

## **International Merchandise Trade Statistics – Is there a need for paradigmatic shift?**

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International Merchandise Trade Statistics (IMTS) is a domain of official economic statistics with great tradition. The conventional data source of IMTS has been Customs documents, thus the basic recording principle the cross-border physical movement of goods. As long as national economies covered resident units only and units in different countries were unrelated to each other, border crossing provided a good estimation for the change of ownership between a resident and non-resident unit – the principle used in Balance of Payments and National Accounts. However, with the evolution of globalization, official ITGS statistics is facing challenges regarding its key conceptual and data collection aspects: Customs formalities are simplified and even abolished in the frame of Customs unions, non-resident units are acting as traders within the economy and a non negligible part of trade is done between related parties of multinational enterprise groups. Physical movements might become inflated and not reflecting the change of ownership due to internationally fragmented nature of global production processes. The paper is devoted to highlight some aspects of this existing methodological gap through the perspective and practice of an export oriented EU Member State integrated in the globalised economy, and tries to formulate an opinion on the question set in the title.

**Key Words:** physical movement, change of ownership, globalization