

A. Introduction

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1.2. GATS was a driving force in the drafting of MSITS, both for the first version of the *Manual*, at the end of the 1990s, and its current 2010 edition. GATS establishes a set of rules and disciplines that govern the use of measures affecting trade in services by World Trade Organization (WTO) members. Under GATS, WTO members are committed to entering into successive rounds of trade liberalization negotiations, which are conducted by type of service and mode of supply. Economic integration agreements at the regional or bilateral level follow the same approach. Consequently, the availability of statistics on the international supply of services, detailed by service type, mode of supply and partner country, is highly important for trade in services policymaking and related analysis.

1.3. Chapter II of MSITS 2010 focuses on the conceptual framework for the development of statistics of international trade in services, and explains how existing statistical systems and classifications can be used to progressively build such statistics to provide the information necessary for measuring the international supply of services. It is consistent with concepts and definitions included in the 2008 System of National Accounts (2008 SNA) and the *Balance of Payments and International Investment Position Manual*, 6th edition (BPM6). The compilation guidance provided for those frameworks should be used as a starting point and the present *Guide* should be read as an extension of that guidance, covering specific compilation needs in the context of MSITS 2010 implementation.

1.4. Since the relevant conceptual frameworks are outlined in MSITS 2010 and detailed in other international manuals, the present chapter introduces only briefly the basic elements of the frameworks that are essential in the context of compiling trade in services statistics, and makes reference to relevant material in the manuals. It clarifies information needs, in particular those of GATS, and links that information to the compilation of statistics on the following:

- (a) Services transactions between residents and non-residents, broken down by service type (according to the Extended Balance of Payments Services Classification 2010 (EBOPS 2010)), partner, mode of supply (mainly 1, 2 and 4) and relationship between the parties (trade between affiliated firms and between unaffiliated firms);
- (b) Foreign Affiliates Statistics (FATS), focusing on the variables and breakdowns of interest in the context of the international supply of services, while being consistent with the frameworks described in *Benchmark Definition of Foreign Direct Investment*, 4th edition of the Organization for Economic Cooperation and Development (OECD) and *Measuring Globalization: OECD Handbook on Economic Globalization Indicators*;
- (c) Additional monetary and non-monetary (quantitative) indicators relevant for the assessment of the importance of various modes of supply, in particular, modes 2 and 4, in an economic context.

Next: [B. General Agreement on Trade in Services, modes of supply and statistical frameworks](#)