

PROGRAMME REVIEW OF SERVICES STATISTICS FOR
 THE STATISTICAL COMMISSION 2003

Note by OECD

1. The OECD, together with the Australian Bureau of Statistics (ABS), have been invited to provide a status report on issues surrounding the development of services statistics for presentation at the 2003 UNSC meeting. This brief note is an initial report outlining a number of issues for discussion at the 2002 IAMCSA meeting specifically related to co-ordination in this area. Both the OECD and ABS will in due course prepare more detailed reports for UNSC 2003 to inform the programme review.
2. A status report for the IAMCSA is set out below.

Activity	Status
International Trade in Services	<p>The Interagency Task Force on Statistics on International Trade in Services (TF) met in June 2002.</p> <p>The Manual on Statistics on International Trade in Services is still with UN going through the publishing process.</p> <p>The TF has set preparation of compilation guidance as a priority task and are starting to prepare documentation, but resources are very limited.</p> <p>OECD has published for the first time data in 2002 on:</p> <ul style="list-style-type: none"> i) trade in services by partner country; ii) foreign affiliates trade in services. <p>IMF and Eurostat are also planning to expand data collection on trade in services to address the Manual's recommendations.</p> <p>UNCTAD collects the data on operations of foreign affiliates in the services sector as a part of its database on FDI/Transnational Corporations. Together with ESCWA, it is implementing a capacity-building technical assistance project to collect the data on FDI and operations of foreign affiliates in selected countries in the ESCWA region.</p> <p>The provision of technical assistance to countries more generally will be necessary [and there have been informal signs that World Bank may wish to consider playing a more active part with the Task Force]. In any case both new resources and coordination will be necessary, but it is too early to detail the issues.</p>

Activity	Status
	A meeting of the OECD-Eurostat Expert Group on Statistics of International Trade in Services and the TF is planned in February 2003.
Services Output	In 2002 OECD established two task forces for defining and measuring financial and insurance services output. A report on measurement of software in the national accounts will be presented to the OECD NA Experts in October 2002. Collection of structural business statistics on services is monitored by an OECD expert group and another in Eurostat.
Services prices	<p>The Voorburg Group (VG) is doing basic methodological work on services producer price indices in co-ordination with the Interagency Technical Expert Group on PPIs. VG meets in Nantes France on 23-27 September 2002.</p> <p>OECD-Eurostat have agreed to launch a new Task Force on services PPIs to complement the work of the Voorburg Group on issues of implementation. A first meeting will be held in September 2002.</p>
Short-term services indicators	<p>OECD has established a new Short-term Economic Statistics Expert Group (STESEG). At the first meeting of the Group on 24-25 June 2002, delegates from 25 OECD member countries and a number of international organisations attached high priority to future work in the area output indicators for services. A more detailed outline of this work is provided at http://www.oecd.org/doc/M00033000/M00033222.doc.</p> <p>This work will be co-ordinated with the work of Eurostat and the Voorburg Group.</p>
Sectoral work on services	Here the full list of activities would be too long. Specialised organisations exist, which have statistical functions such as World Tourism Organization and World Health Organization. OECD expert groups working on measuring ICT, health and education services are just a very few examples.
Classifications of Services Activities and Products	UN Expert Group on Social and Economic Classifications and its Technical Sub Group are preparing the proposed 2007 revision process for ISIC and CPC in which services issues are certain to feature large. The TSG will meet 7-11 October 2002. The Voorburg Group will also be discussing particular services classification needs.

Activity	Status
	Regional work of note includes the ongoing work on the North American Product Classification System, which is resulting in the identification of a large number of detailed service products.

Possible issues of co-ordination

3. The main issues touching on co-ordination that may need to be discussed at the IAMCSA in September 2002 are:

a. Whether the international agencies need to increase the priority of - and resources devoted to - measurement (including classification) of services activities in the economy and expanding measures of international trade in services. This relates to services in general and specialised sectoral work on, for example, tourism, ICT, health, education and so on. The question is related to the increasing weight of services in national economies; measuring productivity and growth; the impact of ICT on these; as well as informing services trade negotiations. If more work is to be done then the questions of what work and who should do it will naturally arise?

b. A secondary and connected question relates to provision of technical assistance to developing countries on improving measurement of trade in services and services output and how this might be funded and co-ordinated.

c. The final issue concerns whether or not the current membership of the Voorburg Group is sufficiently wide with respect to national representation. Does more need to be done to extend membership outside of Europe and North America? Also, given the importance attached to the need for extending the range of service statistics by national governments across the globe, what mechanisms need to be put in place to ensure wider input to international deliberations and recommendations on services statistics?

Statistics Directorate
OECD

6 September 2002