

MSITS consultation: summary responses on Chapter 1

Summary

Most responses agreed with the existing list of priority recommendations and the existing order, and also agree with the proposal of the Task Force to include partner country information in the second, third and fourth recommendations, rather than having a stand alone fifth recommendation on trade in services by partner country. However, a number of useful comments and suggestions disagreeing with the general view have been put forward.

Question 1.1 Do you agree with the existing list of priority recommendations in Chapter 1?

A majority of responses (94 of the 100 responses) agreed with the existing list of priority recommendations in Chapter 1. Six offices (from Australia [Trade Ministry], Bolivia, China Hong Kong, Iraq, the Philippines and Yemen) disagreed.

Question 1.2 If not, please suggest any amendments to the priority recommendations.

Suggested amendments to priority recommendations were: inclusion of mode of supply, inward FATS and persons working abroad, and use of production statistics to estimate trade in services by industry.

Question 1.3 Do you agree with the existing order of priority in the recommendations in Chapter 1?

A majority of responses (83 of the 100 responses) agree with the existing order of priority recommendations in Chapter 1. Sixteen respondents would like to see the order changed.

Question 1.4 If not, please suggest any amendments to the order of recommendations

There seems to be a tendency by those who would seek a change in order to prefer FATS statistics over FDI, and to put Trade in services by partner country as the second or third recommendation. A few advocate promotion of trade by modes of supply in the list.

Question 1.5 Given the importance of partner country information it has been proposed to include the need for partner country information in the second, third and fourth recommendations, rather than having a stand alone fifth recommendation on “trade in services by partner country”. Do you agree?

As was the case for Question 1.3, 80 of the 100 respondents agree with this proposal of the Task Force; 16 respondents disagree. Some comments were added both by those who agree as by those who disagree. In case of agreement, it was argued that trade in services by partner country is of high importance for trade negotiations. Those who disagree believe it does more justice to the recommendation, if it is presented by itself.

Question 1.6 Do you have any other comments or suggestions regarding Chapter 1?

About 20 comments were received on this Question. These comments and suggestions vary widely and could not be condensed for this summary. Detailed comments on 1.6 are listed below:

- CARICOM *A more specific recommendation can be elaborated with regard to the use of the classification systems under other recommended Elements that what is reflected presently.*
- Eurostat *a) We propose to state it clearly that the variables proposed in para 1.21 or 1.24 for characterising FATS are not related to trade in services. b) Para 1.10 (last sentences) says about "some further development work". It would be useful to explain what type of development work is meant.*
- Netherlands *1) the definition of the services should be tuned to the definitions given in the revised SNA/BPM5; 2) it should be clear which definition deserves a priority; 3) all changes in SNA and BOP5 should be updated to the MSITS.*
- Israel *It seems to us that information on trade between related and unrelated parties has to receive a higher priority than that in the Chapter, at least after 1.23 or 1.24.*
- Spain *As stated above it would be desirable to give a prominent position to the need to be consistent between MSITS, SNA and BPM.*
- Portugal *Concerning the recommendations set out in 1.23-1.28, they can only be considered as medium and long-term goals, given the set of priorities requested within the framework of BoP, at the present stage. In fact, considering the actual trend towards the simplification of the statistical requests (for instances, in the case of the EU, it is foreseen for the near future the rise of the threshold from 12500 Euros to 50000 Euros exempting the report to the statistical authorities of banking settlements) it seems quite difficult to ask the respondents for extra details, even in the case of sample surveys. Moreover, the trade-off between more detailed information and the respective quality should be carefully evaluated. Additionally, in cases where data are confidential, the Manual (or the respective Compilation Guide which would be very useful in general terms) should provide explicitly guidelines on what to do, namely suggesting aggregation by EBOPS item and/or by region instead of partner country.*
- Brazil *We suggest more detailed guidance regarding the collection of FATS statistics for partner countries*
- Australia DFAT *Partner country data by EBOP services product by mode of supply is crucial for both trade negotiations as well as monitoring the performance of trade agreements. Most statistical compilers, still concentrate on compiling international trade in services statistics only to meet their Balance of Payments and National Account needs. Greater emphasis and priority needs to be given in the manual to supporting statistical compilers to expand the range of services statistics to meet the demand for detail partner country services data for trade negotiations and trade monitoring purposes*
- Tanzania *We suggest development of the compilation guide that should state possible data sources*
- El Salvador *We consider that there should be more clarity about the differences between services of foreign affiliates and trade between related and unrelated firms if there is a difference. We believe that the part about compilation by mode of supply could be elaborated.*
- Austria *The positive answers to questions 1.1 to 1.5 depend on the assumption that EBOPS is being reviewed, i.e. grouping of items on a higher level and considering the actual relevance of items per se and for single countries in particular.*
- Viet Nam NSO *Please explain in more detail what are differences between statistics of export/import and statistics of international trade in services in terms of definition, concepts, coverage*
- Malta *The recommendations are already being applied.*
- Thailand TM *The MSITS focuses on international trade in services. However, services statistics on the international level is closely linked to domestic trade in services activities. It may be beneficial to elaborate on the principle on how to design a domestic services statistics collection system that efficiently complements the MSITS system. In many countries, the statistics system for collection of domestic data is still in to be developed.*

A general guidance on domestic services statistics can then result in a system that is efficient and compatible with the one suggested by the MSITS.

Cote D'Ivoire Regarding 1.5, requesting too much data at the same time increases the burden of surveys. At the same time a separate inquiry on detailed partner country information on trade in services could be desirable.

India First, Regarding 'Trade in services by partner country' as indicated in Question 1.5 and recommended in the Manual, the suggestion for using a common geographical basis for all three sets of statistics is not very clear. It is possible that the set of partner countries for services trade and FATS may vary. Keeping in view the feasibility of collecting partner country statistics by the compilers, it is advisable to accord priority only to the statistics of main partner country data. The main partner country sets could be different for EBOPS and FATS. Second, regarding partner country data, the challenges thrown by the institution of subsidiaries/holding companies for channelising trade to third country distort reconciliation of statistics between the countries. It may need adequate explanation on such issues.

China We recommend that, if possible, one economy can apply the five core data, or some of them, which is depended the basic statistics condition of the economy.

Yemen NSO Yes. Information on the partner country must be included in the basic components required for statistics of international trade in services. The balance of payments data of many countries do not include data according to partner country; therefore any foreign commercial exchange must be on the level of nonresident partners.

Mali Concerning 1.5 it would be preferable to avoid requesting too much data at the same time which increases the burden of surveys. It would be easier to have a separate evaluation of detailed partner country information for trade in services, through inquiries seeking to determine a general structure of trade usable for different periods.

Iraq CB We recommend using the term "Chapter One" instead of "First," and recommend separating the Introduction from the subject of Chapter One.