International trade in services statistics - Monitoring progress on implementation of the Manual and assessing data quality –
OECD Eurostat Trade in services experts meeting 2005.

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Introduction

This note aims to inform delegates with an overview of the progress made in the implementation of the recommendations of the *Manual on Statistics of international trade in services* (*Manual*) and to provide some indication of quality of international trade-in-services statistics.

The conclusions and future work set out in the paper presented at the last experts meeting will be our starting point. As the trade in services data quality issues remain very similar from one year to another, we will in this paper broadly follow the same outline as last year and consequently raise the following issues: we will look at the progress made in implementing the core recommendations in the *Manual* and apply the quality dimensions elaborated by the OECD. We will also look at bilateral and multilateral mirror statistics using balance of payments service data. In the last section we refer to the joint Eurostat-OECD Methodological Soundness Questionnaire, an analysis of which has been undertaken jointly by both organizations and recently completed by the OECD.

1 - Recommendations of the Manual on Balance of payments international trade-in-services data, where do we stand ?

It is useful to recapitulate the core recommendations of the *Manual*, they are principally the following[1],[2]:

1. Implement the BPM5 recommendations in relation to trade in services.
2. Collect balance of payments trade-in-services data using the Extended Balance of Payments Services (EBOPS) Classification.
3. Collect complete statistics on foreign direct investment (FDI) classified by ISIC Rev.3 activities.
4. Collect FATS statistics for basic variables such as sales, value added, employment, exports and imports by activity categories based on ISIC Rev3 - *i.e.* ISIC categories for foreign affiliates (ICFA).
5. Collect FATS and balance of payments trade-in-services statistics by partner country.

We address in this first section the question of progress in implementing the core recommendations of the *Manual*.

[1] Manual on Statistics of International Trade in Services, pp. 5-6

2 Other recommended items are :
- The completion of the implementation of EBOPS including the memorandum items.
- The augmentation of basic FATS statistics.
- Collect statistics on natural persons working abroad under the GATS framework.
- Separate out the trade with related parties from that with unrelated parties.
- Allocate the transactions between residents and non-residents over the GATS modes of supply.

1-1 Implementation of BPM5 and compilation of balance of payments data according to EBOPS.

Balance of payments data are relatively well established following IMF's fifth Manual and there has been significant improvements in detail and comparability since mid-nineties. The data collection by the IMF, the OECD and Eurostat is adapted to EBOPS classification.

The table "status of the collection of EBOPS data" here below shows the number of EBOPS components for years 2002 (as available in 2004) and 2003 (as available in 2005) existing for OECD countries in the OECD trade in services database. It should be noted that the source for all European countries is now Eurostat Newcronos: the OECD does not perform any reprocessing on individual EU country files anymore but downloads trade in services data from Newcronos when Eurostat indicates that data have been finalized.

If we look at the situation of trade in services data in the OECD, it is worth noting that after several years of perseveringly requesting of a more stable and centrally managed database for storing trade in services data, we finally obtained agreement that the trade in services datasets would be moved from the former Excel format to an SQL based system. This migration which is an encouraging signal of the interest of the Organization in trade in services data has been completed in the case of trade in services by service category and is on going in the case of trade in services by partner country. This migration should improve the accessibility of the data inside and outside the OECD, among other things thanks to the possibility of extracting Excel pivot tables from the new system. However, initial set up problems have meant a delay in publication by OECD of about 4 months in 2005.

The several decreasing number of EBOPS items available between year 2002 and 2003 shown here below do not necessarily mean that countries provides less EBOPS detail but rather that a complete reporting for 2003 was not yet available at the time the data were downloaded from Eurostat Newcronos (as it is the case for instance for Spain and the Netherlands). Looking at the table we can note that the Czech republic, Italy, Portugal and Sweden are countries that provide more than 70 EBOPS categories.

Table 1 – Status of the collection of EBOPS data

	2002	2003	Number of supplementary EBOPS items
Australia	42	42	-
Austria	25	40	+15
Belgium	59	69	+10
Canada	46	46	-
Czech Republic	65	79	+14
Denmark	5	5	-
Finland	53	61	+8
France	48	50	+2
Germany	55	65	+10
Greece	59	57	-2
Hungary	21	19	-2
Iceland	29	27	-2
Ireland	45	38	-7
Italy	65	76	+11
Japan	26	26	-
Korea (Republic of)	17	19	+2
Luxembourg	54	61	+7
Mexico	31	26	-5
Netherlands	48	12	-36
New Zealand	31	24	-7
Norway	53	55	+2
Poland	56	60	+4
Portugal	61	72	+11
Slovak Republic	42	34	-8
Spain	52	30	-22
Sweden	61	72	+11
Switzerland	12	12	-
Turkey	29	39	+10
United Kingdom	48	52	+4
United States	51	51	-

1-2 Are we making progress in answering the recommendations of the *Manual* on Foreign affiliates trade-in-services (FATS) statistics?

The main changes compared to last year are the following:
FATS inward data are now available for Spain and Greece, Australia has published in 2005 on FATS for 2002-2003 and should be able to provide FATS inward and outward to OECD in the near future; New Zealand has published inward FATS statistics in 2005 – those data are still confidential.
The following table shows the availability of FATS data for OECD countries.

Table 2 - Status of the collection of EBOPS and FATS data (mid 2005)

	Inward	**Outward**
Australia	Data exist but not yet sent to OECD	Data exist but not yet sent to OECD
Austria	Yes	Yes
Belgium	Yes	Yes
Luxembourg	Yes	No
Canada	No	Yes
Czech Republic	Yes	No
Denmark	Yes	No
Finland	Yes	Yes
France	Yes	Yes
Germany	Yes	Yes
Greece	Yes	Yes
Hungary	Yes	No
Iceland	No	No
Ireland	Yes	No
Italy	Yes	No
Japan	Yes	Yes
Korea	No	No
Mexico	No	No
Netherlands	Yes	No
New Zealand	Data exist but not yet sent to OECD	No
Norway	Yes	No
Poland	Yes	No
Portugal	Yes	Yes
Slovak Republic	No	No
Spain	Yes	No
Sweden	Yes	Yes
Switzerland	No	No
Turkey	No	No
United kingdom	Yes	No
United States	Yes	Yes

FATS Statistics were published for the first time by the OECD in 2002 in *Measuring Globalisation The Role of Multinationals in OECD Economies, Volume II: Services*

1-3 Compilation of statistics on trade-in-services by partner country.

Regarding statistics on trade-in-services, the *Manual* suggests the collection of three levels of detail for international collection of trade data by partner country:

- For total services – Core recommendation.
- For 11 main types of services as set out in BPM5 – Core recommendation
- For extended Balance of payments Statistics classification (EBOPS): full detail by type of service – desirable as far as possible.

Trade-in-services partner country data are published by Eurostat and since 2002 by the OECD. UNSD has done some feasibility studies on collection of trade in services by partner country and had sent a questionnaire to 160 non-OECD countries on their activity in the collection of data on trade in services. About 40 responses had been received of which 8 had some partner country data. In the ASEAN region there were some efforts made to collect more trade-in-services data mainly on FATS. Most respondents planned to improve their trade-in-services statistics in some way.

The latest OECD issue presenting partner country data from 2000 to 2003 will be released end 2005. The data cover 28 countries (including Hong Kong) and 75% of world service exports. This publication responds to the first level but only partly to the second level requested in the *Manuel.* In order to reach compliance with the second level of detail requested by the *Manual*, countries were asked to provide for the 2005 publication, trade-in-services data by partner country for the 11 main types of services set out in the BPM5. This level of detail is not available for every OECD member country, for that reason we expect that the paper publication will hold, as last year only 4 types of services (transportation, travel services, government services, other commercial services) as well as the total services. However we plan to include in the electronic publication the extra category detail collected in 2005. As noted above, Trade in Services by Partner country statistics that were formerly stored in an Access database are being migrated to the same system that now holds the trade in services by category data (OECD.STAT).

2 – OECD framework for OECD statistics: help assess the progress made.

The OECD Quality Framework[3] identifies dimensions that are considered as important to describe the quality of statistics. These dimensions help provide a means to identify quality problems and to increase the transparency of the processes used by the OECD to ensure quality. An important feature regarding quality of the trade-in-services data published by the OECD is continuing cooperation between OECD and Eurostat for the *OECD Statistics on International Trade in Services, Volume I, Detailed Tables by Service Category* publication even if this publication is not a "joint publication" anymore. As explained earlier, Eurostat provides data for European countries and the OECD provides the information for the other OECD Member countries. This agreement lightens the reporting burden on countries.

[3] *In* "Quality Framework for OECD statistics" (2002) on OLIS STD/HLG/(2002)3.

As presented in last year's quality paper, in the context of trade-in-services statistics, the quality framework helps to identify following issues:

1. Trade analysts have expressed the opinion that the *relevance* of trade-in-services data could be improved by a presentation by modes of the trade-in-services statistics. A first attempt to meet their needs was made in the OECD (2003), "Preliminary Draft Indicators or Trade in Services by Modes of Supply", *Room Document* of the meeting of experts in Trade-in-services, spring 2003.[…]. More work should be done in this area in order to improve the relevance to users of trade-in-services data. The UNSD is planning to set up trade in services series by mode in their newly developed Trade in Services Database. An important obstacle to such an analyse is that a single transaction may correspond to more than one mode of supply.
2. *Accuracy* and comparability of trade-in-services data broken down by partner country can be monitored over time by using mirror statistics and by using tools like the asymmetry coefficient (*cf.* section 3).
3. *Timeliness* is an important issue because lack of timely updating weakens the *coherence* of OECD data on trade-in-services stored in two different databases: i) trade-in-services broken down by services category and ii) trade-in-services broken down by partner country. This is due to the delays in the publication by countries, the transmission of data from countries and the delays in processing by the OECD secretariat itself. Improving both the databases and the processes used to update the databases could help improving the overall consistency of trade-in-services data. The current migration of OECD trade in services data to a new centralised SQL database system should help improving the comparability between the two databases and we hope to be able to merge the two databases in the future - if countries agree.
4. The *interpretability* of the OECD and Eurostat trade-in-services statistics is assisted by the maintenance of metadata (*i.e.* country methodological information.) An effort has been conducted on OLIS, source OECD and in the CD-Roms to get metadata linked to data as recommended by the OECD Dissemination Policy for Statistics. Another problematic issue is the lack of historical data. The 2005 electronic edition of the partner country publication should present longer historical series thanks to the cooperation with Eurostat and the growing capacity of the OECD database. We noted last year that lack of historical data is an obstacle to a proper analysis of the figures.
5. The *accessibility* of the service data has improved over the past years: the OECD statistics on international trade-in-services data are available via the OLIS System and Source OECD. There is however still considerable room for improvement in the area of accessibility as it can still be difficult for an external user to locate and access the relevant statistics. We hope that the new OECD.STAT system will improve the accessibility of the data.
6. It is not in the OECD quality dimensions list but one might want to consider *Reliability (i.e.* statistics that are above dispute[4]*)* from a practical point of view.

[4] See Statistics Netherlands code of practice: http://www.cbs.nl/en/organisation/corporate-information/code-of-practice.pdf

3 - Bilateral and multilateral mirror data for trade in services

Given difficulty of measurement, it is a complex task to assess data quality. However, in the context of international trade, an indicator of data quality can be obtained from the analysis of partner country mirror data. This could provide an indicator of international comparability of trade statistics. The IMF provides an annual analysis of global balance of payments discrepancies. In the table below (IMF source), we see that the discrepancy on global services is proportionally smaller than on any other component of the Balance of payments and it seem to be declining over time. It should also be noted that individual components of services show very large discrepancies with a large negative discrepancy (more imports than exports) on transportation and government services and large positive discrepancies on travel and other services.

	1998	1999	2000	2001	2002	2003
Global Discrepancies in Balance of Payments Statistics (Millions of U.S. dollars)						
Current account balance	-59095.5	-101799	-125679	-128879	-101089	-36987.2
Goods balance	67874.2	42135.2	10279.1	-6906.13	35557.9	66451.3
Services balance	-1473.26	-13510	-13788.5	-18434.2	-9185.75	4865.54
Transportation	-52377.6	-50616.2	-63704.1	-58703.6	-54014.8	-66749.5
Travel	27593.1	27998.6	31232	28838.6	30273	34432.5
Government services, n.i.e.	-8275.24	-17947.5	-25200.9	-26147.4	-33334.4	-32993.1
Other services	31586.5	27055.1	43884.6	37578.2	47889.8	70176.3

source: IMF

We are aware of some inherent conceptual asymmetries (for instance for merchanting services) but in general mirror data should give a measure of comparability following bilateral or multilateral approaches.

- Mirror data can help checking whether the flows reported by each reporting country are reflected by its partner country.
- To check whether the reported flows are the same or compatible
- To detect systematic differences in the reporting process.
- To detect differences in definitions from one country to the other.

Mirror data are also useful in case of lack of reported data. For instance for Africa, in the next table, no reported data are available in 2002 but about three-quarters of Africa's reported services can be estimated by reported imports of services from the 27 OECD countries. The table below also illustrates that OECD partner country data cover about 76 % of world exports and about 89 % if reported data are supplemented with mirror data.

Table 3: Availability of partner country data in 2002

Exporting region	Total exports (billion USD)	Total available exports data by partner country, % of total exports	
		Reported data	Reported data supplemented with mirror data
World	1 622.4	76.2**	89.1
OECD	1 257.5	93.0	96.8
NAFTA	342.2	96.9	98.1
OECD Asia and Oceania	117.1	92.9	97.0
EU total	706.9	97.9	97.9
OECD Europe other	91.4	40.5	82.4
Africa	33.7	0.0	71.2
America	382.2	86.7	98.3
Asia and Oceania	362.3	41.9	69.8
Europe	842.4	86.7	94.2

Source: OECD, IMF.

The asymmetry coefficient that we use is in order to check the comparability of exports and related imports flows is calculated the following way.
If X =exports and mM= Mirror imports, the Asymmetry Coefficient = (X-mM)/((X+mM)/2).
There is perfect symmetry (exports are equal to mirror imports) when the coefficient is equal to zero. The more the coefficient diverges from zero, the more the asymmetry between exports and mirror imports becomes important.

The asymmetry coefficient is potentially useful because it can be monitored over time. This coefficient is also useful because as it can be either positive or negative, it can then be used to estimate if a country is globally declaring higher or lower level of trade compared with the mirror trade declared by its partner countries. Mirror statistics and the asymmetry coefficient are of interest to look at bilateral and multilateral trade statistics.

3-1- Bilateral mirror statistics

Mirror statistics can help to detect bilateral imbalances where total exports are very different from total imports. In the table below, we present some selected examples of bilateral BOP services asymmetries with the calculation for year 2002[5] of an asymmetry coefficient for trade between Japan, USA and EU for the following categories: Total services, transportation, travel, government services and other commercial services.

[5] Data for year 2003 are expected to be published at the end of 2005.

$ Mn 2002	Export	Mirror imports	Asymmetry Coefficient		Export	Mirror imports	Asymmetry Coefficient		Export	Mirror imports	Asymmetry Coefficient
Japan to USA				**Japan to EU**				**EU to US**			
Total Services	**21561**	**18938**	***0.13***		**12519**	**8465**	***0.39***		**112329**	**85873**	***0.27***
Transportation	5684	5220	*0.09*		5297	2910	*0.58*		20684	20410	*0.01*
Travel	564	2908	*-1.35*		467	891	*-0.62*		20225	19328	*0.05*
Government services	376	1626	*-1.25*		90	99	*-0.10*		4207	8661	*-0.69*
Other commercial services	14937	9184	*0.48*		6665	4182	*0.46*		66844	37468	*0.56*
USA to Japan			**EU to Japan**					**US to EU**			
Total Services	**30393**	**33750**	***-0.10***		**16443**	**21606**	***-0.27***		**98040**	**104072**	***-0.06***
Transportation	5634	4429	*0.24*		4626	5620	*-0.19*		14574	17023	*-0.16*
Travel	9477	7162	*0.28*		3480	4188	*-0.18*		19722	18588	*0.06*
Government services	708	477	*0.39*		54	186	*-1.10*		2365	1935	*0.20*
Other commercial services	14577	21682	*-0.39*		8197	11611	*-0.34*		61374	65335	*-0.06*

This table is illustrative of the kind of discrepancies that can exist when measuring trade-in-services. For instance, in 2002, the European Union services exports to US were 112 billion USD while the US imports of services from the EU were 85 billion USD. The table illustrates also that in general; the more detailed the breakdowns, the more variable are the discrepancies in the mirror data. A straightforward way to illustrate this is to calculate the average of the absolute values of the above calculated asymmetry coefficients by category of services. The "grand total" category corresponding to "the total services" in the table below obtains the lowest average of asymmetry coefficients; the government services category obtains the largest.

	Average of absolute values of calculated bilateral asymmetry coefficients 2001(as available in 2003)	Average of absolute values of calculated bilateral asymmetry coefficients 2002 (as available in 2004)
Total services	**0.22**	**0.20**
Transportation	0.28	0.21
Travel	0.42	0.42
Government services	0.57	0.62
Other commercial services	0.42	0.38

If we compare the results for 2002 with those presented in last year's paper (presenting results for 2001 as available in 2003) we remark that these results are relatively stable. We do find approximately the same pattern in the figures across the two years even after revision of series by the countries.

3-2 - Multilateral mirror statistics

Another way of looking at mirror data is the multilateral approach. In the following 2 tables, we present exports from the U.S., Japan and the European Union to the total of OECD countries[6] for total services, transportation, travel, other commercial services and government services for years 2001 (as available in 2003 in the OECD statistics on international trade in services data

[6] The OECD total is calculated by summing up countries where both flows and mirror flows are available. This is unfortunately the case of only a few countries.

base)[7] and 2002 (as available in 2004 also in the OECD database). The idea is here to verify if at least the sign (positive or negative) of the asymmetry coefficients are the same between these two years, even if revisions have taken place between the two editions of the database. We can then verify for these two years the stability of the asymmetry pattern and check (only on these two years) if it would make any sense to attempt, in the future, an analysis of those coefficients over time. An example of how the asymmetry coefficient for total services exports of Japan to the rest of OECD (highlighted figure) is calculated is provided in the annex

$bn 2001 (as available in 2003)	Export	Mirror imports	Asymmetry coefficient		Imports	Mirror exports	Asymmetry coefficient
EU15 to rest of OECD							
Total services	152.134	126.969	0.18		144.634	130.834	0.1
Transportation	40.787	36.379	0.11		31.451	29.232	0.07
Travel	35.071	34.226	0.02		31.078	30.051	0.03
Other commercial services	72.518	47.853	0.41		80.098	68.555	0.16
Government services n.i.e.	3.762	8.495	-0.77		2.008	2.975	-0.39
Japan to rest of OECD							
Total services	39.563	36.945	0.07		65.899	54.136	0.2
Transportation	13.677	11.6	0.16		13.765	13.517	0.02
Travel	1.691	5.051	-1		15.732	18.023	-0.14
Other commercial services	23.514	16.706	0.34		35.73	23.95	0.39
Government services n.i.e.	0.681	1.655	-0.83		0.673	0.584	0.14
US to rest of OECD							
Total services	149.335	174.212	-0.15		114.409	152.713	-0.29
Transportation	26.29	35.041	-0.29		35.495	45.669	-0.25
Travel	42.918	38.787	0.10		32.1	32.059	0
Other commercial services	85.079	111.535	-0.27		41.673	84.733	-0.68
Government services n.i.e.	3.41	2.347	0.37		9.819	4.198	0.8

Multilateral summary asymmetry table							
$bn 2002 (as available in 2004)	Export	Mirror imports	Asymmetry coefficient		Imports	Mirror exports	Asymmetry coefficient
EU15 to rest of OECD							
Total services	158.95	140.69	0.12		136.61	139.16	-0.02
Transportation	33.72	35.87	-0.06		26.72	30.83	-0.14
Travel	32.26	34.01	-0.05		26.95	27.66	-0.03
Other commercial services	86.85	60.70	0.35		78.79	78.33	0.01
Government services n.i.e.	4.45	9.10	-0.69		2.32	2.59	-0.11
Japan to rest of OECD							
Total services	40.30	34.86	0.14		65.45	55.16	0.17
Transportation	13.73	10.63	0.25		13.41	12.73	0.05
Travel	1.77	5.60	-1.04		15.97	16.78	-0.05
Other commercial services	24.16	16.44	0.38		35.33	24.76	0.35
Government services n.i.e.	0.65	1.80	-0.94		0.74	0.80	-0.08
US to rest of OECD							
Total services	158.29	168.09	-0.06		137.84	160.90	-0.15
Transportation	27.61	29.47	-0.07		34.34	37.64	-0.09
Travel	41.10	35.98	0.13		30.88	29.14	0.06
Other commercial services	95.38	112.25	-0.16		56.05	101.62	-0.58
Government services n.i.e.	3.26	2.53	0.25		10.45	4.67	0.76

[7] This table was already shown in the OECD quality paper presented in the April 2004 experts meeting.

We observe, that for 2002, the EU15, reports lower imports and exports to OECD countries (with negative asymmetry coefficients), compared to the figures declared by its partners, in the case of transportation, travel, and government services. On the other hand, the EU15 reports higher exports of Total services and export and imports of other commercial services to the rest of the OECD (with a positive asymmetry coefficient) compared to the declared mirror flows. If we compare with the results obtained for 2001, knowing that these values were calculated with data available in 2003, we can not unfortunately find any regularity in the signs of the asymmetry coefficients. This means that from 2001 to 2002, EU15 went from reporting higher trade for some categories than its partners in 2001 to reporting lower trade with its partners in 2002 for the same categories. This difference between these two years is puzzling and may be due to the growing importance of the "not allocated category" or maybe to revised methodology.

If we look at Japan, this country seems to be reporting higher imports and exports figures than those declared from partners in the mirror flows in the case of total services, transportation, and other commercial services to the rest of OECD. On the other hand, Japan seems to be reporting less export of travel and government services, the imports of government services being slightly higher than the mirror exports. If we compare with the results obtained for 2001, we find almost exactly the same pattern in the asymmetry coefficients (except for the government services exports).

On the contrary, the mirror flows show that the United States are globally reporting lower imports and exports than their partners for total services, transportation services, and other commercial services. In particular, the US report imports of other commercial services which are almost less than half the reported mirror exports of other commercial services to US. The United States are, on the other hand, declaring more imports and exports of government services, as well as travel services, to the rest of the OECD. Comparing with the result for 2001, we observe exactly the same configuration in the asymmetry coefficients across the two years.

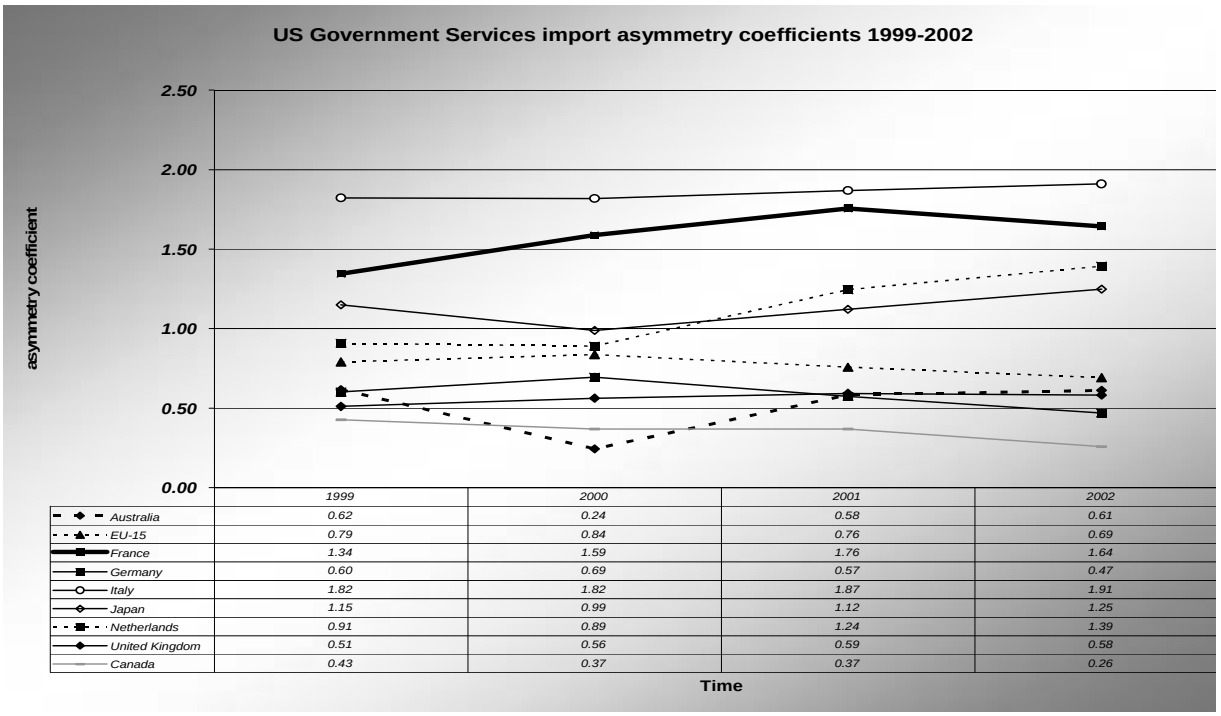
If we calculate the average of the absolute values of the above calculated asymmetry coefficients by category of services, we find that the "grand total" category corresponding to "the total services" in the table below obtains lowest average of asymmetry coefficients, together with transportation. Government services get the largest average value which means that this category of service presents the largest discrepancies between reported exports and mirror flows. The same ordering can be observed both for 2001 and 2002.

	Average of absolute values of calculated Multilateral asymmetry coefficients - **2001**	Average of absolute values of calculated Multilateral asymmetry coefficients - **2002**
Total services	0.165	0.11
Transportation	0.15	0.11
Travel	0.215	0.23
Other commercial services	0.375	0.25
Government services	0.55	0.47

3-3 –Systematic differences in reporting:

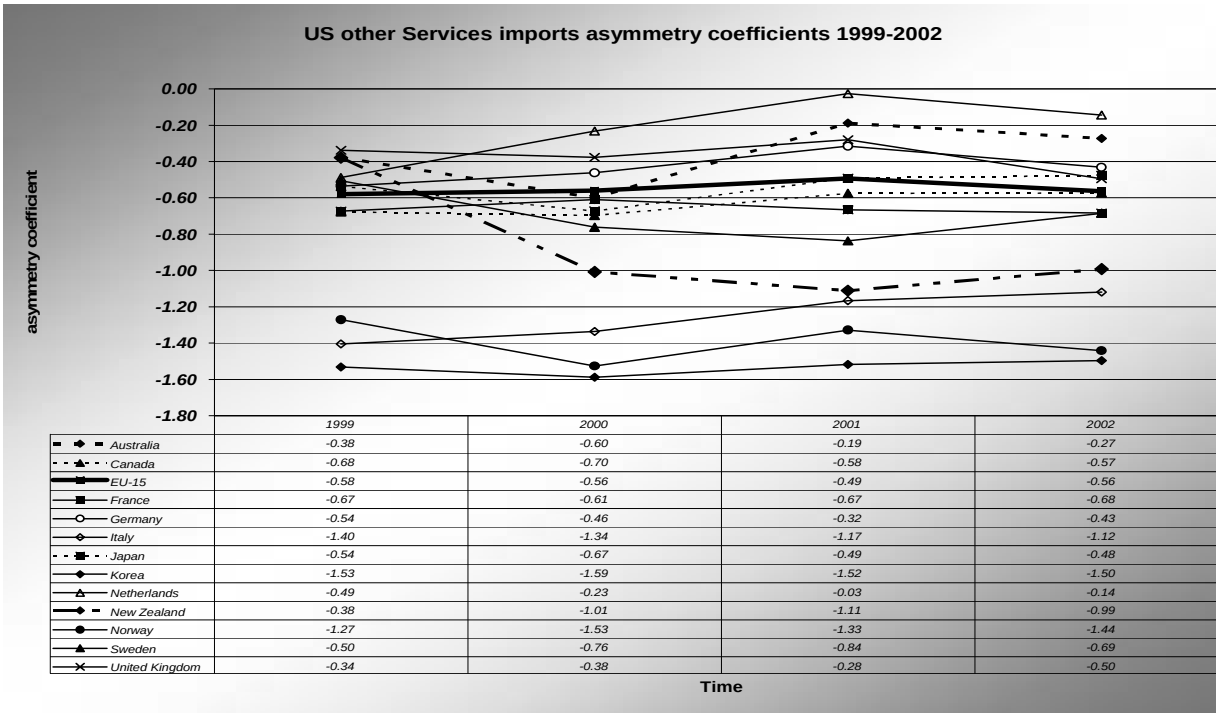
We noted in last years conclusions that it would be interesting to register systematic or striking asymmetries. We have tried to identify, by looking in the OECD database some systematic differences in reporting.
We have selected three examples of systematic over or under reporting from a declaring country with its partner. In the first case, the US systematically reports more imports of government services than what is declared by all its partners.
In the second case, the US systematically reports less imports of other commercial services than those declared by all its partners.
In the third case, EU 15 systematically reports less government services exports than those declared by all its partners.
It could be interesting to try and find out why these systematic configurations take place. It is also possible that there is a conceptual asymmetry in allocation of services by services category, since government services are defined by transactor rather than by product.

1- US Government Services imports



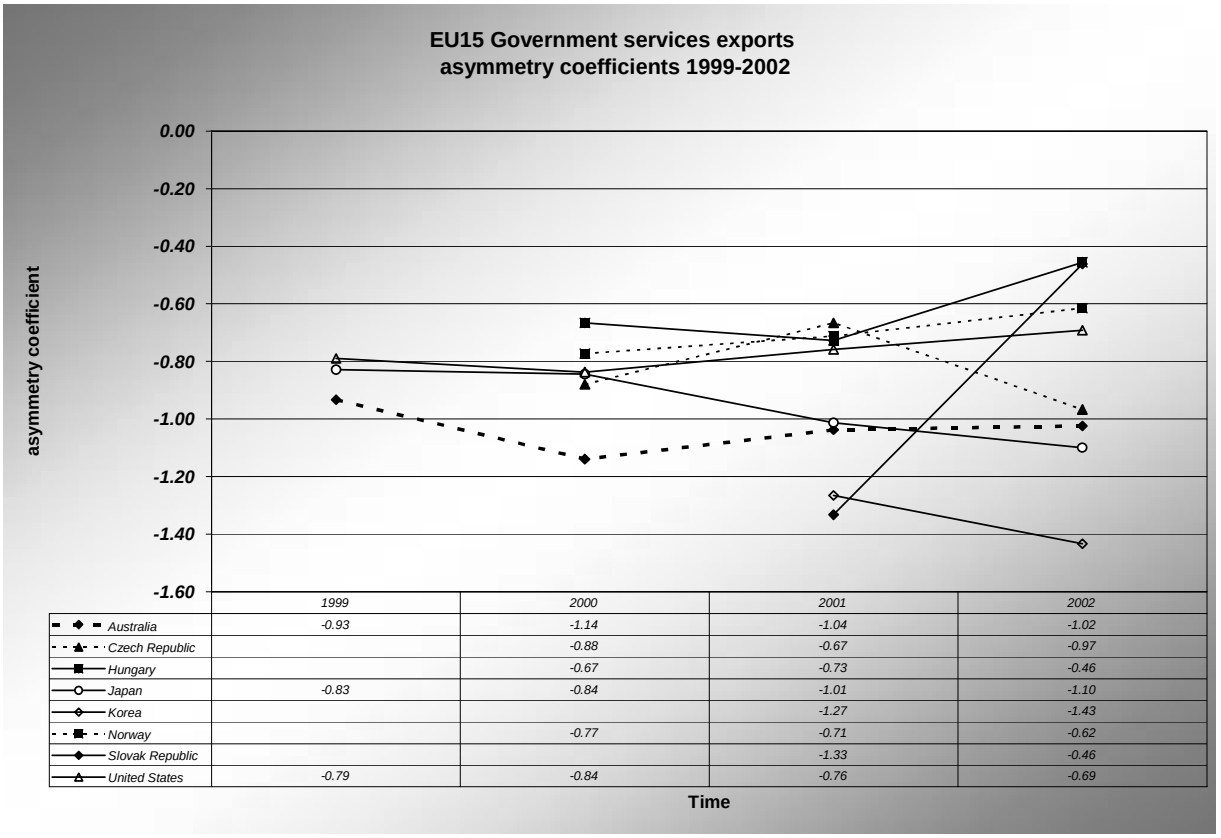
	1999	2000	2001	2002
Australia	0.62	0.24	0.58	0.61
EU-15	0.79	0.84	0.76	0.69
France	1.34	1.59	1.76	1.64
Germany	0.60	0.69	0.57	0.47
Italy	1.82	1.82	1.87	1.91
Japan	1.15	0.99	1.12	1.25
Netherlands	0.91	0.89	1.24	1.39
United Kingdom	0.51	0.56	0.59	0.58
Canada	0.43	0.37	0.37	0.26

2- US Other services imports



	1999	2000	2001	2002
Australia	-0.38	-0.60	-0.19	-0.27
Canada	-0.68	-0.70	-0.58	-0.57
EU-15	-0.58	-0.56	-0.49	-0.56
France	-0.67	-0.61	-0.67	-0.68
Germany	-0.54	-0.46	-0.32	-0.43
Italy	-1.40	-1.34	-1.17	-1.12
Japan	-0.54	-0.67	-0.49	-0.48
Korea	-1.53	-1.59	-1.52	-1.50
Netherlands	-0.49	-0.23	-0.03	-0.14
New Zealand	-0.38	-1.01	-1.11	-0.99
Norway	-1.27	-1.53	-1.33	-1.44
Sweden	-0.50	-0.76	-0.84	-0.69
United Kingdom	-0.34	-0.38	-0.28	-0.50

3- EU Government Services exports



	1999	2000	2001	2002
Australia	-0.93	-1.14	-1.04	-1.02
Czech Republic		-0.88	-0.67	-0.97
Hungary		-0.67	-0.73	-0.46
Japan	-0.83	-0.84	-1.01	-1.10
Korea			-1.27	-1.43
Norway		-0.77	-0.71	-0.62
Slovak Republic			-1.33	-0.46
United States	-0.79	-0.84	-0.76	-0.69

4 - The Methodological Soundness Questionnaire

Another useful tool in order to look at the quality of data is the Methodological Soundness Questionnaire. This is a joint initiative from Eurostat and the OECD. The questionnaires were sent out in June 2003. Up to now, 35 (out of 37) countries have filled the joint questionnaire.

The OECD was responsible for the collection of information from 10 countries, until now, the OECD has received replies from 9 countries: Canada, Iceland, Japan, Korea, Norway, New Zealand, Switzerland, Australia and USA. OECD has not yet received information for Mexico.

Eurostat has received the questionnaire filled in by 26 countries (out of 27): Austria, Belgium, Czech Republic, Denmark, Estonia, Spain, Finland, France, Germany, Greece, United Kingdom, Hungary, Ireland, Italy, Lithuania, Luxembourg, Latvia, Malta, Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Sweden and Turkey. Eurostat has not yet received response for Cyprus.

The answers to the questionnaires have been summarized by the OECD, in a separate document. For each question, the replies of the countries are presented in a table together with their comments and a short analysis has been done. An access database initially set up by Eurostat has been completed by OECD with all the received questionnaires.

These results will be discussed with experts first before being made more widely available. We see this Methodological Soundness Questionnaire as a useful means to identify and compare national practices and eventually to foster good practice.

Concluding remarks.

Following conclusions and suggestions for future work can be drawn from this note:

1. Progress can be observed in the implementation of the core recommendation of the *Manual*. We have decided, in the next 2005 edition of the OECD Statistics on International Trade in Services, to show the complete breakdown of EBOPS (instead of the current selection of the most frequent categories) in order to get a better view of the future evolution of the completion of the EBOPS.
2. The OECD quality framework helps us to associate different dimensions of qualities with different problems encountered by trade in services data. It allows us for instance to identify the question if the merge of the Trade in services by Category and by partner would make sense in the future ?
3. Mirror Statistics are useful i) to identify if countries are reporting higher or lower trade than their partners and ii) to identify systematic differences.
4. The Methodological Soundness Questionnaires is a useful tool to compare national practices at a point in time and to foster good practices.
5. The asymmetry coefficients suggest that there is some work to be done by countries towards providing internationally comparable and reliable data.
6. Suggestions for future work could be to create, as suggested during the 2004 Experts Meeting, with the trade in services dataset, an asymmetry coefficient dataset which would help us visualize to what extent flows and mirror flows differ from each other. But before then, unfortunately a number of technical problems have to be resolved in the new SQL database and OECD. Stat system.

Annex: example of calculation of a multilateral asymmetry coefficient.

SERIES: TOTAL SERVICES						asymmetry coefficient	
Millions of $							
REPORTg COUNTRY: Japan			**PARTNER COUNTRY: Japan**				
Partner		2002	Reporting		2002		200
Australia	**Exports**	**1245**	**Australia**	**Imports**	**982**	**Australia**	0.2
Canada	**Exports**	**1857**	**Canada**	**Imports**	**1873**	**Canada**	-0.0
EU-15	**Exports**	**12519**	**EU-15**	**Imports**	**8465**	**EU-15**	0.3
France	Exports	1050	France	Imports	977	France	0.0
Germany	Exports	2327	Germany	Imports	2146	Germany	0.0
Italy	Exports	540	Italy	Imports	602	Italy	-0.1
Korea	**Exports**	**3122**	**Korea**	**Imports**	**4601**	**Korea**	**-0.3**
Netherlands	Exports	2146	Netherlands	Imports	698	Netherlands	1.0
Spain	Exports	301	Spain	Imports	344	Spain	-0.1
Sweden	Exports	198	Sweden	Imports	296	Sweden	-0.4
United Kingdom	Exports	4312	United Kingdom	Imports	2083	United Kingdom	0.7
United States	**Exports**	**21561**	**United States**	**Imports**	**18938**	**United States**	**0.1**
OECD TOTAL	**Exports**	**40304**	**OECD TOTAL**	**Imports**	**34859**	**OECD Total**	**0.1**

"OECD Total" is here calculated as the sum of Australia, Canada, EU-15, Korea, United States.

The asymmetry coefficient is calculated the following way:
Asymmetry Coefficient = (X-mM)/((X+mM)/2).
(40304-34859)/((40304+34859)/2)=5445/(75163/2)=0.1448