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The burden on Intrastat data providers 2008[1]

Contents:

Lighter burden on data providers as a goal

Smooth communication with authorities is an important competition factor for businesses. The European Union has therefore published an action plan with the objective to reduce the administrative burden on businesses due to EU legislation by 25 per cent by 2012. The intention is to reach this goal by simplifying the regulations and facilitating the use of e-services. To implement the Union programme in Finland, the Ministry of Employment and the Economy has launched a national programme for the reduction of the administrative burden on businesses.

Intrastat statistics on intra-EU trade, which is the responsibility of Finnish Customs, is one of the targets of the EU action plan. The number of data providers is being reduced through legislation, and the data collection methods will be automated further.

In the autumn of 2008, in connection with the programme, the Statistics Unit of the National Board of Customs measured the burden caused on companies by the Intrastat declarations, and charted problem areas in submitting the data.

What is Intrastat?

Earlier, all statistics on foreign trade were compiled based on the data provided in connection with customs clearance. 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 as it became an EU Member State in 1995.

In Finland, there are approximately 36 000 companies doing business with other EU countries. Around a fifth of them, 8 000 companies are Intrastat data providers. The companies in the sample are selected according to the value of their EU trade.

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

The foreign trade statistics published by the National Board of 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. Companies, on the other hand, use the statistical data in market research and in the development of commercial strategies.

Automated systems make declaring easier

The National Board of Customs examined the response burden by a questionnaire survey of data providers in September 2008. The survey was planned in cooperation with Statistics Finland, which will carry out similar surveys regarding its own statistics.

An Intrastat statistical declaration can be submitted in several different ways. The most common way is to use the online TYVI service. Intrastat declarations are also received as Edifact statistical messages and as ascii-files in a specified form. For the time being, Intrastat declarations are also received on paper forms.

Companies using paper forms spend 10 minutes per commodity code, those using the TYVI service 3 minutes and those using other electronic methods of declaration 1.5 minutes per month. Most time-consuming are declarations with one or two commodity codes, where preparing and filling in takes on almost half an hour per commodity code. Companies use 3 hours 45 minutes per month on average for preparing and filling in an entire declaration.

What lies behind the variation in time used per commodity code is that the companies submitting their declarations electronically have integrated the Intrastat statistics into their own information systems, so they can submit the data easily and quickly. Companies trading with third countries and submitting their customs declarations electronically can also submit their statistical declarations in the same way (Edifact).

Although the time used per commodity code and per company is reasonable, the companies used approximately 210 person-years in all on Intrastat declaring in 2008. In 2007, when the sample was somewhat larger and there were fewer electronic declarants, the companies used approximately 254 person years on Intrastat declaring.

The EU regulation that regulates the size of the Intrastat sample is being reformed. The new regulation will decrease the number of data providers and the total burden will keep diminishing in 2010. Also, information and guidance will advance the use of e-services.

Results of the Intrastat survey

A survey on Intrastat declaration, directed to Intrastat data providers, was conducted.

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 present, it is also possible to submit an Intrastat declaration on a paper form. All the Intrastat declarants using the TYVI service had the possibility to respond to the survey online during September 2008. Some of the Intrastat declarants using other ways to submit the declaration received the same survey by post. The survey results will be used in developing the Intrastat data collection.

A total of 1180 Intrastat declarants responded to the survey. In all, there are approximately 8000 Intrastat declarants, so the survey reached 15% of all the declarants. Of the respondent companies, 1040 deal with arrivals and 547 with dispatches. The respondent companies are classified by the method of declaration and by the average monthly number of submitted commodity codes. By the method of declaration, the companies are 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 are divided into large and small declarants according to the average monthly number of submitted commodity codes. Large declarants are companies submitting on average at least 20 commodity codes per month on the Intrastat declaration, and small declarants are companies with on average fewer than 20 submitted commodity codes per month.

Table 1. Number of persons participating in preparing and filling in the Intrastat declaration in the companies

Method of declaration	Arrivals		Dispatches	
	Persons on average	Of which outside the company, %	Persons on average	Of which outside the company, %
Tyvi large	1,4	10	1,6	4
Tyvi small	1,4	7	1,3	5
Other electronic	2,6	39	2,6	39
Paper form	1,9	4	1,9	4

In the respondent companies, 3.1 persons on average participate in preparing and filling in the Intrastat declaration, and 0.1 persons outside the companies. The number of people participating in preparing and filling in the declaration is lowest in companies using the TYVI service: in large companies dealing with arrivals on average 1.4 persons and in those dealing with dispatches 1.6 persons; in small companies dealing with arrivals on average 1.4 persons and in those dealing with dispatches 1.3 persons. The number of persons participating in preparing and filling in the Intrastat declaration is highest in companies using other methods of electronic declaration, i.e. ascii files or EDIFACT statistical messages. In these companies, 2.6 persons on average participate in preparing and filling in the declaration, 39% of which outside the company. In companies submitting their declarations on paper forms, 1.9 persons on average participate in preparing and filling in the declaration, 4% of which outside the company. (Table 1.)

Table 2. Average time spent for preparing and filling in the Intrastat declaration, per commodity code (cc)

	Arrivals			Dispatches		
	Minutes/commodity code		Declarants	Minutes/commodity code		Declarants
Method of declaration	Preparing	Filling in		Preparing	Filling in	
Tyvi 1-2 cc/month	19,2	8,5	737	18,4	8,0	409
Tyvi 3-5 cc/month	15,1	6,9	897	14,8	6,8	352
Tyvi 6-10 cc/month	12,2	5,6	920	11,4	4,2	336
Tyvi 11-20 cc/month	9,0	3,6	815	5,3	2,6	285
Tyvi 21-50 cc/month	6,3	2,9	693	5,7	2,2	257
Tyvi 51-100 cc/month	3,6	2,6	249	1,8	1,7	88
Tyvi 101-200 cc/month	2,8	2,4	137	1,5	0,5	45
Tyvi 201-400 cc/month	1,4	1,2	61	0,3	0,6	26
Tyvi 401 cc/month or more	0,1	0,9	68	0,0	0,1	32
Other electronic 1-20 cc/month	16,5	7,7	316	17,0	8,0	79
Other electronic 21 cc/month or more	1,1	0,1	431	0,6	0,1	134
Paper form 1-5 cc/month	11,9	10,8	831	20,0	14,9	204
Paper form 6-20 cc/month	7,3	5,2	481	0,7	5,7	121
Paper form 21 cc/month or more	4,2	1,7	206	2,1	8,8	76

On the basis of the survey, it can be estimated that in all the declarant companies it takes 122 person-years in all to prepare the Intrastat declaration and 88 person-years in all to fill in the declaration. As a rule, companies that submit large numbers of commodity codes spend the least time per commodity code for the preparation and filling in of the Intrastat declaration. Companies using paper forms spend 10 minutes per commodity code, those using the TYVI service 3 minutes and those using other electronic methods of declaration 1.5 minutes.

Most time-consuming are TYVI declarations with one or two commodity codes, where preparing and filling in takes on average 28 minutes per commodity code for arrival declarations and 26 for dispatch declarations. Companies using other electronic methods of declaration spend on average only one minute per commodity code for preparing and filling in an arrival or dispatch declaration with more than 20 commodity codes. Preparing and filling in a declaration with no more than five commodity codes on a paper form takes on average 23 minutes per commodity code for an arrival declaration and 35 minutes per commodity code for a dispatch declaration. When an arrival declaration with more than 20 commodity codes is submitted using a paper form, the preparation and filling in takes on average six minutes per commodity code, and the corresponding figure for a dispatch declaration is 11 minutes per commodity code. (Table 2.)

Of the respondents, 48% found it easy to complete the Intrastat declaration, whereas 33% of the respondents found it burdensome. Only three percent of the companies had made extensive changes to make it easier to complete the declaration, 32% of the companies had made minor changes, whereas 56% hadn't made any changes at all. Commodity code was considered the most difficult field in the Intrastat declaration to fill in; 39% of the respondents considered it fairly or very difficult. 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% of the respondents that deal with arrivals found it fairly or very difficult. Of the respondents, 16% found it fairly or very difficult to fill in Net mass and 13% found it fairly or very difficult to fill in Supplementary unit. 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.)
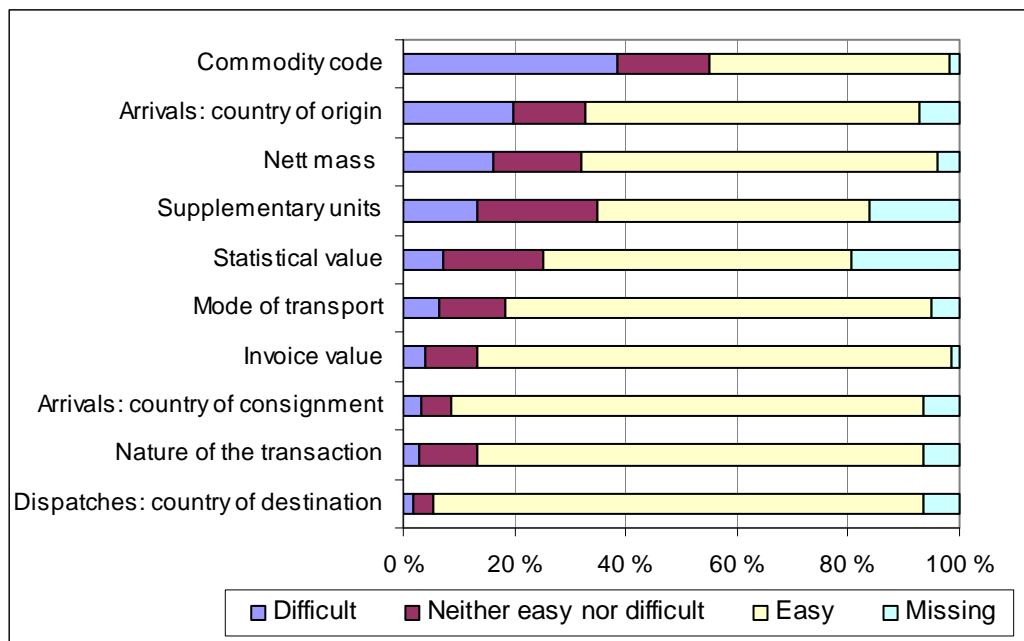

Figure 1. How easy or difficult it is to fill in the fields in the Intrastat declaration

Comparison of the burden on data providers in 2008 and in 2007

In 2007, the Intrastat sample consisted of approximately 9500 companies, and since the threshold values for declaration were raised for the year 2008, the sample decreased to approximately 8000 companies. The number of commodity codes submitted by the data providers has increased from the year 2007 in such way that the total number of commodity codes in 2008 is higher than in 2007. It is notable that the total number of commodity codes has increased while the number of data providers has decreased.

When processing the results for the year 2008, the declarations for January-June were used; nearly all of them had arrived when the study was carried out in November. The number of commodity codes in these declarations was multiplied by two to get an estimate of the number of commodity codes for the whole year. The same method was applied to the declarations for 2007, so that seasonal variation wouldn't affect the comparability of the results. For each declaration method, the time spent for one commodity code was calculated, and the result was multiplied by the number of commodity codes. This calculation produced comparable person-years (py) for the years 2008 and 2007. Therefore, the data for the year 2007 is not based on measurement, but on a calculation based on the data for 2008. The person-years were calculated by dividing the total number of hours by 1717.5 which, according to the estimate of the Confederation of Finnish Industries EK, is the average number of annual working hours of wage and salary earners in 2008[2]. The same divisor was used for both years.

According to Table 3, the response burden on companies submitting their declarations using paper forms has decreased by 20 py compared to the year 2007. The burden on companies using other methods of declaration has decreased by 15 py and on companies using the TYVI service by 9 py. Due to the increase in the number of submitted commodity codes, the burden on companies electronically submitting more than 20 commodity codes (cc) per month has increased by 28,5 py.

Table 3. Intrastat declaration response burden as person-years by method of declaration 2007-2008

Method of declaration	Year 2008 py	Year 2007 py	Y2008 vs Y2007 py
Tyvi 1-2 cc/month	4,1	5,5	-1,4
Tyvi 3-5 cc/month	11,4	13,8	-2,4
Tyvi 6-10 cc/month	19,0	19,7	-0,8
Tyvi 11-20 cc/month	21,8	53,1	-31,3
Tyvi 21-50 cc/month	31,7	9,3	22,3
Tyvi 51-100 cc/month	15,5	14,8	0,7
Tyvi 101-200 cc/month	13,6	12,4	1,2
Tyvi 201-400 cc/month	6,1	6,5	-0,4
Tyvi 401 cc/month or more	25,9	23,2	2,7
Other electronic 1-20 cc/month	10,5	26,3	-15,8
Other electronic 21 cc/month or more	16,4	15,5	0,9
Paper form 1-5 cc/month	6,7	12,1	-5,4
Paper form 6-20 cc/month	8,2	21,4	-13,1
Paper form 21 cc/month or more	19,5	21,0	-1,4
Total	210,3	254,4	-44,1

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[2] http://www.ek.fi/www/fi/tyoelama/tyomarkkinoiden_rakenteet/tyoajan_pituus_ja_tyoaikajoustot.php