

Q 1.1	Do you agree with the existing list of priority recommendations in Chapter 1?
Australia NSO	The ABS broadly agrees with the list of priority recommendations in Chapter 1. With the exception of FATS statistics the ABS currently meets the core recommendations
CARICOM	In principle Yes but for an addition indicated below 1.2.
El Salvador	we agree from the conceptual point of view but practical compilation difficulties are apparent
Finland	BPM5 should be at number 1 priority in the recommendation list.
Germany CB	In the TF we had a lengthy discussion on this subject. I still agree with the list and with the priorities presented in the Manual. The situation may be different in countries depending on the availability of data. If quicker progress is possible in an area of lower priority the national possibilities should be exploited first.
Kazakhstan	The National Bank, as producer of the balance of payments , disseminates export - import of services according to the expanded classification EBOPS, as well as the data on services regarding partner countries. The data concerning activities of affiliated companies, or statistics FATS including production, export - import of goods, employment, wages, quantity of enterprises with foreign participation, etc. is disseminated by the NSO
Q 1.2	If not , please suggest any amendments to the priority recommendations
Australia TM	Partner country should not be a separate priority, but include with each stage e.g. As part of BPM5, EBOP FATS, GATS modes of supply
Bolivia	Include as a priority recommendation compilation of statistics by mode of supply
CARICOM	Incorporate an item on the "Use of Production Statistics in estimating Trade in Services across industries" under Other Recommended Elements: .Collect data on imports of services on the expenditure aspect of production and export of services with respect to receipts as an alternate or interim approach to estimating trade in services. This information may provide checks for specific industries and can also focus on strengthening in general the compilation of production statistics in the services industries particularly in developing countries where these statistics are particularly weak. .Prepare and maintain a comprehensive list of establishments/business and professional associations with key characteristics to be updated on a continuous basis and to underscore the collection of statistics on trade and production in services, FDI/FATS. The presence of a comprehensive and up-to-date register of establishments should not be taken for granted. .Incorporation of the Tourism Satellite Account as a core item to be address.
Hong Kong, China	It is agreeable to include inward FATS as a recommended core element. For outward FATS, it is suggested to be considered as a long-term goal given the complexity and heavy respondent burden in data reporting for compiling outward FATS statistics. Meanwhile, because of the extra respondent burden, a low priority is also considered for the statistics on trade between related and unrelated parties.
Iraq CB	The priorities should be in the following order: a.Introduction b.Form of the Manual c.Group of recommended components for gradual implementation: 1.basic components 2. Other components
Philippines NSO	Persons working abroad should be included in the core recommendations/elements since with the onset of globalization, movement of labor is faster than before. This may not be a priority of developed countries, but developing countries in Asia, like the Philippines, have a significant number of persons working abroad. On the other hand, we wish to reiterate our issue on BPM5's implementation of the 1- year residency rule (para 83 of the BPM5) which does not take into consideration the characteristics of overseas workers from developing countries. In our compilation of the national accounts, we follow the flexibility in the 1993 SNA recommendation of using the one-year or more criterion as stated in para 4.15 and 14.13 of the 1993 SNA manual. This recognizes the fact that the center of economic interest of overseas Filipino workers remains in the Philippine economy even if they are away for more than one year.
Yemen NSO	Recommended amendments to the priority recommendations: 1. Including data on natural persons among other recommended components could result in insufficient data on some of the main service sectors where services are frequently provided by natural persons, such as professional and technical services, consultations, legal and accounting services, etc. 2. Although it is easy to obtain data on international trade in services between residents and nonresidents from institutions and companies, it would be better to have easier access to data on trade between parent companies and affiliates; therefore, these data should not be included with the other recommended components. 3 We do not understand the purpose of separating the data requested on operations of foreign affiliates, some of which were included with other recommended elements. If these data can be collected along with the core data, there would seem to be no advantage in [separating them], unless there is some difficulty related to the special or confidential nature of these data related to affiliates or difficulty in collecting them, in which case the data will be compiled based on what data are available and the ease of collecting them. 4. As long as the purpose of gathering data is to compile available data on services, the memorandum items should be included in the core components, and countries should submit explanatory memorandums including information on the scope of coverage and comprehensiveness of the data.

	5 If the purpose is to facilitate countries' negotiations with the WTO, the Extended Balance of Payments Services Classification (breakdown and memorandum items) is inappropriate. The Services Sectoral Classification List (GNS/W/120) is suitable for statistical monitoring of agreements on trade in services, as it was used by the trade negotiators during the Uruguay Round negotiations. This classification is the minimum requirement to be applied in this respect, as it is an international classification in accordance with WTO requirements. 6. Any type of service must be supplied through a particular mode, and data compilers must be familiar with the various modes by which services are supplied; therefore, including them with other components is inappropriate.
Q 1.3	Do you agree with the existing order of priority in the recommendations in Chapter 1?
CARICOM	For existing items, the priority is OK- however with the inclusion if new items suggested some changes will be required if these items are incorporated
El Salvador	we agree nevertheless we consider difficult to obtain information according to partner country. In addition we think that the additional data on service foreign affiliates would be difficult to obtain, at least under existing legal conditions in this country.
Kazakhstan	According to our experience we would suggest to put "the statistics of direct foreign investments" after "introduction of recommendations BPM5". Direct foreign investments stimulate the international trade of goods and services. We suggest that the priorities should be made depending on users' needs for the information taking into consideration the importance of different kinds of information.
Spain	in part
Q 1.4	If not , please suggest any amendments to the order of recommendations
Australia NSO	Suggest that FATS be given higher priority than foreign direct investment in the core recommendations in this context. The ABS would also like to see GATS mode of supply higher in the priority list.
Australia TM	The GATS modes of supply is too low in the list of priorities, and should be moved up along with FATS basic variables
Belarus NSO	We propose to consider "trade in services by partner country" as the third recommendation
Bolivia	Include as 3rd and 4th priority recommendations trade in services by partner and by mode of supply respectively. FDI statistics should come 5th and FATS 6th.
Canada	Trade between related and unrelated parties (1.27) should be at least higher than (1.26) due interest of such data in the outsourcing-offshoring issues
CARICOM	The items suggested above for inclusion should be considered for fairly high priority in this listing under Other Recommended Elements.
Colombia	In the Colombian case it would be desirable to consider the following order: BPM5; EBOPS first part; FDI; partner country data; EBOPS second part; FATS basic variables; modes of supply; FATS other variables; persons working abroad; related and unrelated trade in services.
Finland	Recommendation on the trade in services by partner country should be the second recommendation
Hong Kong, China	To facilitate the review of multi-lateral or bilateral trade in services policies, trade in services statistics by partner country should be accorded higher priority. Meanwhile, it is agreeable to include inward FATS as a recommended core element. For outward FATS, it is suggested to be considered as a long-term goal given the complexity and heavy respondent burden in data reporting for compiling outward FATS statistics.
India	Since in the Manual it is clearly stated that FDI statistics should be considered as important adjunct to FATS statistics, sequencing of FDI immediately after the EBOPS classification appears to be abrupt. It is, therefore, suggested that FATS should follow the EBOPS and FDI should serve as adjunct to FATS for countries where information on FATS variables is not easily available
Iraq CB	Response: The five components / basis components: 1. Balance of Payments Manual 2. EBOPS / breakdown 3. EBOPS / supplementary 4. Foreign direct investment statistics / preliminary indicator of commercial presence restricted to foreign subsidiaries / Foreign Affairs Trade Statistics (FATS) 5. FATS statistics on trade in services / basic variables (affiliates) 6. FATS statistics on trade in services / other details 7. Trade between related and unrelated parties; that is, trade between companies with direct investment relations 8. Workers abroad / movement of natural persons 9. Modes of supply according to General Agreement on Trade in Services (GATS) The recommendations have thus been reduced from 10 to 9, as the one concerning commercial partners was omitted per se and included in all the recommendations.
Israel	see question 1.6
New Zealand	We would place partner country information ahead of information on FATS basic variable
Panama	As the Manual indicates an increase in the movement of natural persons supplying services, statistics of persons working abroad should appear as the last recommended core element. They should be classified before "FATS: further details", some of the statistics pertaining to affiliates being part of the recommended core elements.
Peru	BPM5, EBOPS, Partner country, FDI, FATS
Philippines NSO	Persons working abroad should be considered first among the priority recommendations in recognition of the economic contribution of overseas workers, which is the case for the developing countries in Asia, like the Philippines.

Spain	We agree with the priority given to the BPM5 among the core elements recommended and it is suggested to add there in the chapter 1 the relevance of the consistency between MSITS, BPM and SNA for the recording of resident -nonresident transactions (as described at present in chapter 2 paragraphs 2.33, 2.34, 2.45 and 2.47). Taking into account the importance acquired by migration in recent years and the consequent interest aroused to relate statistics related to the movement of physical persons, it is suggested that this is a major argument for the statistics related to persons working in a foreign country (para1.26) and related to modes of supply (para 1.28). On the other hand the BOPCOM decision to abandon statistics on the residual category "services between related enterprises n.i.e" gives less importance to the item related /unrelated trade in services.
Trinidad	I believe that all the variables for FATS should be done at once; FATS being a subset of DFI provides a check on the accuracy of the DFI numbers
UK NSO	Agree with the section on geographic breakdown in question 1.5. Also would give greater priority to the split of trade in services between related and unrelated parties.
Q 1.5	Given the importance of partner country information it has been proposed to include the need for partner country information in the second, third and fourth recommendations, rather than having a stand alone fifth recommendation on "trade in services by partner country". Do you agree?
Australia NSO	The ABS agrees with the proposal to include partner country information in the second, third and fourth recommendations, rather than having a stand alone fifth recommendation.
Belarus NSO	We propose to see it as a separate recommendation and of a higher priority
Belgium CB	The important thing is that it is mentioned as a priority. The place seems irrelevant to us.
Bolivia	see 1.4 it should stay as an independent recommendation
Canada	even with limited information about partner country, compilers should be encouraged to produce such statistics in a way to improve international comparability
CARICOM	It is a significant cross-cutting issue.
Colombia	However this should be gradual and in proportion to how developed is the national statistical system and its ability to address better the priorities.
Germany CB	It is true that trade in services by partner country is of high importance for trade negotiations. Insofar it could be envisaged to add this aspect to each of the other recommendations.
Hong Kong, China	In addition, it is desirable to have partner country breakdown for those listed in the section of "other recommended elements".
HungaryCB	We think that this is a separate demand and it is difficult to include in any other recommendation.
Iraq CB	with the possibility of omitting recommendation No. 5 and including it in all the other recommendations, including the last one.
Israel	We presume that in most cases compilation of data related to EBOPS, FDI and FATS – on one side – and partner country information –on the other side – will be achieved through the same compilation instrument (Surveys – for instance). So, in the general case, compilation of partner country information will not be a "stand alone" project and it seems better to plan these instruments taking into account partner country information – for those countries that only start compilation of the said items. For those countries already compiling these items without partner country information, it only seems to be natural to incorporate new inquiries regarding this issue - in the same compilation instrument. Consequently, it will be preferable to have the recommendation on countries included in the items. In this way, perhaps the recommendation will help to obtain much more complete and uniform results over time and over countries, for each item.
Kazakhstan	We do not support the idea to include the fifth recommendation into the second, third and fourth recommendation, because the implementation of separate statistics for direct foreign investments discussed in the third recommendation constitutes a subject of other international standards.
Macao CB	we support the proposal to include the need for partner country information in the second, third and fourth recommendations
Peru	I Consider That a fifth independent recommendation on partner country data should be maintained - analogous to the treatment in the merchandise trade (IMTS) manual.
Philippines NSO	In the case of the Philippines, there are leakages in the recording of FDI, FATS, persons working abroad, as well as inter-company receivables (e.g., purchase of raw materials of a foreign establishment in the Philippines from its mother company abroad where no actual cash transfers take place), which are not being captured in the BOP. Any partner country information will be helpful for us to capture such leakages. Moreover, even without leakages, any partner country information would be helpful in validating/counter-checking of data on the above-mentioned items.
Spain	However it is worth pointing out on this point, the difficulties which in practice are faced, in the compilation of EBOPS with a detailed geographic breakdown, especially taking into account countries which use nowadays surveys as the source of information for their statistics. Regarding what is referred to as the information by country for the FATS, there is a need to ensure consistency between criteria recommended in MSITS and those recommended in the FDI Benchmark by extension to BPM. In this sense the consistency between one and the other should embrace the criterion of identification of the ultimate investor (which is still an issue for discussion).
Thailand CB	The classification of trade in service by partner country would enhance the data dimensions and thus generate more implications to policy makers

Q 1.6	Do you have any other comments or suggestions regarding Chapter 1?
Australia TM	Partner country data by EBOP services product by mode of supply is crucial for both trade negotiations as well as monitoring the performance of trade agreements. Most statistical compilers, still concentrate on compiling international trade in services statistics only to meet their Balance of Payments and National Account needs. Greater emphasis and priority needs to be given in the manual to supporting statistical compilers to expand the range of services statistics to meet the demand for detail partner country services data for trade negotiations and trade monitoring purposes
Austria	The positive answers to questions 1.1 to 1.5 depend on the assumption that EBOPS is being reviewed, i.e. grouping of items on a higher level and considering the actual relevance of items per se and for single countries in particular.
Brazil	We suggest more detailed guidance regarding the collection of FATS statistics for partner countries
CARICOM	A more specific recommendation can be elaborated with regard to the use of the classification systems under other recommended Elements that what is reflected presently.
China	We recommend that, if possible, one economy can apply the five core data, or some of them, which is depended the basic statistics condition of the economy.
Côte D'Ivoire	Regarding 1.5, requesting too much data at the same time increases the burden of surveys. At the same time a separate inquiry on detailed partner country information on trade in services could be desirable.
El Salvador	We consider that their should be more clarity about the differences between services of foreign affiliates and trade between related and unrelated firms if there is a difference. We believe that the part about compilation by mode of supply could be elaborated.
Eurostat	a) We propose to state it clearly that the variables proposed in para 1.21 or 1.24 for characterising FATS are not related to trade in services. b) Para 1.10 (last sentences) says about "some further development work". It would be useful to explain what type of development work is meant.
India	First, Regarding "Trade in services by partner country" as indicted in Question 1.5 and recommended in the Manual, the suggestion for using a common geographical basis for all three sets of statistics is not very clear. It is possible that the set of partner countries for services trade and FATS may vary. Keeping in view the feasibility of collecting partner country statistics by the compilers, it is advisable to accord priority only to the statistics of main partner country data. The main partner country sets could be different for EBOPS and FATS. Second, regarding partner country data, the challenges thrown by the institution of subsidiaries/holding companies for channelising trade to third country distort reconciliation of statistics between the countries. It may need adequate explanation on such issues.
Iraq CB	We recommend using the term "Chapter One" instead of "First," and recommend separating the Introduction from the subject of Chapter One.
Israel	It seems to us that information on trade between related and unrelated parties has to receive a higher priority than that in the Chapter, at least after 1.23 or 1.24.
Mali	Concerning 1.5 it would be preferable to avoid requesting too much data at the same time which increases the burden of surveys. It would be easier to have a separate evaluation of detailed partner country information for trade in services, through inquiries seeking to determine a general structure of trade usable for different periods.
Netherlands	1) the definition of the services should be tuned to the definitions given in the revised SNA/BPM5; 2) it should be clear which definition deserves a priority; 3) all changes in SNA and BOP5 should be updated to the MSITS.
Portugal	Concerning the recommendations set out in 1.23-1.28, they can only be considered as medium and long-term goals, given the set of priorities requested within the framework of BoP, at the present stage. In fact, considering the actual trend towards the simplification of the statistical requests (for instances, in the case of the EU, it is foreseen for the near future the rise of the threshold from 12500 Euros to 50000 Euros exempting the report to the statistical authorities of banking settlements) it seems quite difficult to ask the respondents for extra details, even in the case of sample surveys. Moreover, the trade-off between more detailed information and the respective quality should be carefully evaluated. Additionally, in cases where data are confidential, the Manual (or the respective Compilation Guide which would be very useful in general terms) should provide explicitly guidelines on what to do, namely suggesting aggregation by EBOPS item and/or by region instead of partner country.
Spain	As stated above it would be desirable to give a prominent position to the need to be consistent between MSITS, SNA and BPM.
Tanzania	WE SUGGEST DEVELOPMENT OF THE COMPILATION GUIDE THAT SHOULD STATE POSSIBLE DATA SOURCES
Thailand TM	The MSITS focuses on international trade in services. However, services statistics on the international level is closely linked to domestic trade in services activities. It may be beneficial to elaborate on the principle on how to design a domestic services statistics collection system that efficiently complements the MSITS system. In many countries, the statistics system for collection of domestic data is still in to be developed. A general guidance on domestic services statistics can then result in a system that is efficient and compatible with the one suggested by the MSITS.
Vietnam NSO	Please explain in more detail what are differences between statistics of export/import and statistics of intrnational trade in services in terms of definition, concepts, coverage
Yemen NSO	Yes. Information on the partner country must be included in the basic components required for statistics of international trade in services. The balance of payments data of many countries do not include data according to partner country; therefore any foreign commercial exchange must be on the level of nonresident partners.