Building experimental volume indices for trade in services; and New guidance for MSITS 2026

OECD

Voorburg Group: 22 September 2025

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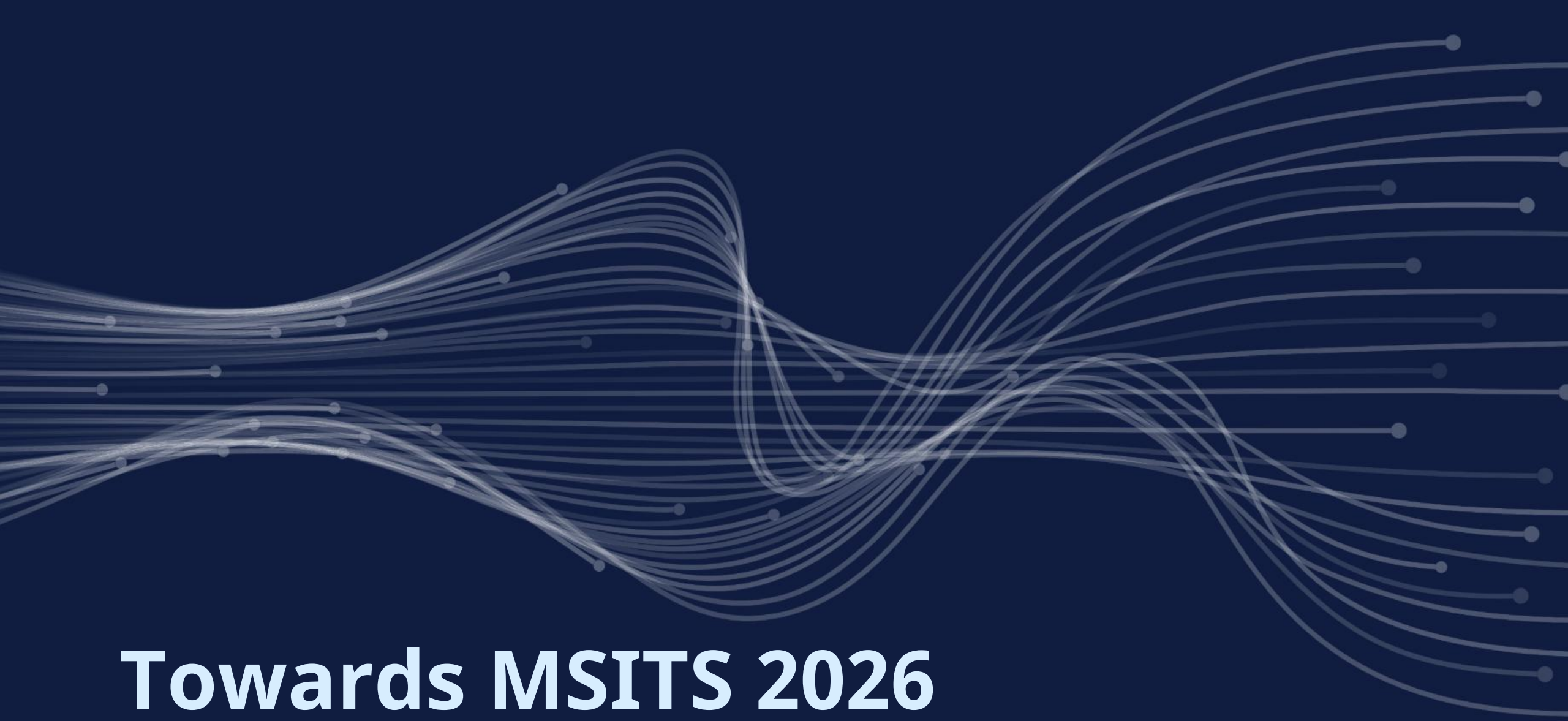


Towards MSITS 2026

Updating the *Manual on Statistics of International Trade in Services*

OECD and WTO Chief Editors

MSITS 2026

Wide range of institutions involved, including EU (AUT, DEU, ITA, PRT), OECD (CAN, CRI, TUR, USA), international organisations (OECD, WTO, UNSD, Eurostat, IMF, UNCTAD, UNWTO)

Why we need an updated MSITS

- Complement BPM7, SNA 2025, OECD BD5, and the Eurostat guidance on FATS and Trade in Services by Mode of Supply
- How can we make sure MSITS is still relevant:
  - Integrated framework
  - Multidimensionality
  - Detail/granularity

MSITS 2026 – Guiding principles

Integrated approach and clear terminology

Statistical Measures

- International trade in services on a BOP basis
- International supply of services
- International supply of services via commercial presence

Statistical Frameworks

- BPM7
- FATS

Statistical Breakdowns

- **What**: Products supplied
- **Who**: Suppliers and consumers
- **With**: Partner countries
- **How**: Nature of the transaction

Outline of the MSITS 2026 - ToC

1. **Introduction**
2. **Conceptual framework** for measuring international trade in services
3. International trade in services on a **balance of payments** basis
4. **FATS** and the international supply of services through commercial presence
5. The international **supply of services by Mode**
6. International trade in services: **statistical breakdowns** across different dimensions
7. **Volume measures and additional indicators** on the international supply of services
8. **Data quality** and dissemination

-Annexes (classifications, etc…)

Chapter 7 – Volume measures and additional indicators for analysing international trade in services

Input into the draft chapter

Chapter 7 – Introduction

- International trade in services in volume terms required for national accounts, but usually at an aggregated level
- Known that volume measures of international merchandise trade easier to compile, and have a long history
- Services volumes vital – impact of trade on output, competitiveness, productivity, structural shifts, etc.
- Compilation needs to be with national accountants and price statisticians
- Standard approach – dividing current price values by appropriate price indices

Chapter 7 – Data sources

- Two key ingredients:
  - Detailed trade in services by EBOPS in national currency
  - Appropriate deflators

- Manual recommends using existing data, not calculating new price indices – ensures consistency, coherence and optimising resources

- Sources
  - Import and export prices indices (XPI, MPI) by service category, SPPIs, CPIs…
  - Industry data e.g. global price benchmarks for shipping rates

    Care needs to be taken when using domestic indices for imports

Chapter 7 – Step by step guide

Step 1. Compile detailed international trade in services by EBOPS, in national currency

Step 2. Map service items to **available and appropriate price indices**

Step 3. Deflate current-price values to derive constant-price values

Step 4. Construct volume measures - aggregation and chain-linking

Step 5. Calculate growth rates and derive implicit deflators

Key challenges – expert advice needed

Statistical measure	Deflators	
	Imports	Exports
International trade in services on a BOP basis		
Generic Rule:	SPPI	SPPI or XPI
Exceptions:		
Travel	CPI	CPI
Insurance and pension services	CPI	CPI
Implicit financial services on loans and deposits	See para. 7.19 and footnote 4	See para. 7.19 and footnote 4
Personal, cultural, and recreational services	CPI	CPI

- Level of detail and classification for SPPIs? Correspondence with EBOPS?
- Use of CPIs: EBOPS-COICOP mapping?
- ‘unobserved’ services (components of insurance and financial services)?
- Specific guidance for imports? Account for exchange rate movements?

Building experimental volume indices for trade in services

A pilot exercise by OECD – based on publicly available data

Building volume indices for trade in services – a pilot exercise

The approach in a nutshell [FRA, GBR, JPN, MEX, USA]

- Collect services **exports** by item in nominal terms (national currency)
- Categorise service items and price indices into meaningful groups
- Deflate each item by applying the closest price index available. In order of preference:
  - Export price index
  - Producer price index, same category
  - Producer price index, parent category (or total services)
  - Consumer price index (specific items like travel)
- Compute chain-linked volume indices
- Aggregate categories to build a volume index for total services
- Validate by comparing with national accounts figures and PYP-based SUTs

Building volume indices for trade in services – a pilot exercise

Selecting appropriate deflators

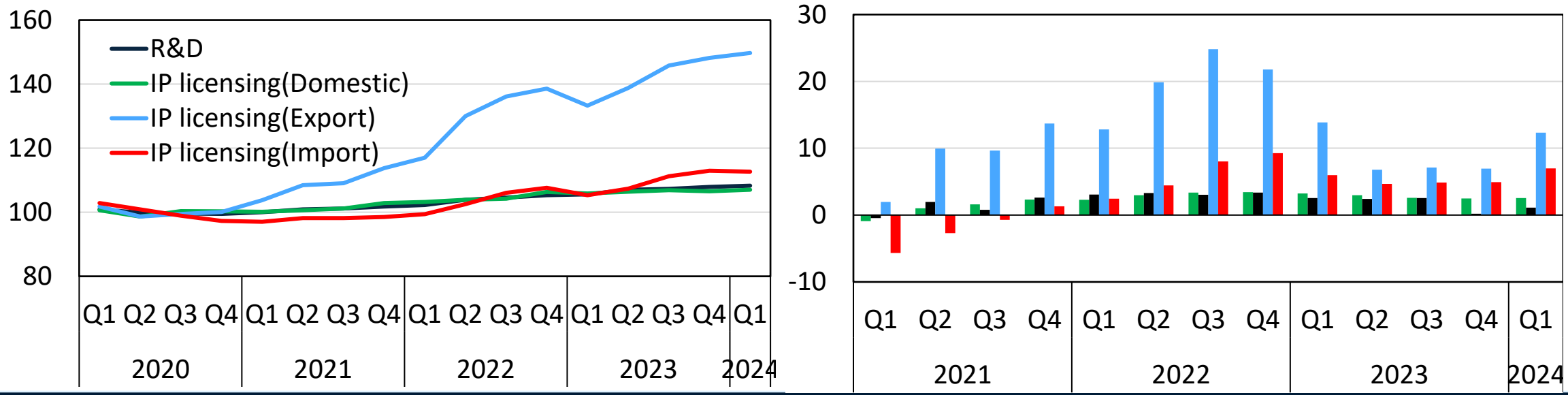
- Principle: use **most specific price index available** for each service category. The closer the deflator to the concept of an export price, the better
  - XPI
  - SPPI (NB: XPIs are a subcomponent of SPPIs – BtoE)
  - CPI
- Consider both the **type** and the **coverage** of price index
  - Definition of service categories may vary across domains/countries
- Applied the SNA principle that the deflator should reflect the **price of the service being measured**

Building volume indices for trade in services – a pilot exercise

Selecting appropriate deflators

- The price index for licensing of IP exports rose sharply, whereas the domestic R&D and domestic IP licensing indices were relatively flat, and the IP import index increased only modestly
- This divergence highlights that using a domestic index for deflating export IP services would be inappropriate

R&D and Intellectual properties licensing price indices and growth rates (y-o-y), Japan

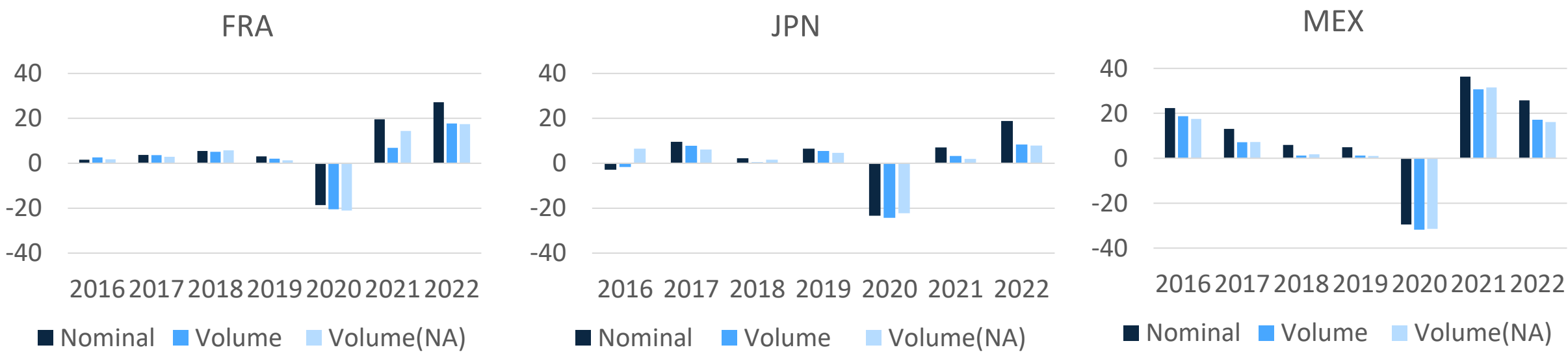


Building volume indices for trade in services – a pilot exercise

Preliminary results – Total services

- Services export values have been growing faster than volumes in recent years
- The volume estimates are reasonably close to official NA numbers for total services (with exceptions)

Annual growth rates, total services exports, %



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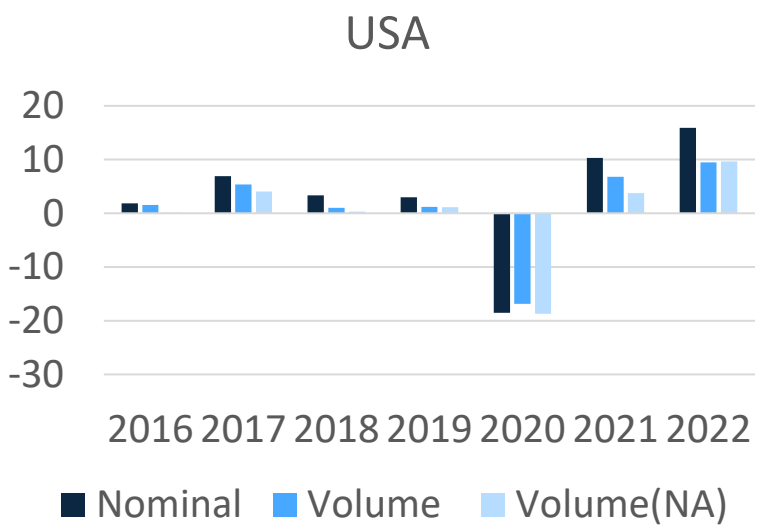
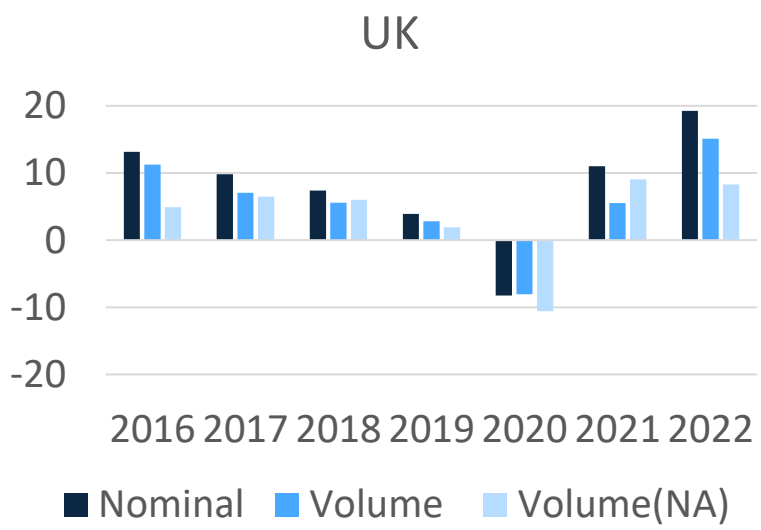


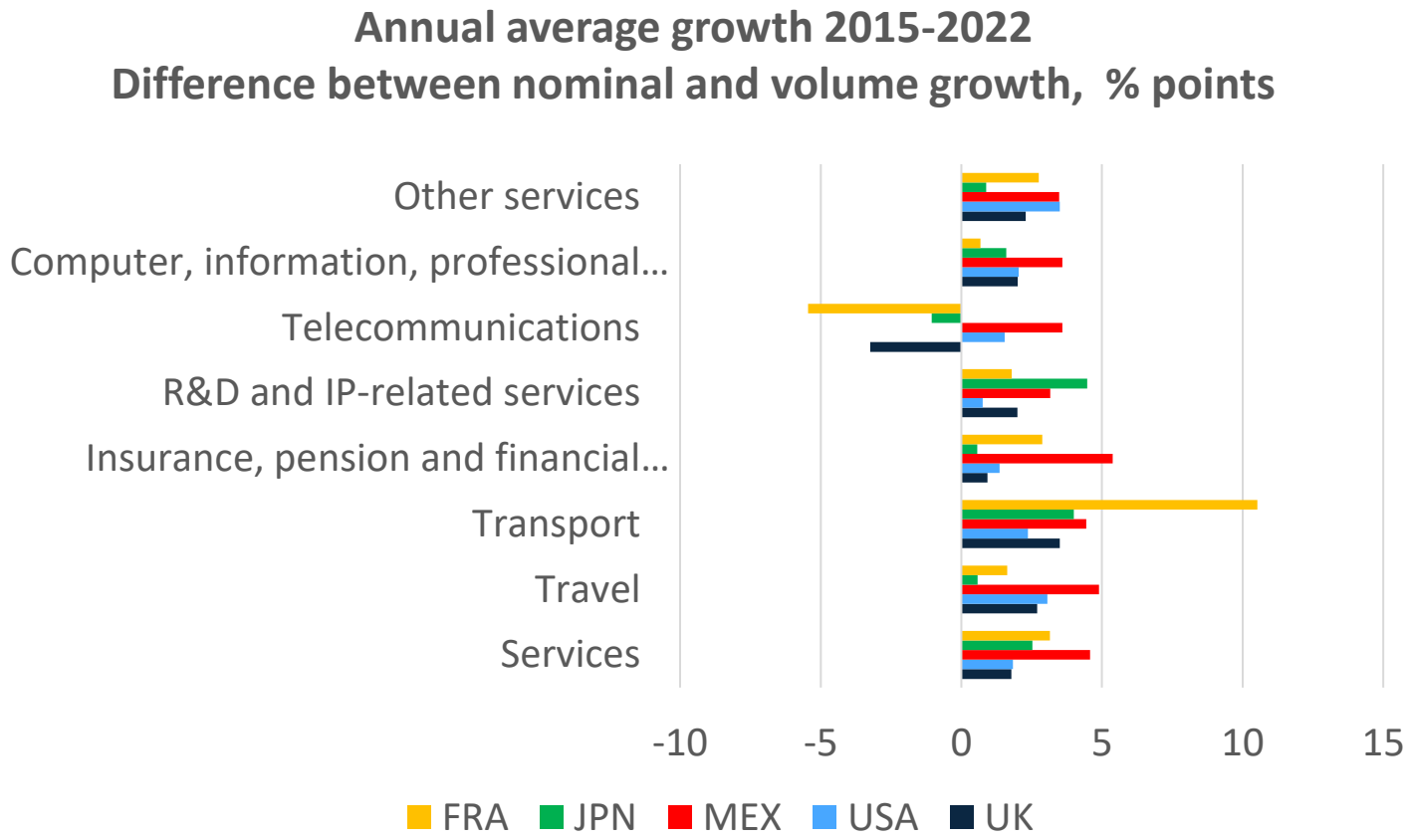


Building volume indices for trade in services – a pilot exercise

Preliminary results – by service category

For most service items, nominal growth exceeded volume growth in the period 2015-2022

The largest differences are visible in items like transport and telecommunication services



Lessons learned and next steps

- The pilot yielded some promising results
- Need to meticulously examine price indices (coverage, compilation methods & practices which vary by country)
- Industry expertise useful
- Plan to continue validation of estimates on export side, add more countries to pilot
- Explore possible approaches to estimate the import side (partner country data?)
- This work is related to update of MSITS!

Would you have any comments/views on…

Pilot Project

- Data sources: have we missed anything?
- Approach?
- What about imports?
- Partner country SPPIs?
- Use same indices?
- Country practices?
- Anything else?

MSITS Chapter

- Level of detail and classification for SPPIs? Correspondence with EBOPS?
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