UNITED NATIONS ECONOMIC COMMISSION FOR AFRICA

REPORT ON MISSION TO UGANDA

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By

T. Dogbé Kouassi
Statistics Division, ECA

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INTRODUCTION AND BACKGROUND

1. The objective of the mission was to investigate the current status of external trade statistics, and hold discussions on problems encountered in respect of compiling, processing and disseminating these data.

2. The mission is most grateful to all the persons met for the assistance that they gave and particularly to Mr. P. K. Kayiso, Acting Government Statistician and the UNDP for making all the arrangements necessary for its success. Much credit is also due to Mr. J. J. M.Okello, Principal Statistician, who participated in all the discussions held. A detailed list of persons with whom discussions were held is given in the Annex.

3. Basic external trade data for Uganda was compiled, processed and disseminated by the East African Customs and Excise Department together with those for Kenya and Tanzania. This resulted in the publication of an annual trade report, the last of which was in 1976.

4. These basic tables were thereafter analyzed and more analytical tables for publication were prepared by the East African Statistical Department in the following: (a) monthly trade bulletin; (b) quarterly economic and statistical bulletin; (c) statistical abstract (annual). The last issues of these documents pertained to July 1974, September 1974 and 1973 respectively.

5. After the collapse of the East African Community (EAC) in early 1977, the compilation and dissemination of basic external trade data were taken over by the Statistics Division of the Customs and Excise Department of Uganda which continued to use the electronic data processing facilities in Mombasa (Kenya). Two issues of the annual trade report of Uganda were so published in 1977 and 1978.

6. Problems of availability of foreign exchange made it difficult to continue to use the facilities at the Kenya Ports Authority. Accordingly electronic data processing facilities were sought from a private firm in Kampala.

CURRENT STATUS OF EXTERNAL TRADE DATA

7. For easy reference in the remaining part of this report unless otherwise stated "Customs and Excise Department" refers to "Statistics Division of the Customs and Excise Department", and "Statistics Division" to Statistics Division of the Ministry of Planning and Economic Development.

8. The Chief Statistician, Customs and Excise Department explained that *no* monthly data were available with the Customs and Excise Department for the years 1978 and 1979 and there was no hope to recover these data since the relating source documents held by the East African Customs and Excise Department were lost. The 1979 to 1981 annual external trade data were said to be available on computer print-outs. The 1979 and 1980 issues of the annual trade report were being printed. Monthly data for the years 1980 to 1982 were also said to be available. The mission, unfortunately, could not get these data.

9. The Statistics Division was expected to analyze the data provided by the Customs and Excise Department for publication in the documents listed in 4 above. None of these publications had been issued since September 1974. The most recent data processed related to 1979 and were available only on working sheets. They were still considered as provisional.

10. Volume and unit value indexes were calculated up to 1980 using Fisher formula and 1964 as base year. Calculations for the most recent years were said to be done directly from computer print-outs provided by the Customs and Excise Department.

11. The coverage of items used for the calculations of the indexes for the Standard International Trade Classification (SITC) sections were sometimes poor, mainly for the base year. It represented for instance less than 20 per cent for the section 0 for the 1980 index. No correction was made for incomplete coverage.

12. Despite the use of the Fisher formula which integrated both weights of the base and current periods enabling period to period comparisons, the mission suggested the rebasing of the indexes or, better still, the use of chained index numbers. The use of the chained index numbers would enable commodities readily to be dropped if no longer valid, new commodities to be introduced and weights to be easily changed. Changes in production, distribution and quality would therefore be incorporated in the indexes.

13. The Statistics Division was in fact intending to change the base to 1976 and wanted also to collect information on commodity prices for computing true price indexes. The mission observed that the analysis of that information would need enormous resources which would be better used to first reactivate processing and dissemination of trade statistics on a regular basis. The accuracy of these indexes calculated were also questioned given that the Statistics Division had itself questionned the accuracy of data provided by the Customs and Excise Department.

14. The external trade statistics were compiled from the following customs source documents: import entry, export entry of domestic goods free of duty, transit entry, warehousing entry, and ex-warehousing entry.

15. The details requested by customs authorities in these forms were among others: importer's or exporter's name and address, details on manifest endorsed, port/station of loading or unloading, name and nationality of vessel or aircraft, country of origin, country of destination, country of consignment, date of departure, date of arrival, date of report, quantity or measure, value, duty rate, duty amount, SITC number, tariff number, description of goods, exchange rate if applicable. The details of information were scattered over the forms and were not pre-coded.

16. Once received by the customs statistical compiling unit, these forms underwent full validation checks of information included in them. The information was then coded and transferred onto a data sheet to facilitate electronic data processing.

17. External trade statistics were reported under the general trade system and provided information on the following types of trade: direct imports (for consumption or for warehousing), imports for home use (goods cleared directly from customs, released by customs for bonded warehouse, entering into bonded manufacturing plants less nationalized re-exports i.e. re-export of goods originally cleared for home use but subsequently re-exported to other countries), re-exports and domestic exports.

18. The commodity classification used was based on SITC, (revised) and the valuation of imports on the Brussels Definition of Value (BDV). However imports and exports were valued as at port or place of entry into or exit from East Africa. This method of valuation did not thus follow the recommendations included in the United Nations Statistical Office Paper Series M No. 52, Rev. 1. Inter-national Trade Statistics: Concepts and Definitions which states that imports and exports should be valued at the frontier of the reporting country.

19. Contrary to these United Nations recommendations were also the inclusion of monetary gold in the trade statistics as well as the valuation of new bank notes and coins at their face values. Additional information on country of consignment was not recorded, nor was an estimate of the average weight of goods for which the quantity was expressed in any unit of measure other than the weight.

20. The analysis and processing of external trade statistics by the Statistics Division of the Ministry of Planning and Economic Development were based on the data provided by the Customs and Excise Department. These data were included in the annual trade report either in its final version or as computer print-outs. The Statistics Division did not have access to the customs source documents and their associated invoices, nor the detailed base data held by the Customs and Excise Department. The possibilities of analyzing external trade data on a detailed basis were therefore limited. Re-aggregating data back to a minimum standard for reasons of international comparability was therefore not considered.

PROBLEMS ENCOUNTERED

21. Many problems were encountered with respect to the customs source documents. These were illegibility of carbon copies, documents missing, numerous errors in recording data, and delay in receiving these documents at the customs statistical compiling unit.

22. The Statistical Staff of the Customs and Excise Department is composed of 4 professionals and 7 sub-professionals all located in Kampala. Low interest and motivation by the sub-professional found expression in frequent absenteeism.

23. Furthermore, the Department depended totally, for electronic data processing facilities, on a private firm without any possibility of monitoring the services rendered. Physical constraints were also faced like difficulties of communications, mainly with the border posts.

24. Smuggling added also to the various difficulties, increasing the problem of inaccuracy. It would be possible to solve, to some extent, the smuggling problem by making use of partners' trade data, commodity production and commodity changes in stocks data, but unfortunately these data, were generally not available either. It should be pointed out that the only data available were partners' trade data but these could not be used because they were given in terms of value only.

25. The situation concerning resources was even worse for the Statistics Division. The Section of Foreign Trade and Commerce dealt also with labour, price, transport and communications statistics but employed only 2 professionals (one was just recruited) and 3 sub-professionals. The minimum equipment needed for carrying out the work was non-inexistent. Many documents, including reference documents on international recommendations were lost during the periods of confusion that had characterised the recent history of Uganda.

26. There was also the problem of non-circulation of information between the Customs and Excise Department and the Statistics Division. The Statistics Division stated that it stopped processing monthly data since June 1977 mainly on account of non-availability of such data with customs. But the Customs and Excise Department reported that these data existed and that they were not provided to the Statistics Division because it did not ask for them!

27. These various difficulties led to accuracy and timeliness problems for external trade statistics provided by the Customs and Excise Department or the Statistics Division. The situation resulted in all users within the country losing faith in these statistics and endeavouring to compile their own external trade data.

28. This was the case for the Marketing Boards, the Bank of Uganda, and the Ministry of Commerce. In particular, an UNCTAD team working on an external sector development project within the Ministry of Commerce was attempting to use Uganda partners' trade data compiled from the United Nations Statistical Office trade files to overcome problems of accuracy and timeliness.

FUTURE PROSPECTS

29. Most of the persons met by the mission were very much concerned with the difficult situation of external trade statistics and mainly with the lack of co-ordination of activities in that field. It was the general concensus, that a joint meeting with all parties concerned with external trade statistics be held the soonest possible to discuss ways and means by which the situation could be improved. The Secretary of the Uganda Advisory Board of Trade even suggested the possibility of his organization considering financing of such a meeting, if necessary.

30. The Customs and Excise Department would share, starting April, 1984, a government computer (ICL ME 29; 2.5 megabytes) with the Treasury, Income Tax, Inland Revenue   Departments. The Customs and Excise Department would however have its own peripheral devices. It would undertake itself the data processing. The Department has also been authorized to recruit 20 assistant statisticians, 2 programmers and 2 analysts.

31. A Statistical Adviser from the World Bank was seconded for service with the Statistics Division. He was assigned to re-organize the Division's work, provide technical assistance including training of staff. The Adviser was planning a visit for the head of the Foreign Trade and Commerce Section to the Kenya Statistical Office to see how they deal with the problem of trade statistics.

32. The UNCTAD team in the Ministry of Commerce was expecting the arrival of an International Trade statistician in December for one year.

CONCLUSIONS AND RECOMMENDATIONS

33. The situation concerning external trade statistics was very confusing. Publications were interrupted long ago and data processing reduced. Slowness and inaccuracy disappointed external trade users in the country so that there were duplications of efforts by users in their attempt to secure for themselves the data they require. There was therefore wastage of the limited resources available in the country which might be used for statistical development. No co-ordinating activity existed although the legislation permitted the Statistics Division to have such an activity. The situation is so worrying that there is need for emergency actions to be taken.

34. It is urgent that a joint meeting of all parties concerned with external trade statistics within the country be convened as soon as possible to discuss the situation and find out the appropriate solutions to the problems. This meeting should, in particular, agree upon a conceptual framework (concepts, definitions and classifications) for compiling and analyzing trade data. It is highly desirable that the Statistics Division of the Ministry of Planning and Economic Development initiate such a meeting and play the co-ordinating role thereafter.

35.   For a better use of external resources, the various technical assistance projects and missions in the field of statistics need also to be co-ordinated by the Statistics Division. External technical assistance should not overlook the necessity of a minimium equipment (paper, stencil, calculator,etc.) without which it is not possible to run effectively statistical services. Technical assistance for external trade statistics should primarily be given to the Customs and Excise Department in order to improve the conditions of compiling basic data.

36.   The United Nations Statistical Office should provide the Statistics Division of the Customs and Excise Department and the Statistics Division of the Ministry of Planning and Economic Development with the Statistical papers containing recommendations for compiling and analyzing international trade data.

37.   Without awaiting the above suggested meeting, the Customs and Excise Department should immediately re-organize itself in a more systematic manner. It should:

(a) ascertain the completeness of trade statistics by opening a receipt register for the source documents and associated invoices in order that they are received without any omission, and by checking them systematically against other sources available such as aircraft or ships manifests;

(b) speed-up the circulation of these documents to the Customs Statistics Division;

(c) establish automatic procedures for releasing data to users, especially the Statistics Division of the Ministry of Planning and Economic Development.

38.   There is need for the Department to up-date its commodity classifications in order to enable the country to have adequate information for discussing trade development and financing arrangements. It should also make full use of reference documents on international recommendations, particularly M 52 indicated in paragraph 18 above.

39.   The Statistics Division should work closely with the Customs and Excise Department for harmonization purposes. It should arrange to have access to the customs source documents and relating invoices or at least to the customs detailed base data; otherwise the possibilities of analyzing trade data in detail would be limited. The Division should be able to report trade data on an international basis and present details of imports by broad economic categories or by alternative end use.

40. The Statistics Division should, as soon as possible, resume the processing of existing series and reactivate its publications. As already planned, the monthly trade publication might be phased out on account of the difficult situation. The quarterly economic and statistical bulletin should in addition to current quarterly trade data contain cumulative information.

41. Particular attention should be given to the technical notes of these publications. These notes should inter alia provide clear detailed information on the scope, sources of data, area covered, system of recording, time of recording, reporting period, coverage of the statistics (the kinds of transaction and categories of goods whose movement is to be covered), commodity classifications, classification of partner countries, valuation, quantity measurement, and symbols used in the publications.

LIST OF PERSONS MET

Ministry of Planning and Economic Development

Mr. K. P. Kayiso, Acting Government Statistician, Statistics Division
Mr. J. J. M. Okello, Principal Statistician, Head of the Foreign Trade
    and Commerce Section
Mr. J.Lutaya, Principal Statistician, Head of National Income Section
Mr. A. Rooke, World Bank Statistical Adviser

Ministry of Finance, Customs and Excise Department

Mr. C. Olet, Commissioner, Customs and Excise Department
Mr. D. B. Mununura, Chief Statistician, Statistics Division
Mr. C. Kaate-Mukasa, Acting Principal Statistician, Statistics Division

Ministry of Commerce

Mr. A. Mahmood, UNCTAD team leader, UNCTAD External Sector Development Project

Bank of Uganda

Ms. Margaret Rutagira, Senior Banking Officer II, Balance of Payment Section

Uganda Advisory Board of Trade

Mr. J. G. Sentogo-Dungu, Secretary

United Nations Development Programme (UNDP)

Mr. T. Howick-Smith, Assistant Resident Representative
Mr. M. K. Ahmed, Administrative Officer