

## D. Presentation of statistics by mode of supply

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20.51. The present section deals with the dissemination of statistics on the international supply of services by mode 4. The allocation of FATS as a mode 3 supply of services is relatively straightforward (see chapter 15), whereas the modal breakdown or allocation of resident/non-resident trade in services to modes is described in detail in chapter 14, section C. The modal breakdown is key for trade negotiations and analysis, and could provide statistical background for settling disputes, better evaluating market opportunities and monitoring changes in patterns in the international supply of services. Modes of supply statistics could possibly be disseminated on an annual or pluriannual basis as (a) FATS data are more likely to be produced yearly and (b) data on resident/non-resident transactions broken down by mode may not be compiled every year.

20.52. Given the complexity, and different levels of advancement in producing relevant data, it is proposed to proceed in stages in the dissemination of combined information on modes of supply, initially concentrating on monetary aspects. From that perspective it is of utmost importance that compilers provide metadata to users on the issues of comparability of FATS and BOP services transactions data, in particular if for the former the data refer to sales rather than output, are not broken down by product but rather by activity or it is not possible to separately identify sales to the residents of the territory of establishment of the affiliates.<sup>[1]</sup>

20.53. First, combining statistics on resident/non-resident transactions in services and FATS gives users a broad perspective on the international supply of services. That broad perspective recognizes the key role in the delivery of services internationally played by affiliates that are located in, but are owned outside, the markets they serve. It is also consistent with the view that many firms take of their worldwide operations. Once countries have developed FATS and BOP services data, a first step would be to report data on BOP services with no distinction of modes alongside data on inward and outward services output (or sales) by foreign affiliates (as a close estimate of the supply of services through mode 3),<sup>[2]</sup> as shown in table 20.3. A data set could first be produced for total services, but then a breakdown into partners and services sectors (keeping in mind the comparability issues that may ensue) would also be useful.

**Table 20.2**  
**Services supplied to foreign and national markets through International transactions and through affiliates**

	To foreign markets		To the national market	
	Through exports of services (credits)	Through foreign affiliates of resident companies (outward, output of services)	Through imports of services (debits)	Through resident affiliates of foreign companies (inward, input of services)
2000				
2001				
2002				
...				

20.54. Second, for those countries with specific services niches, there may be interest in compiling a breakdown of relevant monetary data (i.e., FATS services output (or sales) and BOP services data) into modes of supply for that sector, in particular to assist the policy making and negotiations. Data on FATS and services transactions may be collected or compiled separately or together (as described in chapters 6; 14, section C; and 15). Accompanying metadata should be very detailed, since the sector under consideration might not be directly comparable with statistics disseminated by other countries on similar service sectors. Each country might indeed choose to compile services data by mode of supply in very specific niches, taking into account their comparative advantage and the relative importance of the service for their domestic economy.<sup>[3]</sup>

20.55. Table 20.4 provides a sample format for disseminating statistics for a specific service for the four modes of supply. Depending on needs, data could be broken down by more detailed types of services and/or by partner, and could also be produced for services supplied to both foreign (exports /outward) and national markets (imports/inward).

**Table 20.3**  
**Dissemination of data on the International supply of services according to the four modes**

	Through trade in services			Through foreign affiliates (output of services)
	Mode 1	Mode 2	Mode 4	Mode 3
Services X				
Services Y				

20.56. It is important, however, for compilers to aim to disseminate services data by mode of supply, at least for each main services item and direction of supply (i.e., to foreign markets and to the national market). That is why, as a third step, it is advisable to disseminate a table similar to 20.4, but with the breakdowns described for all main sectors, with more or less detail depending on the interest or availability of data for specific services. Where no data collection or compilation by mode is established, a possible alternative for presenting and disseminating data would be to perform, as a starting point, the "conceptual" allocation of trade in services as presented in chapter 14, section C, (see also table V.2 of MSITS 2010). If it is not possible to use FATS data (e.g., not compiled, or comparability issues are too big), an alternative solution could be to present only the breakdown of BOP trade in services into modes and, if relevant, have the available FATS sales/output data (preferably focusing on services) shown in a separate set of tables. Again, very detailed metadata should be provided that explains the rationale for the allocation of the services items to specific modes.

20.57. Presenting modes of supply data by main service sector will facilitate cross-country comparison, keeping in mind that the presentation may be adapted according to the data availability in the country, as well as on the basis of the compiler's knowledge of how services are supplied by or in the country. Relevant economic or geographical zones or regions could be presented that would provide additional insight for informing policy decisions. If, for BOP services transactions, it is not possible to distinguish among modes, additional columns could be added (for example at the right-hand side of table 20.4) providing the possibility of presenting information for a combination of modes (e.g. "modes 1 and 4", "modes 2 and 4"). It is advisable, however, for the headers to reflect the two modes most likely to be relevant for services sectors. To ensure the usefulness of the information, the use of such additional columns should be limited, the longer-term aim being to show all transactions under respective single modes, ultimately removing the combined columns.

20.58. Finally, for other indicators relevant in the context of the international supply of services, the details of interest from a trade policy perspective should be made available or easily accessible for policymakers and analysts. It is therefore suggested that the responsible agency at the national level make information (or links to it) available to users in a standardized format, for example in a database or analytical report alongside the FATS and BOP services data, as described above. Particular attention should be brought to modes 2 and 4 non-monetary indicators, which should be disseminated using the breakdowns suggested in chapter 16 to the extent possible.

20.59. Examples are presented below for the United States and New Zealand. However, as presented in the present *Guide*, other national agencies have engaged in the publication of monetary data broken down by mode of supply, including Reserve Bank of India and the International Legal Services Advisory Council of Australia. In addition, reports combining indicators from various sources are published by some agencies in charge of analysing the international supply of services, such as the International Trade Commission of the United States or Department of Foreign Affairs and Trade of Australia. Readers are advised to refer to those reports for examples of the dissemination of data on the international supply of services.

#### **Include pages:**

[Country experience: United States: combining statistics on resident/non-resident transactions in services and FATS](#)

[Country experience: New Zealand: disseminating trade in services by mode of supply by broad service type and by partner](#)

**Next:** [E. Combined presentation of international merchandise and trade in services statistics](#)

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[1] Concerning FATS data, as long as they are provided only on an activity basis, it will most probably be difficult to present a breakdown of sales or output by product using EBOPS 2010 or ISIC Categories for Foreign Affiliates in services, revision 1 (ICFA rev.1) as suggested in MSITS 2010, chapter V. However, it is important to keep in mind that MSITS 2010 suggests as a long-term goal to develop statistics on sales/output of services by product, using a classification compatible with EBOPS, if possible. An interim solution is to break down output (or sales) for each activity between total services and total goods, the former being of interest in the context of the international supply of services.

[2] For a proper estimation of mode 3, one should identify output or sales of services to residents of the country of establishment of those affiliates.

[3] A description of the services sector in terms of the Central Product Classification (CPC) could be useful in order to clarify the scope of the service under consideration, which is broken down by modes.