



Middle East Regional Technical
Assistance Center



Balance of Payments Division
IMF Statistics Department



Trade in Services Statistics in the Arab Region (2)

**AMF - WTO Regional Workshop on the Compilation of Trade in Services Statistics, in
cooperation with UNSD and UN ESCWA**

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Trade in Services Statistics in the Arab Region

- The **quality and quantity of statistics on international trade in services improved** over the past years. Before 2004, with the exception of *travel* and *transport*, services in balance of payments statistics were all lumped together in one category named "other services".
- The detail provided has improved.
- Balance of Payments trade in services data collection is relatively well established and widespread according to the principles and framework of *BPM5*. Although some countries started to report data according to the *BPM6*.

Trade in Services Statistics in the Arab Region

- While means of compiling balance of payments trade in services statistics are various, these strive to produce data complying with common concepts and definitions described in international guidelines (e.g. *MSITS 2010 and BPM6*). In this respect, each national system – made up of a unique combination of collection and compilation processes – bears its strengths and weaknesses. The quality of results obtained differs widely among countries, none providing a perfect picture of the reality. Data quality issues may be evidenced and addressed through the analysis of discrepancies between countries' statistics and mirror data from partner countries. As deviations from international standards can greatly affect the comparability of statistics and their interpretation.

Legal and Institutional Environment

- Mainly the Central Banks in the region are assigned to compile and disseminate balance of payments statistics
- Central Banks laws not allow to collect data from the nonbank sector.

Methodology

- Concepts and Definition:
 - Residency issue
- Scope:
- Basis of Recording:
 - netting / gross
 - Market price

Source Data

- ❖ Banks reports (International transactions reporting System - ITRS).
- ❖ Direct reporting
- ❖ Enterprise Surveys (Travel: Departures and Arrival surveys – FDI Surveys)
- ❖ Administrative and Official Sources (government Ministries and agencies)
- ❖ Estimates (freight and Insurance)

Periodicity and timeliness

- Periodicity
 - Annually
 - Quarterly
- Timeliness
 - SDDS countries (3 months)
 - GDDS countries (9 months)

BPM6CG

Main Survey Reporting Forms presented on draft of the BPM6 Compilation Guide:

- ☐ Form 4— Trade in Goods and Trade Finance, and Import of Repairs Services
- ☐ Form 5— Goods for Merchanting
- ☐ Form 6— International Trade in Services (not covered by forms 7-12)
- ☐ Form 7— Manufacturing Services
- ☐ Form 8— Resident Transport Operators
- ☐ Form 9— Transactions with Nonresident Transport Operators
- ☐ Form 10— International Travel
- ☐ Form 11— Construction
- ☐ Form 12— International Insurance Services
- ☐ Form 13— International Pension Services
- ☐ Form 14— Foreign Embassies and International Institutions
- ☐ Form 18— Foreign Direct Investment



Main Difficulties and challenges

- As per countries' responses to the UN-ESCWA survey of trade on services in the ESCWA countries: the following are the main complications to compile and disseminate trade on services statistics and to implement the international recommendations:
 - Legal mandates, regulations and measures to compile the statistics
 - Resources (Staff - Funding)
 - Data sources
 - Adequate techniques for compiling the statistics
 - Knowledge on the International recommendations and standards
 - Scope of data
 - Training
 - Technical assistance

Recommendations

- ❑ The implementation of the core elements would provide a basis for internationally comparable basic data sets.
- ❑ The implementation of BPM6 recommendations on service transactions between residents and non-residents;
- ❑ The compilation of Balance of payments data according to items in the EBOPS 2010 classification (beginning with items of major economic importance to the country); partner country detail, first at the level of total services trade and then for each main type of service in BPM6 and EBOPS2010;
- ❑ The collection of FDI statistics by activities of ISIC Rev.4; including partner country detail (for the aggregate and major activity); and
- ❑ The compilation of basic FATS variables, broken down by activity, including partner country detail (for the aggregate and major activity).

Recommendations

- ❑ The implementation of the Enterprise Surveys;
- ❑ Allocate the necessary resources for statistical agencies;
- ❑ Co-operation and co-ordination between national institutions, such as Central Banks, National Statistical Offices and Ministries;
- ❑ The legal framework for collection the statistics should be strengthened; and
- ❑ Co-operation between countries in the region should be strengthened (transfer of knowledge and resources from countries having advanced statistical systems to the other countries).