

U.S. Trade in Services

Expected Impact of Modernized Statistical Production System on Data Timeliness and Dissemination

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Agenda

- Current production system
- Current data timeliness
- Modernization approach
- New production system
- Impact on data timeliness and detail



Current Production System

- Many sub-systems developed over many years
- Many applications/programming languages
- Mix of automated and manual processes
- Challenge to maintain detailed documentation



Current Production System

Difficult to

- Manage (operations and maintenance)
- Move data from one sub-system to next
- Implement upgrades to methodologies
- Modify or add tables

Concerns about

- Data consistency
- Turn-around times
- Historical record keeping



Current Data Timeliness

U.S. International Trade in Goods and Services

- Monthly and annual data for 7 broad categories of services
- Released 38-43 days after reference month

U.S. International Transactions (BoP accounts)

- Quarterly and annual data for same 7 broad categories with limited sub-detail by type and country
- Released about 75 days after reference quarter in March, June,
 September, and December
- June release includes historical revisions ("Annual revisions")

International Services

- Annual data for 5 broad categories with expanded sub-detail by type and country; consistent with data released in June
- Released in mid-October



Why the June - October Lag?

- Fragmented production system
- Manual processes for assembling data tables
- Data validation process is time consuming
- Suppression process is time consuming



Modernization Approach

- Bureau-wide effort
- Led by small team of contractors
- Significant participation by BEA economists
- Non-traditional development life cycle



Metadata

- Key concept
- Extract business logic from account-specific program code and express it as <u>metadata</u> in centralized system
- Metadata covers
 - Structures
 - Taxonomies
 - Formulas, etc.
- Supports increased granularity and consistency throughout accounts
- Used in data input, processing, output
- Maintained by economists using spreadsheets



- Started with Contractors
 - Found experts in financial and time series relational databases
 - Discussed needs for functionality and usability
 - Provided examples of data and business processes
 - Contractors began developing an architecture and business rules language
 - Progressive prototyping aka "prototype spiral"



- Expanded staff-led efforts
 - Early version of the system took shape
 - Contractors trained staff in new business rules language through academic program
 - Staff began converting legacy business processes to fit the new system
 - Loaded processed legacy data to test aggregation, tabling, and calculation results in new system



- Intensive testing
 - Prioritized and systematically converted segments of legacy systems to new system
 - Tested completed areas in new system
 - Ran new and legacy systems in tandem



- Completing the modernization
 - Staff took on greater roles in managing aspects of the project and the system
 - Some staff emerged as experts and were able to train and/or assist other staff
 - Implement usable front-end
 - Develop tools for validation and analysis (outlier detection, revision bias, etc.)



New Production System

- Currently supported:
 - Internal web-based <u>user interfaces</u>
 - Export to Excel
 - Transfers to publication databases
- Coming later:
 - Analytical tools
 - Seasonal adjustment
 - Interpolation
 - Suppression
 - Public web-based interfaces
 - Inter-agency transfers (e.g. SDMX)



User Interfaces

- Standard Tabling
- Dynamic Tabling
- Data Drill-Down
- Audit of Calculations
- Processing Status and Queue



Standard Tabling

- Pre-defined table structures using metadata
- Consistency and centralization of tables
- Direct submission to publication systems
- Clickable data values linking to the data store



Standard Tabling

Pub Event/Period

Table Selection

Table

Table 2. Fair Value of Financial Derivatives by Type of Contract at Quarterend

(Millions of dollars)

	Line	2009			2010				
	Line	I	II	III	IV	I	II	III	IV
Financial derivatives, net (line 20 less line 39)	1	151,111	156,297	146,150	134,749	113,234	99,212	104,511	110,421
Over-the-counter contracts	2	151,988	155,225	145,881	135,264	112,286	99,188	105,385	109,512
Single-currency interest rate contracts	3	84,644	87,855	72,230	64,213	57,040	57,513	59,880	56,946
Forwards	4	1,659	1,065	779	-293	-414	-251	32	-143
Swaps	5	54,839	64,314	48,832	46,466	39,740	35,041	35,101	39,426
Options	6	28,146	22,476	22,619	18,040	17,714	22,723	24,747	17,663
Foreign exchange contracts	7	6,227	17,576	28,775	32,319	20,411	-683	14,815	26,224
Forwards	8	-317	-772	2,232	3,524	-927	1,401	-90	2,850
Swaps	9	-1,391	12,622	21,319	25,592	17,916	-7,755	9,744	17,823
Options	10	7,935	5,726	5,224	3,203	3,422	5,671	5,161	5,551
Other contracts	11	61,117	49,794	44,876	38,732	34,835	42,358	30,690	26,342
Equity contracts	12	-28,245	-13,535	-5,075	-5,388	-3,251	-2,233	-928	4,974
Credit derivative contracts	13	74,541	54,350	41,146	40,848	37,510	41,345	35,612	28,505
Other contracts (including commodity contracts)	14	14,821	8,979	8,805	3,272	576	3,246	-3,994	-7,137
Exchange-traded contracts	15	-877	1,072	269	-515	948	24	-874	909
U.S. residents' contracts on foreign exchanges	16	-1,532	-1,263	-705	-404	-298	-1,003	-903	-431
Own contracts	17	-441	32	-153	236	285	-347	252	204
Customers' contracts	18	-1,091	-1,295	-552	-640	-583	-656	-1,155	-635
Foreign residents' contracts on U.S. exchanges	19	655	2,335	974	-111	1,246	1,027	29	1,340
Financial derivatives, gross positive fair value	20	5,563,217	4,056,571	4,135,557	3,500,786	3,429,046	4,310,312	4,783,698	3,652,909
Over-the-counter contracts	21	5,526,367	4,022,588	4,099,829	3,471,703	3,386,131	4,279,105	4,754,629	3,622,415
Single-currency interest rate contracts	22	3,722,984	2,779,770	3,052,513	2,596,825	2,613,592	3,437,872	3,915,177	2,844,900
Forwards	23	7,873	7,475	7,011	5,440	8,969	6,403	9,257	6,541
Swaps	24	3,422,647	2,525,824	2,782,042	2,357,111	2,381,297	3,164,663	3,591,278	2,596,934
Options	25	292,464	246,471	263,460	234,274	223,326	266,806	314,642	241,425
Foreign exchange contracts	26	329,872	299,728	332,739	282,590	253,008	298,553	358,225	330,315
Forwards	27	103,874	79,760	87,887	71,203	70,327	94,487	127,118	113,373
Swaps	28	161,932	170,712	198,629	164,657	142,395	153,342	186,574	170,886
Options	29	64,066	49,256	46,223	46,730	40,286	50,724	44,533	46,056



Dynamic Tabling

- User-defined tables on the fly
- Access to entire common data store (100,000,000+ records)
- Clickable cells allow for further drill-down



Dynamic Tabling

	World		Euro	pe	Asia and Pacific		
	2010Q1	2010Q2	2010Q1	2010Q2	2010Q1	2010Q2	
Gds Imp M Total	7,805	-49,482	3,860	-8,922	13,113	-24,113	
Gds Imp M0 F F B	-502	-1,347	921	-666	407	-586	
Gds Imp M1 I S M	-11,952	-16,132	-1,258	-4,678	-1,131	-3,905	
Gds Imp M2 Capital Gds Except Auto	5,415	-14,493	1,237	-2,731	4,169	-9,388	
Gds Imp M3 Auto Veh Parts And Engines	2,712	-6,515	2,009	-2,028	959	-1,530	
Gds Imp M4 Consumer Gds Nonfood Excl Auto	13,400	-11,824	1,905	290	9,054	-8,718	
Gds Imp M5 Imp N E C And Us Gds Returned	-1,268	829	-954	891	-345	13	

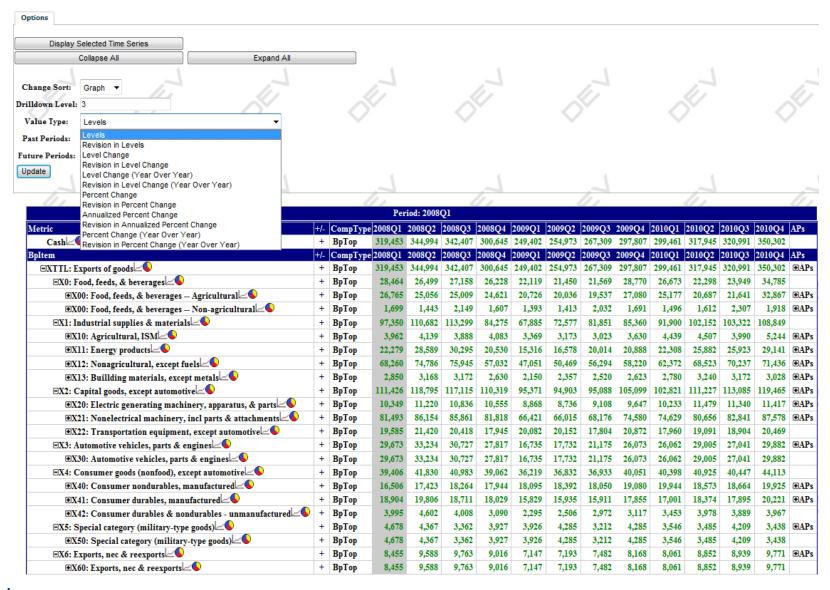


Data Drill-Down

- Navigation by clicking on values
- Drill-down by 9 dimensions in the data store
 - service type, geography, affiliation, trade direction, nsa/sa, etc.
- Ability to "switch focus" by dimension
- Access to multiple charting and mapping tools



Data Drill-Down



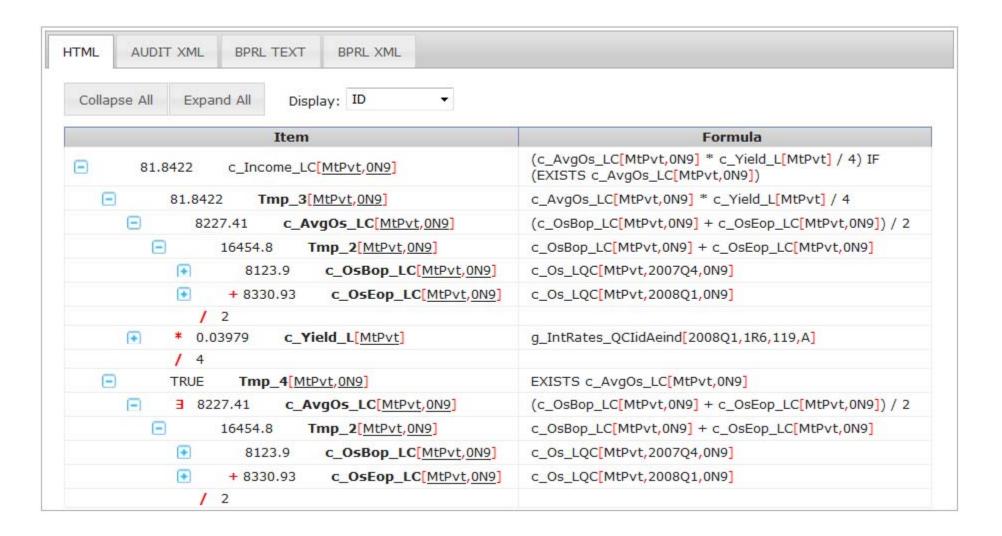


Audit of Calculations

- Display of each step of the mathematical formulas used to calculate data values
- Support for arithmetic, conditional logic, and special functions
- Establishes link between estimates in the data store and the source data used for calculation



Audit of Calculations





Processing Status and Queue

- Centralized processing of all production components in one queue
- Tracking of how processing components depend on each other
- Synchronization status for each component
- Dashboard for setting up and monitoring the processing queue



Processing Status

gPrivateCapitalAssetsPrimary gPrivateCapitalAssetsSecondar gPrivateCapitalIncome gServicesPrimary gServicesSecondary gTop Top Down Bottom Up	y E		
376	mpld	CompPrdName	SyncStatus
AgTop		2008Q1	Out of Sync
AgGoods		2008Q1	In Sync
AgServicesSeconda	агу	2008Q1	In Sync
AgServicesPrin	nary	2008Q1	In Sync
AgGgcSecondary		2008Q1	In Sync
■ AgGgcPrimary		2008Q1	In Sync
AgOtherNonFinanci	al	2008Q1	In Sync
AgDirectInvestmen	tSecondary	2008Q1	In Sync
■ AgDirectInvestr	mentPrimary	2008Q1	In Sync
■ AgPrivateCapitalInc	come	2008Q1	In Sync
AgPrivateCapitalAs	setsSecondary	2008Q1	Out of Sync
AgPrivateCapit	alAssetsPrimary	2008Q1	Out of Sync
			_
AgNonbankSeconda	ary	2008Q1	In Sync



Processing Queue

Sqildn	PubEventidn	Compld	CompPrdName	Status
33132	2	AgServicesPrimary	2008Q1	Ignored
33133	2	AgDirectInvestmentSecondary	2008Q1	Success
33134	2	AgGgcSecondary	2008Q1	Success
33135	2	AgGoods	2008Q1	Success
33136	2	AgNonbankSecondary	2008Q1	Success
33137	2	AgOtherNonFinancial	2008Q1	Success
33138	2	AgPrivateCapitalAssetsSecondary	2008Q1	Success
33139	2	AgPrivateCapitalIncome	2008Q1	Success
33140	2	AgServicesSecondary	2008Q1	Ignored
33141	2	AgTop	2008Q1	Success
33142	2	L_Dde	2008Q3	Pending
33143	2	L_Edu	2008Q3	Pending
33144	2	L_FinServ	2008Q3	Pending
33145	2	L_Gms	2008Q3	Pending
33146	2	L_OpsFix	2008Q3	Pending
33147	2	L_PolarBear	2008Q3	Pending
33148	2	L_Templates	2008Q3	Pending
33149	2	AgServicesPrimary	2008Q3	Pending
33150	2	AgServicesSecondary	2008Q3	Pending

Expected Benefits of the New System

Easier to

- Manage (operations and maintenance)
- Verify correctness
- Adopt upgrades to methodologies
- Change/add tables
- Identify and manage suppressions
- Provide data in different formats

Improvements in

- Data consistency
- Data transfers
- Turn-around times
- Historical record keeping

Impact on Data Timeliness and Detail

- Improvements from new system may result in
 - Accelerated release of detailed annual statistics
 - Release of additional detail by type
 - Release of additional detail by country

Limitations New System Can't Solve

- Respondent burden limits detail BEA collects
- Non-disclosure laws limit detail BEA <u>can</u> publish
 - World aggregates usually ok
 - Constraint on country detail
- Data quality concerns limit detail BEA will publish
 - By type
 - By country
- Availability of source data limits timeliness



USBEA Conformance with EBOPS

```
1 Manufacturing services on physical inputs owned by others
                                                                     BEA's International Transactions published detail (Q)
 1.1 Goods for processing in reporting economy
                                                                     BEA's International Services published detail (A)
                                                                     Provided to OECD but not published by BEA (A)
 1.2 Goods for processing abroad
2 Maintenance and repair services n.i.e.
                                                                     Likely addition to categories published by BEA (Q)
3 Transport
 3.1 Sea transport
  3.1.1 Passenger
   Of which: 3.1.1.a Payable by border, seasonal, and other short-term workers
  3.1.2 Freight
  3.1.3 Other
 3.2 Air transport
 3.2.1 Passenger
   Of which: 3.2.1.a Payable by border, seasonal, and other short-term workers
  3.2.2 Freight
  3.2.3 Other
 3.3 Other modes of transport
  3.3.1 Passenger
   Of which: 3.3.1.a Payable by border, seasonal, and other short-term workers
  3.3.2 Freight
  3.3.3 Other
 3.4 Postal and courier services
 3.5 Space transport
 3.6 Rail transport
  3.6.1 Passenger
  3.6.2 Freight
  3.6.3 Other
 3.7 Road transport
  3.7.1 Passenger
 3.7.2 Freight
  3.7.3 Other
 3.8 Inland waterway transport
  3.8.1 Passenger
  3.8.2 Freight
  3.8.3 Other
 3.9 Pipeline transport
 3.10 Electricity transmission
 3.11 Other supporting and auxiliary services
```



USBEA Conformance with EBOPS

4 Travel

4.1 Business

4.1.1 Acquisition of goods and services by border, seasonal, and other sh Provided to OECD but not published by BEA (A)

4.1.2 Other

4.2 Personal

4.2.1 Health-related

4.2.2 Education-related

4.2.3 Other

5 Construction

5.1 Construction abroad

5.2 Construction in the reporting economy

6 Insurance and pension services

6.1 Direct insurance

6.1.1 Life insurance

6.1.1 a Gross life insurance premiums receivable

6.1.1 b Gross life insurance claims payable

6.1.2 Freight insurance

6.1.2 a Gross freight insurance premiums receivable

6.1.2b Gross freight insurance claims payable

6.1.3 Other direct insurance

6.1.3 a Gross other direct insurance premiums receivable

6.1.3 b Gross other direct insurance claims payable

6.2 Reinsurance

6.3 Auxiliary insurance services

6.4 Pension and standardized guarantee services

6.4.1 Pension services

6.4.2 Standardized guarantee services

7 Financial services

7.1 Explicitly charged and other financial services

7.2 Financial intermediation service charges indirectly measured (FISIM)

BEA's International Transactions published detail (Q)

BEA's International Services published detail (A)

Likely addition to categories published by BEA (Q)



BEA's International Transactions published detail (Q) BEA's International Services published detail (A)

Provided to OECD but not published by BEA (A)

Likely addition to categories published by BEA (Q)

USBEA Conformance with EBOPS

8 Charges for the use of intellectual property, n.i.e.

- 8.1 Franchises and trademarks licensing fees
- 8.2 Licenses for the use of outcomes of research and development
- 8.3 Licenses to reproduce and/or distribute computer software
- 8.4 Licenses to reproduce and/or distribute audiovisual and related products
- 8.4.1 Licenses to reproduce and or distribute audiovisual products
- 8.4.2 Licenses to reproduce and/or distribute other products

9 Telecommunications, computer, and information services

- 9.1 Telecommunications services
- 9.2 Computer services
- 9.2.1 Computer software
- of which: 9.2.1.a Software originals
- 9.2.2 Other computer services
- 9.3 Information services
- 9.3.1 News agency services
- 9.3.2 Other information services

10 Other business services

- 10.1 Research and development services
- 10.1.1 Work undertaken on a systematic basis to increase the stock of knowledge
- 10.1.1.1 Provision of customised and non customised R&D services
- 10.1.1.2 Sale of proprietary rights arising from R&D
- 10.1.1.2.1 Patents
- 10.1.1.2.2 Copyrights arising from R&D
- 10.1.1.2.3 Industrial processes and designs
- 10.1.1.2.4 Other
- 10.1.2 Other



USBEA Conformance with EBOPS

BEA's International Transactions published detail (Q) 10.2 Professional and management consulting services BEA's International Services published detail (A) 10.2.1 Legal, accounting, management consulting, and public relations Provided to OECD but not published by BEA (A)

10.2.1.1 Legal services

10.2.1.2 Accounting, auditing, bookkeeping, and tax consulting services Likely addition to categories published by BEA (Q)

10.2.1.3 Business and management consulting and public relations services

10.2.2 Advertising, market research, and public opinion polling

of which: 10.2.2.1 Convention, trade-fair and exhibition organization services

10.3 Technical, trade-related and other business services

10.3.1 Architectural, engineering, scientific and other technical services

10.3.1.1 Architectural services

10.3.1.2 Engineering services

10.3.1.3 Scientific and other technical services

10.3.2 Waste treatment and de-pollution, agricultural and mining services

10.3.2.1 Waste treatment and de-pollution

10.3.2.2 Services incidental to agriculture, forestry and fishing

10.3.2.3 Services incidental to mining, and oil and gas extraction

10.3.3 Operating leasing services

10.3.4 Trade-related services

10.3.5 Other business services n.i.e.

Of which: 10.3,5,1 Employment services i.e. search, placement and supply services of personnel

11 Personal, cultural, and recreational services

11.1 Audiovisual and related services

11.1.1 Audiovisual services

of which: 11.1.1.a Audiovisual originals

11.1.2 Artistic related services

11.2 Other personal, cultural, and recreational services

11.2.1 Health services

11.2.2 Education services

11.2.3 Heritage and recreational services

11.2.4 Other personal services

2 Government goods and services n.i.e.

12.1 Embassies and consulates

12.2 Military units and agencies

12.3 Other government goods and services n.i.e.