

**Twenty-Fourth Meeting of the
IMF Committee on Balance of Payments Statistics
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**Work of the Task Force on Statistics of International Trade in Services
(TFSITS)**

**Prepared by the Statistics Directorate Organisation for
Economic Co-operation and Development**

Report of the Meeting of the Task Force on Statistics of International Trade in Services (TFSITS)**28-29 March 2011****(Joint meeting with TF on International Merchandise Trade Statistics: 30 March 2011)**

Eurostat, Luxembourg

1. Welcome and Opening (Eurostat)

1. Maria Helena Figueira, Director of business statistics (Directorate G) at Eurostat, welcomed the participants, highlighting that the recent UNSD/Eurostat/WTO Global Forum on trade statistics held in Geneva in February this year had identified the challenges of trade in goods and services statistics. She underlined that the Interagency Task Forces on International Merchandise Trade Statistics (TFIMTS) and on Statistics of International Trade in Service (TF SITS) as well as the joint meeting (which gathers both groups on a third day of meetings) provide an important opportunity to promote an integrated approach of trade in goods and services and agree on the way forward. The Head of the International Transactions Division, Mr. Axel Behrens gave some update on the reorganization of trade related work in Eurostat and closed this first session giving some practical information.

2. Adoption of the agenda

2. UNWTO suggested grouping the presentations related to tourism under item 9 of the agenda which was agreed to by the Task Force. The agenda (attached as annex 1) was then adopted. The list of participants is attached as annex 2.

3. Approval of the report of the last TF meeting, 7th October 2010.

3. The report was approved.

4. Status of Edition of paper publication MSITS (UNSD)

4. The Task Force took note of UNSD report that the final text of the Manual on Statistics of International Trade in Services (MSITS 2010) had come back from "document control", the paper edition was currently going for printing and that the posting on the TF website was imminent.

5. Follow-up of the Global Trade Forum (UNSD)

5. The UNSD representative, pointing out that this Global Trade agenda item was also reflected in the joint session agenda, explained that the Global Trade Forum was initially an initiative from Eurostat and UN first planned to take place in Istanbul and then relocated to Geneva to be held under the broader umbrella of WTO and UNCTAD as well. The meeting received high-level support both from the political

side and the substantive side with the notable presence of the Director General of WTO and the Secretary General of UNCTAD and also of the Chief Statisticians of the European Union and of Italy. He noted that trade in services are a high priority on the policy agenda with a request for more detailed statistics, that more connections between trade and enterprise statistics should be established having in mind the need to better understand the functioning of Global Value Chains. A vision statement was adopted in principle at the end of the meeting. A longer version of the vision statement was drafted as a background document to the meeting and was tabled for discussion at the joint session of the Task Forces. The UN would also seek the Task Forces' support for a compendium on trade by enterprise characteristics at the joint session.

6. UNWTO congratulated UNSD, Eurostat and WTO for the initiative which highlights the relevance of trade in services statistics and also sets some focus on the importance of the statistics collected following the product dimension CPC/CPA. Eurostat noted that the vision statement "International Trade Information Systems in 2020" needed to be discussed again at the joint session, stressing that it is important that International Organization's work move in the same direction.

7. The Bundesbank representative pointed out the challenges in producing more detailed trade in services statistics in the current context, noting that the practicalities of the collection of trade in services were very different from those in trade in goods and stressing that, in the case of Germany, information from enterprises were already fully exploited in the data collection process. UNWTO recognized the challenge but stressed that MSITS 2010 Compilation Guidance need to explore more potential sources like connecting administrative data and enterprise surveys or new technologies. The main message was the need for detailed guidance for more efficient data collection. The Bundesbank stressed that different sources were already used in the German collection process (including mobile phone information), but with all these different sources, the measurement challenges remain.

8. The TF noted the request from policy makers for more detailed trade in services statistics stressing however the practical challenges for collecting more detail and the need to allocate corresponding resources to this task. TF stressed the importance of the change in the conceptual framework, acknowledging the need to further integration of trade in goods and services as well as trade and enterprise statistics.

6. 2014 International Trade in Services data request (Eurostat)

9. Eurostat informed the TF about its future data (2014 with reference year 2013) request for the collection of trade in services statistics following the revised standards. As a large majority of countries were against the mandatory collection of all EBOPS 2010 items, a compromise had to be found. Finally the agreement reached involved only the mandatory collection of 14 EBOPS items (in supplement to the BPM6 items). All other EBOPS items are requested but will be delivered on a voluntary basis only. These items will be included in the BoP Vademecum. Both data on a voluntary and a mandatory basis would then be published by Eurostat. Eurostat stressed that the higher level of breakdown of R&D was mandatory and also highlighted that this experience gives an idea of the difficulties faced by countries in collecting supplementary detail in what regards trade in services.

10. The implementation of the scoreboard was mentioned, it aims at strengthening macroeconomic policy in Europe. Nine indicators implying thresholds had been agreed upon, three of them were based on balance of payment information which stresses the importance of this framework for monitoring economic fluctuations.

11. The Bundesbank explained that the legal obligation which prevails in the Eurostat context constitutes a problem for requesting many EBOPS items on a mandatory basis. She highlighted that a

country, if there is an economic interest in the specific EBOPS item, would anyway collect the information.

12. Following a question from UNSD asking if other classifications (like CPC/CPA) than EBOPS 2010 were considered in the discussion related to the annual reporting of data, Eurostat replied that only EBOPS 2010 was considered, however modes of supply were also discussed to a certain extent.

13. The Chair informed the TF about a suggestion from a Global Forum delegate to tackle, in Europe, the issue of the legal obligation - which prevents countries to agree to the collection of too many mandatory EBOPS items - by requesting only exports on a mandatory basis. In this case, imports which are sometimes considered as more difficult to collect could be requested on a voluntary basis (or possibly compiled via mirror statistics).

14. The Banca d'Italia representative considered that the "unilateral reporting" approach was recurrently debated in Europe, without reaching a consensus on it. Even if in theory gains of efficiency could be achieved, countries in Europe generally appear not enough confident to rely on other countries' export data to compile their own import figures. In addition, the quality of export data can be sometimes questioned as large companies can fail to report exports of services that are not part of their core business.

15. The IMF representative stressed that developing countries meet difficulties in collecting the main EBOPS items); this is a problem for developed countries as well as developing countries are importing parts of their exports of services.

16. The UNSD representative informed the TF that its institution, while doing technical cooperation with developing countries like in South East Asia, had noted many of these countries had recently moved to enterprise surveys and that usually the export side is easier to collect.

17. There was a question from UNSD regarding the coverage of Structural Business Statistics (i.e. do they cover goods and services?). Eurostat noted that both goods and services were covered but only at aggregate level and following NACE. The trade by enterprise characteristics (TEC) database was also mentioned as some countries are able to provide information on services. Eurostat was adopting a more integrated approach of business and trade statistics creating linkages in order to better understand the global value chains. This is however a long process and the compilation of data following EBOPS 2010 was not the last step. The linkage process was noted to be easier in the merchandise area.

18. The Bundesbank intervened saying that the linkage process was a valuable initiative which should not be confused with the request for more detailed data on trade in services which means collecting more services information which are not available anyway through linking different frameworks.

19. The TF took note of the TIS breakdown that will be collected in 2014 by Eurostat acknowledging that the level of detail requested was already seen as a challenge by a majority of EU member countries. On a longer term the TF encourages further thinking on the collection of TIS by product (CPC/CPA) and industries (ISIC/NACE) which would imply further institutional cooperation.

7. SDMX Data Structure and Codification for Balance of Payments and International Investment Position (Eurostat)

20. Eurostat noted that the SDMX draft data structure for BoP had been agreed with the IMF and ECB but the document was not final as only the BPM6 items had been coded. Consequently, most EBOPS 2010 items were missing and those were urgently needed for the upcoming regulation which should be drafted next June. The IMF representative stated he would prepare the BPM6 coding by end of May and noted he had some issues with the coding system especially with the items presented below Goods for processing -

which are not sub aggregates - and the coding system should reflect that. The Banca d'Italia representative underlined that this exercise had given a good example of international cooperation.

21. The Task Force congratulated Eurostat, ECB and IMF for the joint effort in generating the codes for BPM6 items. The IMF would start the preparation of the EBOPS 2010 coding the following week. This EBOPS coding would be finalized and submitted to the TF by the end of May.

8. Highlighting different types of issues following a predefined taxonomy

a) The cases of the USA and Japan (OECD)

22. OECD presented the main differences affecting US and Japan trade in services statistics across International Organisations (IO) databases i.e. OECD, Eurostat, IMF, WTO, UNSD, UNCTAD, ITC. The question was how to improve these diverging trends as users would not be comfortable with the differences. IMF suggested a first check would be to identify if IO are using primary (USBEA/BoJ) or secondary sources (Other IO) and then to detect the differences in vintages of data. IMF also noted that countries would tend to present the data as they think the IO would want them to provide, which could give some suboptimal results.

23. The Bundesbank representative suggested having a single identical data delivery at the same moment to every IOs (not to a central Hub) so that all IO would publish the same data. She stressed coding was also an important issue as the availability of EBOPS coding would help countries sending the right information (same information, same vintage) to all IOs. WTO agreed and noted that a supplementary reason for the discrepancy could be related to what the national institution is reporting to the different IO, for instance BEA is providing finer information on architectural, engineering and other technical services to the OECD than to the IMF. There was a suggestion to create a Common dataset for service statistics as it exists in the case of goods.

24. UNSD noted that in principle, data should not be different across databases, since the data compilation is in all cases based on BOP and MSITS and there are therefore no methodological differences. If differences are found even in those cases where the same source data are used than there has to be an issue with the treatment of the data by the different IO; for instance the OECD is maintaining two datasets one by partner countries (TISP), another with partner world only (TIS).

25. Eurostat noted that any dataset stored in different database would tend to diverge even if the data are sent only once to all. OECD noted that IO had the chance with this exercise to open the black boxes of the different data reporting to (and requests by) IO. OECD said the SDMX data transmission system with standardized and common coding represent an opportunity to use one format where all detail available from countries could be made available and used by IO. OECD was also ready to share the supplementary information related to construction services with other IO.

26. The Central Bank of Japan delegate noted that dissemination of data difference for the original data by IO was undesirable, and national statistical agencies have no means to notice such discrepancies. She also noted that individual provision of information to each IO was being a burden. Therefore, she asked the IO to create a data and information sharing scheme in order to ensure consistencies among different IO database and the original data disseminated by national statistical agencies.

27. WTO noted that it was up to the IO to try understanding the differences and not to the national agencies, The present comparison exercise is precisely an IO initiative to try to understand the differences.

b) The case of Germany (Eurostat)

28. Eurostat noted that in the case of Germany, not so many differences were detected and those were generally well documented. Some methodological differences explain however some diverging trends. Also back data may not align with data published nationally.

29. Regarding the revision of historical data, the Bundesbank expert expressed some disappointment regarding the diverging historical data across IO as a lot of effort had been invested by Bundesbank in calculating back data (back to 1971) when the switch to BPM5 took place. Eurostat noted that however recent data were well aligned so it was just a matter of fixing the history. Pointing at some divergences between OECD and Eurostat partner country data, OECD explained that for Germany in the OECD Partner (TISP) database, the data were not sourced from Eurostat as Germany prefers the OECD to publish data that follow the national definition where trade statistics by country/destination of origin are used and by country of consignment as it is the case in data published by Eurostat.

c) The case of Hong Kong (China) and Singapore (WTO)

Hong Kong

30. WTO presented the case of Hong Kong where data are largely consistent across IO databases. Some series related to global manufacturing and merchanting activities were available at a level of detail that goes beyond what is requested by MSITS. It was noted that discrepancies between Hong Kong and Japan had been rising lately when comparing mirror flows. No breaks in series were identified, FATS inward information was available but no data according to modes of supply (however WTO was aware of the development of questions on mode 4 for specific services items in the main trade in services survey.)

Singapore

31. Only a few differences were identified including inclusion of FISIM in financial services which is documented in national (but not IO) metadata and causes a break in the parent series up to commercial services. Partner detail is not available for travel and part of freight transport imports. No FATS data are currently collected. Some interesting analyses related to modes of supply had been performed nationally.

32. The chair asked the Task Force if more country examples should be presented at the next TF. The TF felt that some solutions for harmonization needed to be found but the exercise was however deemed useful and should be pursued. There was an IMF suggestion to do a cross country analysis to find some patterns in the discrepancies.

33. The Task Force expressed appreciation for the comparisons of TIS data across IO performed by OECD, Eurostat and WTO. It suggested that WTO, in collaboration with OECD should take the lead to contact the other organizations, gather background information and present some solutions to harmonise trade in services data across international organisations. A draft should be circulated to TF members one month before the next TF meeting in November in Paris.

d) Review of statistics on trade flows in services – data compilation and availability (WTO)

34. WTO introduced a paper prepared for WTO's February 2011 Council for Trade in Services on "A Review of Statistics on Trade Flows in Services – Data Compilation and Availability". This paper in particular notes the improvement in the availability of TIS data. It was underlined that more and more countries report BoP statistics on an infra annual basis i.e. quarterly and monthly (which are important to

monitor the recent crisis for example). The situation is also promising in the FATS domain as more and more economies like China (on total services) and India (on banking and software) have started doing some work.

35. On partner country availability, more detail is available for aggregates than for finer level information, both for BOP and FATS data.

36. UNSD welcomed the paper as it gives a clear view of where we stand regarding the availability of trade in services statistics. UNSD stressed that technical assistance should be better coordinated between IOs. UNWTO stated that the TF should be as ambitious as possible and discuss what should be done in a more effective way. The Central Bank of Brazil representative noted that on the issue of the quality of the data provided by national institutions, the Compilation Guide should provide guidance on how to check the consistency of input data, at the collection stage, in addition to the quality check of output statistics.

37. The TF thanked WTO for the presentation which highlights that progress is being made in the availability (quantity) of TIS data. Regarding the quality dimension, the TF noted that it would be useful to give some guidance in the CG on how to help compilers doing quality verifications in the data collection system itself.

9. The implementation and compilation guidance process

a) Draft outline of the MSITS Compilation Guidance (OECD-UNSD)

38. The Chair reminded the group that up to now, there had been a preliminary consensus regarding the format of the Compilation Guide which should be a living document on the TF website, following a modular approach which would be enriched with country experience over time. There would not be a printed copy of it. The Chair then presented the draft outline which included revisions following the two rounds of winter consultation, national questionnaires (some of them being confidential, they should not be disclosed) from WTO, Eurostat and Banca d'Italia and comments from the BEA and UNWTO. A special focus was given to the national questionnaires and the way some of the more difficult questions were actually formulated (related to construction services, product breakdown of FATS, Modes of supply). It was noted there was room for the TF to develop prototype Trade in Services (TIS) surveys gathering particularly well formulated questions prepared at the national level.

39. The Bundesbank noted that the risk of overlap with IMF was high and requested clarification on the content of the IMF compilation guide. She also noted that the work done by the Luxembourg Group for compiling information on remittances could serve as an example as it is focused on what countries really needed.

40. Regarding the draft outline the Banca d'Italia suggested that the outline should be structured to give priority to sources rather than to services categories. It is in fact typical that a certain category of source (e.g. an enterprise surveys) is used to compile several services items. He also noted that business registers should be considered a statistical infrastructure, rather than a true "source", and therefore should be treated specifically, probably in an autonomous section; moreover, he suggested that the outline should generically refer to "International tourism surveys", that "person surveys" should be replaced by "households surveys", to consider the possibility to drop "unofficial sources" which are not clearly identifiable and that administrative data are not necessary "official". He finally recommended to include "Models and estimates" among the possible "sources".

41. IMF took the floor to give some indication regarding the structure of the BPM6 compilation guide. It would hold three sections, the first dealing with data sources with 6 chapters but not broken

down in the categories listed in the draft MSITS 2010 outline, the second section would deal with compilation practices (looking at different items and different data sources that can be used, different techniques, bias that can arise plus include some country practices, so what is possible and what has been done), and finally a third chapter approaching data quality issues (issues that affect compilation in a general sense).

42. The WTO indicated that it was currently difficult to establish what the contents of the CG should be, given that the Task Force did not know what the BPM6 CG will cover. The UNSD representative underlined that even if there is some overlap we should avoid not only any overlapping but also any contradiction with the BPM6 Compilation Guide. UNWTO noted that the BPM6 CG logic should be followed, that for instance confidentiality issues should not constitute a standalone chapter but should be included in the discussion of all items. The SDMX common vocabulary¹ should be used. UNWTO clarified that in the chapter 2 of the draft outline, Tourism is part of Travel. Chapter 6 regarding the use of indicators should be about analysis and a chapter covering the dissemination of data should be added.

43. The representative of the Central Bank of Brazil noted that in the case of the preparation of the remittances compilation guide, there was just one item, "remittances", to be covered by a group of about 14 experts from different countries that were grouped according to compilation practices. As in the case of services there are many diverse subjects to be covered, it might be difficult to work the same way. Drawing from the experience of the Remittances Guide, he proposed that the focus of the MSITS CG should be directed both towards compilers and users in order to add to, other than overlap, the BPM6 Compilation Guide.

44. WTO agreed that there should be in the CG something on how to use the data mainly when it relates to the assessment of data quality. However it did not view that the CG was the right place to discuss data analysis. WTO noted that a training module developed in the same lines as the one on "Measuring Trade in Services" but focusing on data analysis would be more appropriate (see the item about merging the annex 1 of the WTO Training module and the Analytical toolbox).

45. Eurostat noted that during the last Eurostat BOP WG, many countries had asked for the possibility of getting a tool that could help to bridge tables to convert data from BPM5 to BPM6 (the bridge table from BPM6 to BPM5 being less difficult) and this could be included in the MSITS CG.

b) BPM6 Compilation Guidance process (IMF)

46. The IMF representative explained that 13 draft chapters including the one on services had been prepared. The drafts are currently with IMF management and the authors are waiting for feedback. The draft would be made available on the IMF website following the completion of this internal consultation process. It was reported that UNWTO had drafted parts on the travel item. Final publication was expected for December 2012 after a final round of world wide consultation.

47. The Bundesbank representative asked the IMF, if, compared to the last October TF meeting, there were further information the representative could give regarding the level of detail the IMF CG would treat in the service part. It was noted that contrary to what had been announced by IMF at the last October TF meeting, no draft of the IMF CG had been made available at the November 2010 BOPCOM meeting and it was still not available. The representative of the Central Bank of Brazil asked also if the IMF would expect the CG to change dramatically after the first round of consultation and reiterated the TF request to assess a detailed outline to help the TF getting a clear idea of what to focus on. The IMF

¹ http://sdmx.org/wp-content/uploads/2009/01/04_sdmx_cog_annex_4_mcv_2009.pdf

representative noted that the TF could focus on FATS and modes of supply to what WTO replied that when it comes to compiling the international supply of services according to the four modes, this should not necessarily be seen as something that should be treated independently from the compilation of conventional resident-nonresident BoP information related to services or FATS (e.g. in the same way as a breakdown by partner can be developed for existing BOP services data or FATS).

48. UNWTO and the Chair asked IMF to confirm they were not planning to prepare prototype questionnaires, which was according to IMF apparently not the case. As noted by UNWTO, a formal agreement on this would permit the TF to move forward and not just wait for IMF to finalize its Compilation Guide...

49. The Banca d'Italia representative tried to summarize what needed to be achieved by the TF with the Compilation Guide. He considered that in principle it could cover four parts: data collection, compilation, dissemination, and the data analysis. However, he recommended that the focus should be on the first two parts. He agreed that there is a lot of room for the TF to make additional contributions to what the IMF was preparing. He was convinced that the IMF, as it needs to address the full BOP, was necessarily not in a position to expand too much the part on services. He suggested that the TF CG could focus on several critical methodological problems, like sampling and modes of supply, but in any case it was indispensable for the TF to wait to see the draft of the IMF CG. In addition, he considered that the TF had to decide how much resource it was willing to put in the CG. Of course a "self contained" guide would be more useful than a web based repository, but much more resources had to be involved in the preparation of such a type of guide.

50. UNSD expressed agreement to the Banca d'Italia experts' suggestion and noted however that dissemination was a very important part of the guide. He also noted that some steps should be taken to create the expert group and nominate someone to drive the project. UNSD then volunteered to provide a mandate, term of reference and gather the experts which would probably include some of those working on the Compendium on trade by enterprise characteristics. An agreement was also needed regarding the EBOPS-CPC correspondence table. UNWTO asked who should create the expert group, Bundesbank proposed that the TF should create it and the expert group should report to the TF.

51. The Chair noted that the idea of the creation of an expert group had been floating around for a while and had not been agreed upon up to now as until the last October TF (where IMF announced the CG would be drafted by internal staff only), the TF was supposed to be, itself, the consultative group to the preparation of the service part of the IMF CG (i.e. there was no need for a supplementary expert group). Some names of experts needed now to be gathered.

52. The TF then discussed the timeframe and agreed that mid 2013 would be the deadline for the production of the Compilation Guide, even if for EU countries, this would already be late. The number of people involved should a priori be limited (up to 10 people) which means that the resources would better match with the production of a repository of information than with a self contained guide. The TF agreed to use the more general term "electronic publication" to qualify its future guide for the moment until more information is at hand.

53. TF agreed that UNSD should take the lead in setting up an expert group of limited size of national experts from CBs and NSOs that will prepare the MSITS 2010 compilation guide covering EBOPS, FATS and Modes of Supply (as well as prototype questionnaires) which would complement the IMF Compilation Guide related to the services transactions. This group would report to the TF and prepare an electronic publication that should be finalized by mid 2013. By June, UNSD would prepare terms of reference and mandate for this group. The expert group could be launched in November at the OECD WPTGS.

c) The experience of the IRTS 2008 Compilation Guide (UNWTO)

54. UNWTO introduced at the same time the four documents. The report to the Statistical commission describes the work undertaken by UNWTO to support national efforts in building national statistical capacity in implementing a system for tourism statistics. It also describes the timetable for the development of the International Recommendations on Tourism Statistics 2008 Compilation guide. A model border survey to measure flows and expenditure associated to inbound tourism was presented and comments were asked by the end of April. The last and most complicated part of the questionnaire includes questions regarding packaged tours and their composition, as well as acquisition of health and education services for instance).

55. UNWTO noted tourism is not always a priority in NSO, so this is a field where there is a need to be really proactive. Checking consistency (between Balance of Payments information and tourism statistics) is also a fundamental task which is treated in the annex 7 of the Compilation Guide as well as the problem of unbundling packages tours. UNWTO asked UNSD and IMF for comments on its Doc21 which deals with the treatment of transactions by residents outside the economic territory of their country of residence in SNA, UNWTO noted the importance of the product dimension, and noted that the Australian ABS had already started to do some work on this matter.

56. On unbundling package tours, the Banca d'Italia representative noted that the Travel Group had done some work on this issue, it should be available in Circa. Eurostat noted that the next Workshop related to travel would deal with package tours and that Austria was also working on the issue. The Bundesbank representative confirmed the difficulty of the issue and explained the methods used so far to come up with an estimate.

57. The TF notes that comments on the draft UNWTO border survey questionnaire were requested by end of April by UNWTO. UNSD and IMF should transmit to their colleagues of the relevant field the UNWTO doc 21 "Treatment in SNA of transaction of residents outside of their economy of residence" and comments should then be reported back to the TF.

d) Presentation of the Eurostat FATS recommendations Manual (Eurostat)

58. The Eurostat representative introduced the FATS Manual which the MSITS 2010 should link to according to the draft outline. It was noted that the present week was the last opportunity to make suggestions on the Manual before its revision. The WTO suggestion to include a mention on the usefulness of a breakdown by product had been noted. It was clarified that no FATS questionnaire was included in this Manual.

59. UNSD asked who is collecting FATS at OECD. The Task Force noted that it would be useful to include these FATS experts in the discussions and even in the expert group. The perspective of developing countries should also be taken on board somehow.

60. The Chair noted that the collection of FATS data at the OECD was performed in the Science Technology and Industry Directorate by Mr. De Backer who delivered a presentation on OECD work on FATS at last October Task Force; it would also be relevant to involve experts on FDI from the Directorate of Financial Affairs in the work related to Compilation Guidance.

61. UNSD noted that UNCTAD needed also to be involved in work related to foreign affiliates in order to avoid any duplication of work.

62. The TF expressed appreciation for the Eurostat FATS presentation and noted the need to integrate issues of relevance to developing countries for MSITS Compilation Guidance regarding FATS. OECD and UNSD would seek to involve relevant colleagues.

e) Report from the first Travel workshop in Vienna (Eurostat)

63. Eurostat presented the outcomes of the first travel workshop held in Vienna last November. The discussions covered several topics including the issue of asymmetries in reported travel statistics that are a consequence of different methodologies used to collect information on the travel item.

64. There was also a presentation from Estonia on the use of mobile phones. It was noted that the Czech Republic, Poland and Romania are performing reconciliations between BoP and Tourism statistics. Eurostat informed that guidelines which will incorporate the work of the group are under preparation.

65. The Banca d'Italia noted that in Europe collection methods for travel are widely diversified and this situation is rather structural, since data collection in this field is largely influenced by countries geographical specificities.

66. The Bundesbank added that each country invests in the collection of travel services following its own needs and specificities. In the case of Germany, travel is an important part of the current account so much attention is devoted to the collection of these statistics. The same is true for Italy. Therefore, despite of a different data collection method (border survey vs. household survey) the bilateral data fit quite well. UNSD noted that the Compilation Guide should also cover considerations regarding the priorities for collection depending on national situations.

67. The TF noted it could envisage using the Eurostat travel workshop to review the material that will be produced by the expert group on this specific issue.

f) The Australian International Legal Services Advisory Council legal services survey (WTO)

68. WTO gave an overview on the report of the Australian initiative for measuring international legal services. This report presents in particular the provision of international legal services by modes of supply and by detailed service product.

69. The Banca d'Italia representative thanked for the presentation of the interesting note but highlighted that doing such a comprehensive survey could be really costly, especially if the exercise should be repeated for every service item. WTO noted that this survey was an initiative from a specialized agency – with the advice of ABS- which needed the data for its own purpose which in fact has led to a cost effective experience as noted by UNSD.

70. The TF notes the interest of the survey conducted by ILSAC on international legal services with the advice of ABS and notes it is a possible cost-effective way of getting information on specific services, in very particular circumstances when synergies can be found with specialized agencies

10. Revision of concordance annexes to the Manual on Statistics of International Trade in Services (MSITS)

a) Recording management of patents and license fees in EBOPS 2010 (and in CPC rev.2) (OECD & WTO)

71. OECD presented the note which raises the issue of how best to coordinate international organisation' replies to national requests related to the recommendations of the Manual on Statistics of International Trade in Services (MSITS 2010). The note refers as an example to a question (received from a country' Central Bank) related to the recording of international management of patents and licenses in EBOPS 2010. In order to respond to this question, the availability of the final correspondence between EBOPS 2010 and CPC.2 would have been most useful. Also consultations on the recording of management of patents and licenses with WTO, IMF and OECD National accounts colleagues led to further thoughts regarding the attribution of ownership to intangible assets and also to take note of potential for the different recording of transactions in non produced non financial assets (i.e. trademarks and brand names) in the BoP/MSITS 2010 and SNA 2008. A need for further clarification was noted. This should be developed in the context of ISWGNA, and the Guide on the Impact of Globalization on National Accounts but also in the context of the TF.

72. The Task force first agreed that the UNSD classification expert's advice should be followed, i.e. to record management of patents and license fees in Other business services n.i.e. (in item 10.3.5 of EBOPS 2010). If this is a particularly important service for this economy, then the Task Force would encourage to separately identifying this item within services, if possible using the CPC Version 2.

73. The discussion focused then on the attribution of ownership to the asset under consideration and in particular the suggestion to attribute the ownership to the affiliate for simplification (in which case no management of patents and license fees needed to be recorded).The Central Bank of Brazil representative noted that the case in which an affiliate would hold the ownership of a patent for his parent was seemingly unlikely in general, and asked the OECD if there was any evidence that it occurs. OECD noted that it would be the case if the parent sets up an affiliate to detain the ownership of an asset in a tax heaven. WTO noted that the issue of ownership of the asset was relevant and was an item for future discussion in the context of the UNECE Guide on the Impact of Globalization on National Accounts.

74. There was a rather extensive discussion on how to better coordinate IO responses to national methodological request, IMF noting that most replies did not need to be coordinated in order to speed up the delivery of the reply to the country. WTO suggested having a page on the internet where the responses to particular requests could be displayed. OECD noted the need to coordinate at least with IOs on copy of the original question. In order to be as practical as possible and minimize the "burden" of coordination, the TF agreed to share only the most interesting question deserving further discussions.

75. The Task Force agreed to record management of patents and license fees in EBOPS 2010 under Other business services n.i.e (item 10.3.5) and noted that interesting queries from CB and NSOs could be forwarded to the TF and presented on the website, the reference to specific countries being removed.)

b) EBOPS 2010 and CPC version 2 (UNSD) EBOPS 2010 and ICFA (Eurostat) and W/120 (WTO)

76. UNSD explained that first discussions with the UNSD classification group coordinator had taken place and that it had prepared a shorter list of problematic correspondence issues (including the cases of Electricity transmission and gas distribution, originals, residential care services, repairs, veterinary services etc...). More checking related to the previous correspondence needed also now to be done as well as some further consultation with IMF. WTO wanted to be kept informed. Regarding the correspondences to ICFA W/120, Eurostat reminded that the table was drafted in the summer 2010 and only the final step of checking the consistency with the forthcoming EBOPS 2010 – CPC rev.2 remains to be made. WTO noted that the availability of the EBOPS 2010 – CPC rev.2 would allow some progress to be made for the W120 correspondence table.

77. UNSD has prepared a shorter list of problematic issues that will be discussed in the context of its next classification meeting on 18-19th of May. Results would be shared with IMF and then the TF. The final version should be available by mid-June. The availability of this correspondence would allow progress on correspondence from EBOPS to W/120 and finalization of work on ICFA.

c) EBOPS 2010 and BPM6 (IMF)

78. IMF noted that as soon as the EBOPS coding would be ready (by end May actually), the correspondence would be done.

d) Merging the annex 1 of the WTO Training module and the Analytical toolbox (WTO, OECD)

79. OECD reported on the plan to work jointly with WTO to integrate the former annex 1 of its training module into the analytical toolbox and to prepare training material (including a set of slides) focused on analysis.

11. Status of the data collection - Databases on Statistics of International Trade in Services (UNSD, OECD, Eurostat)

80. UNSD presented a list of 75 countries for which 2009 data had been received.

81. OECD presented the latest developments in its data collection and in particular that partner data for Iceland for year 2009 had been uploaded in the database, that Switzerland was preparing a set of partner country data, that a first set of Australian data were being uploaded in the newly created EBOPS 2010 production dataset.

82. Eurostat provided an update on the progress made in the dissemination of National data including intra EU bilateral figures which are not limited to total services, Transportation, Travel, Other services and services not allocated anymore.

12. Promoting the MSITS 2010 and organizing TF work

a) TFSITS Website

83. UNSD noted that a webpage presenting the interesting questions received by the TF would be added to the website (the discussion on where to record management of patents and license fees). IMF noted that it was sometime difficult to access the webpage.

b) TFSITS Upcoming seminars and expert groups.

84. UNSD reported on two workshops held in 2010, one on tourism, in Moldova in July, and one on TIS in South East Asia (SEA) Countries in Hanoi Vietnam. This was done in cooperation with Eurostat on

FATS and WTO on modes of supply and at this occasion it was noted that there was a range of different experiences in SEA countries as Timor Leste for instance is starting from scratch.

85. IMF reported on an upcoming seminar on services in India in Sept 2011 which would involve countries of South-East Asia (India, Bangladesh, Pakistan and Afghanistan). UNSD showed its interest in being involved in such an event, as well as WTO in particular given the importance of the use of the different modes of supply for providing services by some of these countries.

86. IMF announced a service related workshop was also being held in Jordan the week following the Task Force meeting for the Arab countries.

87. WTO gave information on four seminar related to TIS statistics. The first was held in Oman for Arabic countries and Northern Africa, in January 2011. It was sponsored by World Bank, ESCWA, GCC and League of Arab States. This followed a request by a group of researchers of the region. The second event took place in Mauritius for COMESA countries. It was organized by COMESA, the Commonwealth Secretariat, the Royal Mauritian Center for Excellence, the Government of Mauritius and WTO. IMF and UNWTO provided resource persons. It illustrates a good cooperation between participating agencies to the Task Force for conducting such an event. Third event where WTO participated, concomitant with the present TF meeting is organized in the context of the Australia/New Zealand - ASEAN free trade agreement, for ASEAN countries as well as Australia, and New Zealand. The Fourth event is related to an event in China and is organized by the MOFCOM.

88. UNSD informed the Task Force about an upcoming event in Beijing related to Trade in Goods and Services and which would also include other Asian countries. This event would take place next October. The regional seminar will last for 3 days and will have a setup much like the recent Global Forum, even though it would be more focused on the Manuals and their compilation guidance. In addition there would be two parallel national workshops immediately following the regional workshop, of which one will be devoted to IMTS and one to SITS.

89. There would also be end of November a travel, transportation and tourism workshop held in Addis-Abeba for countries of the region and involving UNWTO.

90. IMF mentioned a World Bank Workshop in June related to trade in value added .

91. Eurostat informed the Task Force that on the 16th of May, a workshop on international trade in services statistics will be organised at Eurostat and announced that the next travel workshop would be held in Iceland at the 22nd – 23rd of September 2011.

92. WTO announced that it was currently envisaging a new strategy with respect to technical assistance on trade in services statistics.² This strategy could in particular cover the coordination of trade in services statistics technical assistance, the creation of a central repository, establishing a list of experts etc. WTO will inform the Task Force on the establishment of this new strategy at the next meeting.

93. The Banca d'Italia representative informed the group about the visit of a Vietnamese Central Bank delegation at the Bank of Italy, in the second half of 2010, in the framework of a EU initiative, on the topic of BOP trade in services statistics. The Bundesbank will host a seminar on trade in services for the National Bank of Serbia at the beginning of May 2011.

² The WTO Hong Kong Ministerial Declaration, Annex C refers in para.10 to WTO, *inter alia*, providing targeted technical assistance: "... such assistance should be provided on, *inter alia*, compiling and analyzing statistical data on trade in services, [and] assessing interests in and gains from services trade...."

94. WTO noted that the new and updated training module "Measuring Trade in Services" incorporating the new guidelines, in particular MSITS 2010 and BPM6, was available on line in a PDF format, and that the slides can be made available to members of the Task Force.

13. Any Other Business

a) Statistics on ITS in Latin America and the Caribbean (ECLAC)

95. OECD presented on behalf of ECLAC the results of a 2009 questionnaire on trade in services statistics produced after the TIS workshop for Latin American and Caribbean Countries organized by UNSD in close cooperation with ECLAC. It was noted that Chile and Colombia had started collecting data by mode of supply but no data had been published yet. Some clarification was asked by the representative of the Central Bank of Brazil on the information regarding collection of FATS data which is planned in Brazil and which might not be correct. OECD would get back to ECLAC to clarify this point. This point was promptly clarified by ECLAC after the TF meeting. ECLAC corrected the statement informing that Brazil had announced no such plan.

b) Packaged tours, their importance for tourism and basic issues related with their measurement in tourism statistics (UNWTO)

96. UNWTO introduced the paper highlighting the interest of experimenting the collection in cooperation with tour operators, of detailed travel statistics that are bundled into packaged tours. The Banca d'Italia representative asked if this was an attempt to improve travel related trade in services statistics to what UNWTO replied that the intention was to use the TF as a vehicle to underline the need to unbundle package tour information in cooperation with tour operators. Eurostat noted that the issue was tackled during the 1st travel workshop last year and the information on supplier-side should be more valid than on consumer side. .

97. The TF thanked also Mr. Massieu for his invaluable contribution and wished him the best for the future now he was going on retirement.

98. TF encourages UNWTO to try with a number of tour operators to provide some information on packaged tours and present a case study in a region of the world where tourism has a particular economic importance.

14. Issues to be presented at the Joint meeting

99. UNSD noted that the follow up of the global forum should be discussed, as well as the revision of the BEC classification which is on the agenda of the UN Classification Group next May.

100. There is also the proposal to hold the TF meetings consecutively instead of back to back. There could consequently be in the future, three days of meetings, the first day on merchandise trade, the second day the joint session would take place and the third day the services session would be held.

101. IMF noted the interest of changing the settings of the meeting which would allow one resource person to cover the 3 meetings. In future (in about two years) the TF could also meet only once a year when work on the compilation guide is completed.

15. Date and location of next TF meeting

102. The next meeting will take place on the 10th of November in Paris.

Meeting of the Task Force on Statistics of International Trade in Services (TFSITS)

28 and 29th March 2011

Starting at 9.30 am

The joint meeting will take place on the 30th of March

Eurostat Luxembourg

Final Agenda

- 1. Welcome and Opening (Eurostat)**
- 2. Adoption of the agenda**
- 3. Approval of the report of the last TF meeting in Paris, 7th October 2010 TFSITS (March2011)1**
- 4. Status of Edition of paper publication MSITS (UNSD) TFSITS (March2011)2**
- 5. Follow-up of the Global Trade Forum (UNSD) TFSITS (March2011)3**
- 6. 2014 International Trade in Services data request (Eurostat) TFSITS (March2011)4**
- 7. SDMX Data Structure and Codification for Balance of Payments and International Investment Position (Eurostat) TFSITS (March2011)27**
- 8. Highlighting different types of issues following a predefined taxonomy**
 - a. The cases of the USA, Japan (OECD) TFSITS (March2011)5
 - b. The case of Germany (Eurostat) TFSITS (March2011)6
 - c. The case of Hong Kong (China) and Singapore (WTO) TFSITS (March2011)7 TFSITS (March2011)25
 - d. Review of statistics on trade flows in services – data compilation and availability (WTO) TFSITS(March2011)19
- 9. The implementation and compilation guidance process**
 - a. Draft outline of the MSIT Compilation Guidance (OECD-UNSD) TFSITS (March2011)9
 - b. BPM6 Compilation Guidance process (IMF)
 - c.
 - i. The experience of the IRTS 2008 Compilation Guide (UNWTO) TFSITS(March2011)20 TFSITS(March2011)26
 - ii. The treatment of transactions by residents outside the economic territory of their country of residence in SNA; review from the perspective of tourism statistics and proposal (UNWTO) TFSITS(March2011)21
 - iii. Checking tourism statistics versus Balance of Payments “travel” and “passenger transport services” data (UNWTO) TFSITS(March2011)22

- d. Presentation of the Eurostat FATS recommendations Manual (Eurostat) [TFSITS \(March2011\)8](#)
- e. Report from the first Travel workshop in Vienna (Eurostat) [TFSITS\(March2011\)29](#)
- f. The Australian International Legal Services Advisory Council legal services survey (WTO)

10. Revision of concordance annexes to the Manual on Statistics of International Trade in Services (MSITS)

- a. Recording management of patents and license fees in EBOPS 2010 (and in CPC rev.2) (OECD & WTO) [TFSITS \(March2011\)24](#)
- b. EBOPS 2010 and CPC version 2 (UNSD) EBOPS 2010 and GNS/W/120 (WTO) [TFSITS \(March2011\)10](#)
- c. EBOPS 2010 and ICFA (Eurostat) [TFSITS \(March2011\)11](#)
- d. EBOPS 2010 and BPM6 (IMF) [TFSITS \(March2011\)12](#)
- e. Merging the annex 1 of the WTO Training module and the Analytical toolbox (WTO, OECD) [TFSITS \(March2011\)13](#) [TFSITS \(March2011\)28](#)

11. Status of the data collection - Databases on Statistics on International Trade in Services (UNSD, OECD, Eurostat) [TFSITS\(March2011\)14](#), [TFSITS\(March2011\)15](#), [TFSITS\(March2011\)16](#)

12. Promoting the MSITS 2010 and organizing TF work

- a. TFSITS Website (UNSD) [TFSITS\(March2011\)17](#)
- b. TFSITS Upcoming seminars and expert groups (UNSD) [TFSITS\(March2011\)18](#)

13. Any Other Business

- a. Statistics on ITS in Latin America and the Caribbean (ECLAC) [TFSITS\(March2011\)23](#)
- b. Packaged tours, their importance for tourism and basic issues related with their measurement in tourism statistics (UNWTO).

14. Issues to be presented at the Joint meeting.

15. Date and location of next TF meeting (10 November 2011, Paris)

**Participants list for Meeting of the Task Force on Statistics of
International Trade in Services (TFSITS)/Liste des participants pour
Meeting of the Task Force on Statistics of International Trade in
Services (TFSITS)**

28/3/2011 - 29/3/2011

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*Balance of Payments Statistics,
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Deutsche Bundesbank

Italy/Italie

Mr. Giovanni Giuseppe ORTOLANI

Head of the External Statistics Division

*Statistics Collection and Processing
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Bank of Japan*

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Eurostat G2 Structural Business Statistics
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