

Statistics of International Trade in Service: Challenges and Good Practices Regional Workshop for South-East Asian Countries *Hanoi, Vietnam, 30 November – 3 December 2010*



United Nations Statistics Division Statistics of International Trade in Services Section



Outline of the presentation

- Overview of Data Dissemination
- Special Data Dissemination Standard
- Examples
 - US BEA
 - WTO
 - UNCTAD
- Global Forum on Trade Statistics

I. Providing users with information on the properties of statistical data

- Subject, Coverage and Time period;
- Definition and compilation;
- Quality aspects of the data;

II. Dissemination policy

- Release schedule
- Audience, detail that can be disseminated
- A policy regarding the cost of accessing detailed statistical information

III. Different forms of dissemination

- Hard copy
- CD / DVD
- Internet Website

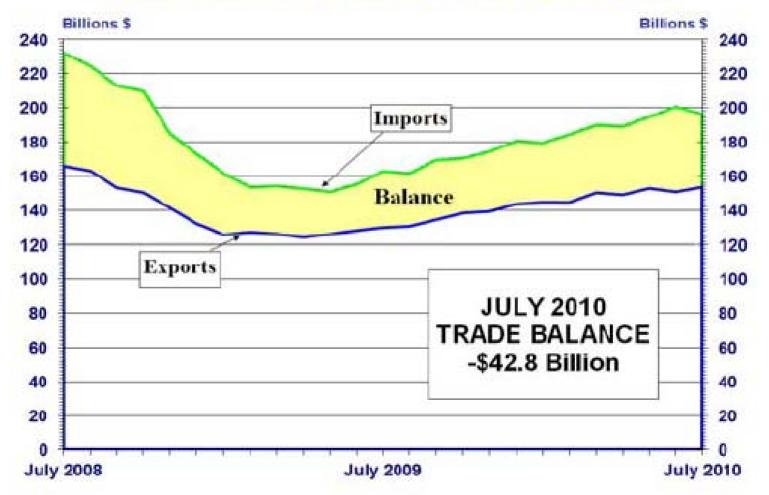
Malaysia SDDS - BOP

Quality Assurance Special Data Dissemination Standard

- 5.2.1 Dissemination of documentation on concepts, scope, classifications, basis of recording, data sources, and statistical techniques
- A brief description of the methodology is published in the first quarter of the year issue only. The public may download the description from DOSM's homepage as well.
- Detailed methodological information on the measurement of foreign direct investment is available on the following IMF webpage: <u>http://www.imf.org/external/np/sta/di/mdb97.htm</u>.

Goods and Services

The U.S. Census Bureau and the U.S. Bureau of Economic Analysis, through the Department of Commerce, announced today that total July exports of **\$153.3 billion** and imports of **\$196.1 billion** resulted in a goods and services deficit of **\$42.8 billion**, down from \$49.8 billion in June, revised. July exports were \$2.8 billion more than June exports of \$150.6 billion. July imports were \$4.2 billion less than June imports of \$200.3 billion.



Goods (Census basis)

The June to July increase in exports of goods reflected increases in *capital goods* (\$2.3 billion); *other goods* (\$0.5 billion); and *industrial supplies and materials* (\$0.5 billion). A decrease occurred in *automotive vehicles, parts, and engines* (\$0.4 billion). *Foods, feeds, and beverages* and

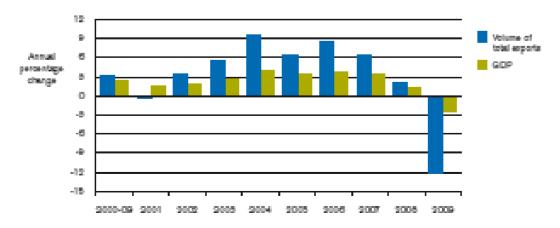
Services 8 1

Services exports were virtually unchanged from June to July. Decreases in *other private services* (which includes items such as business, professional, and technical services, insurance services, and financial services) and *other transportation* (which includes freight and port services) were partly offset by an increase in *travel*. Changes in the other categories of services exports were small.

- NOTE: Total goods data are reported on a Balance of Payments basis, unless otherwise specified.
 Commodity and country detail data for goods are on a Census basis. Monthly statistics are seasonally adjusted unless otherwise specified.
- For information on data sources and definitions, see the information section on page A-1 of this release, or at <u>www.census.gov/ft900</u> or <u>www.bea.gov/newsreleases/international/trade/</u> tradnewsrelease.htm.

Merchandise trade takes a major tumble

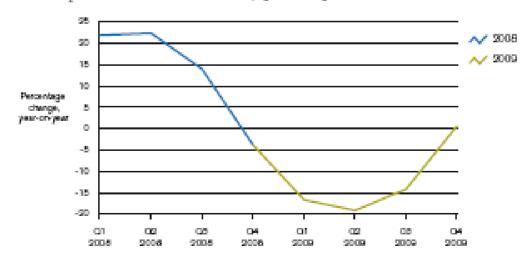
- World merchandise exports took a major tumble in 2009, declining by 12 per cent; world GDP also declined but at a much lower rate of 2.4 per cent.
- The steep fall in trade is due to a combination of factors, such as weak demand, falling commodity prices, global supply chains, the simultaneous impact of the economic crisis across countries and regions, and limited access to credit in general, and trade finance in particular.
- In 2001 world merchandise trade declined due to the bursting of the dot.com bubble and the impact of the 9/11 events. The decline was marginal, however, and coincided with low but positive GDP growth of 1.6 per cent.
- Merchandise trade has consistently outpaced GDP growth, peaking in 2004. The rebound in trade was partly due to the strong rise in commodity prices and in global demand.



Volume of world merchandise exports and gross domestic product, 2000-2009

Trade in commercial services also affected by the crisis

- In 2009, world exports of commercial services declined by 12 per cent, to US\$ 3,350 billion, as a result of the global crisis.
- At the lowest point of the economic crisis, in the second quarter of 2009, commercial services dropped by almost 20 per cert on average yearon-year. World exports started to recover quickly in the second half of the year, but from a low base.
- Preliminary data for the first quarter of 2010 confirm an upward trend.



World exports of commercial services, Q1 2008-Q4 2009

The EU is the largest supplier of services to the United States

- In 2007, services supplied to the United States through majority-owned foreign affiliates reached US\$ 672 billion.
- The EU accounted for US\$ 366 billion, or some 54.5 per cent of the total services provided. EU foreign affiliates provided services mostly in finance and insurance, wholesale and retail trade, and in the information sector.
- Services by Japanese foreign affiliates represented 14 per cent of the total services supplied to the United States. This was followed by Canada (9.6 per cent), Switzerland (7.4 per cent) and Bermuda (4.2 per cent).

Services supplied to the United States through majority-owned foreign affiliates (FATS) and through cross-border trade (BOP) by origin, 2007

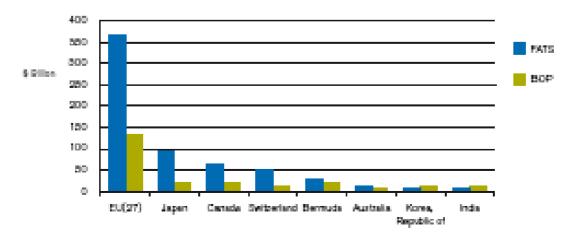


Table I.1

Growth in the volume of world merchandise exports and production, 2000-2009

(Annual percentage change)

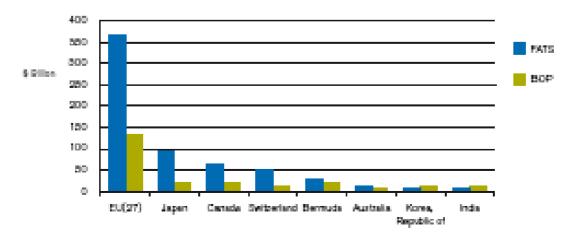
	2000-09	2007	2008	2009
World merchandise exports	3.0	6.5	2.0	-12.0
Agricultural products	3.0	5.5	2.0	-3.0
Fuels and mining products	2.0	3.5	0.5	-4.5
Manufactures	3.5	8.0	2.5	-15.5
World merchandise production	1.5	0.5	1.0	-5.0
Agriculture	2.0	2.5	3.5	0.5
Mining	1.0	0.0	1.0	-2.0
Manufacturing	1.0	0.0	1.0	-7.0
World GDP	2.0	3.5	1.5	-2.5

Noty : See the Metadota for the estimation of world aggregates of merchandise exports, production and SDP.

The EU is the largest supplier of services to the United States

- In 2007, services supplied to the United States through majority-owned foreign affiliates reached US\$ 672 billion.
- The EU accounted for US\$ 366 billion, or some 54.5 per cent of the total services provided. EU foreign affiliates provided services mostly in finance and insurance, wholesale and retail trade, and in the information sector.
- Services by Japanese foreign affiliates represented 14 per cent of the total services supplied to the United States. This was followed by Canada (9.6 per cent), Switzerland (7.4 per cent) and Bermuda (4.2 per cent).

Services supplied to the United States through majority-owned foreign affiliates (FATS) and through cross-border trade (BOP) by origin, 2007



UNCTAD - Trade Report 2010

The extractive industries: employment impact and economic linkages

Many developing economies are highly dependent on the extractive industries, from which they derive a substantial share of their foreign exchange earnings and government revenues. Thus the sharp increases in prices of oil and mineral and metal products between 2003 and 2008 enabled these countries to achieve higher rates of economic growth. But since the extractive industries have very low employment elasticities (UNECA, 2010), the boom in commodity prices has not fully translated into generally higher standards of living for the population.

D. The potential impact of a global rebalancing on trade flows and employment

Turning to changes in the sectoral structure of trade, the percentage changes in the trade balance of the United States would be largest for machinery and equipment and electronic equipment (table 2.2). This

f adjustments e United orld economy ary ... improvement would be mirrored by a sizeable deterioration in the trade balance for these sectors in all Asian economies included in the table, as well as Mexico and Germany. The strong improvement in the United States trade balance for chemicals (which includes pharmaceuticals – the single most important item in

United States consumer goods imports) would be mirrored by a substantial deterioration in the trade balance for these products in China, Germany and Singapore. The strong improvement in the United To determine how the changes in sectoral trade balances would affect employment, it may be useful to relate these changes to sectoral differences in labour intensity. Concentrating on the changes in world exports of industrial products (shown in the last column of table 2.2) suggests that the simulated adjustments in the economies of China and the United States would lead to sizeable adverse employment impacts in the world economy as a whole. This is indicated by the fact that world exports would decline in the majority of industrial sectors.²⁹ Perhaps more importantly, the

> largest declines would occur in the most labour-intensive industrial sectors (chart 2.13).³⁰



UNSD mission:

- to develop and promote global statistical standards in the measurement of economic performance, social progress, environmental changes and political attributes
- to collect, analyse and disseminate social, economic, political and environment statistical data at country, regional and global level
- to assist Member States to establish a functioning statistical system which serves as foundation to an effective international statistical system
- to coordinate and promote global statistical activities and enhance the functioning of the UN Statistical Commission as apex entity
- to support DESA in its multidimensional programme of work on social and economic affairs



The principal objectives for UNSD in SITS

- 1. Establishment of a world-wide database on SITS,
- 2. Creation of database of country practices in the compilation and dissemination of SITS, and
- 3. Further development of the methodology of SITS together with the other members of the Task Force on SITS.



Global Forum on Trade Statistics

Measuring Global Trade - Do We Have the Right Numbers?

2-4 February 2011, Geneva, Switzerland

http://unstats.un.org/unsd/trade/s_geneva2011/geneva2011.htm