



Measuring services trade: Where are we today?

William Cave
OECD Statistics Directorate

Overview

- Services more difficult to measure than goods
- From classification GNS/W/120 linked to CPC provisional (1989) to CPC version 2 2007
- Balance of Payments BPM51993 to BPM6 end 2008
- First GATS comes into force 1995 ... Doha round?
- Task Force on Statistics of International Trade in Services established (TFSITS) 1997
- Manual on Statistics of International Trade in Services 2002 (MSITS) being revised by 2009
- Activities of Multinationals and FATS
- Progressive improvements in data quality and availability?
- ... and tomorrow?



Balance of payments

- BPM5 1993 really developed coherent standards for measuring trade in services
- One of most widely adopted statistical standards
- Currently about 170 countries report data
- Revised BPM6 due for completion end 2008

Increasing number of countries reporting service items in the IMF BOPS database

Codes	Services Item - credit	Number of countries providing information	
		Dec-04	Jul-06
200	SERVICES	186	189
205	TRANSPORTATION	180	184
236	TRAVEL	182	185
245	COMMUNICATION SERVICES	140	145
249	CONSTRUCTION SERVICES	95	103
253	INSURANCE SERVICES	172	176
260	FINANCIAL SERVICES	118	126
262	COMPUTER AND INFO SERVICES	104	112
266	ROYALTIES AND LICENSE FEES	119	124
268	OTHER BUSINESS SERVICES	183	186
287	PERSONAL, CULTURAL AND REC	100	106
291	GOVERNMENT SERVICES NIE	178	181

Task force on statistics of international trade in services

- Established after 1994 request of GATT/WTO and UNCTAD
- Address statistical information needs of GATS
- Originally six active agencies now seven
- Developed Manual (MSITS) published 2002
- Featured:
 - extended BOP classification EBOPS
 - partner country data
 - FATS framework for measuring commercial presence
 - Addressed wider problem of modes of supply
 - Concordances
- Coordinate implementation and knowledge transfer
- Revising MSITS by 2009

Implementation and data availability

- EBOPS: most OECD countries report 40+ service items in 2006
- Partner country: 28 OECD countries and 12 others report by partner country in 2007 covers 80%+ of world service exports - with mirror data can estimate 90%+
- FATS infrastructure less developed than BOP
- FATS – inward 23 OECD countries 2007
- FATS – outward 14 OECD countries 2007

Increasing interest in FATS

- OECD DSTI Globalisation Expert Group in 90s
- MSITS 2002
- OECD HEGI 2005 activity of multinationals
- Eurostat FATS Regulation and Recommendations Manual 2007 and data reporting
- Policy interest from trade, multinationals, investment .
- Mounting evidence of mode 3 as leading means of international service delivery but significant comparability problems with trade

Some data quality issues

- BOP studies show
- Bilateral asymmetries
 - Misallocation of type of service
 - Misallocation of partner country
- But in 2005
 - total world service exports = 2.50 trn \$
 - against imports of 2.45 trn \$
 - difference less than 2%
- FATS studies show
- Comparability problems on activity of foreign affiliates
- Identifying the ultimate investing or host country
- Both BOP and FATS opaque accounting practices of multinationals

... and prospects for tomorrow?

- Revised MSITS 2009 plans
 - Revised EBOPS
 - Improved guidance on FATS
 - More guidance on modes of supply
 - Analytical annex
- Expect slow expansion of EBOPS
- Faster expansion of partner country data
- Faster expansion of FATS
- More estimation of trade by mode of supply
- More interest in sectors
- ... but depends on continuing policy and analytical interest as well as resource for statistics



Thank you for your attention

Contact us

Std.servstat@oecd.org