

International service statistics coordination and strategy?

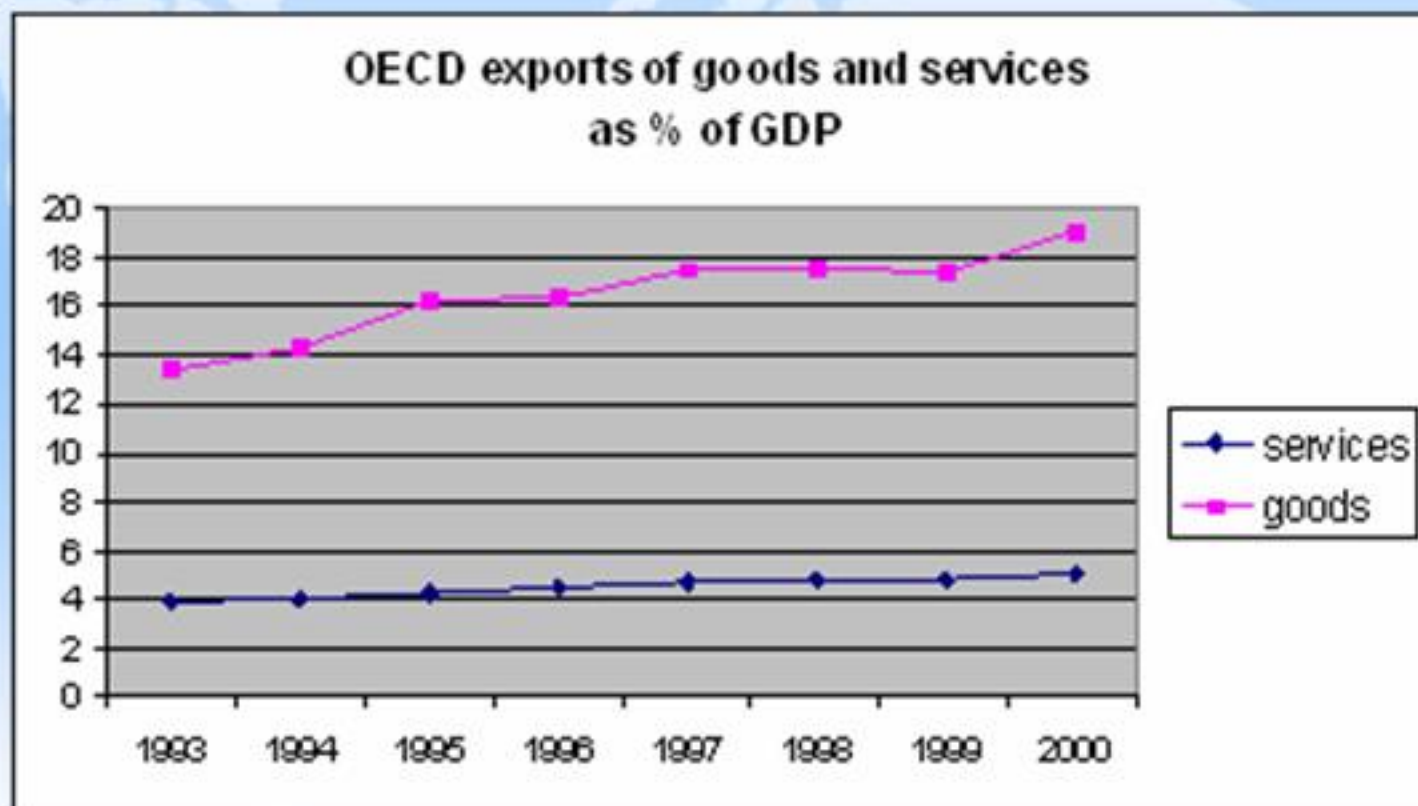
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Importance of services

Services are over 70% of OECD GVA and growing



**But international trade in services is small
... but growing!**



And 'trade' through direct investment (FATS) is
...growing faster



Considerable progress in services statistics over 20 years

- Voorburg group
- General Frameworks and Manuals
 - SNA93, BPM5, International trade in services
- Classifications – ISIC rev 3, CPC
- Manuals on Price and volumes
 - EU Price and volumes handbook
 - PPI manual (IMF)
- Eurostat Regulations on registers, SBS, national accounts, NACE
- Implementation of guidelines has yielded much more data which are more comparable
- But much much more to do!

Better coordination

ABS reported to UNSC, March 2003

- Noted considerable progress over 20 years
- Many groups working on aspects of services statistics
- Identified coordination issues
 - To identify gaps and duplication
 - Communicate conceptual outputs to those who need

UNSC asked OECD to assist it in coordinating work on services statistics

OECD services coordination activities

- Light focused approach
- Try to get an overall picture
- Based on discussion and cooperation
- Take account of other major coordination exercises on SNA, BPM, ISIC, CPC revisions plus UNECE exercise
- Consider user needs
- **Raise awareness** of services issues, activities of groups, methodological outputs
 - OECD web pages
 - Links to methodological outputs; activities; data
- Consult within OECD, with Expert Groups, International Organisations, Country experts
- Matrix of issues, activities, groups, contacts, links
- Progress report and strategy proposals to UNSC 2005

What are the basic measurement needs/issues?

What are the real outputs of services?

Measure international trade in services?

Problems related to surveying service activities

Policy analysis needs

List of issues

- Service statistics strategy ?
- Improving international comparability of concepts, methods, data
- Classifications ISIC, CPC
- Real output
 - size and structure of services – Enterprise stats and National accounts
 - current price inputs and outputs – turnover, GVA by activity
 - turnover by product
 - purchases
 - labour, human capital
 - capital
 - supply-use/input-output - demand for services

List of issues 2

- Real output
 - Measuring services output prices for deflation
 - Direct volume measures of output
 - Prices of exports and imports
 - Short-term service output indicators – ISP – business tendency surveys
 - Estimation of real output in national accounts
- International trade
 - balance of payments trade in services
 - foreign affiliate trade in services
 - mode 4 trade in services
 - trade indicators

List of issues 3

- Surveying service activities
 - Business registers
 - Statistical units
 - Classification
 - Choice and definition of variables
 - Multinational corporations
 - *Resource cost and Respondent burden*
- Other policy relevant issues
 - ICT and information society
 - R&D
 - Innovation
 - Science and Technology Indicators

List of issues 4

- Sectoral issues – open to satellite accounting – much is out of scope
 - Tourism
 - Financial and insurance
 - ICT services
 - Distributive trades
 - Transport
 - Business services
 - Health
 - Education
 - Public sector
 - Audio-visual

List of issues 5

- Special 'developing' country issues
 - Dissemination of methodological work
 - Technical assistance – expert networks
 - Informal economy
 - Non-observed economy
- Special measurement issues
 - Assessing quality and quality change
 - Measuring productivity of services
 - Voluntary unpaid services
 - Non-profit institutions
 - Relationship between services and rest of economy
 - International outsourcing of services
 - Leasing/right to use non-financial assets

Other information needed

- Other issues and user needs
- Which groups organisations are active?
- Progress made and outputs
- url
- Contact
- Are data collected and published

Timetable?

- Information gathering inc. user needs
- Consultation with VG, IOs, expert groups and others in September-November 2004
- Progress report and strategy proposals report to UNSC by December 2004

Need to make good use of political capital

- EC Communication recommendations
- Post Doha GATS information needs
- Need for comparable national accounts
- Productivity analysis
- Delocalisation concerns
- Services generate employment
- Central bank needs for short-term indicators
- SME Ministerial requirements
- OECD Policy Committees

Who is doing what in services?

- SNA and Balance of Payments
- Update of SNA 93 2008(ISWGNA + AEG)
 - Insurance and reinsurance new definition of output proposed by AEG
 - Services from use of non-financial assets (Canberra II)
 - Output of financial/insurance at current and constant price (OECD Nat Acs TF on financial services)
 - Estimation of real output for national accounts
- Revision of BPM5 (2008)
 - How to determine residence of firms and individuals
 - Borderline trade in goods and trade in services
 - Classification of trade in services in BOP
 - (BOPCOM/BOPTEG/TFSITS/TSG Mode 4)

Who is doing what 2?

- Classifications on activities and products
 - Revision of ISIC 2007 (UN TSG + groups inc Voorburg)
 - Revision of CPC 2007 (UN TSG + Voorburg + groups)
- International Trade in Services
 - Update of Trade in Services Manual 2010 (TFSITS/OECD-Eurostat Group on TIS+)
 - Guidelines on measures of mode 4 2006? (TSG Mode 4)
 - Globalisation Indicators Handbook 2005 (OECD SWP of CIBE)
- Services PPIs
 - Principal papers and methodology (Voorburg Group)
 - Basic principles in PPI Manual (IMF TEG PPI)
 - Compilation guidelines (OECD-Eurostat TF)
 - Ottawa Group?
- Structural Business Statistics
 - Services workshop Nov 04 and analytical work (OECD SWP of CIBE)
 - Services workshop June 04, harmonisation and strategy (Eurostat SBS)
 - Comparative methodology and target definitions (OECD SBS Virtual EDG)
- Short-Term Service Indicators
 - ISP Manual 2006 (OECD STESWG on Services)

Who is doing what 3

● Sectors

- Tourism (WTO/OMT)
- ICT/Information Society classifications (OECD WPIS and Voorburg)
- Health accounts and classifications (OECD Health accountants/WHO)
- Telecoms (ITU/OECD)
- Education (OECD Education Stats WP)
- R&D (OECD NESTI + Canberra II)
- Non-market public/government sector output (OECD NAcS and UK Atkinson report)

● Employment (ILO)

- working time (Paris Group)

● Other Issues

- Non-Profit (John Hopkins Work + Voorburg)
- Non-Observed Economy (OECD/UN/Workshops)
- Outsourcing OECD DSTI various groups
- Informal economy (Delhi Group)
- Productivity (OECD DSTI/STD/SWP CIBE)

Towards some strategy proposals?

- **many candidates for future development**

- International comparability of business statistics in services
- International sourcing of services – (trade and globalisation)
- Services flows from leasing non-financial/intangible assets
- Prices, volumes and productivity
- Labour inputs, (temporary) movement of labour, human capital
- ICT and content and other services products
- Quality and quality change
- Extend satellite accounting to more sectors
- Turnover by product
- Interaction between services and rest of economy
- Measuring output of retail, wholesale and margin industries
- Others???

- **How to prioritise?**

- **Resources?**

Draft OECD proposals

- Engage more developing countries in services agenda – enhance interagency cooperation - there is a role for us all (UNSD to lead?)
- International organisations to review their own work/data collection and dissemination to reflect better services role in modern economy (all)
- Voorburg Group is a useful forum, network and catalyst for services statistics developments, has done valuable work on PPIs,
 - needs to improve focus, plan outputs with timetable
- Webpages with links need more attention
- Need to improve infrastructure and (comparability of) services statistics generally
- Spell out what more work on Service Producer Prices/Volumes/Products/Structural Business Statistics/ICT/Trade
- Monitor and improve data quality and comparability
- Address Balance, Resource Costs and Respondent burden issues

Voorburg Group ???

- VG Next 3 years?
 - basic methodological work on selected aspects of measuring (real) services output
 - which themes?
 - plan of work programme
 - outputs?
 - what help do you need?

Over to you

- What more needs to be done by the International Organisations on services statistics?
 - Data collection, methodological standards, research, organisation, technical cooperation, refocusing
- Any suggestions?
- Any questions?
- We need your input on issues, group activity, contacts, urls, user needs and other ideas

Thank you for your attention

Contact us:

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