Implementation of *MSITS 2010* and availability of Service Data in the COMESA region

Regional Seminar on International Trade Statistics – Addis Ababa

12th - 16th May, 2014
Introduction

The COMESA Treaty, specifically Article 140, provides the foundational basis for the development of statistics in the COMESA region.

Under the oversight of the COMESA Committee on Statistical Matters (CCSM), COMESA endeavors to meet the needs of policy responsive statistics by adopting a strategy that captures the wide ranging expectations of a regional statistical system.
COMESA Council of Ministers endorsed *MSITS 2010* implementation of minimum core recommendations.

COMESA FDI Regulation in Place (*covers FDI and FATS*)
Minimum core recommendations

- Bilateral SITS by EBOPS with main partners and for main sectors

- FDI Statistics flows, income and period end positions

- FATS (such as employment, turnover, output, value added, exports and imports and number of enterprises) broken down by activity according to ISIC Rev 4 i.e. ISIC Categories for Foreign Affiliates (ICFA).
Study focused on the following countries:

(i) Kenya (bilateral SITS and FATS)
(ii) Madagascar (bilateral SITS and FATS)
(iii) Rwanda (FATS)
(iv) Uganda (bilateral SITS and FATS)
(v) Zambia (bilateral SITS and FATS)
(vi) Swaziland (bilateral SITS)
Countries able to report partner detail for:

- Transportation
- Travel services
- Communication
- Construction
- Insurance (mainly freight insurance)
- Financial services

Detailed EBOPS currently not so satisfactory
## Methodology

<table>
<thead>
<tr>
<th>Sector</th>
<th>Kenya</th>
<th>Uganda</th>
<th>Zambia</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transportation services</td>
<td>Disaggregated into partner country differently for each mode</td>
<td></td>
<td>From customs data obtained from Zambia Revenue Authority.</td>
</tr>
<tr>
<td>Air transport services</td>
<td>Partner based on the data on number of visitors by country.</td>
<td>CR: No. of non-residents by ctry of residence trav/ng on routes serviced by resident airline X the proportion of wkly flights by resident airlines total flights to all dest/ns of the resident airline &amp; the avg return fares for the respective destinations.</td>
<td></td>
</tr>
</tbody>
</table>
## COMESA Pilot Study on *MSITS 2010* Implementation

### Methodology

<table>
<thead>
<tr>
<th>Sector</th>
<th>Kenya</th>
<th>Uganda</th>
<th>Zambia</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Travel</strong></td>
<td>Visitors’ arrivals or departures and returning residents</td>
<td>Credit: No. of non-residents by country of residence departed from Uganda X estimated average expenditure/traveller</td>
<td>Cr: Data by partner country was generated using the MTENR reports</td>
</tr>
<tr>
<td><strong>Communication services</strong></td>
<td>Partner information on foreign direct investment in the country and foreign assets abroad</td>
<td>CR: Receipts reported by the telecomCos. from respective countries for interconnection charges to local telephone networks</td>
<td></td>
</tr>
</tbody>
</table>
Foreign Affiliates Statistics (FATS)

Recently, countries implementing foreign assets and liabilities (FAL) surveys are in principle able to compile FATS. At policy level, the COMESA-UNCTAD initiative has focused on FDI statistics and statistics on activities of transnational corporations (TNCs), leading to the development of the institutional framework endorsed by the COMESA Council of Ministers in 2010.
Under this study, countries reported the following FATS variables:

<table>
<thead>
<tr>
<th>Kenya</th>
<th>Uganda</th>
<th>Zambia</th>
</tr>
</thead>
<tbody>
<tr>
<td>Turnover, employment, exports, imports</td>
<td>Turnover, employment, exports and imports and compensation of employees</td>
<td>Turnover, employment, exports and imports, compensation of employees</td>
</tr>
</tbody>
</table>
Foreign Affiliates Statistics (FATS)

Challenges:

- Country surveys have historically focused more on foreign assets and liabilities
- Limited FATS have been collected in a non-systematic manner, related mainly to investor perceptions section
- Industry details have been too high level in some surveys
Hence, COMESA recommendation on systematic collection.

Example of successful implementation is Zambia:
### COMESA Pilot Study on MSITS 2010 Implementation

**Zambia: Foreign Affiliates Statistics (FATS)**

<table>
<thead>
<tr>
<th>ICFA Headings/Elements</th>
<th>Total assets at end 2012</th>
<th>Total liabilities (excluding Equity) at end 2012</th>
<th>Net worth 2012</th>
<th>Sales or turnover in 2012</th>
<th>Net Operating Surplus 2012</th>
<th>Taxes on Income</th>
<th>Net Profit After Tax</th>
<th>Total dividends</th>
<th>Salaries and wages</th>
<th>Total imports of goods</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>AGRICULTURE FORESTRY AND FISHING</td>
<td>58.8</td>
<td>80.3</td>
<td>-</td>
<td>21.5</td>
<td>103.1</td>
<td>-</td>
<td>9.8</td>
<td>0.9</td>
<td>-</td>
</tr>
<tr>
<td>1.1</td>
<td>Crop and animal production, hunting and Related Services activities</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>1.1.1</td>
<td>Support activities to agriculture and post-harvest crop activities</td>
<td>58.8</td>
<td>80.3</td>
<td>-</td>
<td>21.5</td>
<td>103.1</td>
<td>-</td>
<td>9.8</td>
<td>0.9</td>
<td>-</td>
</tr>
<tr>
<td>1.1.2</td>
<td>Hunting, tapping and Related Services Activities</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>1.2</td>
<td>Forestry and Logging</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>1.2.1</td>
<td>Support Services to Forestry</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>
Currently, COMESA obtains most data on SITS from member countries’ central banks.

We do our own validation, harmonization and analysis for comparability and later dissemination.

COMESA data dissemination is done through:

- The COMSTAT online database, available at http://comstat.comesa.int

- Annual publications also available at http://comstat.comesa.int
Sample outputs from COMSTAT

Trend Exports and Imports
Reporter: Zambia; Sector: Total EBOPS Services; Period: 2005 … 2012

Source: COMESA COMSTAT Database
Sample outputs from COMSTAT

Share of Sector in Total Exports
Reporter: Ethiopia; Period: 2012

Source: COMESA COMSTAT Database
Sample Outputs from COMSTAT

Share of Sector in Total Imports

Reporter: Kenya; Period: 2012

Source: COMESA COMSTAT Database
Data on SITS is available in EBOPS for 18 of the COMESA member countries.

Bilateral SITS limited to some sectors, transportation and travel being among them. COMESA recommendation is for this to happen first for travel and transportation sectors.

FATS are of limited scope. COMESA engaging countries to begin including the full range of FATS variables in 2014 surveys.
Thank you for your attention