

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

17-18 April 2013, FAO, Rome.

Agenda item: 1 Adoption of the agenda	
Presentation:	
The agenda was adopted, the final agenda is attached as annex 1, the list of participants is attached as annex 2. Gratitude was expressed to FAO for organising the meeting and providing the note taker.	
Agenda item: 2 Approval of the reports of the last TF meetings in Paris October 2012	
Presentation:	
The reports were approved	
Agenda item: 3 Report on coordination of technical assistance	
Presenter:	WTO
Presentation:	
<ol style="list-style-type: none">1. WTO updated the Task Force on trade in services statistics technical assistance activities (based on the submitted report) as a follow up to the March and October 2012 presentations. This follows on a November 2011 Task Force decision to better coordinate technical assistance where the WTO Secretariat was asked to act as a focal point with respect to this coordination. The aim of this task is in particular to<ul style="list-style-type: none">• improve transparency of technical assistance activities in the field of trade in services statistics and attempt to avoid overlapping or duplicating projects;• maintain a list of experts available to provide more hands-on and long-term technical assistance or participate in capacity building projects;• review existing material/agendas to analyze and identify possible synergies or improvements in the way technical assistance is provided; and• explore new ways of providing technical assistance through the use of e-learning. A number of developments in this field have taken place at UNCTAD and WTO and were reported.2. WTO informed the group that a joint WTO & UNCTAD e-learning platform on trade in services	

statistics is being prepared based on existing material (training module & sessions on training). The course is to be finalized and then approved by the Task Force. The strategy for using the e-learning course has still to be thought out. The e-learning course could be used to provide general knowledge about Trade in services and technical assistance could then be more focused on particular issues. The speaker raised the issue of funding and asked for any advice in getting additional funds. English-French-Portuguese versions are planned for now with possible addition of Spanish version.

3. As decided at the October 2012 Task Force meeting, a dedicated web page on Trade in Services activities had been created by the WTO Secretariat. It includes the training module as initially requested by the World Bank. The training module has been updated in line with BPM6 and MSITS 2010. The module is available in English, French and Spanish. The need to reinforce regional trainings was flagged and current inter-agency collaboration was very much appreciated. Beyond international agency activities, activities at bilateral level (at country level) are also relevant. A questionnaire on bilateral trainings had been sent in order to complement the questionnaire sent to OECD member countries in the context of the last Working party on Trade in Goods and Services, but response rate was low as only 24 supplementary responses were collected. Of those, 80% of responding countries indicated that they have benefitted from technical assistance. Countries also mentioned future events. It was flagged that NZL experts on mode 4 are willing to contribute and share their experience as it was recently the case in South Africa.
4. The UNSD representative expressed support to the role of WTO as a focal point on technical assistance and noted that UNSD regularly invites Task Force members to regional workshops. He informed the group that a lot of training material had already been posted on the web and Task Force members were called to supplement. He also noted that future training activity was planned in Africa (starting with the seminar in Morocco on the following week) and that in the third quarter of 2013 a training workshop was planned for the Asian region, most probably in the UN regional office in Bangkok. Japan would be invited to contribute but any other member of the Task Force is also invited.
5. UNWTO indicated having adopted two approaches to capacity building. The first approach consists of regional events, with one country acting as a hub. These regional seminars should be included in the technical assistance list. The second approach consists of bilateral meetings where the role of UNWTO is more limited. He suggested the Task Force to maintain an internal list including bilateral initiatives for information and coordination, while the external list would be available on the net.
6. IMF is involved in providing technical assistance to countries on Trade in services mainly as an integrated part of balance of payments assistance, especially in the current period where countries are moving to BPM6. Standalone trade in services seminars -and possibly remittances seminars- can also be provided either via IMF regional centers (for example, Singapore Training Center)_or via other regional agencies (for example the Slovenian IMF center of excellence) provided the administrative matters are taken care by these agencies It was emphasized that regional centres or similar agencies should be approached for possible initiatives before submitting the request to the IMF.
7. US BEA informed the group about its recent participation to a workshop organized by UN and flagged willingness to further contribute, however the representative also mentioned the tightening of the budget in his institution. Bank of Japan (BoJ) also noted its willingness to contribute, not only on Trade in services but also more generally on BOP compilation. The BoJ representative noted that any training request would arrive at her office. She also flagged the tightening resources at the BoJ.

8. UNCTAD reported on an agreement signed between UNCTAD and [UEMOA](#) (Monetary Union of West Africa), presenting the project which include assessment meetings and training workshops. IMF suggested combining the UEMOA project with the [BCEAO](#) project in the same region.
9. INTRACEN informed the group that the Trade in services section had been reactivated and trade in services data are being re-published by the agency. Training activities are being focused on market analysis but trade in services is also referred to during the workshops.
10. OECD noted that the OECD is not providing technical assistance but expressed willingness to contribute to some events on an exceptional basis.

Conclusions:

11. The Task Force expressed appreciation for the updated report and the focal role played by WTO in coordinating technical assistance. UNWTO regional seminars will be added to the technical assistance list. Any complementary information should be sent to WTO so the new dedicated website can be updated. The Task Force took note of the WTO-UNCTAD work drafting an outline of the e-learning course. The outline will be shared in mid-May. It has been suggested to maintain an internal list for future plans on technical assistance to allow IOs to coordinate technical assistance in advance.

Action items	Person responsible	Deadline
✓ To provide any supplementary information on technical assistance to WTO	all	ASAP
✓ To send list of UNWTO regional seminars to WTO	UNWTO	ASAP
✓ To share draft outline of e-training course	WTO-UNCTAD	Mid-May

Agenda item: 4 **Harmonizing Trade in Services data across International Organisations databases- Inventory of the BPM5-BPM6 conversion initiatives -Report on coordination of technical assistance (OECD-WTO)** **Presenter: OECD**

Presentation:

12. OECD introduced the note which was jointly prepared with WTO. This note follows the decision of the Task Force of October 2012 to regularly exchange on algorithms to convert data from EBOPS2002 to EBOPS 2010 and vice-versa. The aim of such an exercise is to ultimately encourage the international agencies for which this is deemed relevant, to adopt a common algorithm to convert detailed (BOP based) services data from old to new presentation standards. This first note mainly presents the current work of agencies members of the Task Force for the main services items.
13. It was flagged that
 - a. As their member countries would move gradually to the new standards, OECD and UNSD were planning to run two parallel databases during the transition period (one in EBOPS 2010, one in EBOPS 2002 format).

- b. The IMF Statistics Department (STA) converted data for countries who continued to report data to the IMF on a BPM5 basis to a BPM6 presentation format. The algorithm used by IMF for converting BOP and IIP data was shared with the Task Force after the last meeting in the form of an excel file.
 - c. Following the TFSITS decision, Eurostat is encouraging Member States to provide, in 2014, detailed trade in services statistics in EBOPS 2010, as far back as possible but at least from 2010. Otherwise, for the periods before 2010 for which member states cannot provide historical trade in services data, Eurostat will convert the old annual time series to EBOPS 2010.
14. Starting with 2009 data, UNCTAD and WTO have been carrying out a BPM6-BPM5 conversion exercise for about 20 countries for which no BPM5 based data were available. The conversion mapping was introduced.
 15. During the discussion, WTO expressed appreciation for the cooperation with UNCTAD as trade in services statistics had been aligned between the two organisations and data are being now jointly published. ITC would also align in July 2013. UNSD expressed appreciation for the report and underlined the need for better communication between agencies. They also raised the issue of UNSD having to present the detailed trade in services data following two classifications which might last for a very long period as some developing countries had only recently adopted BPM5.
 16. OECD noted that in the case of its member countries the transition period where the agency would run two parallel datasets would most probably end in 2015 when most OECD member countries would have moved to BPM6 and EBOPS 2010. This transition period would most likely last for much longer in the case of UNSD. The difficulty to convert bilateral trade in services data was flagged.
 17. IMF informed the group that when the decision was made to move to BPM6, the Institution was aware that countries would only move gradually to BPM6. So for countries that continued to report balance of payments data under BPM5 after the dissemination in BPM6 presentation format was introduced (from August 2012), their data were converted so that only a BPM6 format was disseminated. IMF does not maintain two separate data series (on a *BPM5* and on a *BPM6* basis) after the conversion of its publications to a *BPM6* basis from August 2012. Data as reported by countries are converted from BPM5 to BPM6 but no estimation is performed for newly-introduced items that are not provided (such as FISIM). It was explained that countries had the choice between different options: providing their own BPM6 data, automatic conversion or customized conversion.

Conclusions:			
18. The Task Force expressed appreciation for the report on the inventory of the BPM5-BPM6 conversion initiatives and supports the effort to adopt a common algorithm for conversion, taking into account the conversion formula adopted by the IMF. The issue should be also on the agenda of the next Task Force meeting.			
Action items		Person responsible	Deadline
✓ The secretariat to add the issue of conversion from one standard to another to the agenda of the next Task Force meeting.		Chair	

Agenda item: 5	Status of the data collection – Databases on Statistics on International trade in services	Presenters: UNSD, OECD, IMF, Eurostat, WTO-UNCTAD
Presentation:		
<p>19. UNSD informed the group that the 2011 data collection cycle was launched in July 2012. Data for 143 countries had been collected. These countries include data received from Eurostat, OECD and other sources. WTO emphasized the need to flag the countries providing partner country information in the report. The US BEA noted that detailed trade in services following EBOPS 2010 to the extent possible would be available on the BEA website beginning June 2014 with aggregate and certain detailed data available from 2003; currently available statistics for periods prior to 2003 will be maintained.</p> <p>20. The Task Force appreciated the report regarding UNSD data collection, noting that there is no duplication of work with Eurostat and OECD. UNSD will align exchange rates to the ones used by other IOs and will highlight countries that provide bilateral data in the report.</p> <p>21. OECD reported on its data collection noting that Australia and Chile are now included in the EBOPS 2010 dataset, data for Canada and Russia had also been received following EBOPS 2010 but had not been processed yet. It was confirmed that the EBOPS 2010 item codes shown in the datasets were those of the BOP DSD. For partner country coding OECD would map the ISO 2 coding of the DSD to the ISO 3 coding system used by the organization. OECD advised UNSD to check the (identical) reporting and partner country dimensions of the BOP DSD for any missing regional grouping. OECD noted that a maintenance agency for the country and regional grouping had not yet been appointed. The OECD trade in services dataflow using 4 of the 16 dimensions of the BOP DSD was also introduced to the group. Comments on the OECD trade in services dataflow which had been made available in an excel format on the Task Force EDG were welcomed.</p> <p>22. IMF noted that the BOP codes presented in its databases were not yet those on the DSD as the conversion to BPM6 had been performed before the finalization of the DSD codes, so transitory codes were used. The DSD codes will be adopted eventually. The US BEA asked if there was a possibility to specify in the DSD if the trade figures in the DSD related to trade among affiliated or unaffiliated enterprises. OECD noted that the possibility to specify this information was not included in the 16 dimensions of the DSD however UNCTAD noted that this type of information could be stored in the attributes of the DSD.</p> <p>23. The Task Force took note of the OECD report on the status of the data collection and of the availability of the OECD trade in services dataflow on the EDG on which comments were welcomed.</p> <p>24. IMF informed the group about the status the BPM6 Compiler's Guide, specifically Chapter 12 dedicated to services, relevant appendices and forms, revised versions of Chapter 12 and the Appendix II on Insurance transactions and positions will be made available in the pre-publication draft in June 2013. Appendix III on FISIM is still under development. New forms related to services are being developed and will be posted for comments. The Task Force would be informed when all parts of the compiler's guide related to services would be made available.</p> <p>25. Regarding the database, from August 2012 data have been converted to BPM6 and the type of submission/conversion is flagged for each country. BPM6 also introduces changes in the convention for the signs, for example the net of financial account is presented with the opposite sign as compared to</p>		

BPM5. 25 countries (out of 183) had up to now submitted their BOP data in BPM6 format and 3 were in progress. Concerning IIP, 20 countries were reporting following the new standards and 2 were in progress. Data following the BPM6 standard were mostly provided from 2005 but some countries were providing much longer historical series (Australia from 1989; Canada from 1981; HKG from 1998). There were some ongoing internal discussions on the possibility to publish longer historical series in a BPM6 format in the IMF database.

26. The group was also informed that since July 2012, new standardized metadata report forms were used. Some 105 metadata submissions had been received. Old metadata have been archived and could be made available on request. US BEA expressed appreciation for the new format of the metadata and suggested making them downloadable in PDF format for interested users. UNCTAD raised the question of whether this new standard form for metadata could be used as a base for MSD (metadata structure definition) in SDMX format. IMF would check.
27. **The Task Force took note of the IMF presentation, noting that comments are still welcomed on model forms available in appendix VIII. The new metadata format was welcomed and it was suggested to make the metadata downloadable for the user. The Task Force also discussed the availability of BPM6 data before 2005 and noted that some internal discussions at IMF were ongoing. The Task Force will be informed by IMF when the new material related to services of the compilation guide will be published.**
28. UNCTAD explained that the WTO-UNCTAD joint dataset had been updated on schedule and confirmed that some data in BPM6 format had been converted from BPM6 to BPM5, so in the dataset, all trade in services data are presented in BPM5 format. The quarterly dataset provides information for total commercial services for about 130 countries. Annual data up to 2012 are available including data for world and geographical regions and economic groupings. Data for 11 main items start in 2000, some decreasing financial services figures for EU member state were flagged pointing to some possible problem with the data. In future more economic groupings were planned. ITC would also be involved in this cooperation.
29. ITC informed the group having worked on a comparison exercise on the period 2004-2010 on data downloaded in December 2012. Some discrepancies had been noted, sometimes large. It was flagged that many differences arise because of the lag in the updating procedures. ITC flagged 3 important aspects of data quality and metadata:
 1. To define one IOs per country (where different IOs publish same data for same country): Eurostat for EU, OECD for OECD MCs, and UNSD for the rest
 2. Each organisation should add a time stamp to its country data
 3. The comparison exercise should be repeated with national data, and issues found if any should be resolved.
30. OECD noted that these were excellent recommendations, in line with earlier Task Force views and the spirit of the current Task Force taxonomy exercise. Eurostat also expressed support to these recommendations. It was clarified that the issue with US data that was highlighted in the ITC data comparison was linked to the fact that Eurostat had waited for OECD to perform a full update of US data in its database (both with partner world and all partner countries). AS OECD had prioritized the updated

of partner world data in a first stage to meet user needs, partner world data for US had been different for a period between the two organisations.

31. Eurostat updated the group on the status of the dataset, noting that the person in charge had left and would be replaced from the first of May. Some issue with the availability of Norwegian data should be further checked.

Action items	Person responsible	Deadline
✓ To add a flag highlighting countries with partner country data in the next report on the status of data collection by UNSD.	UNSD	Next Task Force
✓ To Comment on the OECD trade in services dataflow which had been made available in an excel format on the Task Force EDG. ✓ To comment on model forms available in appendix VIII of IMF Compilation Guide	all	ASAP
✓ The Task Force will be informed by IMF when the new appendices to the services chapter of the compilation guide will be published.	IMF	-

Agenda item: 6.a	The implementation and compilation guidance process	Presenter: UNSD
	Report on the outcome of the virtual meeting	

Presentation:	
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32. The UNSD representative noted that the available draft texts have been well received during the virtual meeting. Participating countries and agencies had posted 103 comments. Contributions to the virtual meeting that was initially opened for 3 weeks and slightly extended as further inputs were being sent. A summary of the comments has been prepared by UNSD. It was decided to discuss the comments by chapter.

33. As a general comment OECD noted that the deadline of the 15th of May might be too tight in particular to what regards the OECD contribution on Intellectual Property Rights. UNSD noted that some flexibility was possible here. It was agreed later in the meeting that the deadline for providing the drafts could be the 30th of May. Bank of Italy also raised the question of the delineation between the standard paper version of the Compilation Guide and what would go to the electronic version. UNSD noted that by mid-June, UNSD would present what part should be included in the printed part. He clarified that the editor, Mr Markhonko had started being involved in the process.

Part I – General Framework

Chapter 1

34. OECD, in charge of Chapter 1, noted that the text had been jointly drafted with national experts from Japan (Mr. Hagino) and Chile (Mrs. Mendez) currently seconded to OECD. From the comments posted on the forum, it was clear that the text, including sections C and D was too long, so the OECD will shorten, avoiding any deviation from MSITS as also flagged in the virtual forum. Regarding the issue of the clarification of the “predominant center of economic interest”, it was decided to refer to the appropriate standard. OECD took note of the need to provide a numerical example for box 1 on transfer prices and that reference to appropriate standards could also be made on this issue. Some comments provided separately by WTO had also been taken on board. The Chair noted also the need to keep in mind all the issues raised following the worldwide consultation so Issue 28 “assure consistency with standards”¹ is addressed in this first chapter. OECD has also noted the Eurostat comment on the need to better explain Modes of supply in the context of the GATS. This will be done to the extent that the information available in the introduction is not duplicated.
35. The Bank of Italy representative confirmed that there was an issue of balancing what text is essential in the context of the Compilers Guide and what text is too specific and should probably go to the electronic version as it was probably the case for section C. The US BEA shared this view noting that the section D was also too long and noting that gross reporting should also be mentioned here. IMF also emphasized that the text needed to be shortened and highlighted the need to rather focus on practical and less on conceptual aspects in this guide, therefore links to information included in other Manuals should be given. UNSD also agreed that the chapter is too long and that links to the electronic version, which would be more detailed, should be given. AS WTO was asking how to proceed on the issue of transfer price, OECD confirmed that the issue of providing more practical information for transfer prices would be investigated
36. **The Task Force suggested that the text of Chapter 1 be shortened and that the specific topics should not be discussed in detail but just mentioned with references made to more detailed text, for instance in part 3. The issue of gross/net evaluation should be mentioned in Chapter 1. A decision was still needed on what will be included in the core text and what would only be shown on the web. A decision on general principles was reached during the meeting i.e. that the guide should only introduce the concepts without being too specific. Allocation of the text at a more detailed level could be decided by end May**

Chapter 2

37. No text provided- Still in progress.

¹ See [Report of the Expert group meeting reviewing comments from the worldwide consultation](#).

Chapter 3

38. OECD noted that, as flagged in several instances during the virtual meeting that the current text reflects well the outcome of the discussion of the March 2012 Task Force meeting: institutional arrangements should come before the creation of the legal framework. OECD also agreed with the US BEA comment that par. 3.1 in the text should clarify that the primary classification for FATS is by industry activity. Also some text on institutional arrangements for FATS should be added. In this context, it was decided that FATS should not be specified in the title of section 3 D (Comment UN4 in the text). FATS would be dealt with in the institutional arrangements section without FATS being specifically mentioned in the title.

Part II – Data Collection

Chapter 4

39. OECD noted that as Chapter 4 is an introduction to Part II, the text sent by NZL on modes of supply is too specific here. Also the reference to direct and indirect reporting did not fit into the text. OECD explained the suggestion to move the experience from Philippines to chapter 8 as it is a typical case for ITRS dependent country. Bank of Italy flagged the need for an introduction presenting the main content/structure of Part II. He noted that country experiences could be moved to relevant chapters. IMF shared the same view, noting that a kind of standardized approach was needed for the editor. WTO noted the difficulty of standardizing the different texts and the need to discuss the content of chapter 4 with New Zealand. US BEA confirmed that the Philippines example would fit better either in chapter 6 or 8.

40. Bank of Japan suggested that the specificities of data collection on each of the modes should be listed; and country practices should be rather moved to the relevant chapters. During the discussion, it was then flagged that it could be more appropriate to describe each type of source for the data collection, however also referring to modes of supply.

41. **The Task Force noted that the first chapters for parts II and III should be general introductions not going into too much detail. Chapter 4 should focus on the description of different types of data sources and make some reference to modes. Country practices should rather be moved to the relevant chapters.**

Chapter 5

42. The Bank of Italy representative noted that the chapter is well balanced between the general descriptions and more detailed information. There is some overlapping across the different contributions but this was expected and could be corrected by the editor. The Bank of Japan representative advised that a business register is not necessarily a data source. She suggested this section should go after chapter 6, or could be a sub-section of chapter 6. UNSD flagged it was decided to have a separate chapter on business registers as developing countries need further details/updates on how to use this tool before starting the data collection even if this is not completely logical. This issue was discussed at the New York meeting of the Task Force in March 2012.

43. IMF, referring to comment 21 agreed that more text on the mechanics of building a business register was needed. Regarding comment 30 on the need to mention linking business registers with trade registers, it was confirmed that OECD had provided a draft paragraph and that possibly Austria could provide a country example.
44. OECD noted that during the virtual meeting, there was a consensus to add some text on the Eurogroup register at the beginning of Chapter 5 that Eurostat could provide. OECD also agreed that there should be more focus on services when drafting about business registers. It was very much welcomed that Mr. Renard volunteered to prepare some text on interesting lessons learned from countries when building business registers. Also referring to trade between unaffiliated parties, and the comments made by Robert Yuskavage, OECD asked if the experience described was that of the US BEA. The US BEA confirmed that questions included on U.S. Census Bureau surveys can be used as a screening tool to narrow the sample of companies engaged in cross-border trade in services, and offered to provide a country experience.
45. In response to the OECD asking if the WWC issue 13 “How to deal with non-responding firms” should be dealt with in detail in this chapter, the Bank of Italy replied that this issue was more relevant in business surveys. The OECD then referred to the ECLAC contribution which mentions in paragraph 5.15 that there is under coverage of self-employed professionals who may play a very important role in some economies. It was noted that this type of information was potentially important for identifying mode 4 persons. IMF suggested discussing this in chapter 7 whereas Bank of Italy preferred to keep it in chapter 5 or 6, also noting that even if individual firms are included in these registers, care should be taken when establishing the sample frame. He underscored that that these units are often involved in very small transactions; he flagged that in Italy a cut-off approach is adopted for direct reporting enterprise surveys, according to which only the largest units are taken into account in the sample frame, for the sake of efficiency; individual firms services transactions are instead covered through administrative (tax) records.
46. **The Task Force agreed that a recommendation to include self-employed in the business registers- if such information is available- can be included in Chapter 5. Also the issue of dealing with non-response should be dealt with in Chapter 6.**

Chapter 6

47. The US BEA noted that current par. 6.47 needs to be removed as it does not fit in a FATS context. Bank of Italy flagged that an introductory part was still missing highlighting that enterprise surveys are not properly addressed and typical business surveys are not discussed. Also the tourism part was deemed too long and could be split to a main part and a part that could be placed on the web version. Bank of Italy noted that the comments received on construction would be taken into consideration, in particular those related to the one year rule.
48. UNSD noted that the first part of chapter 6 will be drafted in consultation with IMF as quite a lot of material could be drawn from BPM6 CG on these issues. The OECD also emphasized no author had been identified for the beginning of Chapter 6 and asked if such a contributor should be found or if relevant text should be directly copied from BPM6 CG. It was decided later to include this in the call for contributions.

49. The terminology for travelers and visitors had furthermore to be clarified as noted in several comments of the virtual meeting. Using “persons going abroad” was suggested as a substitute for travelers in a BOP context. Bank of Italy explained that a plausible reason for not using “traveler” in a BOP context was that seasonal and border workers are also included under travel but could not be considered as travelers.
50. UNSD flagged that no contributor had been identified for transportation surveys and that possibly France could be a relevant contributor for this item. He suggested Eurostat to approach France. OECD noted that Banque de France was being approached on the same day by Mr. Hagino for contributing on ITRS, so OECD could possibly ask about transportation surveys at the same time.
51. On Insurance surveys, OECD suggested using the text already provided by US BEA and Japan in the sections related to data compilation and trying to reallocate this text to data collection. OECD would prepare a draft. US BEA agreed with the proposal. OECD noted that the FATS text had been rearranged and congratulated the authors noting however that more national experience would be needed on FATS.
52. UNSD suggested asking Eurostat to provide some national experience in a European context. US BEA also offered to contribute but mentioned that its surveys are fairly complex and may not be good examples for countries just beginning a data collection program. This was welcomed by the group.
53. Bank of Italy suggested merging section 6.G (iv) section “Foreign direct investment surveys in the context of FATS” with section (iii) “Coordinated Direct Investment Survey in the context of FATS” as the topics were the same. IMF agreed and suggested adding a link to the CDIS website (to see survey forms, metadata), which would be sufficient in the context.
54. Bank of Italy flagged that it is often complicated to talk about data collection and data compilation separately, as it is actually currently the case for construction, where the two aspects are dealt with together in the text provided by his office for chapter 6. He suggested that the editor could possibly split the text or make the reference in the data compilation part to the text available under data collection. IMF suggested the editor should check how the BPM6 CG tackles the issue.

Chapter 7

55. OECD flagged that Canada had not yet sent its contribution to this specific chapter and OECD had sent no reminder as UNSD was coordinating reminders. UNSD would check if a reminder had been sent and OECD would then follow up. Bank of Italy noted that regarding the issue of cruise ships, the text available in par. 7.29 is already sufficient. UNSD raised the issue 59-60 on the suggestion to change the title of section C to “household surveys for collecting travel expenditures”. OECD noted that the reason for this suggestion was that Canada was supposed to cover section A which is a general description of household surveys so there was no need for a subsection dealing again with household surveys in general in section C. As Canada had not yet provided its contribution for Chapter 7, it was suggested to leave this question open. Referring to item 62 on travel expenditures, IMF also suggested using some text from BPM6 CG, UNSD agreed.

Chapter 8

56. OECD explained that the version posted on the forum was not the latest one which explains why some changes suggested at the Paris Task Force meeting did not appear. The changes, including the

very relevant virtual forum suggestions by Mr. Renard had now been included in the draft.

57. OECD reported on the status of country experience contributions, it was explained that Mr. Hagino from OECD was currently visiting Banque de France to suggest BdF to contribute to the ITRS chapter instead of Germany as the Bundesbank could unfortunately not contribute. It was also reported that Spain had initially been identified as a possible contributor on ITRS but as Spain is definitely dropping its ITRS system in 2014, they had not been contacted. South Africa has already provided some text which has been integrated in the latest version of chapter 8. It was noted that no contribution had been received yet from Brazil. UNSD noted they would contact Brazil again. On issue 72, which relates to a suggestion made by Eurostat, OECD asked if Eurostat could provide a specific example for railway services and communication services regarding the difference between the net and gross cost of the service. UNCTAD flagged that the names of the sections of chapter 8 may need to be amended as they were long compared to section names in the rest of the Compilers Guide.

Chapter 9

58. UNSD and Bank of Italy noted that Part A with a general description of administrative records was still missing. WTO flagged that in Part C, dealing with Immigration and entry/exit records for use in travel services, and mode 4, there was an issue with the UNWTO proposed E/D card, as the information item “purpose of travel” did not distinguish between business and personal travel which would help better identify mode 4. OECD noted that this very good first draft of part C was submitted to some OECD migration colleagues to check if they have additional comments. IMF noted the need for consistent abbreviations and for using footnotes when appropriate. UNCTAD noted the country experience by Palestine was too short compared to the text provided by the Czech Republic. UNSD noted that the Czech Republic had sent an update which still needed to be incorporated.

Chapter 10

59. Bank of Italy noted that the text provided in Part A “General description of other data sources & examples for SITS, FATS & non-monetary modes of supply” was more about the situation of the Netherlands rather than a general discussion. UNSD noted that the Netherlands promised to send a longer text as what was already received was supposed to be just an outline. UNSD would contact the Netherlands again. OECD, referring to the Portuguese text on payment cards as a source for the compilation of travel, noted that several limitations were listed during the discussion on the virtual Forum and suggested asking the author to provide text illustrating some ways to overcome these limitations. OECD also flagged that Mr. Hagino had an idea to use Japan's experience, which stopped using credit card data due to various limitations and introduced boarder survey as a source for the compilation of travel, as an example for the limitation of payment cards information. Bank of Japan confirmed that incorporating new text for the limitations and overcomes would be sufficient so a contribution on this subject was not seen as relevant.
60. On the subject of other sources, Bank of Italy suggested to contact Estonia regarding their experience with mobile phones for estimating travel. It was suggested that Eurostat contact Estonia.

Chapter 11

61. No text is available. Bank of Japan noted that author should be aware to avoid duplication as advantages and shortcomings of data sources are already mentioned in the relevant chapter. IMF flagged that comparing data sources was rather a quality issue.

Part III

Chapter 13

62. No text was available during the virtual meeting however it was flagged that Canada was preparing some text which was since received after the Task Force meeting.

Chapter 14

Section B Compilation for individual service categories

(i) on Manufacturing services on input owned by others.

63. The first available draft for Chapter 14 regards Manufacturing services on input owned by others which was provided by Eurostat. UNSD noted that the current text was a description of the European system which needed to be generalized. OECD would liaise with Eurostat, also noting that text provided by the Czech Republic (from para 14.9 to 14.15) could be moved before the Eurostat contribution as it was referring to Manufacturing services in general terms. IMF noted that some reference to BPM6 CG could also be made.
64. WTO flagged the importance of ensuring the consistency of the Compiler's Guide texts with those of the Global Production Handbook.
65. As it was noted again that quite a few sections had no author assigned to them, the Bank of Italy suggested that UNSD should make a general call for papers on the missing parts. The call for contributions should be sent to Statistical Offices and BoP compilers. The suggestion was supported by other members of the TFSITS. IMF offered to provide a list of BOP compilers contacts.

(ii) Repair services:

66. No contributor had been found so far. IMF offered to contact Mauritius as some experience on repair services may be available there. Australia and New Zealand were also flagged as possibly having some experience. Bank of Italy noted that repair services should be included in the call for contributions.

(iii) Transportation:

67. UNSD informed the group that Statistics Norway would not contribute on transportation. Banque de France was being contacted by OECD and since agreed to contribute. Eurostat would look for contributors on transportation. IMF flagged that the BPM6 CG should also be referred to.

(iv) Travel:

68. Bank of Italy noted that the Table 1 “Travel credits: data sources” which is currently shown on p. 121 is too detailed and prescriptive. During the virtual meeting Mr. Renard made a proposal for a simplified version that maybe Portugal could contribute to. Eurostat should check whether a questionnaire could be added to the text possibly via the travel workshop.

(v) Construction services:

69. Bank of Italy flagged that the compilation of construction services was also covered in the Italian contribution to chapter 6 (more focused on collection) so the editor should decide if this available text should be split in two parts.

(vi) Insurance and pension services

70. OECD is coordinating this section. Japan **and US BEA have provided** their experiences on insurance and both offered to provide some numerical examples following the suggestion from the virtual forum. IMF noted that the BPM6 compiler’s guide could be used as a reference for the more general part.

(vii) Financial services

71. OECD is coordinating this section in cooperation with Eurostat. It was noted specifically on FISIM, that the country experience provided by Bank of Japan would not be included as the methodology used by Japan was not exactly compliant with The ISWGNA FISIM Task Force recommendation to use one unique reference rate. Japan had also provided its experience in estimating margins on buying and selling transactions and would provide a numerical example. IMF recommended also checking with the information on FISIM presented in ESA 2010. The Bank of Italy noted that the section was quite developed already.

(viii) Other business services e.g. Computer services, Call centers and Business Processing Outsourcing (BPO) Services

72. OECD noted that, as flagged in the virtual meeting, the text presented under this item which has been drafted by Austria was too general. UNSD and Eurostat coordinating the chapter could contact Austria to get text more specifically relating to “other business services”. Bank of Italy noted that “other business services” needed to be grouped and treated group by group. The sub-items for “other business services” should be included in the call for contributions.

(ix) Intellectual property products

73. OECD noted being late for providing the contributions on Intellectual Property products. One source that would be used for drafting this part would be the OECD Handbook on deriving Capital Measures of Intellectual Property Products. The texts would be drafted as soon as possible.

C. Modes of Supply and resident/non-resident transactions

74. A contribution by WTO-Eurostat-OECD had been made available. Turkey had also provided some country experience with some repetition in par 14.127 to 14.130 which needed to be harmonized with the rest of the text.

D. Services transactions between related enterprises

75. The US BEA volunteered to contribute on this part.

76. **The Task Force agreed that a call for contributions coordinated by UNSD should be launched as soon as possible on subsections without contributors. UNSD would draw the list of subsections without contributors (including repair services, sub-groupings of other business services, first part of chapter 6 etc) and send it out together with the outline of the Manual. IMF would contribute to the contact list of the BoP compilers. The call for contributions should be sent both to Statistical Offices and central banks. (This point is reproduced in the conclusion of item 6c of the agenda.**

Chapter 15

77. The US BEA which is coordinating this chapter noted that some very useful comments had been received by Austria and Mr Renard. Some suggestions relating to topics not covered by MSITS 2010 had been made during the virtual meeting:

- remarks from Austria on total balance sheets in relation to assets (par. 15.19)
- and on the importance of R&D personnel (par. 15.29),
- Remarks by OECD on the interest of hours worked which needed to be mentioned in complement to the variable “employment” as an important variable for the measurement of productivity

US BEA asked the Task Force if such suggestions could be incorporated. The Task Force agreed, the IMF also suggested looking in the SNA for the exact definition of assets.

78. OECD noted that it had made available with a Task Force document a draft subsection 15 E presenting a typology of SPEs drawn from the work of the Task Force on Holding companies, Head offices and SPEs which could possibly replace current text in section 15E. Also it was flagged that more country examples on the compilation of FATS were needed, both European and non European. US BEA offered to provide some more text on compilation of FATS, Eurostat would also be requested to provide some more country examples.

79. Bank of Italy enquired about a comment made by Austria on different treatments of SPEs between FDI and FATS asking if such a different treatment was required by MSITS? US BEA responded it was not the case and that paragraph 15.48 just needed to be corrected.

Chapter 16

80. A contribution by WTO-Eurostat-OECD had been made available. IMF suggested moving the country example provided by Turkey to this part.

Chapter 17

81. It was clarified that the text made available by the Netherlands was only an outline which would be further developed.

Part IV Data Dissemination

82. UNSD considered that comments received were manageable, US BEA suggested changing the title of

section B from “ Combining resident-nonresident trade in services statistics, FATS and other statistics” to “Presenting resident-nonresident trade in services statistics, FATS and other statistics side by side.”

Part V Cross-cutting issues

- 83. The Bank of Italy confirmed they would contribute by the end of the month on metadata.
- 84. It was noted that chapter 21 had been drafted by Eurostat. OECD flagged that OECD-WTO and Eurostat would jointly draft some text on services not allocated to replace the text currently shown which deals with net errors and omissions. It was agreed in previous Task Force meetings that such text was needed in the compilation guide as the category “services not allocated” is included in the BOPD DSD as it is part of the Eurostat-OECD and UNSD trade in services data collection, whereas this category is not available in the IMF data collection. OECD explained that in the Compilers guide countries should be invited to make their best efforts to allocate services across EBOPS items to avoid inconsistencies across IO databases.
- 85. IMF flagged the need to encourage countries to allocate properly services as they are in the better position to do so. US BEA and Bank of Italy noted that when there is no reliable means to allocate trade in services data, such a not allocated category was needed by countries. IMF noted that divergences across IO databases should be avoided. Eurostat and other organisations shared this concern but as noted by UNSD and WTO, if countries cannot report unknown services payments into an unallocated category, they will report them in categories like Other business services, which will then be distorted.
- 86. **The Task Force decided that OECD, Eurostat and WTO should prepare a draft text on services not allocated which will be circulated to the Task Force members for feedback. This should be done as soon as possible.**

Agenda item: 6b	Status of the provision of draft texts	Presenter:	Chair
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Conclusion:

87. The Chair noted that this item had been covered during the discussions of item 6 and it had been noted that some text was still missing and some sections and subsections had not been allocated to any author. Consequently a call for contribution would be launched (see item 6c)

Strategy for collecting countries experiences			
Agenda item: 6c	Presenter:		Chair

Conclusion:

88. The Chair summarized the Task Force had agreed that a call for contributions coordinated by UNSD should be launched as soon as possible on subsections without contributors. UNSD would draw the list of subsections without contributors (including repair services, sub-groupings of other business

services, first part of Chapter 6 etc.) and send it out together with the outline of the Manual. IMF would contribute to the contact list of the BoP compilers. The call for contributions should be sent both to Statistical Offices and central banks.

Agenda item: 6d	Aligning the compilers guide with BPM6 compilation guide, the Tourism statistics compilation guide and other manuals and handbooks – note by UNSD	Presenter: UNSD
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Conclusion:	89. UNSD introduced the report which flags possible overlaps of the Compiler’s Guide with the BPM6 Compilation Guide and IRTS. The Task Force also took note of the preparation of the Tourism Compilation Guide which will include case studies and will be finished by the end of the year to be presented at UNSC.
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Agenda item: 6e	Status of some of last meeting’s proposals (for instance preparations of the paper and online publications), preparation of the June EGM (who does what?)	Presenter: Chair
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Conclusion:	90. The Task Force noted that when more drafts will become available (most probably in June), a decision will be made on what core text will be considered for the paper publication, and which text will be included in the electronic version. 91. Regarding the June EGM meeting, UNSD will send out the invitation shortly.
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Agenda item: 6f

- a. Discussing logistical aspects
 - i. Deadlines
 - ii. Edition process

Presentation:

The Task Force has discussed and agreed upon a revised timeline of the project:

15 May (at certain cases 30 May) 2013	Deadline for the all draft contributions
31 May-10 June 2013	Preparation of full first draft of the Compilers Guide
10 June 2013	Submission of the first full draft to UN Expert Group
25 - 28 June 2013	Meeting of the UN Expert Group in Geneva hosted by UNCTAD and WTO
12 July 2013	Report of the Geneva meeting
9 - 27 Sep 2013	Virtual meeting on the revised Compilers Guide
16-18 Oct 2013	Task force of ITS meets in Paris at OECD
29 Nov 2013	Report of the Task Force on SITS to the UN Statistical Commission

92. The deadlines for the editorial process were being prepared. It was noted that the editor has started working and the new timetable needs to be circulated.

Agenda item: 7 Arranging services transactions**Presenter:** WTO**Presentation:**

The WTO introduced the item which relates to merchanting of services and is discussed in the context of the Task Force of Global production arrangements. Some text on merchanting of services was already included in the Handbook on the impact of globalization on National Accounts. WTO explained that the paper is more an exploratory paper, which tries to conceptualize merchanting of services. The paper suggests that merchanting of services should be recorded net. The complementary grouping recommended in MSITS2010 for total trade-related services could be used for reporting with a breakdown (merchanting/non-

merchanting type of transactions, goods/services with further details as to the types of services subject to merchanting. Comments received until now are of two kinds: People agree with the existence of this phenomenon, and people are asking for case studies to be added.

WTO would appreciate comments from the Task Force as well as possible case studies to be added to the paper. IMF asked if countries would be in the position to report such information and if the current standards were able to catch this phenomenon. WTO confirmed that this type of activity is important for a number of countries including Ireland and it depends on the types of services involved. He informed the group that the text should be revised by the 17th May, so any comment should be sent by the 10th of May

Conclusions:

The Task Force expressed appreciation for the presentation on merchanting of services and is invited to send comments and country cases at the latest the 10th May.

Agenda item: 8	Promoting the MSITS 2010 and organizing Task Force work		Presenter: UNSD
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Presentation:

UNSD is maintaining the webpages. The most notable change will be the link to the technical assistance information which is being prepared by WTO. Any contribution to the Newsletter which is coming soon is also welcomed.

Agenda item: 9	Any Other Business		Presenter: WTO
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Presentation:

There was no other business.

Agenda item: 10	Date and location of next meeting		Presenter: WTO
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Presentation:	
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	<p>The Chair noted that the next Task Force on International trade statistics would take place on 16th - 18th October in Paris at the OECD. The Chair would inform the group about the structure of the meeting as soon as possible as some time would be devoted to a joint merchandise-service meeting.</p>
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