PROGRESS REPORT ON STATISTICS ON INTERNATIONAL TRADE IN SERVICES

1. INTRODUCTION

At the Thirty-Fourth Meeting of the Standing Committee of Caribbean Statisticians (SCCS), the Regional Statistics Programme of the CARICOM Secretariat provided information about initiatives that were proposed to develop services and investment statistics under the Ninth European Development Fund (9th EDF), Caribbean Integration Support Programme (CISP). The Secretariat is therefore pleased to announce that work commenced in April 2010 on the consultancy - Develop and Implement the CARIFORUM Economic Statistics Action Plan (CESAP) Trade in Services and Investment Statistics which seeks to build on prior interventions that were undertaken in 2001/2002 and 2004/2005. A Consultant was recruited with funding from the European Union to undertake developmental work in these areas of Statistics.

This paper presents the progress of work on this initiative as follows:

(i) The Activities completed and Outputs and Achievements realised to date;

(ii) Update on the status of Regional International Trade in Services/Investment Flows (details) Databases at the CARICOM Secretariat;

(iii) A Report on the Technical Working Group (TWG) Meeting as it pertains to Trade in Services and Investment Statistics; and

(iv) Proposed Work and Activities.
It commences with a brief overview of the objectives and activities in the scope of work of the project.

2. PROGRESS OF WORK ON THE CONSULTANCY: DEVELOP AND IMPLEMENT THE CARIFORUM ECONOMIC STATISTICS ACTION PLAN (CESAP) TRADE IN SERVICES AND INVESTMENT STATISTICS

2.1 Project Overview

The objective of the project is to put in place a sustainable framework and to build capacity through the delivery of technical assistance and training to provide statistics on Trade in Services and Investment Statistics for monitoring and guiding the establishment of the CARICOM Single Market and Economy (CSME).

Essentially, the main focus of the initiative is to enable the compilation of Trade in Services Statistics at the level of the Extended Balance of Payments Services (EBOPS) and on Foreign Affiliate Trade in Services Statistics (FATS); Improvement of Statistics on the Production of Services; Compilation of details of Investment Statistics (Country of Origin, Intra/Extra Regional, Industry, Component); preliminary work on the design of a prototype questionnaire that can be used to compile more detailed data on production and trade in services statistics in selected core sectors. The project also seeks to build synergies between the Central Banks and the National Statistical Offices as well as to sensitise in general producers, users and suppliers of statistics in these areas to sustain the process post the project. As in the past projects the harmonisation in the production of these statistics across countries is vital.

The main activities of the Project as designed by the Secretariat are as follows:

(i) Updating of the status of the production of statistics of international trade in services based on the conduct of a Baseline Situational Assessment;

(ii) Facilitating the delivery of in-country technical assistance/training to enable the compilation of statistics on International Trade in Services and Investment details by all countries;

(iii) Conducting of Regional Workshop(s) including facilitating the CARICOM TWG in these areas of statistics

(iv) Reviewing of the templates for data collection, questionnaires and other instruments;
(v) Refining of the Common Guidelines; and

(vi) Preparing of reports on all activities as required

### 2.2 Current Status of Project - Activities Completed and Outputs Achieved

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<th>ACTIVITY</th>
<th>OUTPUT</th>
<th>CHALLENGES / BEST PRACTICES</th>
<th>REMARKS</th>
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<td>1. A Briefing Meeting with the Consultant of the Project was held in April 2010 in Barbados which served to provide the consultant with any clarifications of the that were required with respect to the understanding of the Objectives, Results to be achieved and the Scope of Work as interpreted in the Organisation and Methodology that was prepared by the Consultant. Discussions were also held on the Work Plan relative to the updating of the Baseline Situational Assessment visits that were required.</td>
<td>An Inception Report was prepared which served to revise the Organisation and Methodology as required. This report included an Implementation Plan and a schedule of country visits for the updating of the Situational Assessment.</td>
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<td>2. Assessment visits were undertaken to selected Member States by the Consultant and the CARICOM Secretariat. This Assessment commenced in May and concluded in June 2010, entailed visits to five (5) Member States, Dominica, Guyana, St. Kitts and Nevis, St. Vincent and</td>
<td>a) An Assessment Questionnaire was prepared by the consultant taking into consideration the one provided to the Consultant by the Secretariat.</td>
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<td>Obtaining convenient dates for country visits.</td>
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<td>the Grenadines and Trinidad and Tobago. The Consultant was also provided with an assessment questionnaire that was utilised by the CARICOM Secretariat relative to the designing of a questionnaire to be administered to all countries as part of this assessment.</td>
<td>b) A Revised Inception report with the contents as indicated in (a) based on feedback from the CARICOM Secretariat and incorporating the results of the updated Situational Assessment.</td>
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<td>c) Individual Country Assessment Reports were provided along with the completed questionnaires for the countries visited;</td>
<td>d) A work plan for the administering of in-country technical assistance was prepared and finalised by the Secretariat and the Consultant after feedback from countries.</td>
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<td>3. Work has commenced on the revision and finalisation of the Common Guidelines for the production of Statistics on Trade in Services and documentation on work put in place by the Secretariat on this revision was submitted to the Consultant.</td>
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<td>4. Work has commenced on the development of a Common Questionnaire to collect data on</td>
<td>A draft questionnaire along the lines of the Statistics Canada questionnaire has been prepared.</td>
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2.3 Preliminary Assessment of Current Situation

Based on the inception report submitted by the Consultant after the conduct of the Baseline Situational Assessment and review of the assessment questionnaires submitted to date, the following is an indication of the current status of international trade in services post the CIDA and CARICOM-USAID Projects:

The Extended Balance of Services Payments Classification (EBOPS)

(i) There was evidence of capacity building following the two projects that were executed in 2001/2002 and 2004/2005 respectively. Some Member States, Belize, Jamaica and Suriname have compiled EBOPS annually as part of the BOP compilation exercise since
then and have up to date series on EBOPS. This was supported by a project by the Eastern Caribbean Central Bank (ECCB) followed by the CARICOM Project of 2004/2005.

*Foreign Affiliate Trade Statistics (FATS)*

(ii) Trinidad has a comprehensive business register, from which the register of FDIs and the FATS subset can be generated, unlike most of the other countries. However only some rough compilation work on FATS variables for selected sectors were being generated.

### 3. UPDATE ON THE STATUS OF REGIONAL INTERNATIONAL TRADE IN SERVICES/INVESTMENT FLOWS (DETAILS) DATABASE AT THE CARICOM SECRETARIAT

#### 3.1 Regional Trade in Services Database

The Regional Trade in Services database has been updated with data for **ten (10)** Member States for the year 2009. Generally, the data have been extracted from the Services component of Member States Balance of Payments, compiled according to the Fifth Edition of the Balance of Payment Manual (BPM5).

**Five (5)** Member States were able to produce services statistics according to the Extended Balance of Payments Services (EBOPS) classification. Three (3) of these Member States, Belize, Jamaica and Suriname have submitted data according to the Extended Balance Of Payments (EBOPS) format for the year 2009 and Dominica and St. Vincent and the Grenadines for the year 2007. These Member States must be commended for their efforts to compile BOP data according to items in the EBOPS classification.

All the available data for 2009 have been disseminated on the Secretariat's web site. At the regional level, these include data on imports, exports and balance of trade by broad areas comprising Transportation, Travel, Commercial Services and Government Services. Detailed data on each Member State were also disseminated.

#### 3.2 Investment Statistics

The Foreign Direct Investment (FDI) database at the CARICOM Secretariat attempts to present a comprehensive set of FDI statistics for reporting Member States. These data include inflows and outflows of FDI by source and destination, classification by component (which includes equity capital, reinvested earnings, divestment and other capital) and by industry/sector.
As at October 2010, the FDI database was updated with data for nine (9) Member States for the year 2009. Of those nine countries, all submitted FDI data by type, eight (8) provided data by industry/sector and seven (7) provided data on sources/destinations. In effect, seven (7) Member States were able to provide a complete profile on investment statistics, that is, by type, source/destination and sector. It should be noted that several data gaps still exist in the reporting of these statistics by Member States, such as the provision of data by sources/destinations and industry/sector breakdown.

4.  A REPORT ON THE TECHNICAL WORKING GROUP (TWG) MEETING AS IT PERTAINS TO TRADE IN SERVICES AND INVESTMENT STATISTICS

At the Second meeting of the CARICOM Technical Working group (TWG) was convened in April 2010 in Barbados, the group discussed the Manual of Statistics on International Trade in Services (MSITS) 2010, the movement by countries to the Extended Balance of Payments in Services (EBOPS), the Balance of Payments Manual version6 (BPM6) and the promotion of closer cooperation between the National Statistics Offices (NSO) and Central Banks as it relates to the compilation and dissemination of services statistics.

One of the major outcomes of this meeting was the support by Member States for the development of a BOP and Trade in Service Inter-agency Technical Working Group comprising representatives from the NSO, Central Banks, private sector and other related Ministries.

5.  PROPOSED WORK

5.1  Proposed Activities

Some of the proposed work to be completed includes the following:

(i) Completion of technical assistance under the current consultancy – Develop and Implement the CARICOM Economic Statistics Action Plan (CESAP) Trade in Services and Investment Statistics;

(ii) The convening of a regional training workshop from 22-26 November 2010 to discuss the results of the project and to share the experiences with other Member States;

(iii) Finalisation of the Common Guidelines for the production of Statistics on Trade In Services;
(iv) Delivery of the completed Common Questionnaire to collect data on services statistics.

**ACTION REQUIRED**

The **Meeting** is **invited** to:

- **consider** the execution of work activities on the under the CISP, 9th EDF project, Develop and Implement the CARIFORUM Economic Statistics Action Plan (CESAP) Trade in Services and Investment Statistics.

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