



Measuring Trade in Services

Training Module



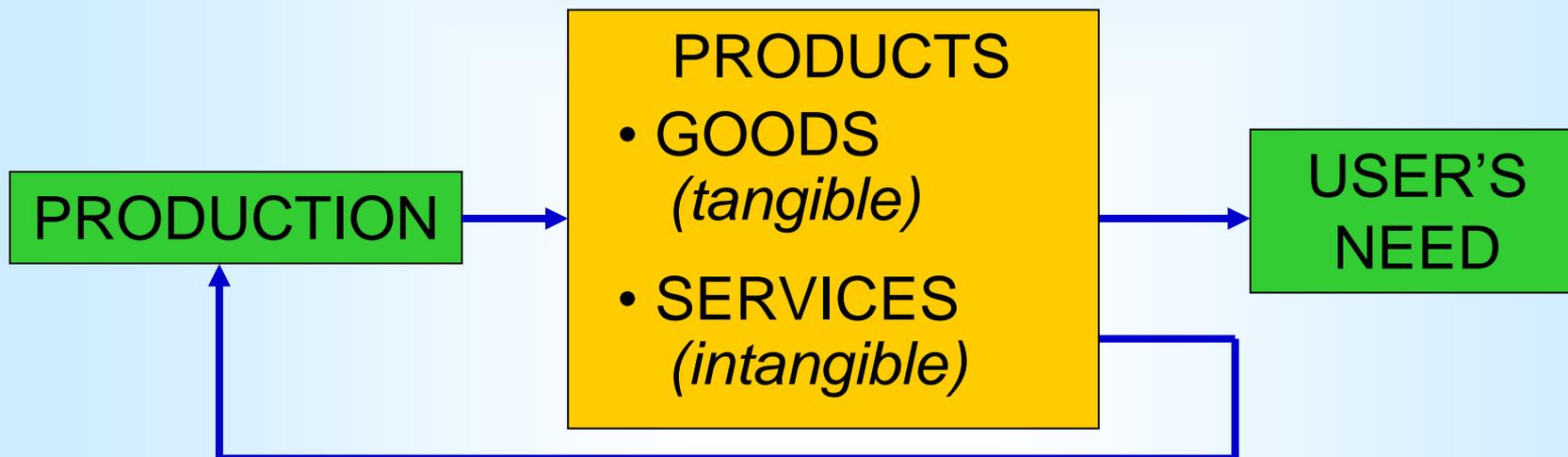
Overview

- **Characteristics and economic importance of services**
 - Importance of services
 - Trade in services
- **GATS and modes of supply**
- **Manual on Statistics of International Trade in Services**
 - BOP
 - FATS
 - Modes of supply and statistical domains



Services

- **Intangible output of a production process**

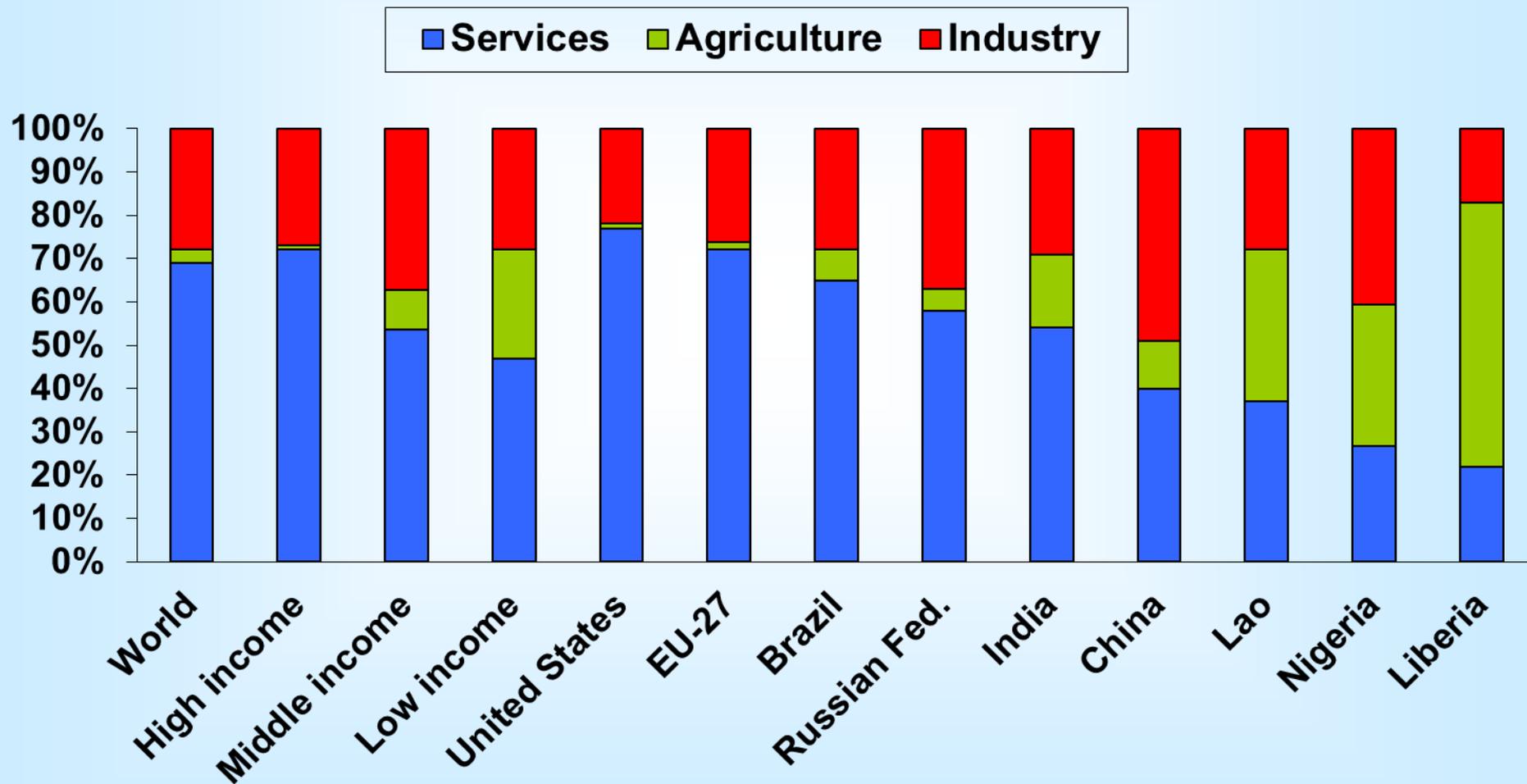


- **Key role in the economy**
 - transport, telecommunications...
 - long term effects - environmental, educational services...
- **Services value added = 2/3 Global GDP**



Share of Services Value Added in GDP

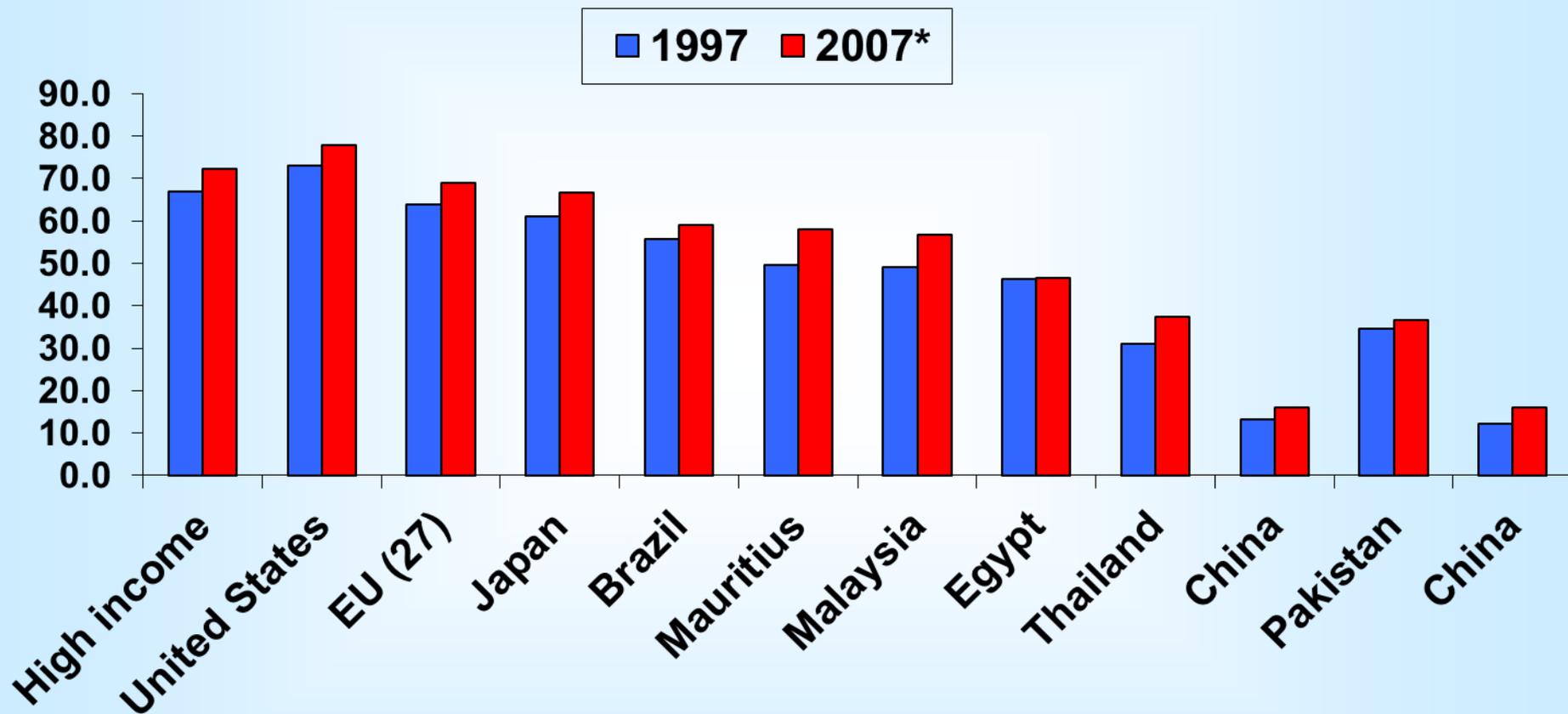
2008, Selected countries





Share of Services in Total Employment

1997-2007, Selected countries



* Except Brazil 2006, Egypt 2006 and China 2002.



Measuring Services Production (1/2)

Statistics on domestic activity

- **Value added** broken down by industry (of which services) within the National Accounts framework
- **Employment in the services sector** within employment statistics (also part of the National Accounts)
- **Information on specific services sectors** from business statistics

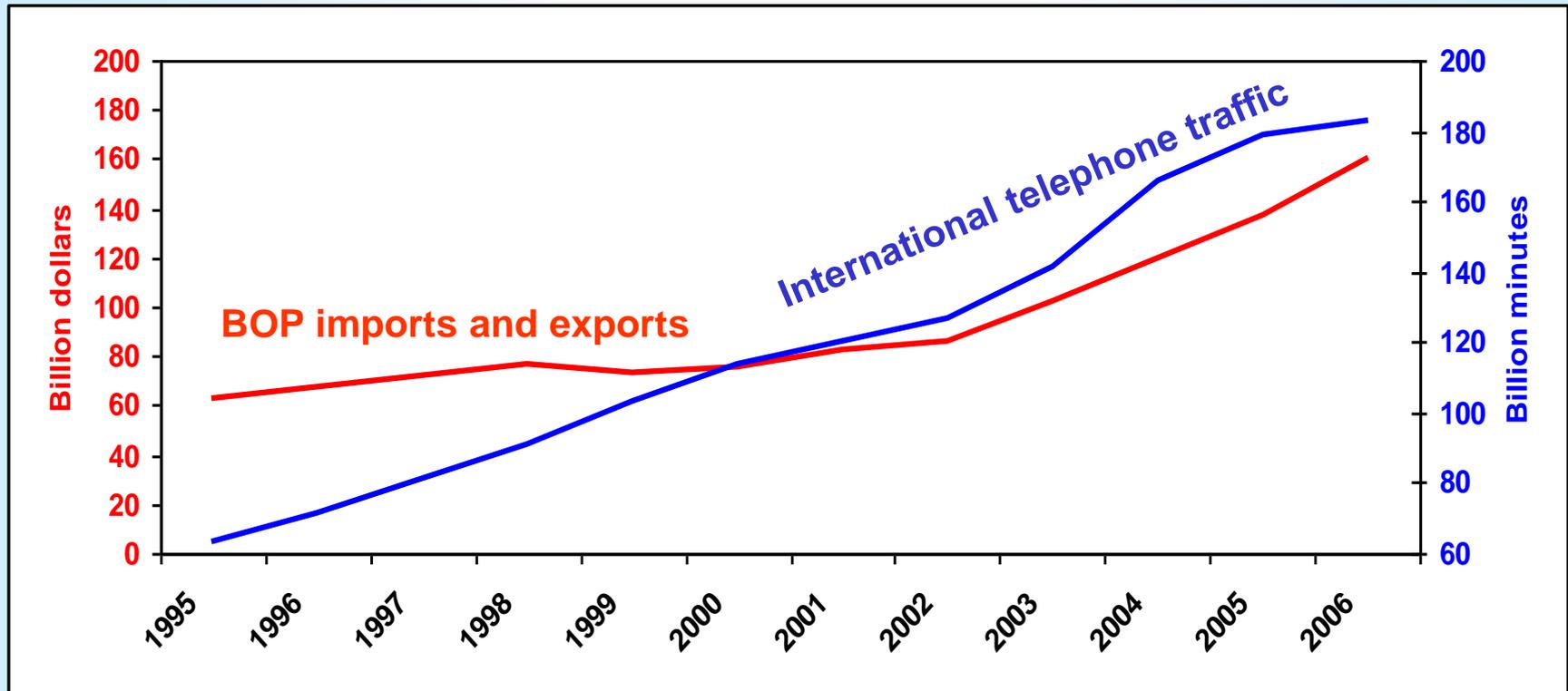
Measuring Services Production (2/2)



Quantitative indicators on specific services

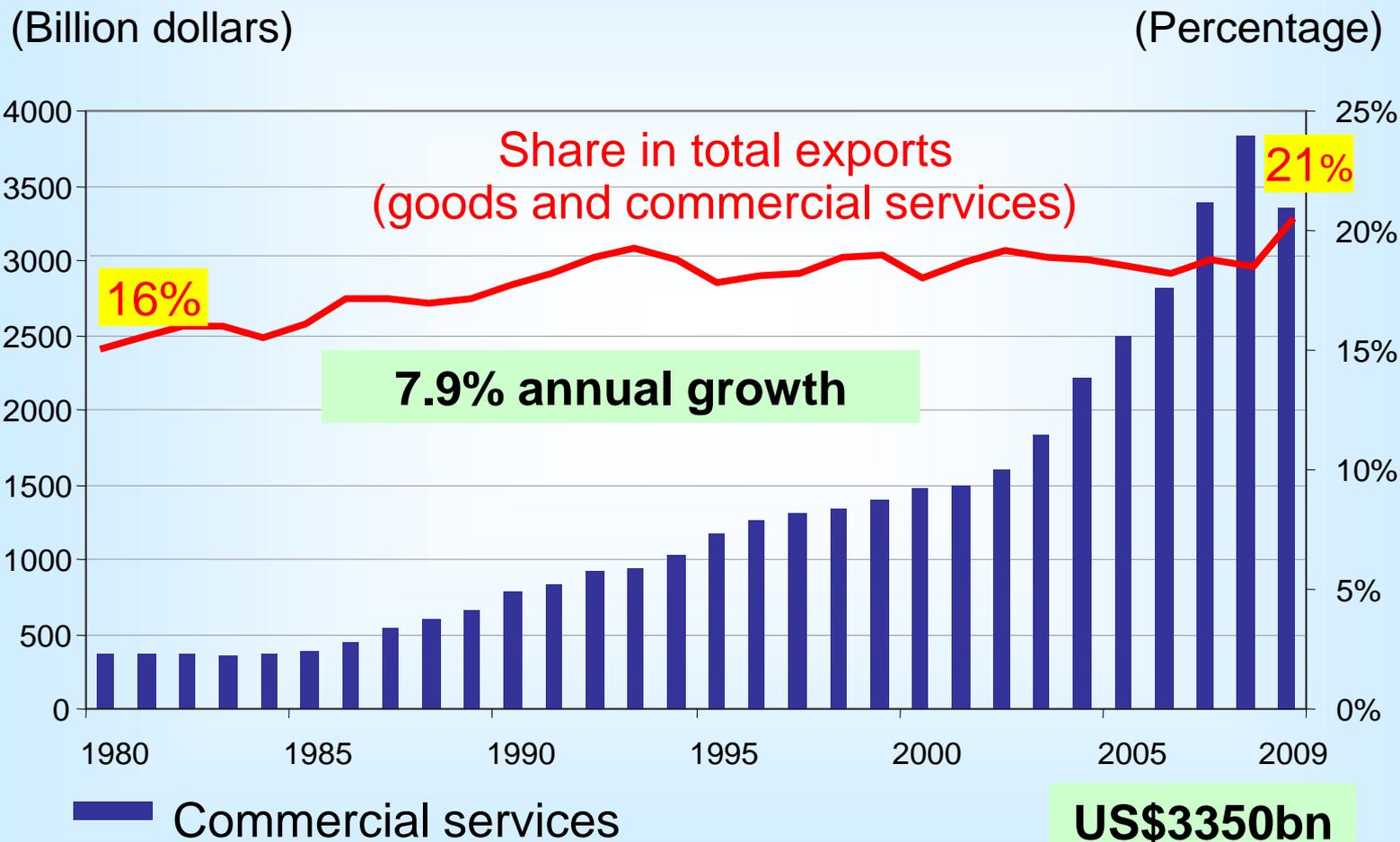
Complementary use of statistics:

- on international payments for telecommunications (source BOP)
- on international telecommunications traffic (source ITU)





Exports of Commercial Services, 1980-2009



Source: WTO Secretariat.



Specific Features of Trade in Services

Services represent 20% of total world trade and account for the 2/3 of GDP

Intangible nature

- Many services require physical proximity of provider and consumer:
⇒ services perceived as **less easily tradable** than goods

Conventional trade statistics do not cover all international trade in services

- Services delivered by foreign affiliates > conventional international trade in services



The GATS

Set of rules covering international trade in services

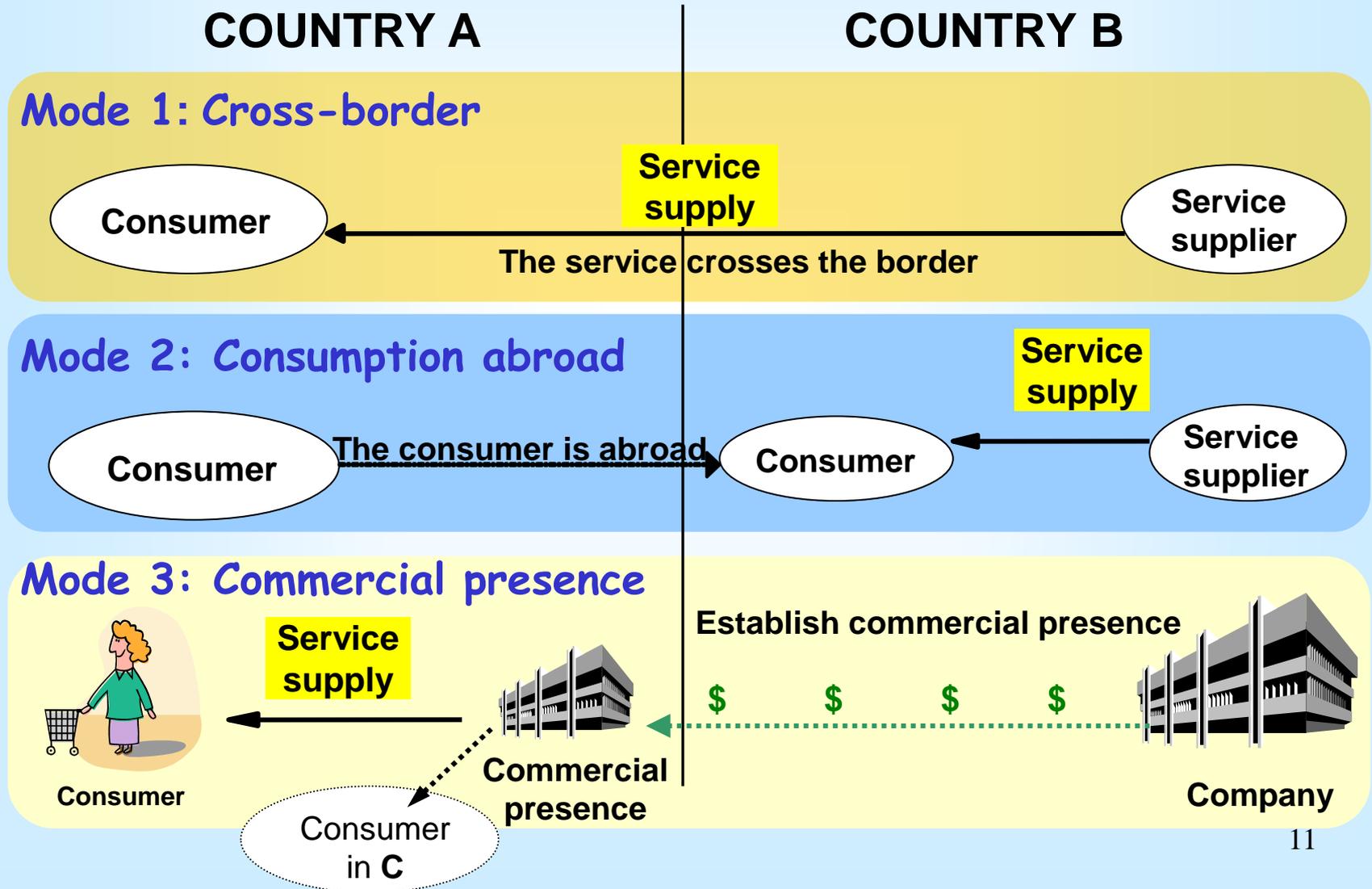
GATS Pillars

Set of general obligations and disciplines
Schedules of specific commitments
Annexes on specific issues

Commitments under GATS

By services sectors
By mode of supply

The GATS Modes of Supply (1/2)



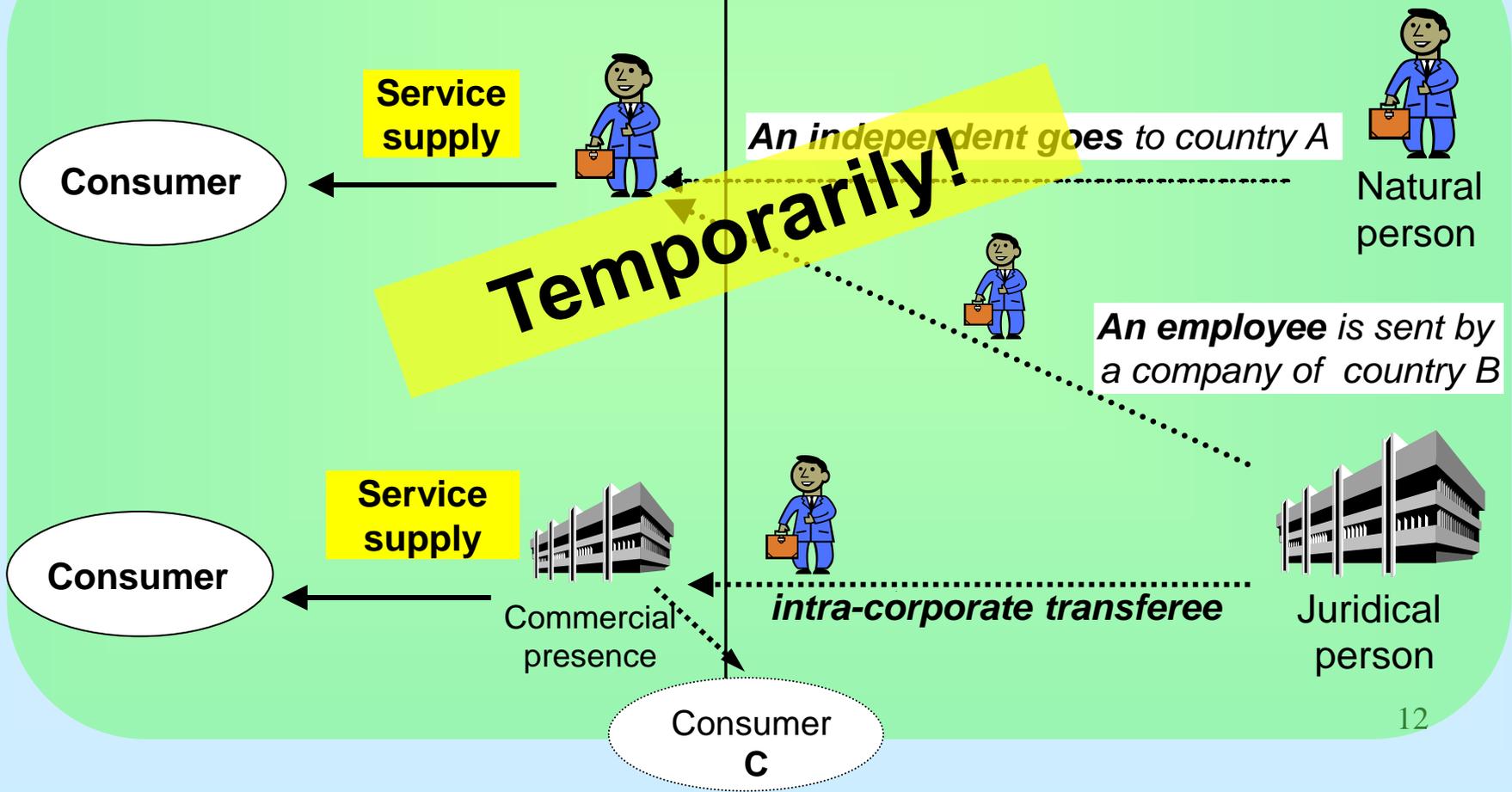
The GATS Modes of Supply (2/2)



COUNTRY A

COUNTRY B

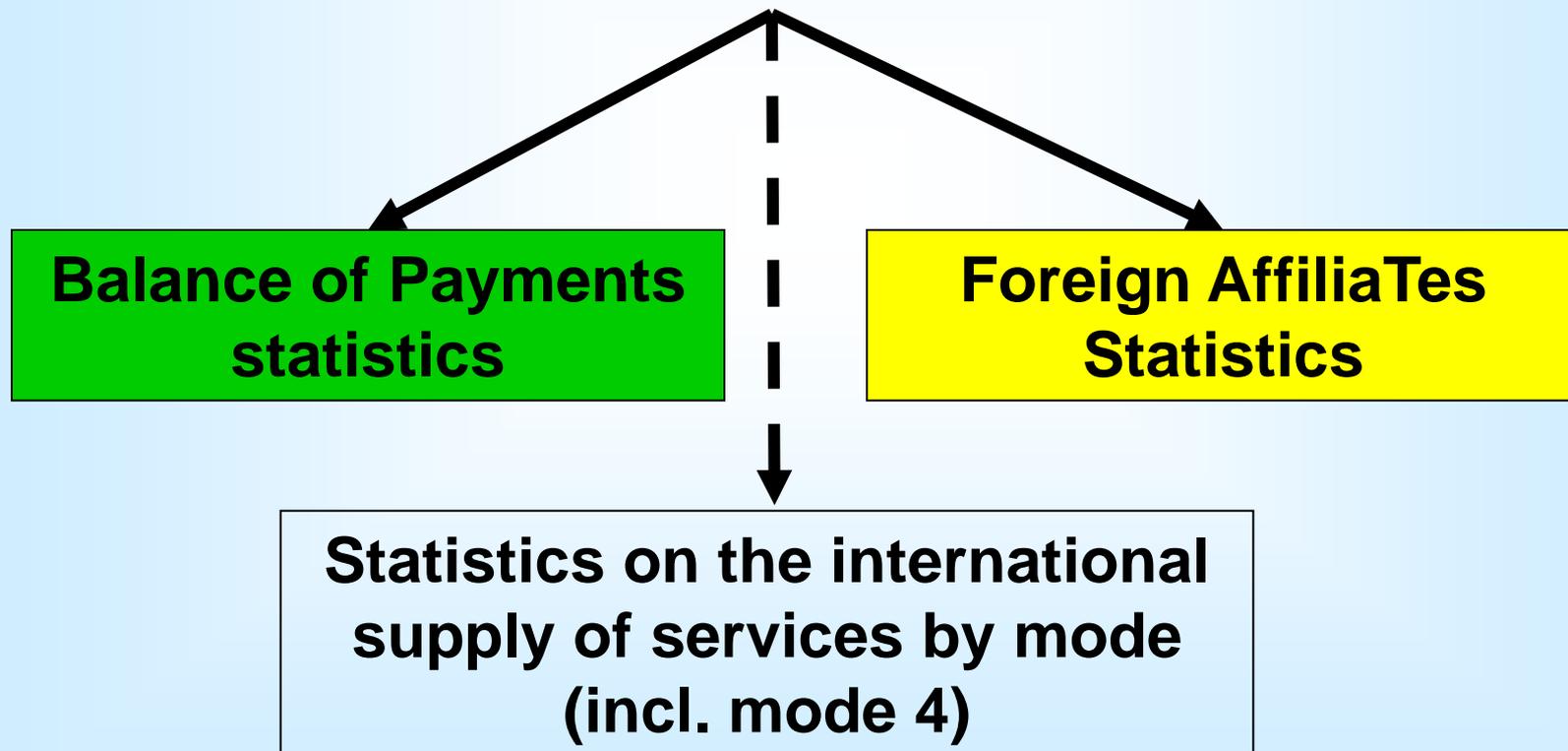
Mode 4: Presence of natural persons





The Manual on Statistics of International Trade in Services (2010)

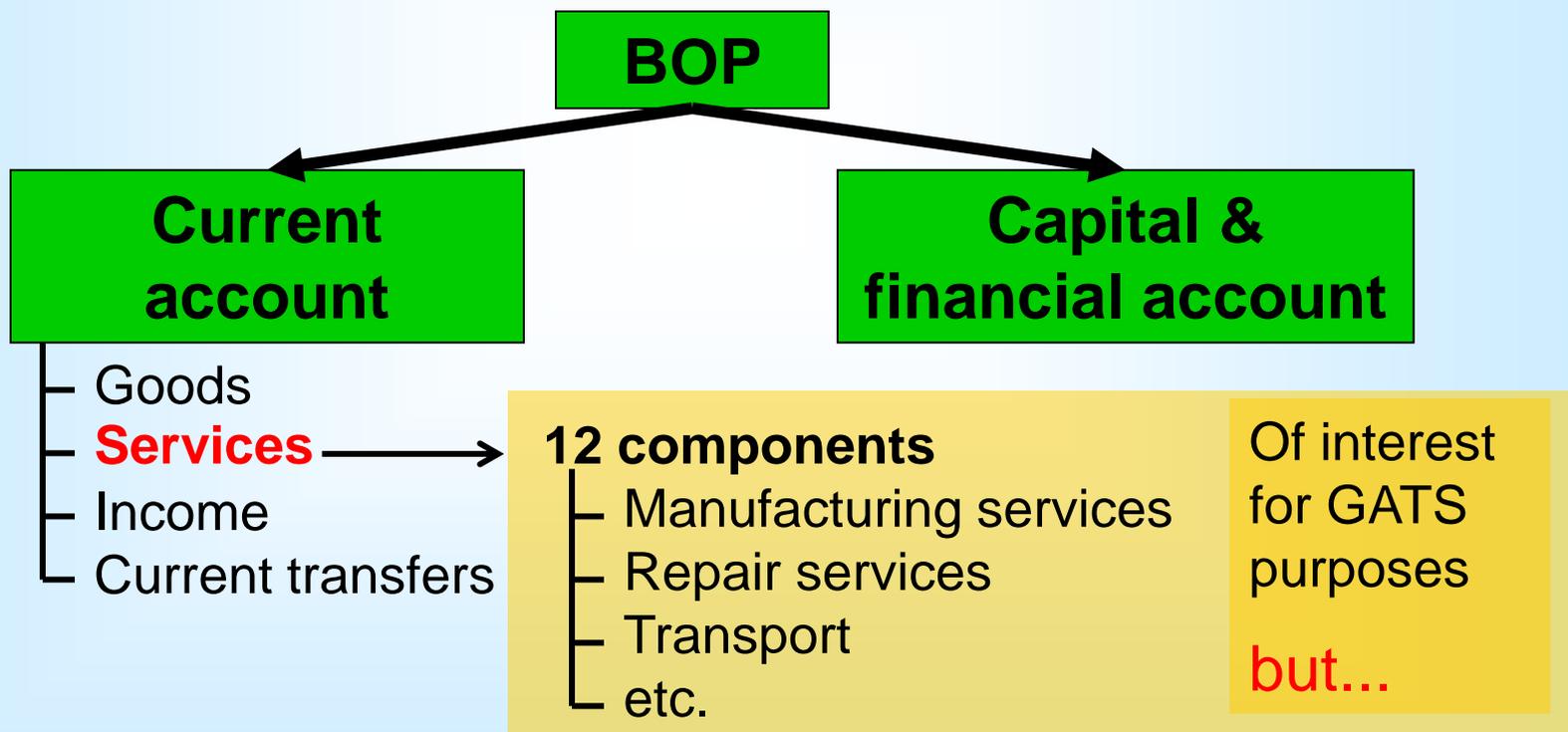
Guidelines and recommendations on the measurement of trade in services





BOP Statistics - Short Presentation (1/2)

BOP summarises transactions of an economy with the rest of the world



BOP Statistics - Short Presentation (2/2)



- **More detail needed than 12 BPM6 services components**

→ MSITS 2010 introduces EBOPS 2010
(breakdown of BPM6 services)

- **Most services delivered under Mode 3 and Mode 4 are not well covered or identified**

However, some BOP indicators helpful, e.g.:



FATS Statistics - Short Presentation



Coverage

- Operations of foreign affiliates,
- Particular focus on services

Indicators

- Turnover
- Employment
- Value added
- ...

Concepts & definitions

- **Manual on Statistics of International Trade in Services 2010**
- OECD Handbook on Economic Globalisation Indicators
- OECD Benchmark Definition of FDI
- Eurostat recommendations Manual



Correspondence between value of trade by modes of supply and statistical domains

Modes of supply	Statistical domains	Inadequacies
Mode 1: Cross-border supply	• BOP: <i>Commercial services</i> (excl. <i>travel, manufacturing services, repair, construction</i> and part of <i>transport</i>)	•No distinction between modes of supply
Mode 2: Consumption abroad	• BOP: <i>Travel, manufacturing services, repair</i> and part of <i>transport</i>	• <i>Travel</i> : Contains goods and not divided into types of services •Other items: No distinction between modes of supply
Mode 3: Commercial presence	• FATS • BOP: <i>Construction</i>	•Very few countries produce FATS • <i>Construction</i> : No distinction between <i>Modes 3-4</i>
Mode 4: Presence of natural persons	• BOP: <i>Commercial services</i> (excl. <i>travel</i>)	•No distinction between modes of supply



Statistics on Resident-Non Resident Trade in Services (BOP)

- **Principles of recording**
 - Transactions and residence
 - Other principles
- **The Extended Balance of Payments classification**
- **Statistics by trading partner**
- **Allocation of BOP/EBOPS items to modes of supply**



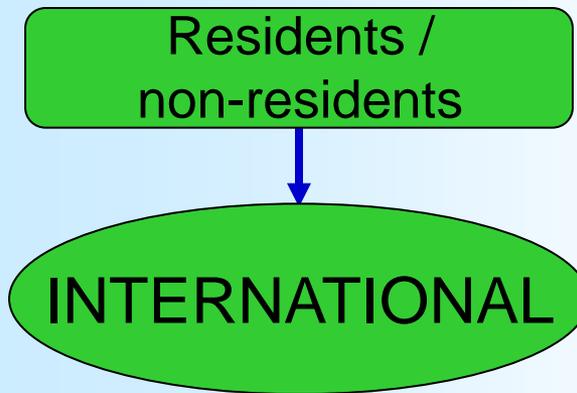
BOP Key Concepts

Transactions between a country's residents and rest of the World

- **What is a transaction?**
 - involves a real or financial resource,
 - resource changes ownership.
- **What is a resident of a country?**
 - institutional units (individual, enterprise, association, government unit...)
 - centre of predominant economic interest,
 - economic territory of the country.

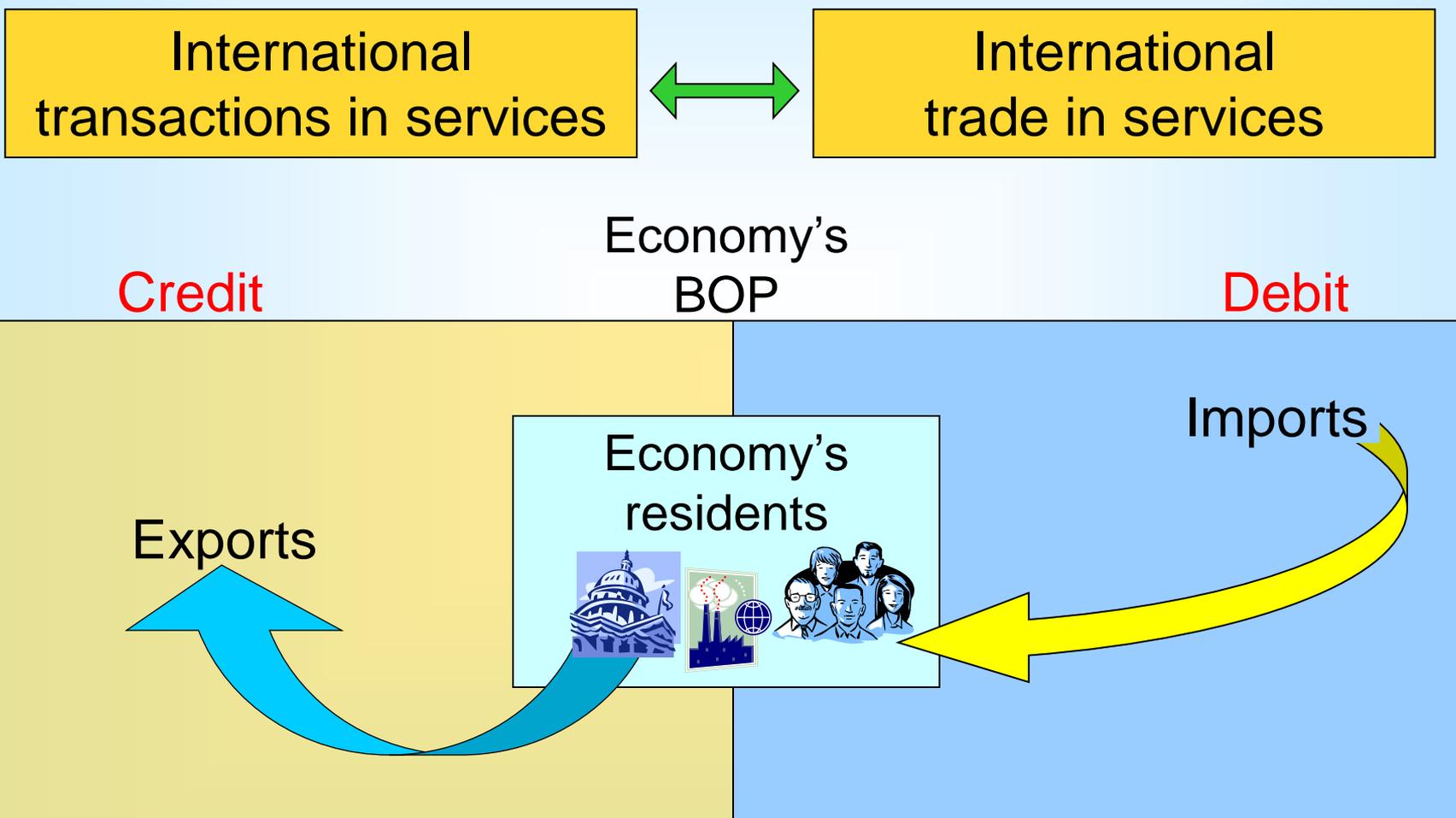


What is an International Transaction?



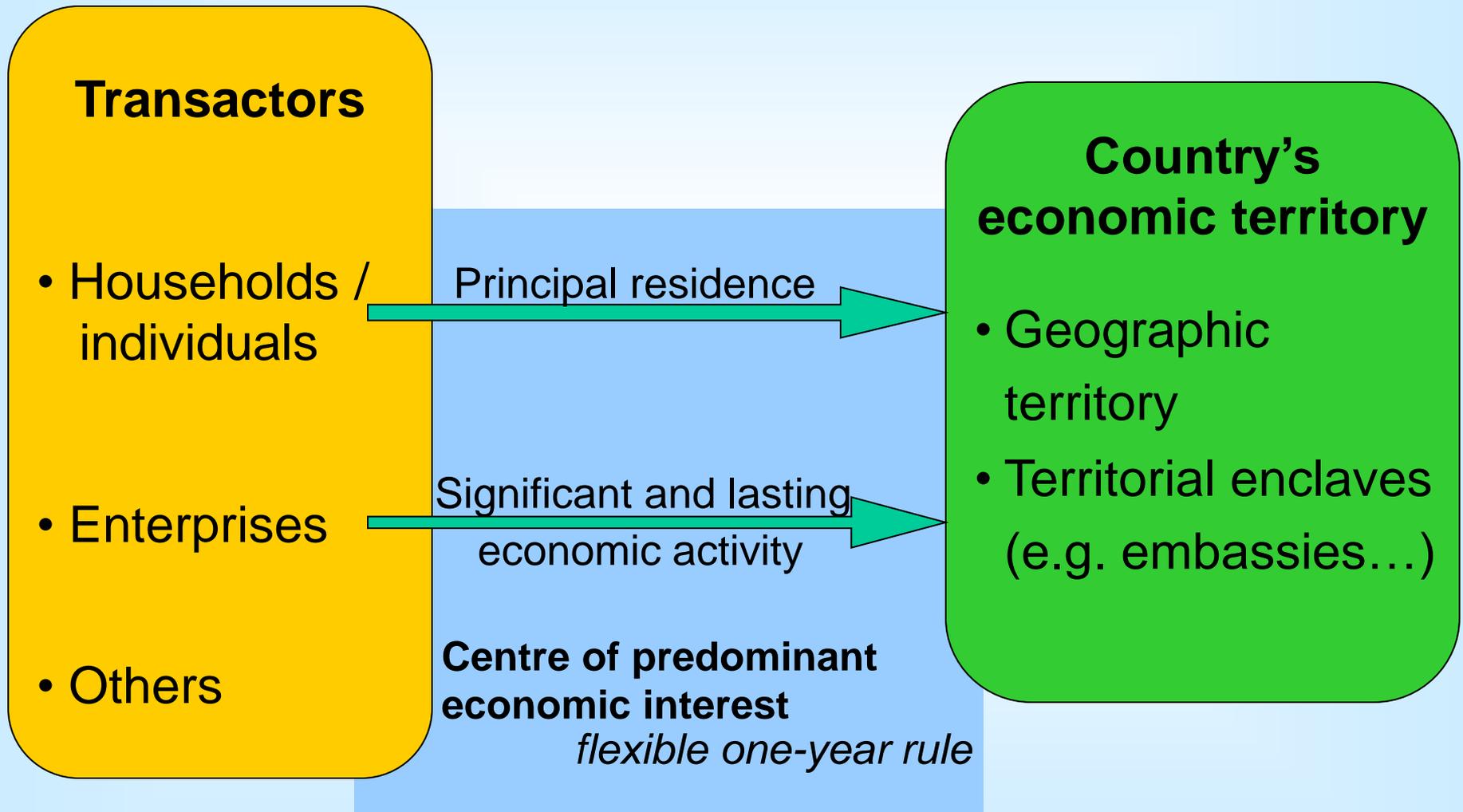
- Change in ownership of goods
- **Provision of services**
- Provision of labour
- Provision of capital
- Change in ownership of financial assets

What is a Services Transaction?





Concept of Residence



Valuation and Other Principles of Recording



Valuation

Market prices (price agreed between seller and buyer)

Time of recording

Time at which services are rendered (accrual accounting)

Unit of account

Transactions converted to a common unit of account (national currency, USD)

Gross

Transactions must be recorded on a gross basis

EBOPS 2010



Extended Balance of Payments Services Classification

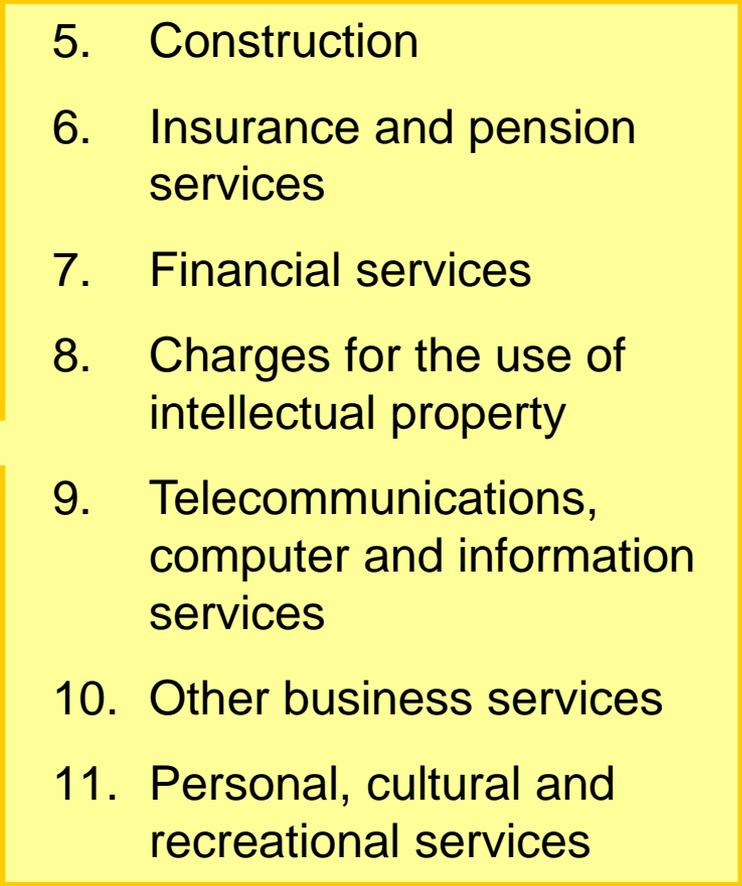
- **What is it?**
 - product-based classification,
 - consistent with and more detailed than 12 BPM6 services components,
 - including additional memorandum items.
- **How can it be used in the framework of GATS?**
 - Manual provides a **table of correspondence** between EBOPS and GATS list of services W/120.
- **In new Manual on Statistics of International Trade in Services**



EBOPS 2010 Main Components

Commercial services:

1. Manufacturing services on physical inputs owned by others
2. Repairs and maintenance
3. Transport
4. Travel
5. - 11. Other commercial services
12. Government goods and services, n.i.e. (not in GATS)

- 
- A yellow rectangular box with a black border containing a list of service categories. A yellow arrow points from the box to item 5 in the main list.
5. Construction
 6. Insurance and pension services
 7. Financial services
 8. Charges for the use of intellectual property
 9. Telecommunications, computer and information services
 10. Other business services
 11. Personal, cultural and recreational services

EBOPS 2010 Detailed Components (1/2)



Breakdown of main components

3. Transport

- Sea transport (passenger, freight, other)
- Air transport (passenger, freight, other)
- Other transport (passenger, freight, other)
 - Space, Rail, Road, Pipeline ...
 - Other transport (passenger, freight, other)
- Postal and courier services

4. Travel

- Business travel
 - Expenditure by seasonal and border workers
 - Other
- Personal travel
 - Health-related expenditure
 - Education-related expenditure
 - Other

And alternative breakdown
by product

....etc

...

EBOPS 2010 Detailed Components (2/2)



9. Telecommunications, computer and information services

- Telecommunications services
- Computer services
 - Computer software (of which originals)
 - Other computer services
- Information services
 - News agency services
 - Other information services



....etc



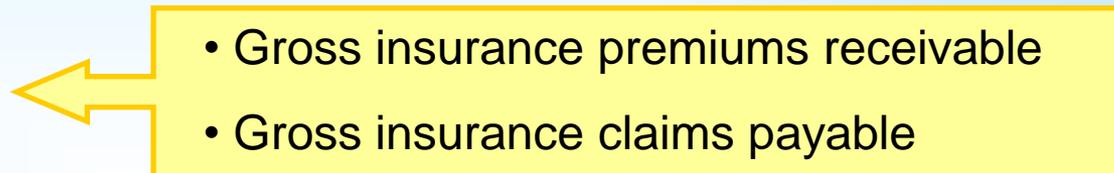
EBOPS Supplementary Items and Complementary Groupings



- **Supplementary items:** useful additional information

Example

Life
Freight insurance
Other



- **Complementary groupings of services (and non-services)**

Example



*Computer software, Trade-related, Environmental, Cultural transactions;
Call-centre services, Tourism, etc.*

Balance of Payments Statistics by Trading Partner



- **At least for...**
 - Services as a whole
 - **12 main services** components of EBOPS 2010
 - Main trading partners
- **If possible....**
 - More detailed EBOPS 2010 level
 - Common geographical basis for all trade in services data

Allocation of BOP/EBOPS Items to Modes of Supply



As a first step, Manual proposes a simplified approach:

- Items deemed to be predominantly delivered through one mode

Mode 1

- Transportation (except supporting and auxiliary services to carriers in foreign ports),
- Insurance and pension services
- Financial services
- Charges for the use of intellectual property n.i.e.

Mode 2

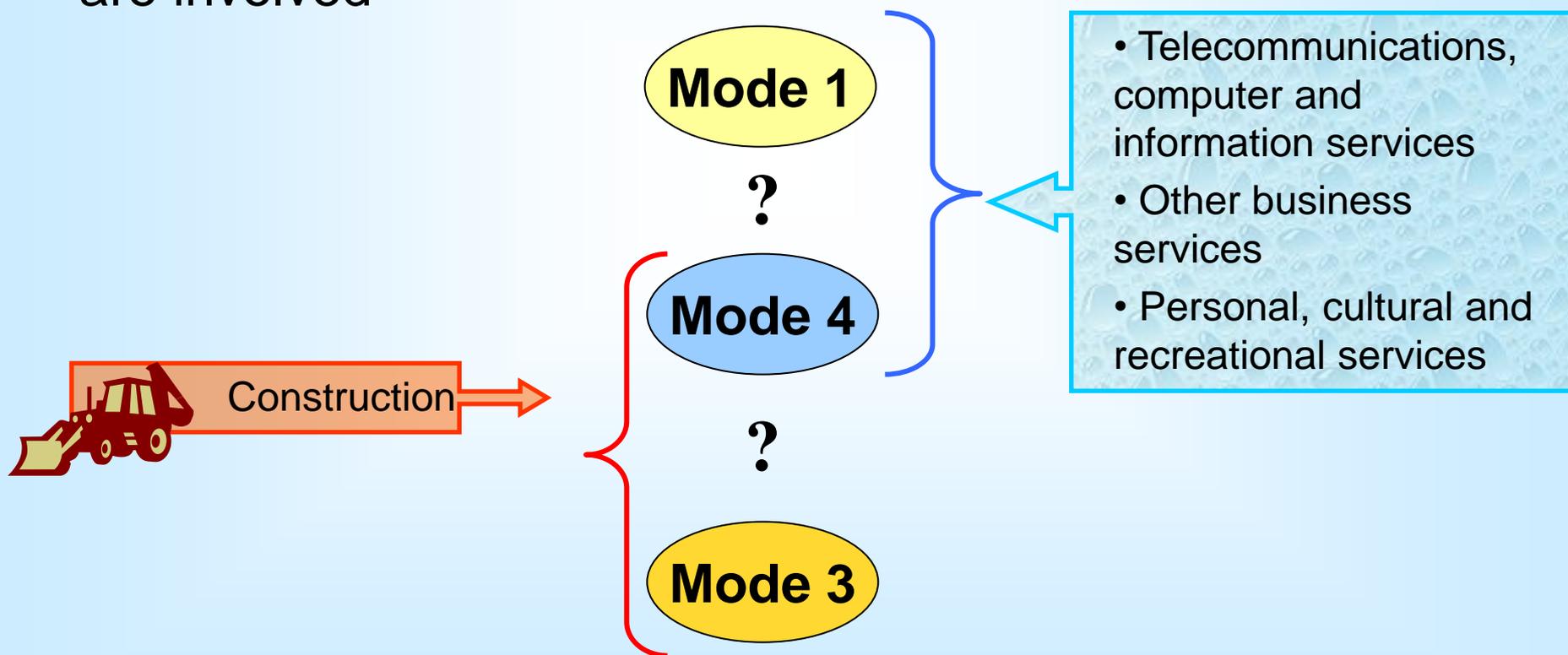
- Manufacturing services
- Maintenance and repair services n.i.e.
- Travel (excluding purchases of goods)
- Supporting and auxiliary services to carriers in foreign ports

Allocation of BOP/EBOPS Services Items to Modes of Supply



Simplified approach (continued):

- Items for which significant elements of 2 modes of supply are involved





Foreign Affiliates Statistics

- **Principles for recording FATS**
 - Enterprises covered
 - Control and chains of control
 - Recording inward FATS and outward FATS
- **Economic variables**
- **Attribution (classification) of FATS variables**
 - By country
 - By activity and by services products
- **FATS and FDI statistics**



Foreign Affiliate Statistics (FATS)

Guidelines for measuring the activity of foreign affiliates

- **What are FATS statistics useful for?**
 - Focus on services → measuring Mode 3 (commercial pres.)
 - Help understand the phenomenon of globalisation.
- **What do FATS statistics measure?**
 - Indicators that describe the activity of foreign affiliates
 - Inward and outward FATS
 - With a particular focus on services



Firms Covered in FATS

- **Control criteria**

Majority-controlled foreign affiliates (*a single foreign investor owns more than 50% of voting power*):

Includes subsidiaries

Excludes associates

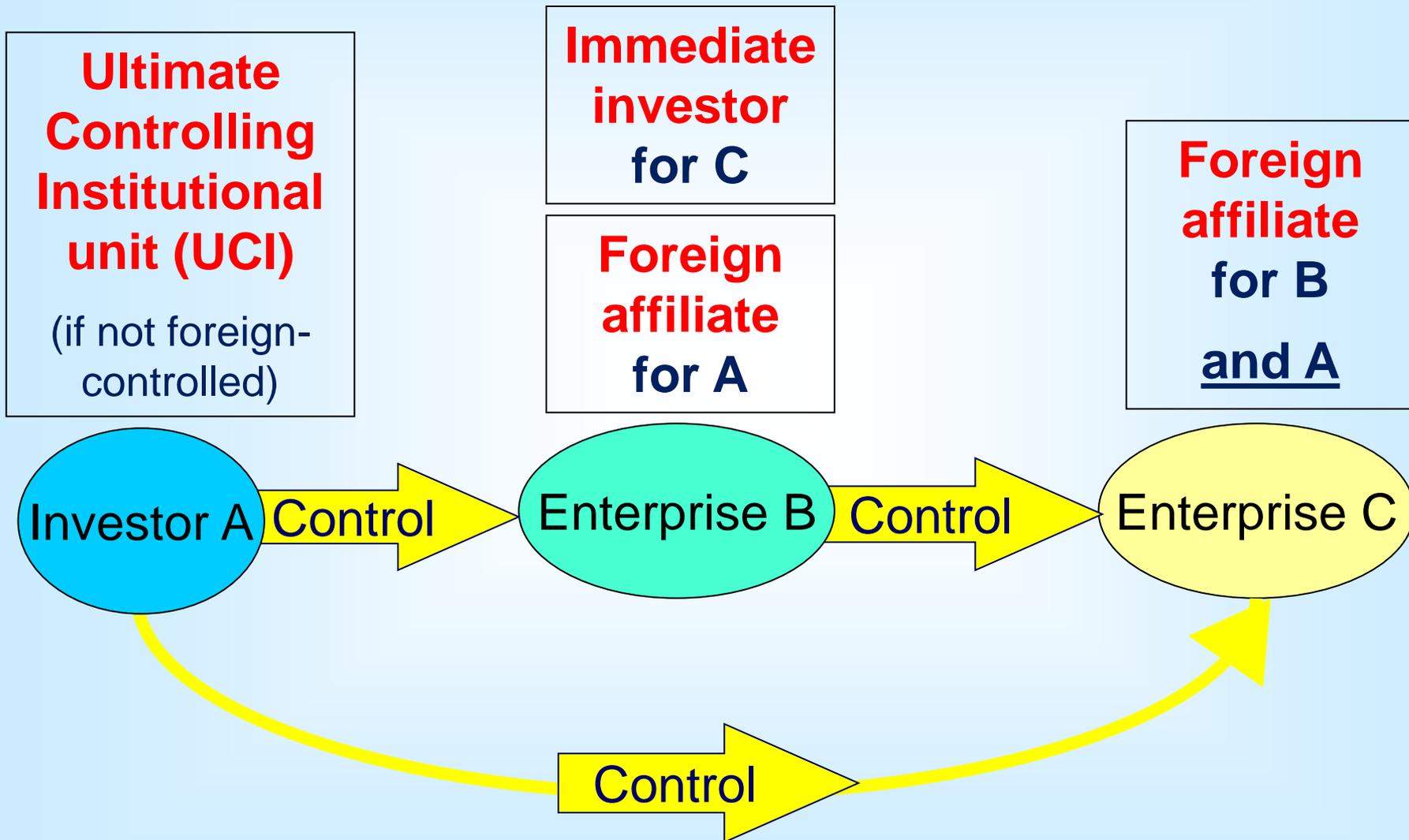
- **Types of producers**

Affiliates producing goods, services

- **Supplementary firms where relevant (e.g. multiple controllers)**

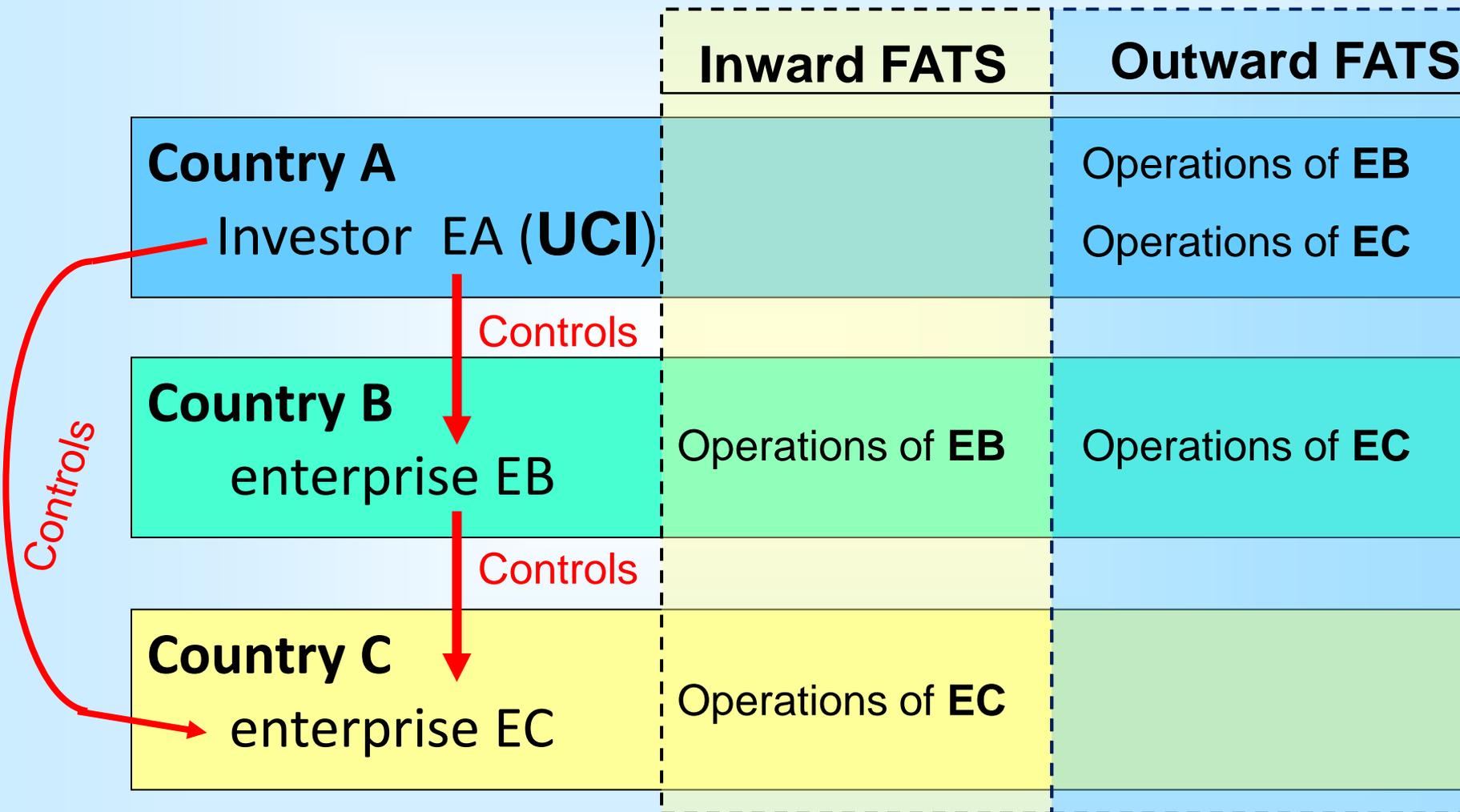


« Control »: an essential concept





Recording of Inward and Outward FATS



Economic Variables for FATS



Most are drawn from SNA 2008

Basic FATS variables
(minimum recommended by MSITS 2010)

- Sales (turnover) and/or output
- Employment
- Value added
- Exports and imports of goods and services
- Number of enterprises

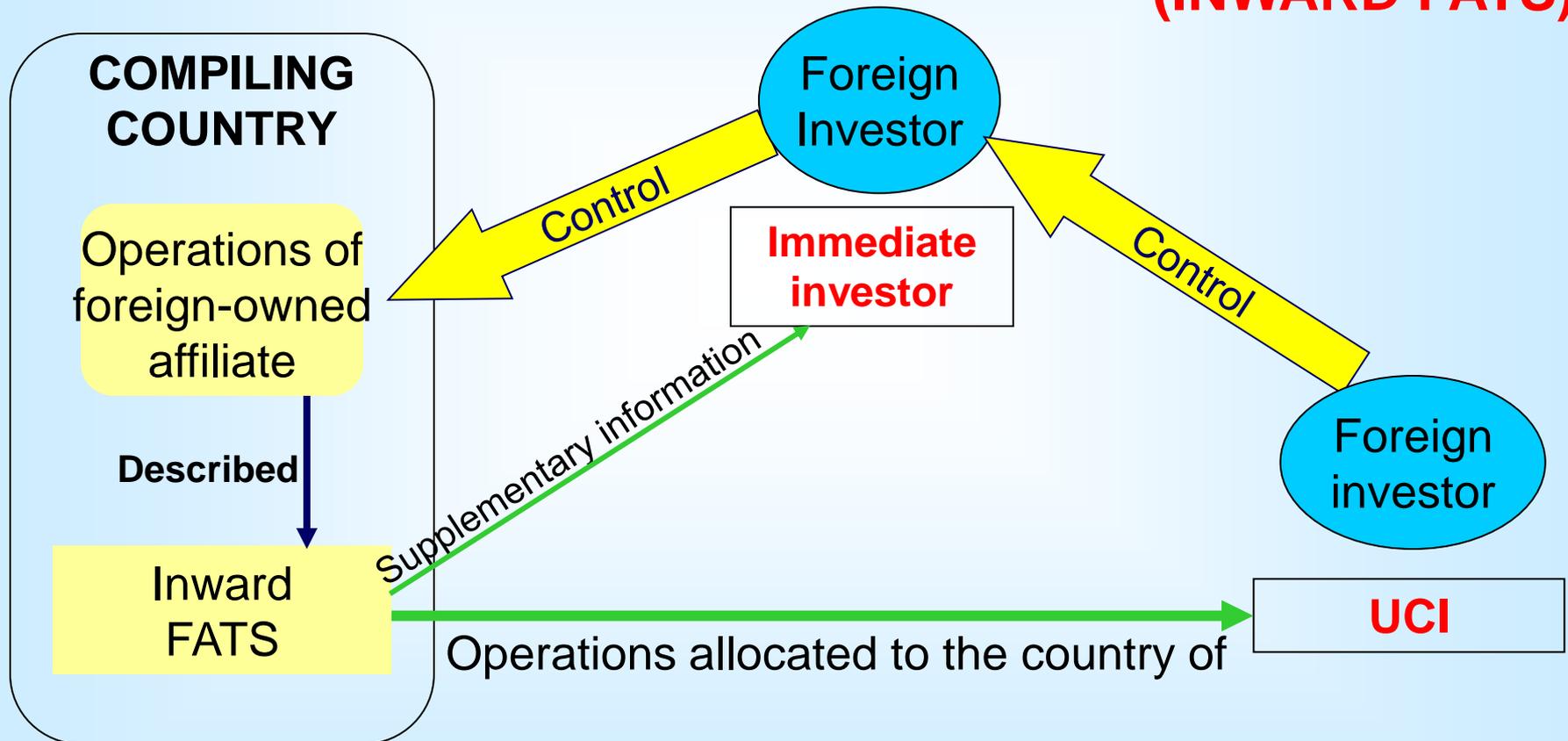
- Assets
- Compensation of employees
- Net worth
- Net operating surplus
- Gross fixed capital formation
- Taxes on income
- Research and development expenditures
- Purchases of goods and services

Additional FATS variables

Geographical Attribution of Inward FATS



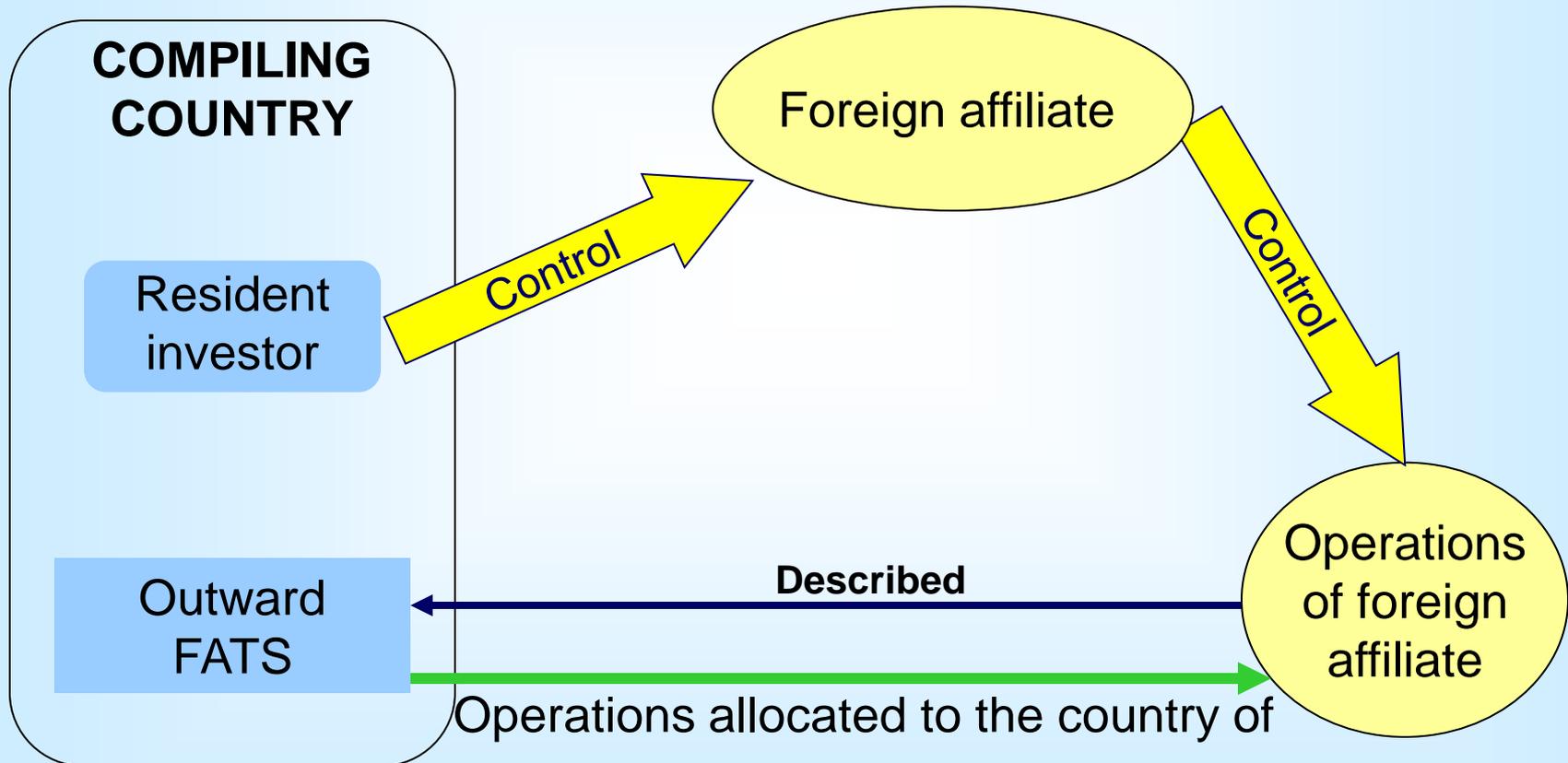
Foreign-controlled affiliates in the compiling country (INWARD FATS)



Geographical Attribution of Outward FATS



Foreign affiliates of investors of the compiling country
(OUTWARD FATS)



Classification by Activity and by Product



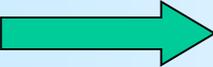
- **FATS variables classified as a first priority on an activity basis**
 - Foreign affiliates classified by their **primary activity**
 - According to ISIC Categories for Foreign Affiliates in services (**ICFA Rev.1**)
- **Long-term priority...**
 - FATS variables such as sales, imports and exports should also be broken-down by **product** according to EBOPS 2010 (at least total goods and total services)
- ICFA can be **linked** with EBOPS (to a limited extent)

Principles Underpinning FATS



In line with international standards

- *SNA 2008* (National Accounts)
- *BPM6* (BOP)
- *OECD Benchmark Definition of FDI*

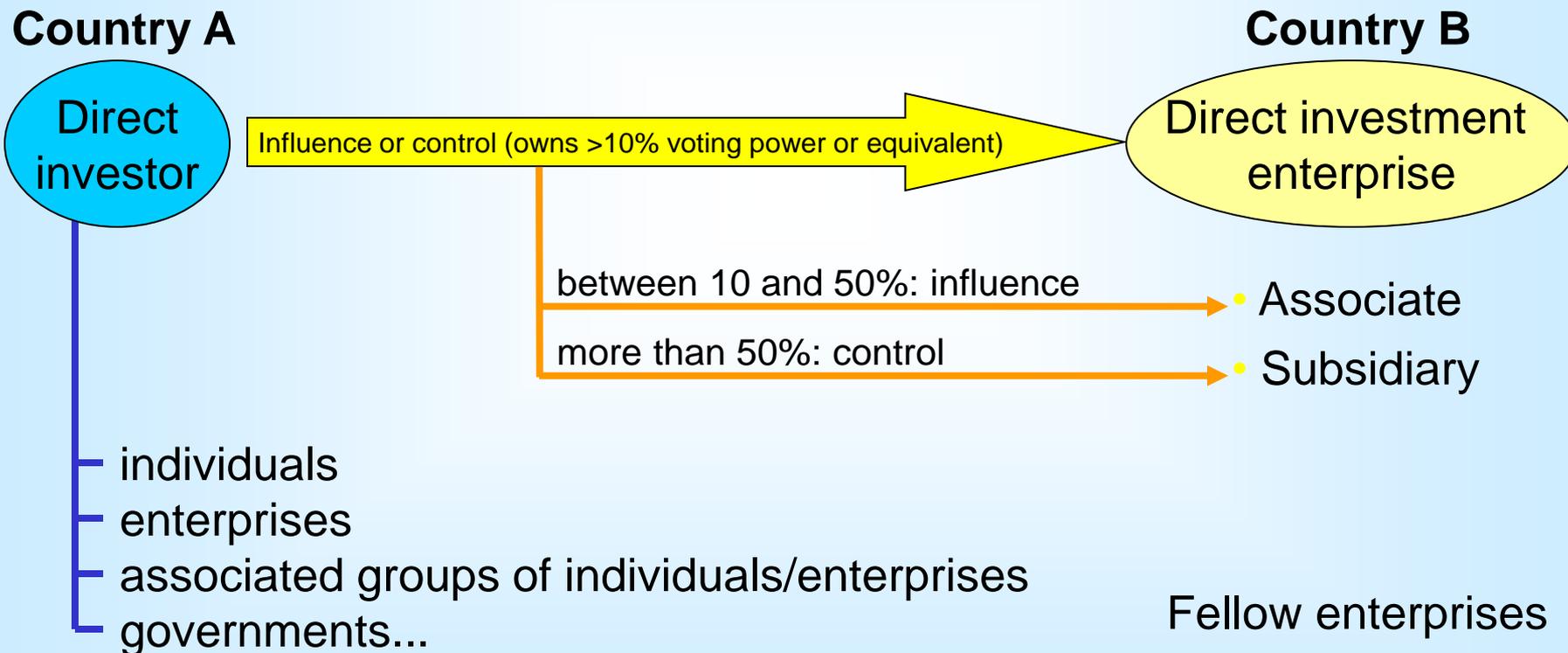
 FATS closely linked with Foreign Direct Investment (FDI)

 Going further than these standards



The FDI Universe

FDI: the direct investor makes an international investment to obtain a lasting interest in an enterprise abroad





The Movement of Natural Persons

- **The movement of natural persons in GATS**
 - **Mode 4 service suppliers**
 - **Temporary movement**
 - **Relations to existing classifications**

- **Statistics for measuring Mode 4**
 - **BOP statistics**
 - **FATS statistics**
 - **Migration statistics**
 - **Other possible sources**
 - **Improving Mode 4-related statistics**



The Movement of Natural Persons in GATS

Relevant framework

- GATS' main text: mode 4 → **presence** of natural persons
- GATS' Annex → **movement** of natural persons

Description of Mode 4 in main text and annex

Purpose
of stay

Fulfilling *directly* a service contract, whether as a service supplier (**self-employed**) or as an **employee**

Indirectly: Presence *instrumental* to supply of service: through commercial presence or supply at a later stage

Duration
of stay

Temporary: Measures regarding citizenship, migration, residence and permanent employment are not covered



Who is covered by Mode 4?

Contractual service suppliers

- Self-employed (independent) service suppliers
- Employees of foreign service suppliers

Intra-corporate transferees and persons directly recruited by the foreign affiliate

Services sellers / Persons responsible for setting up commercial presence

Areas of uncertainty

- difference between employment and service contract
- what does constitute a service?
- many commitments currently focus on highly-skilled workers

For which categories should we measure **the value** of services trade?



Natural persons	Value of service trade flows
<i>Contractual services suppliers</i> -Self-employed - Employees of foreign service suppliers	Yes
<i>Intra-corporate transferees and directly recruited by foreign affiliate</i>	No
Services sellers - Persons responsible for setting up commercial presence	No

Options to assess Mode 4 delivery in surveys



1. Did the service delivery involve physical presence of service provider?

Yes? Then, **how** was most of the service value provided (time/resources)?

Mostly by fax, email, etc.



Mode 1

Natural person at the end
(e.g. to supervise)

The person's knowledge
was essential
to deliver the service



Mode 4

2. Require in services surveys allocation by each GATS mode of supply

3. Require estimated share of services inputs for Mode 4 services trade



For which categories should we measure **the number of mode 4** persons?

Natural persons	Number of persons
<i>Contractual services suppliers</i> -Self-employed - Employees of foreign service suppliers	Yes
<i>Intra-corporate transferees and directly recruited by foreign affiliate</i>	Yes
Services sellers - Persons responsible for setting up commercial presence	Yes

Mode 4, migration, tourism statistics (1/2)



RSIM Rev.1 categories

Purpose of trip or migration	Length of stay of individuals		
	Less than 3 months	3 to 12 months	more than 12 months
IRTS 2008 categories			
Visitors			
Personal			
Holiday, leisure and recreation			
Visiting friends and relatives			
Education and training			
Health and medical care			
Religion/pilgrimages			
Shopping			
Transit entering eco./legal territory			
Other			
Business and professional (no employer-employee relationship with entity established in compiling economy)		X	
Contractual service supply:		X	
- self-employed		X	
- employed		X	
of which intra-corporate		X	
Serv. sales/ commercial pres. negotiation			
- serv. salespersons/ commercial pres. of serv. producer negotiation		X	
- commercial pres. of goods producing company negotiation			
Other (incl. meetings, conferences, etc)			

Categories of the UN Recommendations on Statistics of International Migration, revision 1:

Non-Migrant categories

Migrant categories

Mode 4, migration, tourism statistics (2/2)



RSIM Rev.1 categories

Purpose of trip or migration	Length of stay of individuals		
	Less than 3 months	3 to 12 months	more than 12 months
Employment (migrant workers, employment-based settlement) <i>Intra corporate transfer:</i> - in services producing company - <i>other</i> <i>Directly recruited by a foreign established:</i> - services producing company - <i>other</i> International civil servants Other Trainees Family reunification/formation Family based settlement; Ancestry based settlement Retiree settlement Entrepreneurs and investors settlement a Humanitarian reasons (refugees, etc.) Border workers; Frequent crossers; Nomads Transit not entering economic/legal territory Diplomatic/consular personnel; Military pers.			

Categories of the UN Recommendations on Statistics of International Migration, revision 1:

Non-Migrant categories

Migrant categories



Mode 4 and Existing Classifications

UN CPC

Basis for classifying services as product of economic activity, including services delivered through Mode 4

ISCO-08

Distinguishes categories of employment: can facilitate linkages statistics/negotiations

UN ISIC

Industrial classification: relevant if statistics by occupation are not available

ICSE-93

Status in employment: identifies « independent service providers »

.... Other indicators of interest for analysis ...



- **Mode 3 and Foreign Direct Investment statistics**
(stocks and flows, important complement to FATS)
- **Other FATS variables**
(number of service suppliers, employees, value of assets)
- **Sectoral statistical frameworks: tourism, health**
- **Supplementary information from BPM6 linked to the movement of mode 4 persons**
- **Production, quantitative, employment indicators**

Simplified allocation of FATS and EBOPS data to modes of supply (1/2)



	FATS (sales or output) *	Balance of payments trade in services					
	Mode	Mode(s)					
	3	1	2	4	1 and 4	2 and 4	3 and 4
Manufacturing serv. on inputs owned by others	X		X				
Maintenance and repair services n.i.e.	X		X				
Transport	X	X					
• Passenger	x	x					
• Freight	x	x					
• Post and courier services	x	x					
• Other	x						
– <i>Serv. to domestic carriers in foreign ports (and vice-versa)</i>	x		X				
– <i>Other</i>	x	x					
Travel			X				
• Goods							
• Local transport services			X				
• Accommodation services			X				
• Food-serving services			X				
• Other services			X				
Construction	X						X
• <i>Goods</i>							
• <i>Services</i>	x						x
Insurance and pension services	X	X					
Financial services	X	X					
Charges for the use of intellectual property n.i.e. **	X	X					

* In territory where affiliate established. If not possible to breakdown by EBOPS 2010 product, by activity using ICFA Rev.1

** Certain degree of uncertainty regarding certain charges

Simplified allocation of FATS and EBOPS data to modes of supply (2/2)



	FATS (sales or output)	Balance of payments trade in services					
	Mode	Mode(s)					
	3	1	2	4	1 and 4	2 and 4	3 and 4
Telecom., computer, and information services	X				X		
• Telecommunications services	X	X					
• Computer services	X				X		
• Information services	X	X					
Other business services	X				X		
• Research and development services	X				X		
• Professional and management consulting services	X				X		
• Technical, trade-related and other business services	X						
– Architectural, engineering, scientific, other technical serv.	X				X		
– Waste treatment -depollution, agri. and mining services	X						
o Waste treatment and de-pollution	X						
o Services incidental to agriculture, forestry and fishing	X			X			
o Serv. incidental to mining, and oil and gas extraction	X			X			
– Operational leasing services	X	X					
– Trade-related services	X	X					
– Other business services, n.i.e.	X				X		
Personal, cultural and recreational services	X				X		
Government goods and services n.i.e.							
• <i>Government goods n.i.e., Credits and debits</i>							
• <i>Government services n.i.e., Credits</i>							
• <i>Government services n.i.e., Debits</i>							
– <i>Commercial services purchased in host economies</i>							
o <i>Government units in diplomatic and similar enclaves</i>					X		
o <i>Personnel from home economy and dependants</i>			X				
– <i>Other commercial serv. n.i.e purchased by government</i>					X		
– <i>Non-commercial services acquired by government</i>							
Distribution (wholesale, retail trade) services	X	X					

CHALLENGE



Data Sources

- **Data sources for BOP statistics**
 - International Transactions Reporting System (ITRS)
 - Enterprise surveys
 - Combining ITRS and enterprise surveys
 - Other sources

- **Data collection systems for FATS**
 - Key features for the collection of FATS
 - Examples of country practices

- **Data comparability and reliability**
 - BOP asymmetries
 - IMF initiatives related to data quality

Collection Systems for BOP Statistics



Main alternatives for the collection of BOP statistics

- International Transaction reporting System (ITRS)
- Enterprise surveys
- A combination of both systems

Possible supplementary sources

- Surveys of travellers and household expenditure surveys
- Official sources and government transactions
- Partner countries and International Organizations



ITRS

- **Coverage**
 - All services transactions
- **Responsibility**
 - (generally) the national central bank
- **Respondents**
 - domestic banks (indirect reporting)
 - residents holding accounts abroad or involved in clearing/netting schemes (direct reporting)
- **Advantages**
 - timely, comprehensive, few respondents
- **Limitations**
 - transactions proxied by payments, possible misclassifications



Enterprise Surveys

- **Coverage**
 - all service transactions
- **Responsibility**
 - (generally) the national statistical office
- **Respondents**
 - sampled enterprises who are international transactors
- **Requisites**
 - high quality business register
 - appropriate techniques for sample design, preparation of questionnaires, and processing of survey results

ITRS and Enterprise Surveys - Examples



- **System mainly based on enterprise surveys, with no use of ITRS**
e.g. United States, United Kingdom
- **Systems mainly based on ITRS, (eventually using a limited form of enterprise surveys)**
e.g. Brazil, India, France, Russian Federation
- **Systems mainly based on enterprise surveys, using a limited form of ITRS**
e.g. Netherlands



*Great benefits to be drawn from co-operation
between different institutions*



Other Sources for BOP

- **Surveys of travellers**

- Surveys conducted at borders (e.g. migration surveys)
- Household expenditure surveys

- **Official sources**

- Government transactions
- Statistics as a by-product of official institutions' activities

- **Other sources**

- Data from partner countries
- Data from International Organizations
- Data from credit card companies, etc.



Interest of BOP compiler to co-operate with other institutions

Collection Systems for FATS



Two different populations, requiring different approaches

- Inward: enterprises surveyed directly on their activity (easier to collect)
- Outward: resident parent companies surveyed on the activity of their affiliates abroad

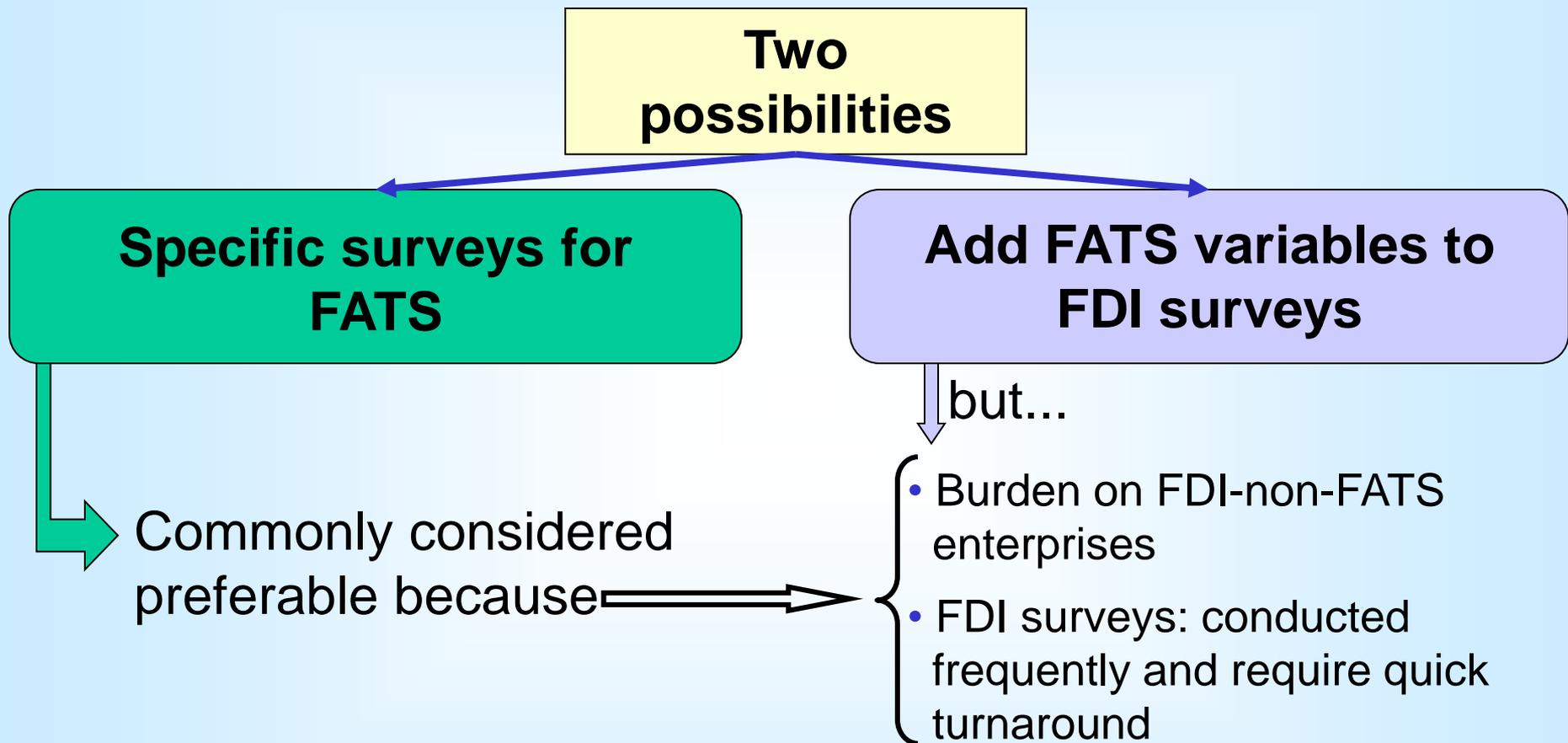
Different systems for collecting FATS statistics

- Surveys collecting FATS data
- Identify FATS in statistics on resident enterprises
→ Only for Inward FATS

➡ Links with FDI in both cases (identification of the FATS population)



Surveys Collecting FATS



Information to be collected: **key FATS variables** at the greatest detailed level of **ICFA Rev.1**

Existing Statistics on Resident Enterprises



Only for inward FATS

Which sources?

- Existing statistics on resident enterprises (employment, turnover...)

How can FATS statistics be obtained?

- Identify inward FATS population within resident enterprises, and
- Aggregate data collected across the foreign-owned population of resident enterprises

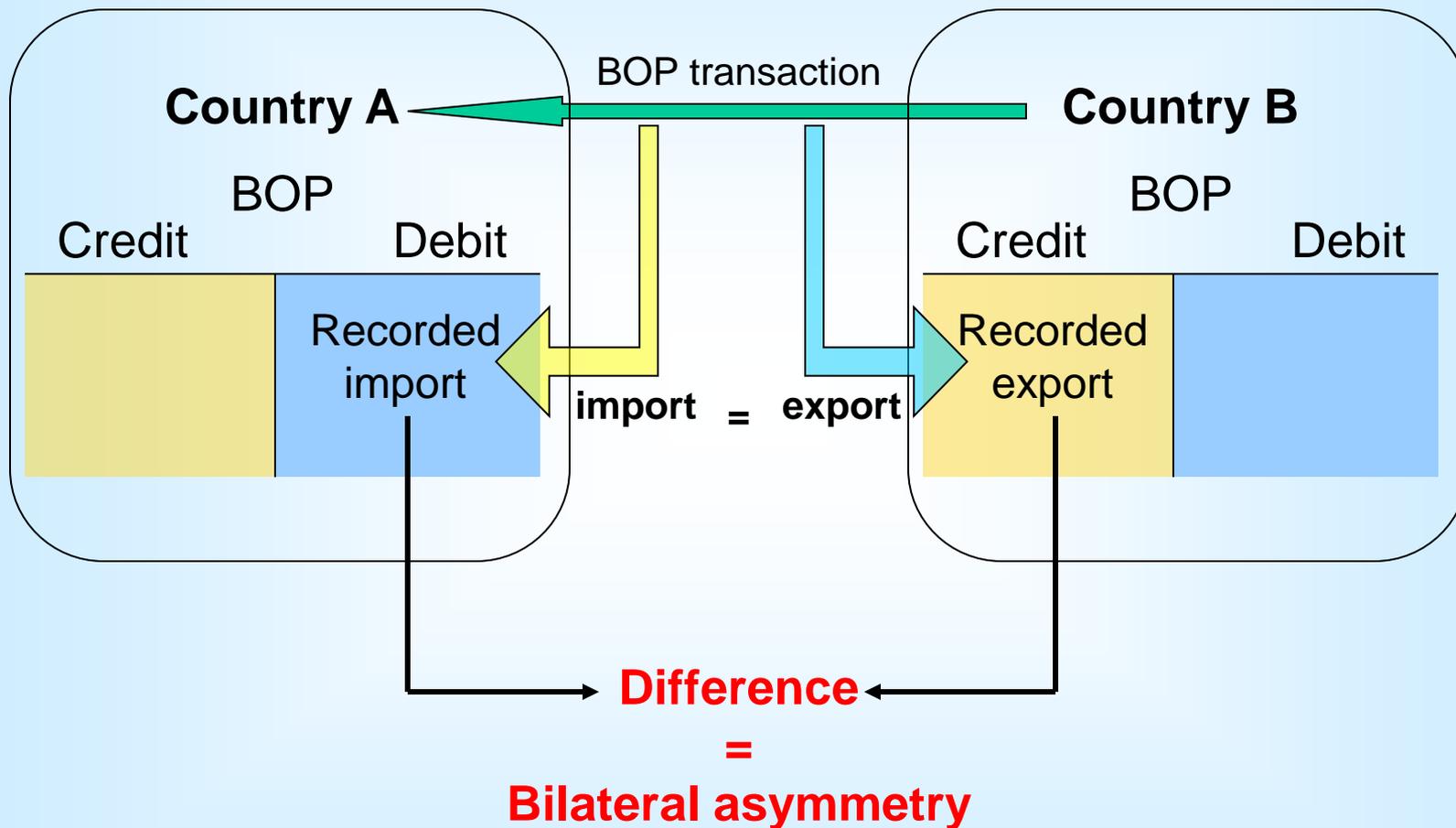


Examples of Country Practices for Collecting FATS

- **Inward and outward collected on the basis of FDI surveys**
e.g. United States
- **Outward based on FDI surveys, inward on resident enterprise statistics**
e.g. Belgium, United Kingdom
- **Only inward collected, based on resident enterprise statistics**
e.g. Hong-Kong, China, Spain
- **Inward and outward collected through a separate survey**
e.g. Sweden



BOP Bilateral Asymmetries



Asymmetries: Types, Causes, Corrections



Different types of asymmetries

- Bilateral (two countries)
- Multilateral (e.g. intra-EU)
- Global (World): for services, imports > exports

Why?

- misallocations, different recording thresholds, difficult geographical identification...

How can they be corrected?

- « bottom-up » approach: study of causes and reconciliation
- « top-down » approach: mathematical model allocates asymmetries



Data Quality: IMF Initiatives

Two initiatives as worldwide reference for dissemination of statistics and metadata

- **SDDS**

- standards concerning coverage, periodicity and timeliness of statistical data
- informs public on data accessibility, integrity and quality
- Concerns **specific countries**, which **must** observe specific standards

- **GDDS**

- Approach similar to SDDS but less prescriptive
- **Open to all IMF Members**
- guide for countries in provision of comprehensive, timely, accessible and reliable data to the public
- Emphasis: **long-term**



Data Availability and Dissemination by International Organizations

- **BOP trade in services data**
 - **BOP/EBOPS**
 - **International dissemination**

- **Information available on commercial presence**
 - **Availability and dissemination of FATS statistics**
 - **Alternative: FDI data**



Availability of BOP/EBOPS Data on Trade in Services

Compilation of trade in services is relatively well established and widespread

- **BPM5*** standard components widely compiled: *the number of countries reporting these data has more than doubled or tripled since 1997 (breakdown of exports)*
- Significant progress was made in compiling **more detailed items**, and in compiling a breakdown by **partner country**

* Most data are currently available on BPM5 basis. BPM6 data publication by IMF should begin in 2012

International Dissemination of BPM5/EBOPS Statistics (1/2)



Where can I find statistics on trade in services...

... broken-down by type of service?

- Eurostat, OECD, IMF, UNCTAD, UNSD
- these organisations are collecting data on an BPM5/EBOPS basis

... broken-down geographically?

- Eurostat
- OECD
- UNSD

International Dissemination of BOP/EBOPS Statistics (2/2)



Publication	Coverage	By type of service	By partner country
IMF Balance of Payments Statistics (+ITC Trade Map) (book, on-line and CD-ROM)	IMF members	BPM5 and EBOPS (provided to IMF on voluntary basis)	No
Eurostat Database (book, on-line and CD-ROM)	EU members, total EU, euro area, EU candidate countries	EBOPS	Over 200 partners
OECD Statistics on International Trade in Services Volume 1 by Service Category Volume 2 by Partner Country (book, on-line and CD-ROM)	OECD members; Hong Kong and Russian Federation for partner detail	EBOPS (and additional detail)	Over 200 partners
UNCTAD Handbook of Statistics (book, on-line and DVD-ROM)	Around 200 economies	BPM5 main items	No
UN Service Trade (on-line)	Around 200 economies (around 40 with partner detail)	EBOPS	Over 200 partners
WTO's International Trade Statistics (book, on-line and CD-ROM)	All economies	Summary data and analysis	Summary data and analysis



Collection of FATS

Collected by Eurostat and OECD

- **Questionnaire to member countries:**
 - Inward and outward FATS:
 - by activity (37+ categories of ISIC)
 - by country of origin/destination of investment
- **Dissemination:**
 - OECD: *Measuring globalisation: the role of Multinationals in OECD economies* (also in reference database)
 - Eurostat: analysis in the *Statistics in focus series*, and dissemination in its reference database
 - UNCTAD: *World Investment Report*

Availability of FATS



	Inward			Outward		
	Number of employees	Turnover/ output	Value added	Number of employees	Turnover/ output	Value added
Australia	X		X	X	X	
Austria, Belgium, Germany, Greece	X	X		X	X	
Bulgaria, Czech Republic, Finland, France, Hungary, Italy, Latvia, Slovak Republic, Sweden	X	X	X	X	X	
Canada, Malta				X	X	
Cyprus		X	X	X	X	
Denmark, Estonia, Hong Kong - China, Ireland, Norway, Romania, Slovenia, Spain, United Kingdom	X	X	X			
Israel	X	X	X		X	
Japan, Portugal, United States	X	X	X	X	X	X
Lithuania, Netherlands	X	X	X	X		
Luxembourg, New Zealand, Poland	X	X				
Trinidad and Tobago		X				

Also China for services total inward turnover and India for computer and IT enabled services (outward) and banking services

FDI Statistics as a complement



State of implementation

- **Many countries collect FDI flows**, with geographical and activity breakdown (more data for inward than outward)
- **Fewer countries collect FDI income flows**

Collection and dissemination

- **Eurostat and OECD:** FDI inward and outward stock, flows and income (by industry and country)
- **IMF:** FDI positions, flows and income, no industry and partner breakdown
- **UNCTAD**



Current State and Prospects

- **Implementation: phased approach of MSITS 2010**
 - 4 core recommendations
 - 5 other recommended elements
- **Recent progress and short-term plans**
- **Prospects for trade in services statistics**
 - Areas for improvement
 - Future work

MSITS' Phased Approach to Implementation



4 core elements

- ➔ Implement BPM6 recommendations for trade in services
- ➔ Compile BOP services according to EBOPS 2010, starting with items of major economic importance to the country, including partner breakdown (at total level and then by sector)
- ➔ Compile FDI by ISIC categories of activity, and by partner
- ➔ Compile basic FATS variables broken down by ICFA categories of activity, and by partner

MSITS' Phased Approach to Implementation



5 other elements (long-term)

- ➔ Full implementation of EBOPS 2010
- ➔ Compile FATS further detail
- ➔ Split BOP trade in services among trade between related parties / trade with unrelated parties
- ➔ Allocate transactions by mode of supply
- ➔ Compile statistics on the presence of natural persons



Recent Progress (1/3)

- **Dramatic improvement of quality and quantity of statistics on resident/non-resident trade in services**
 - for BPM5 main items, but also for more detailed items
 - a multi-country set of statistics available for major services categories
 - for EBOPS for many items (70-80 reporters)
- **FATS are increasingly compiled by OECD and also some non-OECD countries**



Recent progress (2/3)

- **Eurostat: 2 regulations**

- on the compilation of FATS
- on BOP statistics, embodying EBOPS

→ FATS and EBOPS have become binding in EU member states

- **IMF collect data according to EBOPS from 2003**
on a voluntary basis

- **OECD:**

Expand the collection of BOP trade in services by partner country in addition to EBOPS request

- **UNSD:** dissemination of EBOPS trade in services by partner country for OECD and non-OECD countries



Recent progress (3/3)

- **Regional and country workshops, e.g.:**
 - South-Eastern European countries
 - UN ESCWA
 - UN ECLAC
 - CIS
 - APEC
 - South-East Asia
 - World Bank workshop for emerging and middle income economies
 - Chinese Taipei, Malaysia, Pakistan, Zambia
- **Joint projects, e.g.:**
 - Caribbean Community/USAID
 - Andean Community/EU

Areas Where Improvements are Needed



- **BOP trade in services**
 - Many countries still do not report the full BPM5 detail
 - Lack of reliability
 - Documentation on coverage and deviations from international standards rarely available
 - Partner detail although improving, is still limited
- **FATS**
 - Lack of reliability and comparability
 - Almost no FATS collected outside OECD
 - Confidentiality severely limits data availability
 - Still progress needed to better respond to MSITS 2010
- **Statistics by mode of supply, rarely available, in particular for Mode 4**



Future Work

Interagency Task Force on Statistics of International Trade in Services

- need for further development of technical assistance in the area of services statistics
- some areas (e.g., manufacturing services, research and development) still require clarifications for appropriate compilation
- prepare **compilation guidance**
- concentrate on further methodological work

Keys for Improvement of Statistics



- Efforts by **national agencies** in charge of statistics
- Governments' willingness to allocate **resources to statistics**
- **Co-operation between national institutions**
- **Co-operation between international and regional institutions, and support to national initiatives**
- **Effective technical assistance**
- **Compilation guidance**