

Summary of outcomes of the Committee e-deliberations on merchanting

The Committee agreed with the AEG's conclusions on merchanting. These are:

Merchanting: The AEG agreed that for the three types of merchanting discussed in the paper - global manufacturing, global wholesaling/retailing, and commodity dealing that is settled by trade in commodities- the acquisition of goods is recorded as an import (shown as negative export) by the merchant. The subsequent resale of goods is recorded as an export by the merchant. The difference between the two is shown as net exports of goods by the merchant. The merchant's output is recorded as a wholesale/retail service within the national accounts, exclusive of holding gains/losses while the goods are held (in inventory) by the merchant.

There was considerable discussion leading up to this agreement among AEG members, as the various issues that were raised in the paper were debated in some depth. The outcome was a compromise among those that were concerned about the implications of gross reporting for the trade data, those concerned about the change of ownership principle and those that saw a service being provided.