CASE STUDY

Identifying Good Practices in LDC/LIC Services Trade Statistics Collection

CUTS International GENEVA
ILEAP | INTERNATIONAL LAWYERS AND ECONOMISTS AGAINST POVERTY
US University of Sussex
CARIS – Centre for the Analysis of Regional Integration at Sussex

This study is published as part of the "Support to Enhance Development of Trade in Services Negotiations" initiative jointly undertaken by ILEAP, CUTS International Geneva and the University of Sussex's CARIS. It aims to contribute to the increased and more effective participation of Least Developed, Low and Lower-Middle Income Countries and their Regional Economic Communities in multilateral, regional and bilateral services trade negotiations.

The initiative promotes understanding among policy makers, regulators and negotiators about their services sectors and the role that trade negotiations can play in pursuing their strategic interests therein.

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Funding support

TAF TRADE ADVOCACY FUND UKaid

This publication should be cited as:

SHINGAL. A. (2015). Identifying Good Practices in LDC/LIC Services Trade Statistics Collection'. Toronto, Geneva and Brighton: ILEAP, CUTS International Geneva and CARIS.

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Abbreviations

AANZFTA	ASEAN-Australia-New Zealand Free Trade Area
ASEAN	Association of South-east Asian Nations
BOK	Bank of Korea
BOP	Balance of Payments
BOU	Bank of Uganda
BPM5	Balance of Payments Manual Fifth Edition
BPM6	Balance of Payments Manual Sixth Edition
CBP	Capacity Building Project/Programme
DAB	Da Afghanistan Bank
COMPASS	Capacity Building Project for Monitoring Integration Progress and Statistics
EBOPS	Extended Balance of Payments Services
ECB	European Central Bank
ECWP	Economic Cooperation Work Programme
FATS	Foreign Affiliate Statistics
GDDS	General Data Dissemination System
GIZ	Gesellschaft für Internationale Zusammenarbeit
IIP	Index of Industrial Production
IMF	International Monetary Fund
IS	International Sourcing
ITES	Information Technology Enabled Services
ITGS	International Trade in Goods Statistics
ITRS	International Transaction Reporting System
LDCs	Least Developed Countries

LICs	Low Income Countries
MSITS	Manual on Statistics of International Trade in Services
NSIs	National Statistical Institutes
OECD	Organization for Economic Cooperation and Development
PSIS	Private Sector Investment Survey
PTS	Personal Transfer Survey
RMA	Royal Monetary Authority (of Bhutan)
SADC	South African Development Community
SBS	Structural Business Statistics
TA	Technical Assistance
TFSITS	Task Force on Statistics of International Trade in Services
TSD	Trade in Services Database
UEMOA	L'Union économique et monétaire ouest-africaine
UNCTAD	United Nations Conference on Trade and Development
UNSD	United Nations Statistical Database
WBTSD	World Bank Trade in Services Database
WTO	World Trade Organization
WTOSD	WTO/UNCTAD/ITC services database

Acknowledgements

The author would like to thank the project partners at ILEAP and CARIS for their comments at various stages; as well as Joscelyn Magdeleine from the WTO Secretariat for constructive discussions and useful suggestions and Parichay Agarwal for research support.

Foreword

Services and services trade can play a central role in promoting sustainable development, supporting inclusive economic growth, and reducing poverty in modern economies. However, LDCs, LICs, and LMICs continue to face challenges in catalysing or sustaining progress across this diverse range of economic activities. With respect to trade policy and related negotiations, services have become an increasingly visible feature of discussions – domestically, regionally, as well as at the bilateral and multilateral levels.

A number of challenges impacting services trade negotiations and policy-making have been identified however. Many lack access to reliable services trade data on which to base analysis and decision-making, and skills for processing and analysing existing services trade data to underpin conclusions. Ineffective interactions between stakeholders to support decision-making – within government, and between the government and the private sector, civil society, and other non-state actors - is also a major challenge.

Against this backdrop, ILEAP, CUTS International Geneva and the University of Sussex's CARIS have partnered to undertake a series of interventions that seek to contribute to the increased and more effective participation of LDCs, LICs, LMICs and RECs in multilateral, regional and bilateral services trade negotiations.

With funding support from the UK Trade Advocacy Fund, a set of studies, toolkits and trainings are developed to assist these countries in increasing their participation in services trade. Target beneficiaries range from negotiators, policymakers, regulators, statistical officers and various non-state actors.

In this context, this paper examines good practice in services trade data collection and compilation in "better performing" LDCs/LICs and suggests a toolkit that can be followed in the remaining LDCs/LICs to improve data availability.

Introduction

The coverage and quality of services trade statistics have improved significantly since the 2002 release of the Manual on Statistics of International Trade in Services (MSITS). The MSITIS sets out an internationally agreed statistical framework for the collection and dissemination of trade in services data, seeking to overcome long-standing and pervasive deficiencies in the global collection of services trade data. Driven in part by the pace at which services trade is evolving, alongside lessons learned in its first years of use, the Manual was updated in 2010 and currently represents internationally accepted best-practice for the collection of services trade data.

Unfortunately, in many cases, the requirements and methodologies as laid out in the Manual put stress on the capacity of statistical agencies and central banks in LICs and LDCs (indeed it poses challenges for even some of the most advanced agencies worldwide). As such, while capacity is being built to eventually implement the MSITS, there is a need to further develop 'interim' methodologies and approaches that are more aligned with existing capacities.

Two main international sources provide services trade data - the United Nations Statistical Database (UNSD) and the WTO/UNCTAD/ITC services database (hereafter 'WTOSD'). UNSD aims to provide data on services trade (imports and exports) for 199 reporting member states dating back to 2000, according to the EBOPS classification. The WTOSD details services trade (imports and exports) in total commercial services, transport, travel and other commercial services for select regions and economies from 1980 onwards, with more disaggregated data as of 2000. This is available according to BPM5 and EBOPS.

Another recent source of services trade data is the World Bank's Trade in Services Database (WBTSD) , which in turn is based on the Trade in Services Database (TSD, Francois & Pindyuck, 2013). By combining various data sources (including the IMF, OECD, EuroStat and the UNSD) TSD provides data on annual bilateral services trade flows (covering modes 1 & 2) for 248 countries and regions across several EBOPS sectors over the period 1981-2010. The use of multiple sources helps in identifying inconsistencies and reducing data input-related errors. More importantly, by making use of "mirror" flows both TSD and WBTSD are able to expand their coverage of South-North services trade as well as improve the coverage of North-North services trade flows. Unfortunately, the coverage of South-South services trade, especially amongst LDCs/LICs continues to be a challenge and hence remains unreported in even the TSD/WBTSD.

While constituting the best datasets currently available, including for LDC/LIC data, no datasets provide the kind of information needed to underpin highly-detailed quantitative analysis. In particular, data for most LDCs/LICs is not disaggregated by partner and thus generally only available at the level of total trade with the world (or in the case of TSD, some trade flows with major trading partners may be available, though these constitute only about 10% of all possible 200 trading partners and data on intra-LDC/LIC services trade remain absent). Furthermore, while some sectoral details are available in the more recent data, including at the most detailed 3-digit EBOPS level, in many instances for LDCs and LICs they struggle to report at better than the one digit EBOPS level. It is also noticeable that there is variability in the recorded coverage between years, alongside at-times significant year-on-year variation, suggesting that there might be weaknesses in the quality of data collection and transcription/coding, though other issues such as confidentiality may also play a role. In sum, this acts as a severe limitation on the ability to undertake detailed analysis outside of aggregate services trade with the world.

It follows that there is the possibility of comparing the performance of LDC and LIC data collection both by comparing the (UNSD) data presented in each of the years from 2000-2012 and over the period. This

would form the basis of a comparative ranking of statistical coverage (both by product disaggregation and number of partners). Comparisons over time would also offer the opportunity to observe rates of improvement and to a lesser extent data quality among the LDCs and LICs.

Against this background, this paper examines good practice in services trade data collection and compilation in "better performing" LDCs/LICs and suggests a toolkit that can be followed in the remaining LDCs/LICs to improve data availability.

1. Methodology

In the first step, we identify those LDCs/LICs who have shown good and/or improved statistical practice by looking at the sectoral coverage of their reported services trade statistics in the UNSD and joint WTO/UNCTAD/ITC services databases and also tracking the evolution of this coverage especially over 2000-2012. This enables us to determine statistical departments in LDCs/LICs which are improving coverage and thus, by assumption, performance.

In the next step, we arranged interviews with colleagues working in Services Trade and Statistics Divisions of the WTO, UNCTAD and UNSD to elicit qualitative assessments of good practice among LDC/LIC statistical departments, in particular for those countries identified as "better performing" LDCs/LICs on the basis of statistics reported to the UNSD and WTOSD over time.

2. Identifying good practice among LDCs/LICs

A comparative snapshot of services trade data availability for LDCs/LICs in the UNSD over 2000-2012 is provided in Tables 1-3. Table 1 reports the availability of services trade data by number of partners (this availability is identical for exports and imports) and Tables 2 & 3 report the availability of export and import data, respectively, by number of disaggregated services sectors.

Table 1 reveals that no LDC or LIC, other than Bhutan, over 2000-2005 and the Kyrgyz Republic over 2004-06, report services trade data to international sources with disaggregated partner information. In other words, almost all LDCs/LICs only report their services trade at the level of trade with the world. This absence of bilateral services trade data in international databases for LDCs/LICs represents a major impediment for undertaking credible research and policy analyses on this subject in the context of these countries.

Table 1 is also illustrative in that it shows that certain countries do not even report services trade at the level of trade with the world in certain years over 2000-12. In the case of Eritrea, for instance, these services trade data are not available over 2001-2012. This was also true of Afghanistan, The Gambia, Kenya, Liberia and Timor-Leste at the beginning of this period, though these countries then "caught up" with the rest of this group by 2005 (2008 in the case of Afghanistan).

TABLE 1

SERVICES TRADE DATA AVAILABILITY FOR LDCS/LICS IN THE UNSD BY NUMBER OF PARTNERS (2000-2012)

LDC/LIC (# of partners)	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Afghanistan	0	0	0	0	0	0	0	0	1	1	1	1	1
Bangladesh	1	1	1	1	1	1	1	1	1	1	1	1	1
Benin	1	1	1	1	1	1	1	1	1	1	1	1	0
Bhutan	3	3	3	3	3	3	1	1	1	1	1	1	1
Burkina Faso	1	1	1	1	1	1	1	1	1	1	1	1	0
Burundi	1	1	1	1	1	1	1	1	1	1	1	1	1
Cambodia	1	1	1	1	1	1	1	1	1	1	1	0	0
Central African Rep.	1	1	1	1	1	1	1	1	1	1	1	1	1
Chad	1	1	1	1	1	1	1	1	1	1	1	1	1
Comoros	1	1	1	1	1	1	1	1	1	1	1	0	0
Dem. Rep. of the Congo	1	1	1	1	1	1	1	1	1	1	1	1	1
Djibouti	1	1	1	1	1	1	1	1	1	1	1	1	0
Equatorial Guinea	1	1	1	1	1	1	1	1	1	1	1	1	1
Eritrea	1	0	0	0	0	0	0	0	0	0	0	0	0
Ethiopia	1	1	1	1	1	1	1	1	1	1	1	1	1
Gambia	0	0	0	1	1	1	1	1	1	1	1	1	0
Guinea	1	1	1	1	1	1	1	1	1	1	1	1	0
Guinea-Bissau	1	1	1	1	1	1	1	1	1	1	1	1	0
Haiti	1	1	1	1	1	1	1	1	1	1	1	1	1
Kenya	0	0	0	0	0	1	1	1	1	1	1	1	1
Kiribati	1	1	1	1	1	1	1	1	1	1	0	0	0
Kyrgyz Republic	1	1	1	1	6	6	6	1	1	1	1	1	1
Lao People's Dem. Rep.	1	1	1	1	1	1	1	1	1	1	0	0	0
Lesotho	1	1	1	1	1	1	1	1	1	1	1	1	1
Liberia	0	0	0	0	1	1	1	1	1	1	1	0	0
Madagascar	1	1	1	1	1	1	1	1	1	1	1	1	1
Malawi	1	1	1	1	1	1	1	1	1	1	1	1	1
Mali	1	1	1	1	1	1	1	1	1	1	1	1	0
Mauritania	1	1	1	1	1	1	1	1	1	1	0	0	0
Mozambique	1	1	1	1	1	1	1	1	1	1	1	1	1
Myanmar	1	1	1	1	1	1	1	1	1	1	1	1	0
Nepal	1	1	1	1	1	1	1	1	1	1	0	0	0
Rwanda	1	1	1	1	1	1	1	1	1	1	1	1	1
Samoa	1	1	1	1	1	1	1	1	1	1	1	1	1
Sao Tome and Principe	1	1	1	1	1	1	1	1	1	1	1	1	1
Senegal	1	1	1	1	1	1	1	1	1	1	1	1	0
Sierra Leone	1	1	1	1	1	1	1	1	1	1	1	1	1
Solomon Isds	1	1	1	1	1	1	1	1	1	1	1	1	1
Sudan	1	1	1	1	1	1	1	1	1	1	1	1	1
Tajikistan	1	1	1	1	1	1	1	1	1	1	1	1	1
Timor-Leste	0	0	0	0	0	0	1	1	1	1	1	1	1
Togo	1	1	1	1	1	1	1	1	1	1	1	1	0
Tuvalu	1	1	1	1	1	1	1	1	1	0	0	0	0
Uganda	1	1	1	1	1	1	1	1	1	1	1	1	1
United Rep. of Tanzania	1	1	1	1	1	1	1	1	1	1	1	1	0
Vanuatu	1	1	1	1	1	1	1	1	1	1	1	1	1
Yemen	1	1	1	1	1	1	1	1	1	1	0	0	0
Zambia	1	1	1	1	1	1	1	1	1	1	1	1	0
Zimbabwe	1	1	1	1	1	1	1	1	1	1	1	1	1

Source: UNSD; own calculations. *Note:* Data not available for DPR Korea, Niger and Somalia.

In contrast, the availability of services trade data for LDCs/LICs by number of disaggregated services sectors is far more heterogeneous. In Tables 2 and 3, which report this availability for exports and imports respectively, the "better performing" countries – i.e. those who report data in a relatively higher number of EBOPS categories – are highlighted in bold red.

These tables show that Afghanistan, Bangladesh, Malawi and Uganda in particular for exports and Afghanistan, Bangladesh, Bhutan, Burundi, Lesotho, Malawi, Mozambique and Uganda for imports have been exhibiting much better coverage of sectoral

services trade data compared to the remaining countries in this group[1].

TABLE 2

SERVICES EXPORT DATA AVAILABILITY FOR LDCS/LICS IN THE UNSD BY NUMBER OF DISAGGREGATED SERVICES SECTORS (2000-2012)

LDC/LIC (# of EBOPS codes)	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Afghanistan	0	0	0	0	0	0	0	0	32	33	32	33	32
Bangladesh	23	25	39	44	43	44	46	46	50	55	46	54	51
Benin	9	11	11	10	11	10	11	11	11	9	12	12	0
Bhutan	21	23	23	22	23	23	20	25	24	21	26	26	28
Burkina Faso	10	9	8	9	9	9	10	11	11	11	12	12	0
Burundi	9	9	9	9	16	16	16	16	17	17	20	24	24
Cambodia	14	14	14	22	23	23	21	24	23	24	23	0	0
Central African Rep.	7	7	7	7	7	7	7	7	7	7	7	7	7
Chad	4	4	1	1	1	1	1	1	1	1	1	1	1
Comoros	3	3	3	9	8	16	16	17	17	17	17	0	0
Dem. Rep. of the Congo	11	11	11	11	12	13	12	12	12	14	11	12	11
Djibouti	6	6	6	6	6	6	6	6	6	6	6	6	0
Equatorial Guinea	1	1	1	1	1	1	1	1	1	1	1	1	1
Eritrea	10	0	0	0	0	0	0	0	0	0	0	0	0
Ethiopia	11	11	10	10	11	11	12	12	12	12	11	11	11
Gambia	0	0	0	12	11	18	18	20	22	22	21	21	0
Guinea	15	18	16	14	12	15	9	17	20	17	17	18	0
Guinea-Bissau	2	5	8	8	8	5	4	7	6	6	7	7	0
Haiti	5	5	6	6	5	5	5	5	5	6	6	6	5
Kenya	0	0	0	0	0	32	32	30	30	30	31	10	10
Kiribati	3	3	3	3	3	3	3	3	3	3	0	0	0
Kyrgyz Republic	16	16	16	16	30	32	32	1	1	1	32	31	15
Lao People's Dem. Rep.	8	8	8	8	8	8	8	8	8	1	0	0	0
Lesotho	22	22	22	22	22	24	21	24	25	22	25	25	25
Liberia	0	0	0	0	10	14	14	14	12	12	17	0	0
Madagascar	16	16	16	54	55	11	11	11	11	11	12	12	11
Malawi	8	8	8	38	38	38	38	48	49	48	47	51	49
Mali	10	11	11	10	12	11	11	11	12	10	12	12	0
Mauritania	3	3	1	1	1	1	1	1	1	1	0	0	0
Mozambique	23	32	51	57	59	71	70	70	67	69	68	14	14
Myanmar	3	3	3	3	3	7	7	7	7	5	5	6	0
Nepal	6	6	9	9	9	9	9	9	9	10	0	0	0
Rwanda	3	3	3	4	4	5	5	5	8	11	11	5	10
Samoa	6	6	6	6	10	10	10	11	11	10	10	10	13
Sao Tome and Principe	8	8	8	8	8	8	8	8	8	8	8	8	8
Senegal	11	11	12	11	11	12	12	12	12	12	12	12	0
Sierra Leone	15	15	7	20	22	22	26	26	10	10	10	10	10
Solomon Isds	3	3	3	3	3	3	17	17	17	17	17	17	17
Sudan	11	9	12	11	10	12	14	16	14	15	16	16	15
Tajikistan	38	37	38	38	40	40	39	41	32	13	13	13	13
Timor-Leste	0	0	0	0	0	0	14	14	14	14	16	16	17
Togo	8	11	10	10	10	11	10	9	10	9	11	12	0
Tuvalu	6	8	8	8	8	8	8	8	8	0	0	0	0
Uganda	24	27	35	35	33	35	32	34	36	40	39	52	50
United Rep. of Tanzania	16	17	16	16	15	16	16	16	16	16	4	4	0
Vanuatu	1	1	14	14	14	15	16	15	18	19	24	14	14
Yemen	12	12	12	12	12	12	13	12	13	13	0	0	0
Zambia	9	9	9	11	10	11	11	12	12	11	10	11	0
Zimbabwe	12	12	12	12	12	12	12	12	11	11	11	11	11

Source: UNSD; own calculations. *Note:* Data not available for DPR Korea, Niger and Somalia.

Thus, at least in terms of the breadth of coverage of services trade statistics, these countries qualify as being "better performers".[2] An examination of data from the WTO/UNCTAD/ITC services database also corroborates this finding.

1 Interestingly, the same country tends to report a much better sectoral coverage of import data than export data, which seems to suggest that the generalization of goods import data being better recorded than goods export data may also hold in case of services trade data.

2 Of course, this may say nothing about the quality of reported data, which would make it difficult to compare a country that reported data in 6 EBOPS categories with 100% accuracy with one that reported fairly inaccurate data but in all EBOPS categories. This said, greater availability of disaggregated trade flows is positively correlated with a country's data collection/compilation mechanism. So our use of

TABLE 3

SERVICES IMPORT DATA AVAILABILITY FOR LDCS/LICS IN THE UNSD BY NUMBER OF DISAGGREGATED SERVICES SECTORS (2000-2012)

LDC/LIC (# of EBOPS codes)	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Afghanistan	0	0	0	0	0	0	0	0	36	38	38	38	36
Bangladesh	25	33	47	41	42	42	43	42	49	55	49	53	54
Benin	12	12	12	11	12	12	12	12	12	12	12	12	0
Bhutan	21	22	22	23	24	24	36	40	44	43	43	45	45
Burkina Faso	12	11	11	11	11	12	12	12	12	12	12	12	0
Burundi	9	9	9	9	25	25	25	26	25	25	25	30	30
Cambodia	21	21	21	24	24	24	24	24	24	24	24	0	0
Central African Rep.	7	7	7	7	7	7	7	7	7	7	7	7	7
Chad	4	4	2	1	1	1	1	1	1	1	1	1	1
Comoros	3	3	3	12	12	24	24	23	23	22	24	0	0
Dem. Rep. of the Congo	13	13	14	14	14	14	14	14	14	14	13	13	13
Djibouti	7	7	7	7	7	7	7	7	7	7	7	7	0
Equatorial Guinea	1	1	1	1	1	1	1	1	1	1	1	1	1
Eritrea	11	0	0	0	0	0	0	0	0	0	0	0	0
Ethiopia	12	12	12	12	12	12	12	12	10	11	11	11	11
Gambia	0	0	0	12	12	21	25	27	25	24	23	23	0
Guinea	20	21	21	20	20	19	18	20	16	18	19	18	0
Guinea-Bissau	1	9	11	9	11	9	8	10	10	11	12	12	0
Haiti	6	6	6	6	9	9	9	9	9	9	4	9	8
Kenya	0	0	0	0	0	29	29	30	30	30	30	11	11
Kiribati	3	3	3	3	3	3	3	3	3	3	0	0	0
Kyrgyz Republic	17	17	17	17	31	32	32	1	1	1	30	31	14
Lao People's Dem. Rep.	10	11	11	11	11	11	11	11	11	1	0	0	0
Lesotho	31	31	31	31	31	33	33	34	33	34	34	34	33
Liberia	0	0	0	0	11	19	29	29	29	29	26	0	0
Madagascar	17	17	17	57	58	11	12	12	11	11	12	12	12
Malawi	9	9	9	46	47	46	46	53	52	54	53	54	53
Mali	11	12	12	12	12	12	12	12	12	12	12	12	0
Mauritania	3	3	1	1	1	1	1	0	1	1	0	0	0
Mozambique	35	34	52	56	59	66	63	67	63	62	66	14	14
Myanmar	3	3	3	3	3	8	8	8	8	6	6	6	0
Nepal	6	6	9	9	9	9	9	8	8	8	0	0	0
Rwanda	5	5	5	4	4	5	5	5	10	11	12	5	10
Samoa	8	8	8	8	11	11	10	10	10	12	12	12	14
Sao Tome and Principe	9	9	9	9	9	9	9	9	9	9	9	9	9
Senegal	11	11	12	12	12	12	12	12	12	12	12	12	0
Sierra Leone	15	15	29	35	36	36	38	40	12	12	12	12	12
Solomon Isds	3	3	3	3	3	3	18	18	18	18	18	18	17
Sudan	19	16	18	19	19	14	15	15	15	15	15	15	15
Tajikistan	35	33	34	34	35	35	34	38	32	13	13	13	13
Timor-Leste	0	0	0	0	0	0	28	28	27	30	30	29	29
Togo	11	11	11	11	11	12	11	11	12	12	12	12	0
Tuvalu	6	9	9	9	9	9	9	9	9	0	0	0	0
Uganda	20	22	31	33	37	38	37	40	39	44	44	60	58
United Rep. of Tanzania	17	18	17	18	18	18	18	16	16	16	4	4	0
Vanuatu	1	1	18	17	18	18	17	16	18	18	25	13	13
Yemen	15	15	15	15	18	18	18	18	18	18	0	0	0
Zambia	11	11	11	10	10	12	12	13	14	14	15	14	0
Zimbabwe	12	12	12	12	12	12	12	12	11	11	11	11	11

Source: UNSD; own calculations. *Note:* Data not available for DPR Korea, Niger and Somalia.

Note that the transition from Balance of Payments Manual 5 (BPM5) to BPM6 was made in 2008 and this transition was not smooth in all countries. Some LDCs/LICs such as Tajikistan and Tanzania therefore reveal a break in the coverage of services data in 2008. In the case of Tajikistan, the number of sectors for which data was reported came down from 32 in 2008 to 13 thereafter; the corresponding sectoral coverage in the case of Tanzania was 16 and 4, respectively.

Against this background, the next section, which also benefits from interviews with resource persons at the WTO, UNSD and UNCTAD, provides an overview of good practices for services trade data collection in LDCs/LICs.

the number of EBOPS categories in which data are reported to identify "better performing" LDCs/LICs is not entirely indefensible. Moreover, we supplement this analysis with information on the quality and accuracy of BOP data from the IMF's GDDS in the following section.

Overview of Good Practices in Services Trade Data Collection

To assess the quality of reported statistics and glean information on good practice, we also examined statistical practices in collecting and reporting BOP data amongst select "better performing" LDCs/LICs as documented by the IMF's General Data Dissemination Service (GDDS). A snapshot of these is reported in Table 4 with some case studies provided in the Appendix to this paper.

An analysis of the information contained in the GDDS, alongside interviews with resource persons at the WTO, UNSD and UNCTAD suggest the following attributes of services trade data collection and compilation in "better performing" LDCs/LICs that provide guidance to other countries in these groups:

1. Enabling legal provisions

The presence of enabling legislative provisions is an indispensable attribute for compiling good quality services data. This includes a legal requirement for commercial banks to report BOP data to central banks/national statistical institutes (NSIs) and a confidentiality provision to enable individual companies to make these data available to commercial banks. The latter may include provisions that would prevent reported data from being used for "other" (non-statistical purposes) or being shared with "other" agencies/organizations.

Some successful services data reporting OECD countries such as South Korea have such legal provisions that aid data reporting. The Bank of Korea (BOK) Act assigns responsibility and provides authority to the BOK for collecting and compiling macroeconomic statistics such as BOP statistics. The Foreign Exchange Transaction Act provides authority to the BOK for collecting information from individuals, corporations or foreign exchange banks on international transactions for the purpose of compiling BOP statistics. The Statistics Law designates the BOK as the compiling agency for the BOP statistics and requires it to disseminate the compiled BOP statistics and the corresponding metadata. Further, under the Bank of Korea Act, BOK staff should not divulge confidential matters to unauthorized individuals. The Foreign Exchange Transaction Act strictly prohibits officials involved in foreign exchange transaction work from divulging information and using information for other purposes. The Statistics Law stipulates that statistical agencies must carry a legal guarantee of protection of the confidentiality of individuals' and juristic persons' or bodies' information and that the information collected will be used only for statistical purposes.

Even an LDC like Afghanistan imposes a penalty for non-compliance with reporting requirements. For instance, the country's central bank, Da Afghanistan Bank, law has provisions (Article 123, Section 7) allowing "sanctions" against banks for not complying with the reporting requirements. A penalty of 12,500 Afghanis per report per day for missing reports and the same amount per mistake is applied.

2. Proper institutional arrangements

Successful data collection also depends on the presence of proper institutional arrangements between NSIs and central banks on the collection and compilation of statistics. While South Korea is again a case in point amongst OECD countries, effective

institutional collaboration also takes place in Bhutan for instance. The Royal Monetary Authority (RMA) of Bhutan sends requests to various government and other agencies to provide the necessary information at the end of each fiscal year or quarter in some cases. It also sends out quarterly enterprise surveys to (1) General Enterprises (private sector entities); (2) Hydropower Project Authorities; (3) Financial Institutions; (4) International Organizations; and (5) NGOs in Bhutan. Cooperation with the agencies representing the major source data providers is good. Regular (quarterly) meetings are usually held among the compiling agencies, including the Ministry of Finance, the National Statistics Bureau, the Department of Energy, the Druk Green Power Corporation, the Department of Public Accounts, the Department of Budget, the Department of Revenue and Customs, the Gross National Happiness Commission, the Tourism Council of Bhutan, and the RMA.

3. Use of multiple data sources

Countries that have recourse to multiple data sources are able to report better coverage and quality of data. Analysis of information in the GDDS reveals that several "better performing" LDCs/LICs such as Afghanistan, Malawi, Uganda source services trade data from multiple sources and in most cases, a combination of data from international transaction reporting systems (ITRS) and surveys is used. In fact, user-friendly surveys may be the most effective way of generating significantly more comprehensive and reliable services trade data, which is why almost all the "better performing" LDCs/LICs reported in Table 4 make use of surveys.

4. Presence of elaborate checks and balances

Analysis of information in the GDDS also reveals that countries like Lesotho, Mozambique and Uganda that use more and elaborate checks and balances to evaluate compiled data not only end up improving data quality but also tend to report these data for a greater number of sectors. In the case of Uganda for instance, source data including censuses, sample surveys and administrative records are routinely assessed for coverage, sample error, response error, and non-sampling error; the results of the assessments are monitored and made available to guide statistical processes. Monthly trade data are reviewed by the Statistics Department to place them on a BOP basis, as well as to check them for accuracy. Monthly aggregates are checked through daily returns, and large transactions are verified. An assessment of survey results is made. Some imputations are done with data on enterprises' income statements and published balance sheets. The survey data are processed by the Bank of Uganda (BOU) using a customized MS-Access application and Excel spreadsheets. Data at all stages of the survey exercise are verified against a set of control indicators. Both external and internal checks are employed in the source data validations including on-site and off-site editing carried out by enumerators. The editing procedures include checks on the internal inconsistencies in data, missing data (gaps), exchange rate conversion, and completeness in recording entries. The data editing procedures are followed by source data analysis at the various levels of data categorization.

5. Focussing on economically important sectors

Countries can also improve the quality and quantity of data by focussing their data collection efforts in sectors of their economic importance. For instance Bangladesh conducted a pilot survey in tourism services in 2011-12, the Tourism Satellite Accounts. Similarly, the Reserve Bank of India has been conducting annual surveys in software & ITES services beginning financial year 2002-03, where *inter alia*, data availability by mode of services delivery was also made possible.

6. Availability and quality of human capital

Another fundamental ingredient of good quality data availability is the availability and quality of human capital, with the latter encompassing both the understanding and skill-levels of reporters and compilers. Further attributes along this dimension include the need for adequate information and guidelines on data reporting and compilation, the need for a system in place to deal with rapid turnover and attrition of personnel so that knowledge can be transferred quickly and smoothly and the need for adequate financial resources to conduct regular trainings and evaluation of personnel. Respondents also need to be better educated and made aware of the need to keep and maintain records. For instance measures taken to enhance data quality in the case of Indonesia include (a) internal training for the trainer (b) incentives to encourage firms to assign the right person to report transactions (c) remind reporters to submit reports at regular intervals and (d) conduct extensive training and regular evaluations.

7. Technical advancements

Interviews with resource persons at the WTO, UNSD and UNCTAD suggest that data collection can also be improved by technical advancements such as enhancing the quality or design of surveys, extending population coverage and by evaluating existing data sources/making use of micro-data linking[3]. Amongst our "better performing" LDCs/LICs, Uganda seems to have made such technical advancements that include (i) widening the coverage for the Personal Transfers Survey to obtain a representative sample for better estimates especially of the outward transfers; (ii) augmenting estimates of government services n.i.e with data from international organizations bases in the country; and (iii) reviewing methodology used for BOP forecasting. Zambia provides a good example of micro-data linking as it has successfully integrated trade and business statistics.

In other cases, data availability may be improved by simplifications. For instance, commercial banks may not send the correct information to NSIs/central banks as the transaction may be too complex to fit in the suggested reporting code.

8. External support

In terms of data collection and reporting, LDCs/LICs typically suffer from inadequate and unskilled human capital, insufficient financial resources and deficient data collection characterized by lower coverage of sample populations, unrepresentative samples, poor sampling techniques, etc. Some "better performing" countries such as Afghanistan and Cambodia have benefitted from technical assistance (TA) and capacity

3 This involves linking information generated from surveys to existing datasets. For e.g. in the European Statistical System, data obtained from International Sourcing (IS) Surveys were linked to Structural Business Statistics (SBS) and International Trade in Goods Statistics (ITGS). Micro-data linking provides an opportunity to discover new information and to develop new statistics and indicators both using existing data sets and in combination with new data collections.

building programmes/projects (CBP) either in the context of regional integration efforts or as a part of bilateral initiatives to address these shortcomings.

For instance, pilot surveys are currently underway in Cambodia, Lao PDR and Myanmar to improve services trade data availability in specific sectors (and then replicate the process in other sectors) with support under the ASEAN-Australia-New Zealand Free Trade Area Economic Cooperation Work Programme (AANZFTA ECWP).

In addition, ASEAN countries have also benefitted from the € 7.5 million EU-ASEAN Capacity Building Project for Monitoring Integration Progress and Statistics (COMPASS), 2014-2018, the first purpose of which is to support the development of the ASEAN Community Statistical System through annual data collection and increasing countries' capacity to compile data; by providing advisory services, studies, study tours, seminars and workshops; by facilitating short-term mobility from the more developed ASEAN member states for delivering on-the-spot training in the less developed ASEAN member states; and by establishing a facility to support a long-term HRD programme to allow staff from the less developed ASEAN member states to access higher education curriculum in statistics in the more developed ASEAN member states. Both Lao PDR and Myanmar are expected to benefit from these TA and CBP in their services data collection and reporting efforts.

Similarly, Afghanistan that has been amongst the "best" LDC/LIC performers and for which data are only available since 2008, is also reported to have benefitted from the support that the country has received more widely under the EU's TA and CBP to work more closely with the IMF to improve its data collection and reporting.

UNCTAD is also commencing a CBP in West Africa with UEMOA to improve their services trade statistics. The CBP will involve working closely with the statistical agency of UEMOA and the NSIs and central banks of the UEMOA member states. The project will focus on designing and building an IT system that will facilitate data capture/sharing and compilation. It will also include training. Whether legislative changes are required is yet to be determined. The CBP is expected to benefit countries like Benin, Burkina Faso, Guinea Bissau, Mali, Senegal and Togo that have not been good at reporting data on services trade.

Note that since UEMOA has its own "central regional" bank (like the ECB), it is easier to obtain BOP trade in services data (http://www.bceao.int/). UNCTAD is also spearheading the development of e-learning on trade in services, wherein UEMOA is likely to be one of its beneficiaries.

Similarly, a statistics template for trade in services has been developed for SADC countries with help from GIZ. These statistics templates have been developed to address SADC's need to improve the availability and quality of trade in services data including foreign affiliates statistics (FATS) to inform trade in services negotiations.

9. Historical reasons/external stimuli

Interviews with resource persons at the WTO, UNSD and UNCTAD suggest that some countries such as Uganda and Zambia have been "better performers" for historical reasons such as their association with the IMF over a long time period that has aided both data collection and reporting in these countries. Data collection efforts are also buttressed by external stimuli such as the needs of the Ministry of Commerce for negotiations for instance; New Zealand is a case in point.

TABLE 4

SNAPSHOT OF SERVICES DATA COLLECTION/COMPILATION GOOD PRACTICES IN SELECTED LDCS/LICS

Attributes/Country	AFG (2006)	BGD (2008)	MWI (n.a.)	UGA (2013)	AGO (2014)	BTU (2011)	BDI (2011)	LSO (2011)	MOZ (2010)
Legal provisions	√								
Institutional arrangements						√			
Multiple data sources	√		√	√	√	√	√	√	√
Multiple checks & balances				√	√			√	√
Focus on select sectors		√							
Regular training									
Technical advancements				√				√	
TA & CBP	√				√				

Source: IMF GDDS

Note: (1) The year in which a country provided data update to IMF GDDS is indicated in parentheses (2) The check mark indicates that the country in question reports use of the relevant attribute in the information provided to IMF GDDS

Conclusion

Examining services trade data availability in LDCs/LICs reveals heterogeneity even within a group of countries which is otherwise classified as homogeneous on the basis of their levels of economic development. This suggests that the level of economic development itself may not be a strong determinant of services trade data collection and compilation.

Instead, our research on good practices in services trade data collection and compilation in these countries suggests that enabling legislative provisions, the use of multiple data sources and checks and balances, and external technical assistance/capacity building may be more important requirements for improving services trade data availability in LDCs/LICs.

Appendix

Case studies of selected LDCs/LICs taken from IMF GDDS

Afghanistan

Data on services are derived from various sources such as the Ariana Afghan Airlines, Kabul Airport Authority, immigration data on arrival and departure of Afghan and foreign nationals, the Ministries of Finance and Foreign Affairs, DAB (Da Afghanistan Bank), and the money changers. DAB surveys on transportation, insurance and travel and other services are also used.

The DAB law has provisions (Article 123, Section 7) allowing "sanctions" against banks for not complying with the reporting requirements. A penalty of 12,500 Afghani's per report per day for missing reports and the same amount per mistake is applied.

Uganda

The Bank of Uganda (BOU) employs a collection program that is comprised of several surveys, such as the Private Sector Investment Survey (PSIS), Personal Transfers Survey (PTS), surveys of the enterprises engaged in international trade in services, and the ITRS.

Source data including censuses, sample surveys and administrative records are routinely assessed, e.g., for coverage, sample error, response error, and non-sampling error; the results of the assessments are monitored and made available to guide statistical processes

The survey data are processed by the BOU using a customized MS-Access application and Excel spreadsheets, which could be replicated by other LDCs/LICs. Data at all stages of the survey exercise are verified against a set of control indicators. Both external and internal checks are employed in the source data validations including on-site and off-site editing carried out by enumerators. The editing procedures include checks on the internal inconsistencies in data, missing data (gaps), exchange rate conversion, and completeness in recording entries. The data editing procedures are followed by source data analysis at the various levels of data categorization.

The ITRS data compilation procedures incorporate a continuous process of assessment of the accuracy and reliability of reported ITRS data.

There are a number of plans for improvements in both source data and statistical techniques. Some of these include:

- Widening the coverage for the Personal Transfers Survey to obtain a representative sample for better estimates especially of the outward transfers.
- Augmenting estimates of government services n.i.e with data from international organizations bases in the country.
- Reviewing methodology used for BOP forecasting.

Mozambique

Mozambique's BOP is compiled from a combination of various data sources, including administrative records, accounting balances, surveys, and information from the government sector and non-financial corporations.

The main source of information on services is the monthly survey on the external transactions by the depository corporations which reports transactions made by themselves and on behalf of their customer, and surveys of non-financial corporations (public and private). The information from the depository corporations is on cash basis, rather than on accrual basis, as recommended by the BPM5. Duplication of information is avoided by using only one source for a certain service category. Government services (debt) are obtained from the central bank.

The compilation process is made in excel spreadsheets. The information from the various sources is recorded in different spreadsheets which are stored and linked to main compilation spreadsheets.

The surveys in non-financial corporations cover all the major enterprises (that accounts for almost 75% of the total exports and with at least USD 400 million equity capital) plus those that are the leading enterprises in their respective sectors. There is no grossing up technique applied to adjust data, as the actual targeted enterprises are not based on a sample. For non-responding enterprise for a certain period of time, an estimate based on historic data is made, but replaced after actual data has been received. Once each questionnaire has been received, it is checked for consistency and high values or out of pattern transactions are confirmed with the respondents.

Annual BOP data is derived from the sum of the quarterly data and according to the revision policy the previous quarterly data can be revised during the compilation of the immediate following quarter and at the end of the year.

Errors and omissions reported in BOP are monitored. When BOP and IIP data are revised, revision studies are carried out and disclosed with data in the Balance of Payments Annual Bulletin which is published within the first 4 months after the end of the reference year.

Support to Enhance Development of Trade in Services Negotiations

With support from the UK Trade Advocacy Fund, ILEAP, CUTS International Geneva and the University of Sussex's CARIS are undertaking a series of interventions that seek to contribute to the increased and more effective participation of LDCs, LICs, LMICs and RECs in multilateral, regional and bilateral services trade negotiations.

Through the studies, toolkits and training to be delivered, the envisaged results aim to assist these stakeholders in increasing their participation in services trade.

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