

Trade in Services: Data Sources and Analysis

Dr. Pralok Gupta

Assistant Professor

Centre for WTO Studies

New Delhi

Overview

- Trade in Services: Conceptual Understanding
- Data in Services Trade
- Data Gathering
- Database for Services Trade Data

Trade in Services: Conceptual Understanding

- Traditional belief that services can not be traded due to various characteristics, such as Intangibility; Simultaneity; Instantaneity
- These beliefs are not correct as shown by trade data
- Certain services-international transport and communication - have been traded for centuries
- Some services are supplied in conjunction with goods (finance, insurance, marketing, etc.)

- Trade in services can occur through 4 modes:
 - Mode 1: Cross-border supply
 - Mode 2: Consumption abroad
 - Mode 3: Commercial presence
 - Mode 4: Temporary movement of natural persons
- Protection in services trade generally through regulatory barriers unlike tariffs in case of goods

Data in Services Trade

- Narrow View
 - Trade Statistics (Figures)
 - Exports and Imports of Services
- Broad View
 - Apart from trade statistics, Data (information) on regulatory regime
 - General
 - Service Specific

Data Gathering – Trade Figures

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

- Conceptual Problems

- Measurement of trade in services inherently more difficult than measurement of trade in goods
- Intangibility of services makes them difficult to define
- 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 recognized 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 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

Data Gathering – Regulatory Information

- GATS requires Members publish promptly all measures pertaining to or affecting the services trade
- However, actual availability of information is far from satisfactory
- Non-availability of information pertaining to regulatory practices pertaining to services is well documented in literature

“Information on regulatory policies affecting services trade is at best incomplete and at worst misleading”
Hoekman and Francois (2010)

- Information availability is evolving
- Various practical problems
 - Involvement of more than one ministries/
government bodies
 - Confidentiality
 - (Un)willingness to share information

Methods of Data Collection

- Six main types of sources:
 - International transactions reporting systems (mainly from central banks);
 - Surveys of enterprises;
 - Surveys of households,
 - Administrative data;
 - Information obtained from partner countries and international organizations
 - Other Sources

Database for Services Trade Data

- UNCTAD Stats (Freely available)
(<http://unctadstat.unctad.org/ReportFolders/reportFolders.aspx>)
- UN Services database (Freely available, login required)
(<http://unstats.un.org/unsd/servicetrade/>)
- OECD database (Paid)
(<http://www.oecd-ilibrary.org/statistics>)

- Individual economy's paid and unpaid database, such as, In India
 - RBI (Unpaid)
 - Indiastat (Paid)

Thanks

pralok@iift.ac.in