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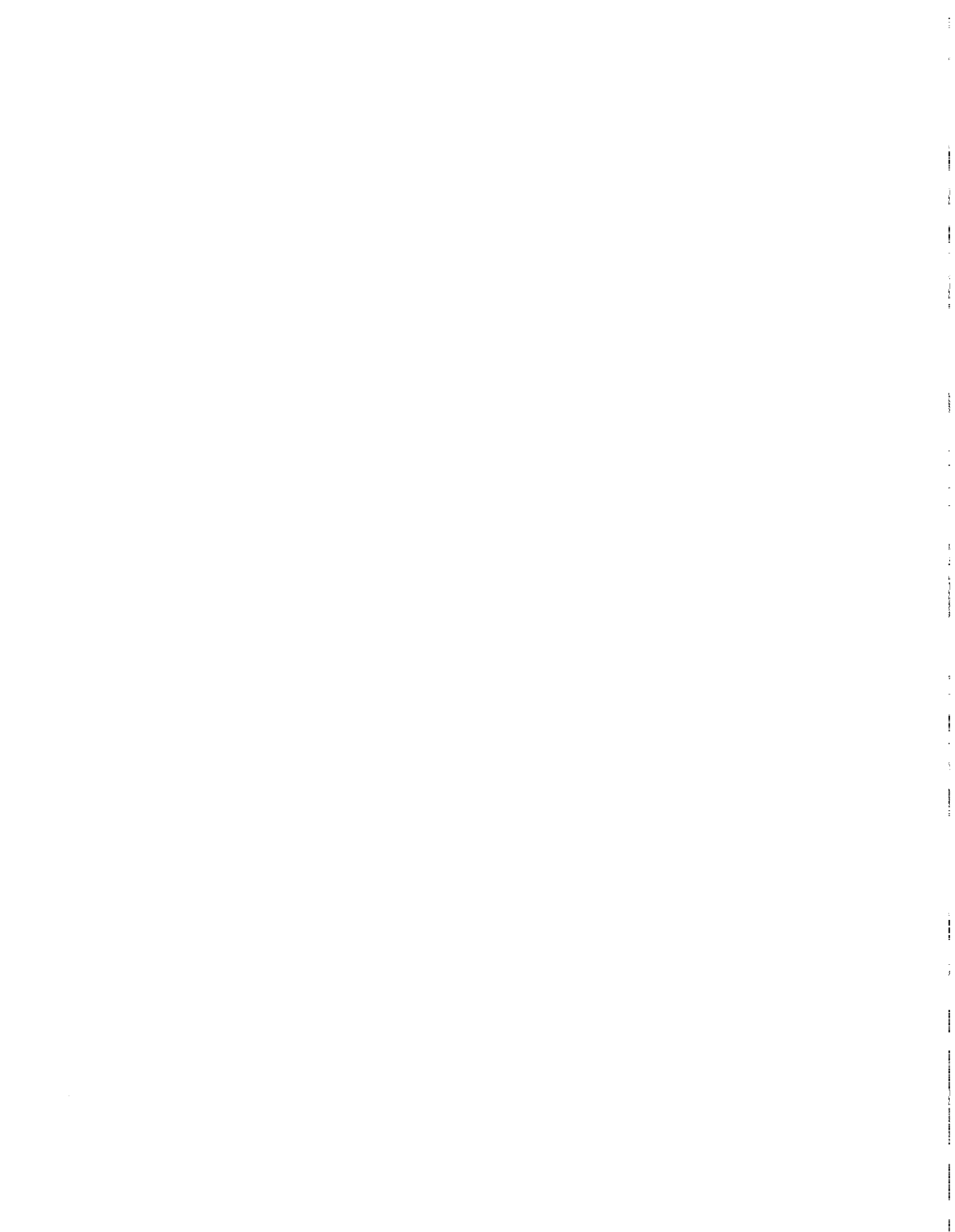
Report to the Chairman, Subcommittee
on National Security Economics, Joint
Economic Committee, U.S. Congress

May 1991

TRADE AND ECONOMIC DATA

Many Federal Agencies Collect and Disseminate Information





National Security and
International Affairs Division

B-243341

May 1, 1991

The Honorable Jeff Bingaman
Chairman, Subcommittee on National
Security Economics
Joint Economic Committee
Congress of the United States

Dear Mr. Chairman:

As you requested, we have obtained information on what foreign economic data are available to U.S. businesses and policymakers. To succeed in increasingly competitive world markets, U.S. businesses need a variety of such data, as do policymakers in developing plans and programs to assist U.S. businesses in obtaining an appropriate share of foreign markets.

We identified

- the federal agencies that collect and disseminate foreign economic and trade data,
- the ways in which executive and legislative agencies use this information,
- the extent of agency coordination in collecting and disseminating these data, and
- the methods government agencies use to disseminate data to private sector users.

Results in Brief

We identified 17 federal agencies that collect, maintain, and disseminate foreign trade and economic data held by the federal government. Seven agencies collect the greatest amount of this information: the Departments of Commerce, State, Labor, Energy, and Agriculture; the Federal Reserve System; and the U. S. International Trade Commission. Both statistical data and narrative information on foreign economies and U.S. trade are provided in either published or unpublished form to government officials or academic and business organizations. These data are used for economic and trade research and analysis and to help U.S. companies compete in foreign markets.

Agencies coordinate the collection and dissemination of foreign economic and trade data to varying degrees. Some federal agencies coordinate efforts to collect foreign economic and trade information with other

agencies, particularly with the overseas activities of the Department of State. Agencies disseminate the data they have collected through their own printing and distribution offices, the Government Printing Office, and the National Technical Information Service (NTIS).

One notable effort at setting up a centralized dissemination point has been the National Trade Data Bank (NTDB). The Commerce Department established the Bank in August 1990 to be a one-stop source of information on foreign economies and trade as intended by the Omnibus Trade and Competitiveness Act of 1988. However, we identified additional federal data bases not currently included in the NTDB that could make it more useful to its subscribers. For example, the Interior Department's Bureau of Mines' data on foreign mining and mineral processing industries and the Agriculture Department's Foreign Agricultural Service's lists of foreign buyers could help U.S. companies identify export opportunities. (See table II.2.) NTDB officials agreed that some of the information that we identified could be of interest to NTDB users and told us they are considering adding this information to the Bank.

Recommendation

We recommend that, consistent with his responsibility for managing the NTDB, the Secretary of Commerce direct NTDB officials to add data bases from those we identified that are judged to be of greatest interest to NTDB users.

We did not solicit written agency comments, but we briefed agency officials on our work and have incorporated their comments where appropriate in this report. Despite some concerns about the technical aspects of including further data, NTDB officials agreed to consider adding data bases from those we identified as part of a future evaluation of customers' interests.

Scope and Methodology

We surveyed 25 federal agencies, asking them to describe their foreign trade and economic data collection and dissemination activities. For each agency, we sought information on a variety of topics related to the economic and trade data it collects, the countries from which it collects the data, the uses it makes of the information, the resources it devotes to information collection, and the availability of this information to those outside the agency. We did not assess the quality of the information these agencies collect.

We then focused our work on the Departments of Commerce, State, Labor, Energy, and Agriculture; the Federal Reserve System; and the U.S. International Trade Commission. We reviewed samples of the data they collect and maintain but did not draw any conclusions about whether collection and dissemination of similar information by different agencies constituted unnecessary duplication. We limited our study to reviewing unclassified information, specifically excluding U.S. intelligence agencies. As part of our work, we looked at how the NTDB provides its information to government, business, the academic community, and the public.

We conducted our work from March 1990 through January 1991 in accordance with generally accepted government auditing standards.

Appendix I contains a description of the federal agencies that collect foreign economic and trade information. Appendix II discusses agency efforts to coordinate the collection and dissemination of information.

Unless you publicly announce its contents earlier, we plan no further distribution of this report until 30 days from the date of this letter. At that time, we will send copies to the Secretaries of Commerce, State, Labor, Energy, and Agriculture; the Chairman of the Federal Reserve Board; and the Chairman of the U.S. International Trade Commission. Copies will also be made available to others upon request.

Please contact me on (202) 275-4812 if you or your staff have any questions concerning this report. The major contributors to this report are listed in appendix III.

Sincerely yours,



Allan I. Mendelowitz, Director
International Trade, Energy,
and Finance Issues

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Abbreviations

| | |
|--------|--|
| CD-ROM | Compact disc read-only-memory |
| NTDB | National Trade Data Bank |
| NTIS | National Technical Information Service |

Many Agencies Collect Various Foreign Economic and Trade Data

In response to our survey, 55 units within 17 federal agencies indicated that they collect or maintain some foreign economic and trade data. Some units have specific statutory authority for such activities, while others not specifically directed to collect or maintain information do so in support of broader agency missions. Several agencies—most notably the Commerce Department, the U.S. International Trade Commission, and the Office of the U.S. Trade Representative—collect or maintain information to enhance U.S. competitiveness and help agencies in formulating U.S. trade policy. Many of these agencies contribute information to the National Trade Data Bank (NTDB); however, much of their and other agencies' information is not yet included in the NTDB system.

Agencies Collect Various Types of Data for a Number of Reasons

Data can be described according to its source or frequency. As to source, data can be either primary (where the agency is the original collector, as happens with Customs Service data on imports and exports) or secondary (the agency receives the data from the original collector, as in the Department of the Interior's reports on foreign mines and mine production, which are based on information provided by the State Department). As to frequency, data can be collected either periodically (as it is for balance-of-payments annual reports) or only once (as would be the case in a special study on textile imports, for example).

Agencies collect foreign economic information and trade data to (1) respond to specific legislative mandates, (2) meet program objectives, or (3) satisfy other needs incidental to their primary missions. For example, the Commerce Department's Bureau of Economic Analysis is legislatively mandated to collect information under section 8 of the Bretton Woods Agreement Act of 1945 (P.L. 79-171), as implemented by Executive Order No. 10033, and under the International Investment and Trade in Services Survey Act (P.L. 94-472).

Other collection activities are performed as the result of program objectives. For example, the Agency for International Development maintains international social and economic data for use by its personnel or contractors working on economic assistance projects or programs.

Some agencies collect or maintain information on foreign economies incidental to their agency's principal mission. The Commerce Department's Patent and Trademark Office, for example, collects information concerning patent and trademark applications, including foreign ones, to track the flow of applications, the status of a particular application, and on the availability of individual products.

Seven Federal Agencies Do Much of the Collecting

Seven federal agencies collect the greatest amount of material: the Departments of Commerce, State, Labor, Energy, and Agriculture; the Federal Reserve System; and the U.S. International Trade Commission.

The Department of Commerce

Commerce has several units that collect or maintain information on foreign economies and trade data: the International Trade Administration, the Bureau of Economic Analysis, the Bureau of the Census, the Patent and Trademark Office, and the National Institute of Standards and Technology.

The International Trade Administration provides advice on trade and investment policies pertaining to U.S. industries and develops and carries out policies and programs promoting U.S. international trade and investment. It gathers trade-related information, mostly for onetime studies or investigations. The following three groups within the administration collect information on foreign economies:

(1) The U.S. and Foreign Commercial Service gathers and holds information on foreign trade developments, policies, opportunities, and foreign market research on selected products and services. The results are published in the Country Marketing Plan and Industry Sector Analysis reports on an ad hoc basis. Information from the Service is made available to American industry through district offices via the International Trade Administration's Commercial Information Management System.

(2) Trade Development's industry sector units collect information both by country and product and also purchase information from private companies. Information is maintained in both soft (computer) and hard copies; some is published in U.S. Industrial Outlook and in industrywide publications available to government agencies and the public.

(3) The International Economic Policy group collects and maintains economic and statistical data on foreign economies. This information is useful for business counseling and is distributed in handouts to the business community.

The Bureau of Economic Analysis collects information on direct investments, travel, transportation, and other services to compute the U.S. balance of payments and to analyze the activities of multinational companies. Summaries of these and data from other agencies are published

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in the Survey of Current Business and in news releases. The information is used for assessments of the U.S. balance of trade and other economic studies.

The Bureau of the Census collects economic and demographic data on selected countries. The Census Bureau's Center for International Research obtains and keeps information on the Soviet Union and China. The data support a program of research on the economies and populations of these countries, including national income accounts and labor force estimates and projections. The data are also used to assess the general functioning of economies and trade balances. The Patent and Trademark Office collects a variety of data related to patent and trademark applications, patents issued, and trademarks registered. The data include addresses of foreign and domestic applicants, assignments of property rights, and descriptions of property. The office's data are used to track the flow of applications, predict trends in work loads, and provide the public with access to information on issued patents and registered trademarks. The office also collects and publishes information on patents issued by 14 other industrial nations.

The National Institute of Standards and Technology's National Center for Standards and Certification maintains the largest collection of standards-related materials in the United States, including most international standards available in English and standards of major U.S. trading partners. This information is essential to anyone marketing overseas. The Institute publishes four directories of standards-related organizations in the United States and other countries; these directories are available to the public.

The Department of State

The State Department's Bureau of Economic Analysis collects most of the Department's economic information through personnel stationed in embassies around the world. The embassies compile data and write reports that the State Department uses itself and also distributes to other federal agencies. For example, the economic officers at U.S. embassies around the world write reports for State's Foreign Economic Trends and the Office of the U.S. Trade Representative's National Trade Estimates.

The Department of Labor

The Department of Labor collects and maintains foreign labor statistics. The agency also gathers information for studies evaluating the effects of foreign economic developments on the earnings and employment of U.S.

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workers. Two units in the Bureau of Labor Statistics collect or hold information: the Office of Foreign Relations and the Division of Foreign Economic Research. The Office of Foreign Relations collects information and publishes the Foreign Labor Trends series. The Division of Foreign Economic Research evaluates the effects of foreign economic developments on the earnings and employment of U.S. workers.

The Department of Energy

The Energy Department collects, reviews, and publishes various types of international energy data, including energy trade data. These data are collected primarily by the Department's International Statistics Branch in the Energy Information Administration. The branch gets its information from the Organization for Economic Cooperation and Development, the United Nations Energy Statistics Yearbook, official publications of other countries, and international trade publications. It uses foreign sources for some of its statistics, publishing its data in the monthly International Petroleum Statistics Report and in the International Energy Annual.

**The Department of
Agriculture**

The Agriculture Department collects and maintains data on agricultural conditions throughout the world to provide the government and the public with expertise and analytical information about foreign agricultural economies and to promote U.S. agricultural exports. The Agricultural and Trade Analysis Division and the Trade Reporting Section of Agriculture's Commodity Economics Division gather information to identify and analyze global agricultural economies. Agriculture's Foreign Agricultural Service collects data from most countries, particularly those whose food and agricultural consumption, production, and trade would be of interest to the U.S. agricultural community and industry. Foreign Agricultural Service data are available through the Economic Research Service, the World Agricultural Outlook Board, and the National Technical Information Service (NTIS).

**The Federal Reserve
System**

The Board of Governors of the Federal Reserve System collects and maintains data on a very broad range of foreign economic variables from national, international, and secondary sources. Though global in scope, the data emphasize information on industrialized nations. The Federal Reserve's Division of International Finance collects and maintains substantial information on foreign economies. Data are collected so that the staff may keep the Board of Governors and the Federal Open

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Market Committee¹ abreast of world economic events that have an impact on the U.S. economy and the formation of U.S. monetary policy.

U.S. International Trade
Commission

The Commission collects information globally for onetime surveys of U.S. importers, producers, and purchasers of products that are the subject of trade law actions. The questionnaires it uses to gather this information are confidential and are not generally available to the public. The Commission also collects foreign economic data on assigned commodities and industries to provide advice to the U.S. Trade Representative and to the Congress on the competitive position of U.S. industries in both domestic and overseas markets. Trade-related information the Commission collects is typically used in studies or investigations. Virtually all the data collected from primary sources are published in confidential or public reports the Commission prepares. The Commission participates with the Commerce Department's Bureau of the Census and the Customs Service in establishing classes of products and units of quantity for which Customs will collect and Census will compile and publish U.S. import and export data.

¹The Open Market Committee is comprised of the Board of Governors and the presidents of 5 of the 12 Federal Reserve Banks.

Efforts to Coordinate the Collection and Dissemination of Data

Federal agencies coordinate their collection and dissemination of foreign economic and trade data with other agencies to various degrees. In 1988, based on its concern that trade and foreign economic data were available from many sources and were not easily available to prospective users, the Congress passed legislation establishing the National Trade Data Bank as a focus of foreign economic and trade data held by the federal government. The NTDB began operations in August 1990 and now provides considerable information to many users.

While we did identify a number of data bases not currently included in the NTDB, adding these data to the NTDB would meet with a few obstacles. NTDB officials agreed that some of the data we identified could be of interest to its users and stated they are considering adding them. The data are continually updated and provided to subscribers in two different machine-readable formats.

Coordinating Information Collection and Dissemination Among U.S. Agencies

U.S. agencies coordinate data collection and dissemination activities through both formal and informal contacts. Some agencies coordinate their collection efforts with State or Commerce Department overseas offices. Some use other agencies' data only for specific, onetime projects. Others maintain files of different agencies' data for their own use.

Federal agencies disseminate foreign trade and economic information through various outlets, including their own printing and distribution offices, the Government Printing Office, and the NTIS. A great deal of the foreign trade and economic data is available to the public.

Role of the NTDB

The NTDB's role has been clear since Congress mandated its creation in 1988 as part of the Omnibus Trade and Competitiveness Act. From its inception, the NTDB was meant to serve as a one-stop source of information on foreign economies and trade. Although it required the establishment of the NTDB, the Congress did not direct that existing data banks be eliminated. Rather, the NTDB was to centralize this information for easy access. The congressional conference report for the 1988 act specifically recognized the need for data to be available in many forms and from many sources. The act also established an Interagency Trade Data Advisory Committee to counsel the Secretary of Commerce on the establishment, structure, content, and operation of the NTDB. Each member agency represented on the committee would provide data necessary for the operation of the NTDB. During the development of the NTDB, public comments were solicited on its proposed content, the types of services to

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be offered, and the sources and description of data for inclusion. NTDB staff evaluated these public comments and, where appropriate, incorporated them into the final NTDB design.

Despite limited funding, the NTDB became operational by August 1990, as required by the act. The NTDB contains the equivalent of 120,000 typewritten pages of up-to-date information on international economics and foreign trade. Information comes from 15 federal agencies or bureaus and 1 university. Table II.1 lists the sources of data contained in the NTDB.

Table II.1: Data Contained in the National Trade Data Bank

Board of Governors of the Federal Reserve System

Foreign Spot Exchange Rates
Weighted Average Exchange Value of the Dollar
U.S. 3-Month Certificate of Deposit Interest Rates
Stock Prices Indexes for the G-10^a Countries
Foreign 3-Month Interest Rates

Central Intelligence Agency

The World Fact Book
Handbook of Economic Statistics

Department of Agriculture

World Production Supply and Distribution of Agricultural Commodities

Department of Commerce, Bureau of the Census

Merchandise Trade
Exports (10-digit detail) by country of destination
Imports (10-digit detail) by country of origin
Total Mid-year Population and Projections to the Year 2050
Exports from Manufacturing Establishments
Trade and Employment Reports

Department of Commerce, Bureau of Economic Analysis

National Income and Product Accounts
Fixed Reproductive Tangible Wealth Estimates
Annual U.S. Merchandise Trade (Balance-of-Payments Basis)
International Investment Position of the United States
U.S. International Transactions (Balance of Payments)
Operations of U.S. Affiliates of Foreign Companies
Foreign Direct Investment in the United States
Foreign Direct Investors Acquisition and Establishment of U.S. Businesses
Operations of U.S. Parent Companies and Their Foreign Affiliates
U.S. Direct Investment Abroad
International Services Reports
U.S. Expenditures for Pollution Abatement and Control

Department of Commerce, International Administration

Understanding U.S. Foreign Trade Data
U.S. Industrial Outlook
EC 1992: A Commerce Department Analysis of European Common Market Directives

Department of Commerce, National Institute of Standards and Technology

National Center for Standards and Certification Information Report

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Department of Commerce, U.S. and Foreign Commercial Service

International Market Research Reports
Foreign Traders Index
A Basic Guide to Exporting

Department of Energy

International Energy Data Base

Department of Labor

International Labor Statistics
International Price Indexes

Export-Import Bank of the United States

Quarterly Report on Bank Programs

International Trade Commission

Trade Between the United States and Nonmarket Economy Countries

Office of the U.S. Trade Representative

Trade Projections Report to the Congress
National Trade Estimates Report on Foreign Trade Barriers

Overseas Private Investment Corporation

Agency Program Summaries
Annual Report

Small Business Administration

Small Business and Export Information System

University of Massachusetts, Massachusetts Institute for Social and Economic Research

Exports by state, country, and industry

^aThe G-10 countries (actually 11) are Belgium, Canada, France, Germany, Italy, Japan, the Netherlands, Sweden, Switzerland, the United Kingdom, and the United States.

As we began our study, we found that, in addition to the NTDB, two agencies—the Library of Congress and the NTIS—were potential compilers and distributors for much of the foreign economic information and trade data that exist at federal agencies. However, NTIS officials told us they believed that their most effective role would be solely as distributor of NTDB products. A Library of Congress official did not believe that the Library would be an appropriate focal point for the dissemination of large amounts of information on foreign economies and trade because the Library's function is to collect information, not to generate statistics. Moreover, Library staff do not usually review the Library's collection of foreign economic and trade information. Therefore, the Library officials did not believe they were in a position to assess the quality and reliability of the information the Library maintains.

NTDB's Current Operation

NTDB offers its customers both basic and premium services. Its basic service is provided on a monthly compact disc read-only-memory (a CD-ROM). This service provides user-friendly search-and-retrieval software and other software with more sophisticated search capabilities. NTDB officials expect the CD-ROM to be used by agencies, businesses, and academics. The NTDB has made the CD-ROM available, free of charge, to libraries that are depositories for Federal documents. NTDB offers its premium service through the National Institutes of Health computer; this file is continuously updated. Subscribers can monitor the availability of updates and can download data or they can order magnetic tapes containing this information. The NTDB designers expect that the principal users of this service will be information vendors, who may purchase the service, manipulate the data to add value to it, and resell it.

NTDB officials pointed out to us that the system continues to evolve. After viewing several months of service, these officials said they plan to evaluate the NTDB through a customer survey and assess the need to include new data and eliminate unwanted data currently in the system but have set no date for action.

Advantages of and Obstacles to Expanding the NTDB

While officials of the NTDB have done a commendable job of including the information on foreign trade and economies in its data bank, we have identified additional data that could make the NTDB even more useful. These include a number of federal information resources which could be of interest to NTDB users (see table II.2 for a partial list of these sources). We provided the NTDB staff with a more complete list of over 40 data bases that may be helpful to NTDB customers.

Table II.2: Federal Data Bases Not Currently Included in the National Trade Data Bank

| Source agency and unit | Data base |
|--|---|
| Consumer Products Safety Commission | |
| Office of Program Management and Budget | OECD notifications and GATT notifications |
| Department of the Interior | |
| Bureau of Mines | Mineral industries throughout the world |

(continued)

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| Source agency and unit | Data base |
|--|---|
| Department of Agriculture | |
| Economic Research Service | FAO production, trade, fertilizer, and producer prices data bases World agricultural trends and indicators Commodity trade matrixes |
| Department of Agriculture | |
| Foreign Agricultural Service | Food and agricultural export directory Foreign buyer lists Foreign agriculture circulars |
| Department of State | |
| Bureau of Economic and Business Affairs | Background notes Post reports |
| Department of Commerce | |
| National Institute of Standards and Technology | Directories of international standards |
| Export-Import Bank | |
| Country Risk Analysis Group | Country risk reports |

Legend

FAO = Foreign Agricultural Organization

GATT = General Agreement on Tariffs and Trade

OECD = Organization for Economic Cooperation and Development

The following brief illustrations indicate how three of these data bases could benefit NTDB users:

- The Consumer Product Safety Commission's data base on foreign safety notifications and standards could be used by manufacturers to ensure that their products meet the safety standards of the countries to which they plan to export.
- The Interior Department's Bureau of Mines could provide U.S. companies with a broad range of technical and economic data to assess the mining and mineral processing developments in foreign countries and the impact of these developments on local economies and world mineral markets. It could also help companies identify any export opportunities for mining equipment.

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- Agriculture's Foreign Agricultural Service could provide U.S. companies with the names, addresses, and phone numbers of prospective buyers of U.S. agricultural products.

NTDB officials expressed several concerns about expanding their data base. They pointed out to us that each of the data bases in our list would have to be evaluated for inclusion in the NTDB based on its compatibility with NTDB technology, copyright limitations, duplication of current NTDB material, and approval by the Interagency Trade Data Advisory Committee. They also noted that the NTDB CD-ROM now contains 85,000 documents that use about 90 percent of disc capacity. The data also require a great deal of monthly maintenance updating. If much more data are added, the NTDB will have to be expanded to two CD-ROMs, thereby increasing the labor and resources required to run the program. Despite these concerns, NTDB officials agree that additional information could be of interest to NTDB users and indicated that they are considering adding such data during their planned evaluation of the NTDB.

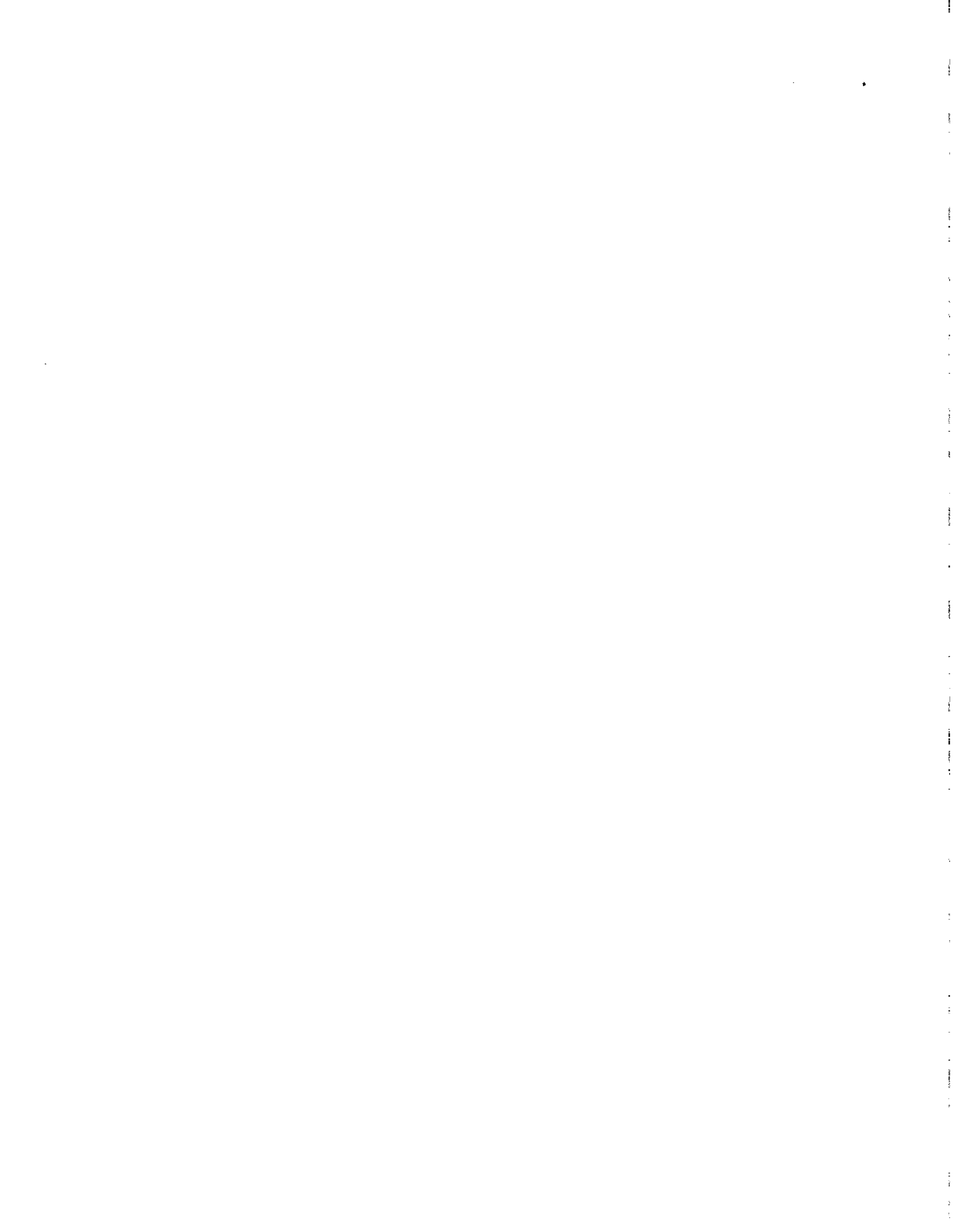
Major Contributors to This Report

**National Security and
International Affairs
Division, Washington,
D.C.**

John E. Watson, Assistant Director

Boston Regional Office

Joseph S. Cohen, Evaluator-in-Charge
Nicolas F. DeMinico, Site Senior
Gretchen A. Laise, Evaluator



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