

## Report of the meeting of the Task Force on Statistics of International Trade in Services (TFSITS)

27<sup>th</sup> March 2012, UNSD, New York.

<b>Agenda item:</b>	<b>Welcome and opening</b>	
<b>Presentation:</b>		
	<p>Ronald Jansen (UNSD) welcomed the delegates to the United Nations Statistical Division in New York, noting that the last meeting in the same venue took place in 2006. He underlined the central importance of trade in services and the challenge in measuring certain services like manufacturing services that are occurring in a globalised world where the production chain is increasingly fragmented across countries.</p> <p>A main issue in the collection of trade in services is the wide variety of sources and the large number of institutes that are involved. There are furthermore many differences between countries especially in term of which services are important for them. All these aspects will have to be dealt with in the Manual on Statistics of International Trade in Services Compilers Guide.</p> <p>The Chair (Bettina Wistrom, OECD) noted that the IMF representative was new to the group; a tour de table was consequently organized in order to introduce all participants. (The list is attached as annex 2).</p> <p>The agenda was adopted (The agenda is attached as annex 1) and so was the report of the last meeting.</p>	
<b>Agenda item:</b>	<p><b>International Organizations data collection</b>  <i>Report of TF delegation visit to IMF regarding harmonization of International Organizations trade in services Statistics</i></p>	<b>Presenter:</b> OECD
<b>Presentation:</b>		
	<p>The Chair reported that International Organisations (IO) TF representatives (Eurostat, WTO, UNCTAD, UNSD and OECD) had visited IMF on the preceding day (26<sup>th</sup> of March) as a follow up of the discussion on the harmonization of statistics of international trade in services which took place at the last 10<sup>th</sup> of November TF meeting and summarized the main issues discussed.</p>	
<b>Conclusions:</b>		

The Task Force welcomed the initiative to set up a mechanism to discuss with IMF, in order to resolve some identified differences across the International Organisations datasets knowing that not all could be resolved. In that perspective, in order to explain differences in data due to different vintages, time stamps should be added to IO datasets so it is possible to check when the data was updated by the IO. The Task Force noted also that SDMX is expected to help increasing consistency of trade in services statistics across databases maintained by various international organizations.

<b>Agenda item:</b>	<b>International Organizations data collection</b> <i>Introducing the outcome table of the data comparison exercise</i>	<b>Presenter:</b> OECD
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<b>Presentation:</b>	
<p>The Chair presented the actions undertaken by the Task Force since the last November Task force. These included the preparation of an outcome table of the comparison exercises of trade in services statistics across IO databases; participation of some TF members to the BOP DSD group; organization by the IMF of the 26th of March visit. Some possible next steps were suggested.</p>	

<b>Conclusions:</b>	
<p>The Task Force noted that the OECD Secretariat of the Task Force would prepare a note with an inventory of exchange rates used by different IOs. The taxonomy exercise should be pursued; possible candidate countries would be selected via e.mail correspondence after the meeting. The UNSD matrix should indicate if the BPM6 data presented by the IO was obtained via conversion by the International Organisation or if the new standard was directly provided by the country. IO should agree on recommendations for revision policy and provision of back data in the context of the move to BPM6. In this prospect European recommendations should be looked at. A note should be presented at the next meeting of the Task Force. This note should also propose a possible strategy for a coordinated introduction of BPM6 services data by IOs into their publications and other releases (except IMF which will begin the broader introduction of BPM6 in its publications starting in August 2012).</p>	

Action items	Person responsible	Deadline
✓ Prepare a note with inventory of exchange rates	Secretariat	ASAP
✓ All IO should update the UNSD overview matrix	All IO TF members	ASAP
✓ IO to agree on recommendations for revision policy and provision of back data as well as proposing a strategy for a coordinated introduction of BPM6 data	All IO TF members	ASAP

<b>Agenda item:</b>	<b>International Organizations data collection</b> <i>Status of the data collection - Databases on Statistics on International Trade in Services and Report on joint trade in services data production</i>	<b>Presenter:</b>	OECD, UNSD, Eurostat, WTO and UNCTAD
<b>Presentation:</b>			
<p>OECD, UNSD and Eurostat presented the status of their trade in services data collection. WTO and UNCTAD informed the group on their common work on trade in services as the two organizations have started a joint release of short term – quarterly - datasets for total services and total commercial services; and an annual release for totals and the main eleven (+3 more detailed items) services aggregates was planned for mid-April.</p>			
<b>Agenda item:</b>	<b>Coordination of technical assistance</b>	<b>Presenter:</b>	WTO
<b>Presentation:</b>			
<p>At its last 10th of November meeting, the TF had asked WTO to coordinate information on technical assistance. WTO presented an inventory of technical assistance activities. A WTO-UNCTAD-Eurostat proposal was made to set up an e-learning course for trade in services statistics.</p>			
<b>Conclusions:</b>			
<p>The Task Force thanked WTO for the technical assistance report, amongst other things aiming at avoiding duplication of training activities. An analysis of available training material (and agendas) should be performed. If that is possible, Task Force members are invited to send available training material to WTO by the end of May to enable this analysis. The TF welcomed the WTO-UNCTAD-Eurostat proposal to set up an e-learning course for trade in services statistics noting that some e-learning courses could be used as pre-workshop assignments. Other members of the Task Force willing to participate in the development of this project would be welcome. The usefulness of a forum to exchange on issues encountered by statisticians having participated to these courses was underlined. Some recognition of the progress made as a result of attending these courses should be set up possibly in the form of a “quality certificate”.</p>			
<b>Action items</b>		<b>Person responsible</b>	<b>Deadline</b>
✓ Task Force members are invited to send available training material to WTO		All TF members	End of May
<b>Agenda item:</b>	<b>The implementation and compilation guidance process</b>	<b>Presenter:</b>	UNSD
<b>Presentation:</b>			

UNSD reported on the outcome of the 43rd session of UNSC, presented the process and time table for the development of the Compilers Guide for MSITS 2010 which is the following:

1. In March 2012, the first virtual meeting of the expert group was held. The main objective of the meeting was to review the annotated outlines of all chapters of the compilers guide and to decide on the scope of the guide and the general content of each of the chapters;
2. In April/May 2012, an updated annotated outline of the compilers guide will be circulated for worldwide consultation;
3. In October 2012, the first set of draft chapters of the compilers guide will be discussed in the second virtual meeting of the expert group;
4. In February 2013, a third virtual meeting on further draft chapters will be held;
5. In June 2013, a final face-to-face meeting of the expert group is tentatively scheduled to be held at UNCTAD in Geneva, where the full draft compilers guide will be reviewed.

A general overview of the first electronic discussion was given and the Special Session of the Task Force on 28, 29 and 30 March 2012 was introduced.

**Conclusions:**

The Task Force noted that UNSD would prepare a report to UNSC in 2013 about the future of trade statistics. The draft will be presented to the TF in September-October 2012 for comments. The Task Force noted that support from consultants is available to draft on specific subjects (in particular FATS and Travel). The Task Force emphasized that the timeline for drafting the Compilers Guide is ambitious however this timeframe had been agreed taking into account the tight timing for countries to implement the new recommendations.

Action items	Person responsible	Deadline
✓ To prepare a report to UNSC on the future of trade Statistics.	UNSD	Sept/Oct 2012

<b>Agenda item:</b>	<b>Status of Service chapter in BPM6 compilation guide</b>	<b>Presenter:</b>	IMF
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**Presentation:**

The IMF representative reported that the first progress chapter-by-chapter of the BPM6 Compilation Guide had been presented at the 2010 Meeting of the IMF Committee on Balance of Payments Statistics (BOPCOM). The chapter 12 is dedicated more specifically to services. There are also two separate appendices on FISIM and Insurance.

Also the IMF representative drew the TF members attention to the useful information included in Chapter 2 which deals with how to conduct the survey; in Chapter 3 which covers specific surveys on businesses for Balance of Payments IIP purposes; in Chapter 4 which covers ITRS; and Appendix VII displaying Model Survey Forms and Appendix I which presents the conversion matrix – from BPM5 to BPM6.

**Conclusions:**

The Task Force welcomed the IMF presentation, which allows a better understanding of how to link the work done by the IMF on the BPM6 Compilation Guide and by the TF on the MSITS Compilers Guide. In particular countries examples and best practices in the form of country surveys will be made available with the MSITS CG. The Task Force emphasizes that the two CGs are complementary work.

<b>Agenda item:</b>	<b>Report of the Bundesbank/Eurostat workshop on "Practical issues in the implementation of BPM6 - Current and Capital"</b>	<b>Presenter:</b>	Eurostat
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**Presentation:**

The Eurostat representative explained that the seminar was organized because countries needed to exchange experience in implementing the new standards not only related to services but to the whole current account. Among the problematic issues covered were non monetary gold, merchanting, manufacturing services, R&D, insurance, FISIM, transfers, remittances and transactions involving Households.

**Conclusions:**

The Task Force underlined the interest of the conclusion of the seminar in order to identify priorities in particular regarding R&D and Intellectual property. Prototype questionnaires on these specific services should be produced by the TF as this is not overlapping with IMF plans. OECD could take the lead in this area. The need for compilation guidance on Insurance, manufacturing and FISIM were also emphasized.

Action items	Person responsible	Deadline
✓ OECD to design a prototype questionnaire for R&D	OECD	

<b>Agenda item:</b>	<b>Presentation from US BEA on new IT system and synchronizing TIS data collection</b>	<b>Presenter:</b>	US BEA
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**Presentation:**

The US BEA representative described its current data management system (which is a patchwork approach driven by economists needs, and a mix of automated and manual systems that require many checks) and explained its efforts to modernize it.

**Conclusions:**

The Task Force expressed appreciation for the useful presentation on US efforts to integrate and rationalize the trade in services IT management system that should also increase consistency and availability of TIS statistics. This could be used for the Compiler's Guide as a good example for managing and collecting TIS data.

<b>Agenda item:</b>	<b>Update on the harmonization and integration of FDI and AMNE statistics</b>	<b>Presenter:</b>	OECD
<b>Presentation:</b>			
The Chair introduced the updated paper on behalf of the OECD colleague Ayse Bertrand, noting that a first version had already been presented at the November Task Force by the author.			
<b>Action items</b>		<b>Person responsible</b>	<b>Deadline</b>
✓ TF to provide comments to the author		All TF members	End of April
<b>Agenda item:</b>	<b>Update on process to code EBOPS Items in the context of the BOP SDMX technical group</b>	<b>Presenter:</b>	IMF
<b>Presentation:</b>			
IMF described how the 15 dimensions DSD matrix should be used in the context of the transmission of trade in services statistics. The idea is to develop a standard to be used by IOs to exchange BOP data, a standard that should also be implemented by countries in order to allow users to pull the BOP data from their websites in a standardized fashion.			
<b>Conclusions:</b>			
The Task Force thanked the IMF for the presentation of the current status of the BOP SDMX related work, flagging that the inclusion of an item “services not allocated” would need to be agreed upon at the next BOP DSD meeting in April. The Task Force concluded that whatever the decision to be made on the “services not allocated item” in the BOP DSD, the MSITS 2010 Compilers Guide would need to clarify how compilers should deal with services that they cannot allocate to a specific service category.			
<b>Action items</b>		<b>Person responsible</b>	<b>Deadline</b>
✓ The introduction of services not allocated to be discussed at next BOP DSD meeting		OECD, Eurostat, IMF, WTO	End of April.
<b>Agenda item:</b>	<b>Trade in Value added and other new developments in trade statistics</b>	<b>Presenter:</b>	OECD, WTO, UNSD
<b>Presentation:</b>			
OECD and WTO jointly presented the work undertaken on trade in value added which aims at setting up a complementary matrix (supplementing gross flows of trade) for analyzing trade patterns and designing adequate policies. The objectives of the joint project are to define methodology (linking I-O tables with bilateral trade), produce a publicly available and regularly updated database, build up a network of			

institutions active in this field. The group was informed that preliminary results will be available in May/June.

As noted above, UNSD will prepare a report to UNSC in 2013 about the future of trade statistics and will seek Task Force comments on this matter in September-October 2012.

<b>Agenda item:</b>	<b>Revision of concordance annexes to the <i>Manual on Statistics of International Trade in Services (MSITS)</i></b>
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<b>Conclusions:</b>	
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Regarding the EBOPS 2010 correspondence, the Task Force agreed that the correspondence of EBOPS 2010 versus CPC rev.2 will be further elaborated by OECD, UNSD, WTO and IMF along the lines defined in the related document. It will be thereafter circulated to the TF - by end of May. The correspondence between CPC Rev. 2 and EBOPS 2010 should also be prepared given the particular interest raised by some experts.

Regarding the EBOPS 2010 – W/120 correspondence, the TF noted that the issues underlined are linked to some of the issues raised in the EBOPS 2010-CPC Ver. 2 correspondence table.

Regarding the EBOPS 2010 – ICFA rev 1 correspondence, Eurostat would prepare a revised version by the end of May with the assistance of WTO and OECD.

Regarding the EBOPS 2010 – BPM6 correspondence, the TF thanked the IMF for preparing the correspondence and noted it was almost ready to be posted on the TF website.

Action items	Person responsible	Deadline
✓ EBOPS 2010 versus CPC rev.2: will be further elaborated and circulated to the TF	OECD, UNSD, WTO and IMF	End of May
✓ EBOPS 2010 – W/120 correspondence: the remaining issues will be fixed when some issues raised in the EBOPS 2010-CPC Ver. 2 correspondence table will be solved	WTO	
✓ EBOPS 2010 – ICFA rev 1 correspondence: a revised version will be prepared	Eurostat, with the assistance of WTO and OECD	End of May

<b>Agenda item:</b>	<b>Classifications</b>	UNSD
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<b>Presentation:</b>	
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UNSD presented the plans for revising the Broad Economic Categories (BEC) and preparing the Classification of business functions. On BEC, there would be a virtual meeting held in April and another in September. India, Austria, New Zealand and International Organizations will participate to the BEC technical sub-group. Virtual meetings of the technical sub-group on Business Functions will be held in May and October 2012.

<b>Agenda item:</b>	<b>Promoting the MSITS 2010 and organizing TF work</b>	<b>UNSD</b>
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<b>Presentation:</b>	
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UNSD is in the process of gradually updating all of its webpages, which includes the TF webpages. The new layout should be made available for comments by this summer.

<b>Agenda item:</b>	<b>Date and location of next TF meeting (25<sup>th</sup> - 26<sup>th</sup> October 2012)</b>
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<b>Presentation:</b>	
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The meeting will take place at the OECD in Paris, back to back with the OECD Working Party on Trade in Goods and Services Statistics (22<sup>nd</sup> to 24<sup>th</sup> of October). Two days of meetings are provisionally planned, the first day being devoted to a special session of the TF discussing available draft text of the Compilers Guide as quite a few members of the expert group will attend the OECD WPTGS in Paris.