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**Collection, Dissemination, and Quality of International Trade in Services Statistics,
Monitoring Progress**

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
Collection, Dissemination and Quality of International Trade in Services Statistics, Monitoring progress

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Introduction


- Pressing need from trade analysts and negotiators for more relevant, detailed data
 - UNSC has requested task force to focus on issues of data quality
 - Are we progressing ? How to monitor progress?
 - Suggested approach:
 - Look at core recommendations in Manual
 - How many countries implement these?
 - Quality and comparability : - are mirror data useful?
- Methodological soundness questionnaires 

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New Core Recommendations


- Collect Balance of Payments (BOP) trade in services data
 - i) Using Extended Balance of Payments Services Classification
 - ii) By partner country
- Collect Foreign Affiliates Trade in Services (FATS) statistics for basic variables- sales, value added, employment, exports and imports
 - i) By activity (ICFA)
 - ii) By partner country

N.B. Concept of modes of supply is fundamental but needs more statistical development 

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Balance of Payments Services

- BOP trade in services data are relatively well established following IMF's 5th Manual
- Significant progressive improvements in detail and comparability since mid-nineties
- Data collection by IMF/OECD/Eurostat currently being adapted to EBOPS classification
- Partner country data published by Eurostat and (since 2002) by OECD
- 2003 OECD partner country data cover 27 countries and 75% of world exports 

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Coverage of reported service exports (BOP) in partner country data and estimates based on mirror statistics

| Exporting region | Total available exports data by partner country % of total exports | | |
|-----------------------|--|---------------|---|
| | Total exports (billion USD) | Reported data | Reported data supplemented with mirror data |
| World | 1493.8 | 79.0 | 81.7 |
| OECD | 1165.1 | 93.7 | 93.6 |
| NAFTA | 338.5 | 94.7 | 96.9 |
| OECD Asia and Oceania | 114.2 | 97.1 | 98.4 |
| EU total | 633.2 | 98.4 | 98.4 |
| OECD Europe other | 89.2 | 51.8 | 98.4 |
| Africa | 32.4 | 0.0 | 76.8 |
| America | 370.4 | 84.0 | 99.8 |
| Asia and Oceania | 332.8 | 42.3 | 73.5 |
| Europe | 756.8 | 88.4 | 96.6 |

Source: OECD, IMF

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Reporting of exports of 'new' BPM5 major services components by IMF countries

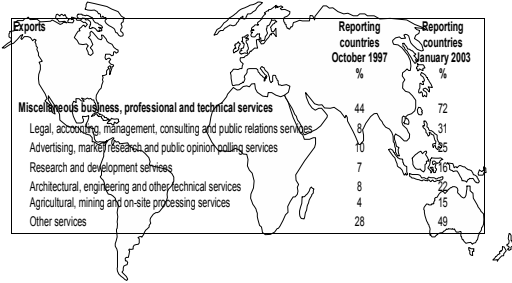
| Exports | Reporting countries October 1997 % | Reporting countries January 2003 % |
|--|------------------------------------|------------------------------------|
| Communications services | 39 | 45 |
| Construction services | 21 | 25 |
| Insurance services | 21 | 25 |
| Financial services | 26 | 31 |
| Computer and information services | 11 | 15 |
| Royalties and licence fees | 42 | 45 |
| Other business services | 22 | 25 |
| Personal, cultural and recreational services | 14 | 44 |

Source WTO/IMF

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Reporting of selected BPM5 supplementary service items



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Foreign Affiliates Trade in Services (FATS) Statistics

- FATS statistics are relatively underdeveloped compared with BOP
 - Data collection expanding at Eurostat, OECD and UNCTAD
 - OECD FATS statistics database covers 5 basic variables (sales, value added, employment, exports and imports)
 - Inward and outward FATS
 - By activity (not ICFA)
 - By partner
- First OECD publication of FATS statistics 2002, based on 1998 and 1999 surveys covers 20 countries in varying detail. 2003 survey expected to provide more information on a larger number of countries.

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Current Situation of OECD Member Countries' Development of EBOPS and FATS (May 2003)

| Country | Number of EBOPS components reported | FATS inward | | FATS outward | |
|--------------------|-------------------------------------|-------------------------|-----|-------------------------|-----|
| | | No (not planned) (2004) | Yes | No (not planned) (2003) | Yes |
| 1 Australia | 43 | Yes | Yes | Yes | Yes |
| 2 Austria | 17 | Yes | Yes | Yes | Yes |
| 3 Belgium | 17 | Yes | Yes | Yes | Yes |
| 4 Canada | 17 | Yes | Yes | Yes | Yes |
| 5 Czech Republic | 17 | Yes | Yes | Yes | Yes |
| 6 Denmark | 17 | Yes | Yes | Yes | Yes |
| 7 Finland | 17 | Yes | Yes | Yes | Yes |
| 8 France | 17 | Yes | Yes | Yes | Yes |
| 9 Germany | 17 | Yes | Yes | Yes | Yes |
| 10 Greece | 17 | Yes | Yes | Yes | Yes |
| 11 Hungary | 17 | Yes | Yes | Yes | Yes |
| 12 Iceland | 17 | Yes | Yes | Yes | Yes |
| 13 India | 17 | Yes | Yes | Yes | Yes |
| 14 Italy | 17 | Yes | Yes | Yes | Yes |
| 15 Japan | 17 | Yes | Yes | Yes | Yes |
| 16 Korea | 17 | Yes | Yes | Yes | Yes |
| 17 Mexico | 17 | Yes | Yes | Yes | Yes |
| 18 Netherlands | 17 | Yes | Yes | Yes | Yes |
| 19 New Zealand | 17 | Yes | Yes | Yes | Yes |
| 20 Norway | 17 | Yes | Yes | Yes | Yes |
| 21 Poland | 17 | Yes | Yes | Yes | Yes |
| 22 Portugal | 17 | Yes | Yes | Yes | Yes |
| 23 Slovak Republic | 17 | Yes | Yes | Yes | Yes |
| 24 Slovenia | 17 | Yes | Yes | Yes | Yes |
| 25 Spain | 17 | Yes | Yes | Yes | Yes |
| 26 Sweden | 17 | Yes | Yes | Yes | Yes |
| 27 Switzerland | 17 | Yes | Yes | Yes | Yes |
| 28 Turkey | 17 | Yes | Yes | Yes | Yes |
| 29 United Kingdom | 17 | Yes | Yes | Yes | Yes |
| 30 United States | 17 | Yes | Yes | Yes | Yes |

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Assessing Data Quality

- Given difficulty of measurement – how to assess data quality?
- Partner country mirror data – in principle there should be something very close to symmetry (note there are a few inherent conceptual asymmetries)
 - Provide a measure of comparability
 - Bilateral approach
 - Multilateral approach
 - Global imbalances (total exports v total imports of a service)
 - Monitor these over time
- Methodological soundness questionnaire (Launched by Eurostat –OECD 2003) will look at country approaches

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Some selected examples of bilateral BOP services asymmetries

| Exporting country with partner | Total Services \$bn | | 2004 Asymmetry coefficient $(X-m)/((X+m)/2)$ |
|--------------------------------|---------------------|--------------------|--|
| | Exports (X) | Mirror imports (m) | |
| EU to Japan | 15.8 | 20.9 | 0.28 |
| EU to US | 108.1 | 73.7 | 0.38 |
| Japan to EU | 13.1 | 10.0 | 0.27 |
| Japan to US | 20.6 | 18.6 | 0.10 |
| US to EU | 88.7 | 109.8 | -0.21 |
| US to Japan | 31.3 | 35.4 | -0.12 |

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EU15 reported multilateral trade

| REPORTING COUNTRY: EU15 | 2001 | | | | | |
|-------------------------|-------------|--------------------|---|-------------|---------------------|---|
| | Export (\$) | Mirror Import (\$) | Asymmetry coefficient $(x-m)/((x+m)/2)$ | Import (\$) | Mirror Exports (\$) | Asymmetry coefficient $(m-x)/((m+x)/2)$ |
| Canada | 3,248 | 6,226 | -0.48 | 6,894 | 2,226 | -0.69 |
| Mexico | 1,006 | 88,684 | -0.99 | 109,776 | 88,684 | -0.21 |
| United States | 30,056 | 88,684 | -0.67 | 109,776 | 88,684 | -0.21 |
| Australia | 4,816 | 3,093 | 0.36 | 3,943 | 3,093 | 0.24 |
| Japan | 15,761 | 13,064 | 0.16 | 9,977 | 13,064 | -0.26 |
| Korea | 2,751 | 3,234 | -0.15 | 2,014 | 3,234 | -0.46 |
| New Zealand | 1,006 | 1,006 | 0.00 | 1,006 | 1,006 | 0.00 |
| Czech Republic | 2,507 | 3,730 | -0.34 | 2,908 | 3,730 | -0.24 |
| Hungary | 1,006 | 1,769 | -0.43 | 2,8 | 1,769 | 0.45 |
| Iceland | 1,006 | 1,006 | 0.00 | 1,006 | 1,006 | 0.00 |
| Norway | 9,179 | 1,767 | 0.81 | 6,541 | 9,767 | -0.33 |
| Poland | 1,006 | 1,006 | 0.00 | 1,006 | 1,006 | 0.00 |
| Slovak Republic | 1,899 | 1,241 | 0.35 | 0.78 | 1,241 | -0.43 |
| Switzerland | 1,006 | 1,006 | 0.00 | 1,006 | 1,006 | 0.00 |
| Turkey | 1,006 | 1,006 | 0.00 | 1,006 | 1,006 | 0.00 |
| EU15 | - | - | - | - | - | - |
| TOTAL | 127,134 | 130,834 | 0.15 | 144,634 | 130,834 | 0.10 |

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Japan reported multilateral trade

| REPORTING COUNTRY: Japan | 2001 | | | | | |
|-----------------------------|---------------------|---------------------|---------------------------------------|---------------|---------------------|---------------------------------------|
| | Exports (x) \$bn | Mirror Imports (mm) | Asymmetry coefficient $(x-m)/(x+m)/2$ | Imports (m) | Mirror Exports (xm) | Asymmetry coefficient $(m-x)/(m+x)/2$ |
| Canada | 1.699 | 1.296 | | 1.113 | 1.113 | 0.431 |
| Mexico | | | | | | |
| United States | 20.587 | 18.618 | 0.100 | 35.414 | 35.414 | 0.134 |
| Australia | 1.031 | 0.916 | 0.118 | 2.507 | 1.746 | 0.356 |
| Japan | | | | | | |
| Korea | 3.212 | 6.136 | | 5.374 | 4.205 | 0.245 |
| New Zealand | | | | | | |
| Czech Republic | | | | | | |
| Hungary | | | | | | |
| Iceland | | | | | | |
| Norway | | | | | | |
| Poland | | | | | | |
| Slovak Republic | | | | | | |
| Switzerland | | | | | | |
| Turkey | | | | | | |
| EU-15 | 1.064 | 9.977 | 0.268 | 20.854 | 15.761 | 0.278 |
| TOTAL | 39.563 | 36.945 | 0.068 | 65.899 | 54.136 | 0.196 |

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US reported multilateral trade

| REPORTING COUNTRY: United States | 2001 | | | | | |
|-------------------------------------|----------------------|---------------------|---------------------------------------|----------------|---------------------|---------------------------------------|
| | Exports (x) \$ bn | Mirror Imports (mm) | Asymmetry coefficient $(x-m)/(x+m)/2$ | Imports (m) | Mirror Exports (xm) | Asymmetry coefficient $(m-x)/(m+x)/2$ |
| Canada | 9.448 | 25.919 | | 18.231 | 21.621 | -0.160 |
| Mexico | | | | | | |
| United States | | | | | | |
| Australia | 4.909 | 3.103 | 0.361 | 3.64 | 2.439 | 0.395 |
| Japan | 31.294 | 35.414 | -0.121 | 18.618 | 20.587 | -0.100 |
| Korea | | | | | | |
| New Zealand | | | | | | |
| Czech Republic | | | | | | |
| Hungary | | | | | | |
| Iceland | | | | | | |
| Norway | | | | | | |
| Poland | | | | | | |
| Slovak Republic | | | | | | |
| Switzerland | | | | | | |
| Turkey | | | | | | |
| EU-15 | 98.854 | 109.776 | -0.213 | 73.72 | 108.056 | -0.287 |
| Total | 142.335 | 174.212 | -0.154 | 114.409 | 152.713 | -0.287 |

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Methodological Soundness Questionnaire

- OECD-Eurostat joint initiative sent out in June 2003
- Replies were expected by end October
- Results will be discussed with the experts first before being made available.
- A system to respond to questions about what is included in different types of services - Does it exist?
- Do we need a hot line and how should it work ?

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What next?

- More guidance on compilation
- More focus on developing countries
- Widen coordinated international collection of BOP/ FATS/Partner Country Data UN/IMF/OECD/UNCTAD
- More focus on modes of supply
 - Put BOP trade and FATS sales statistics in same picture, even though some analytical problems
 - More indicators of Mode 4 (very important for certain countries)
- Data quality monitoring and feedback
- Feed into BPMS Revision process
- Implement National Account request on Software

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Conclusions and Questions.

- On the criteria outlined above significant progress is being made
- Much progress (but not all) concentrated so far in OECD countries BOP Services, FATS and Partner Country Data
- Is the approach outlined on data quality appropriate ?
- Do we need to monitor any other aspect of country reporting ?
- How can we advance developing countries participation including on mode 4 ?
- Any other comments ?

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