

***INTER-AGENCY TASK FORCE ON INTERNATIONAL TRADE STATISTICS (TFITS)***  
***Conclusions of the 2018 Meeting, 9-10 October Geneva***

The 2018 Inter-Agency Task Force on International Trade Statistics (TFITS) took place in Geneva on 9-10 October. The group provided updates and exchanged information on items raised from the previous Task Force meeting. These included methodological and data quality issues related to trade statistics, newly released datasets and publications, balancing asymmetries in both merchandise trade and trade in services, statistical capacity building, ICT-enabled services, and the experimental datasets on bilateral trade in services and services statistics by modes of supply. The group also discussed topics such as trade in services by end-use categories, business statistics and classification issues. The Agenda of the meeting can be found in Annex A and the list of participants in Annex B.

**Classifications**

The TF discussed classification for diverse issues such as crypto-currencies and coins as legal tender. Experts considered cryptocurrencies as valuables, hence merchandise, however, as there is currently no category for "digital" merchandise trade, it is unclear how to classify cryptocurrencies. Feedback was requested from the group.

Gold and silver coins as legal tender are excluded in merchandise trade as they are considered financial claims. The question raised was whether such coins should still be considered legal tender, or should they be tradeable commodities and classified in HS. A proposal was put forward by UNSD to create a national breakdown of HS code 7118.90 at 8-digit level to distinguish between coins of legal tender which are made of gold or precious metals, "not in active circulation" and not monetary gold, and to include these in IMTS.

Work of UNSD on the 5<sup>th</sup> edition of the BEC is ongoing. Verification and review of draft correspondences between BEC5 and HS 2012/EBOPS 2010 are compiled. After verification of these correlations, it is intended to expand this work to other editions of HS, including HS 2017. Another classification being developed by UNSD in collaboration with the WCO is the SITC5 correspondence with HS2022. First drafts will be circulated within the Task Force for validating before publishing.

The question of classifying services according to end-user categories was also discussed. While it is useful to link trade statistics with supply use tables (SUT) to quantify how much countries are likely to export in final or intermediate goods, this would be more of a challenge for services. It was deemed that such a concordance table by end-use would not be a one-to-one correspondence. The Task Force was also unclear whether work on this area was feasible. It was suggested to exchange knowledge and bring in expertise for classification issues.

The building of a classification of business functions is ongoing. The question is whether this could be developed from a theoretical perspective or based on aggregations of occupational activities. It was considered useful to link business and employment statistics and consequently link employment to globalization.

A few correspondence tables were identified and reminded for the Task Force to also finalize and/or made public. These were the EBOPS2010-CPC2, EBOPS2010 and ICFA Rev.1, EBOPS2010 and W/120 (services sectoral classification) correspondence tables.

### **Bilateral trade asymmetries**

Much progress was reported on the reduction of *bilateral trade asymmetries* in merchandise trade. This work is hoped to support analytical work to better capture Global Value Chains and complement current and increasing Trade in Value Added (TiVA) regional initiatives, for example, APEC or the North American Initiative. At global level, in BOP terms, these asymmetries amount to 360 billion US dollars on the goods side and 250 billion on the services side. Factors contributing to these asymmetries were seen in the informal economy, the digital economy, and SPEs.

The approaches of OECD and EUROSTAT were presented. OECD's approach (data preparation, adjustment, balancing and conversion to CPA) strongly focuses on transparent, manual adjustments with remaining discrepancies balanced using mathematical techniques. OECD's work also resulted in a cif/fob dataset for some 180 countries, at 4-digit HS level, up until 2016. The EUROSTAT approach improved the OECD methodology particularly in the treatment of the relative sizes of asymmetries.

For the joint work of OECD and WTO on the development of a world matrix of balanced, bilateral trade in services statistics by main EBOPS (BaTiS) categories, results are available online at the organizations' websites. The dataset covers balanced trade in services from 1995 to 2012, 191 countries/partners and main EBOPS 2002 items, however, it is not yet converted into CPA.

The UN would follow up on individual asymmetries with reporting countries.

### **Measuring trade in services by modes of supply**

In the work on *Modes of Supply of the WTO*, using the WTO-UNCTAD-ITC services dataset of around 200 economies with 2005-2017 data in BPM6 as starting point. The first step was to complete to the extent possible this dataset against existing data constraints (mirror, linear extrapolation for missing years, etc.). The MSITS's simplified approach was applied to provide an estimate of mode 1,2 and 4. Individual case studies were incorporated where available to improve estimates at country and consequently global level.

Worldwide FATS data were estimated to approximate mode 3 based on existing Eurostat, OECD and national data. The dataset featured modes of supply for each country. Findings from available EU data show mode 3 (commercial presence) take a significant share in total services. Methodological issues have yet to be treated, for example, isolating distribution services in mode 1 or estimating financial services in mode 3. Further improvements, however, have yet to be investigated and more empirical data is needed. It was also acknowledged there was a need of further breakdown of FATS (mode 3) statistics by residency of the client.

### **Trade in value added**

There are several of initiatives to calculate trade in value added indicators and to develop inter-country input-output tables, at times overlapping, for example, for North America, APEC, ASEAN, Latin America, etc. Projects are in the pipeline for improving the data availability for the African region. All these different initiatives call for a coordination, especially for the input data, which could be used by the various initiatives in their respective projects, for example the OECD/WTO balanced trade in services by partner dataset.

### **Statistical capacity building**

In statistical capacity building, the issue of how to better coordinate requests by national offices was raised. A proposal put forward by WTO was to build a Technical Assistance Hub. This would facilitate more effective coordination of demand and supply of TA, better leverage resources and improve planning. The portal will work as a hub where interested institutions in developing economies such as National Statistics Office, Central Banks, Ministries, seeking assistance in measuring trade can submit their requests. The proposed portal would also serve as a forum for Q&As on methodological issues covering all statistical domains (IMTS, services, TiVA, etc.). It was decided that more internal discussions within TF members' respective agencies was needed before a follow-up discussion on the proposal. A mock-up portal would be done after a proper needs analysis.

### **Analytical database on Multinational Enterprises**

The OECD presented a progress report on their Analytical Database on Individual Multinational Enterprises and their Affiliates or ADIMA. The database contains information on large MNE's extracted using traditional sources as well as big data and analytical techniques. Having information on MNE activities was deemed useful and important for statistical purposes. The database is meant to have a register of parent and affiliate relationships and combines the use of traditional (annual reports) and emerging official data sources (such as legal entity identifiers or LEI's, PERM IDs) as well as big data techniques (such as web scraping and text analysis) to analyse unstructured information.

### **The TF role**

A concern raised was the role of the Task Force and ensuring its clarity and objectives in relation to various expert groups being formed for specific statistical subjects. The reports of two expert groups were expected to be presented to the UN Statistical Commission by the end of 2018. These are the Expert Group on International Trade and Economic Globalization Statistics (Handbook of Accounting of Global Value Chains) and UNCEBTS. The Task Force was informed that the former is expected to be dissolved once the report was submitted and the latter's governance structure was yet to be finalized. It was emphasized that a clear distinction of roles and objectives and no duplication of work should be ensured between the Task Force and other expert groups.

The next Task Force Meeting is scheduled to in Paris in October 2019.

## Annex A. Agenda

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### Day 1 – 9 October

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**14.00-15.30**

**Item 1. Welcome and Opening**

*Co-chairs Fabienne Fortanier (OECD) and Andreas Maurer (WTO)*

**Item 2. Adoption of the agenda**

**Item 3. Approval of the report of the last TF meeting in Paris, October 2017**

**Item 4. Issues related to the UN Statistics Commission – the role of the TFITS**

*Markie Muryawan (UNSD)*

**Item 5. Balancing asymmetries in merchandise trade statistics – progress report**

*Fabienne Fortanier (OECD) and Andreas Maurer (WTO)*

*Markie Muryawan (UNSD)*

**Item 6. Balancing asymmetries in trade in services statistics – progress report**

*Fabienne Fortanier (OECD) and Andreas Maurer (WTO)*

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*Coffee break (15.30-16.30)*

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**16.30-18.00**

**Item 7. BPM6 and related issues for discussion**

*Silvia Matei (IMF)*

**Item 8. New services and ICT products**

*Andreas Maurer (WTO)*

*Diana Korka (UNCTAD)*

**Item 9. Trade in services by end-use categories**

*Fabienne Fortanier (OECD)*

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### Day 2 – 10 October

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**09.30-11.00**

**Item 10. Measuring Trade in Value Added Initiative -- update on Regional-Global TiVA initiatives**

*Fabienne Fortanier (OECD)*

**Item 11. Results of the UN Metadata survey for merchandise trade statistics (UNSD) – progress report**

Markie Muryawan (UNSD)

**Item 12. Measuring Trade in Services by Modes of Supply – progress report**

Andreas Maurer (WTO)

Riina Kerner (Eurostat)

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*Coffee break (11.00-11.30)*

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**11.30-13.00**

**Item 13. The OECD Analytical Database on Individual Multinational Enterprises and their Affiliates (ADIMA): progress report**

Fabienne Fortanier (OECD)

**Item 14. Classifications**

Markie Muryawan (UNSD)

**Item 15. Online version of the IMTS2010/MSITS2010 Compilers Guide: What's new?**

Markie Muryawan (UNSD)

**Item 16. Update on trade data dissemination (current and plans)**

All

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*Lunch break (13.00-14.30)*

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**14.30-16.00**

**Item 17. Statistical capacity building for international trade statistics**

Barbara d'Andrea (WTO) on behalf of the TFITS

Mark Assaf, UNCTAD

**Item 18. SDMX for trade statistics: progress report**

Markie Muryawan (UNSD)

**Item 19. Business statistics**

UNSD, UNIDO and Eurostat

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*Coffee break (16.00-16.15)*

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**16.15-18.00**

**Item 20. Promoting trade statistics and organizing TF work: TFITS website and Newsletter**

Markie Muryawan (UNSD)

**Item 21. Any Other Business**

**Item 22. Date and location of next TF meeting**

## Annex B. List of Participants

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