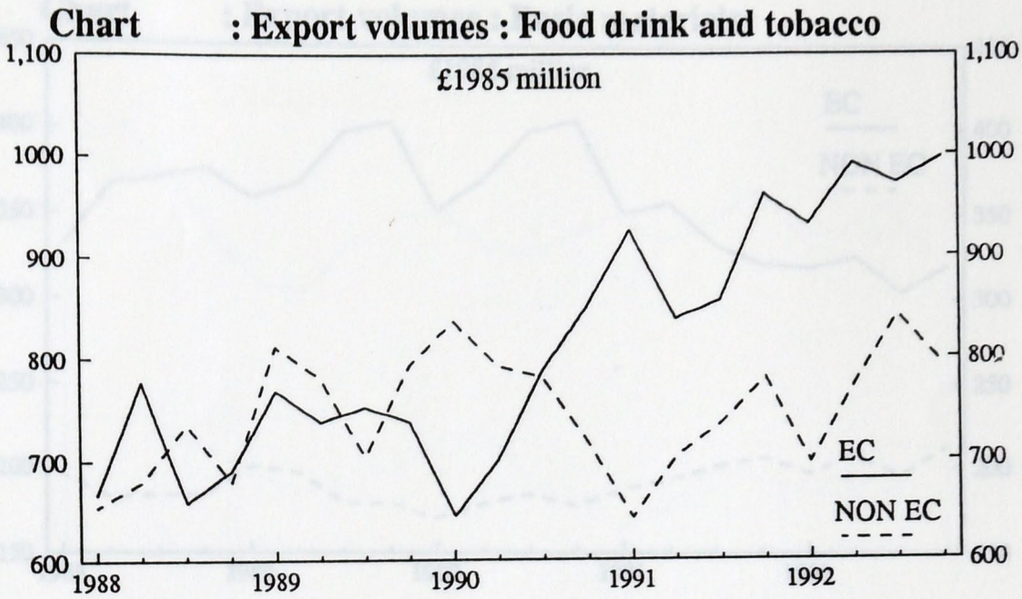
Chart 6 (c) : Percentage change : month on previous month



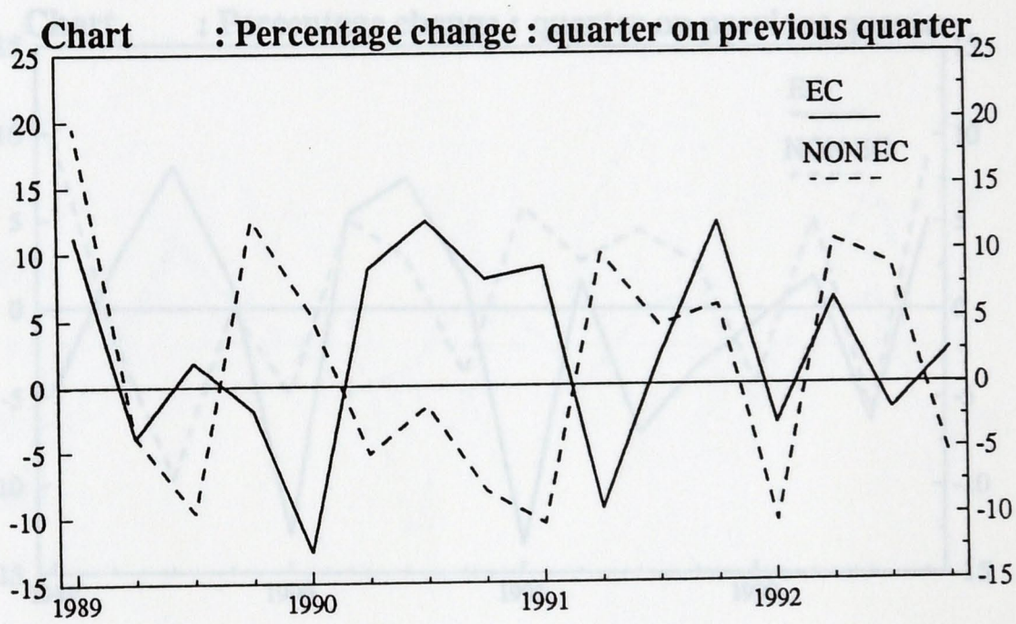
ANNEX : EC and non-EC trade volumes and prices for individual commodities

Contents

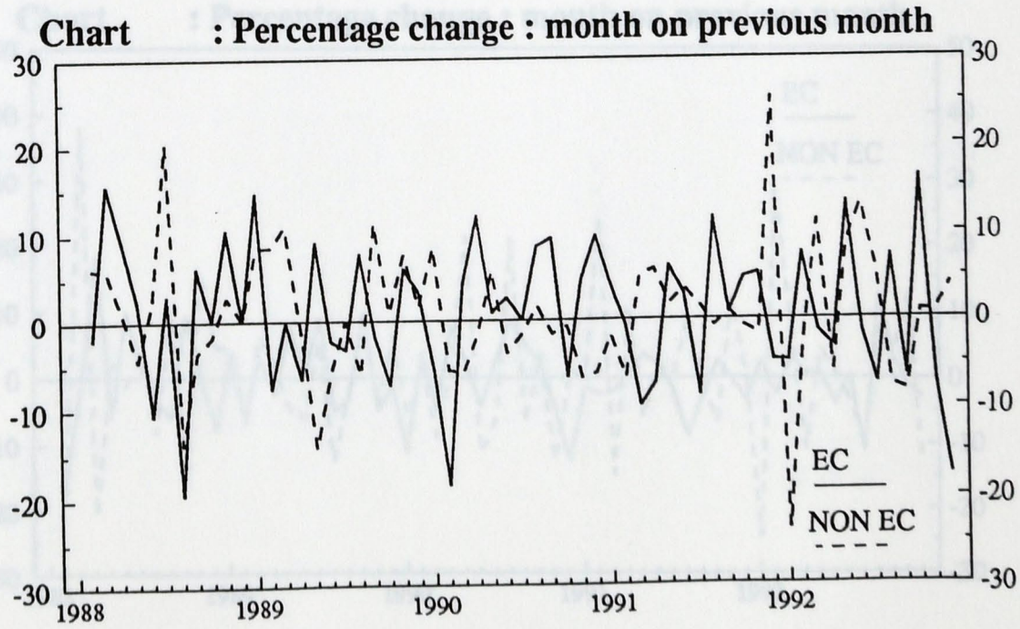
Chart (B1) Export volumes: Food drink and tobacco



Exports to EC on upward trend, exports to non-EC on much flatter trend. EC market now accounts for bigger share of UK exports after roughly equal share in 1988.

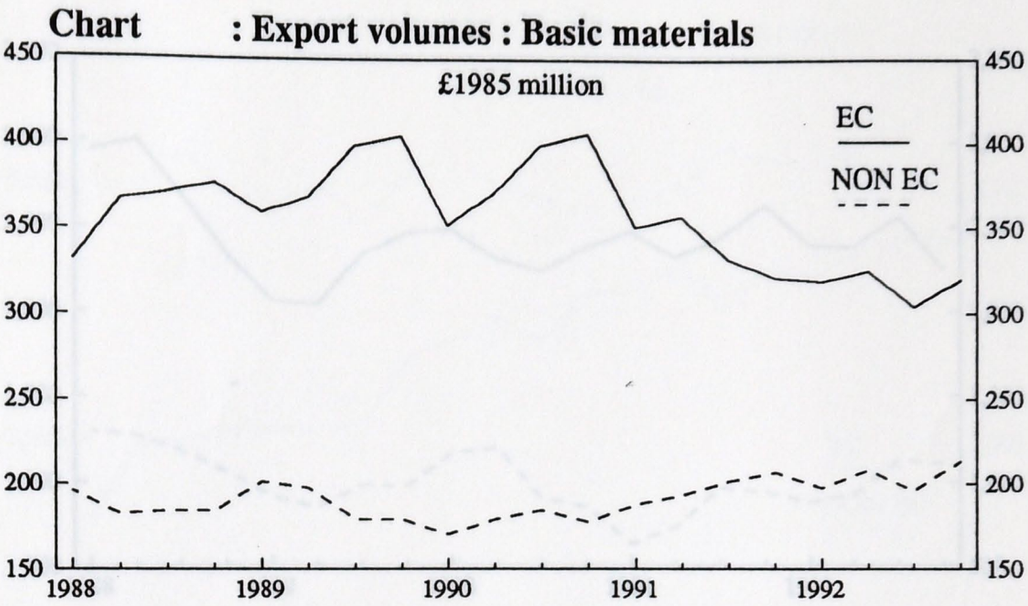


Changes in exports to EC loosely tracked exports to non-EC recently but less so earlier.

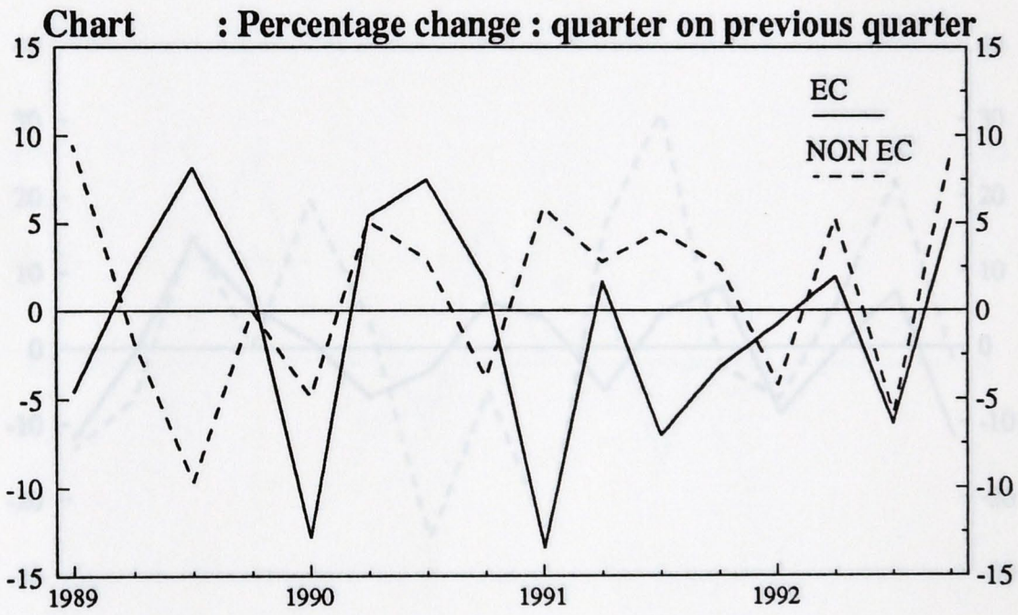


Correlation coefficient 0.0

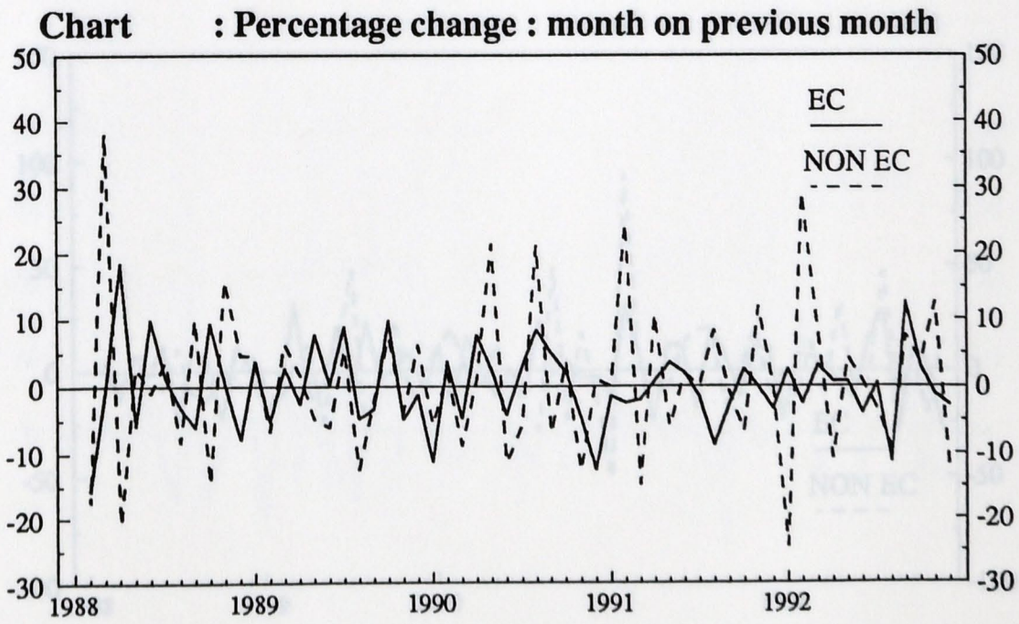
Chart (B2) Export volumes: Basic materials



Exports to EC on downward trend since late 1990, exports to non-EC trending gently upward.

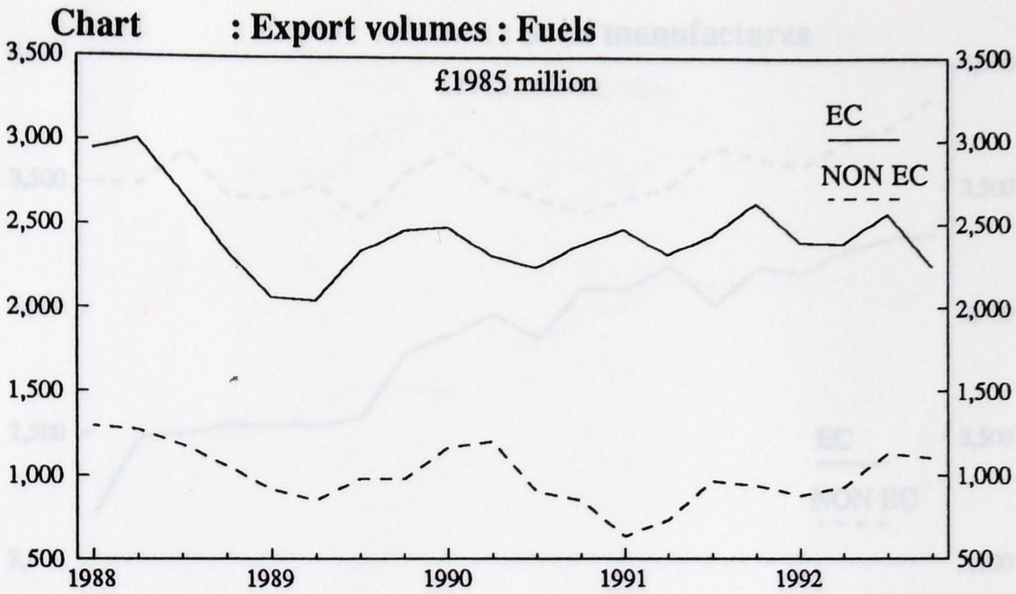


Exports to EC tracked non-EC fairly well in 1992.

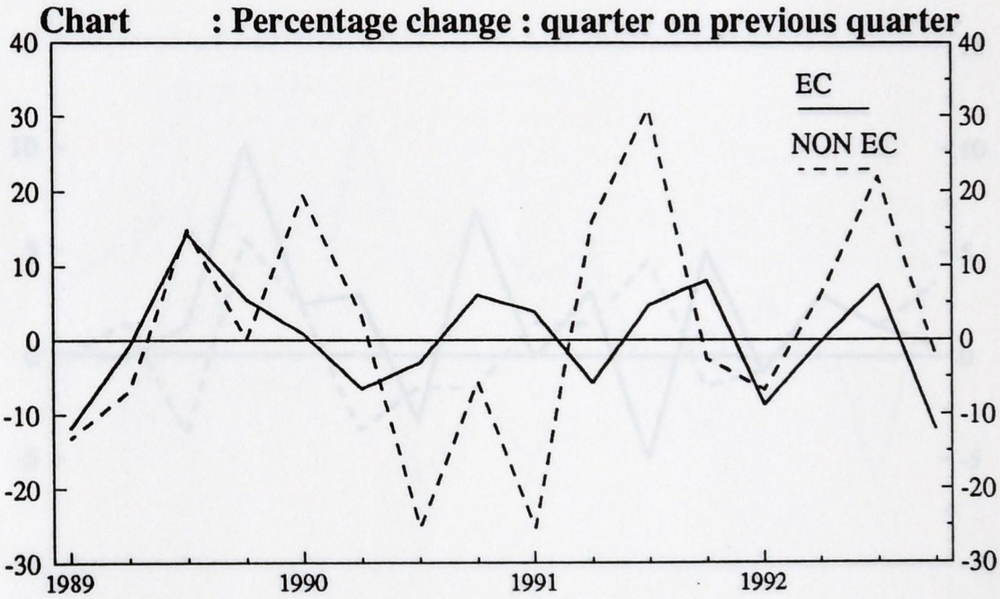


Correlation coefficient 0.1

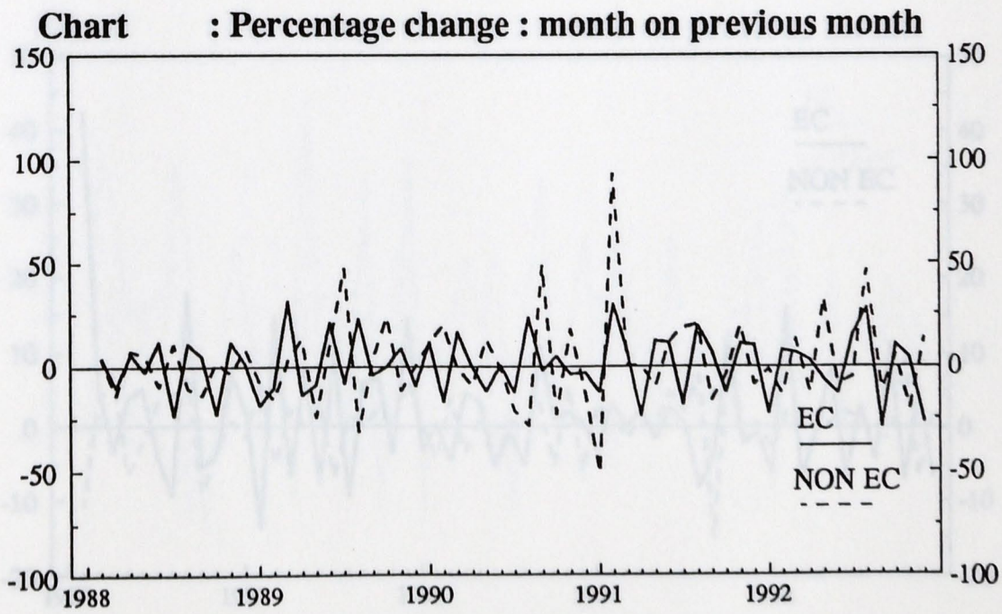
Chart (B3) Export volumes: Fuels



Both series fairly flat since 1991.

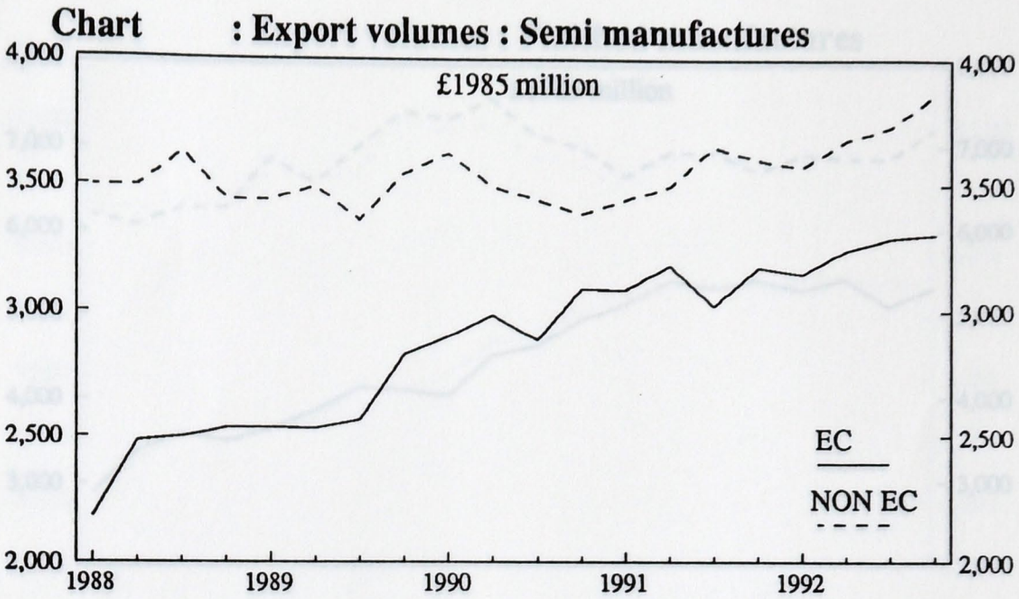


Changes tend to be in same direction although exports to non-EC more volatile

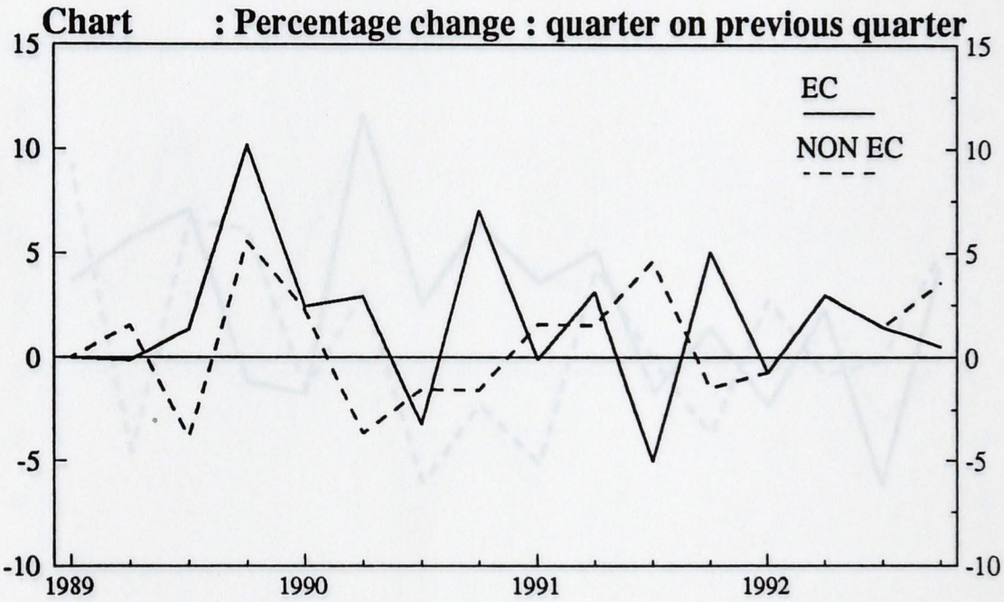


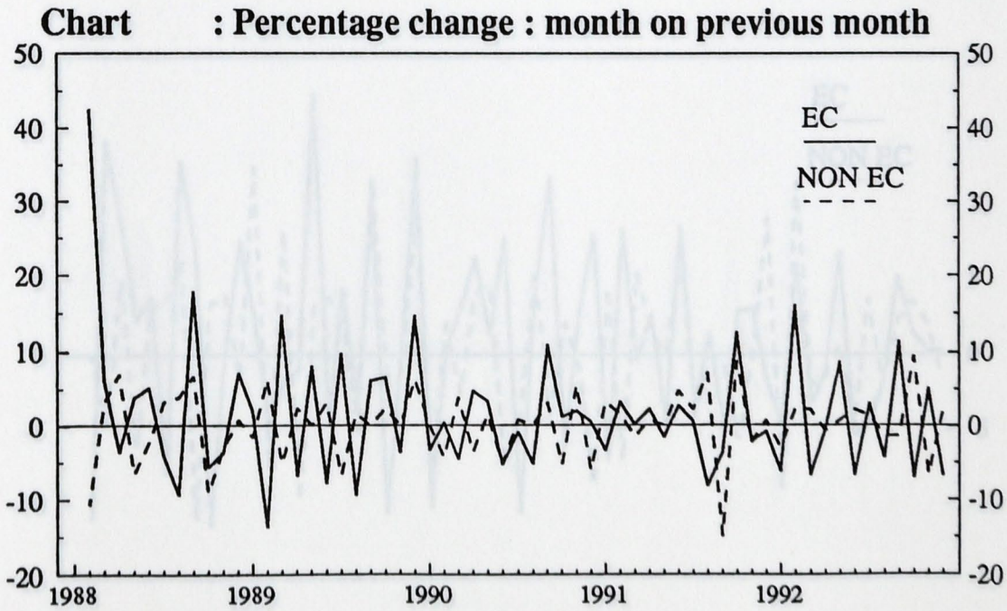
Correlation coefficient 0.1

Chart (B4) Export volumes: Semi manufactures



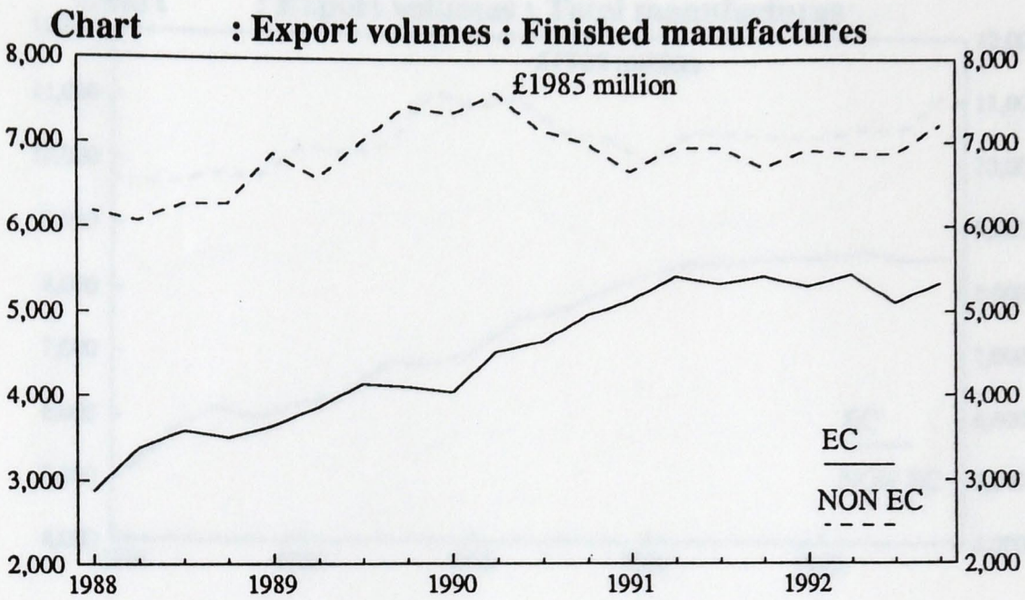
Exports to both EC and non-EC trending upward.
Share going to EC clearly catching up.

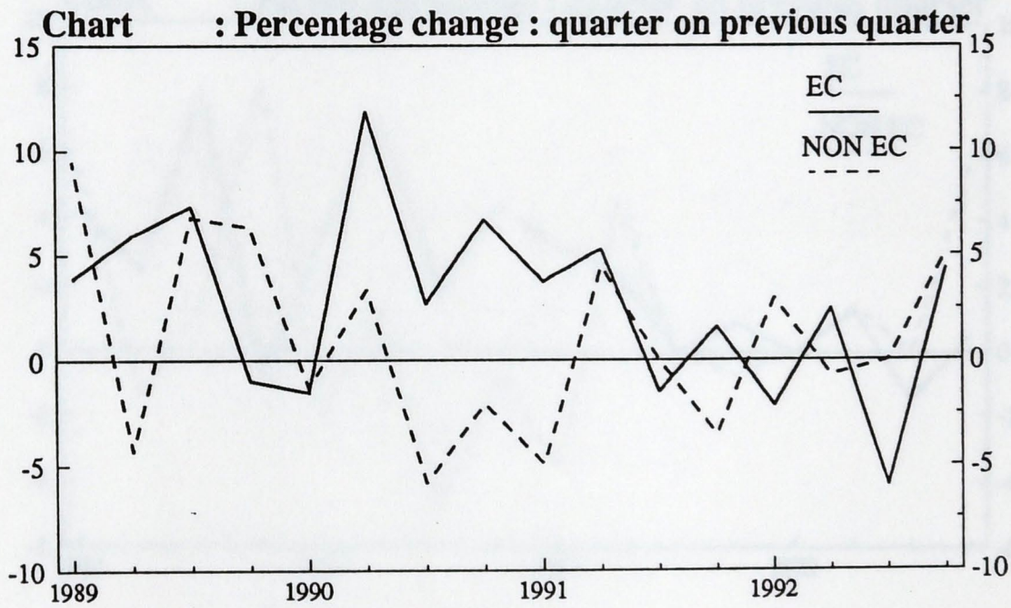




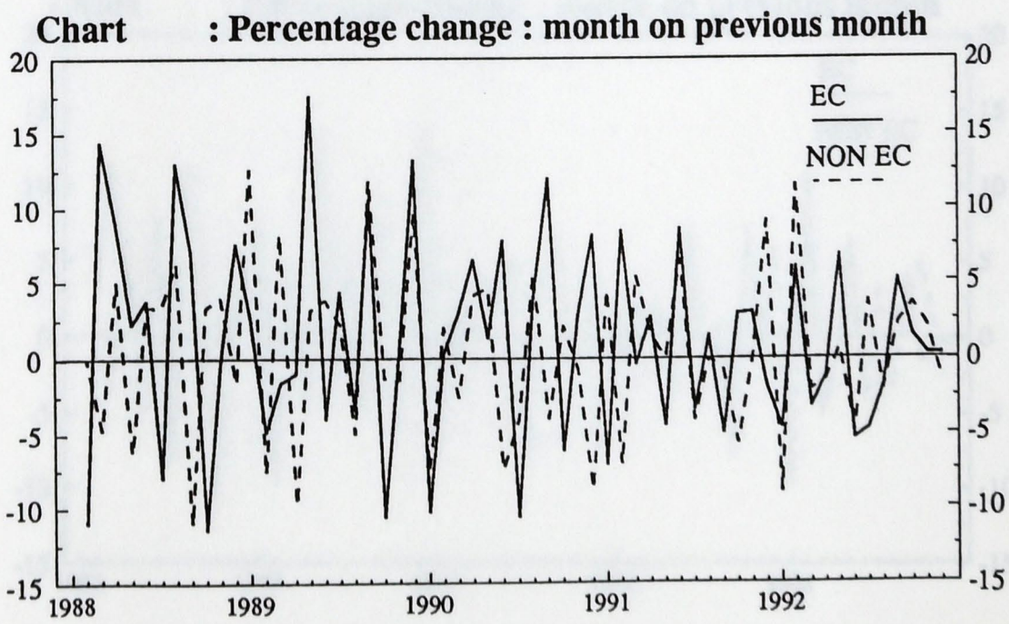
Correlation coeffieient -0.2

Chart (B5) Export volumes: Finished manufactures



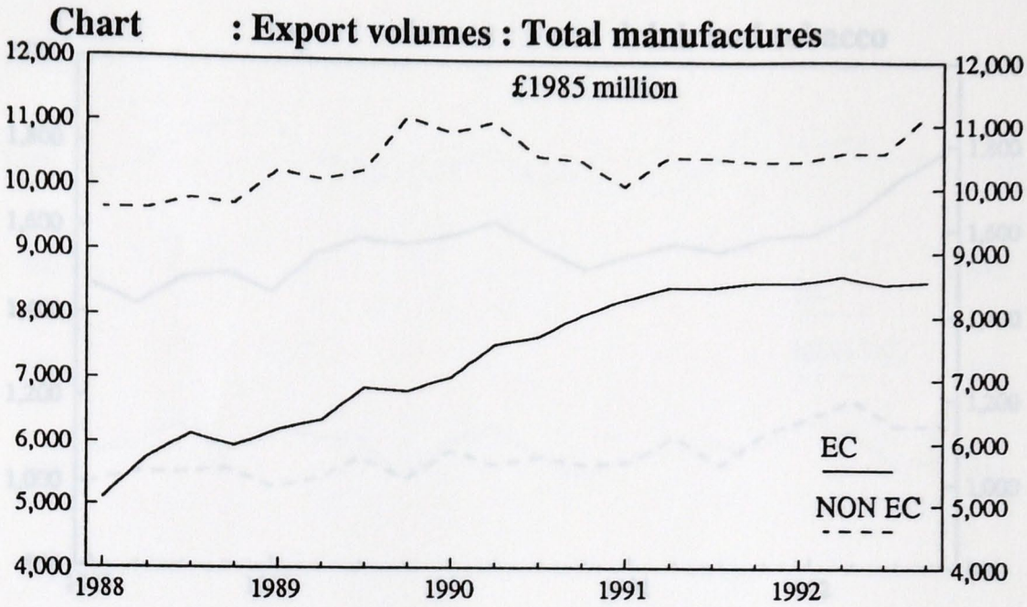


Changes not closely correlated

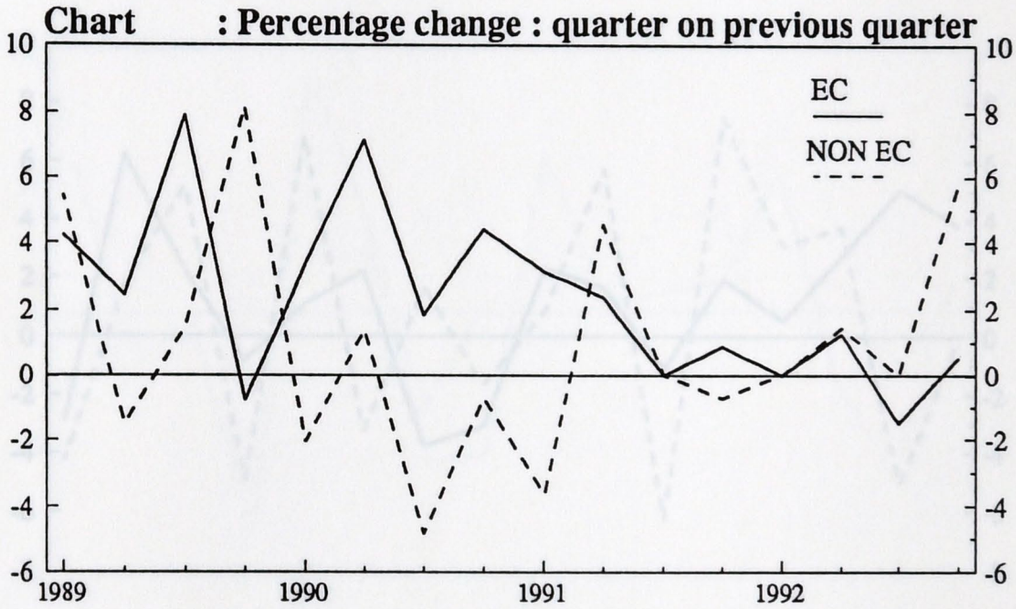


Correlation coefficient 0.2

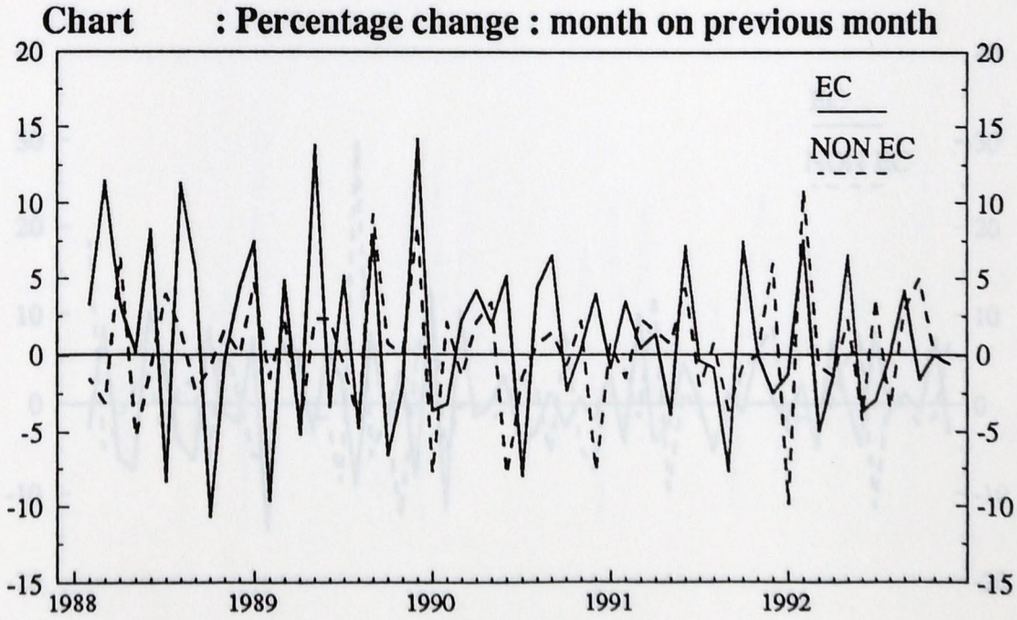
Chart (B6) Export volumes: Total manufactures



Exports to EC rising since 1988, while non-EC flat.

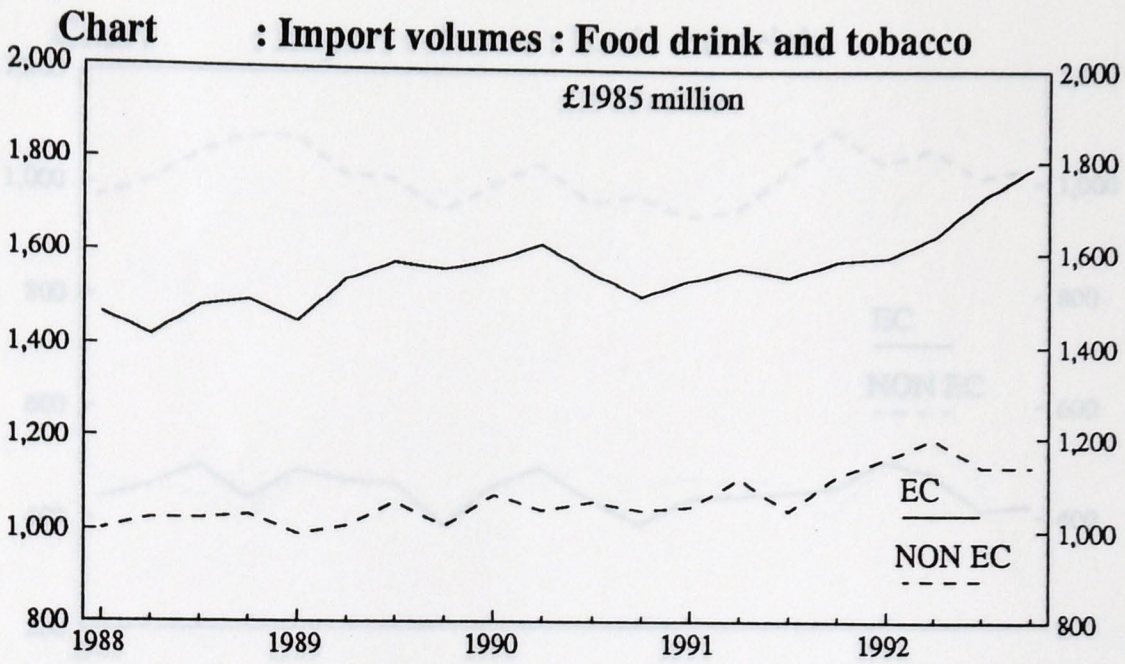


Growth rates for EC generally higher, falls to non-EC in 1990 reflect, especially US recovery. Picked up recently

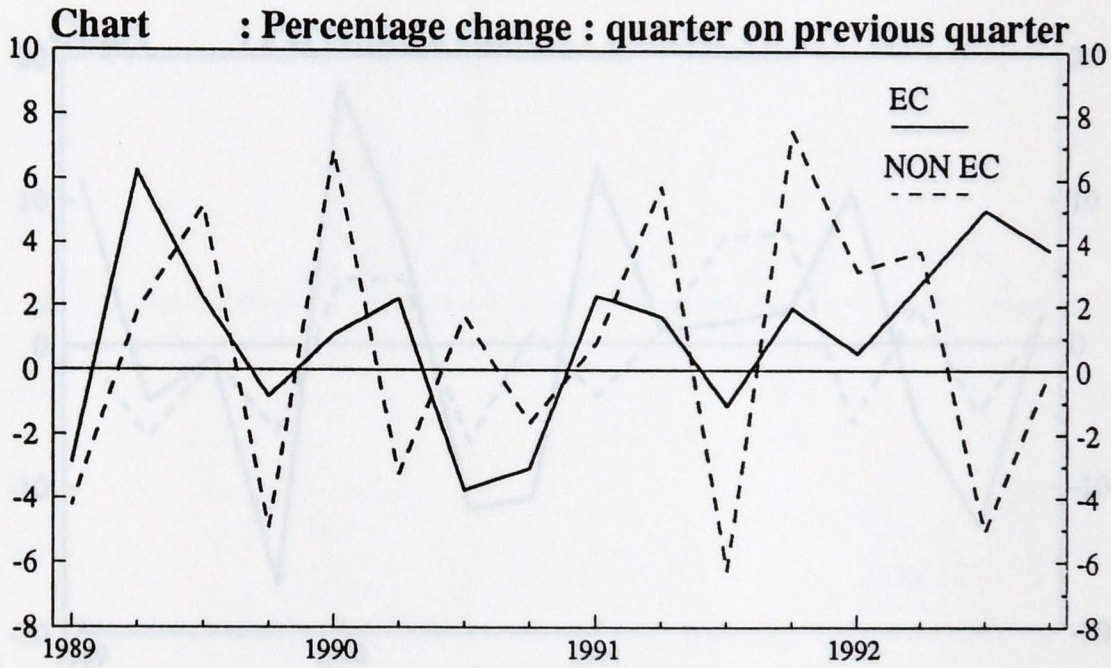


Correlation coefficient 0.3

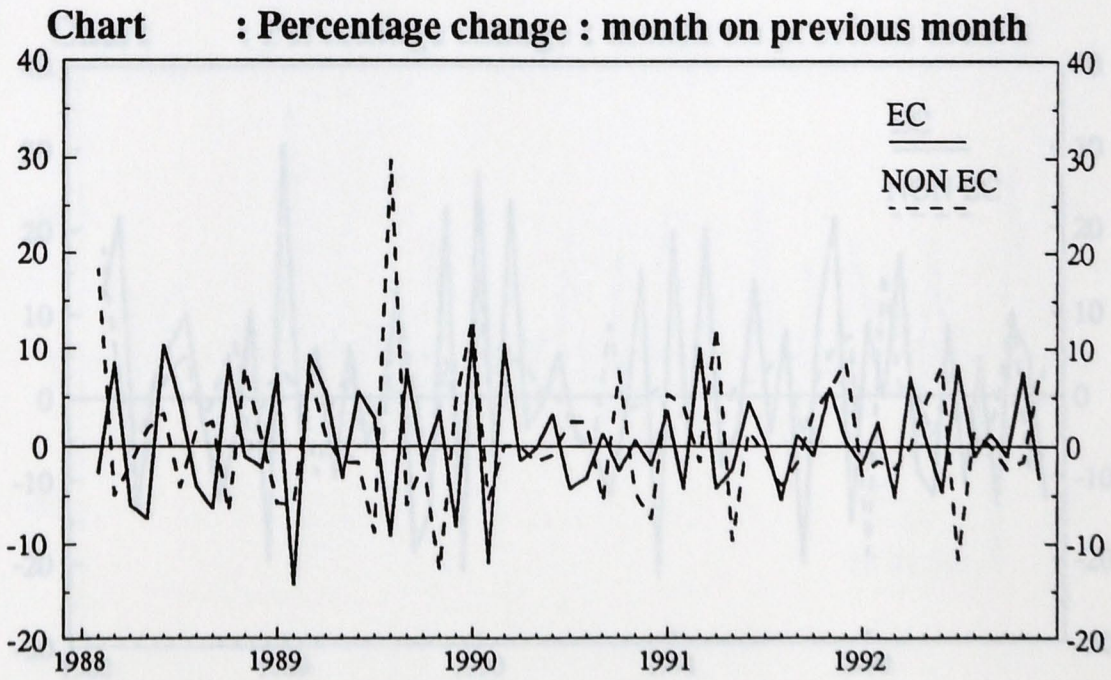
Chart (C1) Import volumes: Food, drink & tobacco



Imports from EC picked up from early 1992.



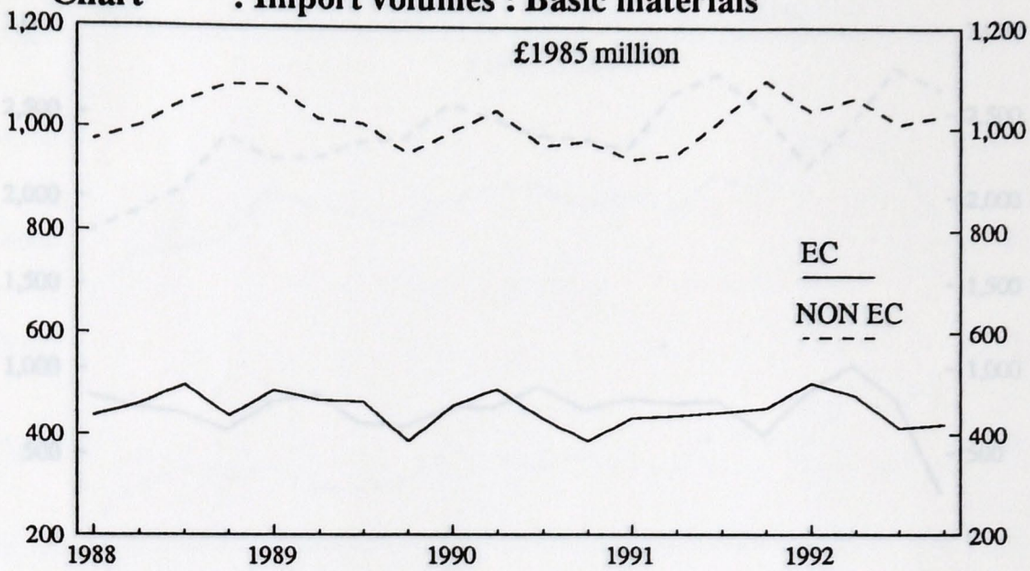
Reasonably good correlation between growth rates although non-EC more volatile.



Correaltion coefficient -0.2

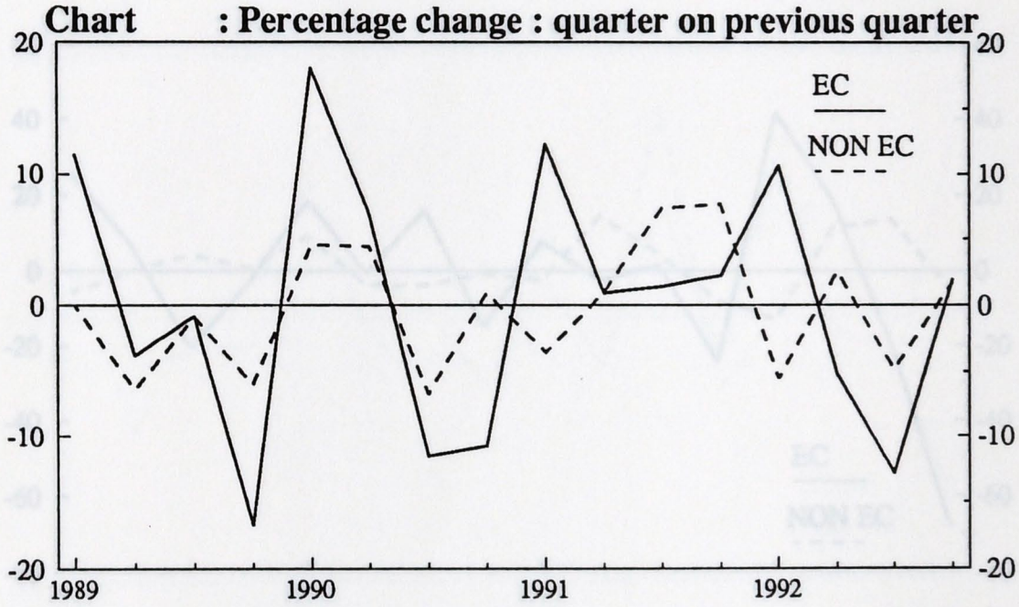
Chart (C2) Import volumes: Basics

Chart : Import volumes : Basic materials



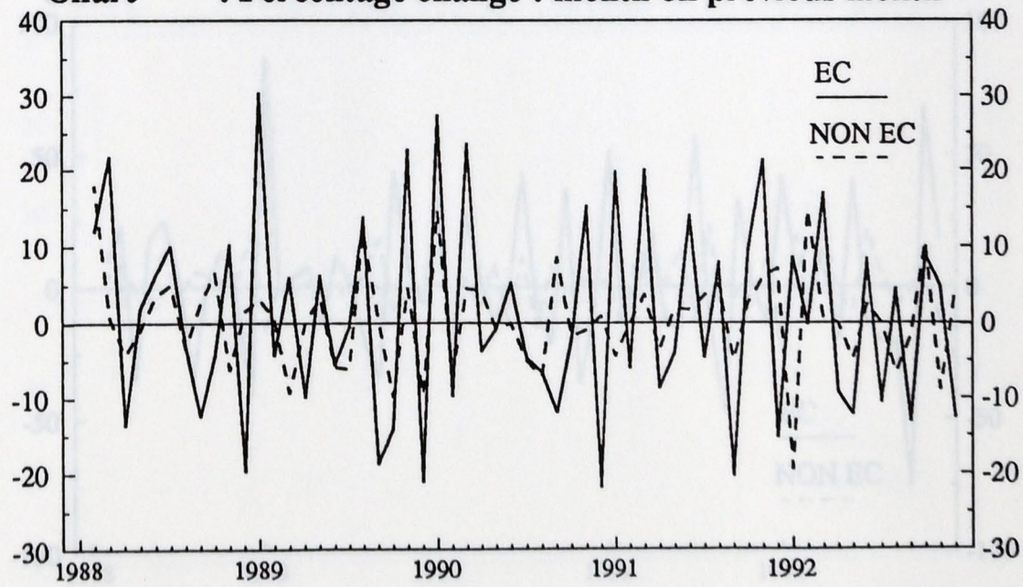
Both flat.

Chart : Percentage change : quarter on previous quarter



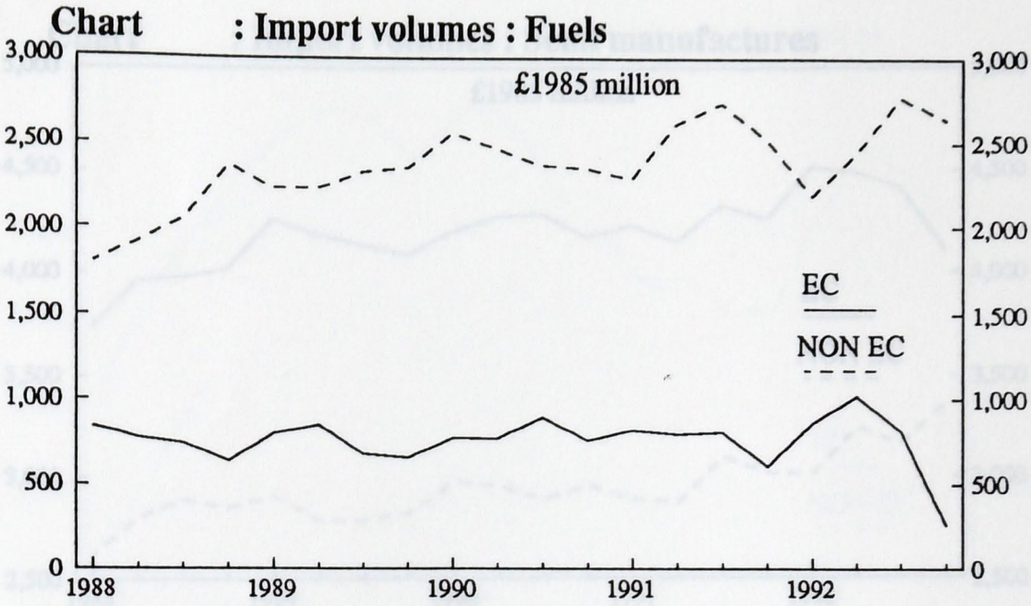
Loose correlation in growth rates but magnitude of changes greater for imports from EC.

Chart : Percentage change : month on previous month

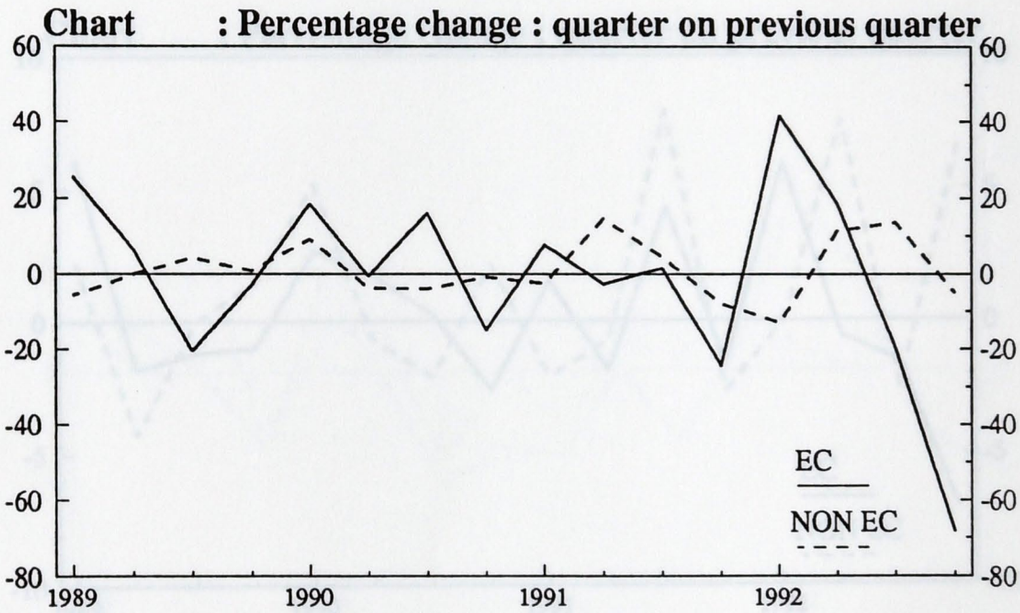


Correlation coefficient 0.3

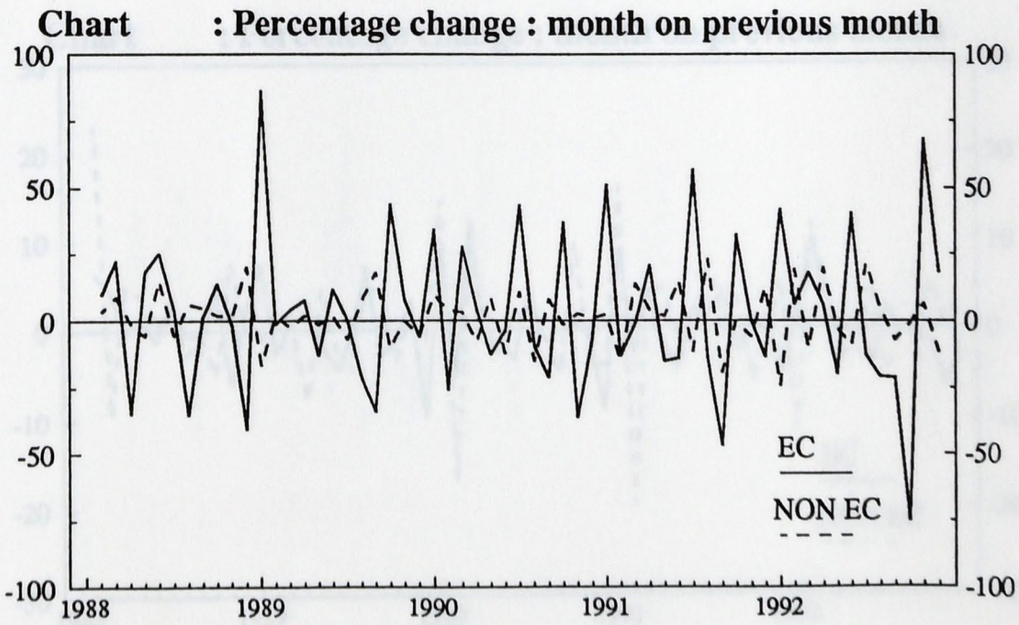
Chart (C3) Import volumes: Fuels



Imports from EC fell sharply recently.

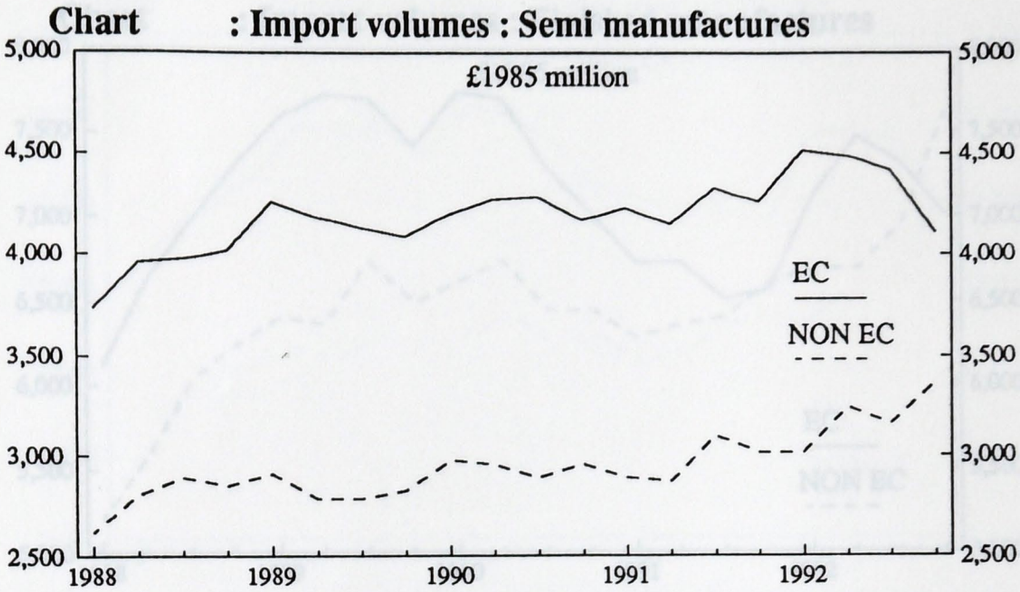


Changes in imports from EC and non-EC fairly close but imports from EC fell sharply recently.

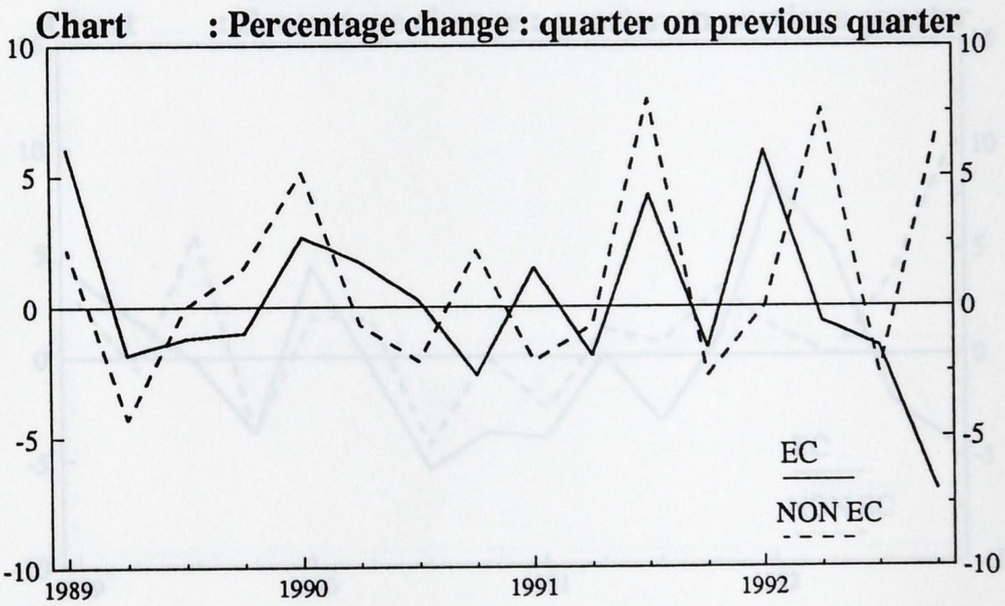


Close - EC series more noisy.
Correlation coefficient -0.2

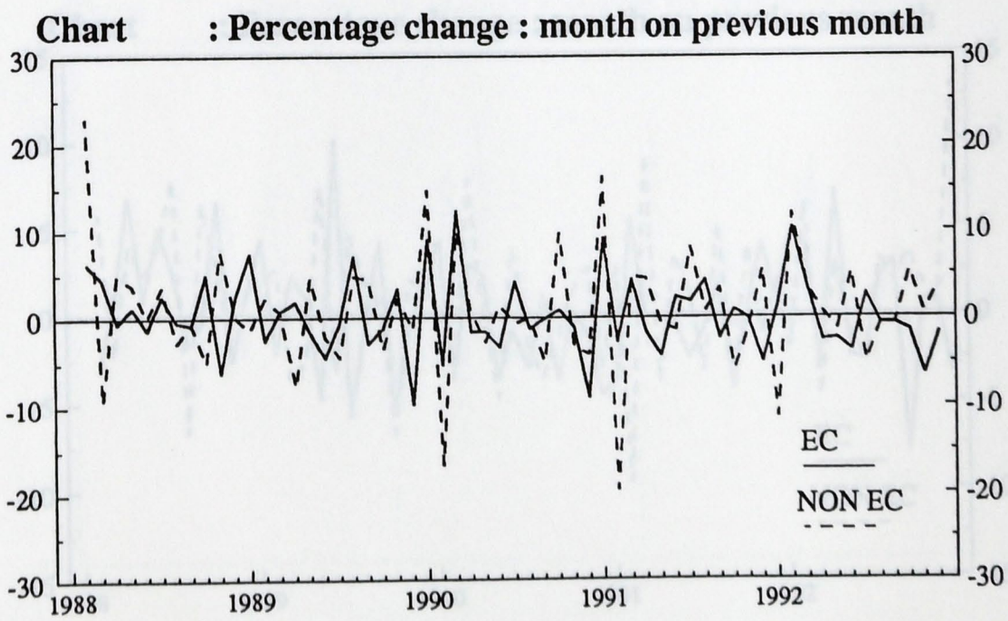
Chart (C4) Import volumes: Semi finished manufactures



Both are gently rising.
Divergence in final quarter.

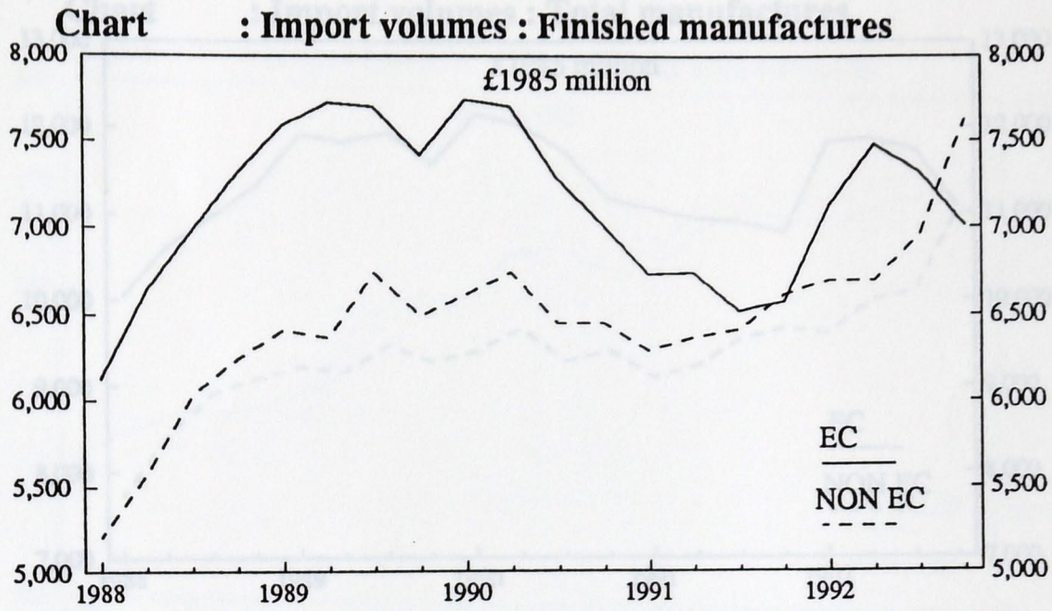


Variable relationship, movement sometimes offset.

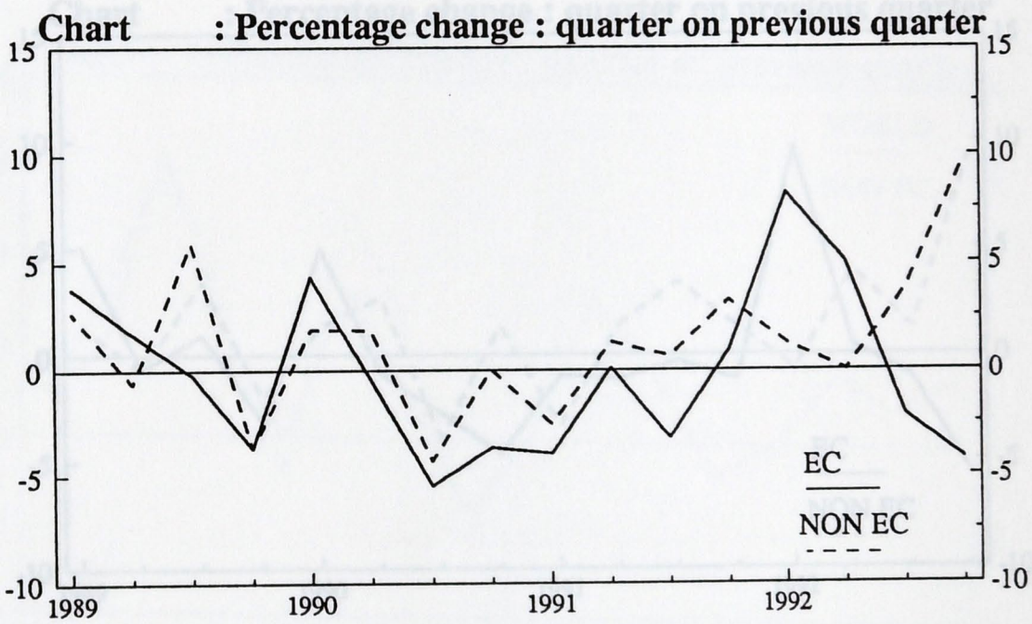


Correlation coefficient 0.4

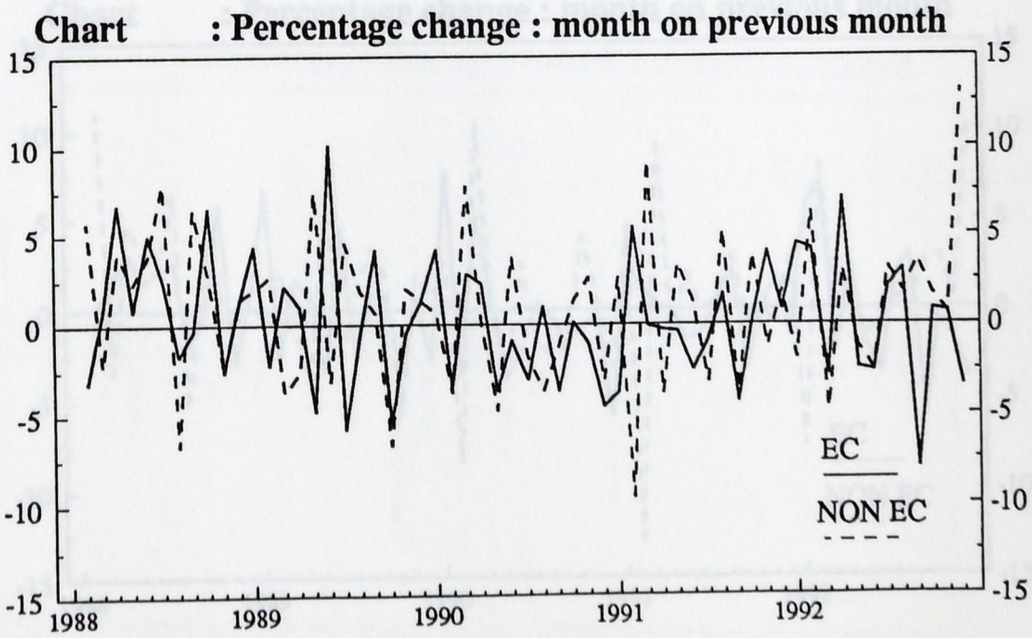
Chart (C5) Import volumes: Finished manufactures



Similar patterns until recently.



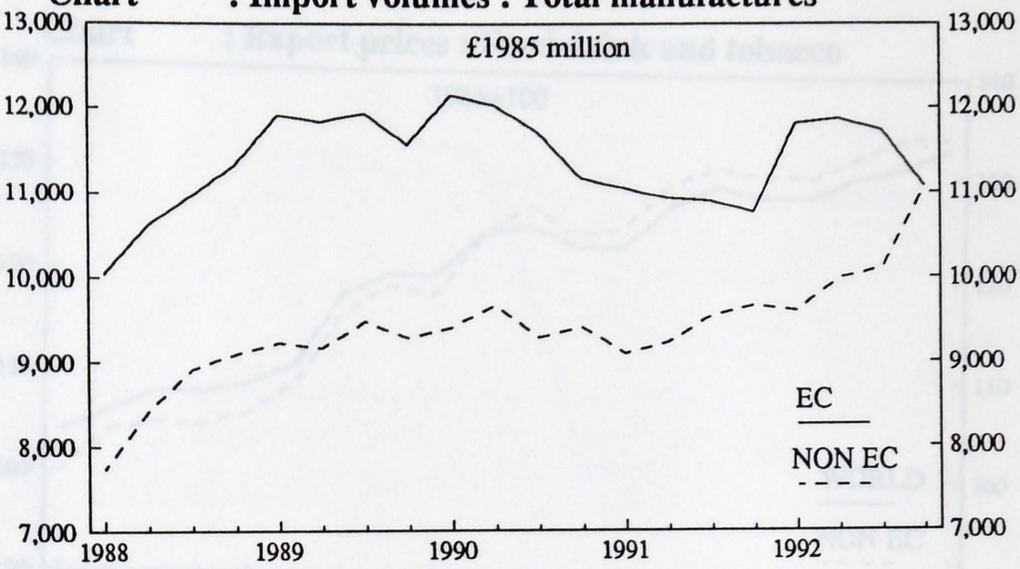
Good correlation in growth rates until recently.



Correlation coefficient -0.0

Chart (C6) Import volumes: Total manufactures

Chart : Import volumes : Total manufactures



Imports from non-EC growing faster
since 1990. No clear relationship since end of 1991.

Chart : Percentage change : quarter on previous quarter

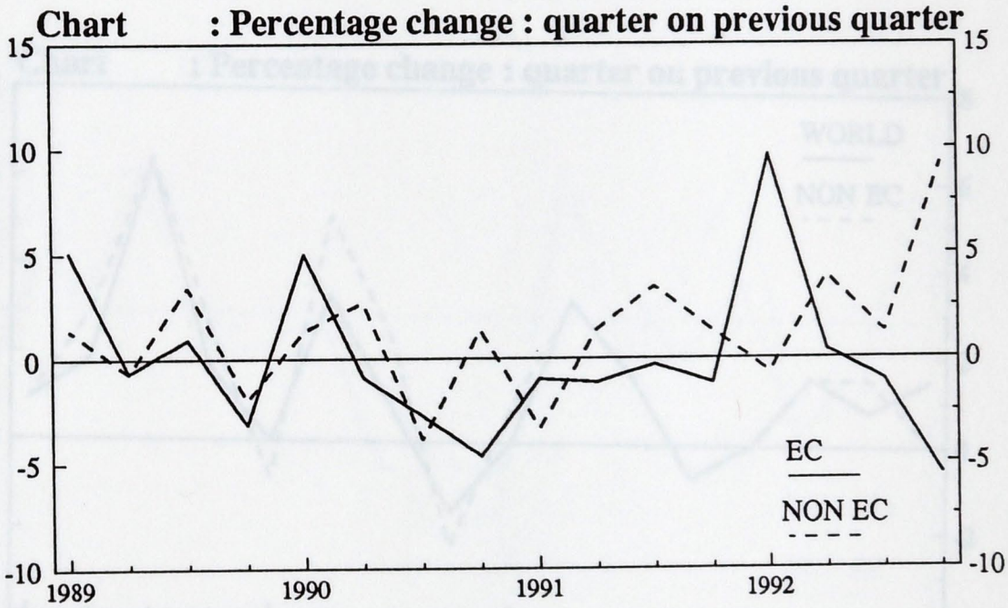
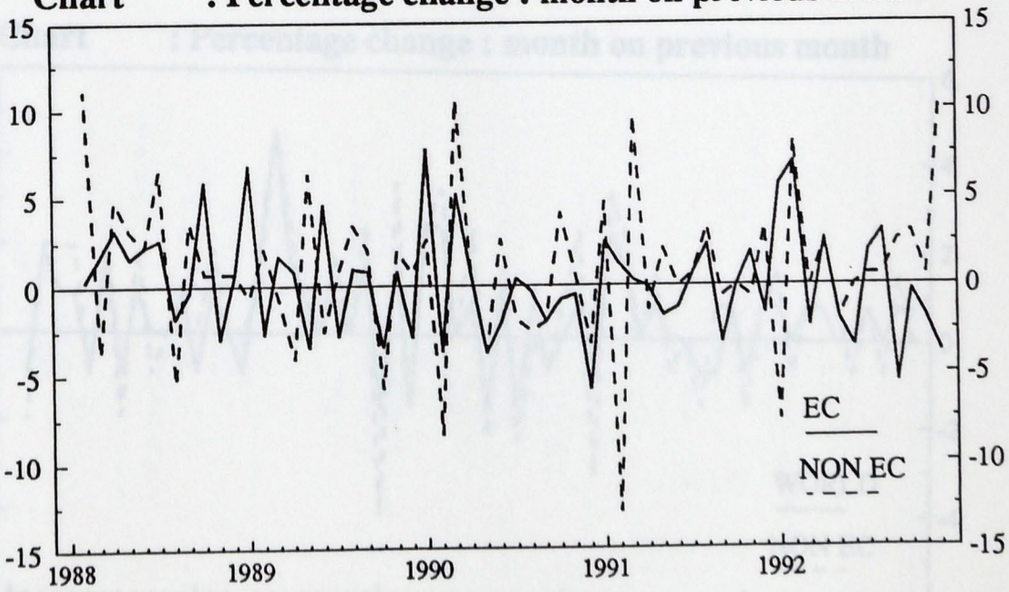
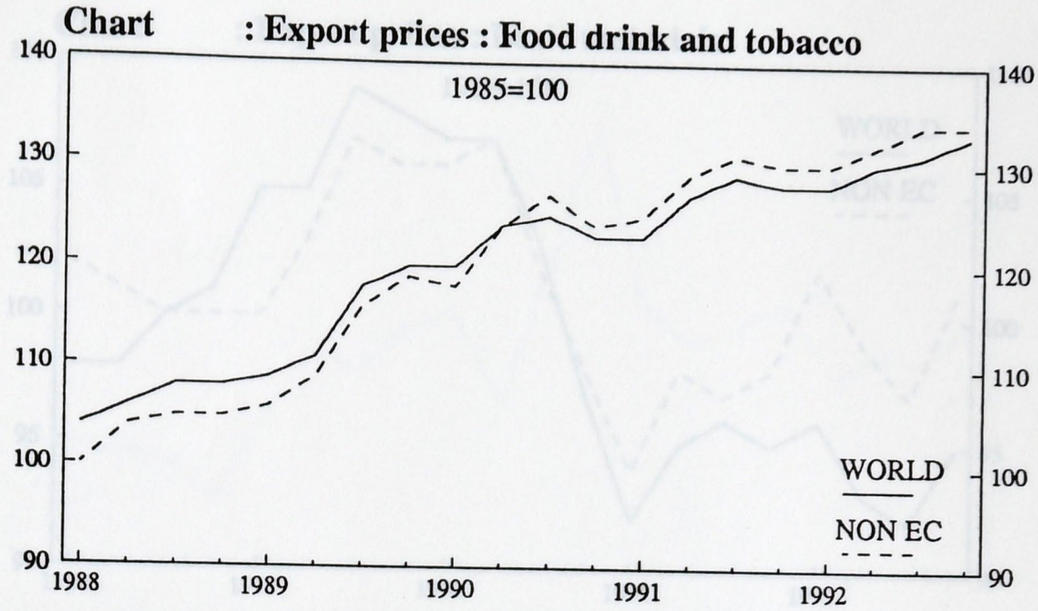


Chart : Percentage change : month on previous month

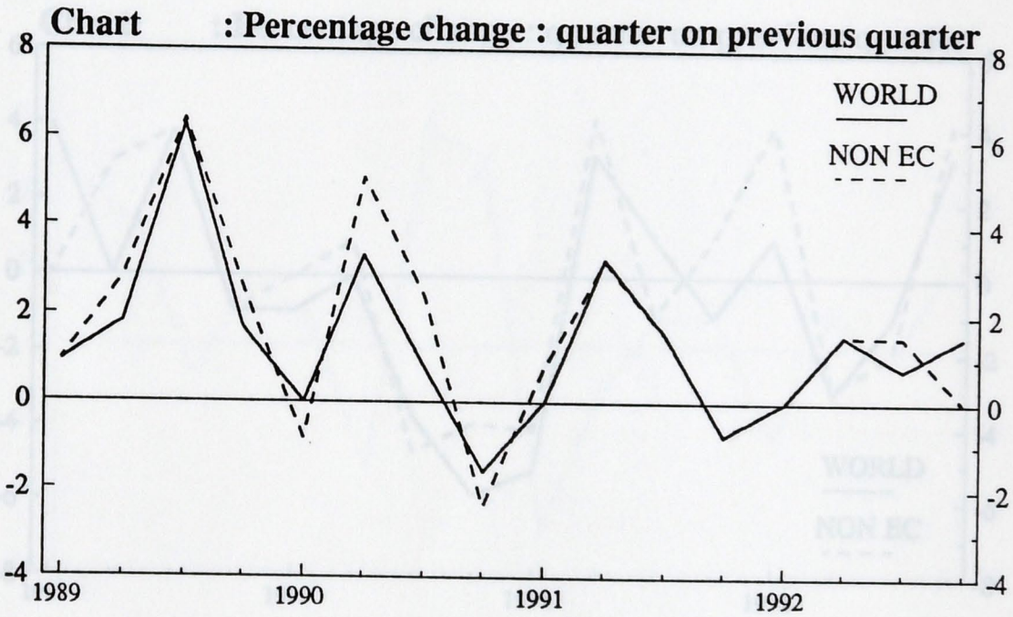


Correlation coefficient 0.1

Chart (D1) Export prices: Food drink and tobacco



This set of tables show prices of exports to non-EC countries track total export prices for each major commodity very closely.



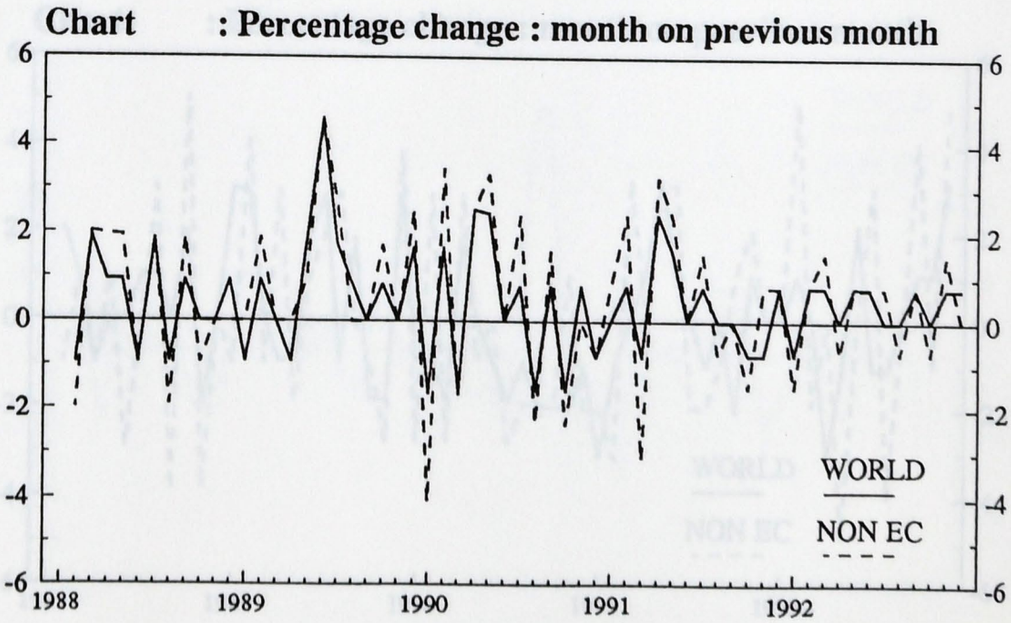
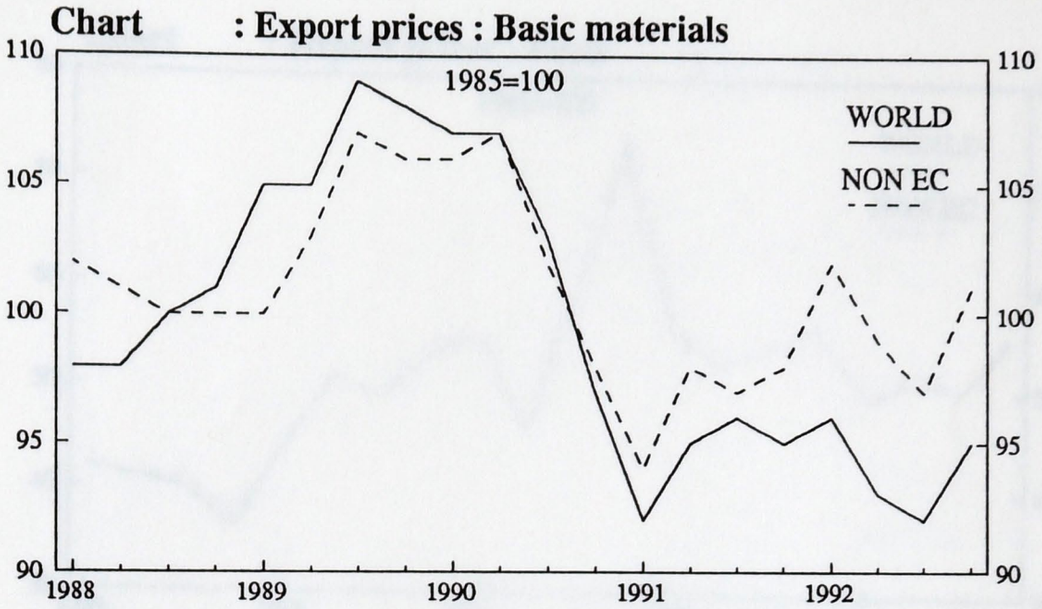
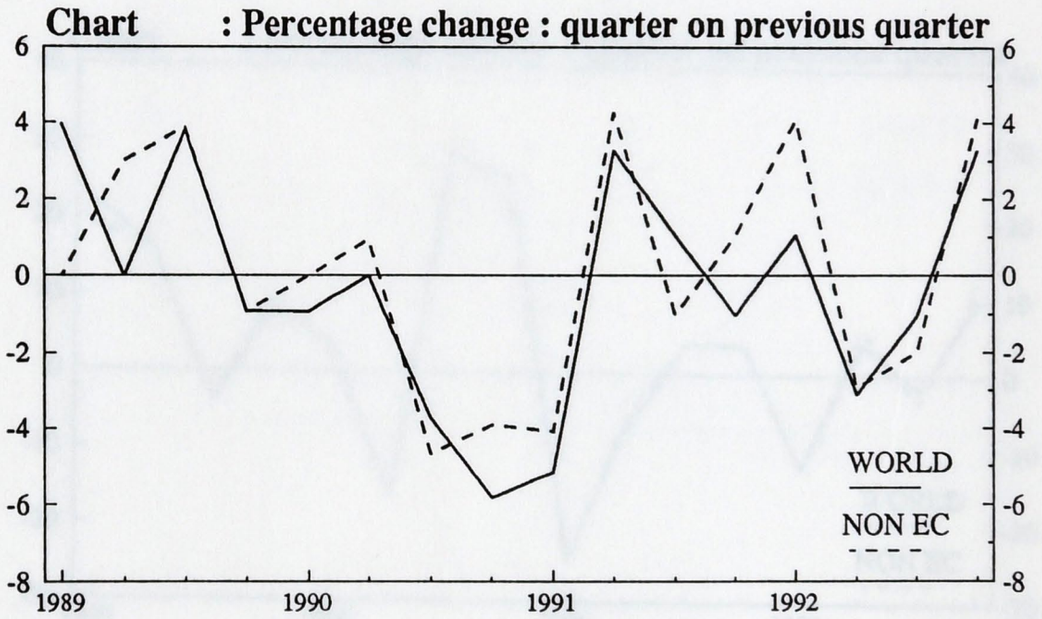


Chart (D2) Export prices: Basic materials





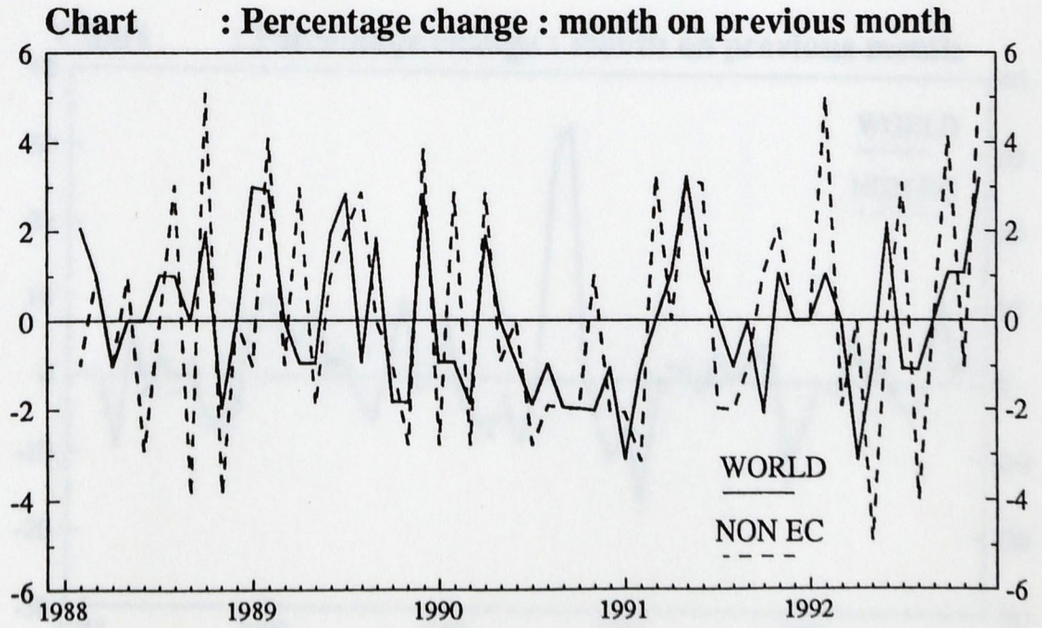


Chart (D3) Export prices: Fuels

Chart : Export prices : Fuels

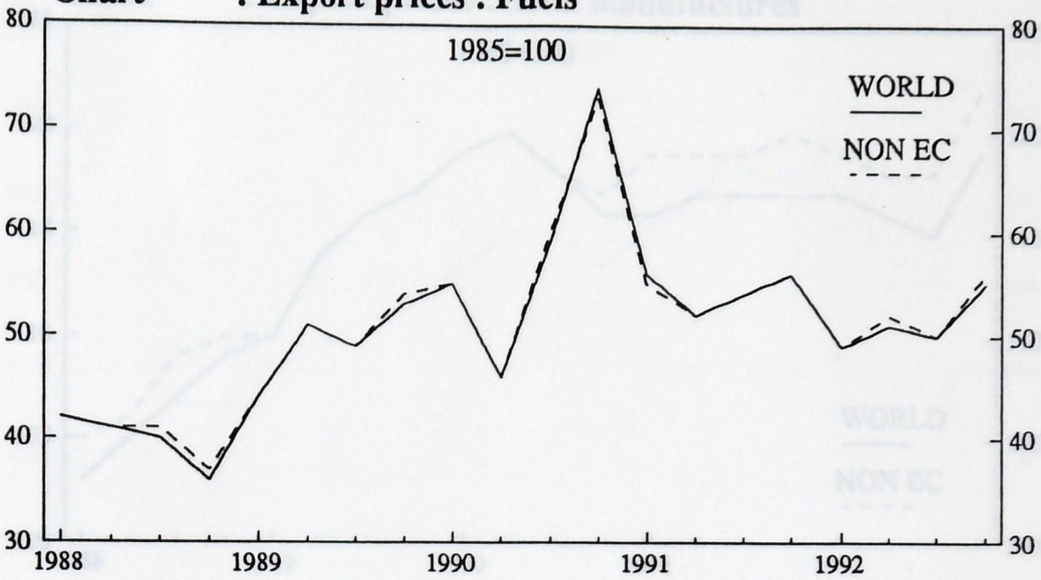


Chart : Percentage change : quarter on previous quarter

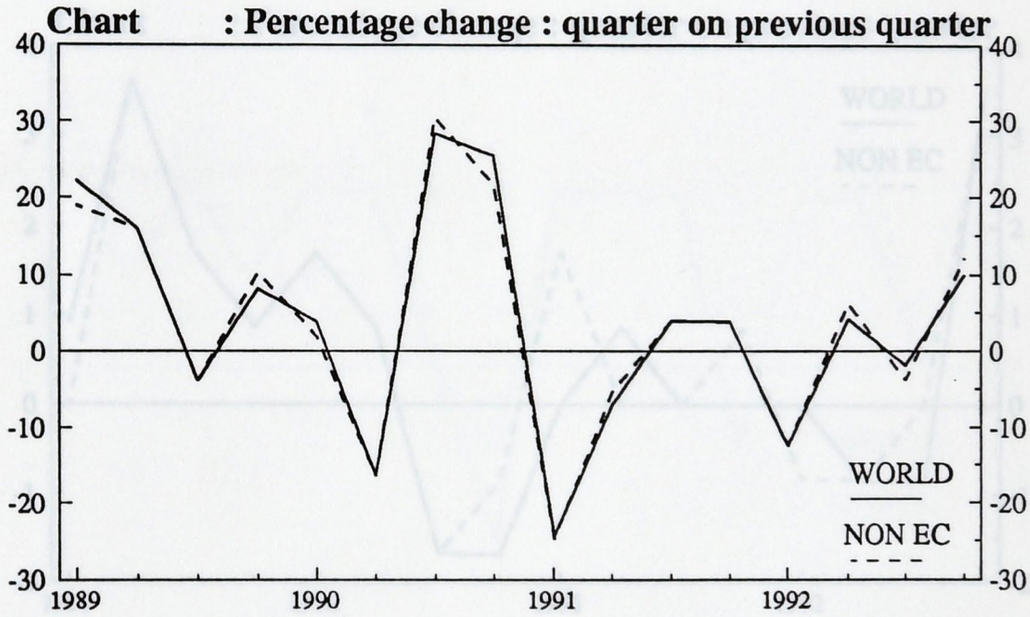


Chart : Percentage change : month on previous month

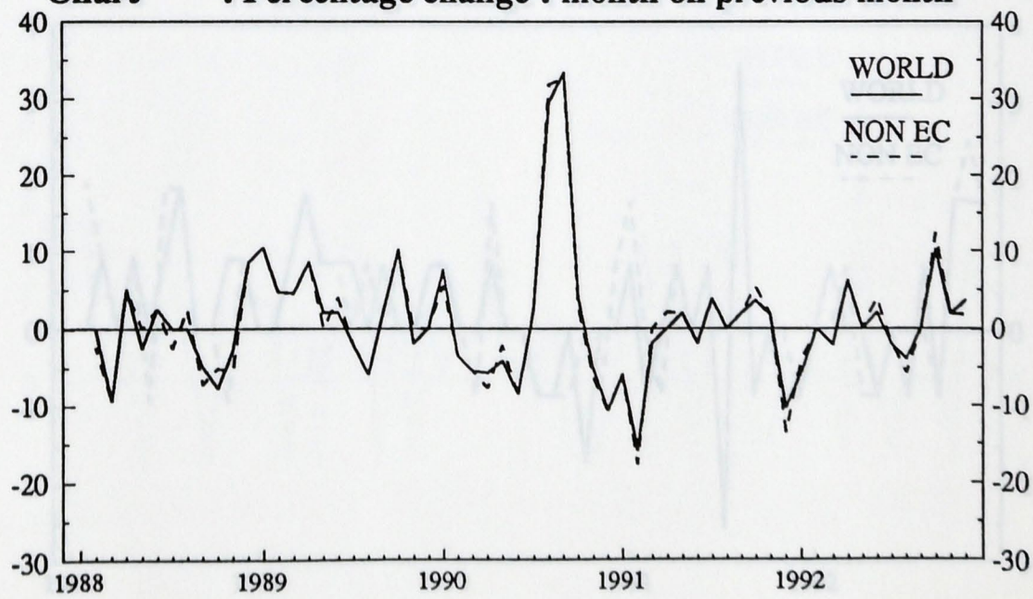
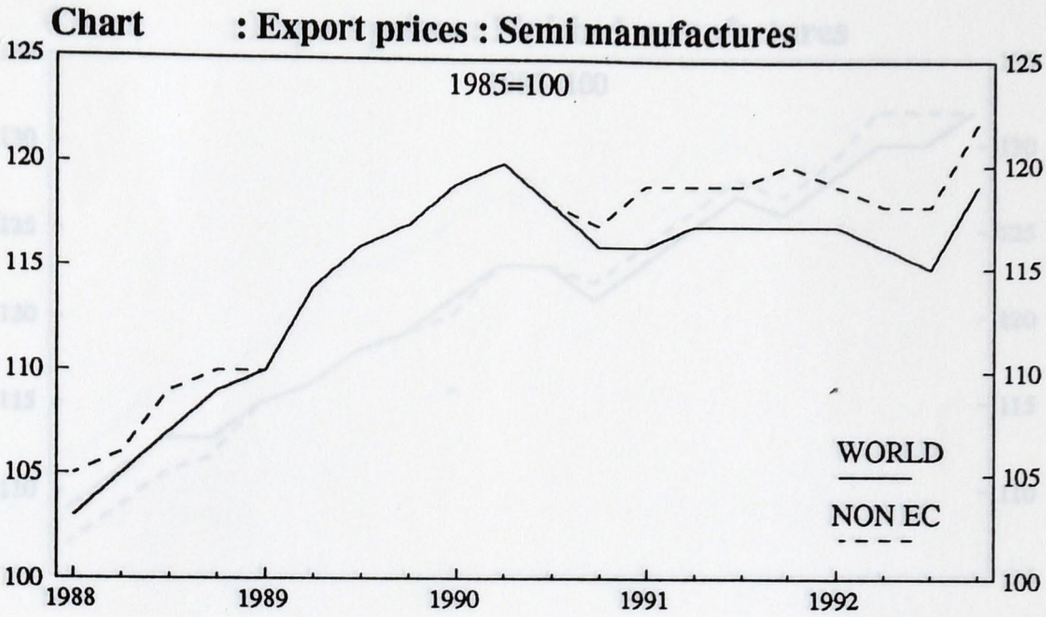
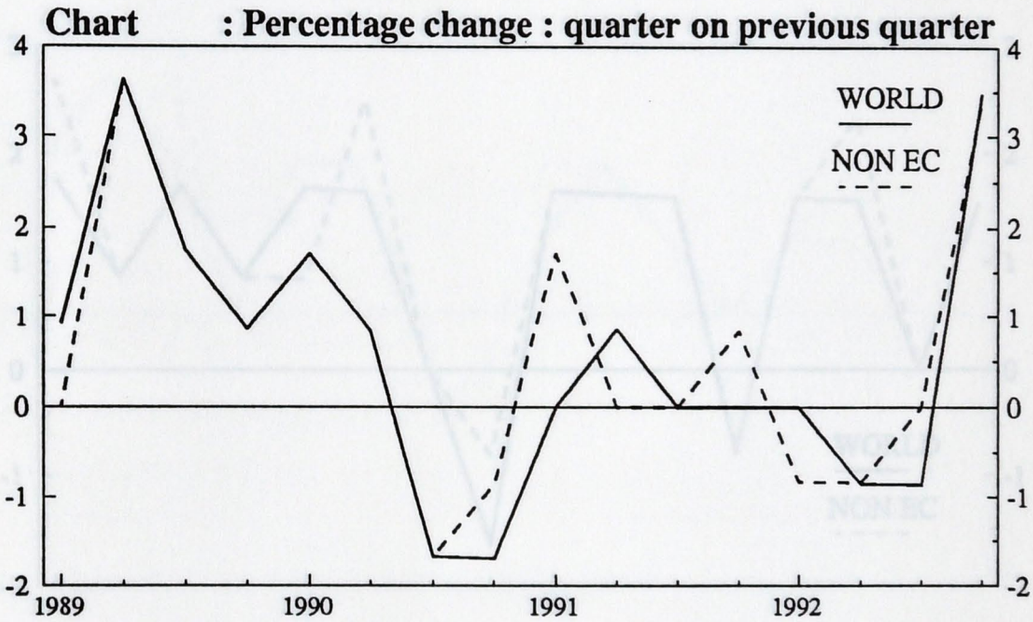


Chart (D4) Export prices: Semi manufactures





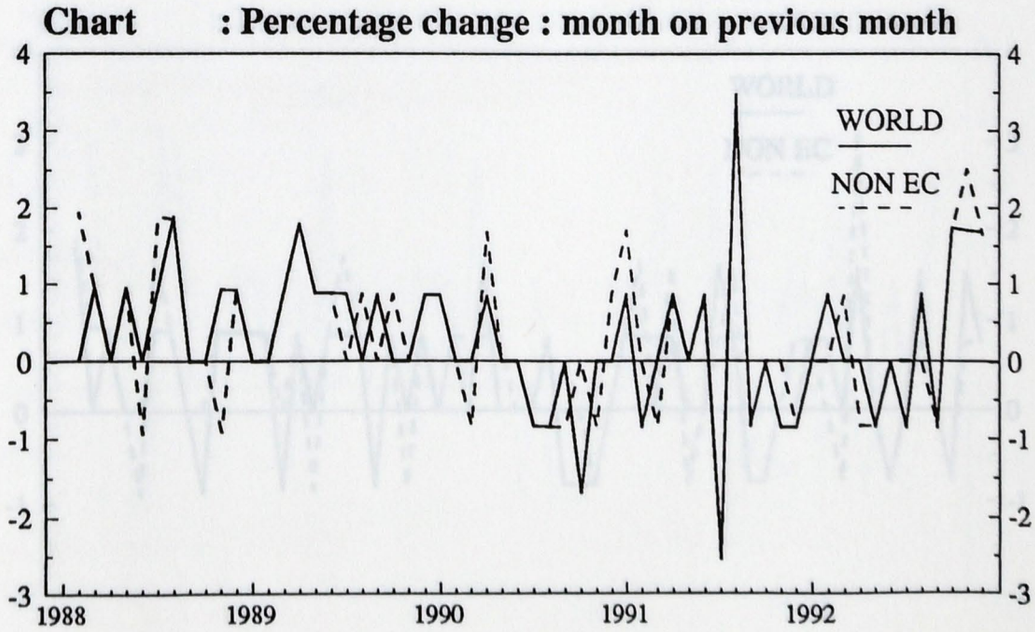
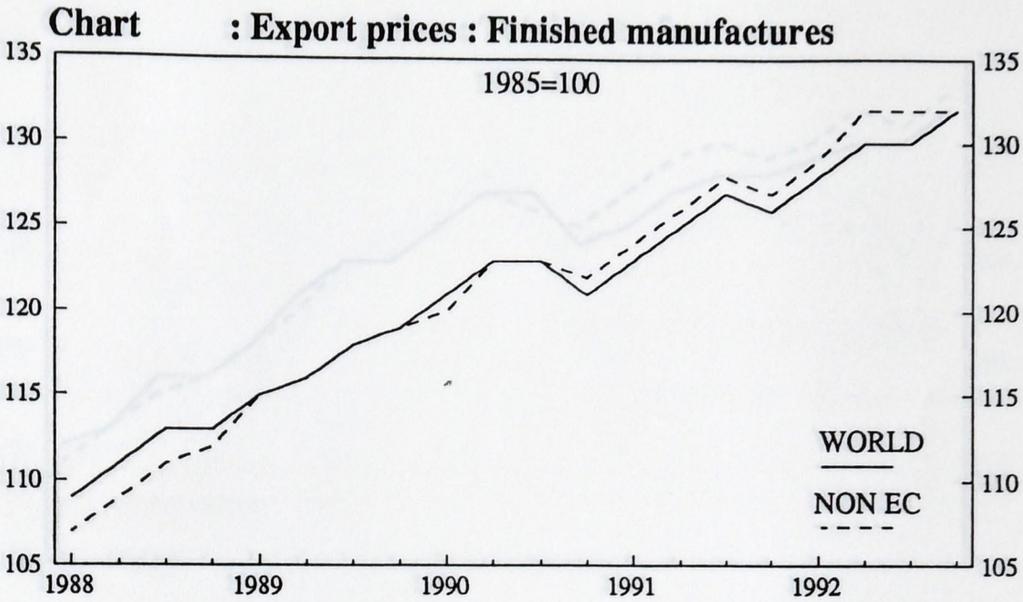
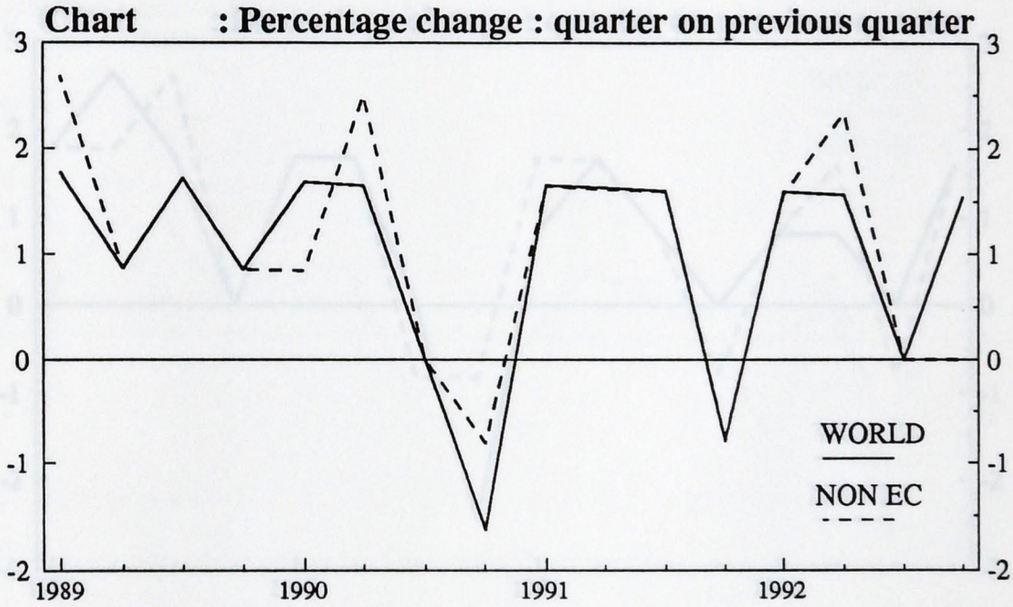


Chart (D5) Export prices: Finished manufactures





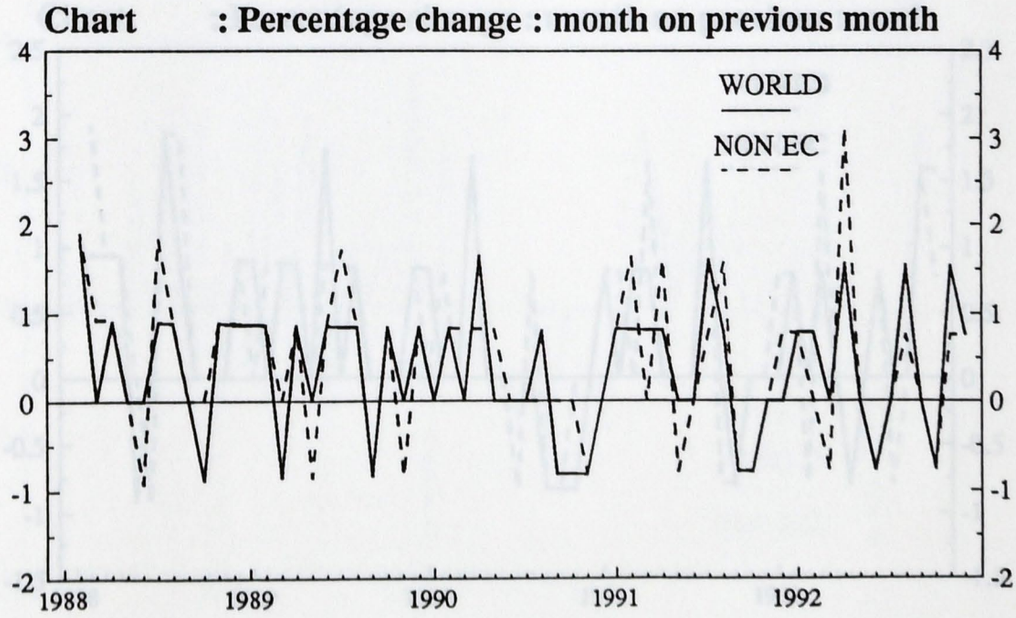
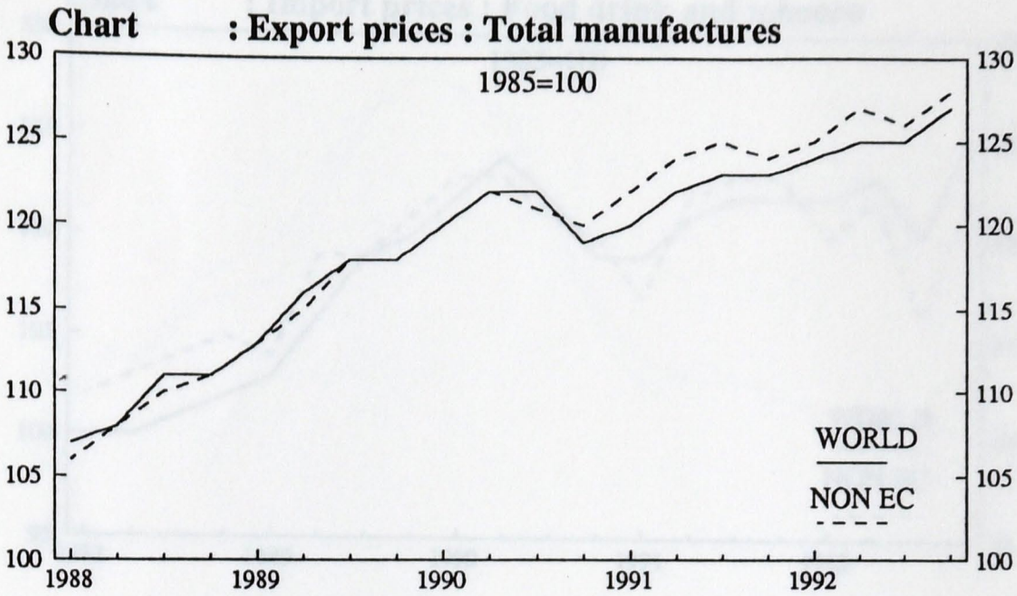
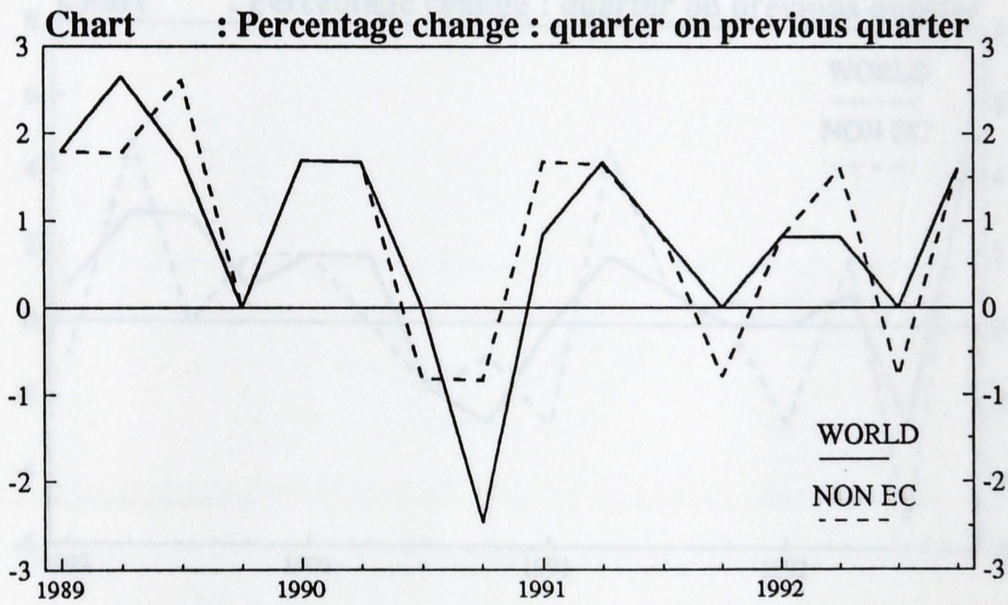


Chart (D6) Export prices: Total manufactures





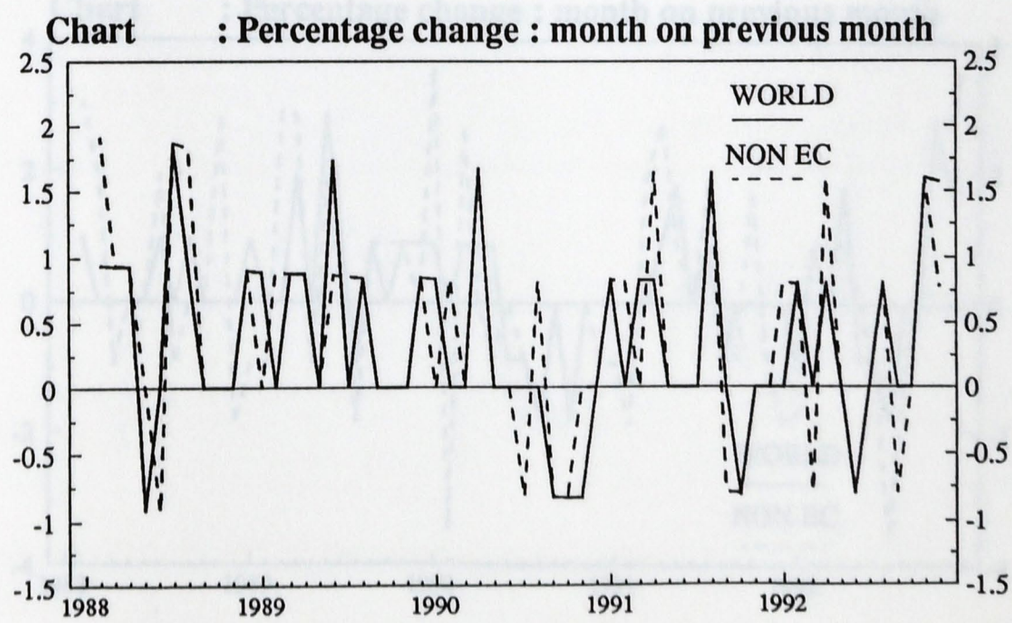
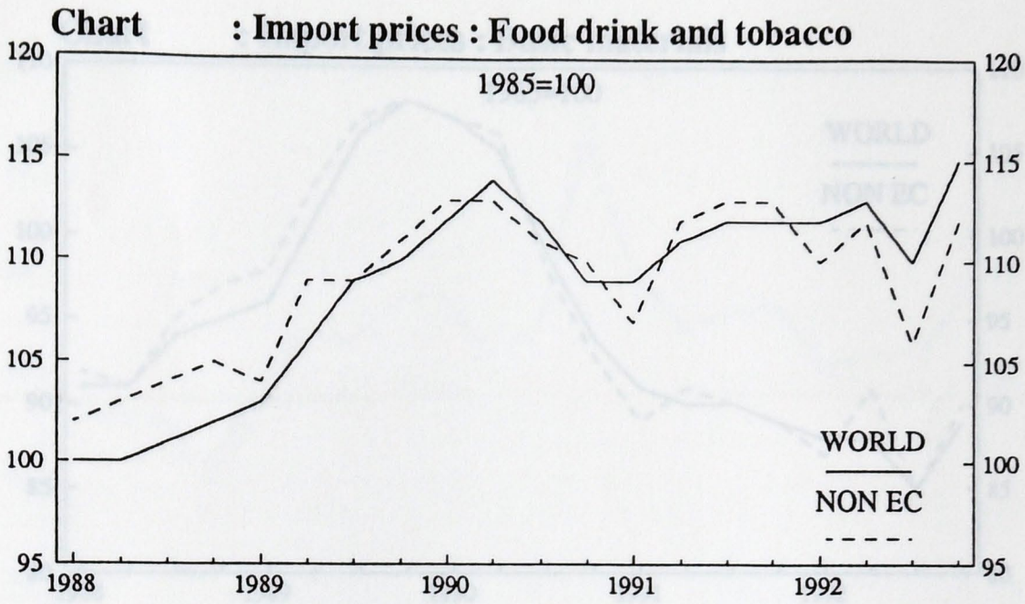
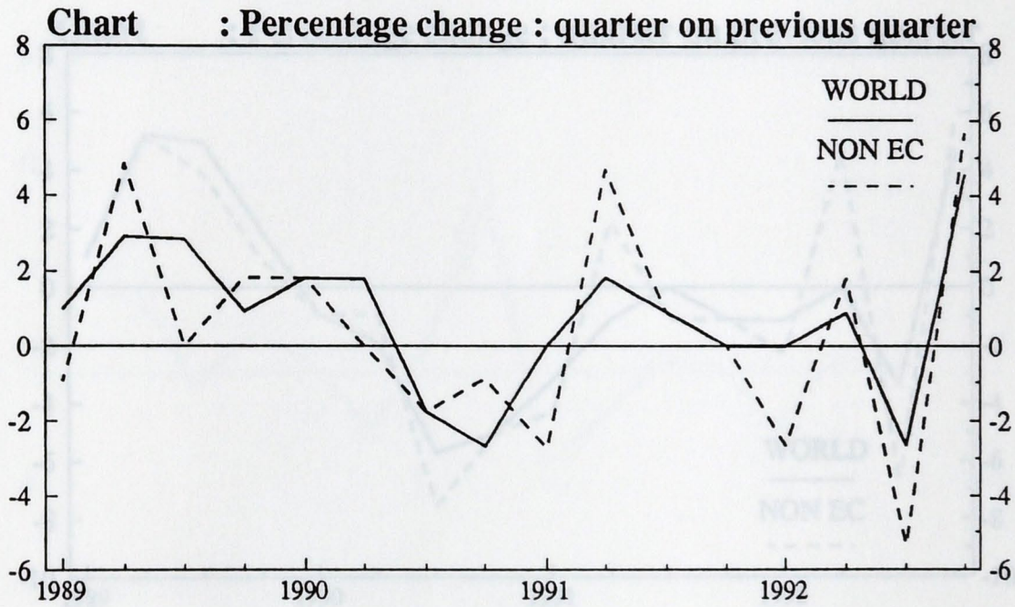


Chart (E1) Import prices: Food, drink & tobacco



This set of tables show prices of imports from non-EC countries track total import prices for each major commodity very closely.



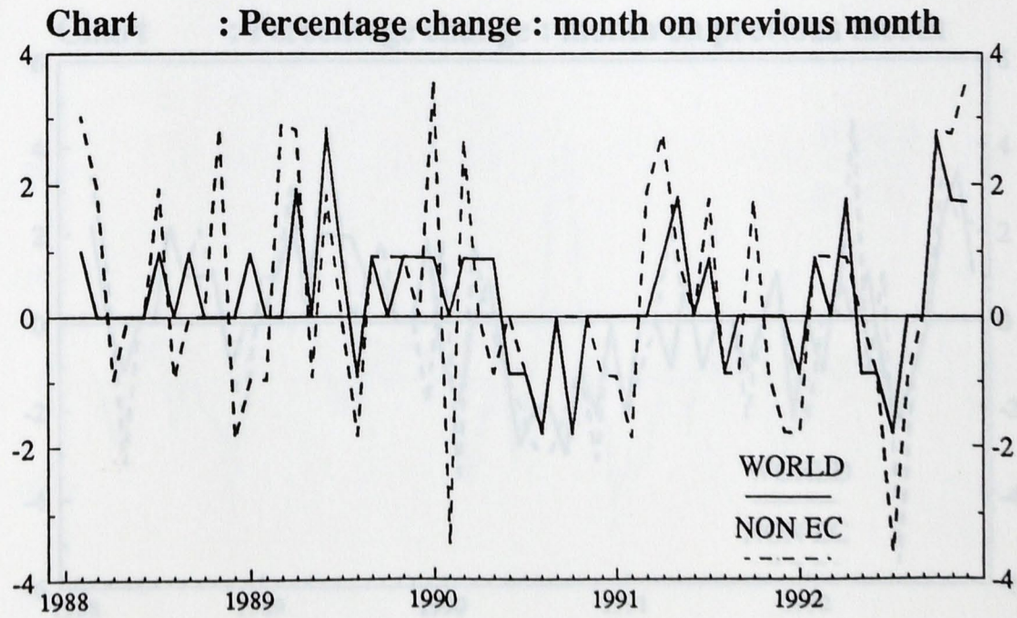


Chart (E2) Import prices: Basics

Chart : Import prices : Basic materials

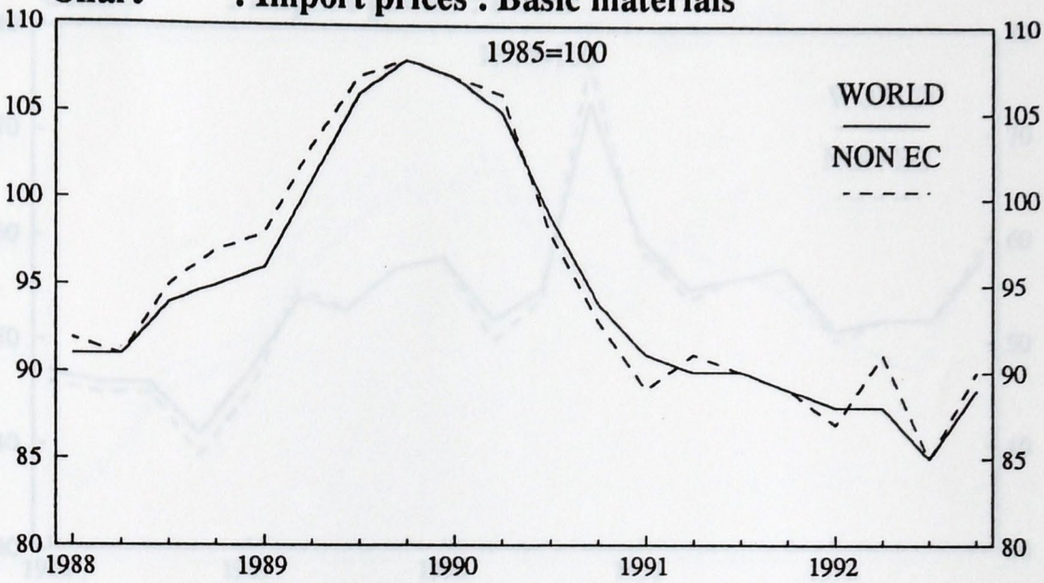


Chart : Percentage change : quarter on previous quarter

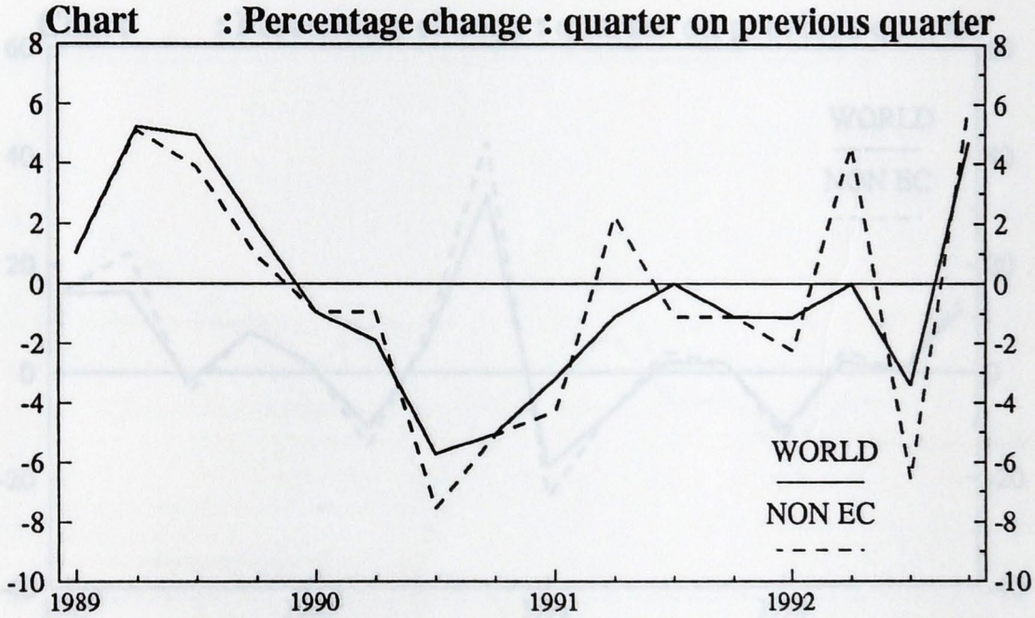


Chart : Percentage change : month on previous month

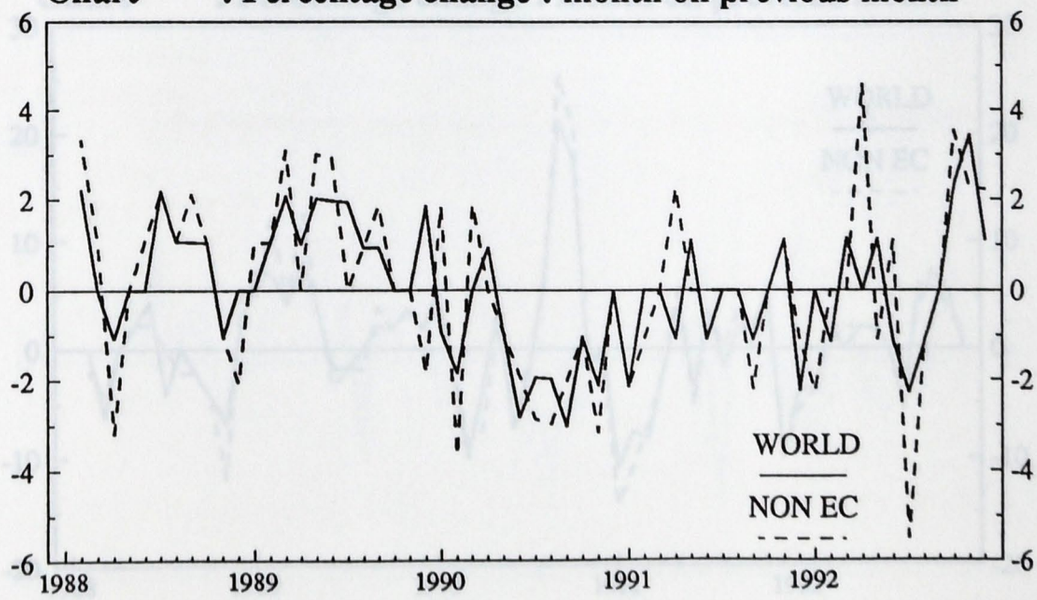


Chart (E3) Import prices: Fuels

Chart : Import prices : Fuels

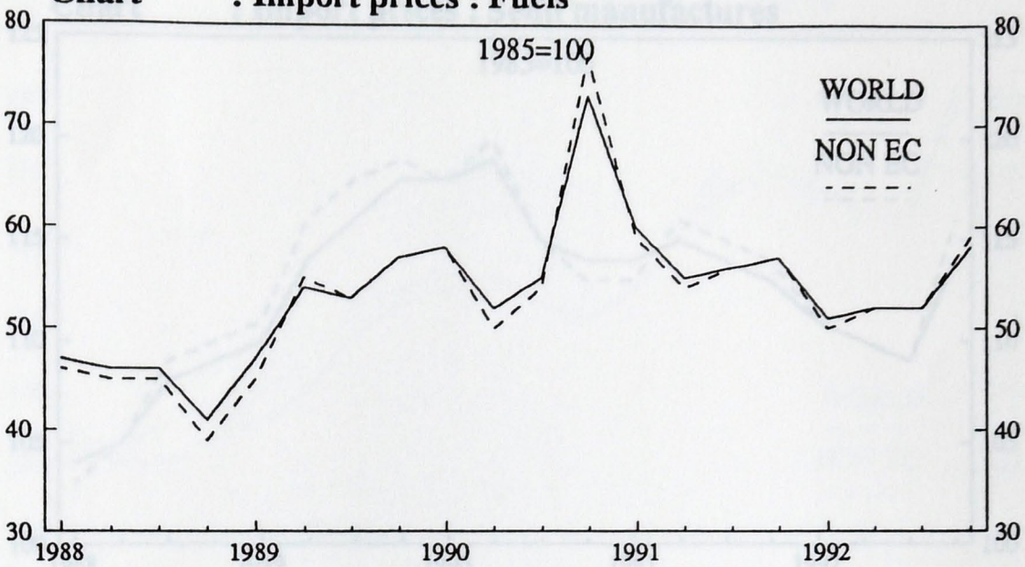


Chart : Percentage change : quarter on previous quarter

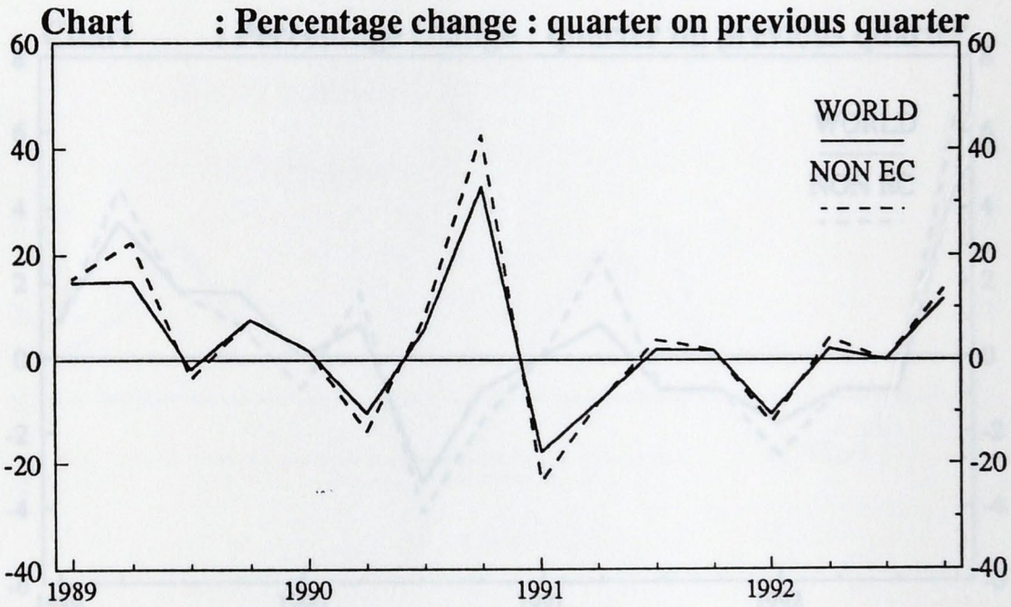


Chart : Percentage change : month on previous month

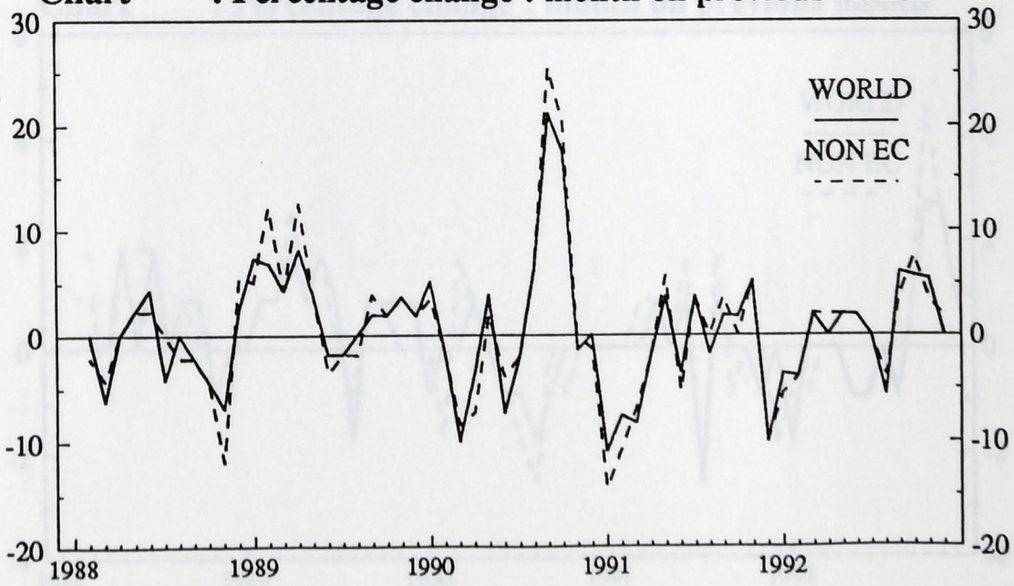
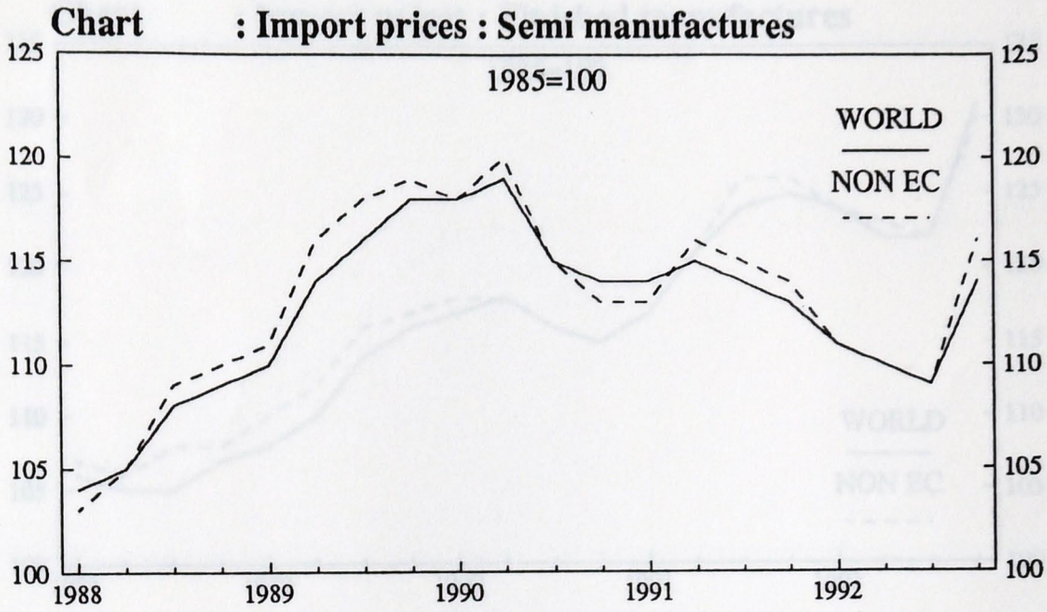
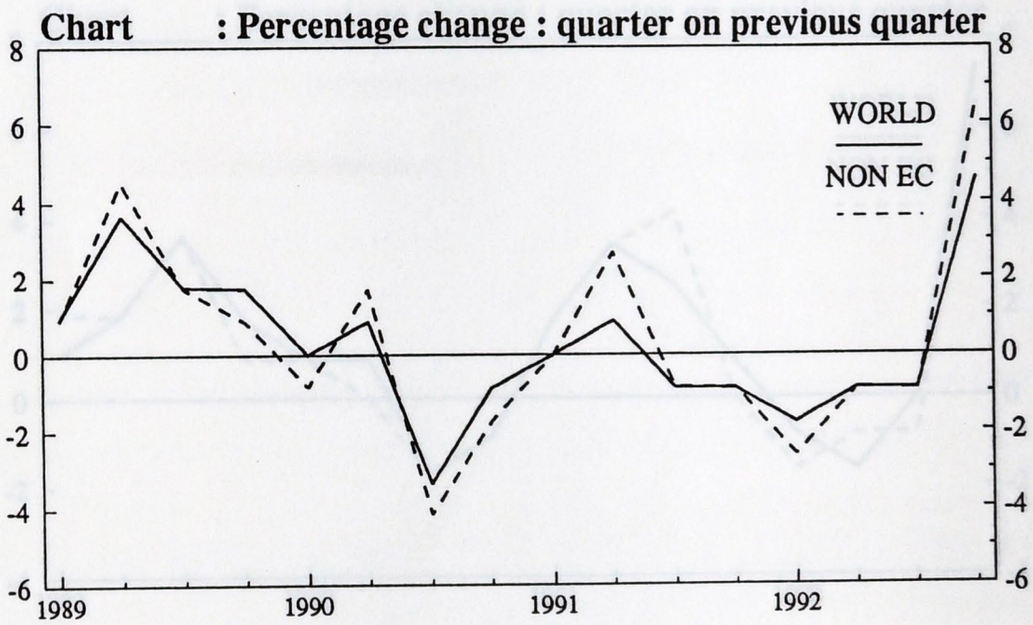


Chart (E4) Import prices: Semi finished manufactures





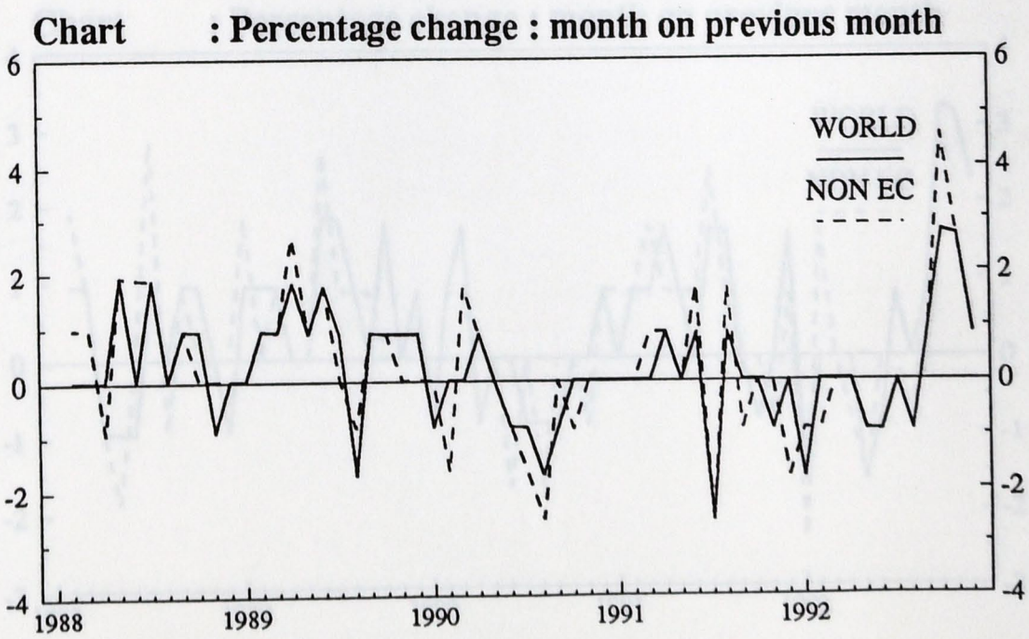
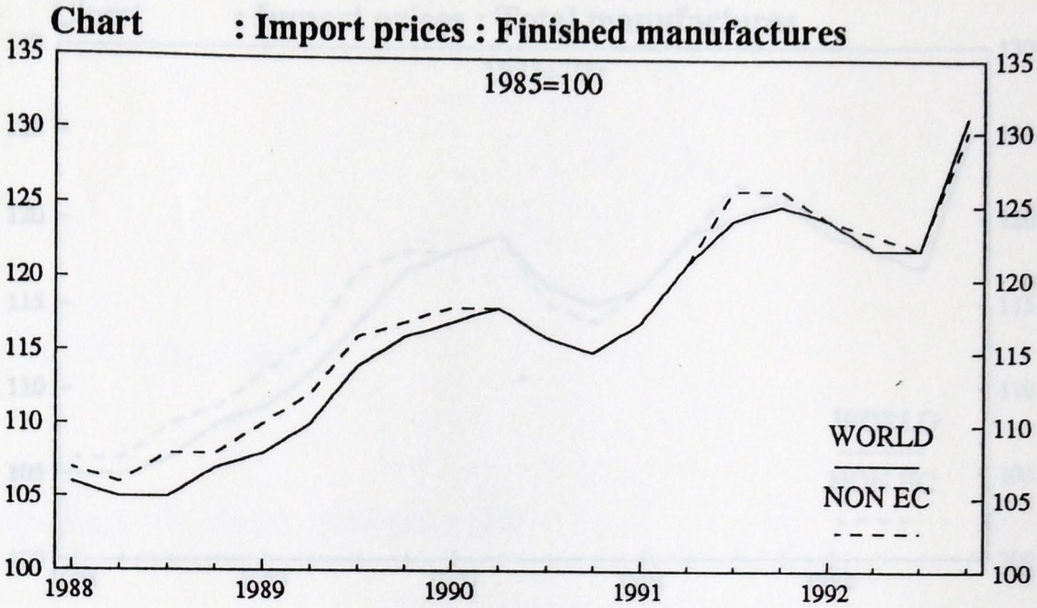
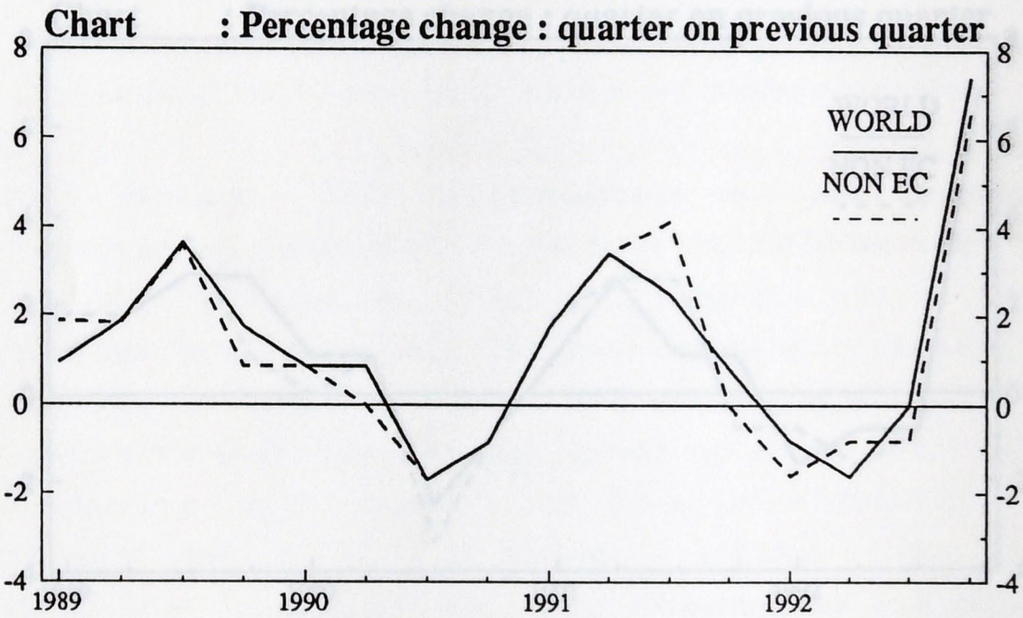


Chart (E5) Import prices: Finished manufactures





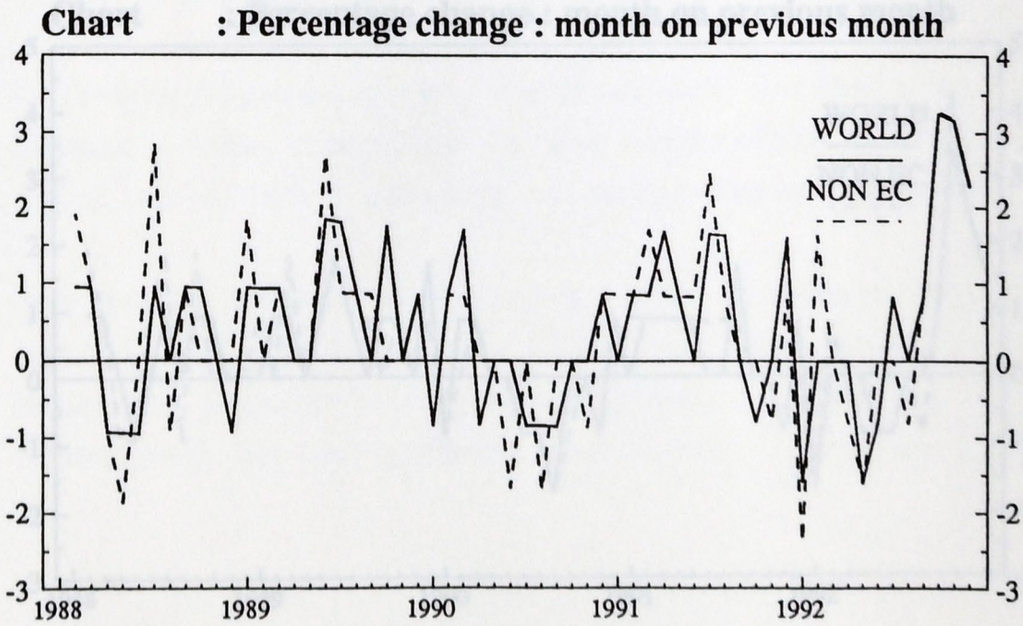
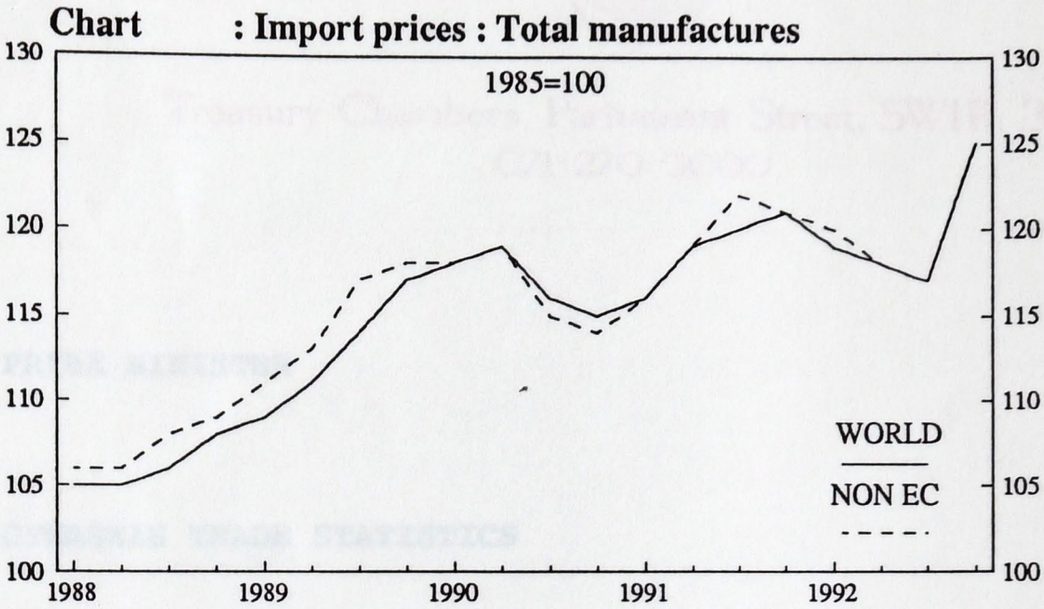
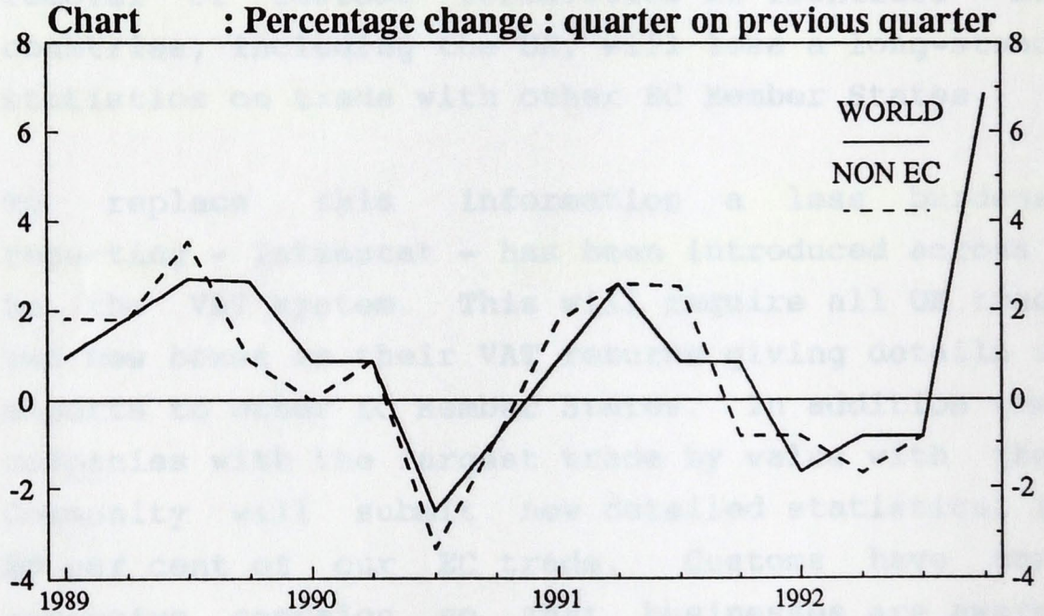
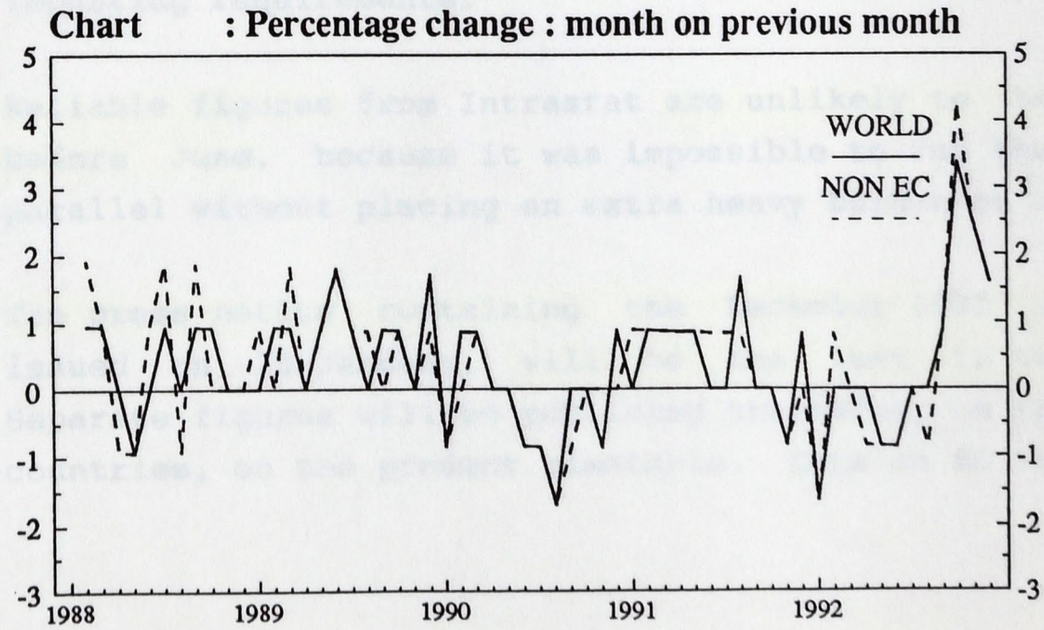


Chart (E6) Import prices: Total manufactures



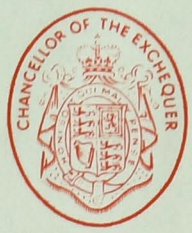




chex.jp/jd/34

Faxed to India 25. Mary to see in India

CC DN



Treasury Chambers, Parliament Street, SW1P 3AG
071-270 3000

PRIME MINISTER

OVERSEAS TRADE STATISTICS

As you know, the establishment of the Single Market - with the removal of Customs formalities at frontiers - means that all EC countries, including the UK, will lose a long-standing source of statistics on trade with other EC Member States.

To replace this information a less burdensome system of reporting - Intrastat - has been introduced across the EC, linked to the VAT system. This will require all UK traders to complete two new boxes on their VAT returns giving details of imports and exports to other EC Member States. In addition the 24 per cent of companies with the largest trade by value with the rest of the Community will submit new detailed statistical returns covering 97½ ~~96~~ per cent of our EC trade. Customs have conducted a very extensive campaign so that businesses are aware of the changed reporting requirements.

Reliable figures from Intrastat are unlikely to become available before June, because it was impossible to run the two systems in parallel without placing an extra heavy burden on business.

The press notice containing the December 1992 figures, to be issued on 28 January, will be the last in the present form. Separate figures will be published thereafter on trade with non-EC countries, on the present timetable. Data on EC trade will always

be slightly later. There will be no current account data to give the full information on trade flows for six months.

The interruption to the flow of trade figures comes at an unwelcome time - when there will be particular interest in our exports and imports. The CSO and Customs have for some time been ensuring that commentators know that there will be an interruption, and it is widely recognised that all EC countries will be similarly affected. Nevertheless, there is bound to be some adverse press comment.

I am copying this minute to the President of the Board of Trade.

[N.L.]

25 January 1993

file
fcw

10 DOWNING STREET

LONDON SW1A 2AA

From the Private Secretary

25 February 1992

Dear Owen,

GAP IN THE TRADE FIGURES IN 1993

Thank you for your letter about the forthcoming gap in intra-EC trade figures in 1993.

I submitted your letter to the Prime Minister overnight. The Prime Minister has noted the contents without comment.

I am copying this letter to Murdo Maclean (Chief Whip's Office) and to Martin Stanley (Department of Trade and Industry).

Yours ever,

Barry

BARRY H POTTER

Owen Barder Esq
HM Treasury

chex.jp/ob1/59

cc PU

Prime Minister
Content?
BHP
24/2

Treasury Chambers, Parliament Street, SW1P 3AG
071-270 3000

24th February 1992

Barry Potter Esq
Private Secretary to the
Prime Minister
10 Downing Street
LONDON
SW1A 2AA

Dear Barry,

GAP IN THE TRADE FIGURES IN 1993

The Chancellor has asked me to bring to your attention the fact that the system for collecting statistics on overseas trade between EC Member States is being substantially redesigned with effect from the beginning of 1993. This change has been necessitated by the move to the Single European Market. The new arrangements, INTRASTAT, will be based on the VAT system and will replace Customs' border documentation.

The details of INTRASTAT are still being negotiated but the broad structure is now established. In particular, it is already clear that there will be a gap of about 6 months in the publication of monthly statistics of trade between the United Kingdom and the rest of the Community at the beginning of 1993. All other Member States will be facing similar transitional difficulties. They are the inevitable result of the link with the VAT system and the need to ensure that the figures are of adequate quality before resuming publication.

Statistics of trade with countries outside the Community will continue to be published without interruption, on a similar timetable to the present one (ie 3 to 4 weeks after the end of the month which they relate). Publication of intra-Community figures is expected to resume from mid-1993 but the results will take

longer to process and, initially at least, appear in a separate press notice.

The Chancellor is satisfied that there is no way of avoiding the gap and believes it important to make an early announcement. This should help to counter accusations that the figures are being deliberately manipulated or withheld, and help to ensure that reports in the press are accurate. Though the need for the gap has not yet been picked up by correspondents some information about it is already in the public domain and we can expect questions about it at any time. The Commission itself is unlikely to make an early statement.

A suitable opportunity to make an announcement arises on 27 February with the publication of the figures for January 1992. The Chancellor has therefore agreed that the CSO should put out the attached operational note alongside the regular press notice.

I am sending a copy of this letter to Murdo Maclean and Martin Stanley.

Yours,

Owen

OWEN BARDER
Assistant Private Secretary

DRAFT NOTE TO ACCOMPANY PRESS NOTICE ON THE JANUARY TRADE FIGURES

OPERATIONAL NOTE
27 February 1992

UNITED KINGDOM BALANCE OF PAYMENTS

GAP IN 1993 IN THE PUBLICATION OF THE MONTHLY CURRENT ACCOUNT PRESS NOTICE

The introduction of a new system (known as INTRASTAT) to measure visible trade between Member States of the European Community has important implications for the publication of trade statistics in 1993. This will follow the completion of the Single Market at the end of 1992 when most Customs controls at the Community's internal frontiers will be dismantled. At the same time Customs documentation, the current source of trade statistics, will be abolished for movements of goods within the Community.

The last regular monthly press notice in the present form will be issued in January 1993 in respect of trade in December 1992, and there will then be a transitional period before the new system, based on VAT returns, becomes fully established. Other Member States of the Community will be facing similar delays. Figures for intra-Community trade for the early months of 1993 are unlikely to be published before the middle of 1993 but estimates of trade with countries outside the Community will continue to be published 3 to 4 weeks after the end of each month.

Publication dates in 1993 will depend on the speed and accuracy with which traders supply data. The link with the VAT returns, most of which will continue to be quarterly, makes a delay of a few months unavoidable at the start of the new system, but also provides an assurance that the statistics will continue to be of good quality in future.

Discussions with the European Commission and other Member States on the details of INTRASTAT are continuing. More information on the timing and format of publication of future press notices will be announced as soon as it is known.

NOTES TO EDITORS

1. At present all Member States of the European Community, including the United Kingdom, compile their visible trade statistics in accordance with European Council Regulation 1736/75. On completion of the Single Market the provisions of this will be replaced by the provisions of Regulation 3330/91 on trade between Member States.

2. The new INTRASTAT system links the generation of intra-Community trade statistics with the control of VAT collection on goods traded between Member States. As from January 1992 businesses have to complete two additional boxes on their VAT returns, one giving the total value of supplies (exports) to other Member States and the other giving the total value of acquisitions (imports) from other Member States. (Very small businesses, not registered for VAT, will be excluded from any data collection).

3. Traders below a trade threshold (yet to be decided) will not be asked to complete any forms other than the VAT returns. However, as from 1 January 1993 when the current system comes to an end, businesses above the threshold will be required to provide detailed monthly information on their trade with the Community.

4. There will be no overlap between abandonment of the present system and introduction of the new one. This will avoid businesses' having to report data to two systems simultaneously.

5. Further information about the new system has been published from time to time in the series of CSO Statistical Bulletins entitled *Statistical Changes in 1992*, the most recent of which was issued on 21 August 1991.

Issued by:
Central Statistical Office
Government Offices
Great George Street
London SW1P 3AQ

Telephones:
Press calls on visible and invisible trade 071-270-6357/6512
Press calls on Balance of Payments and the economy 071-270-5238
Public inquiries on visibles 071-270-6263/6197/5962/6244
Public inquiries on invisibles 071-270-6363/6364

SECRET

1 file SW

PRIME MINISTER

TRADE FIGURES: FEBRUARY 1991

I attach the exports figures for February. They are holding up well. In value terms, exports increased by half per cent between January and February; however, excluding oil and erratics, there was a half per cent reduction.

The CSO conclusion is that the underlying volume of non oil exports has been (just) falling gently in recent months.

I also pressed the Treasury for their preliminary indication on imports in February. At this stage the numbers are a very early "guess" indeed - you may recall that it rose by £300m between the initial indication and the final figure last month.

Subject to that health warning, imports are estimated at £9.0b. With exports at £8.4b, that indicates a visible trade deficit of only £60om for February.

Moreover, following the large revisions to the invisible surplus for 1990 Q3 and Q4, the CSO has adopted an assumption of a £0.5b surplus per month for 1991 Q1.

Accordingly the figures suggest more or less a broad balance in the February balance of trade figure (allowing for rounding).

This is a remarkable improvement. But of course the numbers may change before the final figures are published on Monday 25 March.

(BARRY H. POTTER)

14 March 1991

a:trade (srw)

SECRET

OPERATIONAL NOTE

22 June 1990

RELEASE DATES FOR THE MONTHLY OVERSEAS TRADE FIGURES

The intended dates for the release of the monthly United Kingdom overseas trade figures and of the more detailed "Overseas Trade Statistics" published by HMSO as Business Monitor MM20 are shown below.

Month to which figures refer	Press Notice containing provisional monthly overseas trade figures issued at 11.30 am	Detailed "Overseas Trade Statistics" in book form as Business Monitor MM20
July 1990	Wednesday 22 August	Tuesday 11 September
August	Monday 24 September	Thursday 11 October
September	Monday 22 October	Thursday 8 November
October	Thursday 22 November	Tuesday 11 December
November	Friday 21 December	Tuesday 15 Jan 1991
December	Wednesday 23 January '91	Monday 11 February

Issued by:

Central Statistical Office,
Government Offices,
Great George Street, London SW1P 3AQ.

Telephone:

Press calls on visible and invisible trade: 071-270 6357/6512
Press calls on balance of payments and the economy: 071-270 5238
Public inquiries on visibles: 071-270 6263/6197/5962/6244
Public inquiries on invisibles: 071-270 6363/6364

FROM: D I SPARKES
DATE: 25 April 1989

MS TURK (EA2)

cc PS/Chief Secretary
PS/Economic Secretary
Sir P Middleton
Sir T Burns
Mr Wicks
Mr Scholar
Mr Sedgwick
Mr Peretz
Mr Gieve
Miss O'Mara
Mr O'Donnell
Mr Pickford
Mr Bush
Mr Curwen
Mr Gray No.10

will PR?

MARCH TRADE FIGURES

The Chancellor was grateful for your minute of 24 April covering the trade figures to be published tomorrow. He would like the line to take regarding the threatened dock strike amended to read as follows:

> Effect of threatened dock strike on trade? Cannot have had any effect on March figures as abolition of dock labour scheme only announced on 7 April. There could be an adverse effect on April figures because of forestalling as importers attempt to build up stocks ahead of threatened strike. Same will be true for exports but to a lesser extent because exports are smaller than imports and some exporting industries will be unable to produce more because of capacity constraints.

DIS

DUNCAN SPARKES

cc P.U.

nbpm

dti

The Hon. Alan Clark MP
Minister for Trade

A C S Allan Esq
Principal Private Secretary to
The Chancellor of the Exchequer
Treasury Chambers
Parliament Street
SW1P 3AG

Department of Trade and Industry

1-19 Victoria Street
London SW1H 0ET

Switchboard
01-215 7877

Telex 8811074/5 DTHQ G
Fax 01-222 2629

Direct line 01-215 5144
Our ref WO4AWW
Your ref
Date 22 December 1988

Dear Alex

OVERSEAS TRADE FIGURES FOR NOVEMBER 1988

Thank you for your letter of 21 December.

As I think you must know by now, the situation remains as described in the last paragraph of Peter Stibbard's minute of 20 December. We did not take these amendments relating to diamond imports into tomorrow's press notice for two reasons:-

- the full extent of the error is not known and understood. Although we received news late yesterday afternoon that some missing documents for recent weeks had been found and analysed, it is still not clear to us that the full implications of the error have been resolved. Also, we do not have enough information to give an appropriate explanation of the revisions to the press and City analysts.

- taking in the amendments at the last minute, after the usual processing and validating computer runs, would have introduced a strong risk of error and left time for checking. A large number of press notice tables, including those presenting derived statistics, would have been affected. The risk this month would have been all the greater because of the accelerated timetable.

dti

the department for Enterprise

A C S Allen Esq December 1988

Subject to a full report from Customs on the extent of the error, how it occurred and implications for future procedures, we will have an opportunity to incorporate these amendments when the December figures are published. The seasonally adjusted figures will in any case be changed then because, at the Treasury's request, we are for the first time aligning the seasonally adjusted figures with the unadjusted yearly totals in advance of the results of the annual seasonal factor update, which will be incorporated as usual in a press notice issuing the January figures.

I am copying this to those receiving your letter.

Yours Sincerely
Glyn Williams

GLYN WILLIAMS
Private Secretary

TRADE: Release Date for Trade Figures
May '87.

chex.ps/aa/74 PERSONAL AND SECRET

Seen by PAR

Treasury Chambers, Parliament Street, SW1P 3AG
01-270 3000

21 December 1988

Glyn Williams Esq
PS/Minister for Trade
Department of Trade and Industry
1-19 Victoria Street
LONDON
SW1H 0ET

Dear Glyn

OVERSEAS TRADE FIGURES FOR NOVEMBER 1988

As I told you on the phone, the Chancellor has seen the minute from Mr Stibbard to the Minister for Trade which records that Customs have identified an error in the recording of diamonds imports, which will affect both the November figures and the previous month's. I understand that the import figures for November in Mr Stibbard's note probably overstate the value of imports by over £100 million.

The Chancellor feels that an adjustment for this error should most certainly be made when this month's figures are published on Friday, without delaying publication. He feels there can be no justification for publishing figures we know to be wrong.

I am copying this letter to Paul Gray (10 Downing Street), Neil Thornton (DTI) and to Brian Unwin (C&E), Jack Hibbert (CSO) and Peter Stibbard (DTI).

Yours
Alex

A C S ALLAN
Principal Private Secretary

ph83

SECRET AND PERSONAL

RAG

RA

Treasury Chambers, Parliament Street, SW1P 3AG
01-270 3000

29 February 1988

Stephen Ratcliffe
PS/Secretary of State for Trade & Industry
1 Victoria Street
LONDON SW1H OET

Dear Stephen,

JANUARY TRADE FIGURES

Thank you for your letter of 26 February (not 26 September as marked!); you will also have seen Brian Unwin's letter. (will request if required.)

In the light of these comments, the Chancellor has revised his proposed line as follows:

> "The monthly trade figures are always erattic. Even so, the near-10 per cent drop in exports appears far larger than any normal fluctuation. It is inconsistent with other evidence, such as the recent CBI surveys which have shown export order books at historically high levels.
>
> There is no evidence at present that the trade figures were distorted by the introduction of the new Customs procedures, but the possibility of such distortions provides one obvious reason for treating the figures with even greater caution than usual. Given their inherent variability, it may be some months before we can tell whether the figures were distorted by the new procedures or by any other factors."

As you will see, this takes on board all the comments, except for your second one, where the Chancellor feels that "far" is qualified by "normal".

I should be grateful if you and the others to whom I am copying this letter could arrange for this form of words to be passed urgently to your Press Offices. I am copying this leter to Paul Gray (10 Downing Street), and to Jack Hibbert (CSO) and Brian Unwin (C&E).

Yours
Alex

A C S ALLAN

Board Room
H M Customs and Excise
New King's Beam House
22 Upper Ground
London SE1 9PJ
Telephone: 01-382 5001

J B Unwin CB
Chairman

SECRET AND PERSONAL

A C S Allan Esq
PS/Chancellor of the Exchequer
HM Treasury
Parliament Street
London SW1P 3AG

26 February 1988

Dear Alex.

JANUARY TRADE FIGURES

Thank you for copying to me your letter of today's date with the Chancellor's suggested briefing line on the January trade figures.

2. As I have explained separately in correspondence with Peter Middleton, our very thorough analysis of the January returns, together with a number of credibility checks, does not reveal any evidence that the 1 January Customs changes have distorted the figures. I do not rule out the possibility that when we have several further months of data it may be possible to detect some distortion retrospectively, but there is no evidence for it now and the hypothesis remains unproven.

3. I suggest, therefore, that the word "firm" in the first line of the second paragraph should be removed. There is no evidence, firm or otherwise. I should not object, however, to inserting "at present" after "evidence", if you wished to do so. (It might also strengthen the sentence by revising the end to read " .... with even greater caution than usual".

4. I am copying this letter to Paul Gray (No 10), Stephen Ratcliffe (DTI), and to Jack Hibbert (CSO).

Yours ever
John Unwin

J B UNWIN

mjd 1/87A

SECRET AND PERSONAL

ARCG

RA

Treasury Chambers, Parliament Street, SW1P 3AG
01-270 3000

26 February 1988

Stephen Ratcliffe Esq
PS/Secretay of State for
Trade and Industry
1 Victoria Street
London SW1

Incorporate DTI and Customs comments.
ARCG.

Dear Stephen

JANUARY TRADE FIGURES

The Chancellor feels that it is very important that there is an agreed common line on the January trade figures and the possible distortions, for use in press briefing.

He proposes that the line should be:

"The monthly trade figures are ~~notoriously~~ known to be erratic. Even so, the near-10 per cent drop in exports appears ~~far~~ larger than any normal fluctuation. It is inconsistent with other evidence, such as the recent CBI surveys which have shown export order books at historically high levels.

There is no ~~firm~~ evidence at present that the trade figures were distorted by the introduction of the new Customs proceedures, but that provides one obvious reason for treating the figures with particular caution. It may be some months before we can tell whether the figures were distorted by the new Customs proceedures. ~~or possibly by problems with seasonal adjustment.~~"

Gives this inherent variability

I should be grateful for urgent comments on this line. I am copying this letter to Paul Gray (No.10 Downing Street), and to Jack Hibbert (CSO) and Brian Unwin (Customs and Excise).

Yours
Alex

A C S ALLAN
Principal Private
Secretary

010

copy no. 2 of 5

dti

the department for Enterprise

SECRET AND PERSONAL

The Rt. Hon. Lord Young of Graffham
Secretary of State for Trade and Industry

A C S Allan Esq
Principal Private Secretary
Chancellor of the Exchequer
Treasury Chambers
Parliament Street
LONDON
SW1P 3AG

Department of
Trade and Industry

1-19 Victoria Street
London SW1H 0ET

Switchboard
01-215 7877

Telex 8811074/5 DTHQ G
Fax 01-222 2629

Direct line 215 5422
Our ref PS5AHX
Your ref
Date 26 September 1988

Dear Alex,

JANUARY TRADE FIGURES

Thank you for your letter of today's date. We agree that it is important to have a common line on the interpretation of the January figures and we have the following comments on your proposals.

Paragraph 1, first sentence

Replace "notoriously" by "known to be" ("notoriously" has derogatory overtones).

Paragraph 1, second sentence

Delete "far". There have been some month to month movements that have approached 10 per cent - although usually specific reasons have been identified, if only with hindsight.

the Enterprise initiative

dti

the department for Enterprise

Paragraph 2, first sentence, third line

This needs to be redrafted to clarify whether "that" refers to "no firm evidence" or "the introduction of the new Customs procedures". Presumably the latter.

Paragraph 2, second sentence

Delete "or possibly by problems with seasonal adjustment" and begin the sentence with "Given their inherent variability, it..." There is no reason to suspect problems with seasonsal adjustment on this particular occasion more than any other.

I am copying this letter to recipients of yours.

Yours sincerely

Steve Ratcliffe

STEPHEN RATCLIFFE
Private Secretary

the Enterprise initiative

Econ Pol

DEPARTMENT OF TRADE AND INDUSTRY
1-19 VICTORIA STREET
LONDON SW1H 0ET

Telephone (Direct dialling) 01-215) 4872
GTN 215)
(Switchboard) 01-215 7877

Mr P N Sedgwick
HM Treasury (EA)
Parliament Street
London

18 November 1987

Prime Minister?
This warns that the visible trade statistics are likely to be worse in quality for the first few months of next year at least.
DRN

Dear Peter

QUALITY OF VISIBLE TRADE STATISTICS IN 1988

I attach an information copy of a submission sent last week to the Minister for Trade on the above subject. 18/11

Responding to Paragraph 2 of the submission, he agreed that it could be circulated outside the Department and accordingly I am also sending this to David Norgrove (No. 10), Peter Bull (Bank of England), Jack Wells (CSO), Charles Capstick (MAFF) and Eric Thompson (Department of Transport). Copies also go to Philip Nash and Mitch Pratt (Customs and Excise).

The Minister has agreed that the British Business article at Annex A should appear on 27 November and to associated publicity.

Yours sincerely

Peter Stibbard

P J STIBBARD

7615

To Minister for Trade

cc As attached

From Peter Stibbard
US/S2
V/260 Ext. 4872

11 November 1987

QUALITY OF VISIBLE TRADE STATISTICS IN 1988

Issue

1 This submission alerts Ministers to new Customs procedures to be introduced on 1 January 1988, which very probably will lower the quality of UK visible trade statistics for the first few months of 1988 and perhaps longer. The two main elements of the changes are the introduction of the Single Administrative Document (SAD) for Customs freight declaration and an entirely new customs tariff based on a new "Harmonised System" of commodity classification (HS). These changes are intended to bring long-term administrative and statistical benefits, but there will almost certainly be transitional problems during 1988, in spite of steps being taken - in Customs and Excise Statistical Office and in this Division - to minimise the worst effects.

2 The Chancellor of the Exchequer is now aware of these developments, initially in the context of PES bids by Customs and Excise (C&E) for additional staff to cope with the transitional problems. If you agree, I will copy this submission to Treasury officials so that they can use it in briefing Treasury Ministers regarding the effects of these changes on economic statistics. We would like to send copies to No. 10, the Bank of England and the Central Statistical Office for the same reason; also to MAFF and the Ministry of Transport, who are particularly heavy users of statistics derived from Customs documents. We will also send a courtesy copy to Customs and Excise. There are many users of detailed visible trade statistics within this Department and by copying this submission widely I am alerting the Divisions likely to be most concerned.

Recommendation

3 I suggest that we should give some advance publicity to the likely effect of these changes on the trade figures, by means of a British Business article and an associated press notice. This will supplement the extensive publicity arranged over the last two years or so by C&E among thousands of importers and exporters. A draft of the article for British Business

is attached at **Annex A.** The press notice will be prepared later; if Ministers would like to be given an opportunity to approve it, this of course can be arranged. Information Division have also proposed that there should be some Press Office briefing of economic correspondents and, if you agree, an arranged Parliamentary Question.

Timing

4 We have provisionally booked space for the article in the 27 November issue of British Business. To meet this timetable, it would be helpful to have a response by Wednesday 18 November. You may wish to be reminded that the next set of monthly trade figures ie for October 1987, will be issued on 24 November, three days before the British Business article is due to be published.

5 The first trade figures fully affected by these changes will be those for January 1988, which will be released in the usual DTI/CSO press notice towards the end of February. Additional information will be included in that and subsequent press notices, advising users on the quality of the figures. We will also provide as much help as we can to the Treasury, who will want the best available interpretation of latest trends in the run-up to the Budget.

6 However, it is possible that some effects could begin with the December 1987 figures, released in late January. This is because some traders may push as many as they can of the familiar old-style documents through the administrative system before 1 January; while others may exhaust their supplies of these documents during December and delay sending in documents until they are allowed to use the SAD from 1 January. C&E Statistical Office will monitor the situation and advise us, and we in turn will advise users of the derived statistics we process and publish.

Background

7 From 1 January next year a regulation of the Commission of the EC imposes on member states the obligation to replace present Customs freight declaration documents with the SAD. At the same time a new system for classifying goods based on the HS will become mandatory. The SAD is, of course, being introduced at the same time in all EC countries and the HS is expected to be adopted worldwide by most countries involved in international trade.

8 Both the new document and the new classification have been designed to meet a variety of needs such as transit, custom clearance, and statistics. In the long run they will reduce the administrative burden on traders and provide a more efficient system. This submission however deals with their probable effects on the statistics of overseas trade in the short-term.

9 The first half of the draft article at **Annex A** provides more background.

Argument

10 Considerable expense and effort has been devoted by C&E to the education of traders in the completion of the SAD and also, within Customs, to training and changing computer systems and administrative procedures. However, it is unlikely that so radical a change involving so many people can be accomplished without difficulty. The production of the trade statistics will be affected adversely to some degree. To minimise the effects S2 Division has :-

(a) ensured that operational decisions made by C&E give priority to the provision of data necessary for macro-economic purposes and publishing the monthly press notice on the current account of the balance of payments.

(b) obtained in the ARM 4 round a small increase in staff in S2 to cope with problems such as maintaining continuity in the major series and restructuring the unit value and volume indices.

11 On the basis of the information provided by C&E, we have no reason to suppose that the monthly press notice for January and subsequently will not be published on time and to an acceptable degree of reliability. Indeed we will be very reluctant to accept anything less and will do so only after every possibility has been exhausted and Ministerial agreement obtained.

12 The Chancellor of the Exchequer is concerned at the possibility of the trade figures being of lower quality from December onwards. He has raised the question of postponing the change to SAD until later in the year. Apart from legal difficulties C&E take the view that postponement would be impossible on operational grounds. I understand the Chancellor is now being advised by his officials that his Budget decisions are unlikely to be materially affected by these changes and that there is no need for him to intervene. However, Sir Peter Middleton may write to C&E to emphasise the need to protect the quality of the trade statistics needed for the Budget judgement and Budget Red Book. This will be a useful supplement to our own efforts in this direction over the past year or so.

13 Thus our main efforts have been directed towards protecting the quality of macro-economic figures ie the totals of exports and imports and the main components such as manufactures etc. As far as the finer detail is concerned, there are likely to be more intractable problems. The new classification system is more detailed than the previous one. Although 'correlations' are available to enable users to relate headings in the various classifications, the information to provide a perfectly continuous series for every commodity heading will not be available. To obtain the data would have required C&E to run two basic systems in

parallel. The burden on C&E and also on traders would have been unacceptable. However, we will be able to provide some assistance to users in DTI line divisions who may be having difficulty in obtaining the data they require.

14 As well as this difficulty (which inevitably occurs to some degree when one classification system is replaced by another), the fine detail statistics will be particularly affected in the short-term by difficulties traders and C&E staff will have when working with unfamiliar new documents. C&E have taken the view that it would not be practicable to attempt to maintain the present level of checking and quality control of the detailed data they receive during the first months of the new system. It is inevitable that there will be a considerable reduction in reliability at the lower levels of disaggregation. Thus steel products at a two digit level are likely to be classified correctly but at the nine digit level many errors may be made and allowed to pass through the processing system uncorrected. If C&E attempted to correct every error from the beginning, there would be no possibility of the trade figures appearing for some months and even then C&E could not cope with the volume of work. In time however the quality of the detail will improve as traders and C&E become accustomed to the new system and the present level of quality should be regained.

15 Further information on effect of the changes on visible trade statistics can be found on the last three pages of **Annex A.**

16 Summary

(a) Significant changes in Customs documentation and classification of trade will be introduced on 1st January 1988 which will have short-term effects on the quality of visible trade figures. We would like to publicize these in the British Business of 27 November and by other means (paragraph 3).

(b) From the information we have at present from C&E we are reasonably confident that the monthly press notice on trade statistics can be published according to the usual timetable next year and the macro-economic statistics it contains will have an acceptable level of reliability. If we run into serious difficulties then Ministers will be warned immediately (paragraphs 11 and 12).

(c) There will be problems in maintaining the continuity and reliability of detailed statistics of trade during 1988. (paragraphs 13 and 14).

P J STIBBARD

999-80

Circulation

Secretary of State
Chancellor of the Duchy of Lancaster
PUSS (CCA)
Sir Brian Hayes
Mr Dell
Mr Liesner
Mr C W Roberts
Mr Cammel MMT
Mr Cooke OT2
Mr Corley CTPS
Mr Durie SEE
Mr Harvey S1
Mr Hewes EDU
Mr Hilton CU
Mr Hunter OT3
Mr Hutton EPD
Miss Neville-Rolfe EIP
Mr Mogg MM
Mr Titchener OT4
Mr Whiting Ec2
Hd/IT
Mr Moorey Inf
Mr Loughead EIP
Mr Boyd S2A
Mrs Brueton S2A
Miss Whitting S2A
Mr Peacock Inf

BRITISH BUSINESS

Overseas Trade Statistics after 1 January 1988

Information note by HM Customs and Excise and the Department of Trade and Industry.

Introduction

New Customs procedures to be introduced on 1 January 1988 constitute the biggest single change in Customs arrangements since the UK joined the European Community (EC) in 1973. Virtually everyone involved in international trade will be affected by these changes and all users of overseas trade statistics will need to be aware of their effects, in terms of the increased level of detail available, the discontinuities across the change and, at least initially, in the consistency and quality of the information.

The introduction of a new worldwide Harmonised System of goods classification and the European Communities' integrated tariff will require all products which are imported or exported to be re-classified while the Single Administrative Document will replace most of the forms currently used for customs freight declarations within the EC.

At the same time the latest (third) revision of the United Nations' Standard International Trade Classification (SITC) is being introduced based to the maximum possible extent on a one to one correlation with the HS. This is the primary classification used in the "Overseas Trade Statistics of the United Kingdom" (OTS), although more detailed information will continue to be published, but using the new Commodity Code of the integrated tariff.

Changes in Customs Classifications and Procedures

A. New Classification System

Goods classification systems have been developed to meet a variety of different needs, e.g to determine freight charges, to collect Customs duties, to compile international trade statistics, and, within industry, to identify products.

At present the EC uses a Common Customs Tariff (CCT) to specify rates of Customs duty and a separate but related system (NIMEXE) to collect trade statistics. Both are based on an international goods classification system, the Customs Co-operation Council Nomenclature (CCCN).

In the early 70's the need to develop a single goods description system to satisfy all the requirements of international trade was recognised. The increasing use of computers meant that a common coding system was desirable. As a result customs and Statistical Administrations co-operated with international trade and transport bodies to develop a Harmonised Commodity Description and Coding System (HS) which was finally adopted on 14 June 1983.

The new HS structure is broadly the same as the CCCN but it is more detailed and up-to-date. It replaces the CCCN four digit code by six digits. It meets the objectives of an international goods coding system not only for Customs tariff (duty etc) purposes but also for freight and commercial uses.

The UK Tariff brings together the EC's HS based duty and statistical nomenclatures (called the Combined Nomenclature) within which further sub-divisions for national statistical purposes are also incorporated. However, many tariff related measures, such as preferences and tariff quotas, require a still finer level of detail and have been dealt with in separate annexes. The EC has now incorporated these measures in an integrated Tariff (known as TARIC) for implementation with the HS on 1 January 1988 and the UK Tariff will mirror this development. The particular advantage of TARIC are greater ease of reference to tariff information and increased scope for automated customs entry processing with the benefit of faster clearance of goods.

The most obvious effect of introducing the HS will be the expansion of the UK's Tariff Trade Code Numbers from eight to nine digits. To avoid confusion the new nine digit number will be called the Commodity Code. Incorporation of the additional tariff measures will add a further two digits, but their use will be confined to imports from non Community countries, and a few other special circumstances. Comprehensive overseas trade statistics will only be made available at the 9 digit Commodity Code level.

B. The Single Administrative Document (SAD)

All goods exported or imported into the UK must be declared to Customs. Similar requirements exist throughout the world including, of course, all other member states of the European Communities. The import and export forms vary in each member state, even though the information to be declared on them is similar. The need to simplify documentation, facilitate trade and prepare for the computerised communication of Customs data within and between commerce and Government has resulted in the development of the SAD which can be used as an export, import and transit declaration within the Community. In order to avoid unnecessary complexity, declarations for exports to and imports from non-Community countries will be made on the same form,

which will therefore replace most existing Customs declarations. In the UK alone the SAD will replace 27 existing forms.

A pre-condition for the introduction of the SAD throughout the EC has been the harmonisation not only of information to be declared to Customs, but also of the codes used for that purpose. The new commodity code has already been described but additional changes include: Currency Codes; Customs Procedure Codes (replacing the Customs Transaction Code identifying Customs and/or excise regimes); Type of Tax Code; Method of Payment Code; and Additional Information Codes (covering information such as licence and document identifiers).

Publicity, Education and Training

An extensive programme is being undertaken to assist traders and their agents with the changes. Some three and a half thousand managers have attended Seminars organised by the Freight Transport Association, Institute of Freight Forwarders and SITPRO. Further seminars are planned in the run up to 1 January. These three organisations are producing their own training packages for the changes which supplement official material.

HM Customs and Excise are publishing a series of information notes and public notices covering all aspects of the new classification and procedures. Of particular importance to traders was the publication of an Advance 1988 Tariff at the end of June. Although some of the information is provisional, at the Commodity Code level the Advance Tariff is essentially complete as regards nomenclature and codes. A set of correlation tables between the old and new codes has been published with the Advance Tariff. These have no legal status but will be helpful as a guide to reclassification. Volume 3 of the Advance Tariff includes HM Customs and Excise Notice 484 about the SAD. Separate copies of this Notice are available free on request from HM Customs and Excise.

Effect on the detailed Overseas Trade Statistics

Detailed statistics at the eight digit Tariff Trade Code Number level are published monthly in "Overseas Trade Statistics of the United Kingdom", which also includes a country analysis at the lowest 5 digit level of the SITC. It is intended to publish statistics at the nine digit Commodity Code level from January 1988, retaining the same analyses as at present.

There are approximately 11000 commodity Codes compared with 9000 Tariff Trade Code Numbers so the new publication will be significantly larger. More significantly users will be faced with a discontinuity in the detailed statistics between 1987 and 1988. It is

unfortunately not possible to provide statistics under both classifications for any period because of the burden this would impose on traders as data providers. In any case fragmentation of existing headings in the new classification would make interpretation at this level of detail very difficult.

The Guide to the Classification for Overseas Trade Statistics to be published for 1988 will contain an extra volume providing correlations including SITC (Rev 2) to SITC (Rev 3) and vice versa. By use of these correlation tables it will be possible for users to make the link between the 1988 statistics and earlier years, at least at the 2 digit level of the SITC.

More detailed breakdowns of statistics at the eight digit Tariff Trade Code Number level, by country of origin or destination and by port, have been made available to subscribers or individual purchasers through the Bill of Entry service. This is now provided through Marketing Agents who each receive a computer file containing the most detailed information that can be published without breaching confidentiality. From January 1988 this information will, of course, be supplied by Commodity Codes and Marketing Agents or their customers will face the same problem of discontinuity as users of the Overseas Trade Statistics publication.

Quality of Overseas Trade Statistics

Although there is a statutory requirement for accurate entries, and goods may be refused clearance if errors are detected at the ports, around 5 per cent are rejected by HM Customs & Excise Statistical Office's computer system because the information is invalid. Once these have been dealt with a further 5 per cent are queried because the information is not credible, (eg quantity and value are inconsistent or the country of origin shown does not export such goods). Further investigation and action is needed to ensure that the statistics meet the requirements of both official users and the general public. The data editing function, dealing with these errors, is a considerable, and expensive, aspect of the processing of overseas trade statistics by the Statistical Office.

Changes in classifications, which involve the introduction or deletion of Tariff Trade Code Numbers, have taken place annually and have always been marked by an increase in errors. It is therefore likely that, despite the publicity, education and training campaign, error rates will rise because of the simultaneous introduction of a complete new classification, a new form and new procedures. The data editing staff in the Statistical Office are being strengthened but will not be able to maintain the current level of editing if error rates are very high. Consequently some loss of quality of the very detailed statistics at the Commodity Code level may occur for a period until traders providing the raw data become familiar with the new system. To assist this

process recurring errors will be drawn to the attention of those responsible but it will take some time to produce a general improvement.

Some preparatory work is being undertaken to determine the effect of a reduction in the relative amount of data editing on the quality of the statistics at various levels of detail. Should such a reduction have to be applied an indication will be given of the reliability of the figures. If error rates are very high additional time for data editing may have to be provided by delaying publication dates. Such notice as is possible will be given of any delays in publication.

In normal circumstances one of the functions of the data editing staff is to investigate challenges about the detailed statistics, usually from trade associations or individual importers and exporters. This is of mutual benefit in improving the quality of the statistics. However, the need to concentrate resources on the main data editing process, and the probable loss of quality anyway, mean that only challenges involving large amounts of trade will be investigated in any depth during 1988, particularly in the first few months.

Longer term statistical benefits

The introduction of the Harmonised System, the European Integrated Tariff and the Single Administrative Document are fundamental changes to current import and export procedures. All firms involved with international trade should be preparing for the 1.1.88 changes. After any initial teething difficulties are resolved the standardisation of documents and information requirements for import and export purposes should produce major benefits for all United Kingdom importers and exporters. By the same token the accuracy on the Customs entries from which the Overseas Trade Statistics are compiled ought to improve.

As well as the European Commission and Member States of the EC, other major trading nations including the US and Canada will be adopting the Harmonised System of goods classification. Eventually it is intended to be used worldwide and will enable comparisons of international trade statistics to be made more easily.

CONFIDENTIAL

file

bc PC
BG

10 DOWNING STREET
LONDON SW1A 2AA

From the Private Secretary

18 May 1987

OVERSEAS TRADE FIGURES FOR APRIL 1987

The Prime Minister has seen Mr. Stibbard's minute to the Minister for Trade of 15 May and also the Chancellor's comment in his letter of the same date.

The Prime Minister very much agrees that the announced timetable should be maintained. There is otherwise a risk that, quite wrongly, the Government would be accused of manipulating the timetable during the Election campaign.

I am copying this letter to Alex Allan (HM Treasury).

(David Norgrove)

Timothy Walker, Esq.,
Department of Trade and Industry

CONFIDENTIAL

BM

ph/1

CSBG

Treasury Chambers, Parliament Street, SW1P 3AG
01-270 3000

15 May 1987

The Rt Hon Paul Channon MP
Secretary of State for Trade & Industry
1 Victoria Street
LONDON SW1H OET

N BPM

Dear Secretary of State,

TRADE FIGURES FOR APRIL

I understand that there has been some discussion between officials about delaying the publication of the April trade figures from Thursday 28 May to Monday 1 June.

I think it is of the greatest importance that we should stick to the original timetable, and I should be grateful if you could make sure that your officials do everything necessary to achieve that.

I am copying this letter to the Prime Minister.

Yours sincerely
Alex Allan

pp **NIGEL LAWSON**
(approved by the Chancellor and signed in his absence).

10 DOWNING STREET

Prime Minister

I ~~have~~ now have further background to this: there is some fear in the Treasury that the unions might manipulate the flow of documents to produce a bad set of figures. They may anyway be bad, of course. So the sooner they are out, the better, either way.

DCW
15/5

010

CONFIDENTIAL

CCPC

I agree that we ought to stick to the announced dates with the figures we have - otherwise we shall be accused of holding them up. MT

27/4

To Minister for Trade

From Peter Stibbard
US/S2
V/260 EXt. 4872

15 May 1987

Prime Minister
See also the discussion on invisibles overleaf.
The Chancellor has asked DTI to try to stick to the original timetable.
DRN
15/5.

OVERSEAS TRADE FIGURES FOR APRIL 1987

1 As expected, processing the April visible trade figures has been delayed by the industrial action at Customs Computer Centre in Shoeburyness last week.

2 Customs Statistical Office have now assessed the effect of the strike and should be able to provide us with the raw data in time for us to issue the press notice on Monday 1 June, that is 2 working days and 4 calendar days later than the scheduled date of Thursday 28 May. Key dates in our amended timetable, which assumes there is no further industrial action or technical breakdowns this month, are shown below (and compared with the original timetable).

	Revised	(Original timetable)
Export note to Ministers	20 May	(18 May)
Note on imports and current account to Ministers	26 May	(21 May)
Draft press notice to Ministers for approval	27 May	(22 May)
Press notice date	1 June	(28 May)

3 If it is necessary to change this provisional revised timetable I will let you know immediately.

4 We aim to issue a special press notice, informing the public of the delay and giving the revised publication date, on Thursday 21 May, ie just before the late May Bank Holiday weekend.

Invisibles balance

5 If the publication date is 1 June this will be only 3 days before the scheduled publication date for the CSO's quarterly press notice on the full balance of payments account, giving results for the first

quarter of 1987 and for earlier periods. That press notice will, in particular, contain an estimate of the invisibles balance for the first quarter of 1987 based on real information rather than projections. The currently projected invisibles balance published with the March trade figures last month (£600 million per month) will therefore be replaced by a first estimate in the CSO quarterly press notice. If information is available in good time, and it is significant enough to affect figures rounded to the nearest £100m, it will be anticipated in the monthly press notice.

6 The CSO quarterly press notice will also contain revisions to earlier periods, but, in accordance with past practice, any such revisions will not be incorporated into the monthly trade press notice.

7 At present insufficient information is available to say whether or not revisions to the first quarter projection or to earlier periods will be substantial. However, one piece of information the CSO does have is that some payments to the European Community have been brought forward from April to March and increase the possibility of a downward revision to the first quarter's net balance, although the second quarter's net balance will be correspondingly higher.

P J STIBBARD

CIRCULATION LIST

Copy No 1	Minister for Trade	
2	Prime Minister	
3	Chancellor of the Exchequer	
4	Secretary of State for Trade and Industry	
5	PUSS for Trade and Industry	
6	Sir Robert Armstrong (Cabinet Office)	
7	Sir Brian Hayes (Dept. of Trade and Industry)	
8	Sir Peter Middleton (HM Treasury)	
9	Governor of the Bank of England	
10	Chairman of the Board of HM Customs & Excise	
11	Mr J Hibbert (CSO)	
12	Mr Finlinson (HM Customs & Excise)	
13	Mr B Buckingham (CSO)	
14	Mr Davies (HM Treasury)	
15	Mr Barrell (HM Treasury)	
16	Mr P Sedgwick (HM Treasury)	
17	Mr D Owen (HM Treasury)	
18	Mr A McIntyre (CSO)	
19	Dr P Rice (Dept. of Energy)	
20	Mr Bottrill (HM Treasury)	
21	Mr H H Liesner)	
22	Mr P Stibbard)	
23	Mr W E Boyd)	
24	Mr E J Wright)	Dept of Trade and
25	Mr A R Hewer)	Industry
26	Miss C Siddell)	
27	Miss H Chapman)	
28	Mr D Packer)	