Statistical Commission
Forty-seventh session
8-11 March 2016
Item 4 (f) of the provisional agenda*
Items for information: international trade and economic globalization statistics


Note by the Secretary-General

In accordance with Economic and Social Council decision 2015/216 and past practices, the Secretary-General has the honour to transmit the report of the Inter-Agency Task Force on International Trade Statistics, which is submitted to the Statistical Commission for information.

The Statistical Commission is invited to take note of the report.

* E/CN.3/2016/1.

I. Introduction

1. The present report describes the recent activities of the Inter-Agency Task Force on International Trade Statistics (TFITS) (hereinafter referred to as the Inter-Agency Task Force). As explained in more detail below, the Inter-Agency Task Force has been formed through a merger of the Task Force on International Merchandise Trade Statistics (TFIMTS) and the Task Force on Statistics of International Trade in Services (TFSITS), to reflect the increased coherence and interrelationships of both sets of statistics, and to formalize the Task Forces’ practice of meeting jointly since 2008.

2. The most recent meeting of the Inter-Agency Task Force was held in Paris on 15 and 16 October 2015. The main agenda items included statistical capacity-building for trade in services; methodological developments in trade in services statistics and further work on the Compilers Guide for the Manual on Statistics of International Trade in Services (MSITS 2010); bilateral trade in goods and in services asymmetries; the compilation of G20 aggregates for merchandise trade and balance of payments (goods and services trade); the identification of new trade in services categories and breakdowns; and the implementation by the Statistical Office of the European Union (Eurostat) and the Organization for Economic Cooperation and Development (OECD) of the metadata survey on the Extended Balance of Payments Services (EBOPS 2010) classification, as developed by the Task Force. A summary of the conclusions drawn from the discussion are provided in section III below.

II. Scope and terms of reference of the Inter-Agency Task Force on International Trade Statistics

3. Since 2008, the Task Force on International Merchandise Trade Services and the Task Force on Statistics of International Trade in Services have met jointly on a regular basis, as a reflection of the increased interconnectedness and overlap between trade in goods and trade in services. As noted above, to formalize these arrangements and to even better coordinate activities of mutual interest, the Task Forces were merged into the Inter-Agency Task Force on International Trade Statistics, which held its first meeting in Paris on 27 and 28 March 2014. The Inter-Agency Task Force, which agreed to meet once a year (in the fourth quarter), is co-chaired by OECD and the World Trade Organization (WTO).

4. To formalize the merger, a letter was sent to the members of the Bureau of the Statistical Commission on 31 October 2014 with a copy also sent to the Co-Chairs of the Committee for the Coordination of Statistical Activities (CCSA). The letter was accompanied by a document setting out the terms of reference of the new Inter-Agency Task Force (see annex). The Bureau of the Commission indicated that

---

1 The agenda and further information on the meeting is available on the website of the Task Force on International Trade Statistics (http://unstats.un.org/unsd/trade/taskforce/meetings.asp).
it had no objection to the merger, on condition that after a two-year period, the coexistence of the Task Force and the newly created Intersecretariat Working Group on International Trade and Economic Globalization Statistics (which will meet for the first time in January 2016) would be evaluated.

III. Summary and results of the 2015 meeting of the Inter-Agency Task Force

5. The main agenda items considered by the Inter-Agency Task Force at its 2015 meeting are set out in paragraph 2 above.

Statistical capacity-building for trade in services statistics

6. Since November 2011, the World Trade Organization has acted as coordinator among Task Force members as regards technical assistance and statistical capacity-building activities relating to trade in services statistics. In October 2014, the Inter-Agency Task Force not only reaffirmed the role of the World Trade Organization in coordinating those activities for trade in services but added coordination for merchandise trade to the role of WTO as well, in conformity with the Task Force’s mandate. The work associated with technical assistance and statistical capacity-building is organized along the following lines:

- E-learning course(s) are developed to replace general awareness seminars. In this regard, the United Nations Conference on Trade and Development (UNCTAD) and WTO developed a trade in services statistics e-learning course, with the support of the Inter-Agency Task Force, which took note of the progress made in producing the English version of the course and looked forward to the finalization of the course in the third quarter of 2016.

- More dedicated seminars on specific topics (such as financial intermediation services indirectly measured (FISIM) and manufacturing services on inputs owned by others) will be designed.

- To assist countries in implementing MSITS 2010, the Inter-Agency Task Force plans to establish a fund based on a global partnership and managed by the Task Force. It is planned that the facility will act as a preparatory and coordinating mechanism by helping countries identify and formulate projects aimed at improving their trade in services statistics. The facility would finance both preparation of projects and the execution of those that are accepted by the global partnership.

7. It is planned that the fund will be hosted by WTO (discussions with the administration and the technical assistance division are ongoing). An initial sum of SwF 1,000,000 is envisaged. The fund would be governed by a global partnership, as defined by the Inter-Agency Task Force. The Task Force has requested WTO to contact potential donors and to develop a draft of the operational guidelines, which would have to be adopted under the governance of the fund so as to ensure efficient day-to-day work.
Methodological developments in trade in services and the updating of the Compilers Guide for MSITS 2010

8. The Inter-Agency Task Force completed and issued the Compilers Guide for MSITS 2010 (MSITS 2010 Compilers Guide) in December 2014. However, it was recognized at that time that the development of further compilation guidance was still needed, especially for the more complicated services categories (e.g., goods for processing and FISIM). The Task Force therefore agreed to set up a dedicated website where additional material and country experiences related to MSITS 2010 could be made available.

9. At its October 2015 meeting, the Inter-Agency Task Force agreed that one of the first additions to the online version would be the concordance tables between EBOPS 2010 and the Central Product Classification (CPC, version 2). Drafts of these tables had already been prepared and reviewed in 2013, but continue to await a final review by the Expert Group on International Statistical Classifications. Given the need for such convergence tables, and in absence of a clear indication of when such a review may be conducted, the Task Force agreed to publish the concordance tables in draft form.

10. The Inter-Agency Task Force took note of the OECD report on the ongoing work of two OECD Informal Reflection Groups that had been launched at the 2014 meeting of the OECD Working Party on International Trade in Goods and Trade in Services Statistics, the Group on manufacturing services and merchanting, and the Group on the provision of more detailed trade in services statistics (e.g., by partner country and service category; by mode of supply, and affiliated/non-affiliated trade), without substantively increasing respondent burden. The Task Force agreed that this material would be useful if published as an online annex to the MSITS 2010 Compilers Guide. It was agreed that OECD would prepare a draft of the annex for the next Task Force meeting, where it could be reviewed and subsequently published on the Task Force website. This review procedure will also be used for other possible additions to the MSITS 2010 Compilers Guide.

Development of bilateral trade in services estimates

11. The Inter-Agency Task Force welcomed the progress made by OECD and WTO in their joint work on developing a world matrix of bilateral trade in services statistics by main EBOPS categories. This data set aims to cater to the needs of policymakers, analysts and the joint OECD-WTO Trade in Value-Added (TiVA) initiative for long time series of complete and detailed bilateral trade in services data. OECD and WTO explained that the matrix would accomplish this objective by maximizing the indirect statistical information in the reported data using derivations from EBOPS and regional aggregates, and by utilizing time-series information through backcasting, forecasting and interpolation techniques. Currently, a complete series of exports and imports of trade in services by EBOPS category and partner world, for 188 countries, from 1995 to 2012 (including ~30 per cent estimated values) is available, and over 2 million data points have been added to the bilateral data set (more than tripling the size of the officially reported data points). Work is ongoing to provide additional estimates, e.g., through in-depth studies of individual

countries, the development of a methodology of estimating trade in services when no partner data are available at all, and the use of mirror data. Work is also starting on matrices in EBOPS 2010 (from 2010 onward). The Task Force expressed its appreciation for the work done and took note of the fact that the results would be published as OECD-WTO estimates and not as official statistics. Three of the country experts invited to the meeting of the Task Force (from the United States of America, Germany and Italy) indicated their willingness to collaborate and review the estimates made for their countries.

**Reconciling bilateral trade in goods asymmetries**

12. The Inter-Agency Task Force welcomed the work of the Statistics Division of the Department of Economic and Social Affairs of the Secretariat on visualizing asymmetries in the United Nations Commodity Trade Statistics Database (UN Comtrade) using SAS Visual Analytics, and noted that the Statistics Division had contracted a consultant to develop a strategic approach towards balancing international merchandise trade statistics, which would be presented at the meeting of the Expert Group on International Trade and Economic Globalization Statistics in January 2016.

13. The Inter-Agency Task Force expressed its appreciation for the work done by OECD on constructing a balanced international merchandise trade matrix and indicated that it was impressed with the progress made so far. The Task Force welcomed the methodological paper that outlined the OECD international merchandise trade balancing strategy, building on existing best practices in the academic literature, ongoing collaboration with national trade statisticians, and the input received from the OECD bilateral trade asymmetry meetings, which are organized within the context of the OECD Working Party on International Trade in Goods and Trade in Services Statistics. The Task Force noted that a first version of the balanced merchandise trade statistics data will be published in the first quarter of 2016 and that WTO will collaborate with OECD in efforts to further develop the balanced international merchandise trade data set.

14. Finally, the Task Force noted that asymmetries in merchandise trade are partly unavoidable because of the international concepts and definitions. Efforts towards reconciling asymmetries should not give users the impression that countries do not apply the international concepts correctly.

**Compiling G20 aggregates for merchandise trade and balance of payments (goods and services trade)**

15. As recommended by the G20 Data Gaps Initiative, G20 zone aggregates are currently being developed for a variety of statistical indicators, under the auspices of the Inter-Agency Group on Economic and Financial Statistics. At the meeting of the Inter-Agency Task Force, the International Monetary Fund (IMF) and OECD presented their work on preparing the G20 aggregates for, respectively, balance of payments (goods and services) and merchandise trade, to be published on a quarterly basis. The G20 aggregate on merchandise trade prepared by OECD will be published for the first time on 3 December 2015. It was agreed that OECD would share the first draft of the press release with members of the Inter-Agency Group...
and WTO by 25 November for the purpose of eliciting comments. IMF will examine to what extent the G20 balance-of-payments trade in goods and services aggregate can reflect seasonally adjusted figures. The releases are coordinated with WTO, which releases seasonally adjusted quarterly merchandise and services trade data on its website.

**New trade in services categories and breakdowns**

16. The Inter-Agency Task Force took note of the international progress made towards measuring trade in services by modes of supply, highlighting, inter alia, the progress made in Canada in compiling mode 4) and in India in compiling mode 1, as reported by WTO. Eurostat indicated that it had hired a consultant to produce first estimates for exports and imports trade in services by modes of supply for European Union countries, based on the simplified approach proposed in MSITS 2010. Germany also reported work on modes of supply; it is possible that preliminary results could be presented at the next meeting of the OECD Working Party on International Trade in Goods and Trade in Services Statistics.

17. The Inter-Agency Task Force welcomed the final version of UNCTAD technical note No. 3 on ICT for development, entitled “International trade in ICT services and ICT-enabled services: proposed indicators from the Partnership on Measuring ICT for Development”, as a useful reference for enabling countries to collect comparable official statistics in this area. The project was developed with the collaboration of the Partnership on Measuring ICT for Development Task Group on Measuring Trade in ICT Services and ICT-enabled Services (TGServ), whose membership comprises WTO, OECD, the Statistics Division of the Department of Economic and Social Affairs of the Secretariat, UNCTAD, the Economic and Social Commission for Western Asia, the World Bank and the International Telecommunication Union (ITU). The technical note defines and recommends the measurement of two new EBOPS 2010 complementary groupings, namely, information and communications technologies (ICT) services (which can be compiled from existing data sources on international trade in services, provided that countries report at the third level of EBOPS 2010) and ICT-enabled services (which would require the collection of data by mode of supply, as defined by the General Agreement on Trade in Services), or by using a business survey approach).

**Implementation of the Task Force EBOPS 2010 metadata survey by Eurostat and OECD**

18. The Inter-Agency Task Force has developed a joint metadata questionnaire on trade in services statistics by EBOPS categories. Eurostat (for European Union member countries) and OECD (for non-European Union OECD countries) have already implemented this survey and presented their results. OECD also gave several concrete illustrations of how, for example, differences in coverage, data sources and compilation methodology may help to explain trade asymmetries. The Task Force concluded that the standardized format is useful for documenting and comparing national methodologies, and can also be used to identify reasons for trade asymmetries. It was noted that it is important to extend the implementation of

---

the metadata survey to other countries. The Statistics Division confirmed that it planned to implement the questionnaire for countries that are members neither of the European Union nor of OECD. The Task Force also agreed that the Eurostat and OECD results, as well as the survey, should be added as an online annex to the MSITS 2010 Compilers Guide in order to help other countries achieve the systematic recording of metadata, and invited Eurostat and OECD to carry out the preparatory work for this contribution, for review by the Task Force at its next meeting.
Annex

Terms of reference of the Task Force on International Trade Statistics

I. Members, convener and organization of work

1. The inter-agency Task Forces on International Merchandise Trade Statistics (TFIMTS) and Statistics of International Trade in Services (TFSITS) were established in the early 1990s as the basis for collective efforts by the international agencies to improve the availability, quality and comparability of statistics in these areas in support of the negotiations under the Uruguay Round of multilateral trade negotiations (see the terms of references of the two Task Forces).

2. Today, international trade statistics should take into account the information needs of trade negotiators, in particular in relation to World Trade Organization agreements, namely, the General Agreement on Tariffs and Trade (GATT), the General Agreement on Trade in Services (GATS) and the Agreement on Trade-related Aspects of Intellectual Property Rights (TRIPS Agreement).

3. Since 2008, the two Task Forces have regularly held joint meetings to discuss overlapping and cross-cutting issues. Given the increased interconnectedness and overlap between trade in goods and trade in services, driven by global developments such as the increased fragmentation of international production, the rise of intellectual property products, the rise in new types of enterprises such as factoryless producers and merchants, and the increased focus on global production through global value chains, one task force, the Inter-Agency Task Force on International Trade Statistics (TFITS), hereinafter referred to as the Inter-Agency Task Force, was established, in Paris on 27 March 2014, to ensure better coordination of activities of mutual interest.

4. The Organization for Economic Cooperation and Development (OECD) and the World Trade Organization (WTO) will serve as Co-Chairs of the Inter-Agency Task Force.

5. The Inter-Agency Task Force holds one official meeting in the fourth quarter of each year.

6. The website of the Inter-Agency Task Force is maintained by the Statistics Division of the Department of Economic and Social Affairs of the Secretariat and the website of the Task Force Electronic Discussion Group is maintained by OECD/WTO.

7. All procedural issues are to be decided by consensus of the regular members or by a majority vote, if requested by any Inter-Agency Task Force member.

8. In 2014, the Inter-Agency Task Force agreed that the regular membership of this intersecretariat body should be confined to established international institutions whose representatives are in a position to make commitments on their behalf. It has also been agreed that experts who are not officials of international institutions may be invited to attend meetings of the Task Force.
9. At the time of the invitation, the Co-Chairs will notify the members of the Inter-Agency Task Force regarding the experts who are to be invited. It will be assumed that the members of the Task Force agree, if no objection is received.

II. The mandate of the Inter-Agency Task Force

10. The objective of the Inter-Agency Task Force is to ensure the coordination of activities carried out by the participating agencies in the area of international trade statistics and related fields including:

(a) Promoting the development of international standards, as set out, for example, in *International Merchandise Trade Statistics: Concepts and Definitions* and the *Manual on Statistics of International Trade in Services*, and the associated guidance on compilation, systems and classifications for international trade statistics and related statistics, including tourism statistics;

(b) Improving the availability, quality and comparability of international trade statistics, as compared with conventional trade statistics (also including the activities of foreign affiliates);

(c) Promoting the development of national statistical systems that enable the provision of the best-quality estimates of trade in value added through the coherence and transparency of adjustments made to trade statistics for the national accounts, and also promoting integrated accounting frameworks that give greater emphasis to firms engaged in global value chains;

(d) Coordinating data collection from countries and enabling the sharing of collected data sets so as to reduce countries’ response burden;

(e) Harmonizing data-processing procedures and coordinating data dissemination through agencies’ databases and publications so as to foster the coherence of international trade statistics and to better serve the user community;

(f) Coordinating collection of information on country data compilation and dissemination practices, cooperation in assessment of country data quality and identification of the good practices;

(g) Identifying new conceptual and data compilation issues including their systematic study and the formulation of proposals for their possible solutions; in this context, the Inter-Agency Task Force provides input into the process of revision of the recommendations of the Statistical Commission for international trade statistics;

(h) Promoting synergies with respect to the work of other inter-agency task forces, working groups and committees, in particular the Intersecretariat Working Group on National Accounts and the International Monetary Fund Committee on Balance of Payments Statistics;

(i) Coordinating training and capacity-building initiatives, especially in developing countries, to ensure higher efficiency of such initiatives in terms of achieving a better harmonization of country data compilation and dissemination practices and the accuracy of the compiled and disseminated country data sets.