

**TWENTY-SEVENTH MEETING OF  
THE STANDING COMMITTEE OF  
CARIBBEAN STATISTICIANS**

**RESTRICTED**

**SCCS 2002/27/2**

**St. George's, Grenada**

**11-13 November 2002**

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**STATUS REPORT INTERNATIONAL TRADE IN SERVICES**

**Background**

At the Twenty-Sixth Meeting of the Standing Committee of Caribbean Statisticians (SCCS), the Interim Report of the Consultants who had conducted a situational assessment on the status of services statistics was presented for consideration. Following the Twenty-Sixth SCCS Meeting, a review Meeting was held between the Secretariat and the Consultants to consider the findings of the Interim Report. The Final Report was submitted late in December 2001. In February 2002, the Secretariat convened a Workshop in Barbados which was hosted by the University of the West Indies (UWI)- Centre for International Services and the Government of Barbados, through the Barbados Statistical Service.

2. Two pilot national Workshops were also held; one in Grenada and the other in St Kitts and Nevis. The Workshop in Grenada was hosted by the Government of Grenada, in collaboration with the Central Statistical Office, while the workshop in St Kitts and Nevis was hosted by the Eastern Caribbean Central Bank (ECCB) and the Government of St Kitts and Nevis, including the Department of Statistics. This Paper reports on the considerations of these Workshops and the programme of work on International Trade in Services.

### **Final Report of the Situational Assessment on Services**

3. The final Report on the Situational Assessment with respect to Services Statistics in Member States reflected on the following issues:

- (i) the adequacy of the existing statistical programmes to meet the needs of policy makers, trade policy analysts and trade negotiators engaged in fostering and analysing growth and structural transformation in the economies of the CARICOM Member States, through promoting the development of services production both for domestic consumption and for international trade, and
- (ii) the capability of these statistical programmes for assessing and monitoring the impact on the domestic economy of widening markets, through liberalisation of trade in services, by removing restrictions under Protocol II for the CARICOM Region, as well as through the other trade agreements in which the Region will be involved such as the World Trade Organisation (WTO)/General Agreement on Trade in Services (GATS) and the Free Trade Area of the Americas (FTAA).

4. The Final Report identified the Analytical Framework to produce statistics on International Trade in Services to suit the needs of users, reviewed the Statistical Programmes through which data are collected and issued recommendations on how the programmes could be enhanced.

### **Meeting the Statistical Needs of**

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### **Users-Analytical Framework**

5. The framework identified to meet the statistical needs of users comprised the following:

- (i) The 1993 System of National Accounts (SNA 93) and the Balance of Payments (BPM5) provide useful analytical frameworks for analysing and monitoring the structure, importance and characteristics of the services in the economy as they relate to production and international trade aspects of services;
- (ii) the collection of product level details with respect to industry outputs and inputs in order to assemble total output, intermediate uses, and imports of services i.e. the production of goods and services require inputs of services that can either be produced domestically or imported;
- (iii) similarly, data on the value of exports of services can be interfaced with the production of services - services produced are sold domestically or exported;
- (iv) the mode of delivery of services which define the ways in which services can be traded: cross-border trade - from the territory of one Member to that of another (exports and imports of services data); consumption abroad - in the territory of one Member to the service consumer of any other Member (tourist/visitor expenditure on services); commercial presence by a service supplier of one Member through a commercial presence in the territory of another Member (Foreign Affiliate trade in services); presence of natural

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persons-by a service supplier of one Member through presence of natural persons in the territory of any other Member (owner or employee of a firm travels across the border to deliver the service either on own account or as an employee of a firm);

- (v) recommendations were also made about the Statistical Allocation of modes of supply using a simplified approach for services that are delivered through one or more modes of supply.

### **Statistical agencies**

6. The services statistics required to meet the needs of users have to be assembled from a variety of sources into a common framework. These sources are :Statistical Offices, Central Banks, Tourism Authorities, Immigration Departments, Tax Departments.

### **Classifications**

7. The major statistical classifications to be considered for the purposes of collecting and compiling services statistics are:

- (i) the GATS Sectoral Classification (GNS/W/120)-Legal classification composed of sectors, sub-sectors and detailed categories used in defining the boundaries of the GATS negotiated agreements;
- (ii) the BPM5;
- (iii) the Extended Balance of Payments in Services (EBOPS) providing detailed classification of the services component of

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the balance of payments; and

(iv) the Central Product Classification (CPC v 1.0) .

8. These classifications are progressively more detailed. Some measure of correlation exists between the various classifications

9. The recommendations, issues resource requirements are presented in Paper SCCS/27/ .Add 1.

### **Regional Workshop**

10. The regional Workshop in Barbados was attended by almost all Member and Associate Member States as well as regional organizations, the Caribbean Centre for Monetary Studies (CCMS), the Caribbean Development Bank (CDB), the Caribbean Regional Technical Assistance Centre (CARTAC), the Caribbean Tourism Organization (CTO), the ECCB as well as the private sector, Ernst and Young and Price Waterhouse Coopers. Representatives from both the Central Banks and the National Statistical Offices were invited to the Workshop. The Workshop was facilitated by the Lead Consultant who conducted the situational assessment on services in the region.

11. The objective of the Workshop was to offer specialised training in the collection, compilation and estimation of services statistics and to provide technical support to Member States to enable them to implement the recommendations to strengthen capabilities to produce these statistics.

12. Another objective of the Workshop was to obtain feedback from the participants about the issues and recommendations, the programme of work and the resources as outlined in the Final Report of the Situational Assessment.

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13. The agenda addressed the following issues:
- (i) the context of capacity strengthening with respect to services statistics in Member States focusing on an overview of the establishment of the Caribbean Single Market and the Economy (CSMC), the CARICOM Protocol II provisions, the FTAA and GATS/WTO negotiations and the implications of these agreements for the establishment of the a System of Services Statistics;
  - (ii) the methodological framework for the collection, compilation and analysis of services statistics focusing on Production and International Trade statistics-analytical requirements including-SNA 1993, Balance of Payments, Tourism Satellite Accounts, Labour Market Statistics, the four modes of supply and classification systems, Foreign affiliate trade in services;
  - (iii) presentations on the production of services statistics: compilation of services statistics using two countries as case studies and there were presentations by Barbados and Trinidad and Tobago with respect to the production ( national accounts) of services and trade in services as per the balance of payments;
  - (iv) enabling of statistics on services: discussion of the recommendations from the situational assessment and of best practices, expanding and updating the register, expanding coverage of industries, product details, questionnaire content, in-depth surveys, sources of data non-response;

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- (v) short versus long-run considerations, implementation plan and setting of priorities with respect to core of data on services.

14. The expected outputs included a core of trained persons in the Region with enhanced awareness and knowledge of services statistics collection and compilation; the encouragement of in-country coordination of agencies/personnel comprising users, suppliers and producers concerned with services to implement and monitor the development process of measuring the contribution to services. Other outputs included the initiation of the process of establishing a network of specialists/experts in services statistics; informing of procedures and guidelines for the compilation of services statistics from existing data and a report of the workshop.

15. The session on CARICOM Protocol II, FTAA and GATS was in the form of a panel discussion comprising Ms. Lynette Eastmond, Director of International Business, Ministry of Economic Development, Barbados, Dr. Shelton Nicholls of the CCMS, Mr. Roderick Sanatan of the CIS-UWI, and Mr. Ivor Carryl of the CARICOM Secretariat. They explained the current situation with regard to the various international trade agreements under negotiations and the timelines that define these negotiations. All panellists stressed the absence of data which hamper the quality of the commitments that are negotiated.

16. While participants acknowledged the absence of data, they posited that there is need to empower these offices to provide the data needed by policymakers.

### **Outcome of the Regional Workshop**

17. The context of the need to strengthen statistics on services relative to the regional and international thrusts was established. The presentation and discussions of the country case studies of procedures with respect to collection and compilation of

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production and trade in services showing what was currently available and future plans. The gaps and deficiencies in the data processes were also revealed.

18. Participants were also able to exchange information on the methodologies and statistical programmes and share experiences. This was facilitated by working group discussions followed by presentations..

19. The Workshop served the purpose of creating greater awareness of the need for services statistics, of informing of the framework, of discussing the main issues in the Final Report of the situational assessment, recommendations.

20. The participants expressed the view that statistical agencies have been pre-occupied in collecting business statistics about goods production and that efforts in collecting services statistics have proven to be more difficult than that of goods. The Workshop increased the awareness of the fact that however difficult, they are now faced with the challenge of identifying and measuring the services produced and traded and in their economies. There was a greater recognition of the need to foster inter-agency collaboration and to get the Directors of Statistics on board. The need was expressed for further guidance and assistance and opportunities to share experience.

21. During this Workshop a CARICOM Advisory Group on services was established with detailed activities which included: to document the theoretical framework and methodologies for producing statistics on services, to examine the possibility of and requirements for the establishment of a common set of methodological guidelines and to examine the issue of classifications with a view to determining whether it would be feasible to adopt a uniform classification system for collecting and monitoring services. Short-term and long-term objectives were established.

22. Core Areas of Services Determined by the Working Group were Tourism,

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Financial, Business and Professional, Entertainment, Education, Information Technology, Health. It was however recognised that there may be priority areas that are country-specific.

23. The working group tentatively determined that it should meet twice per year. Efforts would be taken to activate this Working Group early in 2003 in order to advance the activities of the group and the objectives of setting up a system of services statistics.

### **Pilot National Workshops**

24. The objective of the National Workshop in services statistics was also to offer specialised training in the collection and compilation of services statistics and to test the recommendations made in the Final Report at the national level. The Workshop brought together producers, suppliers and users of service statistics to inform about the basic infrastructure required to establish a system of services statistics. Feedback was also obtained from participants relative to the feasibility of the implementations of the key recommendations of the Final Report on the situational assessment. The users, producers and suppliers were also brought together to guide the formulation of an operational plan for the initiation of the phased programme.

25. Special sessions were held for selected service activities. In Grenada the discussion focused on Tourism, Financial and Telecommunication and Computer Services and in the case of St Kitts and Nevis, Financial, Tourism and Business and Professional Services. The Workshops attempted to develop at the national level a feasible programme of activities inclusive of timelines.

26. The Lead Consultant facilitated the workshop in Grenada while the Acting Director of Statistics of Trinidad and Tobago facilitated the workshop in St Kitts and Nevis. The workshop reports were distributed to persons attending the regional and national level

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workshops as well as to all statistical offices and other agencies.

27. Other resource persons were Price Waterhouse Coopers, the CARICOM Secretariat, Representatives of Government Ministries and from the Hotel and Tourism Association.

### **Production of Report on Trade in Services**

28. The CARICOM Secretariat also produced a report with existing data on International Trade in Services and is also in the process of compiling a report on the production of services. The report highlighted data for 12 Member States based on data from the Balance of Payments. The data were presented at broad service areas - Transportation, Travel, Commercial and Government Services, showing receipts and payments at the level of CARICOM and Member States. The most disaggregated data were also presented by Member State. For at least two Member States, Belize and Barbados, the level of details of the data matches closely the format of the Extended Balance of Payments in Services (EBOPS).

### **Work in Progress and Future Programme**

29. It is urgent to convene a meeting of the Advisory Group to advance the activities to advance the programme and to enable a common approach to services statistics and to evaluate the developmental work performed.

30. The Secretariat is also attempting to obtain funding and technical assistance

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to continue the process of compilation of services statistics;

31. For the Member States in which the Pilot National Workshops were convened, the process as detailed in the programmes discussed should be continued with the support of future technical assistance.

32. It was anticipated that with the availability of funding, national workshops could be convened in other Member States with the support of the Secretariat and the expertise available regionally.

33. The Secretariat would still like to encourage those Member States who can convene workshops of users, producers and suppliers to do so

34. Project proposals have been prepared and sent to various agencies and feedback is being awaited to pursue the continuation of this very important area of statistics.

### **Action Required of the Meeting**

35. The Meeting is **invited** to:

- (i) **consider** the status of work with respect to services statistics;
- (ii) **also consider** the future plans for the continuation of the

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developmental work;

- (iii) **urge** Member States to convene at the national level workshops of users, producers and suppliers of services statistics with a view to enabling their collection and compilation.

**AGENCIES AND ORGANIZATION SUPPORTING REGIONAL  
AND NATIONAL PILOT WORKSHOPS**

The regional workshop was funded by the following organizations:

- (i) The Canadian International development Agency (CIDA),;
- (ii) The Government of Barbados through the Barbados Statistical Service;

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- (iii) The Centre for International Services of the University of the West Indies;
- (iv) The Centre for Monetary Studies (CCMS);
- (v) The Central Bank of Barbados;
- (vi) The Caribbean Export Development Agency;
- (vii) Ernst and Young;
- (viii) Price Waterhouse Coopers;
- (ix) The Cable and Wireless (Bartel) Limited;
- (x) The Caribbean Regional Technical Assistance Centre (CARTAC);
- (xi) The Caribbean Tourism Organization; and
- (xii) The Barbados Port Authority.

**National Workshops**

- (i) The Government of Grenada through the Central Statistical Office Grenada;
- (ii) The Government of St Kitts and Nevis through the Department of Statistics; and
- (iii) The Eastern Caribbean Central Bank.

