

Data Issues in Services Trade

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Overview

- Need for Data
- Types of Data
- Difficulties in Data Gathering
 - Conceptual
 - Practical
- MSITS
- Some Data Sources

Need for Data

- Following the entry into force of GATS, increasing demand for detailed, relevant and internationally comparable statistical information on the international supply of services
- Trade negotiators require statistics, possibly by mode of supply, as a guide to negotiate specific commitments and to monitor their economic impact for each type of service
- Statistics are necessary to evaluate market access opportunities, compare liberalization commitments, assess the extent of liberalization reached in specific

Types of Data (Extended View)

- Trade Statistics
 - Overall services trade
 - Trade in specific services
 - Country wise services trade data
 - Country wise specific services data
- Data (information) on regulatory regime
 - General
 - Service Specific

Data (information) on regulatory regime

- GATS Article III relates to Members publish promptly all measures pertaining to or affecting the operation of the GATS
- However, actual availability of information is far from satisfactory
- Non availability of information pertaining to regulatory practices in services sector is well documented in literature
- *“The information is at best incomplete and at worst non available for regulatory practices in services sector.”*

- Information availability is evolving
- Various practical problems
 - Involvement of more than one ministries/government bodies
 - Confidentiality
 - Technological advancements
 - Willingness to share information

Trade Statistics

- Data on trade statistics can be gathered in many ways-
 - Overall Services Trade
 - Trade in specific services
 - Country wise services trade data
 - Country wise specific services data
- But, inherent difficulties in Gathering such data-
 - Conceptual Problems
 - Practical Problems

Conceptual Issues

- Measurement of trade in services inherently more difficult than measurement of trade in goods
 - The intangibility of services makes them difficult to define
 - Although some services may be defined through their physical function – e.g., transport or hotel services – others are conceptually more abstract such as consultancy or education
 - More than one modes of supply

Practical Problems

- Unlike trade in goods, trade in services involves no package crossing the customs frontier with accompanying documentation showing an internationally recognised commodity code; a description of the contents; information on quantity, origin, and destination; an invoice; and an administrative system based on customs duty collection which facilitates data compilation
- Obtaining the required information on services trade, once defined, is dependent on and limited by the extent of the common international understanding of concepts by statisticians and data providers
- Largely dependent on a variety of surveys, data on the services sector can often be subject to significant time lags

The case of international e-commerce: Goods or services?

- The possibility of electronic delivery of certain goods and services raises a number of boundary and measurement issues
- In particular, so-called “digitized” products (e.g. printed matters, sound, film, and software) increasingly cross borders as data files instead of being physically stored on a CD, a tape or diskette
- International discussions continue to determine whether or not such transactions are to be considered as goods or as services
- These borderline issues are not simply statistical; amongst other things, the classification of digitized products as goods or services is also relevant in trade

Methods of data collection

- Six main types of sources:
 1. International transactions reporting systems (mainly from central banks);
 2. surveys of enterprises;
 3. surveys of households,
 4. administrative data;
 5. information obtained from partner countries and international organisations
 6. Other Sources

Modes of Service Provision across International Borders

GATS supply mode	Definition	Category	Data Source	Measurement
Mode 1	Cross border	Transport & other commercial services	BOP	ok
Mode 2	Consumer movement	Travel	BOP	partly ok
Mode 3	Commercial presence	Sales by foreign affiliates	FATS	statistics mostly missing
Mode 4	Temporary entry	Compensation of employees	?? Remittances	definition not clear yet

Source: Pindyuk & Woerz (2008)

Manual on Statistics of International Trade in Services

- The Manual sets out an internationally agreed framework for the compilation of statistics of international trade in services to meet the need for more comparable and comprehensive statistics on services trade
- The recommendations in the Manual will enable countries to progressively expand and structure information on trade in services in an internationally comparable way
- The Manual conforms with and explicitly relates to the System of National Accounts 2008 and the Sixth edition of the International Monetary Fund's Balance of Payments Manual
- Available at

[http://unstats.un.org/unsd/tradeserv/TFSITS/msits2010/docs/MSITS%202010%20M86%20\(E\)%20web.pdf](http://unstats.un.org/unsd/tradeserv/TFSITS/msits2010/docs/MSITS%202010%20M86%20(E)%20web.pdf)

Some Data Sources

- UNCTAD Stats
(http://unctadstat.unctad.org/ReportFolders/reportFolders.aspx?sCS_referer=&sCS_ChosenLang=en)
- OECD database
(<http://www.oecd-ilibrary.org/statistics>)
- BoP Statistics (IMF)
- Individual economies paid data sources (example in India: indiastat.com)

Thanks