

Report of the meeting of the Task Force on International Trade Statistics (TFITS)
10-11 October 2016, New York, UN Headquarters

Agenda item: 1 Welcome and opening (WTO)

The WTO Chair opened the meeting and welcomed participants. Stefan Schweinfest, Director of the UN Statistical Division, highlighted in his opening words the importance of international trade for globalization and the sustainable development goals, in particular for developing countries. He underscored the need for high quality trade statistics and clear communication on statistical data to avoid possible misinterpretations.

Agenda item: 2 Adoption of the agenda

The agenda was adopted (the final agenda is attached as annex 1, the list of participants is attached as annex 2).

Agenda item: 3 Approval of the report of the last TF meeting in Paris, October 2015

Conclusions: Approved

The 2015 report of the TF to the Statistical Commission in spring 2016 was recirculated.

Agenda item: 4 E-commerce – measuring cross-border transactions

Conclusions: The TFITS acknowledged the growing importance and policy relevance of digital trade and the need for a conceptual measurement framework. It welcomed the G20 request to OECD to reinforce efforts in this area, in collaboration with other IOs, for delivering a typology of digital trade and a more comprehensive action plan for statistical development. The TFITS appreciated the collaborative project by UNCTAD, UPU, WTO and OECD to measure cross-border e-commerce transactions. To support the continued coordination of these activities, the TF agreed to organize an Expert Meeting on this subject in 2017, to sketch out further work and define/refine the conceptual frame for measuring digital trade.

To support evidence-based policy making, the digital economy requires developing measures on cross-border electronic transactions in goods and services, and more broadly, in international flows related to information (data).

The TFITS agreed that the rise in cross-border transactions that are either ordered or delivered digitally, or involve intermediary platforms, raises important conceptual and measurement questions, including on whether cross-border e-commerce or digital trade is underestimated in existing international trade statistics, and on new and/or alternative ways of collecting data, organizing data sharing (at granular level), including in partnership with the private sector.

The measurement framework on digital trade presented by the OECD, which also provided an overview of the measurement challenges, was considered a step in the right direction. UNCTAD, building on its efforts on defining ICT and ICT-enabled services, reported on its

planned pilot surveys with Costa Rica, Thailand, India and Egypt. A meeting to discuss the survey will take place on 7/8 December in Geneva.

UPU presented its granular data on parcel transactions which could be used to advance work on e.g. improving estimates of merchandise trade below the *de minimis* threshold.

The TF noted that the involvement of the private sector was important, and that an analysis of how private data sources can best be organized and accessed was needed, including an assessment of confidentiality and anti-trust issues.

A clear statistical definition to define the scope of any additional information needed would be required as would a clear distinction between resident and non-resident transactions. Any conceptualization would need to be consistent with existing statistical manuals, and be in line with ongoing work on measuring the digital economy. Eurostat volunteered to share its work on the collaborative economy.

Agenda item: 5 Methodological issues on manufacturing services and merchanting arising from the OECD IRG consultations (OECD)

Conclusions To include OECD's IRG final report in the online guide of MSITS2010, as well as ASEAN's experiences.

The OECD presented the progress made by the WPTGS informal reflection group on merchanting and on manufacturing services on inputs owned by others, which will serve as input to a chapter for the online compilation guide of MSITS2010. Germany presented its approach to measuring manufacturing services and highlighted that data quality is judged as satisfactory. However, further improvements could be reached when the exchange of micro data between the NZB and the NSO will become legally possible. The discussion concluded that data sharing between entities could improve data quality, for inward and outward processing separately, and that more guidance is needed on the borderlines between "merchanting" and "manufacturing services", a delineation of what is service and what is income, and an adequate education of data providers. The US reported that it has no data from customs on processing trade or change of ownership and intends to produce estimates through linking respective data sets. In other countries, for example Malaysia, about 2400 enterprises are recognized as active in this activity and some 200 are directly surveyed through enterprise surveys.

Agenda item: 6 Revision of concordance tables of EBOPS, including EBOPS to CPA

Conclusions: Lessons learned by individual organisations should be exchanged and available ongoing work be shared.

The OECD reported on its ongoing work in respect of developing concordance tables between EBOPS2002, 2010 and CPA 2.1, necessary for the integration of bilateral services trade statistics with national accounts (SUTs) in the context of TiVA. The meeting reiterated that national practices regarding this conversion were not transparent. It was suggested to raise awareness for it and to communicate to task force participants any ongoing work.

Agenda item: 7, 8 and 9 Asymmetries in merchandise trade statistics (OECD, WTO, UN, others) and trade in services statistics (OECD, WTO)

Conclusions: The TFITS identified the reduction of bilateral trade asymmetries as a key priority for further work, encouraged bilateral reconciliation studies, and welcomed the work of OECD and WTO, in collaboration with other IOs and countries, to develop global benchmark databases on balanced merchandise trade and trade in services statistics.

OECD presented a progress update on its work on developing balanced merchandise trade data, highlighting the collaboration with WTO and Eurostat as part of the broader efforts on TiVA. OECD and WTO also jointly reported on the progress of their Balanced Trade in Services dataset. First results on both will be circulated for comments to relevant parties towards the end of the year. UNCTAD presented its work on a matrix for merchandise trade while UNSD highlighted various causes for asymmetries.

The discussion identified the reconciliation of asymmetries as an important priority for further work by national offices and international organizations, and that the sole use of automatic algorithms result in unsatisfactory solutions. In fact, asymmetries in statistical data sets are not only introduced through data collection but also through different methodologies applied in data compilation, for example for cif/fob adjustments.

Several participants reiterated that identifying and reconciling the few main asymmetries would already significantly reduce trade asymmetries, as shown for example in OECD's detailed case study of Switzerland's trade in gold.

The US reported it plans to increase its published annual trade in services statistics by country and area to around 90 as of October 2016.

Agenda item: 10 Joint EBOPS metadata questionnaire – next steps (OECD, Eurostat)

As agreed at the 2016 TFITS meeting, OECD and Eurostat are preparing a chapter for inclusion in the online MSITS2010 compilation guide on metadata, based on their experience in implementing the shared metadata survey that was developed by the TFITS. An outline of the chapter was presented and agreed upon. The UN reported that it would use a shortened version of this metadata questionnaire, prefilled version on an annual basis. Results will be made available in its knowledge base.

Agenda item: 11 Metadata survey for merchandise trade statistics (UN)

Conclusions: Comments or suggestions for questions to be considered in the survey should be sent to UNSD.

UNSD informed the TFITS on its decennial survey on national compilation and reporting practices (NCRP) on merchandise trade statistics which will be sent out by UNSD to its focal points in member states. The survey will be web-based survey to facilitate its analysis and dissemination.

Agenda item: 12 Inclusion of non-monetary gold in trade statistics (UN)

Conclusions: A question on this topic should be added to the UNSD metadata questionnaire with a view of gathering practical examples on existing trade in coins.

UNSD invited TFITS opinions regarding a possible change to IMTS and HS regarding the treatment of certain gold and silver coins (under HS 71.18) which are from a legal point of view still in circulation as legal tender but may have a higher value based on the price of its precious metal than their face value as legal tender.

Agenda item: 13 New services categories (WTO, UNCTAD)

Conclusions: The agenda item will be kept for further information exchange

UNCTAD announced its planned pilot survey on ICT-enabled services and will report preliminary results to the next TF meeting. At WTO, new services remain a controversial issue amongst its members as for their impact on specific commitments. For the EU, Eurostat has included in its FRIBS proposal new ITSS aggregates called 'Trade in ICT services' with selected service items (optional aggregate).

Agenda item: 14 Progress with respect to measuring trade in services by mode of supply (WTO, Eurostat, others)

Conclusions: The task force welcomed the development of an analytical data set on trade in services by mode of supply and emphasized that clear guidelines need to be developed for public dissemination, to distinguish the data set from nationally reported data.

Germany presented its work on using a simplified approach to develop MoS estimations, applying ranges for the shares of modes in transactions. To publish statistics based on assumptions, a tool is being developed to give the user the option of changing the default assumptions (slider), thereby increasing transparency. Furthermore a questionnaire was designed to be used in a possible future direct data collection. To test the questionnaire it was sent to around 50 companies. The responses showed that the design was easy to comprehend and that the task was fully understood. To also integrate information on mode 3, estimates could be derived from inward FATS, although it was highlighted that more hard data would be needed.

The US reported that it currently does not face particular requests for mode of supply data and will therefore develop experimental estimates using the simplified approach, and a 80/20 rule of thumb, with targeted adjustments, to split mode 1 and 4 transactions as a starting point, while building on lessons learned from other countries to further develop the statistics.

Eurostat works on developing services trade by MoS by combining the simplified approach with expert estimations to distribute transactions. This work covers FATS statistics used for Mode 3. Some empirical information drawn for example from Spain will help to refine the results. Further considerations have been initiated for obtaining more, even impartial, empirical data.

The WTO presented its project for 2017/18, funded by the EU, to develop an analytical dataset based on available experiences at global level. The work will be carried out along the lines of the bilateral trade in services data set, i.e., it will have an analytical character and be based to the extent possible on nationally reported data which will be used to generalise and develop estimates. Other organizations are welcomed to join and progress reports will be presented to statistical agencies, academics and international organizations for their feedback. The aim of this work is to offer a global data set that develops into an international benchmark which will continuously be improved.

Agenda item: 15 Progress report on Eurostat-OECD STEC Compilation guide and OECD's WPTGS work on producing a guide on linking trade and business statistics

Conclusions: Continue the development of a Handbook on linking trade and business registers

Eurostat presented a progress report on the STEC Compilation Guide which was developed in collaboration with the OECD, and will be released soon.

The OECD presented an annotated outline for a Handbook on linking trade and business statistics which was welcomed by the task force participants. A tentative timeline was added indicating that a final draft would be ready for March 2018. The Handbook was not only considered important to support data linking, but also for defining data sharing agreements and their legal backing.

Agenda item: 16 Statistical capacity building for international trade statistics (WTO)

Conclusions WTO to collaborate with Paris 21 to attract funds for trade in services statistics development at national level

The task force was updated on the agencies' respective activities with respect to statistical capacity building. A possible overlap was seen for the African region where four different players were active, the IMF, UNCTAD, WTO and the African Union/UNSD. Complementarity between the activities should be ensured, and sub-regional institutions should be involved to streamline these statistical capacity building activities.

On the fund to be developed, the task force was informed that WTO had changed its strategy from developing an own fund towards introducing trade in services statistics in the national statistical strategies developed by Paris21. To this end, Paris 21 cooperation was sought during a specific LDC course carried out at WTO premises. In this context, UNCTAD kindly offered the e-learning course on trade in services statistics. A similar course on merchandise trade statistics will be developed.

Agenda item: 17 Online version of the MSITS2010 Compilers guide (UN, others)

The UN reported that the online MSITS Compiler's Guide will follow a Wiki-type presentation based on formats of existing knowledge-bases and the outline of the MSITS2010 Compiler's Guide.

Agenda item: 18 Update on trade data dissemination (current and plans)

In addition to the update of the table on what type of statistics on trade in services is

published by each organization, UNSD informed the TFITS on their intention to organize a Comtrade User Event in Geneva in 2017

Agenda item: 19 SDMX for IMTS: progress made (UNSD)

UNSD updated the meeting on developments with respect to IMTS and SDMX. With regard to the governance of SDMX-IMTS, an independent working group will be established, called IMTS Ownership Group. It will consist of UNSD, Eurostat, and OECD. A good coordination between the ownership groups of IMTS and NA-BOP-FDI is needed to minimize divergence of the shared code lists. The TFITS will be the major stakeholder.

Agenda item: 20 Promoting trade statistics and organizing TF work

The task force discussed possible inputs in the task force's newsletter, maintained by UNSD with a view to send contributions to UNSD by end November. Topics suggested included ITC-enabled services, digital trade, manufacturing services on inputs owned by others, modes of supply dataset, and trade asymmetries.

Agenda item: 21 Other business

- **ITSS and FRIBS – Eurostat's considerations on services trade statistics in relation with other business statistics:**
- **ITC. Outlier detection program**

Eurostat informed the Task Force about progress on its FRIBS initiative which has to date not been accepted by all member states. It is not yet clear as to whether and in which definition international trade in services statistics would be included which might create some confusion among the statistical community.

Eurostat informed the Task Force about progress on its FRIBS initiative which has to date not become an official legal initiative of the EU Commission. ITSS or the part of it which is drawn directly from business surveys is covered by the current proposal of Eurostat. Similarly there are entries for optional CPA-based service categories and for pilot studies on STEC and MoS.

The ITC presented its application on detecting values or quantities for compiling merchandise trade indices it had offered to Malawi.

Agenda item: 22 Date and location of next TF meeting

The next meeting will take place in Paris, 10-11 October 2017. The TFITS meeting will be followed by a day bringing together representatives of national authorities to sketch out further work on measuring cross-border e-commerce and digital trade.

Annex 1

Meeting of the Task Force on International Trade Statistics 10-11 October 2016

New York, UNSD, Room tbc

Starting at 09:00

Provisional Agenda

10 October 2016

- 09:00**
- 1. Welcome and Opening**
 - 2. Adoption of the agenda**
 - 3. Approval of the report of the last TF meeting in Paris, October 2015**
 - 4. E-commerce -- measuring cross-border transactions (OECD, WTO)**
 - 5. Methodological issues on e.g. manufacturing services and merchanting) arising from the OECD IRG consultations (OECD)**
 - 6. Revision of concordance tables of EBOPS, including EBOPS to CPA**
 - 7. Asymmetries in merchandise trade statistics (OECD, WTO, UN, *others*)**
 - 8. Asymmetries in trade in services statistics (OECD, WTO, *others*)**
 - 9. Bilateral trade in services matrix (OECD, WTO)**

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- 9.30**
- 10. Joint EBOPS 2010 metadata questionnaire – next steps (OECD, Eurostat)**
 - 11. Metadata survey for merchandise trade statistics (UN)**
 - 12. Inclusion of non-monetary gold in trade statistics (UN, others)**
 - 13. New Services categories (WTO, *others*)**
 - 14. Progress with respect to measuring TIS by Modes of Supply (WTO, Eurostat, *others*)**
 - 15. Progress report on EUROSTAT STEC Compilation Guide and OECD's WPTGS work on producing a guide on linking trade and business statistics**
 - 16. Statistical capacity building for international trade statistics (WTO, UNCTAD/UEMOA, *others*)**
 - 17. Online version of the MSITS2010 Compilers Guide (UN, others)**
 - 18. Update on trade data dissemination (current and plans) (*all*)**
 - 19. SDMX for IMTS: progress made (UNSD)**
 - 20. Promoting trade statistics and organizing TF work**
TFITS website and Newsletter (UNSD)
 - 21. Other Business:**

- ITSS and FRIBS – Eurostat's considerations on service trade statistics in relation with other business statistics.
 - 22. Date and location of next TF meeting**

Annex 2

List of participants to the Inter-Agency Task Force on International Trade Statistics (TFITS)

10-11 October 2016

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