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Economic Cooperation**



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(NATIONAL STATISTICAL COORDINATION BOARD)**

APEC Capacity Building Seminar Workshop on the Measurement of International Trade in Services

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Makati City, 1228 Philippines**

**APEC Group on Services
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FOREWORD


As part of its international cooperation program, the Philippines thru the National Statistical Coordination Board (NSCB) and the Department of Foreign Affairs responded to the Osaka Action Plan Agenda (OAA) of the Asia-Pacific Economic Cooperation (APEC) by acting as host and co partner in the conduct of an international forum envisioned to upgrade the capacity of APEC member-economies to measure international trade in services. The Capacity Building Seminar-Workshop on the Measurement of International Trade in Services which was conducted in October 1 - 3, 2008 at the Renaissance Makati City Hotel directly responded to the priorities set by APEC Leaders and Ministers to the services sector which contributes significantly to international trade and national development. Statistics on international trade in services (SITS) are a vital tool for making informed policy and resource allocation choices.

The seminar-workshop as envisioned served its purpose in sharing information on trends and economy experiences on the collection, measurement, dissemination and use of SITS, including best practices and strategies for responding to challenges in capturing SITS. The Forum also provided a venue in discussing the possible harmonization of measurement methodologies and networking/data sharing of SITS among APEC economies to improve the comparability and transparency of trade in services data. In addition, it identified strategies on how best to strengthen statistical capacity and address issues related to the generation of SITS, estimation methodologies, harmonization of standards and concepts, provision of technical assistance, access to experts/consultants, information sharing and networking, and use/analysis of SITS.

Twenty two participants from 12 economies directly involved in the compilation of SITS for national accounts and balance of payments (BOP) attended the forum aside from 15 observers, 2 foreign and 13 local observers, from various government agencies and the private sectors of the Philippines. The APEC economies that sent representatives to the said seminar-workshop were: Hong Kong, China; Indonesia; Malaysia; Mexico; Papua New Guinea; Peru; The Philippines; Singapore; Chinese Taipei; Thailand; The United States, and, Viet Nam. The resource persons during the workshop came from the Organization for Economic Co-Operation and Development (OECD), World Trade Organization (WTO), Australian Bureau of Statistics (ABS) and the Bangko Sentral ng Pilipinas (BSP).

This report is divided into four main parts namely: a) Summary of Proceedings, b) Summary of Findings and Recommendations, c) Proceedings of the workshop, and d) Evaluation of the Workshop. This report also contains lecture materials and country paper presentations which were provided to the participants during the three-day workshop.

As we present this report, we wish to express our thanks and appreciation to the APEC Secretariat, the DFA and all the participants from the APEC economies for their support and cooperation. We commit to continue our partnership and collaboration with the international community for the statistical development of the APEC region.


ROMULO A. VIROLA
Secretary General and
Project Overseer

LIST OF ABBREVIATIONS

| | |
|-----------------|---|
| ABS | Australian Bureau of Statistics |
| APEC | Asia-Pacific Economic Cooperation |
| APEC-GOS | APEC Group on Services |
| APEC OAA | APEC Osaka Action Agenda |
| AQSITS | Annual and Quarterly Survey of International Trade in Services |
| ARPSA | Australian Resident Producers on Shipping and Airlines |
| ATIIFTAP | Association of Training Institutions for Foreign Trade in Asia and Pacific |
| BD4 | Fourth edition of the OECD <i>Benchmark Definition of Foreign Direct Investment</i> |
| BEA | Bureau of Economic Analysis |
| BFT | Bureau of Foreign Trade |
| BMP | Balance of Payments Manual |
| BOP | Balance of Payments |
| BPAP | Business Processing Association of the Philippines |
| BPM | Balance of Payments Manual |
| BPM5 | Balance of Payments Manual 5 th edition |
| BPM6 | Balance of Payments Manual 6 th edition |
| BPO | Business Process Outsourcing |
| BSP | Bangko Sentral ng Pilipinas or the Central Bank of the Philippines. |
| BOT | Bank of Thailand |
| CD | Compact Disc |
| CHED | Commission on Higher Education |
| CIF | Cost, Insurance and Freight |
| CPC | Central Product Classification |
| CPI | Consumer Price Index |
| DFA | Department of Foreign Affairs |
| DGBAS | Directorate General of Budget, Accounting and Statistics (Taipei, Chinese Taipei) |
| DTI | Department of Trade and Industry |
| EBOPS | Extended Balance of Payments Services Classification |
| FAS | Foreign Affiliates Statistics |
| FATS | Foreign Affiliate's Trade in Services |
| FDI | Foreign Direct Investments |
| FOB | Free on Board |
| GATS | General Agreement on Trade in Services |
| GATT | General Agreement on Tariffs and Trade |
| GDP | Gross Domestic Product |
| GVA | Gross Value Added |
| GVAR | Gross Value Added Ratios |
| HEGI | Handbook on Economic Globalization Indicators (OECD) |
| IITS | International Investment and Trade in Services |
| IMF | International Monetary Fund |

| | |
|--------------------|---|
| ISCO | International Standard Classification of Occupations |
| ISIC | International Standard Industrial Classification |
| ITrS | International Trade in Services |
| ITRS | International Transactions Report System |
| MNCs | Multinational Companies |
| MSITS | Manual on Statistics of International Trade in Services |
| MSME | Micro, Small and Medium Enterprise |
| NA | National Accounts |
| NAIA | Ninoy Aquino International Airport |
| NEDA | National Economic and Development Authority |
| NESDB | National Economic and Social Development Board |
| NSCB | National Statistical Coordination Board |
| NSCB-IACTrS | NSCB Inter-agency Committee on Trade Statistics |
| NSO | National Statistics Office |
| OECD | Organization for Economic Co-operation and Development |
| PIDS | Philippine Institute for Development Studies |
| PPI | Producer's Price Index |
| PSIC | Philippine Standard Industrial Classification |
| PSNA | Philippine System of National Accounts |
| PSS | Philippine Statistical System |
| PTSA | Philippine Tourism Satellite Accounts |
| RTA | Regional Trade Agreements |
| SITS | Statistics on international trade in services |
| SNA | System of National Accounts |
| SNA93 | System of National Accounts 1993 edition |
| SRTC | Statistical Research and Training Center |
| UBO | Ultimate Beneficial Owner |
| UNSC | United Nations Statistical Commission |
| USA | United States of America |
| WTO | World Trade Organization |

EXECUTIVE SUMMARY

With the recent trends in globalization, international trade in services has expanded its potential as one of the major contributions to international and national development. In recognition of the contribution of services to employment generation, investments and foreign exchange earnings, there is a need for more accurate and reliable information on the sector. Statistics on international trade in services (SITS) are a vital tool for making informed decisions and for resource allocation choices. However, the intangibility of services and innovations in the delivery of services has challenged the ability of economies to collect services statistics.

The seminar workshop responds to the need to upgrade the capacity of APEC member-economies to measure international trade in services. Specifically, the forum aimed to:

- To share information on trends and economy experiences on the collection, measurement, dissemination and use of statistics on international trade in services (SITS) and best practices and strategies for responding to challenges in capturing SITS;
- To discuss the possible harmonization of measurement methodologies and networking/data sharing of SITS among APEC economies to improve the comparability and transparency of services trade data; and,
- To identify strategies on how best to strengthen statistical capacity and address issues related to the generation of SITS, estimation methodologies, harmonization of standard concepts, provision of technical assistance, access to experts/consultants, information sharing and networking, and use/analysis of SITS.

The organizers invited participants from APEC economies directly involved in the compilation of international trade in services statistics for the national accounts and balance of payments. A total of 12 APEC economies namely: Hong Kong, China; Indonesia; Malaysia; Mexico; Papua New Guinea; Peru; The Philippines; Singapore; Chinese Taipei; Thailand; The United States; and, Viet Nam. Two official observers from Chinese Taipei and one (1) from the ASEAN Secretariat and 13 local observers coming from the government and private sector who are producers and users of international trade in services statistics also attended the Seminar-Workshop.

The seminar workshop benefited from the technical expertise of four invited resource persons from the following organizations: 1) World Trade Organization (WTO); 2) Organization for Economic Cooperation and Development (OECD); 3) Australian Bureau of Statistics (ABS); and 4) Bangko Sentral ng Pilipinas (BSP) or the Central Bank of the Philippines.

The forum was divided into nine (9) sessions with an open forum ensuing after the presentations in each session.

Session One. Framework for the Generation of Statistics on International Trade in Services. The session dealt with the presentation on: 1) overview of SITS, 2) conceptual framework for the development of SITS, 3) services transactions between residents and non-residents of the economy including methods of data collection, and 4) methodologies for the estimation of SITS. The concepts were concretized with the presentation of the Australian Bureau of Statistics' experience in the compilation of statistics on international trade in services.

Session Two. General Agreements on Trade in Services and Modes of Supply. The resource person introduced the World Trade Organization (WTO) and the General Agreements on Trade in Services (GATS) with detailed discussion on the four modes of supply using illustrations on the relationship between service supplier and the service consumer as well as in relation to the concepts of the territories of member parties.

Session Three: Economies' Presentation on Practical Application and Approaches on Statistics on Internal Trade in Services. Three presentations, i.e. Transportation in Australia; Measurement of the Contribution of the Business Process Outsourcing in the Philippines, and How to go beyond

BPM in SITS, were made in the session focusing on the compilation and generation of SITS as well as its uses.

Session Four: *Trade in Services Statistics: An Introduction to the Manual on Statistics of International Trade in Services and Current Revision Process*. The WTO speaker presented the underlying concepts of the Manual on SITS as well as the current revisions and consultation process being undertaken by WTO.

Session Five: Foreign Affiliate's Trade in Services. The session dealt with the concepts of FATS e.g., coverage of FATS, FATS and trade in services, attribution of FATS, compilation issues, etc. and OECD's study on analyzing international delivery of services by mode of supply.

Session Six. *Presentation of APEC Economies on the Compilation Processes and Methodological Issues/concerns on SITS*. The session dealt on the experiences on International Trade in Services Data Collection focusing on Education and Medical Services and collecting Foreign Affiliates Trade in Services (FATS) Statistics.

Session Seven. *Integrated Presentation by APEC Economies*. The presentations in this session focused on the measurement of international services particularly on the SITS data, statistical concerns and the need or requirements to improve the compilation and generation of SITS data.

Session Eight. *Panel Discussion on APEC recommendations on Improving the SITS compilation*. Deals with a summary of reports submitted by economies dealing on features of SITS data, statistical concerns and plans/priority key areas for improvement. Insights to the report were provided by the resource speakers including discussion on recent global developments.

Session Nine. *Group Workshop and Presentation of Outputs*. The participants were divided into two groups and discussed the on the identified priority issues/concerns for SITS compilation and the recommendations to address the identified priority issues/concerns. Insights on how to improve the international trade in services statistics were provided by the resources speakers.

With the concepts and experiences shared in the seminar-workshop, the participants expressed the following key findings and recommendations:

Findings

A. General Features of the SITS Data

- Economies compile 11 major service categories
- Data sourced from International Transactions Report System (ITRS), survey, administrative records
- There is a common methodology to estimate travel receipts
- Only Hong Kong, China compiles data by mode of supply and statistics on FATs but limited to inward transactions

B. Statistical Concerns

- Limited sectoral coverage in surveys
- Insufficient information to identify data classification
- More information to improve estimates under Mode 4

C. Plans/Priority Key Areas for Improvements

- Improve data capture and statistical methods
 - Use of survey-based system or model-based estimates of SITS
 - Enhancement of monitoring instruments and Improvement of survey methodology
 - Estimation of FATS through FDI
- Data processing. Implementation of intelligent character reader of data capture
- Data classification. Review of classification submitted by big enterprises

Recommendations

- A. On data sharing
 - The establishment of a coordinative mechanism in the form of APEC regular meeting to provide a venue for discussions/sharing for improving SITS compilation and generation;
 - Data sharing between OECD and APEC economies;
 - The harmonization of standard and operational concepts is necessary for consistency of data among APEC economies

- B. Need to conduct trainings towards the enhancement of the existing SITS focusing on the common methodologies for compilation of SITS.

- C. On data collection on SITS:
 - Work closely with enterprises as respondents of the SITS survey and strengthen coordination among respondents;
 - Establish a model-based estimation methodology particularly to estimate government services, in case when data are not readily available;
 - Solicit the support of Multinational Companies (MNCs) and seek/strengthen cooperation with other government agencies;
 - Start building up database on SITS to start with “baby steps” and gradually developing them into a more comprehensive one.

PART I
Summary of Proceedings

SUMMARY OF PROCEEDINGS

Opening Session

Dr. Romulo A. Viola, Secretary General of the National Statistical Coordination Board (NSCB) of the Philippines and the Project Overseer of the APEC Seminar-Workshop on Statistics on International Trade in Services (SITS), opened the seminar-workshop and welcomed the participants. Dr. Gloria O. Pasadilla, Convenor of the APEC Group on Services (GOS), delivered the message on behalf of Honorable Edsel Custodio, Undersecretary for International Economic Relations of the Department of Foreign Affairs, Philippines. Ms. Corazon R. Buenaventura, the Technical Consultant of the SITS project, presented the Objectives as well as the Expected Outputs of the Seminar-Workshop. This was followed by the introduction of participants done by Director Lina V. Castro of the NSCB.



The seminar workshop was divided into nine (9) sessions the summary of which is presented as follows:

Session 1: Framework for the Generation of Statistics on International Trade in Services (SITS)

This session has two (2) parts, both delivered by Ms. Karen McGuigan of the Australian Bureau of Statistics (ABS). Part I covered topics relating to international standards, concept of service, broad service in BPM 5; definitions of service categories and EBOPS Classification for each service. Part II dealt with Australia's Experience in the compilation of SITS covering a brief description of Australia, an overview of the ABS and how ABS fits in; history of SITS in Australia and development of SITS over time. Dr. Romulo A. Viola, chaired the session.



Session 2: WTO, GATS and Modes of Supply

Mr. Joscelyn Magdeleine of the World Trade Organization (WTO) chaired this session. He also presented a paper on WTO and General Agreement on Trade in Services (GATS) Framework as well as the different Modes of Supply and its Information Needs, namely: a) Mode 1 – Cross Border Supply; b) Mode 2 – Consumption Abroad; c) Mode 3 – Commercial Presence; and, d) Mode 4 - Presence of Natural Persons. Supplementary readings on Measuring Trade in Services and a training module produced by WTO/OMC in collaboration with the Task Force on Statistics of International Trade in Services were provided to the participants.

Session 3: Economies' Presentation on Practical Applications and Approaches on SITS.

Three economies' presentations were done: Australia, on Transportation Services; Philippines, on the Measurement of the Contribution of Business Processing Outsourcing; and, Chinese Taipei, on "How to go beyond BPM in SITS."

Session 4: Trade in Services Statistics: An Introduction to the Manual on Statistics of International Trade in Services and Current Revision Process

Mr. Joscelyn Magdeleine presented the underlying concepts of the Manual on SITS as well as the current revision and consultation process being done. The presentation dealt with: a) the need for a Trade in Services Manual; b) the statistical systems and classifications relating to trade-in services; c) the need for the revised manual; c) the changes on the revised manual; and, d) worldwide consultation.

Session 5: Foreign Affiliate's Trade in Services (FATS)

Mr. William Cave of the OECD provided a two-part presentation on: a) Why Foreign Affiliates Statistics and "What we can do with them"; and b) Trying to use FATS and BOP data together. The first part dealt with: a) coverage of FATS; b) statistical units; c) FATS and trade in services; d) attribution of FATS variables (by country and by activity and product); e) main economic variables for FATS and other suggested FATS variables of interest; f) Inward vis-à-vis Outward FATS; g) availability of FATS data; and h) compilation issues. The second part dealt with the results of the OECD's study on analyzing international delivery of services by mode of supply. The study covered, among others, the methodology for estimating GATS mode of supply, conceptual issues and difficulties; inward and outward delivery of services by mode; balance of international service supply and sectoral analysis; and, business surveys.

Session 6: Presentation of APEC Economies on the Compilation Processes and Methodological Issues/Concerns on SITS

The representative from Thailand presented their experiences in the International Trade in Services Data Collection focusing on Education and Medical Services while the United States representative presented their experiences in collecting Foreign Affiliates Trade in Services (FATS) Statistics.

Session 7: Integrated Presentations by APEC Economies

This session had three (3) presentations which were delivered by the Philippines, Papua New Guinea and Viet Nam providing emphasis on their economies' Measurement of International Trade in Services. Specifically, the presenters gave an overview of their economies' SITS data, statistical concerns, plans, as well as the needs or requirements to improve the compilation and generation of SITS data.

Session 8. Panel Discussions on APEC Recommendations on Improving the SITS Compilation

This session started with the presentation of Director Iluminada T. Sicat, the resource person from the Bangko Sentral Ng Pilipinas (Philippines), on key areas for improving the SITS compilation and generation. The presentation was culled from the reports submitted by nine (9) selected APEC economies namely: Hong Kong, China; Malaysia; Papua New Guinea; Peru; The Philippines; Singapore; China Taipei; Thailand; and, Viet Nam. The reports focused on: a) features of the SITS data; b) statistical concerns; and, c) plans/priority key areas for improvements.

After the presentation, a panel discussion was conducted wherein invited resource persons from WTO, OECD and ABS including Dr. Pasadilla provided their experiences/insights on how improvements of SITS compilation and generation can be pursued including some discussions on recent global developments.

Session 9: Group Workshop and Presentation of Group Outputs

The designated chairs of the two groups reported on: a) identified priority issues/concerns for SITS compilation; and b) recommendations to address the identified priority issues/concerns.

Director Sicat provided the synthesis which was followed with discussions by each panelist composed of invited experts from WTO, OECD and ABS. Dr. Pasadilla shared her insights on how to improve the international trade in services statistics.

Closing Session:

Deputy Director General Margarita R. Songco of the National Economic and Development Authority (NEDA), Philippines delivered the closing remarks.

Certificates of attendance were given to all participants while certificates of appreciation were given to all invited resource persons. All participants and resource persons were also provided copies of the seminar materials and other references in CD copy.

PART II

Summary of Findings and Recommendations

SUMMARY OF FINDINGS AND RECOMMENDATIONS

The summary of findings outlined herein was based on the technical reports and assessment matrix provided by the participating economies with focus on: a) general features of the SITS data; b) statistical concerns; and, c) plans/priority key areas for improvements.

- A. On general features of statistics on international trade-in services
 - Compilation of 11 major service categories
 - Data sourced from International Transactions Report System (ITRS), survey, administrative records
 - Common methodology to estimate travel receipts
 - Only Hong Kong, China compiles data by mode of supply
 - Statistics on FATS not compiled except for Hong Kong, China but limited to inward transactions
 - 3/9 compile EBOPS
 - 2/9 compile SITS by partner countries
- B. On data gaps and challenges
 - Insufficient information to identify data classification
 - Limited sectoral coverage in surveys
 - Exclusion of some service transactions
 - Data undercoverage
 - Gross transactions missed out
 - Feasibility to compile FATS statistics
 - More information to improve estimates under Mode 4
- C. On Key/ Priority Areas
 - Improve data capture and statistical methods
 - Use of survey-based system or model-based estimates of SITS
 - Enhancement of monitoring instruments
 - Development of reporting forms/survey
 - Improvement of survey methodology
 - Use of partner country data
 - Estimation of FATS through FDI
 - Facilitate data collection
 - Development of web-based data collection system
 - Data processing
 - Automation of survey processes
 - Implementation of intelligent character reader of data capture
 - Data classification
 - Review of classification submitted by big enterprises

The representatives of the participating economies along with invited resource persons expressed the following recommendations which were based on the discussions in the different sessions.

- A. The concern for data sharing among economies was put forward as major recommendation and some possible strategies were agreed as follows:
 - The establishment of a coordinative mechanism in the form of APEC regular meeting among compilers of SITS for national accounts and balance of payments to provide a venue for discussions/sharing for improving SITS compilation and generation as well as to address some data gaps and challenges identified by participating economies;

- The maintenance of a website among economies where reports, studies and relevant information can be directly accessed within the APEC group particularly the access on a regular basis for data on travel receipts and travel payments;
 - The harmonization of standard and operational concepts is necessary for consistency of data among APEC economies
- B. Databases maintained by international organizations like the OECD are rich sources of information on statistics for international trade in services, which can be explored further how to go about data sharing between OECD and APEC economies which can facilitate the regular access of relevant information.
- C. As a follow-up activity, there is a need to conduct a training towards the enhancement of the existing SITS focusing on the common methodologies for compilation of SITS, specifically data on travel receipts and travel payments as well as supplementing this with hands-on training on how to put together data from various sources such as ITRS, survey and administrative forms.
- D. Data collection on SITS posed difficulties particularly for survey data. Several recommendations by participating economies were expressed as follows:
- Come up with specific action plans for each economy and/or for the APEC region and facilitate/pursue such plans;
 - Work closely with enterprises as respondents of the SITS survey and strengthen coordination among respondents;
 - Consider providing incentives to respondents by way of giving them tokens/gifts to show an appreciation on their contribution to the business surveys conducted by the concerned agencies;
 - Establish a model-based estimation methodology particularly to estimate government services, in case when data are not readily available;
 - Solicit the support of Multinational Companies (MNCs) and seek/strengthen cooperation with other government agencies;
 - Strengthen the legal framework to compel respondents to provide data;
 - Create a mechanism to strictly protect privacy of data from business respondents as well as to ensure them of the confidentiality of their data;
 - Publish survey results and establish a mechanism to share/provide results to respondents; and,
 - Start building up database on SITS to start with “baby steps” and gradually developing them into a more comprehensive one

PART III

Proceedings of the Seminar-Workshop

SESSION 1: Framework for the Generation of Statistics on International Trade in Services (SITS)

Dr. Romulo A. Virola, the Secretary-General of the National Statistical Coordination Board (NSCB) of the Philippines, chaired the session while Ms. Karen McGuigan, Manager of Trade in Services of the Australian Bureau of Statistics (ABS), served as the resource person.

The first session aimed to provide the participants an overview of the *Framework for the Generation of Statistics on International Trade in Services (SITS)*. The session dealt with the presentation on: 1) overview of SITS, 2) conceptual framework for the development of SITS, 3) services transactions between residents and non-residents of the economy including methods of data collection, and 4) methodologies for the estimation of SITS.

Framework for the Generation of Statistics on International Trade in Services



The presentation of Ms. McGuigan was divided into two parts. The first part dealt with: 1) conceptual framework and international standards for SITS, 2) service categories as defined by the Balance of Payments Manual (BPM) and System of National Accounts (SNA), 3) Extended Balance of Payments Services Classification (EBOPS) for the overview of different services classification, and 4) other re-classification of services as provided in revised related manuals. The second part related Australia's experience in the compilation of SITS, covering topics on: 1) overview of ABS and how ABS fits in; 2)

History and development of SITS compilation in Australia.

Highlighted in the first part of the presentation were: 1) definitions of services are based on the Balance of Payments Manual 5th edition (BPM5) and the System of National Accounts 1993 edition (SNA93); 2) the classification of services was mainly rooted on the EBOPS; and, 3) the Manual on Statistics of International Trade in Services (MSITS) provided extensions to existing standards on trade services statistics.

The presentation under BPM5, likewise, presents the broad service categories, which include transportation services; travel services; communication services; construction services; insurance services; financial services; computer and information services; royalties and license fees; other business services; personal, cultural and recreational services; and, government services, n.i.e. Overview of the general coverage of each service categories was presented. The revisions in the BPM5 concerning statistics on trade in services that are to be reflected in the BPM6 were also provided.

Australia's experience in the compilation of statistics on international trade in services

The second part of the presentation focused on the development of SITS in Australia and how the ABS is continuing to build up and improve the coverage and estimation of the SITS for the economy.

A brief description about Australia was first reported, followed by a concise introduction on the ABS. It was noted that the ABS compiles both Balance of Payments (BOP) and National Accounts (NA). The agency conducts surveys on a compulsory basis and there exists a legislation ensuring confidentiality of individual or business data.

Prior to 1970's, ABS made use of bank foreign exchange data, after which survey data were used to capture services statistics, a large portion of which, in Australia's case, was Transportation. Surveys were later expanded to broaden the coverage and capture emerging trends in trade in services.

The compilation methods used for trade in services statistics were presented. The ABS compiles statistics on trade in services using both survey-based estimates and model- (non-survey) based estimates.

On using survey-based estimates, the initial and current survey frames implemented by the ABS were reported. The initial survey frame was conducted biennially. On the other hand, the current survey frame is characterized as follows: 1) covers all resident businesses in Australia that engage in selected trade services internationally or that pays or earns royalties or license fees, and a frame size of approximately 4,500 businesses, 2) sample size of approximately 1,500 to 1,600 businesses, 3) new and emerging businesses for the frame are identified mostly from press reports, business profiling, and other surveys, and 4) undercoverage remains a problem in survey scope. An overview of the sample design, survey format or form types, and survey estimation were also provided.

On the use of model-based estimates, the ABS models the following series: 1) transportation freight debits, 2) travel services, 3) insurance services, 4) financial services, and 5) government services. The data used came from different sources and vary according to timeliness of output and/or frequency of data collection/dissemination.

A brief illustration on how the ABS measures Transportation Freight estimates was provided. The ABS estimates freight charges using CIF/FOB model. The difference between CIF and FOB gives the value of freight and insurance. A broad estimate of the percentage of insurance on goods is obtained from import documentation, leaving an estimate of freight charges. The freight charges are adjusted using information collected on freight services provided by residents (both sea and air) on Australian imports.

Brief descriptions of the data sources and estimation methodologies for Travel services, Financial services, Insurance services, and Government services were presented. Extrapolation and interpolation are usually done for monthly data since most models and survey data collections used do not support ABS' publications of monthly data. Revisions to preliminary estimates are also being conducted and can be made for up to two (2) years.

It was noted that confidentiality provisions restrict Australian outputs. Outputs include: 1) monthly estimates for International trade in goods and services, 2) quarterly estimates for BOP and International Investment, and National Accounts, 3) annual data on state estimates, partner country estimates, and detailed service type estimates, and 4) ad-hoc user requests of detailed services by country.

The future goals of ABS include: 1) implementation of BPM6, 2) enhancement of the travel model, 3) review of models to estimate Finance, Insurance, and Government services, 4) minimization of the impact of data confidentiality on estimates, and 5) continuation of coverage improvement.

Open Forum

An inquiry was raised regarding ABS' recent experiences on the prioritization and allocation of resources to key areas and on the mechanisms of determining such areas as well as on moving forward. In response, Ms. McGuigan said that Transportation and Travel have always been the two key priority areas of Australia. A lot of surveys, especially Transportation surveys, are being conducted since 1970s and use of Administrative data has been a part of ABS' data collection schemes. As for other business services, ABS is in the process of broadening its coverage in such area.

As for the conducted surveys, since it was mentioned that ABS uses tailored-type forms, the issue was then raised on how ABS determines the specific forms to send to particular businesses, as the forms that the agency uses are very specific. Ms. McGuigan pointed the concern that if ABS is not sure of the business type or kind of transactions a certain firm engages into, a general form is first sent to the firm, after which a specific form is then determined and sent to the respondent.

The issue of coverage or that of capturing the different service providers, given that there is a wide universe of "services", was also brought up. Ms. McGuigan argued that coverage, indeed, is the most difficult aspect to establish. What ABS is doing, in order to more or less capture emerging industries, is to keep track of updates in newspapers and other press briefings and releases. At this point Mr. William Cave, the Administrator for Trade in Services and Balance of Payments of the Organization for Economic Cooperation and Development (OECD), shared that the National Statistics Office (NSO) of

the United Kingdom runs a “filthy question” on Trade in Services (e.g. *Are you involved in International Trade in Services?*) in the conduct of its annual survey of business industries, and if the firms say *Yes*, then they would get another more specific form.

Dr. Virola raised the issue on making adjustments for undercoverage. Ms. McGuigan cited that no adjustment is made for any undercoverage, though ABS notes and feels that there really is undercoverage.

The issue on non-response was also discussed. Inquiries on how ABS addresses or does imputations in cases when non-response is very high were brought up. Ms. McGuigan noted that non-response is usually not a problem for ABS. The agency has been recording high response rates of about 92 to 94 percent in most surveys because the surveys conducted are compulsory and questionnaires are simple and easy to fill-up. For censuses, easy-to-follow directions are being provided. Follow-ups, especially for very significant units or respondents, are being done until necessary data/responses are obtained. If, however, the non-response rate becomes significant, a possible way would be to estimate the “average behavior” within stratum. For large business industries, ABS tries to build good relationships with them or search the website for corresponding vital information and accessing available reports directly from establishments/companies.

On the aspect of imports of services, Ms. McGuigan cited that ABS conducts surveys for capturing imports of services industries including the importers of these services. Also, searches from investment frames and transportation magazines have been quite helpful to supplement the information. The survey frames being used by ABS cover both service providers and importers.

On capturing Internet purchases, on one hand, expenditure data by commodity type from household surveys are used. The only problem for this approach is that most households are not able to weigh their “approximate” purchases.

Ms. McGuigan noted that it is through close collaboration with the OECD, IMF, and WTO wherein ABS is able to get training and experiences, which helped the agency “capacitate” its position in the measurement of trade in services statistics.

As for future directions, ABS would be willing to share partner country data, especially given the limited resources for a number of APEC partner economies, and those data would also be available in ABS website. When asked if there would be any plans of obtaining estimates of trade in services by modes of supply, Ms. McGuigan mentioned the difficulties of disaggregating the information by modes of supply and expressed that ABS has yet to plan out such activity.

SESSION 2: WTO, GATS and Modes of Supply

The session introduced the World Trade Organization (WTO) and the GATS or the *General Agreement on Trade in Services* with detailed presentation on the four modes of supply through which services may be traded internationally.

The session was chaired by Mr. Ho Bing Chuen, Senior Assistant Director of the Singapore Department of Statistics. Mr. Joscelyn Magdeleine, Statistical Officer in the International Trade Statistics Section of the WTO, was the resource person for the session.

Presentation of the resource person: WTO, GATS and the Modes of Supply

The resource person started his presentation with an introduction to the WTO, particularly its overview as an international organization as well as its objectives and functions. WTO objectives include: raising standards of living, ensuring full employment, growth for both income and demand and growth in input and trade through the optimal use of the world’s resources. WTO functions include: administering WTO trade agreements, forum for negotiations, handling trade disputes, monitoring national trade policies, technical assistance and capacity building, and cooperation with other international organizations, among others.

Mr. Magdeleine also briefly introduced the basic principle of the multilateral trading system, current negotiations in the WTO and the milestones with emphasis leading to the creation of the GATS.

As an overview to the topic, the resource person emphasized that services is the most important activity in many countries of the world being the single largest source of employment, most rapidly growing sector and as universal inputs for many other sectors. Services have become tradable as a result of technical progress (e-banking, telemedicine, distance learning, etc), government retrenchment and market liberalization and regulatory reforms. And this phenomenon leads to the creation of the GATS framework.

In terms of scope and coverage, GATS measures trade and services at all levels of governments and all services (except air traffic rights and services supplied in the service of governmental authority. It also applies to product (service) and producer/distributor (service supplier). GATS also covers the four modes of supply, namely: 1) cross-border supply; 2) consumption abroad; 3) commercial presence; and, 4) presence of natural persons.

Mr. Magdeleine also discussed the GATS pillars and commitments. He also presented the services sectoral classification list (GNS/W/120) emphasizing that the classification is used only for negotiation and not for statistical classification. The list of services has a corresponding code based on the Central Product Classification (CPC), provisional version.

On the subtopic on Modes of Supply, the resource person explained in detail the four modes using illustrations on the relationship between the service supplier and the service consumer as well as in relation to the concepts of the territories of member parties. The four modes were defined as follows: 1) Mode 1: Cross-Border Supply - Supply of a service from the territory of one Member into the territory of any other Member; 2) Mode 2: Consumption Abroad - Supply of a service in the territory of one Member to the service consumer of any other Member; 3) Mode 3: Commercial Presence - Supply of a service by a service supplier of one Member, through commercial presence in the territory of any other Member; 4) Mode 4: Presence of Natural Persons - Supply of a service by a service supplier of a Member, through presence of natural persons of a Member in the territory of any other Member.

Examples were also given in each of the four modes for health services: Mode 1: Tele-diagnosis; Mode 2: Hospital treatment abroad; Mode 3: Foreign-owned clinic; Mode 4 Short-term movement of foreign nurses or physicians.

To further emphasize the differences among the four modes, the resource person provided example situations on different types of services and the corresponding modes that those services were supplied.

Open Forum

One of the issues raised was regarding the guidelines on the period when an individual will be considered resident or not. It was mentioned that there is a 1-year residency rule as guide in identifying the residents. However, it is still a dilemma to strictly impose that rule or to consider the concept of “temporary” as criteria for exclusion as residents. The resource person mentioned that GATS has not yet sufficiently defined “temporary”.

Other concern raised was regarding the program of WTO on the quality of data produced by each economy. It was stressed by the resource person that WTO does not have a program on data quality due to the fact that it is not a data collection body but a data user.

On the issue raised on the necessity to align BMP6 with the GATS negotiations, Mr. Magdeleine mentioned that this is a major part of the work on the drafting of the manual on SITS.

SESSION 3: Economies’ Presentation on Practical Applications and Approaches on SITS

Three presentations were made in the session focusing on the compilation and generation of SITS as well as its uses and analysis. The presentations were the following: (1) *Transportation in Australia* by

Ms Karen McGuigan, Manager of Trade in Services of the Australian Bureau of Statistics (ABS), (2) *Measurement of the Contribution of the Business Process Outsourcing: The Case of the Philippines* by Ms. Estrella V. Domingo, Assistant Secretary General of the National Statistical Coordination Board (NSCB), and (3) *How to go Beyond BPM in SITS* by Mr. Shin-Tsyr JING, Associate Research Fellow of the Chung-Hua Institution for Economic Research.

The session was chaired by Mr. William Cave, Statistics Directorate of the Organization for Economic Co-operation and Development (OECD).

Transportation in Australia – Ms. Karen McGuigan

Ms. McGuigan defined transportation services as services provided by all modes of transportation performed by residents of one economy for those of another. She also discussed briefly the inclusion and exclusion of transportation services in Australia, the two survey forms to capture information on transportation services i.e., (1) Survey of International Trade in Services which includes surveys of non-resident producers by sea and air transportation services and surveys of Australian resident producers by sea and air transportation services; (2) International Merchandise Trade (imports) which used to model freight services debit.

Ms. McGuigan highlighted two graphs that showed the importance of transportation services in Australia. She also discussed briefly the two types of transportation services in Australia, the passenger services and freight services.

The speaker cited that, in practice, Australia collects data on (a) Residents report revenue earned from international tickets sold abroad (b) Non-residents report revenue earned from ticket sales in Australia. Resident and non-resident carriers make adjustments to passenger fare earnings. Domestic transportation involving non-residents within Australia is included in travel services. All transportation of residents overseas (i.e. on carriage, internal transportation) are included in transportation debits and (f) Cruise fares are excluded from transportation.

On difficulties in collecting data on transportation services data in Australia, the ABS estimates freight charges using the Cost, Insurance and Freight (CIF) models. Freight debit estimates are modeled using data from the International Merchandise Trade Imports where in CIF less FOB equals to estimates of freight and insurance. Model estimates freight as a percent of total freight insurance. Other data collected are from the Annual and Quarterly Survey of the International Trade in Services and from Australian Resident Producers on Shipping and Airlines companies. It was noted that confidentiality provisions restrict ABS statistical data. The ABS publish data on (a) Passenger, freight and other transportation services (b) Split by sea and air transportation and (c) other expenses.

Open Forum

A concern was raised on the port and airport charges and other transportation services. Whether the ABS collects data through the survey forms or if there are any special arrangement in collecting these forms. Ms McGuigan said that ABS collects all forms on port and airport charges.

As for the exclusion of transportation services within economy of provider, a concern was raised - whether the user of the transportation services, as resident of the economy is included in the transportation services within the economy. Ms. McGuigan noted that if it is within the economy, it is included in transportation services of the economy and not in SITS.

An inquiry was raised on how the ABS compiles data for the smaller trade in partners and if they encounter any problem in using the random sampling in the compilation of data. Ms. McGuigan cited that ABS collected data on the two top trading partners for any particular services. If the country did not fall in these top two categories they exclude the country. With regard to random sampling, the number of businesses sampled is very small and their contribution in trade in services is insignificant.

A follow-up question was raised if the ABS used the rotational sampling in sample areas. Ms. McGuigan cited that ABS used rotational sampling. The ABS has a frame for sample areas around 3,000 and over, and this was surveyed in three consecutive years.

A clarification was raised on country practice on passenger services estimates, whether a resident report revenue earned from international tickets sold abroad are taken all as exports and then the non-resident abroad revenue earned from ticket sales in Australia, are imports. Ms. McGuigan noted that the non-resident abroad revenue earned from ticket sales is imports of Australia.

On adjustment made to passenger fare earnings by resident and non-resident carriers and on how ABS made adjustment if they assumed that not all tickets sold are bought by non-resident but some are bought by Australians. Ms. McGuigan noted that adjustments were made for non-resident traveling in Australia. They collect information on international airlines tickets purchased by non-resident in Australia based from the International Visitors Survey of the Tourism Bureau in Australia.

On collecting data information, the question is whether ABS collects detailed information on ticket sales in Australia by non-resident carriers and if they survey both resident and non-resident. Ms. McGuigan noted that ABS collects data on the tickets purchased by non-resident Australian airlines, and make assumption of how much of that purchased by resident and non-resident. Also, ABS surveys both resident and non-resident carriers.

Measurement of the Contribution of the Business Processing Outsourcing: The Case of the Philippines – Ms. Estrella V. Domingo



It was highlighted in the presentation of Ms. Domingo the importance of Business Process Outsourcing in the Philippines. She identified the major BPOs in the Philippines consisting of contact centers, software development, animation/creative services, data transcription, back office processing and engineering design.

It was highlighted in the presentation that with the growing importance of the BPO industry, initial efforts have already incorporated the contribution of the BPO in the Philippine System of National Accounts (PSNA).

The scope and coverage of the BPO in the country is divided into two categories: the contact center and the non-contact center. This is captured under the Gross Value Added (GVA) of Private Services (production side) and Exports of Services (expenditure side). Exports of Services cover services – purchases, transactions, etc. provided by the country to non-residents and include transportation (freight), insurance, travel, government and miscellaneous services (where BPOs are reported). The Philippine Standard Industrial Classification (PSIC) was adopted to classify economic activities of the BPO.

The data sources for the estimation of the BPO are available from censuses, surveys and administrative data from government regulatory agencies including data from industries' various associations.

Ms. Domingo presented an initial estimate of BPOs gross value added from 2004-2007. The gross output was based on actual revenues and projected revenues and these are aggregated into two categories: (1) contact center and (2) non-contact center. The gross value added was computed using the consolidated gross value added ratios (GVAR) from the consolidated Financial Statements of BPOs key players.

On exports of services, 96 percent of the total revenues of contact centers and 43.4 percent of the total revenues of the non-contact centers are intended for exports. A 60 percent undercoverage ratio was applied to account for underreporting of export transactions of non-contact centers.

Lastly, Ms Domingo identified issues and future directions in the measurement of the contribution of the BPO in the Philippines in her presentation.

Open Forum

An inquiry was raised regarding shared services if these are being covered in the survey (e.g. Back Office of Shell) and if the survey/s separates the BPO from local to international. Mrs. Domingo noted that shared services are covered in the survey and consolidate the BPOs into two categories – contact center and non-contact center.

A follow-up question regarding whether back office services which are actually the operation of multinational organizations are considered outsourcing or international insourcing when the operation is done within the multinational organizations. Mrs. Domingo noted that of the total revenue of US\$ 5B, about US\$ 488M is contributed by back office outsourcing.

According to the representative of the Business Processing Association of the Philippines (BPAP), of the US \$5B exported, about 30 percent are from shared services, the rest are from call centers and other BPOs. Many of the call centers are considered multinational. Shared services that are not outsourcing but offshored. The call center are third parties and they are services that outsource and offshore.

How to Go Beyond BPM in SITS – Mr. Shin Tsyr Jing (Associate Research Fellow, Taiwan WTO Center, Chun Hua Institution for Economic Research)

The presentation has three parts – a) *overview of the service industry in Chinese Taipei*, b) *compilation of statistics on international trade in services*, and c) *experiment on compiling statistics for the GATS modes of supply*.

The presentation started with the overview of the service industry in Chinese Taipei, the important role of service industry in the economic development in Chinese Taipei, and the compilation of statistics on international trade in services.

According to the Directorate-General of Budget, Accounting and Statistics (DGBAS), Chinese Taipei's service industries accounted for 71.1% of GDP in 2002. Most of the people working in service industries were in trade, accommodations, eateries, education, transportation and storage, finance – insurance sectors. Customs statistics gave the top three partners of Chinese Taipei as China including Hongkong, the United States and Japan. The Central Bank statistics follow BPM and MSIT. Thus Central Bank compiles statistics for 11 service sectors but those were not specified in the paper.

The Ministry of Economic Affairs is in charge of the collection of FDI statistics. The Bureau of Employment collects information on short-term employment of foreign staff in service industries.

The presentation of Mr. Shin focused on the experiments on compiling statistics of the GATS modes of supply. The agency identified three sectors on compiling statistics for the GATS mode of supply - telecommunication, insurance and maritime service sectors. Companies under these three sectors are highly regulated and need to get licenses from the government therefore it is easy to survey with government help.

On the industry classification, the agency built a correspondence table to link GNS with 120 components to standard industry components of Chinese Taipei. The third step was to design the survey questionnaire. The contents of the survey questionnaire are the following: 1) Basic information; 2) Business, investment and employment statistics and 3) Opening questions.

Their experiment consisted of compiling statistics for the GATS modes of supply on the 3-targeted sectors.

The first step was to build up a register of industries in the 3 sectors. The DGBAS updates the population of all industries once every 5 years and government authority collects information for the specific service sector population based on their responsibility. For the experiment the survey population was taken from government websites, industrial associations and government authorities.

The second step was to collect current available statistics of the enterprises, import/export data were not available but they collected data on capital, foreign capital share, revenue, expense, sale, etc. from all possible services.

The third step was to collect detailed information on the enterprises. Basic information includes name, address, telephone, responsible person, and major activity. Second type of questions includes sales; purchases in total and by country; FDI gross operating revenue; expense in subsidiaries and branches abroad; total number of employees; and, total employee compensation. The third type of questions includes work content and title of foreign employees, investment barriers, needs of the government assistance.

The fourth step was Sample Selection. Ongoing work is the trade in services statistics instruction manual which contains clarification of source industry classification, existing official business statistics, investigation action program and analyses of survey results.

On sample selection, the agency used the method of complete survey for the special permission service sectors while other sectors used the method of sampling survey. The trade in services statistics instruction manual was also reported.

Open Forum

An inquiry was raised regarding the studies made by the agency if they can provide figures on the three sectors. Mr. Shin cited that they gathered data from DGBAS and from other government authorities.

A follow-up question was raised, if the National Statistics Office is involve in the data generation. Mr. Shin noted that the NSO and the Bureau of Foreign Trade are involved in the data generation.

SESSION 4: Trade in Services Statistics: An introduction to the Manual on Statistics of International Trade in Services and Current Revision Process

The presentation started with the introduction on the General Agreement on Trade in Services (GATS) and the World Trade Organization (WTO). The GATS is a treaty of the WTO that entered into force in January 1995 as a result of the Uruguay Round negotiations. The treaty was created to extend the multilateral trading system to service sector, in the same way that the General Agreement on Tariffs and Trade (GATT) provides such a system for merchandise trade.

Then why are statistics on international trade in services needed in trade negotiations? It was pointed out that these are needed in making sound decisions, to have a better market access and to be able to negotiate, compare, quantify and develop statistical frameworks.

Assessment of Trade in Services under GATS

Under Article XIX of GATS, the Council for Trade in Services shall carry out an assessment of trade in services in overall terms and on a sectoral basis with reference to the objectives of this Agreement, including those set out in paragraph 1 of Article IV. Because of increasing number of Preferential Trade Agreements, WTO has developed new transparency mechanisms such as early announcement and notification of Regional Trade Agreements (RTAs) and factual presentation on trade in services.

To be able to solve the problem on statistical framework, the Manual on Statistics of International Trade in Services (MSITS) was produced. This covers services under the four modes of supply, namely, cross border, consumption abroad, commercial presence and presence of natural persons. The 2002 Manual on SITS provides guidelines and recommendations on the measurement of SITS and covers BOP statistics as well as Foreign Affiliates Trade in Services. It also contains an annex of movement of natural persons.

Mr. Magdeleine also discussed the five core recommendations of the Manual. These are: 1) Implementation of BPM6 principles on resident and non-resident transactions, 2) EBOPS

disaggregation; 3) Foreign Direct Investments statistics; 4) Main basic variables of FATS statistics; and, 5) Partner country statistics.

So why is there a need for a revised manual? Mr. Magdeleine cited several reasons: 1) to incorporate BPM6 and SNA revisions, including ISIC, CPC, and Tourism statistics, 2) new recommendations relating to activities of foreign affiliates, and 3) the need for guidance for mode 4 and modes of supply in general.

The revised manual will consist of 5 chapters and 8 annexes. Chapter 1 will cover General Introduction and foundations of the manual. Chapter 2 will cover conceptual framework for the development of SITS. Chapter 3 will be about services transactions between resident and non-residents. Chapter 4 will be about foreign affiliates statistics while Chapter 5 is on Modes of supply.

The new manual will have a shorter and clearer definition of GATS and its coverage, while providing a more detailed description of modes of supply in Chapter 5. The new manual will also cover updated statistical systems, including the revisions on the 2008 SNA, BPM 6, BD4, Tourism, Merchandise (on overlapping products), Migration and HEGI. Integrated statistical classifications will be used for statistics and negotiations. Updated statistical classifications will also be used such as CPC version2, ISIC Revision 4, and ISCO 2008.

For the approach and framework, guidelines and recommendations on the measurements of SITS will be covered in Trade in services in BOP thru EBOPS, services supplied through direct investment (FATS), and services supplied through presence of natural persons and labour mobility. All will be analyzed by origin and destination.

Main revisions in draft BPM6/EBOPS classification of services include manufacturing services on physical inputs owned by others, and repairs and maintenance of the commercial services. For other commercial services, revision will be on the charges for the use of intellectual property and telecommunications, computer and information services.

He also discussed the proposed main revisions for Chapter 3 and the EBOPS which include an alternative presentation by product for travel services, computer services breakdown into software and others, restructuring of other business services, and identification of gambling and cultural services.

There will be no major changes in chapter 4. The name will be changed to Foreign Affiliates Statistics, instead of FATS. It will also be aligned with HEGI, BD4 and EUROSTAT foreign affiliates regulation. It will be linked with international delivery of services and trade negotiations. The ICFA proposal will be revised following ISIC revision 4.

The new manual will also have new chapters such as tourism sector, develop practices to separately identify modes in EBOPS and options to assess Mode 4 delivery in surveys.

The new manual will also have annexes that will help analyze trade in services data. These are in terms of combining BOP data, FA trade data, and mode 4 data; addressing linkages between services trade and production data; uses of bilateral flow data including asymmetries; identifying comparative advantage and market access; and, global outsourcing and sectoral analysis on health services.

So what now are the next steps towards the revision of MSITS? Mr. Magdeleine showed the working plan of the group. This includes the ongoing worldwide consultation on the complete draft of the revised MSITS followed by the review of comments, as well as re-drafting of the MSITS chapters until February 2010. The draft manual will be submitted to the UN Statistical Commission in March 2010.

Open Forum

On the inquiry of the Business Processing Association of the Philippines (BPAP) on the possible inclusion of outsourcing in the manual, Mr. Magdeleine replied that although the current manual covers outsourcing, it wasn't explicitly shown in the manual. He further encouraged comments on the manual from BPAP as this is accessible on the website.

On the timeline of the conduct of consultation, BPAP inquired on the possibility of speeding up the process since they are currently doing programs for the business processing industry in the Philippines, and they wanted to incorporate these recommendations. Mr. Magdeleine replied that the task force is considering the schedule of all member countries, and that it will be very difficult to speed up the process. Also, there is a lot of processes after each call of comment, so the target dates set are justifiable.

The representative from the Department of Trade and Industry (DTI-Philippines) inquired if the service inputs used in construction should be disaggregated or treated as one, also for warranty funds and sovereign warranty funds. She also inquired if there is a classification for construction services. Mr. Magdeleine replied that under EBOPS, construction services are categorized and separated according to where the construction is made, either abroad or in the compiling economy which includes both goods and services purchased by construction services operations. He further added that countries could disaggregate depending on their needs.

SESSION 5: Foreign Affiliate's Trade in Services (FATS)

Mr. Herzie Mohamed Nordin, Assistant Director of Department of Statistics of Malaysia, chaired the session. Dr. William Cave, Administrator for Trade in Services and Balance of Payments of OECD, was the resource person.

Presentation of the resource person: Foreign Affiliate's Trade in Services (FATS).

The presentation of Dr. Cave was divided into two parts – the first part dealt with FATS while the second part dealt with the uses of FATS and BOP data.

Presentation on FATS

Dr. Cave talked about the revised MSITS Chapter 4 Foreign affiliates statistics and the international supply of services.

In terms of scope and coverage, FATS measures: 1) 10% criteria for foreign direct investment; 2) But MSITS recommends the foreign-controlled subset of foreign affiliates; 3) Now “Control” by non-resident instead of “majority-ownership”; 4) Control is said to exist if there is majority ownership of voting power; 5) At each stage of ownership chain; 6) Control defined in BD4 framework for foreign direct investment; 7) Objective criterion; and 8) Interest in services delivery and trade negotiations is privileged.



Dr. Cave also discussed about statistical units, whether these would be enterprises or establishments. He also presented the attribution of FATS variables by country as well as by activity and by product. He also emphasized the main economic variables for FATS and other suggested FATS variables of interest. Included also in the presentation were Inward versus Outward FATS, availability of FATS data and compilation issues.

Presentation on using FATS and BOP data together

The presentation focused on: 1) overview; 2) conceptual issues and difficulties; 3) estimated allocation of BOP and FATS sales by modes of supply; 4) affiliated trade in services; 5) different graphical presentations on inward supply by mode of adjustment; 6) adjustment issues; and, 7) outward and sectoral analyses.

Dr. Cave summarized with the following conclusions: 1) Interesting exercise but comes with a health warning; 2) Need more FATS and multinational data; 3) Biases in estimation by mode; 4) Sensitivity of estimates to treatment of distributive trade; 5) Mode 3 dominance increases in 2000-2005; 6) Outward mode 3 more important for large countries; 7) Modal linkages seem important but unknown and would like more data on intra-firm trade; 8) Mode 3 supply more concentrated in and dominated by large countries; and 9) If countries can link TIS surveys and industry of trader it would facilitate comparisons with FATS.

Open Forum

The following questions and comments were raised during the open forum:

- a. For distributive services, treatment of distributive trade is quite difficult (USA)
- b. Time frame for OECD countries to come up with detailed FATS (BPAP). Dr. Cave explained that it takes time for consensus. He added that more countries are looking at FATS data inside and outside OECD.
- c. Are there any guidelines to capture or measure data on FATS?
- d. How to estimate services only for those enterprises producing both goods and services? Dr. Cave answered by just identifying activities producing services as principal activities.
- e. How can FDI help identify or compile FATS? (Malaysia) The resource person replied that the FDI is slightly of wider universe relative to FATS.
- f. Mr. Cave submitted a 2008 draft report prepared by Andreas Fuchs and William Cave, OECD Statistics Directorate as Reference Material. The Report contains a review of problems to estimate the international delivery of services related to what data are collected and recommendations for some improvement.

SESSION 6: Presentation by APEC Economies on the Compilation Processes and Methodological Issues/Concerns on SITS

Session 6 consisted of two APEC economies presentation on the compilation and generation of SITS namely: 1) *International Trade-in Services Data Collection in Thailand: Education and Medical Services* by Ms. Vilai Pinijkulviwat, Senior Analyst, Data Management Department, Bank of Thailand; and 2) *The United States Experience in Collecting FATS* by Ms. Anne Flatness, Analyst, Bureau of Economic Analysis. Mr. Joscelyn Magdeleine of WTO chaired the session.

International Trade-in Services Data Collection in Thailand: Education and Medical Services – Ms. Vilai Pinijkulviwat

Ms. Pinijkulviwat presented the compilation system of SITS in Thailand: 1) The Balance of Payments (BOP) and Monetary Statistics are compiled by the Bank of Thailand; 2) the National Accounts, by the National Economic and Social Development Board; 3) the Consumer Price Index (CPI) and the Producer's Price Index (PPI), by the Ministry of Commerce; 4) Fiscal Statistics, by the Ministry of finance; and 5) the National Census is compiled by the National Statistics Office.

The detailed breakdown of the International Trade-in Services and the BOP are as follows: 1) Transportation – freight, passenger and others; 2) Travel; 3) Government Services; and 4) Other Services – communication services, construction services, royalties and license fees, insurance services and others.

She also mentioned that the major data source of the ITRS come from the transactions of commercial banks which are submitted electronically to the Bank of Thailand on a daily basis. Data on the ITRS are available no later than seven days after the reference period. Other data sources include the Tourism Authority of Thailand (travel items); Thai Airways International and other airlines (passenger items) and Surveys on particular topics such as medical-related services and education-related services.

Ms. Pinijkulviwat discussed the details of the survey of Medical-related Services, specifically the Survey on Health-related Services provided to Non-residents. It is conducted on an annual basis for 34 major public and private hospitals in Thailand with foreign patients. Quarterly data are requested,

however, only the Receipts data are available for this survey. The concept of “gross receipts” is used before deduction of expenses for health services. Preliminary results of the survey show a response rate of about 85 percent.

Meanwhile, the Survey for education-related services covers both the Receipts and Payments. The Receipts part includes only the standard courses in Institutes of Higher education and excludes summer courses. Intensive courses and professional training such as cooking, massage, etc. The Payments part include all Thai students studying abroad in standard programs at all levels (primary to higher education). Data sources for this survey for the Receipts part come from the Commission on Higher Education, the Ministry of Education and major universities in Thailand with foreign students. For the Payments part, data are sourced from the Office of Civil Service Commission, the embassies and consulates and education centers. The methodology uses the concept of “gross receipts payments” from each country (includes tuition, board and lodging and other expenditures).

The Trade-in Services Accounts are compiled on a monthly and quarterly basis. Preliminary summary data (Net Services) are released one month after the reference period while the detailed data (Receipts/Payments) are released one quarter after the reference period.

Regarding future plans, Thailand is pursuing improvements in its compilation of trade-in services coverage to include freight and insurance, telecommunication services and international remittances.

Open Forum

A query was raised if Thailand has plans to have country details, as there is increasing number of people going to Thailand to avail of its medical services. Regarding their educational services survey, it was asked if training on cosmetic surgery is included. Ms. Piniikulviwat answered that there are plans to expand the coverage of medical and educational trade-in services given that it is an expanding sector in Thailand.

The United States Experience in Collecting Foreign Affiliates Trade in Services (FATS) – Ms. Anne Flatness



Ms. Flatness gave an introduction on the Bureau of Economic Analysis (BEA). The BEA is part of the US Department of Commerce and is both a data collection and dissemination agency. It compiles the national and international accounts such as the Gross Domestic Product (GDP), Balance of Payments (BOP), regional statistics and industry statistics including the Input-Output accounts, among others.

She presented the legal basis of the FATS, i.e., the International Investment Act of 1976. It was later expanded as the International Investment and Trade in Services Survey Act In 1984, and was considered mandatory and confidential. The FATS follows the various international standard/guidelines such as the IMF Balance of Payments Manual, the OECD Benchmark definition of FDI and the System of National Accounts.

The United States started collecting Foreign Direct Investment (FDI) data in 1950, covering outward investments. Collection became more regular and more detailed towards the late 70's to the early 80's showing sales of goods and sales of services separately and by destination with more detailed breakdown of industry classifications.

The data for FATS are largely from a survey-based system, with benchmark surveys conducted every five years. It is the most comprehensive in terms of subject matter and has the lowest reporting thresholds. Annual surveys are conducted during interim years, showing higher exemption levels and fewer items and estimates are made for below-threshold companies.

Data items collected from the surveys include balance sheets, income statements, sales, employment and employee compensation, research and development expenditures, taxes, US trade-in goods and value added which are built up from the other items.

Data on services supplied through affiliates cover sales of services only and excludes goods, investment income and cross-border trade which are recorded in the BOP. The survey on FATS covers majority owned affiliates only, but includes all industries, with the services sector showing greater detail. The foreign affiliates are classified according to their country of location while the US affiliates are classified according to the country of their ultimate beneficial owner (UBO).

Ms. Flatness cited recent improvements in the methodology for the measurement of insurance and Wholesale and Retail Trade. For insurance, the previous methodology was based on “normal losses” where data on “loss” is collected from surveys. For wholesale and retail trade, the previous methodology covered the sales of goods while the new method captures the services component of sales using estimates of margin output.

Ms. Flatness also mentioned that the US is expanding the coverage of FATS to include banks. Beginning 2002, the BEA requested that banks report their sales of services, as well as the interest received and paid.

She showed 2 graphs of US International sale and purchases of private services for 1987-2006 by 2 modes, i.e., 1) US Cross Border Exports and Imports and 2) Sales abroad of foreign affiliates and US purchases from foreign work affiliates. Also included in her report is a BEA publication on Annual Revision of the US International Accounts for 1974-2007.

Open Forum

The delegate from Chinese Taipei asked whether the BEA has a list of companies engaged in trade-in services. Ms. Flatness confirmed that they purchase from a private company the list of companies that will be included in the surveys. They work closely with the Bureau of Census with regard to the companies that engage in trade-in services.

Dr. Pasadilla queried if the US excludes foreign affiliates and cross-border trade. Ms Flatness answered that the BEA includes foreign affiliates but excludes cross border trade. Dr. Virola inquired if estimates of foreign affiliates are included in National Accounts and whether they also gather data on insurance based on administrative reports of insurance companies. Ms. Flatness answered that she has to check if the foreign affiliates are indeed included in the National Accounts. With regard to insurance, they do not always look into the data reported by insurance companies because the reports do not exactly reflect the data that is needed.

SESSION 7: Integrated Presentations by APEC Economies



Presentations were selected for three (3) APEC Economies, namely: The Philippines, Papua New Guinea and Viet Nam representing major areas within the APEC region. This is aimed to share experiences and to gain insights on concerns which maybe relevant for consideration in improving compilation/generation of SITS for other participating economics. The papers focused on data gathered/used/generated, data sources including specific source documents, estimation methodologies, data gaps as well as future plans and help needed. Ms. Elsa Lee Ling-Yee from Hong Kong, China chaired this session.

The Philippine presentation was delivered by Ms. Daisy M. Cabral of the BSP. Her presentation covered: a) overview of the legal framework for the Balance of Payments Compilation; b) Trade in Services, Major Classifications and Data Sources; c) Limitations of Data Sources; d) Organization and

Data Processing; e) Data Availability; f) Current Developments, Future Directions; and, g) Recommendations on the improvement of data compilation issues.

Mr. Joseph Aka of the National Statistical Office did the Papua New Guinea presentation. The topics were: a) organizational set up; b) Service Transactions currently compiled; c) Data Gathered and Used; d) Data Sources; e) Methodology; f) Data Gaps; g) Current Work; h) What Needs to be Done; and i) Assistance Needed.

Nguyen Thi Thanh Xuan of the Monetary Policy Department of Viet Nam delivered the Viet Nam presentation. It covered three main topics: a) Overview, b) Current Situation of the Measurement of SITS and c) Challenges and Future Plans.

Open Forum

For the Philippine presentation

To the question raised by Singapore on whether the residence rule being followed by the Philippines is specific to one year residence and another question on the methodology to track current transfer, Ms Cabral answered that the BSP follows the BPM5 residency criteria, i.e., when an individual lives or work continually for one year or more in a foreign country the individual ceases to be a resident of his previous country. Regarding the methodology for tracking current transfers, one way to track them is through the FX form of the ITRS.

Indonesia raised the question on sources and methods to capture imports of trade in services particularly for cross border transactions. Ms Cabral explained that the NSO compiles data on imports and exports showing FOB, freight, and insurance. The BSP, on the other hand, augments data from bank reports (ITRS) by conducting surveys one of which is on IT-enabled company services of which data from BPAP is a source.

From OECD they are able to get only data on grants and its nature through website. The Asian Development Bank (ADB) also gives them data on technical assistance available quarterly.

For Viet Nam presentation

On the question of how to estimate insurance and freight apportioned to residents and non-residents, Ms. Xuan said that they conduct sample survey from a list they received from the General Department of Customs. They collect from transportation enterprises data on commodity insurance, freight, country and mode of transport.

Another question was on how to capture data and expenditure of foreign visitors. To capture the data they conduct a survey. First they select representative cities with tourism activities; then they select the representative accommodation by class of hotel. Questionnaires with information about accommodation, travel expenditures and gift expenditures are left with the receptionist. Their statistical staff collect the accomplished questionnaires. Their office is organized from central to provincial units.

Their other sources of data are from newspapers as reported by regulatory agencies and industry associations as members, particularly the big IT companies of Japan and America, are required to respond to information requested by government compilers of internal trade in services.

For Papua New Guinea Presentation

The data on trade in services are collected through survey of various companies: airlines, shipping lines and other services; communication and insurance companies. They also use NSO and BOP data. Extrapolation is also done using indicators.

A question was addressed to the 3 presentors on undercoverage. For the Philippines, if they have an estimate of the coverage of BPAP which is a major data source, of MNC, of those registered with BOI and from other associations. It was pointed out that some transactions are household based and transactions are individually contracted. There is also a need to consider the juridical restrictions for

medical transcription in the US which makes it difficult for some industries to disclose themselves. So how are these captured?

Ms. Cabral gave the information that the BPAP gives them an estimate of undercoverage. According to Ms. Joyce Virata of BPAP they cover 80 to 90 percent of the industry. All big companies, which are Americans, and some Japanese are members except for one. They estimate for companies that do not report which they assume to be small ones so they make a median estimate for smaller companies and apply them to those who do not report.

Ms. Sicat added that the BSP, through newspapers, figures out which industries are missing and identify the regulatory agencies that cover these industries. They form an interagency body and make a list in that industry through these agencies which have oversight over these companies. The BSP does advocacy for the members to participate and join in the survey and work together with the government and other regulatory agencies.

SESSION 8: Panel Discussions on APEC Recommendations on Improving the SITS Compilation

The objective of the session was to identify the key areas for improving the statistics on international trade in services (SITS) of the participating economies¹ and propose some recommendations to improve generation/compilation of SITS. To proceed with the session, an assessment of the SITS compilation practices of the nine participating economies based on the information provided by them to the Secretariat prior to the Workshop was presented.

The assessment of SITS of each economy focused on: a) the type of SITS collected by the reporting economy; b) statistical concerns; and c) plans to improve the generation of SITS. Proposals for some statistical initiatives to enhance the generation of SITS were also identified. (*See Annex I*)

A powerpoint summary of the salient observations and the key/priority areas for data improvement was presented. Specifically, the following were the observations highlighted:



- A. On general features of statistics on international trade-in services
 - Compilation of 11 major service categories
 - Data sourced from International Transactions Report System (ITRS), survey, administrative records
 - Common methodology to estimate travel receipts
 - Only Hong Kong, China compiles data by mode of supply
 - Statistics on FATS not compiled except for Hong Kong, China but limited to inward transactions
 - 3 out of 9 countries compile EBOPS
 - 2 out of 9 countries compile SITS by partner countries

- B. On data gaps and challenges
 - Insufficient information to identify data classification
 - Limited sectoral coverage in surveys
 - Exclusion of some service transactions
 - Data undercoverage
 - Gross transactions missed out
 - Feasibility to compile FATS statistics

¹ The participating APEC economies included: Hong Kong, China; China Taipei; Malaysia; Papua New Guinea; Peru; Philippines; Singapore; Thailand; and, Viet Nam.

- More information to improve estimates under Mode 4
- C. On Key/ Priority Areas
 - Improve data capture and statistical methods
 - Facilitate data collection
 - Data processing
 - Data classification

Specific details for each of the key/ priority areas identified include:

- a. On improvement of Data Capture and Statistical Methods
 - Use of survey-based system of model-based estimates of SITS
 - Enhancement of monitoring instruments
 - Development of reporting forms/survey
 - Improvement of survey methodology
 - Use of partner country data
 - Estimation of FATS through FDI
- b. On Facilitating Data Collection
 - Development of web-based data collection system
- c. On Data Processing
 - Automation of survey processes
 - Implementation of intelligent character reader of data capture
- d. On Data Classification
 - Review of classification submitted by big enterprise

Some suggestions to improve SITS expressed during the discussion were as follows:

- a. Share data with other participant economies
On data sharing among economies, some possible strategies are as follows:
 - The establishment of a coordinative mechanism in the form of an APEC regular meetings among compiler of SITS for National Accounts and Balance of Payments to provide a venue for discussions/sharing for improving SITS compilation and generation as well as to address some data gaps and challenges identified by participating economies;
 - The maintenance of a website among economics where reports, studies and relevant information can be directly accesses within the APEC group particularly the access on a regular basis for data on travel receipts and travel payments;
 - The harmonization of standard and operational concepts is necessary for consistency of data among APEC economies.
- b. Use of data of international bodies. Database maintained by international organizations like the OECD are rich sources of information on statistics for international trade in services, which can be explored further on how to go about data sharing between OECD and APEC economies which can facilitate the regular access of relevant information.
- c. Need for training. As a follow-up activities, there is need to conduct trainings/ capacity building activities towards the enhancement of the existing SITS focusing on the common methodologies for compilation of SITS specifically data on travel receipts and travel payments as well as supplementing this with hands-on training how to put together data from various sources such as ITRS, survey and administrative forms.
- d. Improvement of response and data estimation through:
 - Coming up with specific action plans for each economy and/or for the APEC and facilitate/pursue such plans;
 - Working closely with enterprises and strengthening coordination;
 - Considering to provide incentives to respondents by giving tokens/ gifts;
 - Establishing a model-based estimation particularly to estimate government services.

- Soliciting the support of MNCs and seeking/strengthening cooperation with other government agencies;
- Strengthening the legal framework to compel respondents to provide data;
- Creating a mechanism to strictly protect privacy of data from business respondents as well as to ensure them of the confidentiality of their data;
- Publishing survey results, particularly sharing the results with respondents;
- Starting to build up database on SITS, to start with “baby steps” and gradually developing them into a more comprehensive one

Session 9: Group Workshop and Presentation of Group Outputs

Key areas for improving SITS of the participating economies were identified in Session 8. Each economy gave an assessment of: a) type of SITS collected; b) statistical concerns; and c) plans to improve generation/ proposals for some statistical initiatives to enhance generation of SITS.

Session 9 is a continuation of Session 8. In this session the participating economies were divided into two groups. Group 1 consisted of: Hong Kong, China; Indonesia; Malaysia; Mexico; Papua New Guinea; and, Peru. Group 2 included: Chinese Taipei; Thailand; Singapore; The Philippines; Viet Nam; and, USA.

Each group identified its chairperson and prepared a set of priority issues/concerns on SITS compilation that may be addressed by the APEC and specific recommendations for these concerns.

Group 1 presented on how to improve statistics on travel payments since there is a problem pertaining to statistics on travel. Their recommendations to improve data coverage are data sharing from tourism offices for travel payments and to look at partner country’s travel receipts and identify which are your country’s travel payments.



Group 2 suggested the use of a survey on credit card companies to find out the expenditure of the travelers. Other sources would be the ITRS system, administrative forms and household survey. With regard to making use of surveys, they suggested that from the contents of the questionnaire items on import/export services one can find out who would be the target respondents. They also recommended the use of simplified form for smaller companies. To build up a frame of exporters and importers they suggested using business income tax.

To encourage participation of some respondents, they also suggested giving gifts to respondents.

Countries with the budget for that can give gifts to respondents; there is also a need to emphasize to the respondents the importance of participating in the survey. On FATS inward, countries could start by making use of the statistics of foreign direct investment data. It could also help if countries try to get the support, particularly of multinational companies, to participate in the survey.

On government services, recommendation put forward would be to make use of data models, so probably for some countries which are using models, this could also be adopted, say in the Philippines, since it is unable to get the information on the expenditures of foreign embassies in the Philippines.

Group 1 also presented their own recommendation for survey. Basically, they are proposing sharing of experiences among countries and coordinating closely with enterprises. They are looking at a compliance to monitoring mode of supply at a long term plan of about five years, nonetheless, what

they are trying, is to build up first some statistics and once these statistics are available, then they can move on to supply the information that would provide information on mode of supply. Generating detailed information on mode of supply is a long-term plan.

They also presented the different problems encountered in order to improve their statistics on services. Each of the representatives identified priority areas that they would like to improve their data on. Each economy presented its own recommendations. One of the recommendations would be to strengthen relationship with business sector. Malaysia said that they would need training program for new concerns. In the case of Mexico, it emphasized the need to strengthen legal framework to be able to compel the respondents to answer the survey. And for Peru, the recommendations are to validate information in cooperation with the enterprises and design simple questionnaire.

Reactors shared their thoughts on how to facilitate some of the action plans that countries have identified. The following recommendations were made:

- (1) Facilitate sharing of experiences through creation of a virtual group. Dr. Pasadilla said that she can work out with APEC on the creation of this virtual working group and to provide a website by which members of participating economies would be able to access that website. Survey forms, collection methods, reports and studies could also be included if in case economies would be interested to look at them;
- (2) To share in existing works. There are some developments in other economies like for instance as in the case of Thailand, it has already made some advances in terms of survey instruments for medical and educational services, while Philippines, the BPO and for Hong Kong, China FATS. So probably these economies could share their work with the rest of the other economies. Those who are planning to build their capacity could look on the studies that are already done by these economies;
- (3) To seek cooperation from other government agencies, which are in-charge or directly involved in services. This will facilitate identification of respondents and ask them for their participation in the surveys. But also to avoid duplication of data among different agencies to minimize the burden of answering too many questionnaire on the same information;
- (4) To collaborate with other countries to validate their estimates. OECD has database on trade in services by partner countries. If some of the countries would be interested to find out data that would be useful to them, they can just request through OECD, probably through Mr. Cave;
- (5) On the challenge of how to convince enterprises to participate in surveys, there's a need to closely work with enterprises and business and trade associations to sell the idea of the importance of surveys. It was also suggested that to develop statistics on FATS to take baby steps like collecting small information and then gradually build overtime to get more information;
- (6) Publishing development series to solicit comments from the public was also suggested. It's one way of consultation and if there are no adverse comments then the data series becomes official. So countries could also undertake this type of activity of publishing a preliminary data series with the intent of getting comments from users.

PART IV

Summary of Evaluation of the Seminar-Workshop

SUMMARY OF EVALUATION OF THE APEC SEMINAR-WORKSHOP ON MEASUREMENT OF SITS

Evaluation forms were given to participants and resource persons to provide their ratings on the following concerns:

- Duration of the seminar
- Organization of the seminar by the NSCB secretariat
- Conduct of the seminar
- Distribution of materials
- Comprehensiveness of materials
- Arrangements made by the secretariat
- Introduction of new approaches and techniques
- Long-term usefulness of seminar
- Exchange of ideas, experiences and views
- Achieving the objectives of the seminar

The results of the evaluation are presented according to the ratings of participants as official participants and as observers as well as ratings of resource persons. The summary of the evaluation is presented as follows:

A. For Official Participants

1. On the Duration of Seminar

Of the 18 participants who submitted the evaluation, 15 perceived the *Duration* allotted for the seminar-workshop as *Adequate* while the remaining 3, deemed that the *Duration* is *Too short*.

2. On the Organization by NSCB Secretariat

About 50% or 9 participants rated the *Organization done by NSCB/APEC Secretariat* as *Good*; 33% or 6 participants rated the aspect as *Very Good*; and, the remaining 17% or 3 participants rated the aspect as *Adequate*.

3. On the Conduct of the Seminar-Workshop

Eleven (11) participants perceived that the *Conduct of the Seminar-Workshop* was *Good*. Four (4) of the participants rated the *Conduct* as *Very Good*; two (2) rated it as *Adequate*; whereas one (1) of the 18 participants who evaluated, did not respond to this particular concern.

4. On the Timely Distribution of Materials

On the aspect of *Distributing seminar materials on time*, ten (10) participants rated the aspect as *Good*; seven (7) participants rated it as *Very Good*; while one (1) rated it as *Adequate*.

5. On Comprehensiveness of Materials

Eight participants, considered the *Comprehensiveness of materials* as *Good*. The same number of participants rated the aspect as *Very Good*. The remaining two (2) participants rated the aspect as *Adequate*.

6. On the Seminar's Arrangement

Nine (9) participants rated *Arrangement* as *Very Good*, eight (8) of the participants rated the aspect as *Good*, and one (1) rated it as *Adequate*.

7. On Introduction of New Approaches and Techniques

In terms of the Introduction of New Approaches and Techniques, nine (9) participants perceived the seminar-workshop as *Very Useful*, eight (8) of the participants considered the seminar as *Useful* and One (1) perceived the seminar as *Adequate* in terms of the aspect.

8. On Long-term usefulness in Professional Views

Nine (9) of the 18 participants rated the seminar-workshop as *Very Useful* in terms of the *Long-term usefulness in their professional views*, and the remaining 9 rated the aspect as *Useful*. No participant rated the aspect as *Adequate*, *Inadequate* or *Highly Inadequate*.

9. On Exchange of ideas, experiences, and views

Eleven (11) participants considered the seminar-workshop as a *Very Useful* avenue for *Exchanging ideas, experiences and views*. Four (4) participants perceived it as *Useful* in terms of the said aspect, while two (2) judged it as *Adequate* in terms of the aspect. One (1) of the 18 participants who evaluated did not respond to this particular aspect. No participant rated the aspect as either *Inadequate* or *Highly Inadequate*.

10. On Achieving the Objectives of the Seminar?

All participants perceived that the Objectives of the seminar-workshop were all met. In addition, some participants expressed some general comments as follows:

- a. Follow-up Seminars/Workshops of the same attendees should be scheduled to check on the updates of the developments we have made in our respective economy.
- b. More time should have allocated for discussion and sharing of economies' experiences. The workshop has been an effective venue for networking and sharing of best practices as well as looking forward to creation of a structured way for the consolidation and sharing of country data. In all, this has been an effective learning experience, thank you organizers!
- c. The organization of the seminar is very effective – well organized and very smooth and successful. Need more training as follow-up activities.
- d. Seminar-workshop materials related to the workshop should have been provided to participants through Internet before they proceed to the seminar workshop.
- e. The outline of the program was well thought and very comprehensive.
- f. It would be useful to invite speakers from non-APEC Economies that have experience in the issue.
- g. Resource persons should be active in every session. As some presentations have too many pages to display, therefore not enough time for presenter to present it well.
- h. This topic is very useful for the developing economies as said by most speakers in assisting trade negotiations among the economies, APEC as an organization must assist in developing such as the basis for making decisions and future directions.
- i. It was very enriching and fruitful workshop
- j. Provide training on compilation.
- k. More practical exercises should have been done. This is helpful for economies which want to start compiling ITS statistics
- l. More time should have been allocated to collaborate and share data; more in-depth discussion of specific strategies.

B. For Observers

1. On the Duration of Seminar

All 10 observers who submitted evaluation forms considered the duration allotted for the seminar-workshop as *Adequate*. No observer rated the aspect as *Too long* or *Too short*.

2. On the Organization by NSCB Secretariat

Nine (9) of the 10 observers rated the Organization of the seminar as *Very Good*. The remaining one (1) rated it as *Good*. No observer rated the aspect as *Adequate*, *Poor*, or *Very Poor*.

3. On the Conduct of the Seminar-Workshop

Seven (7) observers rated the conduct of the seminar-workshop as *Very Good*; the remaining three (3) rated the aspect as *Good*; no observer rated the aspect as *Adequate*, *Poor*, or *Very Poor*.

4. On the Timely Distribution of Materials

Seven (7) observers considered the timely of distribution of materials as *Very Good*; the remaining 3 observers rated the aspect as *Good*; no observer rated the aspect as *Adequate*, *Poor*, or *Very Poor*.

5. On Comprehensiveness of Materials

Six (6) out of the 10 observers who submitted evaluations rated comprehensiveness of materials as *Very Good*; the remaining 4 rated the aspect as *Good*; no observer rated the aspect as *Adequate*, *Poor*, or *Very Poor*.

6. On the Seminar's Arrangement

Two (2) of the 10 observers rated *Arrangement* as *Good* while the remaining 8 rated the aspect as *Very Good*. No observer rated the aspect as *Adequate*, *Poor*, or *Very Poor*.

7. On Introduction of New Approaches and Techniques

Eight (8) observers perceived the seminar-workshop as a *Very Useful* avenue in terms of *Introduction of New approaches and techniques*. The remaining 2 rated the seminar in terms of the said aspect as *Useful*. No observer considered the seminar as *Adequate*, *Inadequate*, or *Highly Inadequate* in terms of the aspect.

8. On Long-term usefulness in Professional Views

Eight (8) observers deemed the conduct of the seminar-workshop as *Very Useful* in terms of its long-term usefulness in their professional views. The remaining 2 perceived it as *Useful* in terms of the said aspect. No observer considered the seminar in terms of the aspect as *Adequate*, *Inadequate*, or *Highly Inadequate*.

9. On Exchange of ideas, experiences, and views

Seven (7) observers considered the seminar as a *Very Useful* opportunity to exchange ideas, experiences and views among economies. The remaining 3 rated the aspect as *Useful*. No observer considered the seminar in terms of the aspect as *Adequate*, *Inadequate*, or *Highly Inadequate*.

10. On Achieving the Objectives of the Seminar?

All 10 observers who submitted evaluations deemed that the objectives of the seminar have been achieved.

In addition, the following general comments were expressed by observers:

- a. The provision of CD copies is well appreciated so that it will serve easily during echo discussion.
- b. A little bit too long on countries' presentation. But still this is very useful to see the different nuances of the situation. Excellent arrangements.
- c. The participants should be informed of all services offered, for example: city tour, a taxi guide when participants arrive in the Philippines, when to submit the nomination forms. Materials

related to the workshop maybe provided to participants through Internet before they depart from each country.

- d. Very well organized. Congratulations!
- e. If it is possible to provide materials by WTO-OECD Australia in advance, it can help all discussions during the workshop.

C. For Resource Persons

Only two resource persons had completed the evaluation forms provided by the seminar secretariat and had expressed their evaluation on the various areas of the seminar workshop as “Very Good” including the articulation that the objectives of the seminar workshop were successfully achieved.

Ratings as “Very Good” were received for areas of: 1) the organization of the seminar; 2) conduct of the seminar; 3) arrangements of the seminar; and 4) comprehensiveness of materials.

Ratings as “Good” were expressed for timely distribution of materials.

Both resource persons rated as “Very Useful” the: 1) introduction of new approaches and technologies; 2) exchange of ideas, experiences and views; and, 3) long-term usefulness of the seminar.

The following general comments were likewise put forward by the two resource persons:

- 1) It would be useful to set up in group, set priorities, and meet again in Shanghai. Put materials on website.
- 2) The networking is very useful, especially since collecting FATS may be considered in the future; other countries experiences and contacts in those countries will be very useful.

ANNEX

ANNEX 1

ASSESSMENT OF STATISTICS ON INTERNATIONAL TRADE IN SERVICES (SITS) In Selected APEC Economies (As of 1 October 2008)

| ECONOMY | FEATURES OF DATA | STATSITICAL CONCERNS | PLANS | NEEDS |
|----------------------------|---|--|--|---|
| 1. Hong Kong, China | <p>Data available for 6 major service categories (transportation, travel, financial, insurance, merchanting and other services)</p> <p>SITS based on EBOPs are also compiled</p> <p>Source data from establishment and household surveys, administrative records</p> <p>Impute data for non-response</p> <p>Cover services transactions under Mode 1, 2 and 4.</p> <p>Compile inward FATS statistics to estimate services supplied under Mode 3</p> | <p>Feasibility of compiling outward FATS statistics being reviewed</p> <p>Collection of more information to improve estimates of services delivered under Mode 4</p> | <p>Current Plan:</p> <p>Generate data on services by partner country on an annual basis with a time lag of 13 months. Quarterly data being estimated</p> <p>Future Plans:</p> <p>Implement the new SNA and BPM6 recommendations (e.g., treatment of merchanting, goods for processing, manufacturing services on inputs owned by others)</p> <p>Enhance measurement of inward FATS and study the feasibility to generate outward FATS statistics</p> | |
| 2. Malaysia | <p>Data available for 11 major service categories</p> <p>Source data from surveys and administrative records</p> | | <p>Current Plan:</p> <p>Conduct of survey on transportation</p> <p>Development work to improve data on Communication and</p> | <p>Capacity building/ technical assistance on compilation & tabulation of ITS data based on Modes of Supply</p> |

| | | | | |
|----------------------------|--|---|---|--|
| | <p>Impute data for non-response using value of previous period</p> <p>Use data model to estimate travel transactions</p> <p>Data are mostly based on cash transactions</p> | | <p>transportation, construction and computer and Information services</p> <p>Future plans:</p> <p>Web-based survey on other business services</p> <p>Detailed data on health and education related services</p> | <p>Work out a program with economies with developed & established system of compiling SITS</p> |
| 3. Papua New Guinea | <p>Data available for 4 major service categories (transportation, travel, communications, and Insurance)</p> <p>Data on other service categories have been aggregated or data are not collected for some service types</p> | <p>There are a lot of gaps in the data. Need to overhaul the system.</p> | <p>Review the accounts and the compilation process</p> | <p>Technical assistance to improve the external transactions so that it is compatible with the BPM5</p> |
| 4. Peru | <p>Data available for 11 major service categories</p> <p>data are obtained from enterprise surveys</p> | | <p>Current plan:</p> <p>Validate the classification of transactions reported by enterprises</p> <p>Future Plan:</p> <p>Expand Data on services to show partner country</p> | |
| 5. The Philippines | <p>Data available for 11 major service categories</p> <p>Data are generally sourced from ITRS, cross border transaction survey and administrative records</p> | <p>Limited coverage of Cross Border Transactions Survey which at present, covers only top corporations that are mostly exporters of merchandise goods</p> | <p>Expand the coverage of survey by conducting survey on telecommunication services</p> <p>Institutionalize survey on IT- and IT Enabled Services to adequately cover business process outsourcing related activities</p> | <p>Technical assistance on the following:</p> <p>how to design and conduct enterprise surveys generating ITS statistics;</p> <p>Econometric model for calculation of proxy</p> |

| | | | | |
|--------------------------|--|---|--|--|
| | | <p>No data on life and non-life insurance services</p> <p>No data under Government Services (exports side)</p> | <p>Improve data on insurance coverage by including life and non-life insurances</p> <p>Improve data on government services to cover expenses of foreign embassies in the Philippines</p> <p>Data exchange from partner economies</p> | <p>indicators</p> <p>Prioritize areas/sectors that needs improvement for the SITS; and</p> <p>Development of methodology to account for under coverage of ITS accounts</p> |
| 6. Singapore | <p>Data available for 11 major service categories</p> <p>Source data mainly from surveys, and administrative records (for government services)</p> | <p>Improve survey coverage and methodology used in data processing (i.e. outlier detection, imputation). Implementation of BPM6 recommendations including the incorporation of FISIM under financial services</p> | <p>Automate processing of survey results, including data validation, imputation, data evaluation, compilation</p> <p>Implement intelligent character recognition and internet modes of data capture</p> | <p>Capacity building on:</p> <p>Survey methods???</p> <p>Implementation of BPM6</p> |
| 7. Chinese Taipei | <p>Data available for 11 major service categories</p> <p>Source data from ITRS, surveys and administrative records</p> | <p>Data provided by domestic airlines and shipping companies are unable to separately identify rentals of carriers with crew and without crew. Rentals of carriers are included in "operating lease".</p> | | |
| 8. Thailand | <p>Data available for 11 major service categories</p> <p>Source data from ITRS, surveys and Administrative records</p> | <p>ITRS only cover cash-based transaction and transaction are netted; need for 'gross' transaction data</p> <p>Proxies are made for missing and non responses in surveys</p> | <p>Current Program:</p> <p>Conduct of survey on medical, Education services</p> <p>Collection of data from airline for international passengers</p> <p>Future plans:</p> <p>Survey on telecommunication</p> | <p>Technical assistance on</p> <p>Conduct survey</p> <p>Data model for calculation of proxy</p> |

| | | | | |
|--------------------|---|---|--|---|
| | | | <p>services</p> <p>Data Improvement on international remittances</p> <p>Customs data for freight & insurance</p> | |
| 9. Viet Nam | <p>Data available for 11 major service categories</p> <p>Source data from ITRS, survey and Administrative records</p> | <p>Data undercoverage for</p> <p>1. Transactions are not made via banking system of Viet Nam</p> <p>2. Services transactions are only classified to 5/11 components (transportation, insurances, communications, tourism and banking)</p> | <p>Improve estimation of services export and imports;</p> <p>Develop FDI statistics:</p> <p>Develop statistical methodologies,</p> <p>Develop reporting / survey form for data collection.</p> <p>Future Plans:</p> <p>Develop data collection based on the Annual Enterprise Survey:</p> <p>Focus on large enterprises.</p> <p>More detailed and careful guidelines</p> <p>More detailed classification according to EBOPS</p> <p>Classify by large partner economies</p> | <p>Statistical trainings to measure ITS</p> <p>Training on data collection and Survey methods</p> <p>Develop monitoring system according to detailed classification of EBOPS</p> <p>Develop monitoring system to collect services data by large partner economies</p> |

Appendices

APPENDIX I

MESSAGES

WELCOME REMARKS

by

DR. ROMULO A. VIOLA

Secretary General
National Statistical Coordination Board
The Philippines

Dr. Gloria Pasadilla, Convenor of the APEC Group on Services;

Our Resource Persons:

Mr. William Cave, Statistics Directorate of OECD;

Mr. Joscelyn Magdeleine, Statistical Officer of WTO;

Ms. Karen Mcguigan, Manager in international trade in services of the ABS; and

Ms. Iluminada T. Sicat of the Bangko Sentral ng Pilipinas

Ms. Corazon R. Buenaventura, our consultant;

Participants from the APEC economies;

Guests from other countries;

Representatives from the ASEAN secretariat;

Representatives from the different local industry associations related to trade in services;

Colleagues and friends from the Philippine Statistical System;

Ladies and gentlemen:

Mabuhay!

On behalf of the Philippine statistical community and the National Statistical Coordination Board or the NSCB, it is my privilege to welcome all of you, especially our friends who have come from across the seas to join us in this important activity on the measurement of international trade in services.

The conduct of this workshop and many other related activities undertaken in the past highlight the fact that international trade in services has grown substantially in importance over the years. The need to come up with appropriate methodologies for the generation of Statistics on International Trade in Services or SITS has therefore become a big challenge to us statisticians and compilers of the national accounts and balance of payments, particularly when we recognize the similarities and differences of our countries' economies and the varying levels of our statistical development.

The Philippines has been moving towards a service driven economy, with the share of services to GDP having expanded from about 37 per cent in the 70s to almost 50% towards the end of the first decade of the current millennium. Lately, we have benefited greatly from emerging sectors related to international trade in services. For example, our business process outsourcing (BPO) industry has grown rapidly from a share of 18% of business services in 2003 to more than 50% in 2007.

Meanwhile, we, in the Philippine Statistical System have recognized the measurement challenges of international trade in services. Our Philippine System of National Accounts (PSNA) now incorporates estimates of value added of the BPO/call center industry under the business services subsector of the private services sector. In addition, the miscellaneous services account under exports of non-factor services has been revised to adjust for the under coverage of IT-enabled services/BPOs in the past. This has been made possible through the unselfish cooperation of the different industry associations and government agencies. In 2005, our central bank conducted a survey of IT-enabled services through the guidance of our Technical Working Group on Trade in Services under the NSCB Inter-agency

Committee on Trade Statistics (IACTRS). Plans are now underway to institutionalize the conduct of this survey with the cooperation of government agencies in the Philippine Statistical System.

We are also pleased to share with you the news that aside from the splendid beauty and natural landscapes and wonders of our country, tourism in the Philippines has been growing due to the emergence of providers of health and wellness services. We hope to be able to account for this in our compilation of the Philippine Tourism Satellite Accounts (PTSA). Our experience in the TSA compilation will be presented together with other international developments in TSA and tourism statistics during the UNWTO Workshop on Tourism Statistics and Tourism Satellite Accounts to be held in Cebu City later this month.

Like in other partner economies in the region, our present methodologies in measuring international trade in services certainly need improvements. Indeed, we envisioned this workshop to serve as a forum for networking, for sharing experiences and for discussing the possible harmonization of measurement methodologies in order to improve the comparability and transparency of trade in services data among APEC economies.

We would like to thank the Asia-Pacific Economic Cooperation (APEC) for supporting this seminar workshop here in Manila, and for giving the Philippines the honor of hosting this activity. Through the three days we will work together, we hope to identify strategies on how to address issues related to the generation of sits, such as strengthening statistical capacity, refining estimation methodologies, harmonization and standardization of concepts and definitions, provision of and access to technical assistance, information sharing and networking, and use and analysis of SITS. I am confident, we will achieve much!

As a side note, I am proud to inform you that this month we are celebrating our 19th National Statistics Month with the theme: “Demand–Driven Statistics: Key To Micro, Small And Medium Enterprise (MSME) Development”. The whole-month celebration organized by the Philippine Statistical System under the leadership of NSCB will be participated in by various agencies and institutions all throughout the country. This will be highlighted by different activities including conferences, exhibitions, dissemination fora, academic competitions, statistical advocacy, and many other related undertakings. We are honored that this APEC seminar workshop has been included as one of our major statistical activities in this year’s celebration of the National Statistics Month.

Finally, we hope all of you will enjoy your stay in our beautiful country, however brief it may be, and that you will be able to savor the hospitality of our people.

MARAMING SALAMAT AT MAGANDANG UMAGA SA INYONG LAHAT!

CLOSING REMARKS

by

MARGARITA SONGCO

Deputy Director General
National Economic and Development Authority
The Philippines

Thank you, I'm sure this is the moment that all of you are waiting for which is the end of seminar but you have to bear with me for a minute or two. So, still good morning to all of you. Congratulations to the participants for completing this seminar. I want to acknowledge the resource persons: Lou, Ms. McGuigan, Mr. Cave and Mr. Magdeleine.

Your inputs and enthusiasm for the past three days has certainly contributed to the attainment of the objectives of this seminar. At this point, I would like to thank APEC I'm not sure who represents APEC right now, the National Statistical Coordination Board and the Department of Foreign Affairs for hosting this seminar. Thank you also to the resource persons for sharing their knowledge with us and helping us to move forward in addressing the challenges in measuring International Trade in Services.

Now that you have gained an added knowledge in the framework for the generation of statistics on International Trade in Services as well as in the manual on statistics on the International Trade in Services, it is hoped that you will be able to apply the knowledge when you return to your respective economies. I was discussing with some participants earlier and I heard that certain issues were raised. I think, this is just but natural, I think you're also a part of this objective to surface some of these concerns, issues so that they can be addressed and at the same time exchange information on how the other economies are able to address such. Of course there are different levels of development of statistics so and this is I think the benefits that we get from such activities. It is hoped that policy and decision makers as well as negotiators like us on services agreements would be able to look forward to improved measurement of trade in services.

I remember one of the provisions in the GATS that there's a reference on assessment of trade in services on overall terms as well as on sectoral basis and there to fit information is one of the reasons why some countries were not able to do the assessment themselves aside from the fact of who is going to do the assessment. It is the council for trade in services or the different economies themselves? And this is a debate in the negotiations in the WTO.

I'm sure that as officials and researchers responsible for statistics measurement understand and appreciate the need and importance of such information especially in the light of the increasing share on trade in services in world trade. In the Philippines, I think it's more than 40% right now much, much bigger than industry as well as agriculture.

The topics covered in the past three days may have addressed part of the problems or the challenges. Nevertheless, it is believed that the seminar has been an effective arena for exchanging experiences of different economies on the measurement of statistics on Trade in Services.

Listening to the wrap-up that was given by Ms Sicat here, it reminds me of our own discussions, internal discussions in our group about some services and goods. A benefit, I'm sure in this seminar is the networking that has been established among the different economies so that in the future if you come up with issues you will be able to consult each other. Lou also mentioned next steps so that your networking will continue and this is not the end of your association with each other. I hope that this seminar could serve as the springboard for continued support to the development and improvement of statistics on trade in services.

You must be looking forward to going back to your respective economies particularly from those who travel like 36 hours and I think that holds true to the participants from Peru, so have a safe trip back to your respective economies and thank you, good afternoon.

APPENDIX II
PROGRAM OF ACTIVITIES

APEC Capacity Building Seminar-Workshop on Measurement of International Trade In Services
1 - 3 October 2008
Renaissance Hotel
Makati City, Philippines

OBJECTIVES OF THE SEMINAR-WORKSHOP

1. To share information on trends and economy experiences on the collection, measurement, dissemination and use of statistics on international trade in services (SITS) and best practices and strategies for responding to challenges in capturing SITS
2. To discuss the possible harmonization of measurement methodologies and networking/ data sharing of SITS among APEC economies to improve the comparability and transparency of services trade data; and
3. To identify strategies on how best to strengthen statistical capacity and address issues related to the generation of SITS, estimation methodologies, harmonization of standard concepts, provision of technical assistance, access to experts/consultants, information sharing and networking, and use/analysis of SITS

| TIME | DATE / TOPIC | RESOURCE PERSON |
|---|--|--|
| <u>DAY 1: 1 October 2008 (Wednesday)</u> | | |
| 8:00 - 9:00 | Registration | Seminar Secretariat |
| | Opening Ceremony | |
| 9:00 - 9:10 | Welcome Remarks | ROMULO A. VIROLA <i>Secretary-General</i> National Statistical Coordination Board, (NSCB), The Philippines |
| 9:10 - 9:20 | Message | GLORIA O. PASADILLA <i>Convenor, APEC Group on Services (GOS)</i> |
| 9:20 - 9:35 | Objectives of the Seminar | CORAZON BUENAVENTURA <i>Technical Consultant</i> |
| 9:35 - 9:45 | Introduction of Participants | LINA V. CASTRO <i>Director, NSCB</i> |
| 9:45 - 10:00 | B R E A K | |
| 10:00 - 11:30 | SESSION I: Framework for the Generation of Statistics on International Trade in Services (SITS) | Session Chair: Romulo A. Virola, Secretary General, NSCB |
| | This session will focus on the following topics and will be discussed by the invited experts: | Resource Person: Ms. Karen McGuigan <i>Manager, Trade in Services</i> Australian Bureau of Statistics (ABS) |
| | a. Overview of SITS | |
| | b. Conceptual framework for the development | |

| | | |
|---|--|--|
| | of SITS | |
| | c. Services transactions between residents and non-residents of the economy including methods of data collection | |
| | d. Methodologies for the estimation of SITS | |
| 11:30 - 12:00 | Open Forum | |
| 12:00 - 1:30 | L U N C H | |
| 1:30 - 3:00 | SESSION II: GATS and Modes of Supply | Session Chair: Mr. Ho Bing Chuen, Singapore |
| | The modes of supply describe through which services may be traded internationally. The invited expert will discuss the topics in this session in detail. | Resource Person: Mr. Joscelyn Magdeleine Economic Research & Statistics Division, World Trade Organization (WTO) |
| | a. Introduction to GATS and WTO | |
| | b. Mode 1 - Cross-Border Supply | |
| | c. Mode 2 - Consumption Abroad | |
| | d. Mode 3 - Commercial Presence | |
| | e. Mode 4 - Presence of Natural Persons | |
| 3:00 - 3:30 | Open Forum | |
| 3:30 - 3:45 | B R E A K | |
| 3:45 - 4:30 | SESSION III: Economies' Presentation on Practical Applications and Approaches on SITS | Session Chair: Mr. William Cave, OECD |
| | This session will include economies' presentation that will focus on the compilation and generation of SITS as well as its uses and analysis. Each presenter is given 15 minutes to present his topic. | |
| | Presentation 1 - Transportation in Australia | Presenter: Ms. Karen McGuigan, Australia |
| | Presentation 2 - Measurement of the Contribution of Contribution of the Business Processing Outsourcing: The Case of the Philippines | Presenter: Ms. Estrella V. Domingo, The Philippines |
| | Presentation 3 - How to go Beyond BPM in SITS | Presenter: Mr. Shin- Tsyng Jing, Chinese Taipei |
| 4:30 - 5:00 | Open Forum | |
| 7:00 - 9:00 | Welcome Dinner, Renaissance Hotel | Hosted by the Bangko Sentral Ng Pilipinas |
| DAY 2: 2 October 2008 (Thursday) | | |
| 8:30 - 9:30 | SESSION IV: Trade in Services Statistics: An introduction to the Manual on Statistics of International Trade in Services and Current Revision Process | Session Chair: Ms. Karen McGuigan, ABS |
| | The invited expert will present the underlying concepts of the Manual on Statistics of International Trade in Services and detail the current revision and consultation processes: | Resource Person: Mr. Joscelyn Magdeleine Economic Research and Statistics Division, WTO |
| | a. Needs for a trade in services manual | |
| | b. Statistical systems and classifications relating to trade in services | |
| | c. Why do we need a revised manual? | |
| | d. Changes in the revised manual | |
| | e. Worldwide consultation | |
| 9:30 - 9:45 | Open Forum | |
| 9:45 - 10:00 | B R E A K | |
| 10:00 - 11:00 | SESSION V: Foreign Affiliate's Trade in Services | Session Chair: Mr. Herzie |

| | | |
|---------------|--|--|
| | (FATS) | Mohamed Nordin, Malaysia |
| | Foreign Affiliate's Trade in Services Statistics or FATS Statistics measure the commercial presence abroad of service suppliers through affiliates in foreign markets. The topics in this session will be discussed in detail by the invited expert and will focus on the following: | Resource Person: Mr. William Cave <i>Administrator for Trade in Services and Balance of Payments, OECD</i> |
| | a. Introduction on FATS | |
| | b. Universe to be covered | |
| | c. Time of recording | |
| | d. Statistical units | |
| | e. Attribution of FATS variables (by country and by activity and product) | |
| | f. Economic variables for FATS | |
| | g. Compilation issues | |
| 11:00 - 11:15 | Open Forum | |
| 11:15 - 11:45 | SESSION VI: Presentation by APEC Economies | Session Chair: Mr. Joscelyn Magdeleine, WTO |
| | This will include a 15-minute presentation from each of the identified APEC economies on their compilation processes and methodological issues/concerns on specific topics. | |
| | Presentation 1 - International Trade in Services Data Collection in Thailand: Education and Medical Services | Presenter: Ms Vilai Pinijkulviwat, Thailand |
| | Presentation 2 - The United States Experience in Collecting FATS | Presenter: Ms. Anne Flatness, USA |
| 11:45 - 12:00 | Open Forum | |
| 12:00 - 1:30 | L U N C H | |
| 1:30 - 2:15 | SESSION VII: Integrated Presentations by APEC Economies | Session Chair: Ms. Elsa Lee Ling-ye, Hong Kong, China |
| | This will include a 15-minute integrated presentation from each of the identified APEC economies on the status, priority areas and improvements in measuring SITS from the viewpoint of national accounts and balance of payments. This will serve as input to the panel discussion in session VIII. | |
| | Presentation 1 | Presenter: Mr. Joseph Aka, Papua New Guinea |
| | Presentation 2 - Measuring International Trade in Services | Presenter: Ms. Daisy M. Cabral, Philippines |
| | Presentation 3 - The Measurement of International Trade in Services in Viet Nam | Presenters: Ms. Nguyen Thi Thanh Xuan and Ms. Vu Thi Thanh Huyen, Viet Nam |
| 2:15 - 3:00 | Open Forum | |
| 3:00 - 3:15 | B R E A K | |
| 3:15 - 5:00 | SESSION VIII: Panel Discussions on APEC Recommendations | Session Chair: Mr. Rolando Paniagua Taboada, Mexico |

| | | |
|---------------|---|---|
| | In this session, the invited local resource person will have a 30-minute presentation which will focus on the discussion of the identified key/priority areas for SITS compilation of each individual economy based on economy submissions. Afterwards, the identified panelists will provide reactions to the presentation citing its feasibility and limitations. The Panelists may also share their knowledge on the experiences of other developed economies. Among others, the following topics may be taken up: | Resource Person: Iuminada T. Sicat, The Philippines Panelists: Karen McGuigan, ABS Joscelyn Magdeleine, WTO William Cave, OECD |
| | a. Methodologies for measurement of SITS | |
| | b. Harmonization of standard concepts | |
| | c. Compilation guidance/technical assistance/training | |
| | d. Data sharing and networking | |
| | e. Uses and analysis of SITS | |
| | <u>DAY 3: 3 October 2008 (Friday)</u> | |
| | | |
| 8:30 - 11:35 | SESSION IX: GROUP WORKSHOP AND PRESENTATION OF GROUP OUTPUTS | Facilitator: Iuminada T. Sicat |
| 8:30 - 8:35 | Mechanics for the Group Workshop | Reactors: |
| | The participants will be divided into two groups. Each group will designate a Chair to facilitate discussion for 1 hour and 30 minutes. A rapporteur within the group will be assigned to serve as documentor. The expected outputs of each group will be a set of priority issues/concerns for the SITS compilation as an APEC region as well as feasible recommendations to address these concerns which will be presented by the Chair of each group for 15 minutes. Each of the identified reactors will provide a 10-minute reaction after each group's output presentation. The Facilitator will then give a synthesis based on the presentation and reactions provided by the Panelists. | Karen McGuigan, ABS Joscelyn Magdeleine, WTO William Cave, OECD |
| 8:35 - 10:05 | Group Workshop | |
| 10:05 - 10:35 | Group Presentation | |
| 10:35 - 11:35 | Panel Discussion | |
| 11:35 - 11:45 | Synthesis | |
| 11:45 - 12:00 | Closing Ceremony Closing Remarks | MARGARITA R. SONGCO <i>Deputy Director-General</i> National Economic and Development Authority, The Philippines |

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APPENDIX IV

WORKSHOP MECHANICS/GROUPINGS

Session 9 – Group Workshop and Presentation of Group Outputs

October 3, 2008

Workshop Grouping

Group 1

1. Hong Kong, China
2. Indonesia
3. Malaysia
4. Mexico
5. Papua New Guinea
6. Peru

Group 2

1. The Philippines
2. Singapore
3. Chinese Taipei
4. Thailand
5. United States
6. Viet Nam

Instructions:

1. Please come on time. We will start at exactly 8:30 AM.
2. As an APEC region, please prepare a set of priority issues and concerns on SITS compilation that may be addressed by the APEC.
3. Also, prepare specific recommendations on how to address these concerns.
4. At the beginning of the workshop, please identify a chair who will present the output of the group and a rapporteur who will document the discussion. The Secretariat will provide each group with the necessary equipments to be used during the discussion (laptop, thumb drive, etc).
5. The groups will be given 1 hour and 30minutes to discuss priority issues and concerns and specific recommendations to address them. Each group will prepare a matrix that will be given to the Secretariat for reproduction.
6. Each group will be given 15minutes to do the presentation of the group's output.
7. Each reactor will be given 10minutes to react on each presentation.
8. The Facilitator will provide the synthesis.