



Thirty-Sixth Meeting of the IMF Committee on Balance of Payments Statistics

Washington, D.C.
June 21–24, 2021

BOPCOMVM2—21/05.1
For discussion

C.6 Trade in Services Classifications: Outcome of the Public Consultation

Prepared by the Current Account Task Team (CATT)

INTERNATIONAL MONETARY FUND

C.6 Trade in Services Classifications: Outcome of the Public Consultation

The outcome of the public consultation shows large agreement with the proposed additional breakdowns to Telecommunications, Computer and Information Services, and Other Business Services categories. With respect to digital services, there is also strong support for the view that at this juncture they require a separate accounting framework outside the BPM. The supplementary items for Trade-related services should preferably be introduced in the update of the Manual of International Trade in Services 2010 (MSITS 2010) and the new Extended Balance of Payments Services Classification (EBOPS). A more detailed summary of results is presented below.

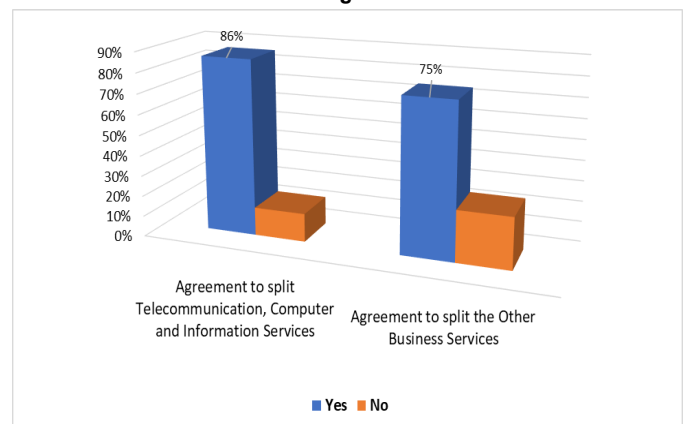
Telecommunications, Computer and Information Services, and Other Business Services

1a. Do you agree with the recommendation to change the main balance of payments services breakdown to split the Telecommunications, Computer and Information Services category into two standard, first-level categories?

1.b. Do you agree with the recommendation to change the main balance of payments services breakdown – to split the *Other Business Services* category into five standard first-level categories?

A large majority of respondents welcomed the proposals and found that the additional breakdowns would enhance the analytical usefulness of the data, while reservations were expressed regarding aspects related to dissemination (confidentiality and quality of data), in particular for quarterly data. Some noted the importance of revealing the significance of specific service categories to countries, which are currently hidden within the heterogeneous groupings. The contrary opinions do not generally see an improvement to data since there is no conceptual change, and foresee unwelcome implications, including for users.

Figure 1. Proposed Changes to Telecommunications, Computer and Information Services, and Other Business Services categories



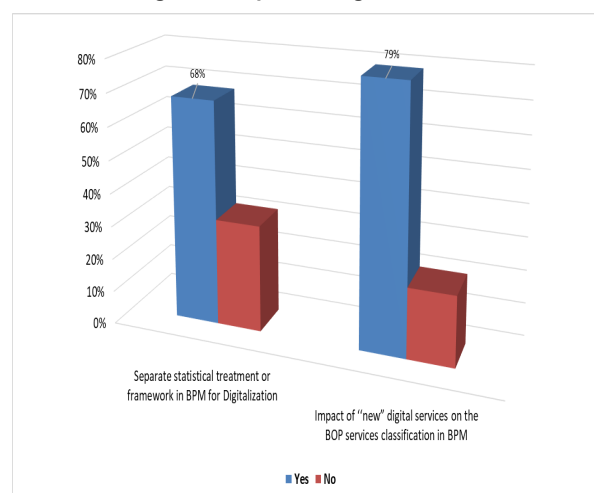
Digital Services

2. Do you agree that the information needs related to digitalization require a separate statistical treatment or framework in BPM?

2a. Should the rise of “new” digital services (based on the outcome of the International Standard Industrial Classification of All Economic Activities (ISIC) and Central Product Classification (CPC) revision) have an impact on the balance of payments services classification in BPM?

There is large agreement among the public that at this juncture digital services would require a separate accounting framework and the BPM should remain mainly a product-based classification. Several respondents felt that more research was needed before integrating digital services into the current balance of payments services classification or present these services as supplementary statistics. Guidance is needed with the practical aspects of implementation, starting from the *Handbook on Measuring Digital Trade*.

Figure 2: Impact of Digitalization



Intermediation Services

3. Regarding intermediation services, which option do you favor?

- Option I: Introduce a breakdown of trade-related services to account for the different types of services and goods intermediated.
- Option II: Introduce supplementary items in the update of the *Manual of International Trade in Services (MSITS)* and in the new EBOPS revision (not in the balance of payments services classification).

Most respondents supported Option II (89 percent) for various reasons, including cost-efficiency and to avoid adding excessive complexity to the BPM framework. Nonetheless, some of the respondents had mixed views; while recognizing the merits of Option I on conceptual grounds, they preferred Option II for practical reasons.

Other Issues

Overall, differing views were expressed regarding the review of services classification, with some feeling the proposed changes were too modest, while others considering there was not enough conceptual arguments for the proposed changes to justify more splits at high-level categories of services; alternatively, for some categories, sub-items could be made mandatory instead of adding too many first-level categories, which may bring confidentiality issues, in particular for small economies. The need to ensure consistency between various statistics (e.g., balance of payments and national accounts) while undertaking the updates was also highlighted. Finally, several additional suggestions were provided, generally advocating for various degrees of restructuring of balance of payments/EBOPS.