



## International Trade in Services and Tourism

Trade in Services has grown, year after year, in importance in the world economy. Consequently, the United Nations Statistical Commission (UNSC) became more concerned about the adequate measurement of statistics of international trade in services (SITS). SITS became a separate section in 2008 at the Trade Statistics Branch of the United Nations Statistics Division (UNSD) dealing with statistics of international trade in services and tourism statistics. The principle objectives for UNSD in this area are (i) maintaining UN ServiceTrade database (ii) improving its database of country practices in the compilation and dissemination of SITS and (iii) further develop the methodology of SITS together with the other members of the Task Force of SITS and of tourism statistics.

### Trade in Services and Tourism Statistics history in a nutshell

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Already in 1949, during its 4th session, UNSC discussed issues of banking statistics, insurance statistics and distribution statistics. However, it was not until 1989, forty years later (during its 25th session), that UNSC explicitly recognized that international trade in services was a subject of increased importance to users and producers of statistics. Since then, things have accelerated. In 1994, at the request of the General Agreement on Tariffs and Trade (GATT) and the United Nations Conference on Trade and Development (UNCTAD), UNSC approved the creation of an **Inter-agency Task Force on Statistics of International Trade in Services (TFSITS)**. The objective was to elaborate on the statistical requirements of the General Agreement on Trade in Services (GATS). Convened by the OECD, TFSITS consists of members of Eurostat, IMF, UNCTAD, UNSD, World Tourism Organization, World Trade Organization and representatives of selected countries. In 2001, UNSC approved the **Manual on Statistics of International Trade in Services** (prepared by TFSITS) as the international standard for SITS. In 2004, a **Technical Subgroup (TSG) on the Movement of Natural Persons - Mode 4** was established by UNSC, in response to the need for a statistical framework to measure the economic impact (on home and host countries) of the movement of natural persons. The TSG consists of experts from international organizations and national statistical offices. UNSD was Chair and Secretariat of the group.

An important task of the United Nations Statistics Division (UNSD) is to support the establishment and the

development of tourism statistics. In this effort UNSD closely cooperates with the World Tourism Organization (UNWTO). The first milestone of the work was the drafting of the *Recommendations on Tourism Statistics* which was adopted by the UN Statistical Commission in 1993 and published 1994. Some other important project was carried out by the Inter-secretariat Working Group drafting the *Tourism Satellite Account: Recommended Methodological Framework* that was adopted by the Statistical Commission in 2000. During 2006 – 2008 UNWTO and UNSD jointly prepared the revised version of the manuals (*International Recommendations for Tourism Statistics 2008 (ITRS 2008)* and the *Tourism Satellite Account: Recommended Methodological Framework 2008 (TSA: RMF 2008)*). The Statistical Commission adopted IRTS 2008 and TSA: RMF 2008 at its 39<sup>th</sup> Session in 2008.

### Revision process of the Manual on Statistics of Trade in Services

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Although the *Manual on Statistics of International Trade in Services (MSITS)* was first published in 2002, updating became necessary with the revision of the System of National Accounts, the Balance of Payments Manual, ISIC and CPC classifications and publication of or revisions to a number of other related statistical frameworks. The extent of the changes necessitated by and related to trade in services in these other frameworks, led TFSITS to the current revision. The current revision was planned to be limited in scope but intended to incorporate some improvements to the Manual, where these were in line with the basic 2002 framework.

The process of the revision of the Manual on Statistics of International Trade in Services (MSITS) began with a

worldwide consultation on issues for the revision in the summer of 2006.

In September 2007, the meeting of the TF discussed the proposals and a set of draft chapters and annexes. The revised chapters and annexes of the manual made available in English in August 2008 in parallel with a word-wide consultation process. National statistical offices, central banks and other government offices handling trade in services tasks were requested to give comments on the draft manual. More than a hundred responses arrived by the deadline in November 2008 to the TF.

The third and final round of the world wide consultation was held in July-August 2009 following the March 2009 meeting of the TF. In this stage 38 countries responded.

The TF reviewed the final draft and endorsed it at its meeting on 19-20 November 2009 and concluded to request UNSC to review and endorse the revised manual at its meeting in 2010.

The manual and other information are available at <http://unstats.un.org/unsd/tradeserv/TFSITS/msits.htm> and at <http://unstats.un.org/unsd/statcom/doc10/BG-MSITS2010.pdf>

## The revised Manual on Statistics of International Trade in Services

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The revised manual provides a more detailed classification of services delivered through conventional trade between residents and non-residents than is contained in BPM6. This Extended Balance of Payments Services (EBOPS 2010) classification has been revised in line with existing statistical frameworks. The Manual includes a treatment of local delivery of services through foreign commercial presence and takes a further step towards linking these two systems. The Manual includes a new chapter discussing “modes of supply” described in GATS through which services can be delivered, and elaborates recommendations for a statistical treatment of these modes. Correspondence tables will be provided as online documents between EBOPS 2010 and the Central Product Classification version 2.0, (CPC Ver. 2.0), and the International Standard Industrial Classification of Economic Activities Revision 4 (ISIC Rev. 4); and the GATS services negotiating list. The annex presenting the nature and purpose of the Tourism Satellite Account has been updated. A new analytical annex will be provided online on the Task Force’s website hosted by UNSD. In a few areas, the Manual identifies the need for further development work after publication.

## Revision of the manuals on tourism statistics

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Following the revision of System of National Accounts and the Balance of Payments Manual the two recommendations, *Recommendations on Tourism Statistics (1994)* and *Tourism Satellite Account: Recommended Methodological Framework (2001)* needed updates to be in line with those international standards.

The Interagency Coordination Group on Tourism Statistics (IACG on TS) convened by UNSD and with the participation of the Statistical Office of the European Communities (EUROSTAT), the Organisation for Economic Cooperation and Development (OECD) and the World Tourism Organization (UNWTO) was set up in 2004, and the update the manual. The *Tourism Satellite Account: Recommended Methodological Framework 2008 (TSA: RMF 2008)* was presented to the United Nations Statistical Commission 2008.

A United Nations Expert Group on Tourism Statistics (EGTS) is jointly organized by the United Nations Statistics Division (UNSD) and the World Tourism Organization (UNWTO), with the participation of representatives from national statistical offices, national tourism administrations and interested international organizations. The EGTS drafted the updated the manual. The *International Recommendations for Tourism Statistics (IRTS 2008)* was adopted by the United Nations Statistical Commission in 2008.

Both manuals are available as white-cover documents at: <http://unstats.un.org/unsd/tradeserv/tourism.htm>

## The Inter-agency Task Force on Statistics on Trade in Services

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UNSD is an active member of the TFSITS. Besides participating in regular meetings, UNSD maintains the TFSITS website <http://unstats.un.org/unsd/tradeserv/TFSITS/default.htm>, and is the editor of the TFSITS newsletter <http://unstats.un.org/unsd/tradeserv/TFSITS/newsletter.htm>. The latest newsletter of the Task Force has been posted for December 2009.

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## UN ServiceTrade: Global Database on Trade in Services

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In 2003, the TFSITS agreed that, as part of the implementation plan of the MSITS, UNSD, using its experience with the trade statistics database creates a database being able to process, store and disseminate statistics of international trade in services in accordance with MSITS, including trade by service category (EBOPS classification) and partner country. In 2007, The UN International Trade in Services database (UN ServiceTrade) became publicly available on the internet and contains currently data for almost all UN member countries covering the years 2000 to 2008 (it is available at [http://unstats.un.org/unsd/service\\_trade](http://unstats.un.org/unsd/service_trade)).

### Data collection

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The annual data collection on trade in services is a regular activity of UNSD in order to provide UN ServiceTrade as a global database on statistics of international trade in services. Countries are requested to send trade in services data in accordance with the Extended Balance of Payments Services Classifications (EBOPS) as described in the Manual on Statistics of International Trade in Services, but expecting data by partner breakdown. UNSD also focuses to reduce reporting burden in the member countries so if official trade in service data is collected by other international organizations UNSD attempts to obtain the data through that organization.

### Working for and with the countries

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UNSD undertakes **technical cooperation** activities and assistance to countries through workshops and country projects in collaboration with other international organizations. Examples of recently organized workshops on the compilation of trade in services statistics and tourism statistics, in which UNSD was represented with one or more resource persons, are:

- Regional workshop for Commonwealth of Independent States: Statistics of International Trade in Services: Challenges and Good Practices, Kiev, Ukraine (7-9 October 2008) – Organized by UNSD in close cooperation with the Statistical Office of the CIS countries (CISSTAT) and the State Committee on Statistics of Ukraine.

- Regional Workshop on tourism statistics for the Low Income Countries of South-East Asia organized jointly by UNSD and the UN World Tourism Organization (June 2009)
- Regional workshop on statistics of international trade in services for countries of Latin America and the Caribbean organized by UNSD in close collaboration with the Instituto Brasileiro de Geografia e Estatística (IBGE), Banco Central do Brasil and the UN Economic Commission of Latin America and the Caribbean (ECLAC) (December 2009)

More regional workshops are planned for 2010, namely:

- Regional Workshop countries on tourism statistics for the CIS (2<sup>nd</sup> quarter)
- Regional workshop on statistics of international trade in services for the Asian and Pacific countries (3<sup>rd</sup> quarter 2010)

### What's next?

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UNSD will actively participate in the work of the Task Force on SITS which focuses at present on:

- (1) Promotion of the implementation of the Manual on Statistics of International Trade in Services 2010 through various means, including workshops;
- (2) Development and promotion of compilation guidance documents;
- (3) Development of a knowledge base available on-line;
- (4) Promotion of the implementation of the International Recommendation for Tourism Statistics 2008 and the Tourism Satellite Account: Recommended Methodological Framework 2008 through various means, including workshops.

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