

**Reports of the 12<sup>th</sup> and 13<sup>th</sup> meeting of the Interagency Task Force on  
Statistics of International Trade in Services:**

**THIRTEENTH MEETING OF THE INTERAGENCY TASK FORCE ON  
STATISTICS OF INTERNATIONAL TRADE IN SERVICES**

**3-4 May 2001, OECD, Paris  
Revised draft report (14 June 2001)**

1. Mr. Giovannini, head of the OECD Statistics Directorate, welcomed the Task Force and apologised that he was unable to participate. The meeting was opened by the Chair, Mr. Cave (BC) of the OECD Statistics Directorate. Apologies had been received from Mr. Becker (RB) from the United Nations Statistical Division, Mr. Hoffmann (EH) from the International Labour Office and Ms. Butkeviciene (JB) from UNCTAD. JB is now replaced by Mr. Butkevicius (AB), Statistician, Central Statistics Section, GDS, UNCTAD, as the level of discussions at the task force now require different expertise. Her division as well as others in UNCTAD will support AB in his work through specialised advice. Apologies had also been received from the United States Bureau of Economic Analysis (BEA), as Mr. Whichard (OW) would no longer attend the Interagency Task Force meetings. The BEA had stated in their letter that now the Manual was complete, they would play their part in implementation and other future work just as any other country. **The Task Force agreed that BC would write to BEA, OW and JB to thank them for all the work they had done for the Task Force and the Manual.**

**Item 1. Adoption of the agenda**

2. BC stated that by the end of the meeting the Task Force should have agreed the finalisation of the Manual with the aim of publishing it before the end of the year.
3. Regarding the detail of the agenda: the Task Force needed to discuss, on the first afternoon, the Tourism Satellite Accounts annex with Mr. Massieu (AM) from the World Tourism Organization (WTO/OMT) and Mr. Dupeyras (AD) from OECD's Directorate of Science, Technology and Industry (OECD/DSTI).
4. Mr. Karsenty (GK) asked that the agenda be amended to include discussion of the presentation to be made in May 2001 to the World Trade Organisation (WTO/OMC) council on Trade in Services of the work achieved by the Interagency Task Force on Statistics of International Trade in Services. It was included under item 6. Any other business. It was also decided to discuss future work on financial, telecommunication and environmental services as well as natural persons (included under item 5. Further development work and priorities).
5. Mr. Roman (JCR) requested a discussion of OECD partner country data publication under item 4. Next steps in the Manual implementation –Data collection, priorities and progress.
6. The amended agenda was adopted. It is attached at Annex 1. A list of participants is provided at Annex 2.

## **Item 2. Approval of the report of the 12<sup>th</sup> meeting of the Task Force held in Paris on 13 December 2000.**

7. BC asked for comments on the report of the previous meeting. Mrs Steger (AS) pointed out the country of consignment issue in paragraph 12 (EU Member states forward data to Eurostat according to the country of consignment to avoid double counting when calculating EU aggregates). She also offered a correction to the text of paragraph 29 “In Germany, data broken down by partner country is available on a monthly and quarterly basis at present, but there may arise difficulties with the introduction of higher reporting thresholds and changes in the reporting system.”
8. The changes were made to the report and it was agreed. It is attached at Annex 3.

### *Matters arising*

9. OW had proposed after the 12<sup>th</sup> meeting of the Task Force a change to the wording regarding ownership of voting rights to make it consistent with the System of National Accounts and the Balance of Payments Manual. These changes, now agreed, would need to go into the Manual.
10. BC said that a progress report on the Manual had been presented to the globalisation meeting (OECD, March 2001 in Paris) and would be presented to the FDI statistics workshop on 5-7 June. He added that a better coordination of the work regarding trade in services was being pursued at the OECD.
11. MF raised the question of the use in the draft globalisation manual of the work of the Task Force concerning FATS. The relevant wording should be made consistent. BC answered that Thomas Hatzichronoglou (OECD/DSTI) has received many comments on the globalisation manual some of which make this point.
12. JCR said that data collection coordination should be discussed (e.g. FDI/FATS statistics). He advocated a joint OECD-Eurostat questionnaire for FDI/FATS. There is a need for better coordination for globalisation statistics. Neil Patterson (NP) pointed out that direct investment is an important issue for IMF. JCR added that OECD and Eurostat should have a common geographical breakdown and a common list of activities. For EU member states, FDI/FATS being the largest part of the balance of payments data reporting to Eurostat and OECD (for example), having to fill in two different questionnaires for FDI statistics causes many problems. AB informed the Task Force that UNCTAD could not receive Gesmes CB files and this was also a problem for data collection. AS said that all organisations should at least agree on a common list of main aggregates, even if the breakdown is different. **JCR proposed that that Eurostat and OECD should prepare a paper on the new organisation of work, on the existing problems and what the Task Force wants to achieve.**
13. BC informed the Task Force that regarding environmental accounts's, they had now been approved by UNSC and that a document should soon be available. **GK asked if the Task Force could obtain copies of SEEA, especially regarding classifications. BC will check.**

## **Item 3. Finalising the Manual for publication**

14. BC reminded the Task Force of the outstanding tasks to complete the Manual for submission to the UN:

- Preparation of a foreword (to be signed by the heads of each participating international organisation or heads of statistics);
- Writing of an executive summary (requested by the July 2000 expert group );
- Writing a short text on acknowledgements;
- Minor corrections and clarifications to the text (nothing substantive);
- Finalisation of annex 4 (EBOPS – CPC version 1.0 – GNS/W/120 correspondence table);
- Amending of the tourism satellite accounts annex;
- Preparation of an index;
- Checking of UN translations of the Manual.

### *Translations*

15. GK stated that the Task Force had not yet seen the translated versions of the Manual. BC said that five translations of the main text were available. AS raised the issue of checking the translated versions of the Manual for consistency. MF informed the Task Force that she gave BPM5 translations to RB so that translations are consistent with those of BPM5. IMF has got a Russian speaker to check the Russian version of the document. MF added that UN maybe had a process to check these translated versions. Chinese and Arabic versions need to be checked. The Task Force agreed that this was a lot of work so it needed to be cautious. JCR would lead on the French version (GK would assist); GK wanted to see the Spanish version; BC would also send the Spanish version to AM; the Arabic and Russian versions to AB; the Russian version to NP; BC would also send the Chinese version to the World Bank and investigate sending it to the Hong Kong, China office. **BC to circulate the translations.**

### *Foreword*

16. BC proposed that heads of statistics should sign the foreword to the Manual. GK thought the heads of international organisations would be more appropriate. NP agreed with GK. **Each organisation would need to check this. BC concluded that the United Nations also had to be queried on this issue BC would clarify OECD's position as soon as possible .**
17. NP expressed some concern on the necessity of having a foreword, an executive summary and acknowledgements. Other participants answered that this was necessary, because the foreword, which will be signed by heads, will be very short.
18. **BC would prepare the foreword ( of less than one page).** GK pointed out that the foreword needed to take into account who will sign it (directors of statistics or director generals).

### *Executive summary*

19. BC invited the Task Force to discuss the draft executive summary, which was largely based on the summary submission sent to the UNSC.

20. Hugh Henderson (HH) from Statistics Canada had also provided comments on the draft. HH comments were focused on the user side and on future work. NP said that he agreed with the presentation of the consultation process but he pointed out that nothing was said on the world-wide consultation. The entire process within the group, regional groups and world-wide should be presented and it should be mentioned that it was a comprehensive process.. BC asked if this should be part of the foreword, the executive summary or both. MF suggested it could be included in the acknowledgements. **NP suggested that it could be outlined in the foreword (short) and then explained in detail in the acknowledgements. The Task Force agreed.** The Task Force agreed the substance of HH's third paragraph although the wording might need amending.
21. BC raised the question of the need for a regular review of the Manual (HH's comment in paragraph 6). MF and BC said that it was not necessary to mention this. The request for the summary of the July expert group was a vision statement. MF asked if it was necessary to present future work. NP suggested that paragraph 6 could be moved to paragraph 14. NP proposed to indicate the process of updates. JCR answered that the question of updating of the Manual could be presented in paragraph 14, but the Task Force could not say itself what it should do. The Task Force concluded that HH's paragraph 6 did not seem to be appropriate as it was. The HH amendments to paragraph 13 were accepted.
22. With respect to the suggestion presented by HH in paragraph 14, the Task Force discussed the future work that could be presented in the executive summary. NP said it could be indicated that services are a moving target (e.g. electronic transmission of services, evolution of financial services) and that work is still underway. At least the compilation guidance issue could be mentioned. MF pointed out that in the Manual there were a number of footnotes that identify where further work is needed (page 59, 64, etc.). BC also reminded participants that in chapter 1, page 14, paragraph 1.10 further work is mentioned. NP and AS suggested that the TF should not try to set out a precise list of future tasks.
23. The Task Force then identified a number of future tasks. Natural persons is an area where more needs to be done. GK asked about the prospects for using ICFA in OECD and Eurostat. JCR pointed out that ideally ICFA might be used for both FDI and FATS. JCR said that links between classifications are important. He added that the group may wish to consider in future improving links with environmental and tourism satellite accounts.
24. NP stated that the Manual does list the areas that the group had not been able to address or resolve. The Manual is very careful on all this. BC and NP agreed that the original paragraph 10 was better. JCR pointed out that as everything is written in the Manual, there was maybe no need to list all future work. MF and BC said that just some examples of areas for further work would be sufficient.
25. In paragraph 10, it could be mentioned that there is a need for further work in certain areas: classification of services, compilation guidance. MF said that examples could be provided: environment, internet related services, tourism (some items have not been addressed but more is needed for environment and tourism). It should not be linked to the future work of the Task Force. **The executive summary was in principle agreed and BC would redraft it.**

### *Acknowledgements*

26. BC, as a relatively newcomer to the Task Force, asked if other more senior members of the group might draft the acknowledgements. **NP agreed to do this by end June.** BC suggested that acknowledgements were made for all people and organisations that had made significant contributions. GK and JCR would check the text.

*Changes to the text:*

27. There were some minor changes to chapter 4 and the Glossary that had been proposed by OW. There are some footnotes in chapter 3 that need reviewing. HH had made a comment at the OECD-Eurostat Experts meeting suggesting that in paragraph 1.13 that confidentiality be identified as a limitation on the level of detail that could be disseminated. MF told the Task Force that she would amend section G in Chapter 3 to indicate the treatment of maintenance services. She added that the wording had to be checked in the EBOPS classification for consistency.
28. GK pointed out that a category 'Other services' is missing in the EBOPS classification. He said that this could be a problem when the geographical breakdown dimension is introduced. For some countries the geographical breakdown may only be available for the following categories: transportation, travel and other services. MF thought that many countries could provide separately government services. JCR said that the EU wanted all the EBOPS items with a detailed breakdown (50 countries at least) and for total services for all the countries of the world. MF asked if there was a need for a code for this as it was mainly focused on the geographical breakdown. BC suggested that this could be discussed at the implementation stage. **The Task Force decided not to add this category to the EBOPS.**

*Annex 4: correspondence table*

29. MF and RB are still working on the correspondence table. In December JCR had said that the presentation of the table was difficult to understand. MF informed the Task Force that it is complicated because it is a three-way classification. RB was in charge of the reverse correspondence table. MF stated that it was always possible to go back to the two-way classification if necessary, but the UN expert group wanted the GNS/W/120 classification included. The EBOPS/CPC correspondence was all there. BC concluded that if the preparation was delayed too much, the three-way classification could be dropped and the two-way one would be presented in the paper version. The three-way version could then be provided later electronically (internet). **UN/RB to provide the three way version by the end of May. TF comments on the correspondence table should be provided by the end of June 2001 and the final version should be ready by the end of July 2001.**
30. MF told the Task Force that 70-80 extra pages in total would probably be needed for the correspondence table (that included both ways).

*Index*

31. The IMF had contracted to do the index when they contracted the editing. The crucial point is to identify the terms needed in the index. AM indicated that it is very time consuming. It took 2 to 3 weeks to prepare an index for the Recommendations on Tourism Satellite Accounts. There is also a problem when it is translated. The SNA could be a good starting point. NP said that there was a multilanguage index in the BPM5. These could be used as good starting points to prepare the index. AM suggested to prepare a useful index (not very long), to define the most useful paragraphs (identify the important issues). It should be as simple as possible. **OECD and IMF will start work on the index. BC would prepare a first list of index items by the end of May. MF should forward the final version by the end of June 2001.**

#### *Annexes*

32. With respect to the Glossary (Annex 2) Denis Ward (OECD/STD) had suggested that, for the definitions in the glossary, sources should be indicated (SNA, BPM5 etc.). He had pointed out the absence of an international definition of turnover and OW had suggested changing 'turnover' to 'sales' in the glossary. **It was also proposed that any reference to turnover in the Manual should be changed to sales. This would be a simplifying amendment. Subject to consultation with those involved with globalisation work(BC) this would be implemented.**
33. The source is not entirely clear for this definition, but it is described in SNA. GK suggested checking with the Eurostat structural business statistics (glossary). Maybe the definition should be changed to the one presented in paragraph 4.50 of the Manual. NP said that the definitions should be checked again. AM told the Task Force that for the Tourism Satellite Accounts they had a glossary and then decided to drop it. For the TSA they developed it in a web site, to link the terms to paragraphs where they were defined. **BC would provide sources as far as possible for glossary entries.**
34. Regarding the definition of sales, NP said that the definition in paragraphs 4.48-4.50 appeared to be fine but should be checked again as mentioned previously. JCR thought that the list of variables that should be collected is entirely clear. It would be better defined in the compilation guide. BC and JCR said that as far as possible the SNA terminology should be used.
35. Annex 3 needs some changes (see MF's email of 23 April). MF informed the Task Force that the codes for the previous memorandum items on travel had been checked and were not used. For Annex 5, the header 'BOP' should be changed to EBOPS and RB should be asked how easy it is to check the correspondence with EBOPS (spot checks). Annex 6 is fine. GK said that the GATS text had been accepted for negotiations as well as the classification. (according to the old version of the CPC classification).

#### *Tourism Satellite Accounts (annex 8)*

36. AD joined the discussions. AM said that he was grateful for the opportunity to discuss the tourism related items in the Manual and to explain the WTO/OMT point of view.
37. BC reminded the Task Force of the UNSC recommendation that the EBOPS should not be extended. AM noted that regarding travel in EBOPS - this is no longer linked to the CPC list of services and WTO/OMT agreed with that. One of the main purposes of travel is for leisure, and

this is not shown in the EBOPS (only travel for business, education and health are shown). WTO/OMT sought clarification and not confrontation. But this issue is not a priority in WTO/OMT. The memorandum items do not cover the whole range of tourism areas. A basic problem is that accommodation and restaurants have been grouped under the same heading and the WTO/OMT would have preferred them split as in the TSA.

38. AM then presented the items of the list of tourism characteristic products and compared them to the tourism related items of EBOPS. For (Food and beverage serving services) all but one of the CPC items is covered in the equivalent EBOPS memorandum item (excepting: CPC 63290 Other food serving services). Items 1 (Accommodation services) and 3 (Passenger transport services) are entirely covered. Some e-commerce is related to item 4 (travel agency, tour operator and tourist guide services), but item 4 is not covered in the Manual. Accommodation services and restaurants should be separated for analysis purposes. It should be stated in the TIS Manual that these items cover the great majority of tourism expenditure. From a pedagogic point of view that would be useful.
39. GK said that travel for leisure should not be shown instead of health and education but in addition to, because these items are part of the GATS negotiations. JCR added that it is a purpose of travel that is meant. He believed leisure could be added in future. AM stated that he was not asking for a breakdown into leisure at present. For example, the basic reason (70%) for travel in Spain is for leisure. He wanted to point out a weakness in the EBOPS classification in this area.
40. MF added that travel for leisure could be for family or pure tourism reasons. AB suggested that it could be misleading to include travel for leisure as people could declare that they are coming for leisure but they are actually there for work.
41. GK reminded the Task Force that these items were not health and education expenditure as such but rather health and education related travel expenditure. In principle leisure should be presented there: leisure, health, education and other.
42. MF will check and make any necessary changes to the CPC-EBOPS correspondence table. All other travel expenditure could include travel agencies, etc. but would also include all sorts of other items.
43. AM said that in the TSA seven groups of items were presented for Tourism Characteristic Products. Taking the EBOPS memorandum items, if accommodation and restaurants are separated, it would be useful if item 4 (in the TSA) was identified. There is a question of clarification in identifying what is covered in the Manual. AM proposed the adding of a paragraph to Annex 8. NP proposed a clarification of all other travel expenditure in chapter 3 of the manual. JCR said travel covered all this. In the TSA list there is no mention of health and education services. When a traveller comes in a country (mode 2) he spends on all sorts of types of services. GK added that any type of service could be considered, not only pure tourism services. MF said that travel is not a product, it is a category of expenditure by a certain type of consumer. MF pointed out the footnotes on page 57 which try to show the difference between travel and tourism. BC asked if it was necessary to include the tourism connected products in paragraph 16 of the Annex. AM suggested that they were dropped. Item 4 'travel agency etc' should be added but all the rest should be grouped with others. MF said that in EBOPS accommodation and restaurants + transportation + all other travel expenditure covers a large part of tourism. NP then said that many countries conduct for BOP and other purposes a survey of travellers, which is the most basic requirement for

collecting the non-transportation data requirements for the TSA exercise. **AM would redraft relevant parts of the annex 8 by the end of May.** He would drop paragraph 16 of the annex, and present the list of products covered in the Manual, and proposed that for the rest readers are referred to the TSA document. **IMF would then check this revised text.**

44. JCR asked if the approach needed to be by product and if the approach by purpose should be kept. MF replied that the aim of this annex was to try to clarify the links between the Manual and the TSA and not push EBOPS users to follow the TSA. JCR did not want countries to collect more data than necessary. MF proposed to amend paragraph 3.78. NP reminded the Task Force that these categories were created because of a different residency approach between BPM5 and TSA. It should be indicated to readers that there is no need to have a new survey but that they could use the same travel survey for BOP and Tourism Satellite Accounts purposes.
45. It was agreed to adapt annex 8 to clarify the links between EBOPS and tourism expenditure as described in the Tourism Satellite Accounts. AM will redraft those parts of the annex that had been identified, and MF/NP would then work on it as it is mainly balance of payments related. MF would check for correspondence. BC to change references to the TSA in footnote 48 and 49, page 57 (title: "Tourism Satellite Accounts (TSA): Recommended Methodological Framework). All references to the TSA should also be checked. In Annex 8, paragraph 14, the last sentence should be clarified. The paragraph should also explain that they are other types of travellers: immigrants, refugees. GK said that these are questions that the Task Force had and that users will have and should therefore be explained. AD suggested making a reference to the 1994 UN recommendations on tourism statistics, which provide clarifications on the terms travellers, visitors and tourists i.e. what is included and what is not. It was explained that according to BPM5, migrants become residents. The question of refugees is a little more complex and will require further consideration. MF agreed with GK that there is a need for some explanation in the text.

#### *Publication of the Manual*

46. BC said that it was important that the Manual is published before the end of the year 2001 as delay risked its many links becoming out of date. AM shared with the Task Force his experience with the TSA, which took one year to get released. NP thought that, if producing the non-English versions was to take a considerable time, the English version should be published first and definitely before the end of 2001. AM answered that it could be and that unedited free copies of a forthcoming publication could be distributed to selected individuals. However he did not think that it could be free on the web given the publishing agreement. **The Task Force concluded that these needed to be clarified with RB and the publication sections of the organisations.**
47. **It was agreed that the final English version of the Manual must be ready prior to the end summer break in July.** Any other comments on the Manual, not covered above, are sought as soon as possible.
48. RB forwarded to the Task Force information regarding the publication preparation process. The editing would take around two months. Then a camera-ready file would be prepared. He thought the English version could be released by the end of the year 2001. **RB will forward all translations of the Manual (word files) to BC who will circulate them to the Task Force.** With respect to electronic documents, this needed to be further discussed. He thought that the Task Force should get the Statistics Directors to come up with a copyright agreement in principle. RB will

draft a proposition and forward it to heads of Statistics. Regarding the correspondence table, the UN expect to be able to circulate something by the end of May. **BC will forward RB's publication message to all members of the TF.**

49. **Regarding free copies, the Task Force agreed that this issue needed to be clarified. RB will be contacted.**
50. Regarding the copyright issue, the Task Force agrees in principle to share it. It will need to be checked in each organisation with publication legal people. **BC suggests that each member of the Task Force sends a message to the persons responsible for legal matters and copy it to superiors (heads of statistics).**
51. MF said that the index could not be prepared before the final version of the text is ready. NP said that for the moment a list of items could be prepared. BC will seek advice from the UN (RB).

#### **Item 4. Next steps in the Manual implementation**

##### *Data collection - priorities and progress.*

52. The UNSC had endorsed the Task Force's data collection suggestions and stressed the need for coordination between agencies. GK said that he would be presenting the data collection proposals to the WTO Council on Trade in Services. BC reminded the Task Force that at its December meeting, the OECD-Eurostat Expert Group on Trade in Services Statistics agreed to a collection beginning in 2001 of trade in services data by partner countries. 17 OECD member states and Eurostat are known to currently have a geographical breakdown. BC pointed out that Eurostat was concerned about publication of bilateral intra-EU data. BC distributed a statement from OECD's Trade directorate on their needs for these data (Julia Nielson, OECD/ECH). It was OECD's wish to collect trade flows between all its Member states but OECD did not propose to publish anything of this initial data collection without full consultation and agreement with the national contributors/experts and Eurostat.
53. JCR said that EU agreements have been made between Eurostat and the ECB. Eurostat and the ECB work together so that the same figures are sent to both organisations. ECB compiles balance of payments data for the Eurozone, and Eurostat compiles EU 15 data. There is an agreement between Eurostat and the ECB on the methodology to be used for compiling the Euro/EU data. This methodology is relatively complex. It includes mainly the use of extra-EU flows only, the concept of consignment for goods and the issuer principle for portfolio. Some corrections/estimation are made to the original data with the agreement of the countries. Data produced by both organisations are consistent and this is considered as very important: consistent data are put on the net at the same time by both organisations. Finally they had decided that some data, for example bilateral data (i.e. between two EU Member States) should not be published. The conclusion of this is: Eurostat and member states could send any data to OECD, however Eurostat would wish to ensure consistency of what OECD might publish with their own publication to avoid confusion with users.
54. BC suggested that any political sensitivity concerned the main aggregates and the latest figures. He believed that the detailed data may not always be entirely consistent with main and latest aggregates as long as it is clearly stated that they were not (BC provided an example of how UK

publishes partner country data for trade in services in great detail, which are not fully consistent with the latest BOP headline figures because of timing).

55. GK informed the Task Force that a table presenting bilateral data will be presented in the WTO annual report. GK says that this bilateral data is very useful and interesting to help to identify discrepancies. BC reported on the OECD Economics Department's requirements for partner country data for estimating deflation weights.
56. AS said that it was not ideal to present different sets of data for trade. However EU countries publish different sets of figures than those published by Eurostat. EU countries have concerns about the Eurostat country of consignment treatment. EU countries publish their trade figures according to the country of origin (e.g. the difference between both concepts leads to a difference of approximately 40 billion DM for total transportation). She suggested that OECD started with some basic and simple presentation of data and then try to improve it.
57. JCR mentioned the revision policy process agreed with the ECB: balance of payments data are revised at the same time. GK then raised the question of historical data for the EU aggregates when there are new members in the EU. JCR answered that there were overlapping years. **JCR said that Eurostat would like a clearer statement of OECD's needs and what OECD would do with the data. In addition, before any presentation, Eurostat would like OECD to submit their ideas on presentation. BC would write to Eurostat to address their concerns.**
58. Regarding other priorities, for FATS, OECD and Eurostat need to consolidate the current practices and should make sure that they coordinate FATS and FDI data collection. It would be good if countries provided data according to some of the ICFA components. JCR asked if they were any plans for STD to collect the data. BC answered that currently there are no plans to change, who does what in OECD: OECD/DAFFE for FDI and OECD/STI for FATS data. JCR said that it is important to guarantee that identical classifications (geographical/economic activities) are used for FDI and FATS. Coordination between these working groups are essential. For FDI/FATS questionnaires, OECD and Eurostat should try to keep joint ones as they did for EBOPS. AS remarked that different questionnaires are time consuming for countries.
59. GK asked if the UN still agreed to collect the trade in services data by partner countries. He mentioned that he had received a visit from Ronald Jansen (UNSD) and that they had discussed data collection issues. He also raised the question of movement of natural persons and migration. AB said that UNCTAD would collect FDI and FATS data. BC said that there was a seminar organised by STI on migration .
60. **GK/BC/JCR to prepare a paper by the end of the year on the data collection expected in 3-4 years, with ideas on change.**

#### *Compilation guidance*

61. According to UNSC, compilation guidance is a priority. There is a need to share national experiences, have a web site, and to find a way of answering questions. The UN has already done some work on this (creation of a web page). BC then read a message from RB. **UN would like comments on the proposed web page. RB had suggested that OECD creates a generic account for queries (hot line).** BC said that this is possible on a provisional and trial basis. If

OECD were to be overwhelmed, then the worldwide organisations would be asked to take this over. BC then asked the Task Force if any existing material was available. GK and JCR said that Eurostat had many useful documents that are publicly available (CIRCA web site). Access restrictions might be put in place in the near future. JCR will ask EU member countries at the next BOP meeting if they see any problems in making these documents publicly available. GK pointed out that the webpage should appear as a joint web page and should present country experiences. Countries should be able to submit their documents direct. He then raised the question of necessary procedures for all this.

62. JCR asked if some theoretical work could be presented on the web site before countries provide any experience. The Task Force should start providing information now. AS said that Eurostat was already working a lot on this with EU members. **Eurostat could provide a plan for the compilation guide. GK pointed out that a long-term action plan was needed (no resources are available for 2001 but WTO/OMC could maybe have some for 2002) to get the compilation guide taken into account in the organisations' budgets.**
63. BC asked how the compilation guide was going to relate to the BPM5 compilation guide. NP pointed out that some BPM5 material could be used as well as papers prepared for the IMF BOP committee. MF proposed to send a copy of the BPM5 compilation guide to members of the Task Force who do not have it. NP said that the IMF could not put final manuals on the web, as the publications people do not want this.
64. GK said that regarding the electronic publication it may be necessary to have a CD ROM version (for developing countries who have difficult access to the internet). MF raised the question of the hard copy format of the publication. She suggested that a ring bound copy could be a good idea, as it is very easy to update.
65. BC asked JCR and AS about sending out invitations early for the OECD/Eurostat meeting of experts on international trade in services statistics and to ask countries to provide experiences. AS thought that this was a very good idea. JCR said the work of countries should not have to be duplicated. **BC proposed to prepare a letter that he will submit to AS and JCR.** JCR said that EU member states have to provide methodological information to Eurostat as soon as they make changes in the data collection system, etc.
66. NP reminded the Task Force that the IMF had several developments in this area, notably through the BOP committee. Information could also be found in the IMF Data Standards Bulletin Board for country methodologies.
67. BC asked if UNCTAD had any information on FATS and FDI regarding country practices. AB answered that for FATS the questionnaire follows ISIC, but there is no majority-owned criterion. UNCTAD does not have a specific mandate to collect this information. It has to be approved by the trade and development board. The solution would be to start with pilot countries.
68. The Task Force needs to take into account the existing guidance (IMF compilation guide and the text book), existing sources (information IMF may have in its various publications, its Data Standards Bulletin Board, its balance of payments website, and documents provided for the BOP committee). OECD, IMF and Eurostat would list and feed available information to the group. GK asked where this information would go. BC answered that if it could be made publicly available, it could go on the web site or be linked to there. JCR stated that some information was restricted.

However in such cases it could be sent to members of the Task Force but not put on the web site. **OECD in consultation with Eurostat and AS will send out invitations for the December meeting, asking papers on country experiences of the Manual implementation.** MF and NP remarked that Canada and the US had a lot of metadata on FATS.

69. GK asked if countries should be asked to put one of their papers on the web site. GK said it was not a problem for OECD countries as they already have a group. He added that apart from OECD countries there are not that many others concerned. Maybe the Task Force could list them and contact them. MF pointed out that Philippines and India may have done natural persons studies and GK added that Trinidad and Tobago had a useful contribution on FATS.
70. BC then asked, for non OECD countries, how should they be queried with respect to their experience and who should take care of this. NP said IMF could do it on EBOPS. They will have a first look at the available information. They do not have any contacts for FATS. BC suggested that the UN handles this, but it should be left as an open question.
71. GK said that for FATS, apart from OECD, there was only a handful number of countries who have statistics. AB said that there was a study on natural persons regarding UK versus India, in order to study their experiences. Mr. Bellat (ILO) is responsible for this study. AB will copy his response to Mr. Bellat to the Task Force.

## **Item 5. Future development work.**

### *E-commerce*

72. At the last Task Force meeting BC had proposed to revise the e-commerce paper. The OECD/Eurostat meeting experts said it would be difficult to add it as an annex of the Manual after its publication. It was therefore decided to transform it into two discussion papers ( i) general issues of e-commerce and ii) downloadable products) and put them on the internet for instance. The papers had to be more neutral.
73. The OECD definition of e-commerce has evolved. There is now an agreed narrow and broad definition and operational guidance. It will be reviewed in 2002. **BC will circulate the definitions to the Task Force.** A transaction initiated by a simple e-mail ordering goods is not considered an e-commerce transaction. But a transaction initiated by an interactive e-mail through a web page is so considered. JCR and GK said that the paper should take a broad definition. The main concern is to determine where downloadable products are classified in EBOPS. The OECD taxation experts have decided that for their purposes whatever downloadable products are they are not to be regarded as goods.
74. GK said that “whether downloadable products are a good or a service” is not entirely a statistical issue. It can be political. He thought that making two different papers would confuse everyone. BC said that the CPC and ISIC 2002 can classify these without too much difficulty. JCR said that in a way all this was a false debate. DG Trade and Eurostat agree with the paper when it says that e-commerce should be considered as a whole, but that Internet should not be the unique reference (for example there are other protocols used on open networks such as ATM etc). The reference to the OECD Ottawa conference should be added regarding taxation frameworks. And the text should be changed to indicate that there is an international rule at least in respect of taxation. WTO/OMC can do what they want but for data the decision should be made from the statistical point of view. A

similar issue is already in EBOPS: royalties and licence fees are not a “proper” service. In the CPC there is no definition of services. He thought that there would not be any problem to include downloadable products in services if it is so decided. The current borderline between services and other transactions is often difficult to apply. GK proposed putting the second paper as an annex to the first.

75. BC said that the Harmonised System 2002 classification has a category software. MF reminded the participants that in the merchandise trade handbook, anything that is made to order is not a good. GK said that the paper made very specific proposals. JCR said the paper is informative and that the Task Force needed to solve the problem of the downloadable products. He said that the paper presents e-commerce as a way of selling. It is another way of grouping things. NP commented that the paper needed a wider exposure than it has had hitherto.
76. MF said that more needed to be done on retailing services and auctions. GK raised the question of narrowing down the definition. GK said that the reference to “software” should be replaced by “on-line downloadable products”. The improvement would be to drop computer services. MF said that the breakdown of financial services had to be taken out. NP remarked that an on-line hotel reservation is not the service you pay for. The same arises for an airline ticket. The question is do you pay something extra for this intermediary service.
77. JCR suggested that to be effective the paper had to show pros and cons. GK added that the questions had to be clarified. BC then proposed that the aim would be to present the next versions of these papers to the IMF BOP Committee, as the IMF is the guardian of the EBOPS classification. They should also be circulated to the e-commerce groups. NP said that it should be circulated to the e-commerce people first. The BOP committee will meet in Japan (24-26 October 2001). **BC and NP said that the papers should be presented as drafts to the BOP Committee.** They could then be discussed. The papers should be ready by beginning of September. NP and MF should make a recommendation to the committee based on the expertise of the Task Force. GK said that a vast majority of countries’ trade negotiators consider that downloadable products should be treated as services.
78. **BC and GK will redraft paper one and MF will tackle paper two, which should show pros and cons and then propose decisions.** The Task Force agreed that the paper should be read by members before the BOP committee. **Any initial ideas should be sent to MF by mid-June 2001. GK would send some other background papers to MF**

*Other further developments and priorities:*

79. *Financial services:* Nothing has been done since last meeting. Following the December meeting, AS asked if they were any results of the OECD internet financial services survey. **BC will investigate with Hans Christiansen (OECD/DAFFE).** MF would speak with the United States financial people who are developing a survey on financial services.
80. *Telecommunication services:* BC informed participants that the new breakdown in the CPC for telecommunication had been agreed by UN technical sub group. It would go to the UN expert group in June 2001. GK will respond for the GATS needs.

81. *Environmental services:* BC will inform the Task Force with respect to the classifications used in the Environmental accounts manual (SEEA) and the trade list of environmental services used by the OECD (Mr. Andrew, OECD/ECH).
82. JCR raised the question of how the new papers will be treated, because the Manual will have been published. BC said that the expert group had noticed inadequacies. NP pointed out that a procedure needed to be put in place because there was no status of these papers. **Are they updates for the Manual or informative papers? This is an issue for the future agenda of work of the Task Force. The Task Force needs to set up procedures for the update of the Manual.** BC asked if the IMF could provide feedback on what procedures are for updating the BPM5. NP advised that, in the context of the IMF Committee, the IMF was presently reviewing its own procedures for updating BPM5 and the IMF will inform the Task Force of the outcome of this review.
83. *Natural persons:* AB said that JB was still the natural persons expert at UNCTAD, but that she was concentrating on a study (UK-India, mode 4) for which UNCTAD was seeking funding. BC said that it would be useful if the Task Force was kept aware of how the study is going on. Moreover BC will write to RB (copy Mary Chamie) to ask them who is responsible at the UN for natural persons and migration. ILO retains an interest in following and contributing to this work and EH is the contact for the present.

#### **Item 6. Any other business**

*WTO Secretariat paper for the WTO council on Trade in services (17 May 2001)*

84. GK presented a draft report of progress on for the work on the Manual. GK asked that any comments for the paper be forwarded to him by 8 May 2001.

#### **Item 7. Date of next meeting**

85. **The next meeting of the Task Force will take place on 12<sup>th</sup> December 2001 at OECD headquarters, Paris, following the OECD/Eurostat meeting of experts on international trade in services.**
86. NP proposed that IMF hosts the following meeting in June 2002. The Task Force accepted.

**THIRTEENTH MEETING OF THE TASK FORCE ON STATISTICS  
OF INTERNATIONAL TRADE IN SERVICES**

**3-4 MAY 2001, OECD PARIS  
AGENDA**

1. Adoption of the agenda
2. Approval of the report of the 12<sup>th</sup> meeting of the Task Force held in Paris on 13 December 2000.
  - matters arising
3. Finalising the Manual for publication
4. Next steps in the Manual implementation:
  - Data collection - priorities and progress
  - Compilation Guidance
5. Further development work and priorities
  - E-commerce
  - Other: Financial, telecommunication and environmental services  
Natural persons
6. Any other business
  - Presentation to the WTO/OMC Council on Trade in Services  
of the work achieved by the Interagency Task Force.
7. Date of Next Meeting

Annex 2

**List of Task Force Participants  
Meeting of 3-4 May 2001**

- EUROSTAT: Mr. Jean-Claude Roman  
Head of Unit  
Directorate B, Unit 5  
Balance of Payments Statistical Office of the European Communities  
EUROSTAT  
Bâtiment Bech  
L-2920, LUXEMBOURG  
Tel: (352) 4301 33548  
Fax: (352) 4301 33859  
[jeanclaude.roman@cec.eu.int](mailto:jeanclaude.roman@cec.eu.int)
- IMF: Ms. Margaret Fitzgibbon  
Senior Economist  
Balance of Payments and External Debt Division I  
Statistics Department  
International Monetary Fund (IMF)  
700 19th Street NW  
Washington DC 20431, USA  
Tel: (202) 623-6493  
Fax: (202) 623-6033  
[Mfitzgibbon@imf.org](mailto:Mfitzgibbon@imf.org)
- Mr. Neil Patterson  
Assistant Director,  
Balance of Payments and External  
Debt Division I, Statistics Department  
address as above  
Tel: (202) 623-  
[NPATTERSON@imf.org](mailto:NPATTERSON@imf.org)
- OECD: Mr. William Cave (Chair)  
Services Section  
Statistics Directorate  
Organisation for Economic Co-operation and Development (OECD)  
2 rue Andre Pascal  
75775 Paris Cedex 16, FRANCE  
Tel: 33 1 4524-8872  
Fax: 33 1 4524-1713  
[William.cave@oecd.org](mailto:William.cave@oecd.org)  
Chairman, Task Force
- Mr. Joscelyn Magdeleine  
address as above  
Tel: 33 1 4524-8867  
Fax: 33 1 4524-9657  
[joscelyn.magdeleine@oecd.org](mailto:joscelyn.magdeleine@oecd.org)
- Mr. Alain Dupeyras

Tourism Section  
Directorate for Science, Technology and Industry  
address as above  
Tel: 33 1 4524-9145  
Fax: 33 1 4524-9386  
[Alain.Dupeyras@oecd.org](mailto:Alain.Dupeyras@oecd.org)

UNCTAD: Mr. Arunas Butkevicius  
United Nations Conference on Trade and Development (UNCTAD)  
Palais des Nations  
1211 Geneva 10  
SWITZERLAND  
Tel: (41-22) 907 4977  
Fax: (41-22) 907 0044  
[arunas.butkevicius@unctad.org](mailto:arunas.butkevicius@unctad.org)

WTO/OMC: Mr. Guy Karsenty  
Chief of Trade in Services Section  
Statistics Division  
World Trade Organization  
154, rue de Lausanne  
1211 Geneva 21, SWITZERLAND  
Tel: (41-22) 739 5426  
Fax: (41-22) 739 5763  
[Guy.Karsenty@wto.org](mailto:Guy.Karsenty@wto.org)

WTO/OMT: Mr. Antonio Massieu  
Chief, Statistics and Economic Measurement of Tourism  
World Tourism Organization  
Capitan Haya, 42  
28020 Madrid, SPAIN  
Tel: (34-91) 5678 196  
Fax: (3491) 5678 217  
[rsongel@world-tourism.org](mailto:rsongel@world-tourism.org)

CONSULTANT: Ms. Almut Steger  
Deutsche Bundesbank  
Wilhelm-Epstein-Strasse 14  
60431 Frankfurt M., GERMANY  
Tel: (49-69) 9566-8175  
Fax: (49-69) 9566-8621  
[almut.steger@bundesbank.de](mailto:almut.steger@bundesbank.de)

## Annex 3

### TWELFTH MEETING OF THE INTERAGENCY TASK FORCE ON STATISTICS OF INTERNATIONAL TRADE IN SERVICES

13 December 2000, OECD, Paris  
Report

1. The twelfth meeting of the Interagency Task Force on Statistics of International Trade in Services was opened by the Chair, Mr. Cave (BC) of the OECD Statistics Directorate. Apologies had been received from Mr Patterson (IMF). BC said that as the Manual on Statistics on International Trade in Services (MSITS) had now been submitted to the United Nations Statistical Commission (UNSC) for approval, the Task Force had now reached a transitional stage between creation of the Manual and what would follow. The aim of this meeting was to consider the conclusions of the 2000 OECD-Eurostat Expert Meeting on Trade-in-Services Statistics, prepare the Manual's completion and look forward to implementation and the future work of the Task Force.
2. **The Task Force unanimously agreed to send a letter to Shaila Nijhowne, following her retirement, to thank her for all the work she had done for the Task Force and the Manual. (Action BC)**

#### **Item 1. Adoption of the agenda**

3. The agenda was amended to include discussion on the implementation of the MSITS compilation assistance (a mechanism for countries to share information on their experience of implementation of the Manual). It was included as the first point of item 5.b). It was also decided to discuss the procedures for future coordination of developments of - or handling questions on - the Manual under item 7 'Any Other Business'.
4. The amended Agenda was agreed. It is attached at Annex 1. A list of participants is provided at Annex 2

#### **Item 2. The report of the eleventh meeting of the Task Force 12-13 July 2000, Paris**

5. BC asked for comments on the report of the previous meeting. Mr. Whichard (OW) said that the year needed to be indicated. The report was agreed without any further modification and is attached at Annex 3.
6. As for matters arising, Mr. Roman (JCR) said that regarding paragraph 58 of the report, if Eurostat were to undertake a German translation of the Manual, it would not be an official United Nations Document. If needed, Eurostat would consider producing a German translation. Ms. Steger (AS) added that the Deutsche Bundesbank could verify such a translation. The Task Force agreed to leave the matter of a German translation open.

#### **Item 3. Main conclusions of the 2000 OECD-Eurostat Meeting of Experts on International Trade in Services**

7. BC said that he interpreted the main conclusions of the Experts Meeting concerning the Manual to be broad approval of it, however with some comments that would need to be considered. The most

important concerned the definition of FATS, the criterion of majority ownership of voting rights and a slightly different wording to the FDI definition. Other conclusions of the Expert Meeting were the input on e-commerce and Annex 1. The Task Force decided to come back to these latter at the appropriate time on the agenda.

8. AS asked if the question of control of the firm was the problem, as at the 1999 experts meeting it was said that there were difficulties if you go ahead with voting rights. MF said that consistency between chapter 4 of the Manual with SNA and BD3 should be re-checked. JCR said that there was also a problem of coordination as various sections (e.g. at the OECD: STD, DSTI and DAFPE) are involved in FATS and FDI statistics. BC said that there were two issues: the concept of control and how you collect the information. OW emphasised that ownership of voting rights was the key to control. **OW agreed to investigate the FATS definition, compared with the wording on FDI and SNA and to report back.**
9. MF expressed some concern regarding the OECD/DSTI interpretation of FATS. **BC would seek to strengthen the coordination of work with Globalisation and FDI activities in OECD.**
10. The Task Force then discussed Mr de Boeck's (Belgian delegate) comment at the Experts Meeting regarding the need for caution with use of the Ultimate Beneficial Owner (UBO). BC raised the question of first foreign parent (FFP) "usually" being identical to the UBO. OW said that the target of UBO was clearly explained in the Manual. Regarding equivalence between UBO and FFP, the text in the Manual had been downgraded from "usually" to "commonly". JCR said that at Eurostat, outward FATS by declaring country included more than UBOs, and therefore outward FATS could not be compared with inward FATS. He therefore asked if non-UBOs could be separately identified within outward FATS. OW pointed out that paragraph 4.24 of the Manual covered this. **OW then suggested it would be a good subject for the globalisation experts to consider.** He added that everyone would agree on identifying these firms, but asked if it was really desirable to exclude them from FATS. The point is to be able to identify them (both may be useful). The US include, in the basic data, operations of foreign affiliates of foreign owned US resident firms and they are footnoted.
11. MF then raised Mr de Boeck's comment with respect to more detailed definitions of EBOPS items. When work started on the Manual, a paper was circulated which included definitions of services. AS informed the Task Force that this paper was based on the CPC (including balance of payments views) and showed border line cases. There were long discussions on these cases. Eurostat could provide a list of these (JCR mentioned work by Mr Dalpozzo/Ms Benazzi). It was the most detailed breakdown of services available. MF said that it was agreed to use the Joint Classification. JCR said that the Task Force could see this list and BC added that for compilation guidance this could be helpful. MF pointed out that at that time they was no agreement on the document.
12. BC then asked if there were any other relevant conclusions at the experts meeting. MF raised the allocation to the country of origin problem. AS said this was mainly an EU problem as this was primarily related to the country of consignment concept. For bilateral data, Most European national offices publish data according to the country of origin and forward to Eurostat data according to the country of consignment. This is necessary to avoid double counting when calculating EU aggregates. However this is mainly a problem for trade in goods, but it also exists for transport services. AS and JCR said that were OECD and Eurostat to publish two sets of data that could create confusion and it is currently politically sensitive. A solution would need to be found in consultation with countries and Eurostat. So far Eurostat does not publish bilateral figures of intra-EU countries. The problem is also relevant for bilateral figures with non-EU countries, but not so important. BC pointed out that there

will be problems with users who know that data are available in countries and are not published by international organisations.

#### **Item 4. The Manual completion**

13. BC reminded the Task Force that the Manual was forwarded to the UNSC on 17 November 2000. The Foreword, Executive summary, Index and Annex IV (EBOPS-CPC-GNS/W/120 correspondence table) are still missing. MF said that the IMF editors could prepare the index when the Manual is finalised (after the Statistical Commission). Mr. Becker (RB) pointed out that the Manual presented to the UNSC will only be translated up to Annex I.
14. MF informed the Task Force that the correspondence table is not quite finished. It consists of 44 pages one way and 36 the other way (compared to 20 pages in the previous EBOPS-CPC correspondence table). BC pointed out that the increase of number of pages will increase the cost to produce the Manual. BC proposed to present the correspondence only one way (in the report to the UNSC forwarded with the Manual there is no mention of the correspondence table been presented one way or both). MF said that the Annex had been checked one way. She would also like to compare it to the text of the Manual. RB said it would be good to have it both ways. BC asked about the costs of extra pages. MF thought the number of pages was not a big issue. RB said that maybe the correspondence table could be more efficient. JCR thought the annex was very difficult to understand. BC suggested to show the Annex IV as it currently stands in the Manual to the Commission, and replace it later. MF answered that she would check; it may be that this was not possible as the old version is out of date because of the revisions made to chapter III of the Manual. RB repeated that the Manual would only be translated up to Annex I for the commission, and that they would meet during the first week of March. Changes could be made until then. **MF and RB to review the new Annex 4 (both ways) with a view to have something to present to the Commission at the beginning of March, and RB would also investigate the budget provision for the publication of the Manual.**
15. RB then raised the issue of revisions to the CPC in 2002: how could they be reflected in the Annex final paper version? MF answered that no changes could be made in the Manual but that subsequent changes to the CPC would have to be made subsequently to the correspondence tables in their electronic form. These should be made available through the UN website.
16. The Task Force then discussed the proposed Executive Summary of the Manual. BC asked if he should draft it and was invited to refer to paragraph 8 of the report of the eleventh Task Force meeting. The issues which had to be mentioned in the Executive summary were then listed: globalisation, need for statistics. BC should also refer to the four major needs pointed out by Julia Nielson (OECD/ECH) during the experts meeting. There was then a discussion between members of the Task Force on the desirability of having a foreword, an executive summary as well as acknowledgements. BC suggested looking at the new TSA: the two page preface includes acknowledgements. It was agreed that the foreword should explain why the manual exists. MF suggested checking the BPM5 and proposed that all Task Force Members consult their external relations experts. RB pointed out that this would need to be agreed by mid February at the latest for a presentation in March to the UNSC. There was then a discussion on whether there was a need to have the signatures of heads of the six international organisations involved in the preparation of the Manual. With respect to the text of the foreword, MF suggested using the introductory text forwarded by BC to the UNSC to accompany the Manual. MF noted that it was not necessary to complete the foreword before the UNSC meeting. **BC would progress this work on a foreword, summary**

etc., but he cautioned against it being complete by March. RB to seek for more information of what the UNSC would be expecting regarding these aspects of the Manual.

*Presentation to the Commission*

17. BC asked the Task Force how the presentation to the UN Statistical Commission should be done, should he present the Manual and the Annex? RB answered that BC should present it as he is the chairman of the Task Force. BC asked RB for more advice. Moreover someone from OECD STD should be present at the meeting. RB told BC that he should prepare a short statement and it should be distributed to translators before the meeting. OW suggested that BC mentions that the Manual is in line with the SNA and BPM5, and the wide consultation, so that the Commission would not go too much into the substance of the consultation. **BC would liaise with RB on the presentation of the Manual to the UN Statistical Commission.**
18. There were then discussions on what questions from countries could be anticipated during the Commission. It was again emphasised that all countries had been consulted and a large number had commented in the worldwide review.

*Publication matters*

19. **BC informed the Task Force that the OECD publication's contact is Laurence Gerrer and that he would forward her contact details to RB.** The Manual might follow the model of the SNA as set out by Mary Chamie in spring 2000. MF asked if this had been forwarded to all the Task Force or just to BC. **BC will check and if necessary send the Mary Chamie plan to all members of the Task Force.** BC said that the group had favoured in the past releasing only one version of the Manual with all signatures and logos of involved organisations and a standard appearance.
20. GK raised the question of making the Manual available free on the internet. JCR and GK said that Eurostat and WTO did make available that type of information on the internet and wondered if the IMF did not have the same policy. MF would endeavour to check this. BC said that Publications and Rights services of organisations should handle this. RB informed the Task Force that the UN Publications service is against putting information out free when they are published in paper and electronic forms. The only available information on the internet are particular comments which were made after the publications are released. JCR and GK said it would be better to have the Manual on the web in case there are any queries. OW agreed with JCR and GK's position as the Manual would be better disseminated. RB added that it would however be good to have some information on the manual on each organisation's web site.
21. **Task Force decided that the UN would coordinate the dissemination discussions. Task Force members to send details of their publication service contacts to RB, if they had not already done so, then he would liaise with the UN's publication service.**
22. MF then introduced the distribution lists issue (and the need to avoid duplication). RB said that the UNSD usually sends publications to Statistical Offices. MF said that the Manual would be sent to offices in charge of balance of payments statistics. These can either be statistical offices or central banks. BC concluded that this needed to be further discussed and RB thought that mailing lists needed to be shared. RB would confirm how many copies are to be made available to members of the Task Force for distribution to their organisations' members.

## **Item 5. The Manual implementation**

### *Data collection*

23. BC raised the question of data collection and the question of which organisation would do what. OECD wished to collect data for its member countries in coordination and harmony with other organisations' data collection. For EU countries OECD would seek to go through Eurostat, where possible. GESMES CB could be used for countries willing to use it. Excel could also be used.
24. MF reported that the IMF used GESMES and also used a formatted Excel sheet. JCR said that the Eurostat contact for GESMES is Wolfgang Knüppel (Gesmes in general) and M Capaccioli (Gesmes CB). MF informed the Task Force that Jim McKee attends interagency group meetings at the ECB and that she will provide the names of the persons to contact for GESMES. MF said IMF would collect EBOPS data, on a quarterly and annual basis; she stressed that this would not become a requirement of BPM5.
25. BC stated that OECD/STD would collect partner country data for its member countries, as well as the breakdown by modes of supply in harmony with other collections. JCR did not understand why OECD wished to collect intra-EU bilateral data. BC answered that they was a demand from the OECD and its Member Countries. GK said that in theory there was no need for intra-EU data for GATS but in practice there was a user demand. AS pointed out that EU countries still existed as such. BC and JCR agreed that OECD and Eurostat would seek a solution acceptable to both parties. RB informed the Task Force of the intention of the UN to complement the merchandise trade data with services data and would collect data for non-OECD countries including partner country data.
26. BC repeated that OECD would continue collecting FATS and FDI data for its member countries. Ms. Butkeviciene (JB) informed the Task Force that in the same way as done for other statistics, UNCTAD would collect data for non-OECD countries for FATS and FDI.
27. With respect to employment related data, ILO and UN would need to be consulted. JB proposed to create a subgroup to move forward with natural persons.
28. MF asked what OECD wanted to do on this and whether WTO would put all information together. GK answered that the WTO had no intention of putting it all together. BC said OECD would like to have a look at it on a broad level of aggregation.
29. MF said that IMF's primary interest is in quarterly and annual data at BPM5 level. Where countries could provide more detail, this is entered into the IMF database and disseminated. IMF is willing to extend this collection and dissemination to the EBOPS level of detail, but not with a country breakdown. She then asked OW if the US had any quarterly data broken down by country of origin. OW answered that they had a breakdown for only a limited number of countries. There are confidentiality issues. OW and MF then asked the same question to AS with respect to Germany. In Germany, data broken down by partner country is available on a monthly and quarterly basis at present, but there may arise difficulties with the introduction of higher reporting thresholds and changes in the reporting system. However AS concluded that the partner country data collection should be annual. Other members of the Task Force agreed.
30. BC then asked what should be relayed to the UNSC regarding data collection. It was agreed that what was decided during the Task Force meeting could be mentioned in the presentation to the UNSC. RB said that the Commission would like to know who does what and would also like to avoid

duplication of work. BC said OECD would support a partner country collection. GK thought that it would be good to indicate to the commission what is foreseen for data collection.

31. **In summary JCR said that at the EU level Eurostat should collect EU data, OECD should be responsible for its member countries and that for the World, IMF would collect EBOPS data (no geographical breakdown), and the UN would take what the EU and OECD collect and complete data for other countries. A similar pattern is proposed for FDI/FATS, with UNCTAD collecting data for remaining countries.** MF then pointed out that at the ACC meeting, Denis Ward (OECD/STD) had mentioned that OECD would take in charge data collection but did not specify that only OECD countries were covered. There may therefore be an expectation from the Commission in March regarding data collection.
32. MF said that with respect to EBOPS, the details will be collected on a voluntary basis.
33. AS asked if a common file could be sent to all interested parties. She added that GESMES is hard to build but that it was a very good tool to disseminate data. The Task Force agreed that a common format (either GESMES or any other format a country would wish to use) should be accepted by all international organisations to receive data.
34. JCR said that it would be helpful to have a common list of partner countries and zones. He could agree to adapting the Eurostat BOP Vade Mecum list, but just once. JCR informed the Task Force that EU countries would like to reduce the list of partner countries used to report data to Eurostat. They would like to create a common list of main EU partners. GK said that the list of partners for which data is important for one category will be different for each reporting country. No meaningful aggregate will be created in that case. This must be avoided. BC said that Hong Kong wished to have a standard list of countries and regions. OW referred to the previous OECD international transactions publication, where all available information was shown (different list of items for each country). Maybe all was not comparable, but was still very interesting. Maybe something similar could be done for partner country data.
35. **It was agreed that a standard list of countries and zones and data collection by modes of supply would be a question for further consideration by the Task Force.**

#### *Monitoring of implementation*

36. MF said that ideally one would want all countries to share their development experiences. The UN will develop a website as a repository for new and existing papers. BC said the issue of monitoring was noted but was for consideration at a later date.

#### *Post publication development work and priorities*

##### Compilation Guidance

37. BC proposed to add country case studies on the OECD Trade in Services internet pages. It could include non-OECD countries. However BC asked if another international organisation would wish to create an internet site for compilation guidance. GK said that the WTO could not. MF said that it would be preferable to encourage all countries to put all this information in one place. RB informed the Task Force that the UNSD had no one to do this at the moment. BC pointed out that the OECD could not cover the whole world. BC proposed to publish on the website papers as they arrive. **UN and OECD will set up a webpage for case studies, Manual news etc and report back.**

38. RB pointed out that just making the documents available was not a problem, but what about a hot line? BC said that OECD was not a worldwide organisation, so another organisation should handle this. GK proposed a Task Force web site hosted by the OECD. RB proposed that the UN does that with links to different sites. GK approved and said that the same could be done for the Manual. MF said they already did that for the Manual (link to OECD site). BC then asked what the questions could be: Balance of payments, FATS, natural persons, modes of supply. Queries could then be posted to OECD, UNCTAD, etc. JCR replied that he had a very difficult experience with classification issues. MF said that the IMF takes inquiries for other issues (i.e. BPM5) and that this is not a problem. RB asked how many inquiries they received and MF answered it could be dozens for some weeks and none others; these are not always straight forward queries. RB pointed out that the UN had a hot line for classification matters and that this was very time consuming. Moreover the Task Force should expect questions on implementation which cannot be answered quickly. In addition JCR stated that this is a new subject, so one should expect many questions. GK added that questions would arise anyway with the implementation. BC then asked how it worked for the SNA. RB replied that access was limited for SNA. MF said that the hot line procedure was time consuming but it had to be done. She then proposed to handle queries regarding BOP items. BC proposed to handle OECD member countries. He thought that anyway this did not need to be resolved at this stage but needed to be thought about. MF asked who would reply to FATS related queries. GK said anyone in the Task Force could reply to simple questions and forward the difficult ones. BC said Thomas Hatzichronoglou (OECD/DSTI) would probably be the person for FATS. **The Task Force concluded that the question of a hotline or helpline needed further consideration.**
39. MF said that the IMF have no resources for training sessions in countries beyond the provision of IMF staff for such training. Maybe an on-line guide on technical solutions could be useful, and participation in regional seminars as well as continuation of training courses for groups of countries. **It was agreed that it would be useful if all Task Force members reported on this activity to each other.**
40. RB pointed out that there were two areas of implementation: the concepts of the manual and the data collection system (how do countries collect data). RB proposed using the City Groups. There is in these groups more active exchange on data collection. The driving force should be the countries. MF asked if the Voorburg group could be used. BC answered that trade in services was a peripheral subject in the Voorburg group. Moreover City Groups do what they want as they are not run by any international organisation. BC suggested encouraging the regional group meetings medium and that one member of the Task Force goes to each regional meeting. RB remarked that City Groups are run by countries and therefore share country experiences. BC said he was concerned at the lack of resources for this.

#### E-commerce

41. Following the experts meeting, BC stated that the paper on e-commerce needed to be redrafted. AS agreed with OW's proposal at the Expert Meeting of making it a discussion paper for wide and early dissemination. GK said that the Task Force had to agree on the aim of the paper. The paper's aim is not the measurement of e-commerce. BC pointed out that it could not be a formal Annex to the Manual as it would be out of date by the time it is finished. MF proposed to do two separate papers presenting two separate issues: classification and whether an electronic product is a good or a service. For the latter the Task Force needs to talk to colleagues working with trade in goods, globalisation and national accounts. BC said that it was not vital to know if downloadable products are a good or a service, as both are captured in the balance of payments. However in the balance of payments transactions in

goods and transactions in services are identified separately. People need to have some kind of guidance on allocation. GK said that e-commerce (good or service) was on the WTO agenda. JCR added that the Task Force should be cautious as this item was on the WTO agenda. At the EU level (negotiators) and for Eurostat, this is an important issue and the views are different. GK added that for the EU downloadable products are defined as a service as for the US it is defined as a good because of different trade decisions. He said that the final decision would be taken in WTO. MF said that the group needed to look at the statistical implications. JCR said that it could not take any decisions yet as there was a need for more information from and consultation with statistical compilers. MF pointed out that she was not comfortable with the proposed classification of these in the balance of payments and the need for the Task Force to investigate and to see how it fits in the statistical framework. She thought that something had to be proposed and then get views from statistical experts. JCR thought that it had to go the other way round (first views and then begin the work). BC agreed.

42. At present the paper advocated a particular approach, MF said that the paper should be more structured, should show advantages and drawbacks and should be submitted for comments. JCR said that for this, the Task Force could ask for contributions. The second paper should present options but no recommendations. It should highlight conceptual and practical issues. BC thought it would be necessary to define what a downloadable product is. He also asked who should undertake this task. MF said that she would like to have the experts meeting comments included in the rewrites. BC asked if a new ISIC category would be created for internet publishing. RB answered that it would certainly be included in an existing category 72.4. The UN does not want to change the current structure of ISIC and BC added that it was not wanted to change the structure of EBOPS. MF repeated that the Task Force still had to work out what the theoretical treatment is, that is, how does it fit into the SNA (produced or non-produced intangible assets; refer to discussions on mobile phone licenses). BC proposed that the IMF feeds in the theoretical part of this and comments would need to be included in the paper. The downloading of digital products needs to be highlighted (this is the central point of discussion). JCR stated that the statistical issues had to be discussed in the paper.
43. RB then mentioned that one of the discussions for NAICS was telecommunications and on-line products. RB said that the digital products could be divided into two groups: digital products for temporary use (or on-line view only) are services and longer term use (to save) are goods.
44. MF said that Peter Hill's paper on the definition of services (new version available on the internet page <http://www.csls.ca/sisspp.html> ) would be useful background for the second paper. RB asked if it all should be called e-commerce. MF said that for her e-commerce was just trade. She then asked if the Task Force did want to keep the one paper. BC suggested to write two separate papers: a first paper which would list the types of e-commerce and a second paper on downloadable products. Neither would include new recommendations.
45. MF's point of view is that this is a modes of supply issue but in effect the same good or service is provided, whether physically or on-line. The paper would need to be clear on this.
46. BC will redraft paper 1, saying where decisions have been made and highlighting issues not decided. He would as well as prepare the outline of a second theoretical paper and MF fill it in. JCR suggested that the Task Force could provide some input after the redrafting to MF. MF, JCR and BC agreed that the paper should not present any conclusion. JB pointed out that it strange when reading the Manual and then reading the e-commerce paper and modes of supply. GK said that some cautionary text should be included at the beginning of the paper. **In the light of this discussion, BC will redraft paper 1 (current paper) and outline paper 2 (downloadable products). The TF will provide comments on these and then MF will expand on the text of paper 2.**

47. **MF pointed out that the footnote on page 68 (“At the time of publication of this Manual, the classification of the provision of software that is downloaded through the internet was under discussion”) of the draft Manual identified that the Task Force knows of and has acknowledged the problem.**

#### Multinationals database

48. JCR informed the Task Force that he had had no time to work on this issue but that the ECB was interested in this. It remains an issue of interest for the future.

#### Other issues

49. Financial services: Duncan McKenzie (British Invisibles) had mentioned at the Experts Meeting the breakdown of financial services in respect of trade. From his perspective these would be: banking, security trading, assets management and other financial services. BC informed the Task Force that he thought Aysel Bertrand (OECD/DAFFE) should be consulted. He asked who could be involved in discussions. **JCR and BC will give the name of the Eurostat and OECD specialists to MF. JCR said that a structure to the list will be needed. BC asked GK if there was a list for financial services in the GATS. GK will forward the list (proposals).** MF pointed out that not all financial services were charged for in the same way in each country.
50. Telecommunications services: Regarding the list of proposed items for classification of telecommunications services in the CPC, BC asked if members of Task Force had any comments to make. **RB invited the group to forward any comments to him, as the next TSG meeting on this matter will be in March.**
51. Environmental services: MF said that Statistics Canada had shown a great interest in progressing this in EBOPS, but that a wider consultation is needed. It could be an aggregation of items similar to that of *audiovisual transactions* in the Manual. GK said that in the GATS proposals environmental services are mentioned. JCR added that he had had a request from EU’s DG Trade. GK thought there was no proper definition of environmental services. MF suggested to look at what had been done in the SNA for environmental accounting. **BC proposed to ask Anne Harrison (OECD/STD) on what was included in environmental accounts and he will ask Dale Andrew OECD/ECH for the trade list of environmental services.** RB said that it was not up to classification people to define environmental services but rather environmental experts.
52. BC then asked what had to be done next regarding Annex 1 of the Manual (movement of natural persons). JB said it should include more concrete terms, practical experience and say what is feasible. BC invited JB to draft proposals. **MF will provide to JB the name of the person from the Philippines who presented the paper in the China Seminar.** BC suggested it would be useful to establish a list of possible contacts and proposed to ask Julian Arkell, as he is active in the Global Services Network . BC concluded that it was necessary to establish a list of contacts (as the Task Force does not have all expertise for all subjects) and to draft proposals for next steps.

#### Item 6. Future of the Task Force

53. This item was raised at the ACC. BC said that he believed it was most likely that the Task Force would have a future of some kind as there was much work to be done and asked the Task Force to

consider what expertise would be needed and whether the current membership was appropriate. **The foreseen program of work of the Task Force could be presented at UN Commission next March (BC).** GK agreed that during the transition phase the Task Force was still needed.

54. RB mentioned the data compilation guide. JCR said this would be the most important work for the future but a bit too early for the moment. MF said that they did not yet have enough knowledge yet for this and a web site was the first priority. MF said that the BPM5 compilation guide was based on country experiences and was published after many countries had been compiling statistics for some time. **Eurostat said that the Travel report was ready and the Transportation report would soon be available. JCR will provide them.** JCR then said that a compilation guide would require a lot of work. **BC/RB would seek to set up web pages before the end of February 2000. Links between organisations will be needed.**
55. JB asked JCR if anything was going on in Eurostat regarding energy services. JCR responded that European Commission asks but Eurostat does not have anything. GK said it was an important issue. RB asked if they could be defined.

#### **Item 7. Any other business**

56. MF said that procedures for clarifications of the Manual and coordination of updates will need to be established. MF and JCR emphasised the need for coordination between the Globalisation Experts, FDI Experts and the Manual as well as the problem of coordination of FATS. JCR suggested putting all manuals together on a web site. BC pointed out that access to the Globalisation Manual drafts was currently limited. **BC to keep the Task Force informed of the Globalisation Experts Meeting.**
57. JCR suggested use of the protected Eurostat CIRCA system. GK asked why the chapter 4 on FATS was not to be included in the globalisation manual. **BC will attend OECD FDI and globalisation meetings, present the Manual and keep the Task Force informed.**
58. OW asked what would happen with future FATS data collection. BC suggested that a paper was presented to the next Experts Meeting on amendments to the FATS questionnaire. OW asked if data collection should not be done by OECD's STD for OECD member countries. BC answered that DSTI deals with this, and that there will be a need for feedback on results. Theoretically OECD/STD should be aware of all OECD data collection.

#### **Item 8. Date of the next meeting**

59. MF said the date depended on whether the UNSC required more work to be done. She said it would be good to have a regular date and a special date in case there is a problem after the presentation to the commission.
60. The next meeting of the Task Force was scheduled on 3 and 4 May 2001 in Paris. The following Task force meeting would be on 12 December, back to back with the 2001 OECD-Eurostat meeting of experts on international trade in services in Paris (scheduled on 10-11 December 2001). The meeting was closed.