
Reducing trade in services data asymmetries

New Delhi, 3-6 November 2014

joscelyn.magdeleine@wto.org

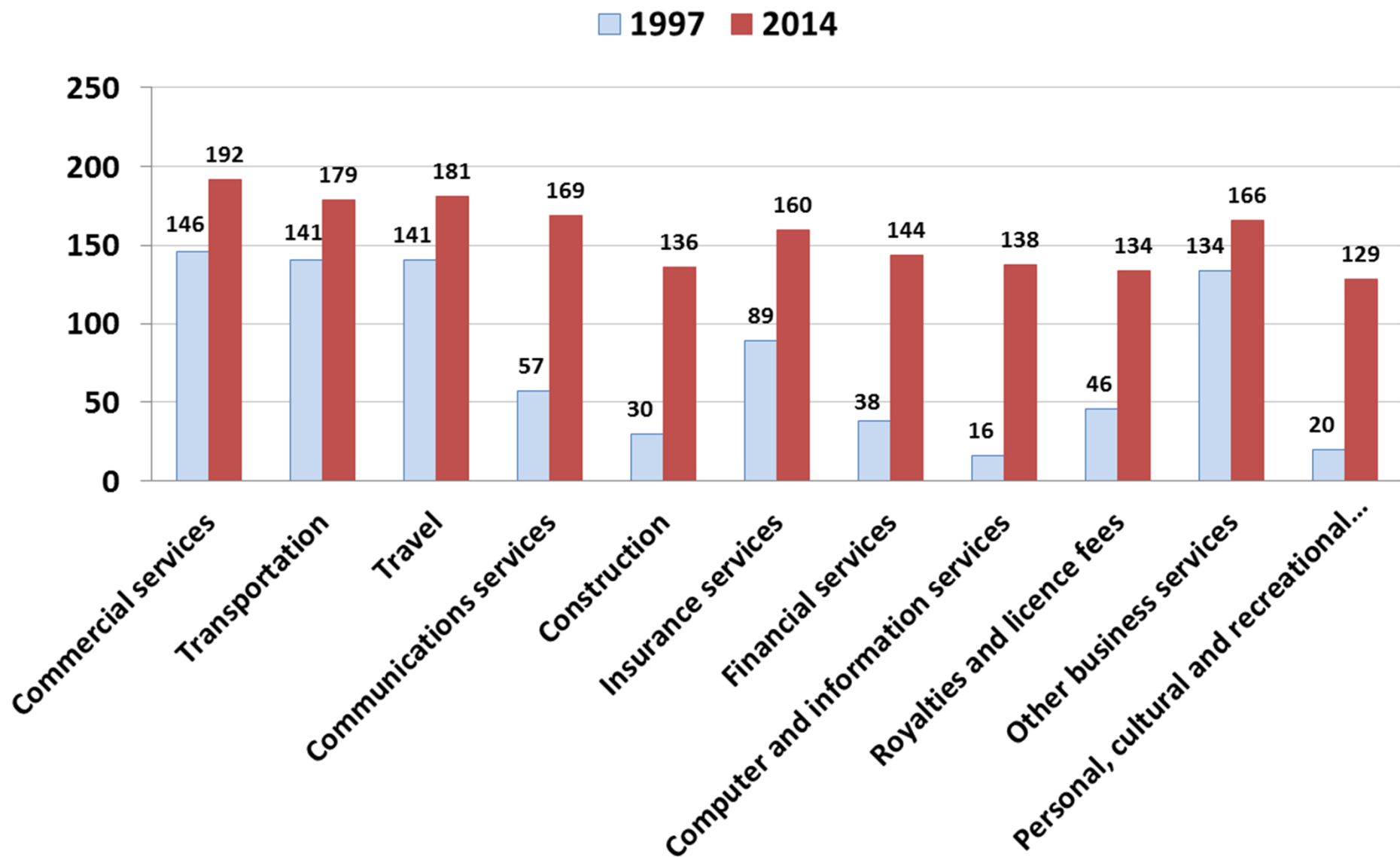


Why?

- Improving quality of trade in services statistics
- Integrated approach: Improve basic data as input to balance of payments/national accounts
- Services trade data asymmetries can be significant: Interpret data economically?
Decision/policy making-negotiations?
- More attention with OECD-WTO TiVA project....
international trade matrix should be perfectly symmetrical, complete and consistent (SUT/NA)

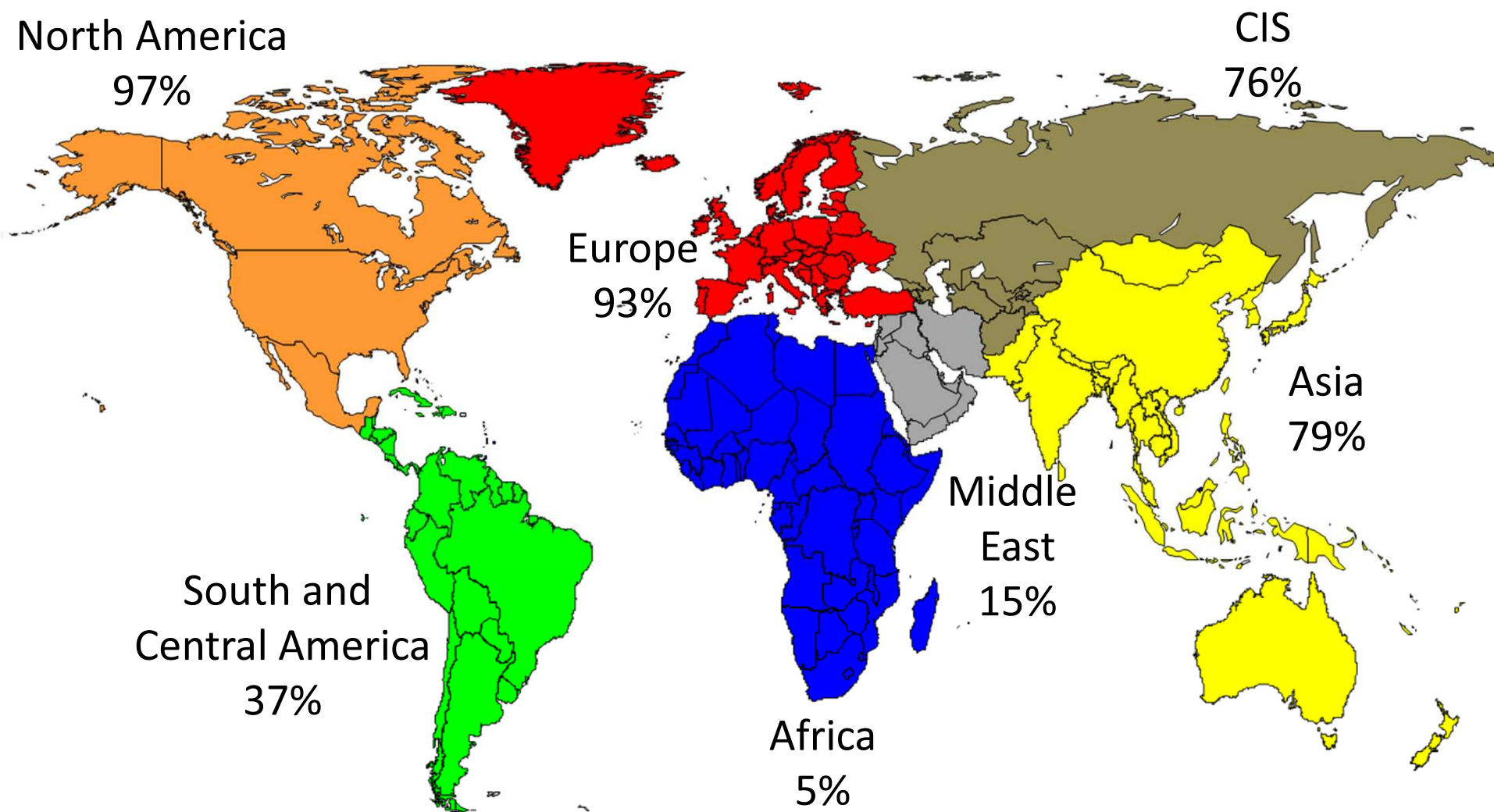


Number of economies reporting EBOPS trade data



Note: Reported data for 1994 in October 1997, for 2011 in July 2014.

Share of regional exports of commercial services covered by bilateral flows * (2011)



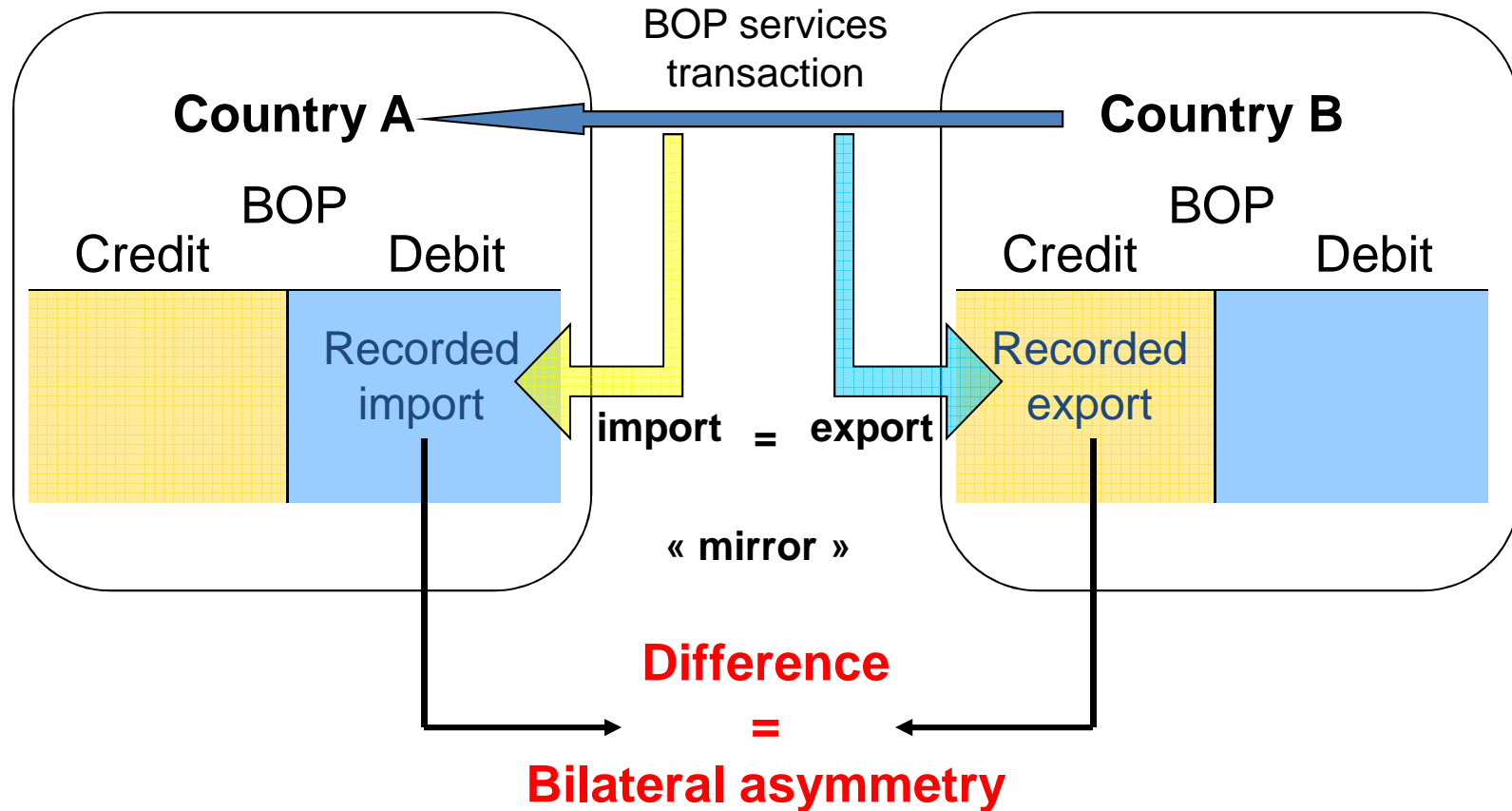
* The colours, boundaries, denominations, and classifications in the map do not imply, on the part of the WTO, any judgement on the legal or other status of any territory, or any endorsement or acceptance of any boundary.

Trade in Services Data Quality

- Huge increase in data availability, in particular for BOP based services: EBOPS and partners
- But quality.....? (and metadata....??)
- Asymmetries are not new
- And some discussed for a long-time:
 - IMF Balance of Payments Committee (next slide)
 - OECD TIS experts discussions
- Less attention on services although they are large, in particular at more detailed level



(TIS) Bilateral Asymmetries



Different types of asymmetries:

- Bilateral (two countries)
- Multilateral-regional (e.g. intra-ASEAN)
- Global (World): for services, exports > imports

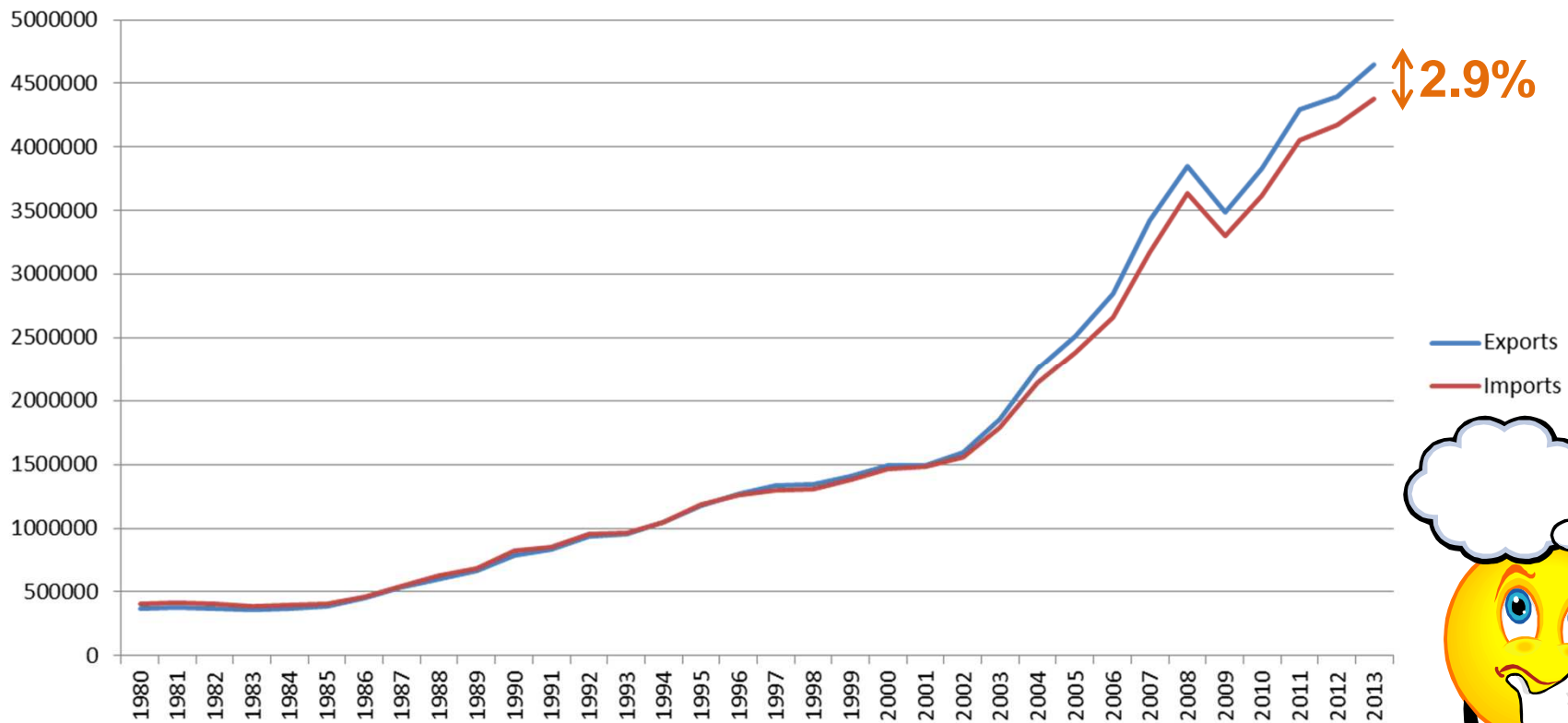
Global current account (im)balances

Table 1. Global Balances on Current Account, 2006–2012								Average
(In billions of U.S. dollars)								Imbalance
	2006	2007	2008	2009	2010	2011	2012	2006-2012
Current account balance	224.2	346.8	260.4	272.6	384.3	408.9	399.2	328.1
Goods balance	185.7	270.3	252.3	280.3	388.4	424.6	439.0	320.1
Credit	11,717.4	13,609.1	15,728.4	12,223.0	14,928.6	17,905.5	18,053.7	
Debit	11,531.7	13,338.8	15,476.2	11,942.7	14,540.2	17,481.0	17,614.7	
Services balance	73.4	122.5	73.4	61.6	63.5	100.9	80.0	82.2
Credit	2,884.8	3,445.9	3,862.8	3,480.7	3,805.8	4,261.0	4,340.6	
Debit	2,811.4	3,323.4	3,789.4	3,419.2	3,742.3	4,160.2	4,260.6	
Primary Income balance	-49.3	-49.1	-71.7	-36.0	-41.2	-74.3	-69.1	-55.8
Credit	3,157.0	4,068.0	4,027.5	2,985.4	3,171.5	3,612.2	3,500.7	
Debit	3,206.2	4,117.1	4,099.2	3,021.3	3,212.7	3,686.5	3,569.8	
Secondary Income balance	14.3	3.2	6.4	-33.2	-26.3	-42.3	-50.6	-18.4
Credit	811.0	922.3	1,038.8	977.4	999.4	1,114.9	1,126.0	
Debit	796.7	919.1	1,032.3	1,010.7	1,025.7	1,157.2	1,176.6	

Source: IMF Committee on Balance of Payments Statistics 2013 annual report



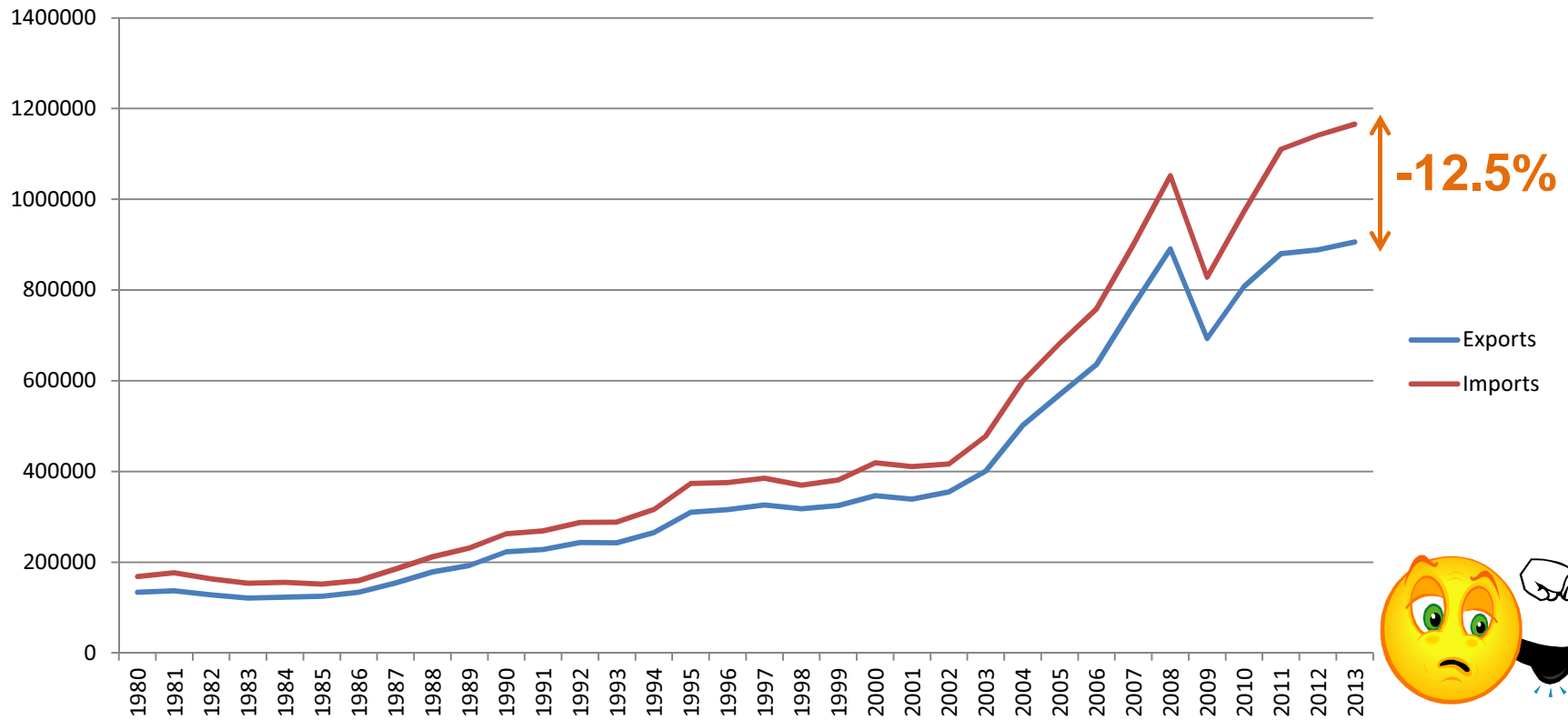
World Trade in commercial services, million USD



Source: UNCTAD-ITC-WTO trade in services dataset, BPM5 basis



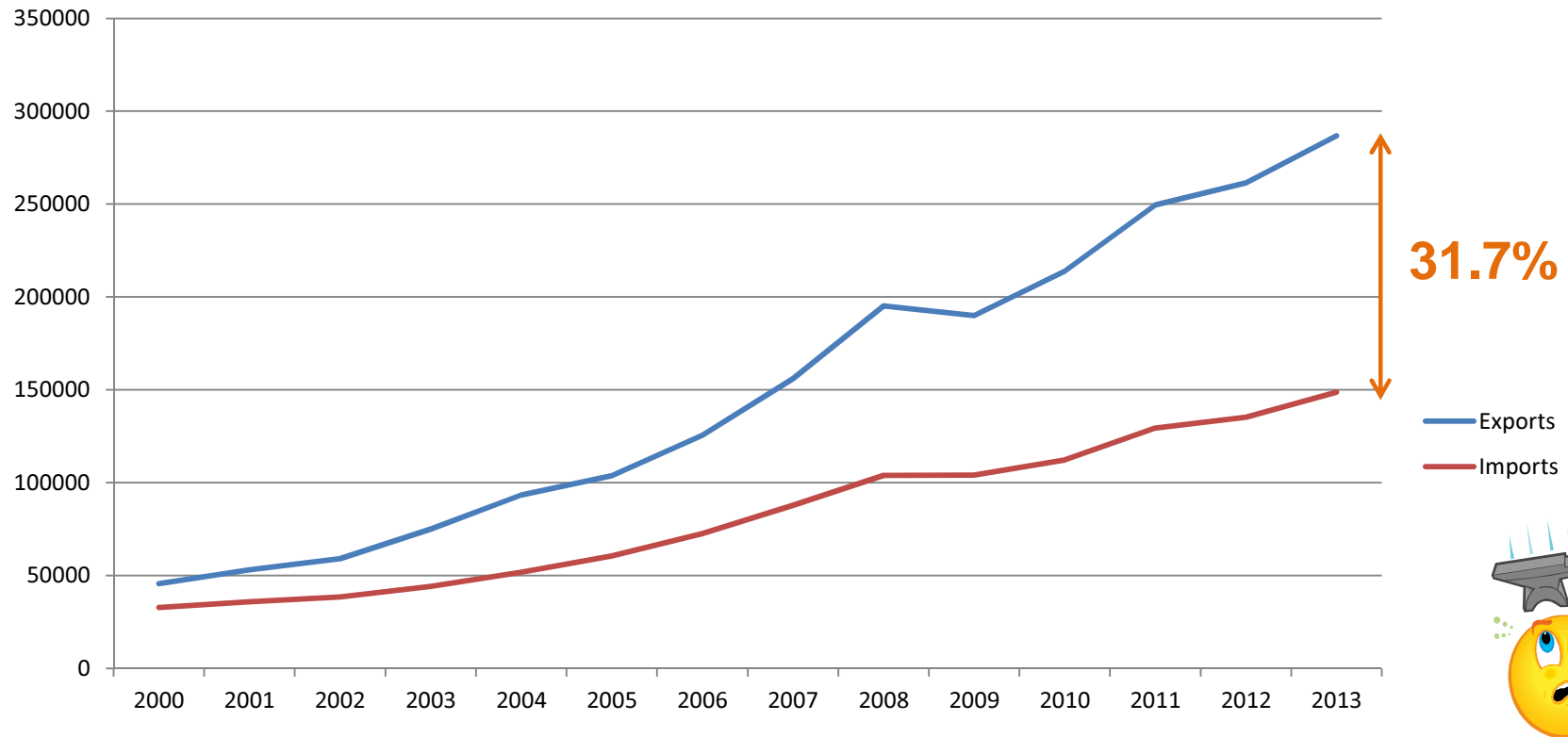
World Trade in Transport services, million USD



Source: UNCTAD-ITC-WTO trade in services dataset, BPM5 basis



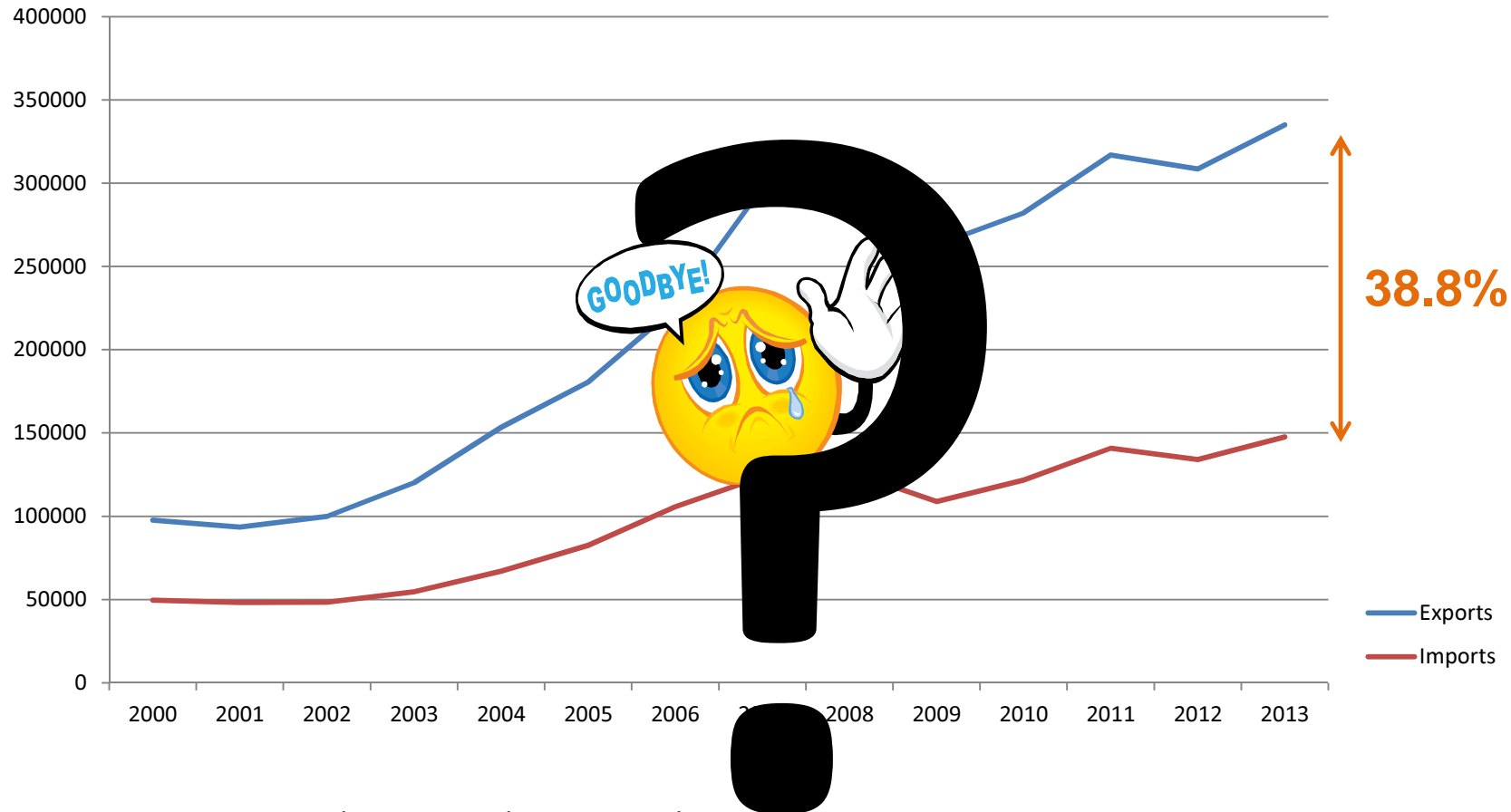
World Trade in Computer and information services, million USD



Source: UNCTAD-ITC-WTO trade in services dataset, BPM5 basis



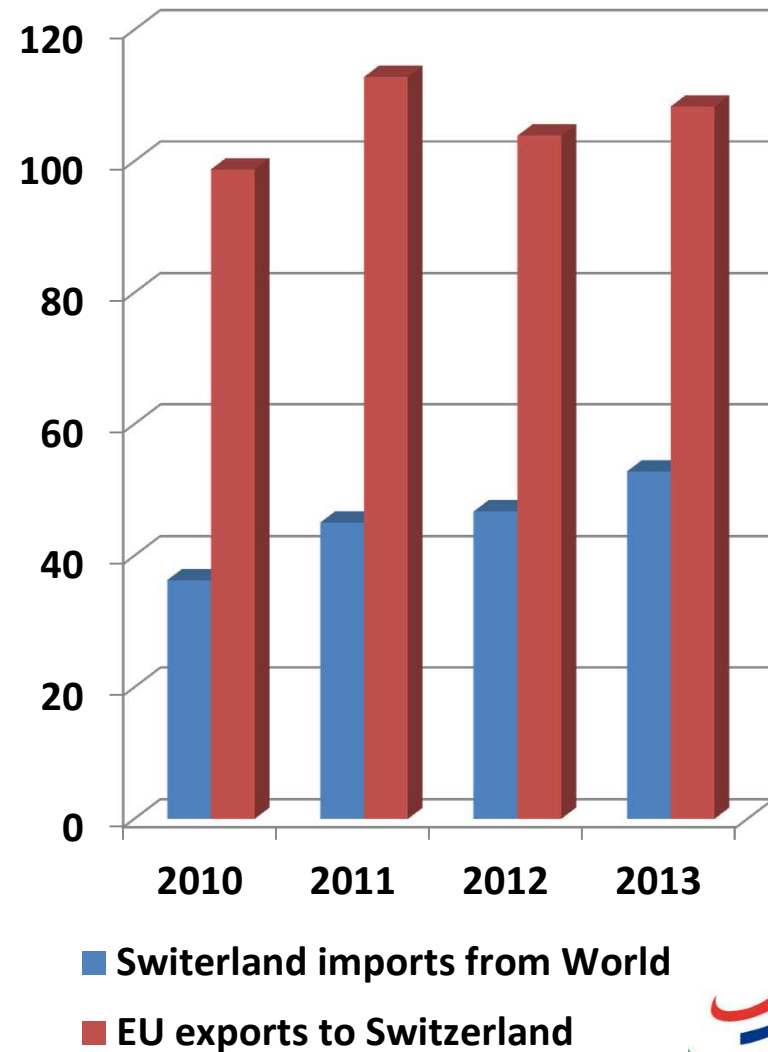
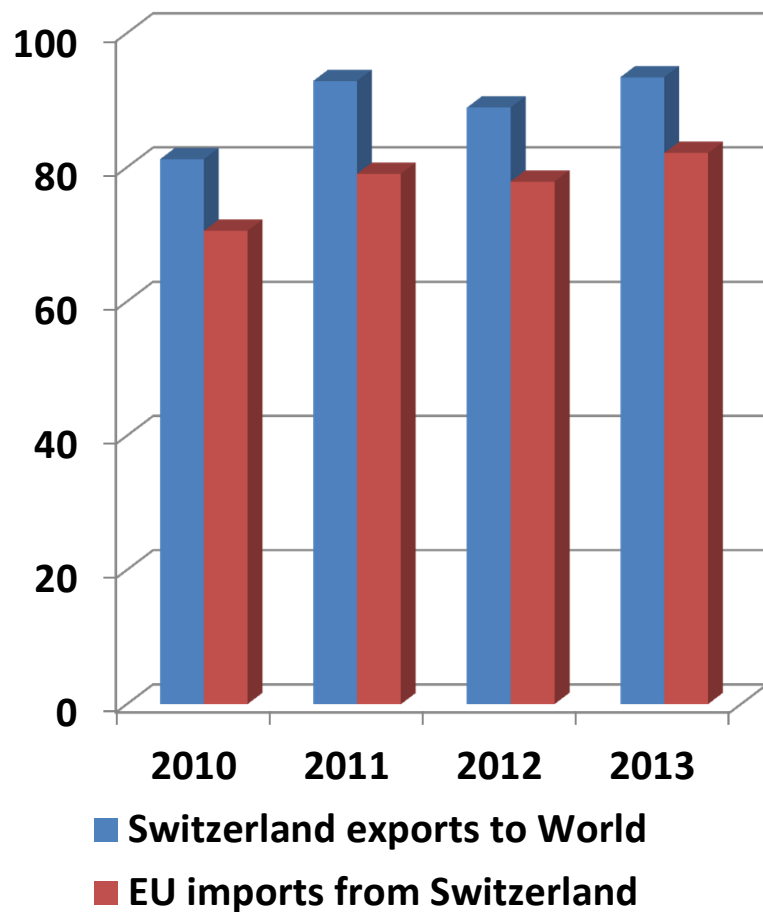
World Trade in Financial services, million USD



Source: UNCTAD-ITC-WTO trade in services dataset, BPM5 basis



Swiss trade in service vs. “mirror”, billion USD



Reducing asymmetries

- Some reasons clear: timing, differences in data sources and compilation methodologies, different recording thresholds, difficult geographical identification, misallocations...
- Some ways of reducing asymmetries in services:
 - « bottom-up » approach: study of causes and reconciliation
 - « top-down » approach: mathematical model allocation



And what now?

- Roles at national level
- Roles at international/regional level
- Asymmetries
 - Common understanding of how to classify services
 - Common concepts and definitions
 - Compiling detailed bilateral statistics
 - Compiling detailed types of services
 - Develop some asymmetry indices with mirror data



International databases

Publication	Coverage	By type of service	By partner country
IMF Balance of Payments Statistics	IMF members	BPM6	No
Eurostat Database	EU members, total EU, euro area, EU candidate countries	EBOPS	Over 200 partners
OECD Statistics on International Trade in Services	OECD members; Hong Kong and Russian Federation for partner detail	EBOPS (and additional detail)	Over 200 partners
UN ServiceTrade	Around 200 economies	EBOPS	Over 200 partners
UNCTAD-ITC-WTO's Trade in Services dataset	Around 200 economies	EBOPS	Over 200 partners



Existing initiatives

- Canada – United States regular work on BOP, including services (substitutions)
- United States – India “Offshoring” U.S. GAO reports (2005-06)
- Eurostat Travel technical group
- Eurostat Intra-EU work to reduce asymmetries (top-down)
- **Others?**



Some things to know

- Who are your main partners? Which are your most traded services?
- Asymmetric burden distribution between countries!
 - level of trade in services different (number of partners, number of services exported/imported)
 - countries with most impact on global figures have most burden to cope with to reduce asymmetries
- Sharing micro data difficult (forbidden??)
- Who is right... or “best”? Source, compilation method?
Internal balancing of BOP at national level



Future work at international level

- Friends of Chair: Trade and Globalization
- OECD Working Party on Trade in Goods and Services Statistics (WPTGS), March 2014
 - Asymmetry reports (for services limited to intra-OECD): Asymmetry Index and Relative Asymmetry, by partner and partner/service
 - Organize future bilateral meetings (back to back with WPTGS)
- Task Force on International Trade Statistics (10/14):
 - Coordination role
 - Results from OECD + others to expand to all countries
- Roles of experts groups

