

Intrastat burden in 2014

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Goal: a lighter process for collection of statistical information

Smooth communication with authorities is an important competition factor for businesses. In 2007, the European Union established an action programme for reducing administrative burdens on business stemming from EU legislation by 25 per cent by 2012. The goal was going to be reached by simplifying the regulations and facilitating the use of e-services. In 2009–2012, Finland carried out a programme for reducing the administrative burden on businesses¹. The objective of the action programme was to reduce the administrative burden on businesses by 25 per cent from the 2006 level by the end of 2012 in accordance with the EU objectives.

Intrastat statistics on intra-EU trade, which in Finland is the responsibility of Customs, was one of the targets of the EU action plan. The number of providers of statistical information (PSIs) has been reduced through legislation, and the data collection methods are being made even more automatic. Finnish Customs estimates that, during the programme, the administrative burden on businesses, caused by the collection of Intrastat information was reduced by 17 per cent from the 2006 level.

In September 2008 and in November 2014, Customs Statistics measured the Intrastat burden on businesses, and charted problem areas in providing the information. Customs Statistics does not know of any other Intrastat statistics authority that would have carried out both a baseline and a follow-up measurement. In Finland, both measurements were conducted as a part of EU funded projects.

What is Intrastat?

Earlier, all statistics on foreign trade were compiled based on the information provided in connection with customs clearances. As the customs formalities were abolished between the EU Member States in 1993, the Intrastat system for statistics on intra-EU trade was created. Finland joined the system along with the EU membership in 1995.

In Finland, there are approximately 68 000 businesses trading in goods with other EU countries. Of these businesses, 5 716 were PSIs at the end of 2014. The businesses in the sample are selected according to the value of their intra-EU trade in goods.

Every month, the PSIs submit the information on their intra-EU trade to Customs. Of the information on intra-EU trade and extra-EU trade, Customs will produce the official Finnish Foreign Trade Statistics. The statistical information is also sent monthly to Eurostat, the Statistical Office of the EU.

The foreign trade statistics published by Customs are needed by decision-makers, planners and researchers in the public and the private sector e.g. for monitoring the development of the internal market and the national economy, for preparations for trade policy negotiations as well as for compiling statistics on the balance of payments and for compiling the national accounts. Businesses, on the other hand, use the statistical information in market research and in the development of commercial strategies.

¹ https://www.tem.fi/en/enterprises/assessment_of_regulatory_impacts_on_business

Automated systems make declaring easier

In November 2014, Customs measured the response burden by a questionnaire survey of PSIs. The survey was conducted in the same way as in 2008, in order to get comparable information. For each declaration method, the time spent for one commodity code line was calculated, and the result was multiplied by the number of commodity code lines. This calculation produced comparable staff years for the different years. Only the information for the years 2008 and 2014 is based on measurements. The staff years were calculated by dividing the total number of hours by 1710 which, according to the estimate of the Confederation of Finnish Industries EK, was the average number of annual working hours of wage and salary earners in 2008². The same divisor was used for both survey years.

An Intrastat statistical declaration can be submitted in several different ways. It can be submitted electronically using the online TYVI service, as an ASCII file by e-mail or as an EDIFACT statistical message. For the time being, it is also still possible to submit an Intrastat declaration on a paper form. All the PSIs using the TYVI service had the possibility to respond to the survey online during November 2014. Some of the PSIs using other ways to submit the declaration received the same survey by e-mail. The survey results will be used in developing the Intrastat information collection.

The PSIs using paper forms spent 22 minutes per commodity code line (10 minutes in 2008), those using the TYVI service 3 minutes (3 minutes in 2008) and those using other electronic methods of declaration half a minute (1.5 minutes in 2008). Compared to 2008, the time used per community code line had doubled for PSIs using paper forms. Small PSIs with 1–5 commodity code lines using paper forms used the most amount of time per commodity code line: as for arrivals, it took them 108 minutes on average per commodity code line for preparing and filling in (23 minutes in 2008) and as for dispatches, 207 minutes (35 minutes in 2008). Businesses used 4 hours 2 minutes per month on average for completing an Intrastat declaration (3 hours 45 minutes in 2008).

What lies behind the variation in time used per commodity code line is that the PSIs submitting their declarations electronically have integrated the Intrastat statistics into their own information systems, so they can submit the information easily and quickly. Businesses that trade with third countries and submit their customs declarations electronically can also submit their statistical declarations in the same way.

In 2014, the businesses used a total of 212.6 staff years to complete Intrastat declarations. In 2008, when the number of PSIs was higher and the number of those who provided the information electronically was lower, the businesses used 211.3 staff years to complete Intrastat declarations. The burden had grown in 2014, which was an unexpected result.

The EU regulation that regulates the Intrastat sample is being reformed, but the new regulation will probably not enter into force until in 2019–2020. The new regulation will decrease the number of PSIs for arrivals and the total burden will

² EK Työaikakatsaus 2008

diminish in 2020. Also, information and guidance will further facilitate the use of e-services.

Comparison between the burden on PSIs in 2008 and in 2014

In 2014, the Intrastat sample consisted of 5 716 businesses³, whereas in 2008 the sample consisted of 7 985 businesses. The number of commodity code lines submitted by the PSIs had increased by approximately 22 per cent from 2008. The total number of commodity code lines in 2014 (8.9 million lines) was 1.6 million lines higher than in 2008 (7.3 lines). The monthly numbers of commodity code lines had increased for businesses that submitted the information electronically, whereas for businesses that used paper forms, the monthly numbers of lines had decreased somewhat. Despite the decrease in the number of PSIs, the number of commodity code lines had increased considerably, which mainly explains the small increase in the Intrastat burden. Another significant change was the increase by eight per cent of the time used for declaring.

According to table 1, the Intrastat burden on businesses using paper forms had decreased by 14.3 staff years compared to 2008, and the burden for businesses using other electronic methods of declaration had decreased by 15.2 staff years. The burden on businesses using the TYVI service for their declarations had, on the other hand, increased by 30.9 staff-years. In 2011, the TYVI service started using KATSO identification⁴, which has increased the burden on businesses. Due to the increase in the number of commodity code lines in Intrastat declarations, the burden on businesses had increased by 1.4 staff years from 2008, but was 17 per cent smaller than in 2007.

Table 1. Intrastat burden as staff years by method of declaration 2007, 2008 and 2014

Method of declaration commodity code lines/month (l/m)	2007	2008	2014	2014 vs 2008
	staff years	staff years	staff years	staff years
Tyvi 1–2 l/m	5.5	4.1	6.6	2.4
Tyvi 3–5 l/m	13.8	11.4	13.2	1.7
Tyvi 6–10 l/m	19.8	19.0	15.6	-3.5
Tyvi 11–20 l/m	53.4	21.9	21.4	-0.5
Tyvi 21–50 l/m	9.4	31.8	30.6	-1.2
Tyvi 51–100 l/m	14.9	15.5	19.8	4.2
Tyvi 101–200 l/m	12.4	13.7	11.9	-1.7
Tyvi 201–400 l/m	6.6	6.1	7.0	0.9
Tyvi 401 l/m or more	23.3	26.0	54.6	28.6
Other electronic 1–20 l/m	26.4	10.6	3.0	-7.6
Other electronic 21 l/m or more	15.5	16.4	8.8	-7.6
Paper form 1-5 l/m	12.1	6.7	12.0	5.3
Paper form 6-20 l/m	21.4	8.3	5.1	-3.2
Paper form 21 l/m or more	21.0	19.6	3.3	-16.3
Total	255.4	211.3	212.6	1.4

³ The number is the number of businesses that were PSIs at the end of the year in question.

⁴ http://www.vero.fi/en-US/Precise_information/eFiling/Katso_Identification

Results of the Intrastat burden survey

A total of 710 PSIs responded to the survey (1 180 in 2008). The survey reached every eighth declarant. Of the respondent businesses, 589 deal with arrivals and 274 with dispatches. The respondent businesses were classified by the method of declaration and by the average monthly number of submitted commodity code lines. By the method of declaration, the businesses were divided into three classes: declarants using paper forms, declarants using the TYVI service and declarants using other electronic methods, i.e. Ascii files or EDIFACT messages. In addition, the declarants were divided into large and small declarants according to the average monthly number of submitted commodity code lines. Large declarants were businesses with on average at least 20 commodity code lines per month in the Intrastat declaration, and small declarants were businesses with on average fewer than 20 commodity code lines per month.

According to table 2, in the respondent businesses, 1.6 persons on average participated in preparing and filling in the Intrastat declaration, and 0.1 persons outside the businesses. In 2014, the number of persons who participated in preparing and filling in the declaration was lowest in businesses using paper forms. In 2008, the number of persons who participated in declaring was lowest in businesses using the TYVI service. The number of persons who participated in preparing and filling in the Intrastat declaration was highest in businesses using other methods of electronic declaration, i.e. Ascii files or EDIFACT statistical messages.

Table 2. Number of persons who participated in preparing and filling in the Intrastat declaration in businesses in 2014

Method of declaration commodity code lines/month (l/m)	Arrivals		Dispatches	
	Persons on average	Of which outside the business, %	Persons on average	Of which outside the business, %
Tyvi 1–2 l/m	1.1	4.3	1.2	16.7
Tyvi 3–5 l/m	2.1	6.7	1.0	2.0
Tyvi 6–10 l/m	1.2	16.7	1.2	3.9
Tyvi 11–20 l/m	1.4	11.3	1.3	0.0
Tyvi 21–50 l/m	1.6	3.8	1.9	1.1
Tyvi 51–100 l/m	1.4	9.4	2.2	11.5
Tyvi 101–200 l/m	1.4	25.0	1.0	0.0
Tyvi 201–400 l/m	1.3	0.0	1.0	0.0
Tyvi 401 l/m or more	2.4	8.3	2.0	0.0
Other electronic 1–20 l/m	1.3	16.7	2.3	22.2
Other electronic 21 l/m or more	3.4	25.3	3.9	11.4
Paper form 1–5 l/m	1.3	3.6	1.9	13.3
Paper form 6–20 l/m	1.6	5.3	2.5	20.0
Paper form 21 l/m or more	1.0	0.0	3.0	0.0

Based on the survey it can be estimated that all PSIs used a total of 153.3 staff years for preparing the Intrastat declaration (122.5 staff years in 2008) and 59.3 staff years for filling in the declaration (88.8 staff years in 2008). The time used for

preparing the Intrastat declaration had increased as much as the time used for filling in the Intrastat declaration had decreased.

As a rule, businesses that submitted large numbers of commodity codes spent least time per commodity code line for the preparation and filling in of the Intrastat declaration. The PSIs using paper forms spent 20 minutes per commodity code line (10 minutes in 2008), those using the TYVI service 2.8 minutes (3 minutes in 2008) and those using other electronic methods of declaration half a minute (1.5 minutes in 2008). Compared to 2008, the time used per community code line had doubled for PSIs using paper forms. According to table 3, small PSIs with 1-5 commodity code lines and using paper forms used most time per commodity code line: as for arrivals, it took them 108 minutes on average per commodity code line for preparing and filling in the declaration (23 minutes in 2008) and as for dispatches, 207 minutes (35 minutes in 2008).

Table 3. Average time used for preparing and filling in the Intrastat declaration, per commodity code line, in 2014

Method of declaration commodity code lines/month (l/m)	Arrivals			Dispatches		
	Minutes/line		Declarants	Minutes/line		Declarants
	Preparing	Filling in		Preparing	Filling in	
Tyvi 1-2 l/m	36.7	16.9	611	53.0	20.1	326
Tyvi 3-5 l/m	25.2	7.9	668	24.7	9.7	332
Tyvi 6-10 l/m	13.7	5.4	738	13.8	4.1	295
Tyvi 11-20 l/m	9.2	4.1	774	5.9	2.8	290
Tyvi 21-50 l/m	6.8	2.5	715	4.4	2.1	289
Tyvi 51-100 l/m	4.3	1.9	330	3.5	1.1	99
Tyvi 101-200 l/m	1.9	1.8	178	0.9	0.8	44
Tyvi 201-400 l/m	0.3	1.4	86	0.5	1.2	36
Tyvi 401 l/m or more	1.2	0.2	135	0.4	0.2	59
Other electronic 1-20 l/m	7.9	3.1	201	6.6	3.5	80
Other electronic 21 l/m or more	0.3	0.2	380	0.3	0.1	152
paper form 1-5 l/m	81.5	26.7	302	177.5	29.6	89
Paper form 6-20 l/m	15.5	7.2	165	5.6	1.9	36
Paper form 21 l/m or more	4.8	1.6	61	0.2	0.2	27

Of the respondents, 34 per cent (48 per cent in 2008) found the it easy to submit Intrastat declarations, whereas 47 per cent (33 per cent in 2008) of the respondents found it laborious. In six years, the perception of the Intrastat declaration process had changed, and it was found to be more laborious. Only three percent of the businesses had made extensive changes to facilitate declaration, 37 per cent of the businesses had made minor changes, whereas 60 per cent had not made any changes at all. The responses concerning the changes made were very similar to those in 2008.

Figure 1 shows how easy or difficult the PSIs find it to fill in the different fields of the Intrastat declaration. The most difficult field was CN code: 41 percent of the respondents found it fairly or very difficult to fill in (39 per cent in 2008). The second most difficult field was Net mass: 24 per cent of the respondents found it difficult (16 per cent in 2008). The fields Country of consignment (arrivals) and Country of destination (dispatches) were considered easy to fill in. On the other hand, it was considered more difficult to fill in the field Country of origin (arrivals):

20 per cent of the respondents involved in arrivals found it fairly or very difficult (20 percent in 2008). Filling in the field Supplementary unit was considered somewhat difficult. Least problematic were the fields Country of destination (dispatches), Nature of transaction and Country of consignment (arrivals). The fields Invoice value, Mode of transport and Statistical value were also mostly considered fairly or very easy to fill in.

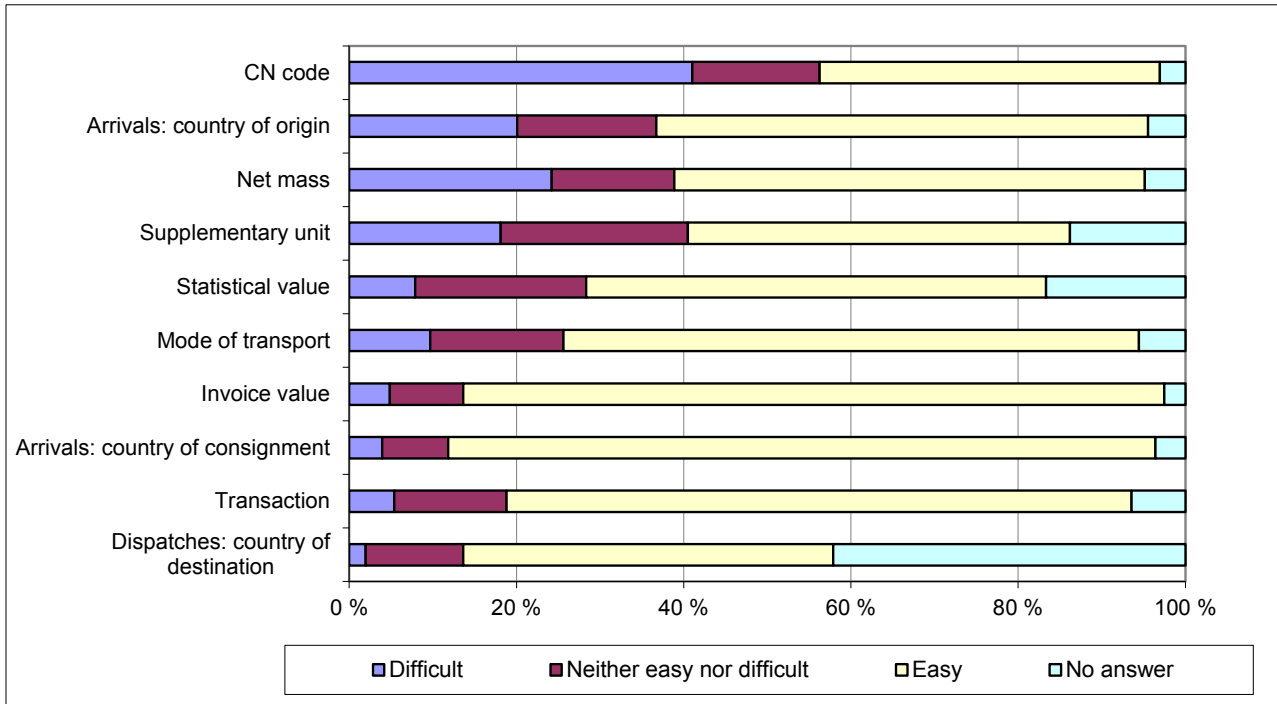


Figure 1. How easy or difficult it is to fill in the fields in the Intrastat declaration

Measures to reduce the Intrastat burden

In 2008, businesses whose intra-Community acquisitions had exceeded 200 000 euros in value during the calendar year were PSIs for arrivals, and businesses whose intra-Community deliveries exceeded 300 000 euros in value were PSIs for dispatches. In 2014, the thresholds were 500 000 euros for both arrivals and dispatches. In 2014, these samples covered 94.3 per cent of the value of arrivals (96.2 per cent in 2008) and 97.4 per cent of the value of dispatches (98.3 per cent in 2008). In recent years, the smallest companies have been exempted from the obligation to provide information for Intrastat, as shown in table 4.

Table 4. The numbers of PSIs and businesses practising intra-EU trade in goods in 1999–2014

Year	PSIs	Businesses practising intra-EU trade in goods	% of the businesses in the Intrastat sample
1999	4 130	25 771	16,0
2000	4 658	27 077	17,2
2001	5 224	26 988	19,4
2002	5 812	27 538	21,1
2003	6 452	28 705	22,5
2004	7 724	31 450	24,6
2005	9 063	33 644	26,9
2006	9 193	34 997	26,3
2007	9 312	35 832	26,0
2008	7 985	37 780	21,1
2009	7 481	39 388	19,0
2010	7 224	56 639	12,8
2011	6 868	60 087	11,4
2012	6 939	64 501	10,8
2013	6 946	68 727	10,1
2014	5 716	68 727	8,3

In 2008, the field Statistical value was considered as the fifth most time-consuming to fill in. From the declarations for January 2010 onward, declaring the statistical value has been optional for all businesses. Despite this, the way the declarants felt about filling in this field had not changed.

In 2008, the field Net mass was considered to be the third most time-consuming. From the declarations for January 2011 onward, declaring the net mass (kg) has been optional for commodity codes with a supplementary unit. However, the declarants' perception of the difficulty of declaring net mass increased by eight percentage points, and Net mass became the second most time-consuming field to fill in.

Examples of possible measures to decrease the Intrastat burden:

1. Information on the dispatches would be collected at a more detailed level, and the statistics authorities would exchange the collected business-specific material with the trade partner country, where the partner Member State's dispatches data would be used as the recipient's arrivals data. Information on the arrivals would not be collected with the Intrastat system. *Estimated burden reduction max. 128.9 staff years⁵.*
2. TYVI-declarants would start using other electronic methods of declaration, and it would be assumed that these businesses would then use the same amount of time for the declarations as the other businesses that use electronic methods of declarations. *Estimated burden reduction max. 90 staff years.*
3. The coverage rate of the total value of arrivals would be reduced by 10 per cent. *Estimated burden reduction 78.3 staff years, and reduction of PSIs for arrivals 3719.*

⁵ Estimated reduction of staff years used by businesses for Intrastat declarations



4. The coverage rate of the total value of arrivals would be reduced by 8 per cent. *Estimated burden reduction 70.3 staff years, and reduction of PSIs for arrivals 3436.*
5. The coverage rate of the total value of arrivals would be reduced by 6 per cent. *Estimated burden reduction 60.9 staff years, and reduction of PSIs for arrivals 3073.*
6. The coverage rate of the total value of arrivals would be reduced by 4 per cent. *Estimated burden reduction 48.0 staff years, and reduction of PSIs for arrivals 2568.*
7. The coverage rate of the total value of arrivals would be reduced by 2 per cent. *Estimated burden reduction 31.4 staff years, and reduction of PSIs for arrivals 1817.*
8. Simplifying the Combined Nomenclature. *Estimated burden reduction 0–20 staff years.*
9. Simplifying and developing electronic methods of declaration. *Estimated burden reduction 0–20 staff years.*
10. Declarants using paper forms would have to start using electronic methods of declaration. *Estimated burden reduction 0–5 staff years.*

The above-mentioned estimated burden reductions indicate the change compared to the present situation, if only the measure in question were to be carried out. The first of these measures is being planned in an EU-level VIP project called SIMSTAT (single market statistics). Finnish Customs acted as coordinator in the pilot stage and is actively involved in the current testing stage. As for measures 3–7, more detailed estimates of the burden reduction will be made during 2015 as part of another EU driven project. In 2008, the Combined Nomenclature contained approximately 9 700 commodity codes and in 2014, approximately 9 300 commodity codes, so regarding measure 8, the simplification is a slow process. Some Member States would even want to increase the number of commodity codes. Electronic methods of Intrastat declaration are developed annually.

Comparison of the EU countries' Intrastat systems

According to EU regulations, all EU countries have to collect Intrastat information on the trade in goods so that the coverage rate for arrivals is 93 per cent of the total value and for dispatches 97 per cent. A business has to provide Intrastat information, if its intra-EU trade exceeds the threshold at the annual level. The higher the threshold (expressed in euros), the higher the number of small businesses that are exempted from providing Intrastat information. The coverage rate refers to the share of the total value, which is collected using the Intrastat system.

Table 5 shows the thresholds (in euros) and coverage rates for 2014 in each EU country. In Finland, the threshold for arrivals (500 000 euros) was higher than the EU average (379 500 euros), but the coverage rate for arrivals was 1.7 per cent lower in Finland than the EU average. Correspondingly, the threshold for dispatches (500 000 euros) was higher in Finland than the EU average (361 846

euros), but the coverage rate for dispatches was 0.3 per cent lower in Finland than the EU average.

Table 5. Intrastat thresholds and coverage rates in the EU member states in 2014

EU Member State	Arrivals		Dispatches	
	Euro	%	Euro	%
Belgium	700 000	96.3	1 000 000	97.4
Bulgaria	184 065	95.3	107 371	98.1
Czech Republic	320 000	96.6	320 000	98.1
Denmark	804 000	93,5	670 000	97,1
Germany	500 000	97,0	500 000	98,3
Estonia	200 000	95,4	130 000	97,5
Ireland	191 000	95,0	635 000	97,0
Greece	100 000	95,9	90 000	98,0
Spain	250 000	98,0	250 000	99,0
France	460 000	98,7	460 000	97,9
Croatia	157 000	95.0	157 000	95.5
Italy	200 000	98.0	200 000	99.0
Cyprus	100 000	93.4	55 000	97.4
Latvia	130 000	95.6	130 000	96.5
Lithuania	202 734	96.3	217 215	97.3
Luxembourg	200 000	97.6	150 000	98.2
Hungary	337 000	96.3	337 000	98.0
Malta	700	99.0	700	99.0
The Netherlands	1 500 000	93.0	1 500 000	97.0
Austria	550 000	93.4	550 000	96.9
Poland	358 423	98.2	358 423	98.8
Portugal	300 000	94.7	250 000	97.8
Romania	112 040	97.0	201 672	97.0
Slovenia	120 000	97.2	200 000	97.7
Slovakia	200 000	96.1	400 000	97.4
Finland	500 000	94.3	500 000	97.4
Sweden	450 000	96.6	450 000	98.1
United Kingdom	1 499 040	94.0	312 300	97.0
EU-28	379 500	96.0	361 846	97.7