

WHAT ISTIA CAN DO FOR WTO MEMBERS

International Services Trade Information Agency (ISTIA) • case postale 3547 • CH-1211 Geneva 3 • http://www.servicestrade.org National officials need to better understand how services trade impacts the economy, on a domestic and cross-border trade basis. These are crucial for policymaking purposes, especially in the context of WTO services trade negotiations.

I. STATISTICS NEEDED BY Governments for policymaking and trade negotiations (especially Trade Ministries)

Trade-in-services statistics which describe:

- Cross-border services trade
 - o by sector;
 - o by partner trading country;
 - o which is foreign-direct-investment (FDI)-related;

• Foreign Direct Investment (FDI) flows information

- o Inward and Outward
 - by foreign investors in home economy (inward FDI)
 - by domestic investors in foreign countries (outward FDI)
- o by sector or industry
- o by investor country
 - aggregated levels ("stocks") valued on a historical or current basis.
- FDI-related statistics concerning foreign affiliate operation (also called "FATS", foreign affiliate trade statistics)
 - o Inward and Outward
 - by foreign investors in domestic economy FDI enterprises (inward)
 - by national investors in FDI-enterprises based in foreign countries (outward)
 o Value-added o Capital Expenditure o Employment data (number

remuneration)

0	Sales	0	Value-added	0	Capital Expenditure	0	Employment data (r
0	Profits		(Gross Product)	0	Profits		of employees and

II. THE PROBLEM FACED BY DEVELOPING COUNTRIES

- Statistics for <u>(1) Trade in services and (2) Foreign Direct Investment (FDI)</u> are not disaggregated
 By sector
 - O By sector
 - o By partner trading country
- Various Ministries and agencies are involved in collection and use; cooperation and coherence can be enhanced.
- The level of detail of information for policymaking purposes can be vastly enhanced with capacity building.
- CAPACITY BUILDING NEEDED
 - Explanation of new UN Manual, approach of new WTO services framework from statistical perspective;
 - o Introduction to the "Four Modes of Supply" of the WTO General Agreement on Trade in Services (GATS);
 - o Assistance to define specific data needs of national government ministries;
 - o Assistance to governments to facilitate identification of data sources, capacity building for statutory data collection;
 - o Introduction to strategies to address special issues for data collection in the national government context.

III. HOW ISTIA CAN HELP

- o Training on new concepts concerning WTO, OECD standards, while remaining in congruence with IMF standards
- o Training on usage of enterprise surveys to collect services trade and FDI statistics
- o Assistance in survey design and implementation
- o Experts from UN, OECD and other national and international agencies
- Assistance with creation of national task-force so as to assure inter-Ministry coherence in practical implementation

More information on the mandate, objectives and current events relating to **ISTIA** can be found on the website: <u>http://www.servicestrade.org</u>