

**MULTILATERAL TRADE  
NEGOTIATIONS  
THE URUGUAY ROUND**

RESTRICTED

MTN.GNS/W/5/Add.2  
9 June 1987

Special Distribution

---

Group of Negotiations on Services

SUMMARY OF INFORMATION MADE AVAILABLE BY RELEVANT INTERNATIONAL  
ORGANIZATIONS ON THE AVAILABILITY OF DATA IN SERVICES

Addendum

The following communication has been received from the United Nations Conference on Trade and Development (UNCTAD). It is in addition to the replies received from other international organizations and reproduced in document MTN.GNS/W/5 and Addendum 1.

1. QUESTION: ARE YOU COLLECTING STATISTICS ON SERVICES IN YOUR AREA OF WORK

A data base on services in UNCTAD was initiated pursuant to Trade and Development Board Decision 226(XXI), under which UNCTAD was to give commensurate attention to services in its studies of protectionism and structural adjustment. Subsequently at UNCTAD VI Conference resolution 159 (VI) directed the Secretary-General of UNCTAD to continue his studies in the services area and agreed that UNCTAD would, *inter alia*, consider the rôle of the services sector in the development process. The special problem of the least developed countries should be kept in view. At its thirtieth session the Trade and Development Board agreed in Decision 309 (XXX) that UNCTAD's contribution to further work should encompass, in addition to the ongoing studies on services, strengthening and refining the data base at the national, regional and international levels, together with methodological improvement in this field. In the same decision UNCTAD was instructed to provide technical assistance on request to Member States in their studies of the rôle of services in their economies.

Thus UNCTAD's collection and refinement of services statistics is being undertaken with several objectives, including: (a) to permit an analysis of trade flows and the rôle of services in the process of structural adjustment, (b) to acquire an improved understanding of the contribution of services to development, and (c) to support technical assistance activities. The UNCTAD data base contains statistics on production, trade and employment on services.

Apart from this work on the data base on services UNCTAD does also specific work on insurance and shipping statistics.

The first statistical survey on insurance and reinsurance operations in developing countries was presented at the twelfth session of the Committee on Invisibles and Financing Related to Trade (CIFT) in March 1987.

It includes data for 67 developing countries on the structure of the insurance market, the production of life and non-life insurance, technical ratios including the reliance of national markets to international reinsurance services.

2. QUESTION: IF SO, WOULD YOU BE IN A POSITION TO GIVE AN INDICATION OF THE SOURCES ON WHICH YOUR SERVICES DATA ARE BASED?

The main sources are (a) the data tape from the United Nations Statistical Office, (b) the data tape and Labour Force Estimates and Projections 1950-2000, from the International Labour Organization, (c) Balance of Payments and Financial Statistics from the World Bank and the International Monetary Fund. Data from other organizations are used where appropriate (e.g. investment data from UN Centre on Transnational Corporations). In addition, national statistics are used where appropriate especially in the context of the technical assistance activity.

With regards to insurance statistics, a questionnaire was sent to 130 developing countries members of UNCTAD. Basically, the statistical survey forms followed the general lines of the UNCTAD "Unified International System of Insurance Statistics" (TD/B/C.3/85, 1972). Responses were provided by the governments through the supervisory authority of insurance or the national insurance company.

In the area of shipping, the Shipping Section is a user of statistics provided mainly by UNSO, COMTRADE, IMF and LMIS. This information is analysed and used in various publications and reports, e.g. Review of Maritime Transport, Shipping Committee documents and technical assistance projects.

3. QUESTION: WOULD YOU BE IN A POSITION TO INDICATE THE MAIN PROBLEMS CONCERNING THE COLLECTION AND THE QUALITY OF SUCH SERVICES DATA?

The most important problems related to data collection and the quality of statistics arise from:

- (a) the lack of a universally accepted definition of services activities;
- (b) the inadequacy of many aspects of the system of data collection on production, based on the International Standard Industrial Classification (ISIC), which, for example, does not identify many new services, such as business services, derived from the advances in information technology, nor differentiate between intermediate (producer) and final services;

- (c) the practices of data collection of in-house produced services;
- (d) the absence of concordance between data on production and on international trade and investment in services;
- (e) the lack of adequate disaggregation of service statistics at the sectoral level, particularly in the group of "other services" as appears in national and balance-of-payments accounts;
- (f) inability to identify the direction and origin of trade flows for services;
- (g) the lack of information on intra-firm transactions in services particularly at the international level;
- (h) the absence of time services in statistics in national accounts inhibits the analysis of long-term trends in the production of services and hinders international comparison of production data;
- (i) the discrepancy in debits and credits in global balance-of-payments figures.

Regarding statistics in insurance services, potential problems due to the definition of insurance terms and accounting procedure which may differ according to each country's local regulation are delays in collecting data in a number of countries and difficulties (if not impossibilities) of measuring foreign control over domestic operations and the flow of funds through reinsurance.

Regarding shipping services statistics, the main problem is the timeliness of the data.

4. QUESTION: COULD YOU PROVIDE AN INDICATION OF WORK DONE IN YOUR ORGANIZATION OR ELSEWHERE TO IMPROVE THE QUALITY OF SERVICES DATA IN YOUR AREA OF WORK?

As noted above, TDB decision 309 (XXX) assigned UNCTAD the specific task of strengthening and refining the data base on services at the national, regional and interregional level, together with methodological improvements in this field. In the context of this mandate, the following initiatives have been taken:

- (a) continuous up-dating and refining of the data base on services on the basis of the information published by UNSO, ILO, IMF and the World Bank;
- (b) following closely the efforts of individual countries in improving statistics on services;
- (c) participating in international activities aimed at improving service statistics, such as the Informal Ad-Hoc Group of Experts on Statistics on Services which is endeavouring to reform the ISIC, under the auspices of UNSO;

- (d) analyzing the statistical limitations and the main conceptual problems related to services in the context of the assessment of the rôle of services in a development oriented perspective. (This analysis was presented in UNCTAD documents TD/B/941/Rev.1 and TD/B/1008/Rev.1);
- (e) on the basis of the above, UNCTAD intends to develop certain proposals as to the perspective from which service statistics should be improved, so as to enable developing countries to more clearly identify their interests and formulate appropriate policies, for example as to the contribution of services to employment, productivity and other development goals, and with respect to international trade in services.

With regard to statistics on insurance services, it should be noted that at the 113th plenary meeting (17 May 1972) the CIFT recommended "that governments of States members of UNCTAD introduce, where necessary, the 'Unified International System of Insurance Statistics' (TD/B/C.3(85) proposed by the UNCTAD secretariat ... or where appropriate, take steps to adapt their present system of insurance statistics so as to make it compatible with the proposed unified system, and thus facilitate the compilation of internationally comparable insurance statistics, which will serve, inter alia, as an instrument of social and economic development".

This resolution was reiterated at the 212th meeting on March 1987 (resolution 30 (XII)), it also recommended that developing countries make use of the technical competence of the UNCTAD secretariat in the field of the compilation and reinsurance statistics be published annually in the future.

The results presented in the first statistical survey (TD/B/C.3/220) should serve to improve the quality of future statistical surveys in this field.

In order to improve the quality of data, particularly concerning the flow of funds through reinsurance services, more analytical work should be done in conjunction with ad-hoc statistical committees in developed countries and developing countries.

With respect to shipping services statistics, specialized "extraction" programs have been developed to better format the information for the maritime sector.

5. QUESTION: ARE YOU PROVIDING ANY FORM OF TECHNICAL ASSISTANCE TO DEVELOPING COUNTRIES IN THE AREA OF SERVICES STATISTICS (E.G. HOW TO DEVELOP A STATISTICAL SYSTEM OR DATA BASE IN SERVICES)?

The technical assistance activities often involve identifying statistical problems and attempting to resolve them, such as through the use of questionnaires and surveys in specific service industries. It is envisaged that the second phase of the UNCTAD/ECLAC/UNDP technical assistance project "Support to the External Sector of Latin America" will

devote considerable resources to the improvement of service statistics in that region. UNCTAD is presently actively seeking additional resources that could be used to support similar funds for financing similar activities in other developing regions.

Concerning statistics on insurance services, technical assistance has never been provided due to the lack of budgetary and human resources, except for some few cases (for example Zimbabwe) on an ad-hoc basis. The document on the "Unified International System of Insurance Statistics" was found to be very useful in a number of countries, but the implementation has not been successful.

With respect to shipping services statistics, several projects have been introduced and proposed for improving the processing and use of maritime statistics in developing countries. These proposals, however, are pending UNDP financing.