



MSITS Revision process

**Workshop on Statistics of International Trade in Service:
Challenges and Good Practices, Rio de Janeiro, 1 – 4 December 2009**



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Outline

Outline of the presentation

- **MSITS and the modes of supply**
- **World wide consultation 2006**
- **Main changes in MSITS**
- **World wide consultation 2008/09**
- **Planned structure of the revised MSITS**
- **Timetable of the revision of MSITS 2008/09**



1. MSITS and Modes of Supply

Birth of the Manual



- ❖ Published in 2002 jointly by 7 international organizations (Task Force on SITS)
 - ❖ Eurostat
 - ❖ IMF
 - ❖ OECD
 - ❖ UNCTAD
 - ❖ UNSD
 - ❖ UNWTO
 - ❖ WTO

- ❖ Response to increased needs
 - ❖ Globalization – demand for more comprehensive and better integrated approach to statistical issues
 - ❖ Needs of GATS which became effective in 1995

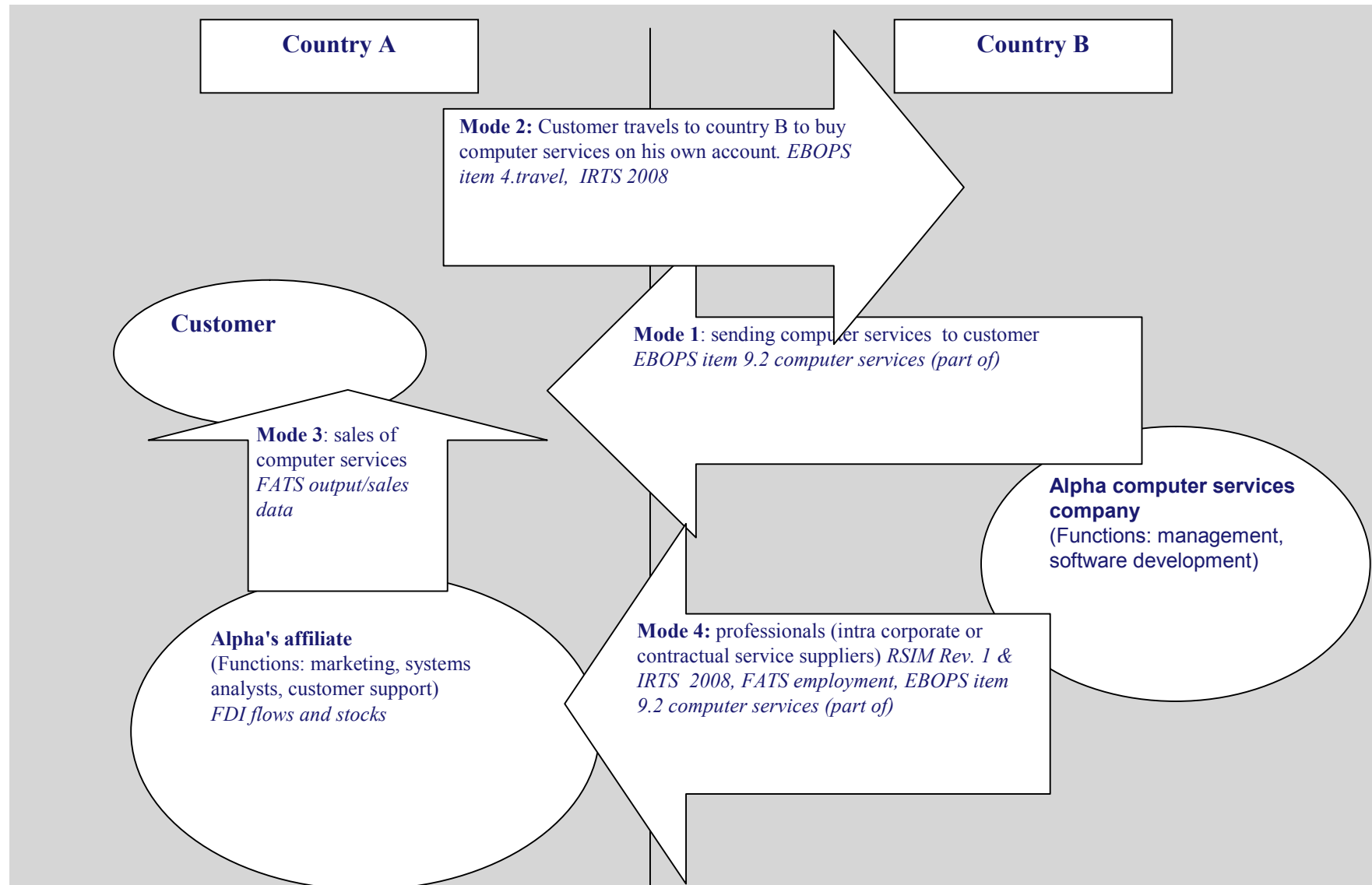


Recommended core elements in MSITS

- Services transactions between residents and non-residents
- Foreign affiliates statistics
- Movement of natural persons supplying services



1. MSITS and Modes of Supply





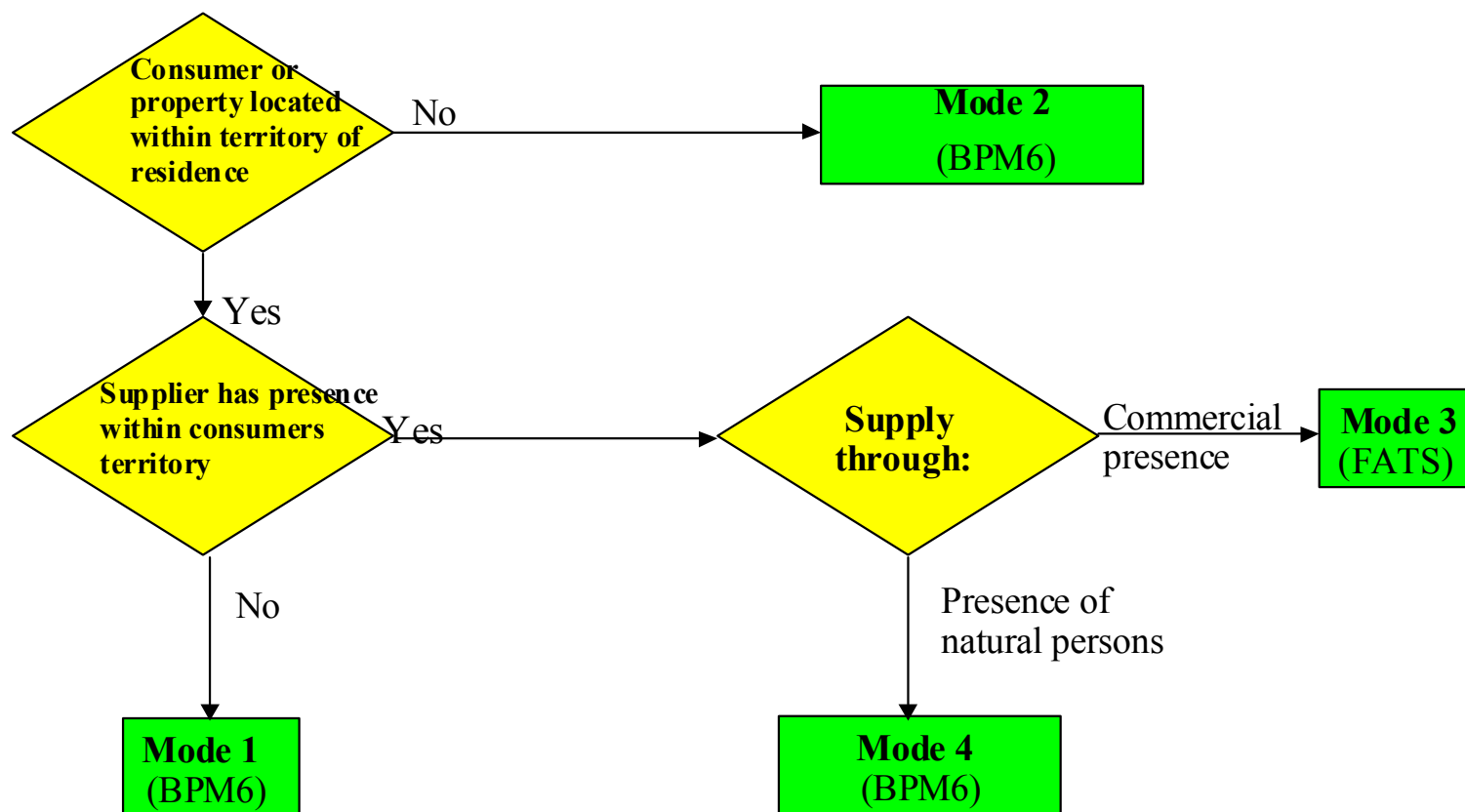
1. MSITS and Modes of Supply

The four modes of supply: Statistical simplified criteria



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The four modes of supply: Statistical simplified criteria



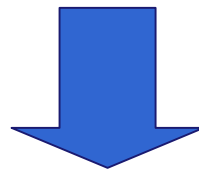


1. MSITS and Modes of Supply

MSITS update and Worldwide consultation

After almost 5 years of existence, in order to take into account:

- The growing experience of the countries as compilers
- Revision of SNA, CPC, BPM and ISIC
- Possible improvements which had been identified



MSITS needed to be updated



2. Worldwide consultation 2006

MSITS update and Worldwide consultation (1/2)

A Consultation document (+ Questionnaire) was sent worldwide by the Task Force in April 2006

TO WHOM?

- ✓ NSOs (UNSD)
- ✓ BOP correspondents (IMF)
- ✓ National Trade Delegations (WTO)
- ✓ International Organizations

IN WHAT LANGUAGES?

- ✓ Arabic
- ✓ English
- ✓ French
- ✓ Russian
- ✓ Spanish

It was also placed on the UNSD website

<http://unstats.un.org/unsd/tradeserv/msits.htm>

Responses were requested by 31 July 2006



MSITS update and Worldwide consultation (2/2)

OUTCOME

- ✓ 114 replies were received (including 105 replies to the Questionnaire)
- ✓ From 89 countries and 6 international organizations
- ✓ Only minor revisions were recommended



3. Main changes in MSITS

Changes elaborated in the second version of MSITS (1/3)

Impact of SNA revision

SNA93  BPM6  MSITS

44 issues on SNA93, some of them with sub-issues. All the issues concerning the Rest of the World Account have **DIRECT** influence on BPM6

Partner country

✓ Inclusion of a breakdown by partner country to the second, third and fourth recommendation in the priority list

Modes of supply

✓ A separate chapter added to give a more detailed discussion of modes of supply



3. Main changes in MSITS

Changes elaborated in the second version of MSITS (2/3)

Mode 4

- ✓ A separate chapter (V) on modes of supply, including the presence of natural persons (Mode 4)

Inward and outward FATS

- ✓ A clearer separation of inward and outward FATS in Chapter 4

Analytical index

- ✓ An additional analytical annex

Service export and import prices

- ✓ An additional annex on service export and import prices

BOP versus FATS

- ✓ Integration of a clear distinction between BOP resident / non-resident statistics and FATS statistics



3. Main changes in MSITS

Changes elaborated in the second version of MSITS (3/3)

Consequences of BPM6 and updated SNA (SNA 2008)

- ✓ *Processing of goods* and *Repairs and maintenance of movable goods* to be reclassified from goods to services (two main components in EBOPS)
- ✓ *Merchandising* to be moved in the opposite direction (removed from *Other business services*)
- ✓ *Other Business Services* component to be split and replaced by three main BOP/EBOPS categories:
 - *Research and development services*
 - *Professional and management consulting services*
 - *Technical, trade related and other services*



MSITS update and Worldwide consultation 2008 – 2009

A Consultation document (+ Questionnaire) was sent worldwide by Eurostat, IMF, UNSD and WTO in August 2008

TO WHOM?

- ✓ NSOs (UNSD)
- ✓ BOP correspondents (IMF)
- ✓ National Trade Delegations (WTO)
- ✓ International Organizations (UNSD)

IN WHAT LANGUAGES?

- ✓ English

It was also placed on the UNSD website

<http://unstats.un.org/unsd/tradeserv/tfsits/msits.htm>



Revised version of the MSITS

- ❖ Updated draft MSITS was finalized by the Task Force in August **2008**
- ❖ The chapters and annexes of the manual and further information on revision process is available at only in English at this phase:
<http://unstats.un.org/unsd/tradeserv/TFSITS/msits.htm>



4. Worldwide consultation 3rd round 2009

Worldwide consultation 2009

The text was revised by the TF after its meeting in March 2009 (Bangkok) – The text was placed on the TF web-site – Countries were sent a letter asking their view of the draft text (along with a short questionnaire) worldwide by IMF, UNSD and WTO in July 2009

TO WHOM?

- ✓NSOs (UNSD)
- ✓BOP correspondents (IMF)
- ✓National Trade Delegations (WTO)
- ✓International Organizations (UNSD)

IN WHAT LANGUAGES?

- ✓English

It was also placed on the UNSD website

<http://unstats.un.org/unsd/tradeserv/tfsits/msits.htm>



Revised version of the MSITS

- ❖ Updated draft MSITS is being finalized by the Task Force
- ❖ The text was discussed at the TF meeting in November **2009 (Paris)**
- ❖ The text is being finalized and will be submitted to UNSD (Secretariat of the UN Statistical Commission) by 11 December 2009
- ❖ The report will be discussed at the UN Statistical Commission at its 41st Session (24-27 February 2010)



Revised version of the MSITS

- Task Force has finalized the report to the UN Statistical Commission (submitted on 30 November 2009) asking the Commission the following:
 - Review and adopt the revised ***Manual on Statistics of International Trade in Services, MSITS 2010***.
 - Endorse the MSITS 2010 implementation programme presented above including preparation of a compiler guidance, providing technical assistance to countries
 - Request TFSITS to continue their work aiming, inter alia, to further develop the analytical potential of international trade in services statistics to more effectively address globalization and related issues
 - Support the TFSITS initiatives with regard to facilitating countries' data compilation using MSITS 2010 recommendations



5. Planned structure of the revised MSITS

Planned structure of the revised MSITS: chapters

- **Summary**
- **Chapter I - General introduction and foundations of the Manual**
- **Chapter II - Conceptual framework for the development of statistics on international trade in services**
- **Chapter III - Services transactions between residents and non-residents**
- **Chapter IV - Foreign affiliates statistics and the international supply of services**
- **Chapter V - Trade in services statistics by mode of supply**



Planned structure of the revised MSITS: Annexes

- **Annex I – Extended Balance of Payments Services Classification**
- **Annex II – EBOPS, CPC, Ver.2, GNS/W/120 correspondence tables**
- **Annex III – ICFA – EBOPS correspondance tables**
- **Annex IV – Extract from the General Agreement on Trade in Services**
- **Annex V – Services Sectoral Classification List – GNS/W/120**
- **Annex VI - The Manual, IRTS 2008, and the Tourism Satellite Account Recommended**
- **Methodological Framework**
- **Annex VII - Analysing the trade in services data**



6. Timetable of the revision of MSITS 2008/09

Timetable of the revision of MSITS 2008 – 2009

November 2008 to February 2009: TFSITS to review comments and re-draft MSITS chapters

March-April 2009 TFSITS meeting and joint meeting with TFIMTS Bangkok: review comments; and review the revised Chapters; review need for extra cross-cutting material affecting goods and services

June 2009 Finalize draft of MSITS Chapters and annexes;

Summer 2009 Prepare revised EBOPS-CPC and other concordances;

July–September 2009 Post the draft for final review, contacting countries to explicitly inform them about the possibility for input to this review and to publicize with Expert Groups;

September 2009 TFSITS meeting Paris

November 2009 Prepare submission to UNSC 2010 in coordination with TFIMTS as appropriate;

Spring-Summer 2010 Prepare MSITS publication.