

Twinning Project

Contract: GE 16 ENI ST 06 18

Strengthening the Capacity of the Georgian Statistical System

Component 1: Development of External Sector Statistics

Sub-component 1.1: "Mirror Comparison in International Merchandise Trade Statistics"

MISSION REPORT

Activity: 1.1.B (RS) Identification of partner country and commodities

Mission carried out by
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27th May – 24th June 2020

Version: Final

Expert contact information

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1. General comments

This mission report was prepared within the EU Twinning Project "Strengthening the Capacity of Georgian Statistical System". It was the second mission within the sub-component 1.1: "Mirror Comparison in International Merchandise Trade Statistics". Due to COVID-19 the mission was carried out as a Remote Session in the period from 27th May to 24th June 2020. The mission was mainly devoted to identification of partner countries and commodities with major asymmetries and selection of asymmetries for further investigations. The asymmetries concerns trade with the EU countries.

In more detail, the purposes of the mission were to discuss and work on the below mentioned subjects:

- Identification of partner countries and commodities with the biggest asymmetry
- Major asymmetries at the level of products and partner country are selected for further investigation
- Preliminary discussions on possible reasons for the chosen asymmetries
- Communication with the counterparts (RS/MoF and NBG) and major users on topical statistical issues
- Identification of relevant partner countries for bilateral cooperation on asymmetry studies
- Drafting the work plan for the next mission

The consultants would like to express their gratitude to the Geostat staff who participated in the mission, for the kind support and valuable information received during the mission.

The views and observations stated in this report are those of the consultants and do not necessarily correspond to the views of the European Union, Geostat, Statistics Denmark, or other statistical institutions involved in the implementation of the project.

2. Assessment and results

The mission was carried out as a Remote Session in the period from 27th May to 24th June 2020. Within this period four video meetings were held, on which topics from the Terms of Reference were discussed. On each meeting experts and Geostat participants agreed on tasks to be performed and presentations to be prepared for the next meeting of the session.

Conducting this mission remotely has been more difficult, less focused and more time consuming than if the mission was conducted with experts being present in Georgia. But in general all parties were well prepared for each meeting, worked dedicated in between the meetings and achieved results, which to a great extent fulfills the objectives of the mission. It is the experts perception that the mission was successful and that substantial steps were taken towards the final target of the sub-component.

3. Conclusions and follow up

- In 2018 data, the largest asymmetries are generated in the trade with Bulgaria, France, Germany, Greece, Netherlands, Romania and Spain
- Copper, oils, medicaments and turbines are the commodities, which generate the largest asymmetries between Georgia and EU in 2018 data
- Specific asymmetries for further investigation have been selected
- Preliminary investigations of copper hint that differences in country attribution caused by globalized production chains is a main factor behind asymmetries
 - Georgian re-export of foreign goods causes asymmetry as EU import is recorded with the country of origin, not with Georgia as partner country
 - Asymmetry occur when the nationality of the trading partner does not equal the country of final destination, which remains unknown to Georgian exporters

Actions needed for moving forward:

Action	Deadline	Responsible person
Unilateral investigations of selected asymmetries, including contact to Georgian traders	September 2020	Geostat

Annex 1. Terms of Reference

Terms of Reference

EU Twinning Project GE 16 ENI ST 06 18

May 27th 2020 – June 24th

Component 1: Development of External Sector Statistics

Sub-component 1.1: Mirror Comparison in International Merchandise Trade Statistics

Mandatory results and benchmarks for sub-component 1.1:

- Mirror Comparison in International Merchandise Trade Statistics (IMTS) accomplished

Indicators of Achievement (baseline and targets):

- Availability of reasons for asymmetries in International Merchandise Trade Statistics (IMTS)
 - **Baseline:** 2019 - Reasons for asymmetries in International Merchandise Trade Statistics (IMTS) are not available
 - **Target:** January 2021- methodological problems identified and / or data quality issues Results prepared
- Number of GEOSTAT Staff familiar with mirror comparisons
 - **Baseline:** 2019 - n/a
 - **Target:** March 2021- At least 3 staff members trained

Activity 1.1.B (RS): Identification of partner country and commodities

1. Purpose of the activity

To discuss and work on the below mentioned subjects:

- Identification of partner countries and commodities with the biggest asymmetry
- Major asymmetries at the level of products and partner country are selected for further investigation
- Preliminary discussions on possible reasons for the chosen asymmetries
- Communication with the counterparts (RS/MoF and NBG) and major users on topical statistical issues
- Identification of relevant partner countries for bilateral cooperation on asymmetry studies
- Drafting the work plan for the next

2. Expected output of the activity

- List of actual asymmetries to be investigated further
- Conclusions on discussions on possible reasons for chosen asymmetries
- Partner countries for bilateral cooperation are selected and plan for establishing the cooperation has been defined
- ToR for next activity is prepared
- Mission Report written (Light version)

Annex 2. Persons met

Geostat

Ms. Maka Kalandarishvili, Head of External Trade and Foreign Investments Statistics Department

Ms. Eka Jananashvili, Head of External Trade Statistics Division,

Mr. Otari Bunturi, Chief Specialist of External Trade Statistics Division,

Mr. Bachuk Bokuchava, Senior Specialist External Trade Statistics Division,

Mr. Irakli Zoidze, Senior Specialist External Trade Statistics Division,

Mr. Beqa Benidze, Senior Specialist External Trade Statistics Division.

National Bank of Georgia

Ms. Nona Glurjidze, Leading Specialist Macroeconomics and Statistics Department

Ministry of Finance Revenue Service

Ms. Nino Chelidze, Customs Department

RTA Twinning Team

Mr. Steen Bielefeldt Pedersen, Resident Twinning Advisor

Ms. Eka Lobzanidze, Resident Twinning Adviser Assistant