

Key elements of the preparatory training offered by UNCTAD to support the implementation of the three pilot surveys

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UNCTAD Expert Meeting on Results from Pilot Surveys on Exports of ICT-enabled Services

28-29 November 2017

National Workshops to support the implementation of the three pilot surveys

- Costa Rica – San José (2-3 May 2017)
- India – Kolkata (13-14 July 2017)
- Thailand – Bangkok (1-2 November 2017)



OUTLINE OF THE TRAINING

- Background of the project
- Introduction to trade in services statistics
- Modes of supply
- Structure and content of the questionnaire
- Elements of methodology
- Possible output from the project



Background of the project

- The importance of measuring trade in services trade:
 - Growing importance of international trade in services: global and national perspectives
 - Intense negotiation activity
- Data needs of policy and other decision makers
- Introduction to the methodological framework: MSITS 2010 and BPM6

Background of the project

- **Close links between MSITS 2010 and other statistical frameworks and between EBOPS 2010 and existing classifications**
- **Two main building blocks for describing the international supply of services:**
 - Transactions between residents and non-residents (in line with BPM6)
 - Supply of services through the operations of foreign affiliates based on foreign affiliates statistics (FATS)

The goal of the project

- The goal of this project is to **test the feasibility of improving statistics on international trade in services and, in particular, on mode 1 services transactions delivered remotely over the ICT networks**
- **Why is ICT of special importance?** Because ICTs are one of the main enabling factors behind globalization, the fragmentation of value added chains and the development of services transactions (including Manufacturing services, Transport, insurance, financial services, professional and other business services)

Outline of presentation

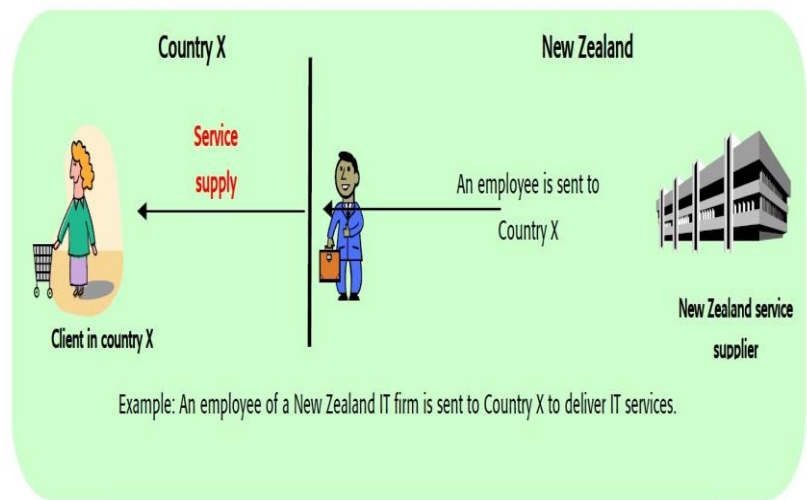
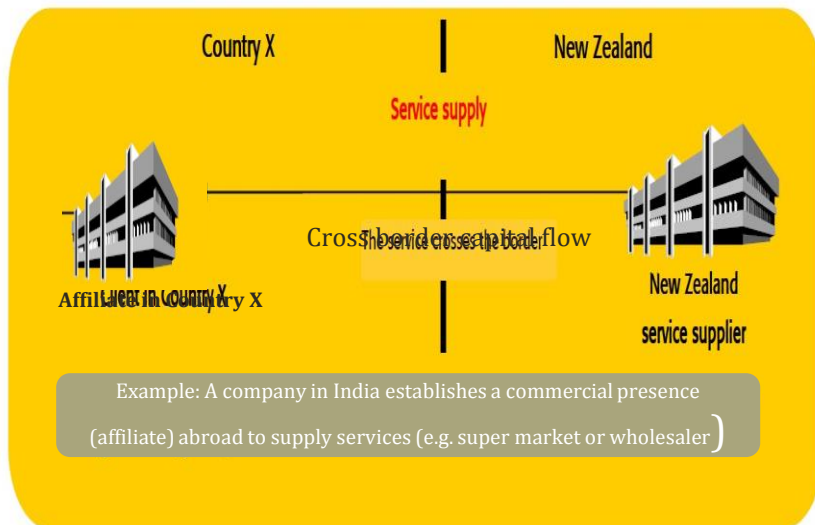
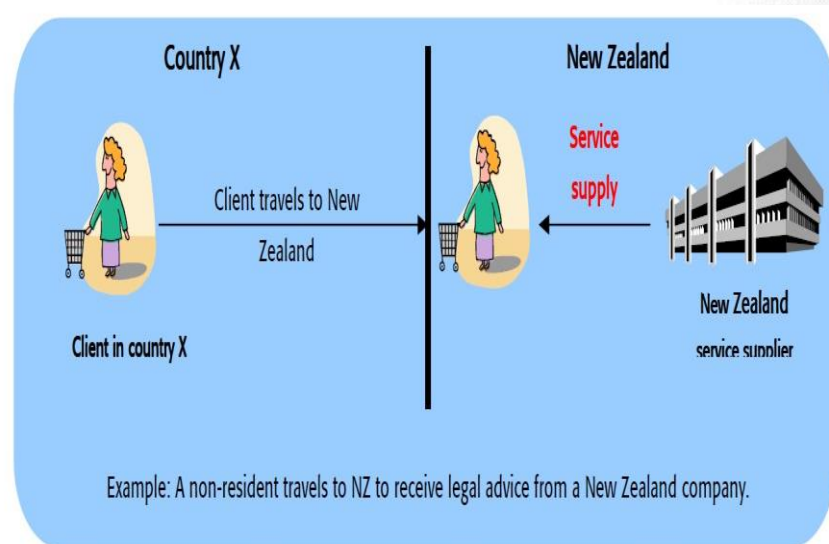
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MODES OF SUPPLY

- **Fundamental characteristics of services activities and services products**
- **Various geographical configurations according to whether the provider or the customer moves abroad or establishes an office in a foreign country**
- **Distinction between four modes of supply**
 - ☞ **Cross-border supply, or Mode 1**
 - ☞ **Consumption abroad, or Mode 2**
 - ☞ **Commercial presence, or Mode 3**
 - ☞ **Presence of natural persons, or Mode 4**
- **For each mode of supply**
 - ☞ **GATS definition**
 - ☞ **Example and illustration (based on the WTO diagrams)**

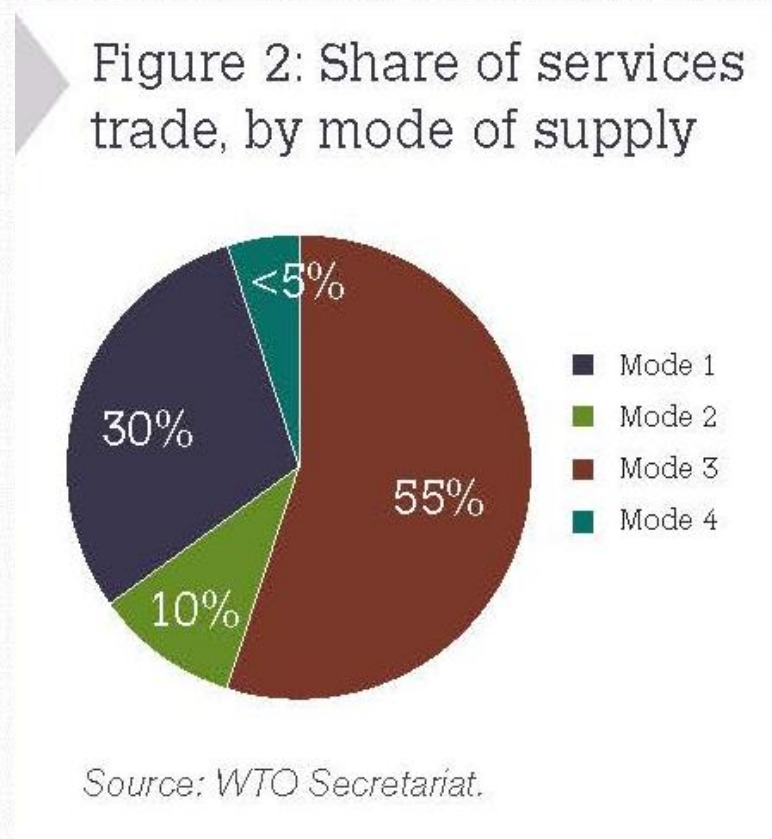
Illustration of the modes of supply



Source: WTO

ESTIMATED IMPORTANCE OF THE DIFFERENT MODES OF SUPPLY USING THE SIMPLIFIED ALLOCATION

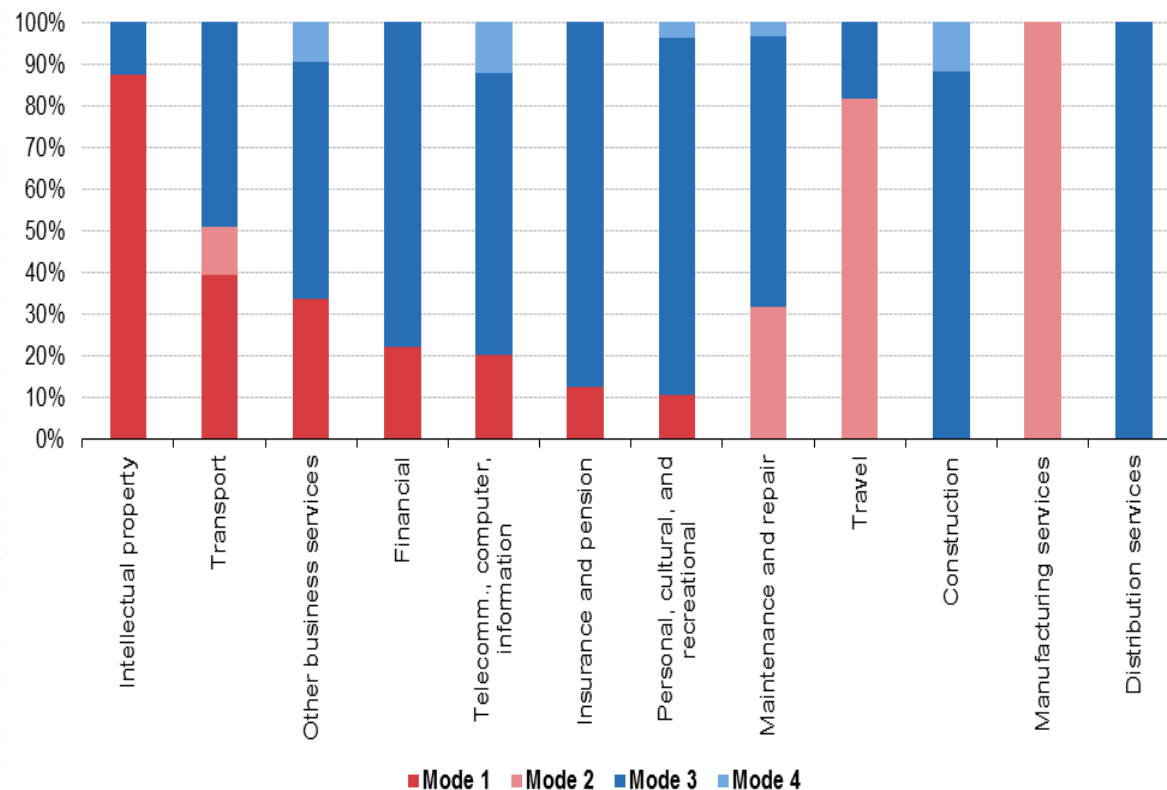
MODE 3 AND 1 OF MAIN IMPORTANCE



EU-28 SUPPLY OF SERVICES, PARTNER EXTRA

EU28, 2013: Modes are of Different Importance

– Depending on the Type of Services



Source: Eurostat (2016).

THAI EXPORTS OF SERVICES, RELATIVE IMPORTANCE BY SECTOR

	2010	2011	2012	2013	2014	2015	2016	Share 2016 (%)
US \$ at Current prices in million								
Services	34 340	41 545	49 722	58 776	55 536	61 759	66 419	100
Goods-related services	-	-	-	-	-	-	-	
Transport	5 914	5 831	5 924	6 144	5 723	5 743	5 685	1
Travel	20 104	27 184	33 856	41 780	38 418	44 922	49 930	75
Other services	8 322	8 530	9 944	10 853	11 395	11 093	10 804	16
Construction	472	442	441	817	613	533	463	1
Insurance and pension services	67	156	384	231	82	58	68	0
Financial services	327	452	604	741	538	580	684	1
Charges for the use of intellectual property n.i.e.	35	57	105	62	57	85	69	0
Telecommunications, computer, and information services	471	561	474	539	528	496	548	1
Other business services	6 588	6 477	7 517	7 996	9 163	8 920	8 620	13
Personal, cultural, and recreational services	121	92	83	77	61	58	60	0
Government goods and services n.i.e.	241	292	337	391	353	364	291	0

Source: UNCTADStat based on UNCTAD, ITC and WTO data on trade in services.

THIS PROJECT FOCUSES ON EXPORTS OF ICT-ENABLED SERVICES

(UNCTAD ICT4D Technical Note no. 3)

- ❑ **ICT-Enabled Services definition used:** *services with outputs that can be delivered remotely over ICT networks (UNSC approved)*
- ❑ **Builds on existing measurement frameworks,** current definitions, international classifications (EBOPS 2010) and data collection methods (balance of payments)



POTENTIALLY ICT- ENABLED SERVICES

- 1) Telecommunications (including Internet services)
- 2) Computer services (including computer software)
- 3) Sales and marketing services
- 4) Information services (including health services)
- 5) Insurance and financial services
- 6) Management, administration and back office services (including call centres)
- 7) Licensing services
- 8) Engineering, related technical services and R&D
- 9) Education and training services



IDENTIFYING ICT-ENABLED SERVICES

□ Based on CPC (109 codes) corresponding to 40 EBOPS codes

Categories for measuring trade in ICT-enabled services	
1.1 ICT services - Telecommunications	ICT services
1.2 ICT services - Computer services (including computer software)	
1.3 Sales and marketing services, not inc. trade and leasing services	Other potentially ICT-enabled services
1.4 Information services	
1.5 Insurance and financial services	
1.6 Management, administration, and back office services	
1.7 Licensing services	
1.8 Engineering, related technical services, research and development (R&D)	
1.9 Education and training services	

Potentially ICT-enabled services

Source: UNCTAD ICT4D Technical Note no. 3

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STRUCTURE OF THE UNCTAD MODEL QUESTIONNAIRE

- 1. Information about the enterprise (11 questions)**
 - Foreign control, employment, turnover, main activity, exports of services, mode of delivery to overseas customers
 - Detailed definitions
- 2. Information about the potential services exports from the enterprise (1 filter question)**
- 3. Detailed information about ICT enabled services exports (3 questions (x 9 sections))**
- 4. Possible addition of national questions**

B. Services exports to be included

- To help you identify which parts of the questionnaire relate to your business, please complete the following table. Use the lists of the 9 main service types covered in the annex to this questionnaire.
- **Has your enterprise exported services belonging to the following broad categories during the reporting period?**
- Export of services is defined as the provision of services by your enterprise to a non-resident unit. Please exclude sales through a foreign affiliate of your enterprise domiciled abroad (mode 3 transactions).

Category of service (1)	Yes / No	If yes, please complete the corresponding section as indicated below in Part C of this questionnaire
Telecommunications (including Internet services)		1
Computer services (including computer software)		2
Sales and marketing services, not including trade and leasing services		3
Information services (includes among others telemedicine/health services, as well as audiovisual services, on-line content and recordings of live performance)		4
Insurance and financial services		5
Management, administration and back office services (includes among others online reservation services for accommodation, online staffing services, telephone call centre services and other telephone-based support services)		6
Licensing services		7
Engineering, related technical services and R&D		8
Education and training services		9

C. Details of services exports that can be delivered remotely over ICT networks

- **1. Telecommunications (including Internet services)**

- *Telecommunications include :*

-
- - *Telephony and other telecommunications services ;*
- - *Internet telecommunications services ;*
- - *Broadcasting services.*
- More details about the content of these services are given in ***Explanatory notes*** at the end of this questionnaire.

- C.1.1. Total value of exports in thousands national currency during January-December 2016

- Please include services provided by your enterprise to non-resident units. Exclude services provided through a foreign affiliate of your enterprise domiciled abroad.

	Exports
Telecommunications	



- C.1.2. Exports delivered remotely to customers abroad over ICT networks during January to December 2016
-
- Include receipts from international telephone calls and any other telecommunications services delivered remotely across the border through ICT networks. Also include receipts from international roaming charges. Exclude on-site services delivered by employees travelling to customers offices as well as services delivered in-person to a customer travelling to meet the service supplier.

	Proportion of total telecommunications exports (%)
Exports delivered from the country to customers abroad over the Internet, telephone or any other ICT network	

C.1.3. Exports by main trading partner country January-December 2016 (%)

	Proportion of total telecommunications exports (%)	Proportion of cross-border telecommunications exports delivered remotely to customers abroad over ICT networks (%)
Major trading partner(1): please specify country (drop-down list)		
Second major trading partner country: please specify (drop-down list)		
Third major trading partner country: please specify (drop-down list)		
Fourth major trading partner country: please specify (drop-down list)		
Fifth major trading partner country: please specify (drop-down list)		
Rest of the world		
Total		100%



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ELEMENTS OF METHODOLOGY

- Very much dependent upon **national characteristics**
- **Sample frame:** BOP register (or general business register)
- **Stratification:** main activity, size (turnover or services exports), region?
- **Sampling strategy:** Simple random sampling
- **Sampling ratio** according to the number of units in each stratum (possible cut-off strategy)

Example of a survey sample

Size Category	Number of enterprises	Value of external transactions in services	Sample Size	Sample coverage (un-grossed)
Large players	500	100 units	500 (100%)	100 units
Medium players	2,000	100 units	200 (1 in 10)	10 units
Small players	4,000	10 units	0 (0%)	0
All	6,500	210 units	700	110 units

National characteristics to be taken into account in the survey implementation

- Availability of a **BOP register** or not. If yes, what kind of information is included?
- Definition of the **priority sectors**: what is the **population** of companies involved?
- What **sampling strategy**?
- What is the expected **time frame**?
- What material form of **administration of the questionnaire**?
- What kind of **assistance** provided to the respondent?

Specific **adaptations to the questionnaire**:

- Any suggestions?

Exploitation of results

- What kind of tabulation?
- What dissemination?

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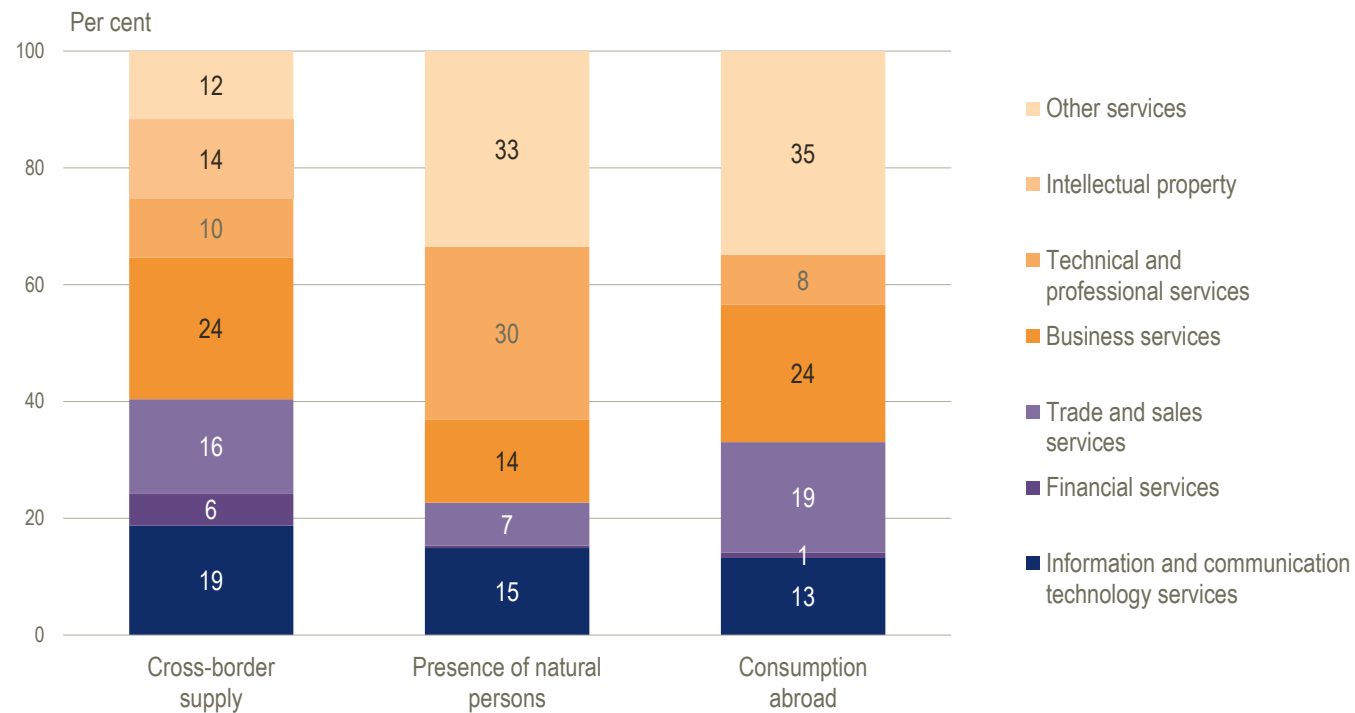


POSSIBLE OUTPUT FROM THE PROJECT

- Methodological lessons learnt from the Statistics New Zealand survey
- Kind of tables and graphs produced by Statistics New Zealand and the US Bureau of Economic Analysis



MODE OF SUPPLY BY SERVICE TYPE FROM NEW ZEALAND

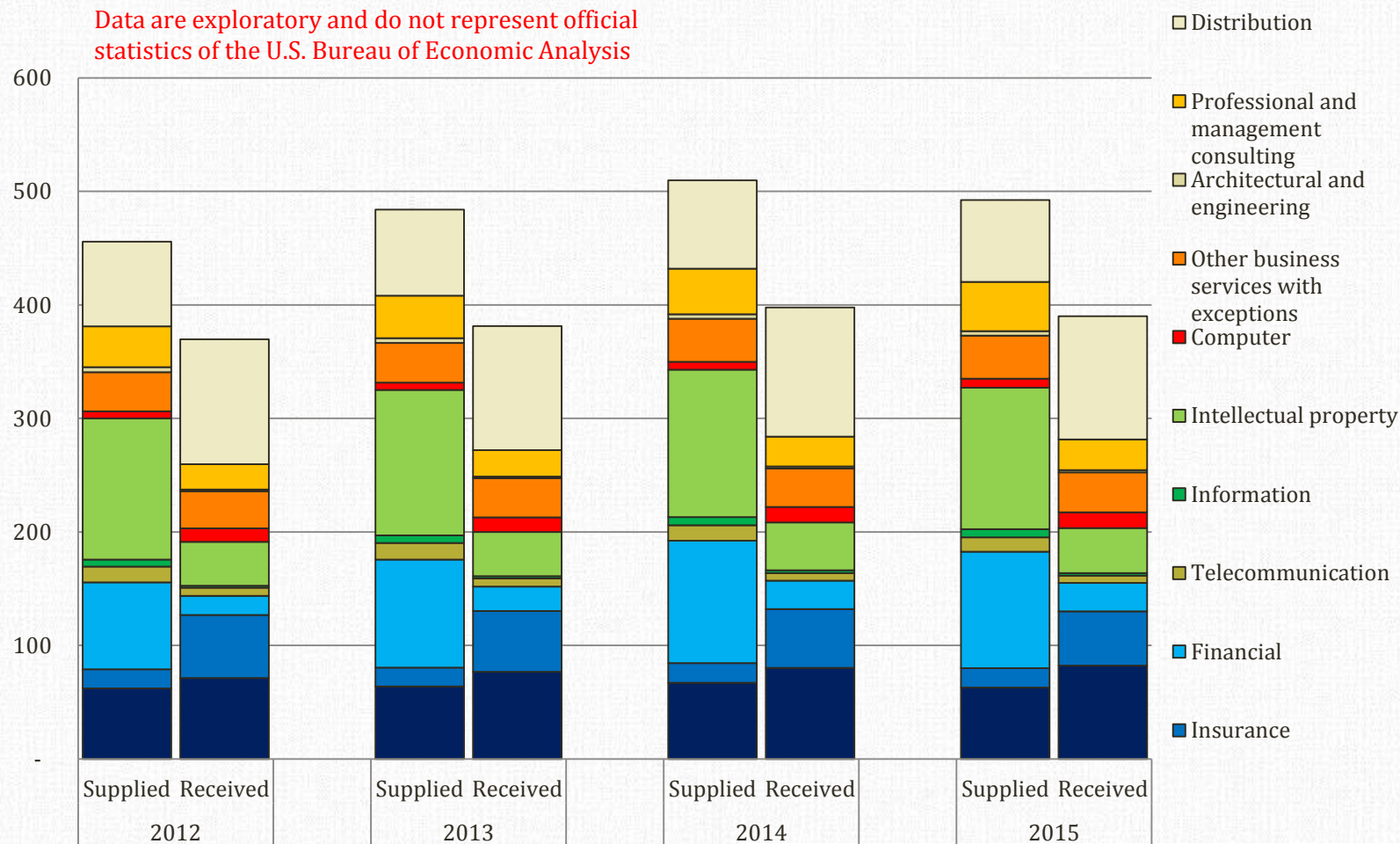


Source: Statistics New Zealand.

POSSIBLE OUTPUT FROM PILOT SURVEY (2): U.S. SUPPLY OF SERVICES BY MODE 1

(Billions of U.S. dollars)

Data are exploratory and do not represent official statistics of the U.S. Bureau of Economic Analysis



Source: US Bureau of Economic Analysis

UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT

UNCTAD

FOR EASY REFERENCE: STUDIES QUOTED

- Manual on Statistics of International Trade in Services 2010 (MSITS 2010)
 - https://unstats.un.org/unsd/publication/Seriesm/seriesM_86Rev1e.pdf
- Census of International Trade in Services and Royalties: year ended June 2011, Statistics New Zealand,
 - http://www.stats.govt.nz/browse_for_stats/industry_sectors/imports_and_exports/InternationalTradeinServicesandRoyalties_HOTPYeJun11.aspx
- UNCTAD ICT4D technical note 3, Oct 2015
 - http://unctad.org/en/PublicationsLibrary/tn_unctad_ict4d03_en.pdf
- Trends in U.S. Trade in ICT Services and in ICT-Enabled Services, Alexis N. Grimm, US Bureau of Economic Analysis, May 2016
 - https://www.bea.gov/scb/pdf/2016/05%20May/0516_trends_%20in_us_trade_in_ict_serivces2.pdf
- Trade in Services by GATS Modes of Supply: Statistics Concepts and First EU Estimates, L. Cernat et al., Eurostat, Nov 2016
 - <https://ec.europa.eu/jrc/en/publication/trade-services-gats-modes-supply-statistical-concepts-and-first-eu-estimates>



THANK YOU