

CARIBBEAN

COMMUNITY

SECRETARIAT

**THIRTY-EIGHTH MEETING OF
THE STANDING COMMITTEE OF
CARIBBEAN STATISTICIANS**

SCCS/2013/38/5

**Frigate Bay, St. Kitts and Nevis
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PROGRESS REPORT ON STATISTICS ON INTERNATIONAL TRADE IN SERVICES

1. INTRODUCTION

Member States will recall that at the Thirty-Seventh Meeting of the Standing Committee of Caribbean Statisticians (SCCS) which was held in St. George's, Grenada in October 2012, the Secretariat presented a report on the current status of work on Statistics on Trade in Services. At this meeting, countries were urged to consider the work done under the Ninth European Development Fund (9th EDF) with respect to the development of services statistics in the Region and to continue with the developmental work put in place during the Project. Additionally, the Meeting noted that countries were able to significantly improve the services data compilation according to the level of the Extended Balance of Payments Classification (EBOPS) based on the technical assistance received under the 9th EDF funded consultancy.

There has been significant improvement in the production of these statistics with EBOPS data being produced by a few countries in BPM 6 format. The Eastern Caribbean Central Bank (ECCB) also provided the Secretariat with the complete FDI dataset (by type, sources and industry) for all the Organisation of Eastern Caribbean States (OECS) countries. The paper presents a synopsis of the work undertaken by the Regional Statistics Programme with respect to work done in the area of Trade in Services post the Thirty-Seventh Meeting of the SCCS, under the following:

- Status of the Regional Trade in Services/Investment Statistics Database at the CARICOM Secretariat;
- Follow up work on the creative industries / cultural services.
- Overview of the Regional Workshop on Travel and Tourism which was held in Roseau, Dominica in May 2013; and
- Proposed work.

2. STATUS OF THE REGIONAL TRADE IN SERVICES/INVESTMENT STATISTICS DATABASE AT THE CARICOM SECRETARIAT

2.1 Trade in Services

Data for 2012 are currently available in the EBOPS format for eleven (11) countries including the OECS countries, The Bahamas, Belize, Jamaica and Suriname. In addition, data are available up to 2011 for two (2) countries – Barbados and Trinidad and Tobago. Data for Barbados were extracted from the Balance of Payments (BOP) database. Trade in Services data are not currently available from the Member State of Guyana.

The CARICOM Secretariat would like to commend these Member States as well as the ECCB for the production of data in the EBOPS format and would like to encourage other Member States to expand their compilation of services statistics according to this format and to work in collaboration with their respective Central Banks, where necessary.

The Secretariat would also like to further commend the Member States of Belize, Dominica, Grenada and Trinidad and Tobago for compiling and submitting EBOPS data in accordance with the newly recommended EBOPS format, as defined in the Manual on Statistics of International Trade in Services (MSITS) 2010. While there are still major gaps in the data it is the hope that these will be filled following work on the various areas which will be put in place through funding to be supplied by the European Union (EU). Belize has formally notified the Secretariat that their Balance of Payments (BOP) dataset is now being prepared according to the BPM 6 format.

Updates are still being processed and work continues in this area. A publication was disseminated with data for the period 2006 to 2011 on the Secretariat's website.

The Secretariat had requested that Member States volunteer for the pilot of the Trade in Services questionnaire, but the funding for this project has not been available to date. This activity will now take place in 2014.

2.2 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 types (which includes equity capital, reinvested earnings, divestment and other capital) and by industry/sector.

As at September 2013, the FDI database was updated with data for eleven (11) Member States for the year 2012. Of those eleven (11) countries, all submitted FDI data by type, eight (8) provided data by industry/sector and eight (8) provided data on sources/destinations. For monitoring of the CSME, intra-regional flows are required and this data are not available. The Secretariat would like to urge countries to consider the compilation of data on intra-regional FDI flows.

3. FOLLOW UP WORK ON THE CREATIVE/CULTURAL INDUSTRIES.

Member States would recall that the Manual on Statistics of International Trade in Services (MSITS 2010) was recently updated to conform with the International Monetary Fund's (IMF), Sixth Edition of the Balance of Payments and International Investment Position Manual (BPM6) - the present international statistical framework for the compilation of Balance of Payments, including international trade in services. A proposal was made by the World Trade Organisation (WTO) to amend the EBOPS to capture the measure of cultural services in the Caribbean. Workshops were held to discuss the way forward, the most recent ones being in Barbados on Trade in Services and Creative Industries in May 2012 and the other in Dominica in May 2013.

The primary objective of the former workshop was to assist the Region in developing Trade in Services statistics, particularly in relation to the development of creative and cultural industries in the Region. It was an opportunity for countries, regional institutions and other partner organisations to share their experiences and thoughts in the development of these statistics. Follow-up continues in this area.

A regional Workshop on Travel and International Tourism Consumption was held from 14-17 May 2013 in Dominica. It was organised by the United Nations Statistical Division (UNSD) in close collaboration with the CARICOM Secretariat. It was hosted by the Central Statistical Office of Dominica. The World Trade Organisation (WTO), United Nations World Trade Organisation (UNWTO), Statistics Canada, The Eastern Caribbean Central Bank (ECCB), The Caribbean Organisation (CTO), United Nations Educational, Scientific and Cultural Organization (UNESCO) and The World Intellectual Property Organisation (WIPO) also collaborated in the convening of this activity. Participants included representatives of the National Statistical Offices, Central Banks and Ministries/Departments of Tourism in the Region.

The main objective of this workshop was to address compilation issues faced by the Region with regard to Travel and International Tourism Consumption. It was part of a programme to provide support to the developing countries for the implementation of the Manual on Statistics on International Trade in Services 2010 (MSITS2010), the International Reconstruction of Tourism Statistics 2008 and the Tourism Satellite Accounts Recommended Methodological Framework 2008 by fostering discussions on specific compilation issues faced by countries as well as to present them with an opportunity to share their experiences in the compilation of travel and tourism statistics.

The four-day workshop explored concepts relative to the distinction between travel and tourism expenditure and examined the scope of expenditure related to these areas, as well as the methods used for their measurement. It also followed up on recommendations with respect to a previous workshop on the creative industries which was held in Barbados in 2012. It featured presentations from participating countries in a number of areas including: estimating travel in the Balance of Payments using the International Transaction Reporting System of the Banks (ITRS); main data sources for estimating tourism expenditure as part of tourism statistics; difficulties and challenges experienced in producing tourism statistics; and the measuring employment in tourism. Presentations were also made by Statistics Canada on practical issues relating to tourism expenditure and other elements of tourism demand including investment in non-financial assets and expenditure of government in support of tourism and establishing a Tourism Satellite Account (TSA). The workshop also followed up recommendations with respect to a previous workshop on the Creative Industries that was held in Barbados 2012. A proposed classification for the creative industries was presented.

Some of the major recommendations coming out of the workshop were:

- The methodologies used in the data collection, processing and estimation procedures of Visitor Expenditure Surveys should be reviewed;
- Attention should be given to the identification of the basic data sources, including already existing official sources used in measuring travel; and compiling tourism data to ensure that they are internally and mutually consistent as well as reliable across agencies within the respective countries;
- Develop and strengthen institutional arrangements among agencies such as National Statistical Offices, Central Banks, National Tourism Administrations, etc.
- Follow-up on classifications used in the creative industries and preparation of the collection of data on International Trade in Services.

4. PROPOSED WORK

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

- (i) Work continued on the finalisation of the Common Guidelines for the production of Statistics on Trade In Services;
- (ii) Continued monitoring of the production and dissemination of services data at the regional level post the work of the Trade in Services consultancy; and
- (iii) Continued efforts to build capacity at the national and regional levels through the Help Desk Facility and attachment programmes with the support of funding by the EU.

ACTION REQUIRED

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

- (i) **urge** Member States to continue with the developmental work put in place during the 9th EDF funded Project relative to the compilation of statistics at the level of the EBOPS;

- (ii) **consider** the status of the work done at the Secretariat relative to the Trade in Services/Investment Statistics and to obtain feedback on the work put in place;
- (iii) **note** that the piloting of the detailed questionnaire on International Trade in services relative to countries that have volunteered will take place 2014; and
- (iv) **also urge** countries to consider the possibility of providing data on the intra-regional FDI flows.
- (v) **commend** the countries that have been able to produce data in accordance with the EBOPS.
- (vi) **also commend** the ECCB for its support provided in the submission of FDI data as well as the EBOPS for the OECS countries.
