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**STATISTICS AND DATA DIRECTORATE
COMMITTEE ON STATISTICS AND STATISTICAL POLICY**

Working Party on International Trade in Goods and Services Statistics

Summary record of the Working Party on International Trade in Goods and Services Statistics

Virtual - 06-08 October 2021

This document presents the summary record of the 13th meeting (held virtually on Zoom) of the Working Party on International Trade in Goods and Services Statistics (WPTGS), 06-08 October 2021.

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1. Main Conclusions: 2021 Working Party on International Trade in Goods and Services Statistics

1. Measuring Digital Trade

The first session of the WPTGS 2021 meeting opened with the OECD outlining its planning around the 2022 update to the first version of OECD-WTO-IMF Handbook on Measuring Digital Trade. The revision to the Handbook will incorporate input from WPTGS delegates, and include practical experiences such as those outlined by Spain when populating the proposed template. Despite the far-reaching nature of the document, a number of open questions remain, such as: how to handle non-monetary transactions; crypto assets (and cryptocurrencies); and the relationship between digitalisation and Mode 3.

A clear outcome from the extensive discussion was the need, in consultation with the WTO and IMF, for a ‘WPTGS Focus Session on Measuring Digital Trade’. Such a session as proposed by the Bureau would provide not only vital input for the upcoming revision to the Handbook but also a forum where issues such as definitions can be agreed. The Focus Session would, if there is support, take place in early 2022, and need to take into account other fora discussing some of these same issues, such as the March 2022 joint AEG-BOPCOM meeting.

2. Update of International Standards and 3. New Sources for Short-Term Trade Indicators

The Bureau and WPTGS delegates welcomed progress reports from the IMF, UN and Eurostat covering:

- i. the ongoing update of the IMF Balance of Payments Manual;
- ii. plans, from UNSD, for the revision of the international trade manuals;
- iii. revisions to the ISIC, CPC and BEC classifications; and
- iv. the upcoming Eurostat’s Compilers’ Guide on Measuring Trade in Services by Mode of Supply.

The Bureau and WPTGS delegates also appreciated the presentations on innovative ways to produce and present short-term information on international trade developments.

3. Bilateral Trade Asymmetries

Reducing bilateral trade asymmetries remains a core area of work for this Working Party. Since WPTGS started actively being involved in this topic a number of years ago, an increasing number of national and international initiatives have emerged. The United Kingdom Office for National Statistics proposed the creation of an informal Expert Group on International Trade in Services Asymmetries with the aim of gathering experiences and deriving best practices to reduce the overall observed discrepancies and increase public trust in trade statistics. Rather than reviewing the full set of goods and services products, the approach would be to focus on selected products as decided by the proposed Expert Group.

4. Administrative Items

The next WPTGS meeting will take place in the week from 24 to 28 October 2022.

Dean Scott from the United Kingdom ONS was nominated to the WPTGS Bureau and this was confirmed.

After three years of holding the position of Chair, Paul Farello (BEA) announced that he would step down. It was noted that Paul was a dynamic and engaging Chair who will be sorely missed. The Group extended their appreciation of his past work and wished him the best for the future. Paul will remain in the WPTGS Bureau.

Full Summary: 2021 Working Party on International Trade in Goods and Services Statistics

Day 1 – Wednesday 06 October 2021

1. Welcome and opening

Item 1.a. Welcome and opening, Paul Farello, WPTGS Chair, US Bureau of Economic Analysis (BEA)

Paul Farello, WPTGS Chair, (US Bureau of Economic Analysis [BEA]) welcomed delegates, highlighting the importance of official international trade statistics and how this is reflected in the WPTGS 2021 agenda for the next three days.

Item 1.b. Welcome address, Annabelle Mourougane, OECD Head of the Trade and Productivity Statistics Division

Annabelle Mourougane, OECD, reiterated the Chair's welcome to all delegates. She highlighted the recent release of the Analytical Database on Individual Multinationals and their Affiliates (ADIMA) for financial year 2020, along with forthcoming developments extending the project to social media accounts of MNEs and looking at a geospatial level. She further noted the forthcoming release of an update for TiVA in November 2021 which will increase coverage to 2018 and expand the number of countries and industries covered.

Turning to the agenda, she noted that WPTGS provided delegates a unique forum to inform others of their work and share best practice, but also to focus the Secretariat's work programme. The agenda will start with discussions on measuring Digital Trade, with the objective to inform the priorities of the next iteration of the Handbook on Measuring Digital Trade. The second day will discuss forthcoming updates to International Standards such as the update to BPM6. The final day will look at projects looking to bring more timely insights and finally look at resolving bilateral trade asymmetries.

Finally, Ms Mourougane welcomed the forthcoming frank and constructive discussions on these topics, and noted with sadness the departure of Rodolfo Ostolaza from his role at the OECD and his contribution to WPTGS over a number of years.

Item 1.c. Approval of the minutes of the 2020 WPTGS meeting and Item 1.d. Adoption of the agenda of the 2021 WPTGS meeting

The summary record for the 2020 WPTGS meeting was approved, as was the adoption of the agenda of the 2021 WPTGS meeting.

2. Digital Trade

Item 2.a. [Introduction to the OECD/WTO/IMF Handbook on Measuring Digital Trade – where we are, what's next, and the OECD Going Digital Toolkit](#); Rodolfo Ostolaza, OECD

Rodolfo Ostolaza (OECD) discussed the Handbook on Measuring Digital Trade, and recapped the proposed framework and reporting template introduced within the first version of the Handbook. Since its release, a number of countries have made efforts in adopting the template (Canada, the United Kingdom and the United States). Adoption has

been further encouraged through the drafting of a compact version of the Handbook forming part of the OECD Going Digital Toolkit

As previously noted, the Handbook was designed for regular updates, and a number of revisions are proposed, including incorporating feedback and revisions provided by delegates, and including practical experiences such as those experienced by Spain when considering the proposed template. Despite the far reaching nature of the document, a number of open questions still remain, such as: how to handle non-monetary transactions, crypto assets, and the relationship between digitalisation and Mode 3.

The discussions were lively, with a number of delegates praising the work of the Handbook and noting the importance of the shortened version for building awareness (Canada). UNSD highlighted issues regarding the definition in the boundary between goods and services, and defining e-commerce. A number of countries (Germany and the United States) asked for guidance as to the most important elements of the proposed reporting template to populate, and the OECD responded that main aggregates are most important as they should allow some level of international comparability, Canada followed further that they prioritised exports as data availability was more favourable.

Delegates also discussed data sources which were being considered in their countries, with a number looking at Household Surveys and e-commerce surveys (United Kingdom), Trade microdata (United Kingdom, Israel), Credit cards (Israel, Chile) and MOSS¹ (Austria). Switzerland asked whether the OECD could make available estimates from commercial data sources (such as AppAnnie), the OECD responded that this was not currently being considered, but collaborations were being explored with the GAFA (Google, Amazon, Facebook, Apple) MNEs more widely across the house.

Hungary also raised the question of how should digitally ordered goods be valued, and how to include delivery costs. The response highlighted that, while the valuation should still reflect the current recommended practices, this issue linked in well with previous discussions on measuring economic value by invoice value and transport costs when these are specifically included within the invoice.

Item 2.b. A First Approach to Measuring Digital Trade from Existing Sources: A proposal from Spain; José Antonio Isanta Foncuberta, INE (Spain)

A framework for countries to begin populating the template proposed within the Handbook on Measuring Digital Trade based on the Spanish experiences was discussed. Firstly, it was reiterated that countries should not feel overwhelmed by the proposed template, as it proposes a level of detail that is certainly not obtainable currently in a number of countries, instead focus should be on the main aggregates. Secondly, countries should look to identify current and existing data sources which contain relevant data – and then discriminate clearly between existing data and modelling, being careful to avoid double counting. Once this process is complete the real data gaps can be identified and then strategies taken to further populate the template.

During the discussions a number of countries commented that they found the Spanish experience useful and helpful for their own processes (Canada, Germany, the Netherlands and the United Kingdom). Germany and OECD asked for estimates as to the time and resources required to undertake this analysis, with Spain responding that the project did take a considerable amount of time, particularly with regards to tracking alternative

¹ https://ec.europa.eu/taxation_customs/business/vat/telecommunications-broadcasting-electronic-services/content/register-moss_en

national sources, with a number of sources now required to ask questions related to digital trade, with the data source often falling outside their area of competence.

Item 2.c. *Compilation of Digital Trade Statistics, Challenges and Further Questions*; Alexis Grimm, US BEA

Alexis Grimm (US BEA) presented on surveys currently in the field designed to help in the compilation of Digital Trade Statistics. Questions currently ask respondents to determine a percentage bound of digital goods and services which are delivered and ordered. In order to avoid confusion careful use of terminology was required, particularly with regards to concepts such as Mode 1 and Digital Trade.

During the process a number of areas where further guidance was necessary became apparent. Firstly, in long term trade relationships which action is most important – the establishment of the relationship or the method of the current relationship – the proposed solution was to consider the relationship in the current statistical year. Secondly, how should you separate between retailers and digital intermediary platforms (DIPs) – the proposed solution was to determine where the risk lies, in the case of a retailer they own content and then sell to an individual (e.g. streaming service), whereas a DIP only takes ownership once the customer demands the product.

During the discussion Canada highlighted that they appreciate this work and are experiencing similar difficulties, with regard to longer term relationships they asked whether the US had considered surveying to gain greater context on this area. The United States responded that they considered that the response rate would be poor and they would rather focus on the current relationship. Germany asked about respondent’s reaction to the additional questions, and the United States responded that most were not thrilled at the additional burden but in generally they were pleasantly surprised by the responses that they have received so far.

Finally, the IMF, WTO and OECD thanked the United States for their insights in bringing the concepts through to the implementation stage and that they looked forward to including these insights into the next revision of the Handbook.

Item 2.d. *Informal Advisory Group on Measuring GDP in the Digital Economy, including Measurement of Crypto-assets*; John Mitchell, OECD

John Mitchell (OECD) gave an update on relevant OECD work from the Working Party on National Accounts (WPNA). He highlighted the work on Digital Supply Use Tables and highlighted how the issues and concepts were similar to those covered within the Handbook on Measuring Digital Trade – and was similarly moving from conceptual guidance to handling the practicalities of implementation and more technical matters which has arisen. The recent release of data by Statistics Canada was also highlighted.

Secondly, an issue paper on measuring the value of data is in the conceptual phase, but an awareness that the perfect solution may not be practically implementable was accepted. Finally, a guidance note on crypto assets was being prepared by OECD, WTO and ECB. Numerous discussions regarding whether they should be considered as a non-financial or financial asset and whether they are produced or not produced have been had, and a note will be circulated for global consultation in Q4 2021. The follow up discussions and final treatment will be heavily influenced by this process.

During the discussion Canada highlighted that Digital Supply Use Tables can be a test of ideas for other products such as the Handbook on Measuring Digital Trade. The OECD

clarified that an example of data not contributing directly to production is Human Resources Data held by a company, technically the company needs to hold this information but it is not being leveraged in the production process. The United Kingdom asked for some clarification on the life span of data, and the OECD highlighted that the main point is to understand for how long the data is used in production.

Item 2.e. Unified treatment of gold and cryptocurrency in International Trade Statistics and National Accounts: Richard Heys, United Kingdom Office of National Statistics (ONS)

Richard Heys (United Kingdom ONS) gave an in-depth presentation on crypto assets from the United Kingdom's perspective, following on from the OECD overview, highlighting that the current situation is very fluid, with countries such as El Salvador adopting them as legal tender and other countries cracking down or restricting their use.

One treatment considered was to define crypto assets as valuables (such as precious metals, stones and jewellery), but this is designed to account for a small value relative to the economy and be stable in value. In the case of Bitcoin, the value is not stable with large fluctuations experienced over short time periods, and whether Bitcoin will have a large exchange that will impact one economy (such as Gold within the United Kingdom) is yet to be determined. As a result, the United Kingdom proposed a hybrid approach in the treatment of crypto assets.

Delegates were appreciative of these insights (Germany, the IMF and the United States), and asked whether much feedback had been received so far. The United Kingdom responded that initial feedback had been received internally and from the Bank of England with the aim of trying to mitigate the risk of placing Bitcoin in either the non-financial or financial sector as both were determined not to be favourable.

UNSD asked whether the United Kingdom considered crypto assets as neither goods nor services, and the United Kingdom responded that they thought of them like assets and closely related to the value of data. The OECD noted that the volatility criteria within the classification for valuables was hard to justify as many other assets considered as valuables currently have high levels of volatility. Hungary raised a question regarding the UK's proposed approach to include monetary gold within the valuables account, with the United Kingdom responding that a lot of these issues historically result from the Bretton Woods System.

DAY 2 – Thursday 07 October 2021

3. Update of International Standards

Item 3.a. Overview of the BPM6 update, Silvia Matei, IMF

The IMF has launched the update of the sixth edition of the Balance of Payments and International Investment Position Manual (BPM6) targeting to publish BPM7 by March 2025. The BPM6 update is being coordinated with the update of the System of National Accounts 2008 (2008 SNA), also with a target release date of March 2025. Key elements of the BPM6 Update process and the timetable were endorsed by the IMF's Committee on Balance of Payments Statistics (BOPCOM) at its Thirty-Third Meeting in March 2020.

The two phases of the update process are:

- Phase I (March 2020–March 2022): finalisation of the detailed research on the issues identified in the Compendium of Research Issues and discuss how they would impact BPM7; and
- Phase II (April 2022–March 2025): finalisation of the Annotated Outline and drafting of the chapters/appendixes of BPM7, and extensive consultations about the proposed changes.

Task Teams (TTs) have been established to advise BOPCOM and the Inter-secretariat Working Group on National Accounts (ISWGNA) on research issues relevant to the BPM6 and the 2008 SNA Update.

Of most interest to WPTGS is the work of the Current Account Task Team (CATT). High priority items of this TT are: C.1 Recording transactor based components of services (travel, construction and government goods under services); C.2 Goods and services account by (trading) enterprise characteristics; C.3 International trade classified by currency (including for trade linked to long term trade credits and advances; C.4/G.5 Merchanting and factory-less producers - clarifying negative exports in merchanting - Merchanting of services; C.5.1 Statistical impact of the change in treatment of operating leases in business accounting; and C.5.2 Economic ownership in the context of financial and operating lease transactions pertaining, in particular, to aircrafts.

The IMF encouraged delegates to become involved in the process, especially in regards to the guidance notes (GNs) so that their views are heard and understood. Many delegates expressed their thanks to Silvia for presenting a detailed and comprehensive overview of what is a complicated situation. It was noted that the GNs can provide delegates with a good explanation of the issue, explaining difficult issues clearly.

Item 3.b. Update from the United Nations on: the UN Committee of Experts on Business and Trade Statistics (UNCEBTS), Trade manuals, ISIC, BEC and CPC, Markie Muryawan, UNSD

UNSD, provided an update on three UN task teams and their work – International trade statistics (TT-ITS); update of ISIC; and update of CPC.

The TT-ITS, under UNCEBTS, is tasked with identifying and dealing with a joint research agenda between business and international trade statistics for the revision of the international trade standards (i.e. International Merchandise Trade Statistics: Concepts and Definitions 2010 (IMTS 2010) and the Manual on Statistics of International Trade in Services 2010 (MSITS 2010)). Additionally, the new TT-ITS will work on developing new trade-related business indicators, integrating international trade-related characteristics of businesses in the statistical business registers, and promoting an e-learning training programme on international trade statistics.

The Task Team on ISIC, formed in 2021, and reporting to the United Nations Committee of Experts on International Statistical Classifications (UNCEISC), is tasked with developing the structure for ISIC Rev.5 including definitional text and guidance notes (including correspondence tables). It is expected to be adopted by UNSC in March 2023. Some issues noted to date include: the distinction between wholesale and retail trade; treatment of new financial activities e.g. Fintech; treatment of factory-less goods producers; and issues related to the digital economy e.g. online education, robotics and artificial intelligence, cloud technologies, cybersecurity activities.

The Task Team on CPC, formed in 2021, and reporting to UNCEISC, is tasked with assessing the impact of issues identified by TT-ISIC and HS 2022 update, and developing a structure for CPC 3.0 including definitional text and guidance notes (including correspondence tables). It is expected to be adopted by UNSC in March 2023.

One theme to emerge in questions from delegates was the possibility of having a single ‘Trade’ manual, i.e. merchandise trade and trade in services. Markie outlined that this is still being discussed but no decision has been made yet. However, UNSD noted that for the online publication the manuals could be combined – especially if they are linked to a semantic-enabled platform.

Item 3.c. BPM7 Guidance Note (GN) C.6. Trade in Services Classifications, Antonella Liberatore, OECD

Antonella Liberatore from the OECD started her presentation with a question, namely – do we need a revision of the services classifications? The BPM6 breakdown of services provides comprehensive information on ‘what’ is being traded while ensuring broad consistency with the CPC, but GVCs and digitalisation require additional information needs around ‘who’ is trading and ‘how’ transactions occur. Problematically, many national compilers only provide the first-level services breakdown (12 categories).

GN C.6 focuses on ‘what’ is being traded, noting that additional information needs could be addressed through complementary frameworks, including the: OECD-WTO-IMF Measuring Digital Trade Handbook (nature of the transaction (‘how’)); and GN C.2 Goods, services and primary income transactions broken down by enterprise characteristics (actors involved in the transaction (‘who’)). Intermediation services are another issue with the rise of DIPs. Current guidance is to include those services in the same service category which is intermediated, i.e. not separately identified (also currently being debated in the ISIC revision). Would it be useful to separately identify in the balance of payments (as a supplementary item) the intermediation services? If so, where should those supplementary items (‘of which’) be placed? Either way, the treatment should be aligned with the outcomes of the ISIC revision.

Conclusions and recommendations from the GN were (note that the GN was approved by BOPCOM in June 2021):

- Moderate changes to the services classification
 - expand the detail the first-level of balance of payments breakdown, e.g. spilt up the current ‘Telecommunications, computer and information services’ category
- Two options proposed on intermediations services
 - Option I: introduce a breakdown of trade-related services to account for the different types of services and goods intermediated
 - Option II: introduce supplementary items in the update of the Manual on Statistics of International Trade in Services (MSITS) and in the new EBOPS revision.

Delegates complimented the GN team on producing a clear and well balanced guidance note, which clearly has the support of balance of payments compilers.

Item 3.d. BPM7 GN C.4. Merchanting and Factory-less Producers; Clarifying Negative Exports in Merchanting; Merchanting of Services, Jens Walters, Deutsche Bundesbank

GN C.4 covers a number of complex topics which were well explained by Jens Walters in his presentation. The GN, jointly produced by the Current Account Task Team and the Globalisation Task Team, focuses on a range of aspects related to global production arrangements and their recording in statistical accounts. The GN aims are to:

- a disentangling global manufacturing arrangements and factory-less goods producers (FGPs) transactions;
- b provide some clarifications on the treatment of merchanting transactions (the GN does not advocate for changes to the current standards); and
- c clarify existing guidance on the definition and treatment of “merchanting of services”.

The GN proposes a number of suggestions for FGPs, e.g. that they be classified in the manufacturing sector and be deemed to produce and sell goods rather than distributing them and the industrial classification of FGPs should not depend on the affiliation with the contractor responsible for transforming the goods. It also suggested that a supplementary component be added to the balance of payments goods account to explicitly cover transactions related to goods traded as part of a global manufacturing arrangement.

The GN suggests that, while “pure” merchanting transactions cannot involve services from a conceptual view, transactions in which an intermediary arranges the supply of a service between a producer and a consumer do exist in practice and should be distinguished from services subcontracting, where the principal maintains the control on the production process. The GN suggests recording the intermediation fees (explicitly or implicitly) as a supplementary “of which” item under trade-related services.

Finally, on the related issue of bundling of services, the suggestion is that bundled services should not be considered as a new product with the package components recorded separately and the output of a service arranger measured by the value of the service fee.

Given the complexity of the topic there was a lot of discussion around the proposals in the GN and the more conceptual issues raised, these issues of FPGs and merchanting for example have been around now for over ten years with no real consensus of their treatment in the balance of payments. For example, Spain started the conversation reflecting on the fact that maybe the national accounts and balance of payments are not the best frameworks to try and capture how enterprises and enterprise groups arrange their production globally. They suggested that these frameworks should maybe focus of the more broader macro aspects, for example, knowing the value of exports and imports of athletic shoes rather than knowing how the shoe is manufactured.

Other countries queried how clear the guidance on FPGs was, and how certain are we that intellectual property products are important to all enterprises undertaking global production process. It difficult to see if an enterprise buying products is engaging in merchanting or FGP because ownership changes similarly in both situations. Israel commented regarding bundled products, and at the practical level, that it could be a real challenge to compile the different services.

The presenter provided a number of detailed responses to the questions posed by delegates in the time allowed and commented that the GN is currently under public review and now is the time for delegates to make their views known.

Item 3.e. [Eurostat: Modes of Supply Compilers' Guide; and Services Trade by BEC Rev 5](#), George Papadopoulos and Iliyana Savova, Eurostat

Eurostat opened their presentation by outlining the work they undertake in the field of international trade in services statistics (ITSS), including ITSS by partner, product; services trade enterprise characteristics (STEC); Modes of Supply; and ITSS by (Classification by Broad Economic Categories) BEC Rev.5. Additionally, Eurostat has started work on asymmetries analysis of ITSS. In regards to ITSS by BEC, in 2021 Eurostat compiled estimates for ITSS by BEC final and intermediate use of the EU and EU Member States for 2013-2020. As part of the work they published a correlation table for EBOPS to CPC to BEC.

Eurostat noted that by end 2021 they will publish the *European business statistics compilers guide for European statistics on international supply of services by mode of supply – 2021 edition*². This 1st edition will focus on generic estimation methods; approaches that do not rely on country specific assumptions and/or evidence, to be used irrespective of the country. A 2nd edition, due by the end of 2023 will further refine generic estimation methods and how the specific administrative and economic situation of a country should be taken into account for trade related services. The Guide was the work of a task force involving a number of international organisations, DG Trade, and over 16 countries including Canada and the United States from outside Europe.

Eurostat was congratulated on their work, and in particular the publication of the Modes of Supply compilers' guide and the ITSS by BEC estimates. For many delegates this was the first time that they had seen the BEC estimates and thought that they looked interesting and could have further use in the GVC work. Germany asked if the Guide had a clear recommendation on which estimation methods countries should use to have comparable figures. Eurostat replied that this is exactly the sort of recommendation that is intended to be included in the Guide, however having a single recommended 'estimation method' comes with its own issues, namely country systems are different.

DAY 3 – Friday 08 October 2021

4. New Sources for Short-Term Trade Indicators

Item 4.a. [World Bank "Trade Watch"](#), Cristina Constantinescu, World Bank

Cristina Constantinescu (World Bank) presented on the monthly "Trade Watch" developed to provide insights into the impacts of COVID-19. The report provides a number of measures including monthly trade flows by country and product types (World Bank, OECD, Eurostat, WTO, etc.) and shipping capacity indicators (provided by MarineTraffic).

During the discussion the level of available data was discussed. Israel asked whether the impacts of the Suez Canal incident could be determined, the World Bank replied although a shipping stress could be detected it couldn't derive the exact quantity of this which related directly to the crisis. The OECD asked whether disruptions between regions could be detected (e.g. Europe to Americas), in this case with the current data this would be possible.

² <https://ec.europa.eu/eurostat/en/web/products-manuals-and-guidelines/-/ks-gq-21-025>

AIS data (shipping satellite data) available on the UN Global Platform was highlighted, as it could give a greater level of detail than the precompiled MarineTraffic outputs currently used, and the UNSD highlighted that the activity of cruise ships could be used as a proxy for travel services in some island economies.

Item 4.b. New Model of Monthly Balance of Payments Estimates, Lisa Reitbrecht, Austrian Central Bank

Lisa Reitbrecht (Austrian Central Bank) presented on efforts to produce high quality monthly current account estimates. The presentation gave details of their model which uses a number of inputs including: monthly foreign trade statistics, monthly overnight stays, monthly truck kilometres, monthly unemployment, power usage and oil prices. The developed model is built with R, so is freely distributable for external reviewers (and other interested parties) and allows for the easy testing of new parameters.

The discussions focused on variable choice, additional variables which could be combined into the model and validation of the model. Mexico asked whether the model could be shared more widely, and Austria responded positively.

5. Bilateral Trade Asymmetries

Item 5.a. Current Work in Reducing Bilateral Trade in Services Asymmetries, John Jeremy, United Kingdom, UK ONS

John Jeremy (United Kingdom ONS) discussed efforts to reduce trade asymmetries, including their recent attempts to reduce imbalances with France for transport services. During this process it was clear that although bilateral efforts are successful, they are resource intensive, the speed can be slow and the bigger picture can often be missed.

As a result, the ONS proposed the formation of an informal expert group, which can meet on a regular basis and reach agreed solutions on discovered issues. The eventual goal would be to include the analysis of asymmetries as part of the quality assurance process for the data.

During the discussions a number of countries and organisations supported this initiative (Belgium, Canada, France, Germany, IMF, Italy, the Netherlands, UNCTAD and the United States).

The OECD responded whilst they are very interested and countries are interested as well, there are administration issues as well as resource implications that the OECD will need to work through to form this informal expert group.

Item 5.b. Overview of US/Ireland Goods and Services Asymmetries, Glenn Barresse and Jennifer Bruner, US Census Bureau

Glenn Barresse (US Census Bureau) presented on differences between United States and Irish goods trade data. In general, no reporting issues were found and there were valid and legitimate reasons for the differences in data. However, two areas were found to be problematic: (1) Aircraft: differences existed between the treatment of sales and leases; and (2) Pharmaceuticals: Issues with foreign value added after export but before import. Other issues noted were foreign trade zones such as those in Puerto Rico (causing a change in classifications), issues with country assignment (origin vs consignment) and United States Goods Returned (HS 98).

Jennifer Bruner (US Census Bureau) presented differences between United States and Irish services trade data. Of note, was asymmetries between CUIP (Charges for the use of intellectual property) and R&D, largely thought to be due to misclassification issues, as although compilers may be aware of the difference between these concepts, survey respondents may well find the distinction challenging. Secondly, Intercompany Management Fees are included within different aggregates within the United States and Irish reporting. The handling of these issues resulted in a significant reduction in the level of asymmetries, however differences still exist and would need to be investigated further.

During the discussions the future plans for this work were discussed (OECD and Mexico). The United States highlighted that this work was a one off exercise (would not be repeated) and was not designed to change reported data (Ireland do not intend to change data either). The United Kingdom asked whether any of the differences could be explained by differences in survey methodology, with the response highlighting that the majority of data is driven by the largest companies and therefore is more likely to be driven by misclassifications by companies responding to the survey rather than the survey itself.

Canada asked whether confidentiality caused issues in assessing differences, the United States responded that they managed to work around these constraints. UNCTAD highlighted guidance on modernising Statistical Legislation to allow for the exchange of unit level data under strict circumstances.

Item 5.c. *BPM7 GN C.11 Valuation of Imports and Exports of Goods CIF to FOB Adjustment*, Michael Connelly, Central Statistics Office of Ireland (CSO)

Michael Connelly (Central Statistics Office of Ireland) presented on progress related to moving to use invoice values for the valuation of goods imports and exports. Whilst still in the testing phase, support is mixed, with roughly 60% of countries in favour of implementing this change. Secondly, even with support concerns exist over whether the data is sufficiently accurate or currently available. A number of countries are currently engaged in the testing process and more information will be available after this stage is complete.

During the discussions there was an acceptance that in practice immediately implementing valuations based on invoice values would be difficult. The UNSD (and Canada supported) that revisions to the IMTS would be necessary to ensure customs authorities collected sufficient data. Germany highlighted that future planning was necessary and although practically this may not currently be achievable currently, it should be the goal, and this acceptance would encourage the implementation. Hungary asked whether the goal of the change (reducing asymmetries) had been proven through the testing process, with the response that the results were so far inconclusive. Finally the IMF commented that this would be further discussed at the next AEG/BOPCOM meeting

Item 5.d. *North America Trilateral Trade Asymmetries, recent Developments*, Ricardo Gutiérrez, Mexico INEGI

Ricardo Gutiérrez (INEGI) presented on the trilateral effort between Canada, Mexico and the United States to reduce asymmetries in the context of the North American TiVA project. Recent developments include methods for handling negative imports, re-coding of aircraft-related and special transactions.

During the discussions, UNSD asked for clarification as to why re-exports were unable to be identified (the reasoning being that this collection is not mandatory for Customs). Canada congratulated Mexico on the recent work and stated they hoped to give an update

on issues faced regarding confidential data shortly. The OECD also congratulated Mexico on their work, and highlighted they were happy to have made a contribution to the NA-TiVA project by providing balancing mechanisms.

6. Wrap-up of meeting, next meeting dates and election of Bureau Members

Item 6.a. Meeting wrap-up and next WPTGS meeting dates

Rodolfo Ostolaza from the OECD provided an overview of the meeting as a whole, he thanked all the presenters and hoped the meeting would take place physically in 2022, in the week of 24 to 28 October 2022.

Item 6.b. Election of Bureau Members

Dean Scott from United Kingdom ONS was elected, and confirmed, to the WPTGS bureau.

Paul Farello announced that after his third year in the role he would like to step back from the role of WPTGS Chair. The Secretariat thanked the chair for his contribution and his work in progressing the work of WPTGS.

Finally, the Chair thanked the interpreters, the Secretariat and all the delegates for making the 2021 WPTGS meeting the success it was.