C.3. Resident/non-resident services transactions by mode of supply: towards full data collection and compilation

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14.391.   As indicated above, the ultimate goal is to implement data collection and compilation of a breakdown of resident/non-resident services transactions by mode of supply. That compilation can be done in much detail for (a) specific service sectors of interest to the compiling economy (i.e., using the simplified allocation for the other sectors of less interest) or (b) through the compilation for all services sectors. The compilation of such data may entail a number of challenges, mainly because it may be difficult to collect the raw data itself. However, it should be noted, that once the relevant details are collected, there are no additional compilation issues, besides the general considerations (i.e., grossing up, dealing with non-response, the quality of information obtained and data confidentiality, etc.).

14.392.   A variety of options have been developed, or can be envisaged, by countries to set up a new data collection system, or to add questions to existing data collection systems, regarding trade in services by mode of supply.[1] A broader data collection exercise, as well as collaboration with other agencies and institutions, can be envisaged as described below. Alternatively, data on modes could be derived through the combination of multiple sources of information, e.g., through a data model, as described in chapter 17.

Broad data collection and generic surveys

14.393.   For collecting data on the value of supply of services by mode of supply, the most relevant source would be through surveys, mainly enterprise surveys (see chapter 6). By amending existing surveys, for example, or integrating appropriate questions in survey forms, data from existing enterprise surveys can be used as a way forward to estimate the value of the international supply of services by mode. Hence, potentially, such estimates could be generated without establishing a new and additional data collection system, while still being of acceptable quality. Even efforts targeted towards a limited number of relevant services categories in the compiling economy can ensure the production of policy-relevant results. Importantly, because the expected respondents' burden could be high, it would be good practice to conduct, at the initial stages, sample surveys of enterprises, which should address questions needed to estimate or allocate services by modes. At a later stage, questions on modes of supply could be integrated into the existing questionnaires as mandatory data elements.

14.394.   That approach, of amending existing surveys in a step–by-step manner, would necessitate some knowledge building from the compiler's side. As a starting point, the considerations outlined in the section on the conceptual allocation could be followed. In addition, a "screening" survey could be conducted to identify the sectors and enterprises that should be targeted, or existing academic research could be reviewed to identify how services are generally rendered. Relevant enterprises could be extracted from existing business registers (see also chapter 5, section E, and chapter 6) focusing as a first step only on some key business services, such as legal, engineering or computer services.[2]

14.395.   Structural business statistics provide compilers with additional information regarding business structure, size and class, employment, etc., which could be useful for national industry policies.[3] Important service sectors could be identified from the shares of the services in the GDP or share in total services. Some countries compile jointly international trade in services and structural business statistics, making the whole business population available; the relevant subpopulation of interest for a specific mode could be derived from that source. In some cases, the information is also available in internally maintained registers, so-called BOP registers.

Specialized surveys

14.396.   A *focused or specific data collection system* could be developed on the basis of economic, political-economic and socioeconomic issues; for example, mode 4 could be integrated into a broader concept of cross-border movements and related international transactions in globalization theories. In addition to enterprise surveys, surveys of persons and households (see chapter 7) could also be partially useful for certain mode 4 niches; e.g., services provided by self-employed persons, or households as consumers of services provided by contractual service providers, although the latter may not be significant for the majority of compiling countries (small proportion of population, small transactions as compared to mode 4 transactions of enterprises). Surveys of persons and households could also be used to identify mode 2 (i.e., travel).

14.397.   Finally, a *pluralistic-integrated* approach, i.e., a sector-specific survey that integrates various statistical domains, including trade in services (but also FATS, SBS, innovation or others), can provide relevant statistical information for different statistical domains. Focusing on different user interests, specific sector studies would serve several purposes; policy makers could also be interested in specific studies, such as those incidental to agriculture or environment services. A more in-depth approach for such surveys, identifying modes for more detailed services categories, could be implemented, but policy needs would, in many cases, have to be identified by the national authorities for such surveys to be developed.

Specialized surveys in collaboration with other agencies

14.398.   As described in chapter 6, the collection and compilation of resident/non-resident statistics on the international supply of services by mode of supply could also be established in collaboration with agencies, such as ministries of the economy or trade, that have specific interests in obtaining such data. In such circumstances, it is important for the agency in charge of the collection and compilation of official trade in services statistics (generally, the national statistical office or central bank) to coordinate with the specialized agency so that international recommendations are followed, and to ensure that the collected information can be used in a broader context.

14.399.   An example of such a data collection is presented in chapter 10, paragraphs 10.63 to 10.67. That example shows that the International Legal Services Advisory Council (ILSAC) of Australia has for a number of years been conducting its own compilation of statistics on the international supply of legal services to non-residents. That approach benefited from the assistance of the Australian Bureau of Statistics. Such collaboration has highlighted the desirability, from the point of view of ILSAC, of increasing the focus on compiling data that is more closely aligned to the specific modes of service delivery recognized by economies in trade negotiations and, although it does not mention it, to ensure that the data collected follows international standards as closely as possible. That experience is as an example of positive collaboration between the body in charge of compiling trade in services statistics and an institution with a strong interest in collecting sector-specific data. Although from the statistical compiler's perspective, it would seem difficult to replicate the process for all services sectors, such an experience can prove useful for improving the quality of statistics, as well as for providing some first estimates according to the four modes.

14.400.   Similarly, large employment or recruitment agencies[4] that might have important cross-border activities could be targeted. Those might include agencies working with persons from new European Union member countries or persons in so-called regional or border clusters. It might be possible to use the data from such agencies on types of contracts to identify the services relevant for measuring mode 4.

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[1] Another possibility would be for the data compiler to establish a data model for certain services categories or modes (see chapter 17).

[2] See also Eurostat, A detailed module for structural statistics on business services, annex VIII of European Parliament and Council of the European Union regulation No. 295/2008 (see http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2008:097:0013:0059:EN:PDF).

[3] Information on small and medium-sized enterprises and specific characteristics of enterprises related to a particular breakdown of activities might be important for national policy to promote cross-border services trade for enterprises which do not export services, or to support enterprises that are already active in the export of services.

[4] For example, since 1994, recruitment agencies in Germany have been able to recruit in all occupational fields; before that year, there were some exceptions in management and artistic related activities.