



AREAS WHERE IMPROVEMENTS ARE NEEDED

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ESCWA Workshop
on
Compilation of Statistics on Trade in Services
Cairo, Egypt
6-9 February 2007



CONTENT



1. METHODOLOGICAL FRAMEWORK AND GUIDELINES

2. DATA COMPILATION

3. UNSD ACTIVITIES



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1. METHODOLOGICAL FRAMEWORK AND GUIDELINES

2. DATA COMPILATION

3. UNSD ACTIVITIES



○ Resident / non-resident SITS (1/2)

The basic framework for services trade between resident / non-resident is the IMF BPM5 and the MSITS

- 😊 MSITS introduced EBOPS, and provides more explanation on the contents of the different categories
- ▼ limited number of services categories (about 100)
- ▼ EBOPS classification not fully product based - two main categories, **Travel** and **Government services** are transactor based (also **Construction services** : goods and services)
- ▼ CPC as compilation and dissemination tool



○ Resident / non-resident SITS (2/2)

Other issues

- ▼ Clarifications needed on the exact contents of certain item and on special issues like call centers, second homes, downloadable softwares, music, video, etc.
- ▼ Franchising fees and proprietary rights
 - (franchising – McDonald's, Starbucks...
 - trademark – Levi's
 - patent – pharmaceuticals
 - licensing – MS SQL
 - royalties – DVD music, movies...)
- ▼ Operational leasing (with crew), financial leasing, processing of goods, maintenance of movable equipment [if change of economic ownership, then goods transaction, else services transaction)
- ▼ Residency issue



○ FATS

MSITS developed the first statistical framework for FATS statistics

- ☺ defines the basic conceptual issues and variables
- ☺ closely linked to existing business statistics and FDI statistics
- ▼ more clarification required on control/ownership criteria
- ▼ data by partner
- ▼ national application of ownership criteria and options regarding scope affect comparability



○ Movement of persons

MSITS covers mode 4

😊 New chapter (V)

- ▼ GATS data requirements difficult to reconcile with existing statistical frameworks, i.e. criteria for temporary is 1 year in many statistical frameworks while in GATS mode 4 supply might entail longer stays in host country
- ▼ Mode 4 supply often already included in the measurements of other modes of supply



○ General issues

MSITS extended the definition of trade in services and has strong focus on modes of supply

- ▼ Only very general recommendations on how to arrive at SITS by modes of supply
- ▼ Difficult to clarify the distinction (and overlap) between resident/non-resident trade in services with FATS and Mode 4 statistics (many overlaps and links)

1. Methodological framework and guidelines

○ **Some expected results MSITS current revision**



General results

- Stronger orientation on needs of compilers
- Issue of modes of supply will be clarified in separate chapter

Resident-nonresident trade in services

- Revision of BMP5 will lead to **extension of the scope** of trade in services (**Goods for processing, Repair**)
- slight rebalancing and re-arrangement of EBOPS classification, some more detail

Mode 3 - FATS statistics

- better distinction between outward and inward FATS
- Recommendation on compilation / scope will become more concrete

Mode 4

- Scope (value and persons) of Mode 4 will be clarified in the new chapter on Mode 4



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○ **Resident / non-resident SITS**

- can be extremely difficult to compile – each service category might require different approach, high number of surveys required, difficulties to obtain full coverage (which enterprises should be surveyed?), more difficulties with imports than with exports (specialization)
- main approaches: (i) International Transaction Reporting System (ITRS), possibly supplemented by surveys, (ii) one main survey , (iii) high number of different specialized surveys or (iv) mix of ITRS and enterprise surveys



○ **FATS and Mode 4**

- **FATS**
 - Countries are building on existing business statistics / enterprise surveys (for inward FATS) and FDI statistics (for outward FATS) or are conducting separate surveys for FATS
 - In many developing countries no FATS statistics established
 - Lack of comparability

- **Mode 4 compilation (number of persons and value)**
 - BOP statistics provides some indicators regarding the value of mode 4 supply such as compensation of employees, migrants' transfers and remittances

2. Data compilation



○ **Expected future developments**

- Development of compilation guidance for individual categories of resident–nonresident trade in services, for FATS statistics and for mode 4
- Resident–nonresident trade in services by partner will become more prevalent
- More enterprise surveys vs. ITRS
- Inward FATS as integral part of system national enterprise surveys and business statistics
- Outwards FATS extension of FDI surveys
- Identification of value of mode 4 within items of BOP



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3. UNSD Activities



○ **UN ServiceTrade, MSITS, KB**

1. Collecting and disseminating resident–nonresident trade in services by partner country
(**UN ServiceTrade**)
2. (i) Participation in update of the **Manual**
(ii) development of **compilation guidance**
(iii) **technical assistance activities** to support countries in the implementation and collection of SITS
3. Center of information / establishment of **knowledge base** (containing reference materials, clarifications, compilation guidance, best practices, country studies)
→ newsletter of TF <http://unstats.un.org/unsd/tradeserv/newsletter.htm>
→ hosting TF website <http://unstats.un.org/unsd/tradeserv/taskforce.htm>
→ technical assistance knowledgebase [under construction]



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