

# Introduction

1. Rapid technological advances in the past few decades in transport, computing and telecommunications, including the development of the Internet and electronic commerce, have allowed enterprises to avail themselves of resources for production at more distant locations than ever before and have enabled them to import or export services from ever wider markets. This trend towards globalization, reinforced by liberalization policies and the removal of regulatory obstacles to economic activities, has fuelled the steady growth of multinational enterprises, international investment and trade in goods and services. Better communication and transport have also facilitated the movement of people for the purposes of tourism, migration, employment and trade. The result has been a growing economic interdependency among countries, be it through international trade, multinational enterprises, global value chains or the outsourcing of business functions. Particularly in the field of trade in services, which are increasingly becoming the focus of trade liberalization agreements, market access deregulation and other policy initiatives, statisticians face a growing challenge to produce statistics that measure these complex global transactions in a clear, accurate and timely manner.
2. The services sector accounts for the largest share of business activity, employment and economic growth in most economies, yet the role of services trade, particularly in designing policies and negotiating regional agreements, continues to be poorly understood. A major reason for this disconnect is the absence of abundant, high-quality data on trade in services that is comparable across economies, making it difficult to measure the impact of services trade on the economy and provide useful information for negotiators and policymakers to open up market access or develop policy tools to facilitate trade in services.
3. In that context, the Statistical Commission adopted of the United Nations,<sup>[1]</sup> in 2010 at its forty-first session, the *Manual on Statistics of International Trade in Services 2010 (MSITS 2010)* and endorsed the implementation plan, while urging the Task Force on Statistics of International Trade in Services (TFSITS) to give high importance to the development of corresponding compilation guidance. To ensure close coordination with the work of the International Monetary Fund (IMF) on the compilation guidance for the *Balance of Payments and International Investment Position Manual*, 6th ed. (BPM6), the work on the *Compiler's Guide for MSITS 2010* started late in 2011 with the support of a United Nations Expert Group established for that purpose. The *Compiler's Guide* aims to help compilers while remaining consistent with the recommendations of *MSITS 2010*, as well as with related statistical recommendations and the compilation guidance that has been developed for BPM6.<sup>[2]</sup>
4. The *Compiler's Guide* serves the purpose of harmonizing and improving the ways in which statisticians at the national level collect, compile and disseminate statistics of international trade in services. The aim is to increase the availability and quality of such statistics in order to fulfill the urgent needs and demands for statistics that reflect modalities through which services may be supplied by policymakers, researchers, market analysts and the public in general. While the international standard in economic statistics of the 2008 System of National Accounts (2008 SNA)<sup>[3]</sup> and BPM6 are in the process of being implemented, the *Compiler's Guide* is meant to provide the statistical community with guidelines, best practices, case studies and practical advice on the compilation of data in compliance with the *MSITS 2010* framework for the compilation of statistics on the international supply of services.

## Box 1

### Uses of the terms *statistics of international trade in services* and *statistics on the international supply of services*

The information needs described in the *Manual on Statistics of International Trade in Services 2010 (MSITS 2010)* touch upon a multipurpose field of statistical work. As described in box I.2 of *MSITS 2010*, the conceptual framework introduced in it covers a broad range of statistical domains including (a) statistics on services transactions between residents and non-residents (or resident/non-resident trade in services statistics) broken down by detailed service categories, partner countries and modes of supply, (b) foreign affiliates statistics (FATS) covering the supply of services through a commercial presence, broken down by type of services, partner countries and related data on foreign affiliates (e.g., employment or value added) and (c) additional monetary and non-monetary indicators for analysing the international supply of services. Therefore, the information needs described in *MSITS 2010* go beyond the concept of international services transactions or trade in services as covered in the balance of payments (BOP) or in the rest of the world account of the SNA.

The exact terminology to refer to the complete set of statistical domains differs across various statistical forums and users, however. In particular, compilers should note that *statistics of international trade in services* is an umbrella term that should be used in the broad sense outlined above. Indeed, those combined components of *MSITS 2010* are recognized by the Statistical Commission of the United Nations as a separate field of statistical activity under that title. The broad use of the term initially referred to the fact that, in the mid-1990s, trade agreements were increasingly covering services as well as goods. The most well-known and wide-reaching agreement that triggered the information needs as described in *MSITS 2010* is the General Agreement on Trade in Services (GATS).

The term *statistics of international trade in services* is often interpreted by users to refer only to statistics on services transactions between residents and non-residents (i.e. as covered in the BOP goods and services account). Therefore, the statistical framework developed in *MSITS 2010* to compile information on the modes of services supply uses the term *statistics on the international supply of services* to make it more explicit that components covered by the extended scope of international trade in services are also covered. For the purposes of the *Guide*, and in line with *MSITS 2010* (in particular with the more substantive chapters 3, 4 and 5), the term *statistics of international trade in services* (or *trade in services statistics*) is used in more general contexts to describe the wide statistical domain, and the term *statistics on the international supply of services* is used when explicit emphasis is placed on the inclusion of foreign affiliates statistics (FATS) and additional monetary and non-monetary indicators for measuring the international supply of services.

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[1] See Official Records of the Economic and Social Council, 2010, Supplement No. 24 (E/2010/24), chap. I, B, decision 41/104, para (b).

[2] IMF, BPM6 Compilation Guide: Companion Document to the Sixth Edition of the Balance of Payments and International Investment Position Manual (Washington, D.C., 2014).

[3] System of National Accounts 2008, (2008 SNA) Studies in Methods, Series F, No. 2/Rev.5 (United Nations publication, Sales No. E.08.XVII.29).