Trade in Services

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Current procedure

- **Take IMF *Balance of Payments Statistics*.**

- **Fill in gaps.**

- **Reconcile export and import reports.**

- **Bilateralize.**

- **Adjust to GTAP concepts and categories:**

  - **royalties**

  - **margin services**

  - **travelers' expenditures**

IMV v OECD data

- **IMF has more complete country coverage.**

- **IMF has more country detail.**

- **IMF has more commodity detail.**

- **IMF has inconsistent commodity detail; OECD has inconsistent partner country detail.**

- **Both IMF and OECD contain export/import inconsistencies.**

- **Only OECD has bilateral flows.**

IMF plus OECD

- **Exports to and imports from world:**
  - **present in original OECD statistics**
  - **absent from CPB-contributed data**
  - **inconsistent with IMF**

- **No data for bilateral flows between OECD non-reporters**

- **No breakdown of bilateral flows within OECD aggregate partners**

Proxy bilateral trade pattern

- **Should cover all standard GTAP countries.**

- **Can construct:**
    - **from IMF data following current bilateralization**
    - **from merchandise trade data**

- **There is a weak presumption that the merchandise trade data is better.**

- **This can be tested, taking approximation to OECD as the measure.**

Reconciling IMF and OECD data

- **Prefer IMF, adjust OECD?**

- **Prefer OECD, adjust IMF?**

- **Prefer OECD for some flows, IMF for other?**

- **Ideally, determine which is more reliable.**

- **Expediently, prefer the IMF:**
  - **OECD misses flows between non-reporters**
  - **OECD as contributed covers 75 per cent of world trade**

Reconciliation

- **Use proxy bilateral trade pattern to fill in gaps in OECD.**

- **Use proxy bilateral trade pattern to disaggregate countries.**

- **For each commodity, balance against IMF exports and imports, neglecting:**

    - **royalties (not used)**

    - **margin services (bilateral flows not used)**

Downstream processing

- **Apportion travelers' expenditures across standard commodities.**

- **Balance margin services against margins from merchandise trade data.**

- **Add in Hong Kong reexport services.**