ECOWAS COMMISSION
COMMISSION DE LA CEDEAO
COMISSÃO DA CEDEAO

DEPARTMENT OF ECONOMIC AFFAIRS AND AGRICULTURE

DIRECTORATE OF RESEARCH AND STATISTICS

METHODOLOGICAL GUIDE FOR THE COMPILATION OF STATISTICS ON TRADE IN SERVICES BY MODE OF SUPPLY IN ECONOMIC COMMUNITY OF WEST AFRICAN STATES

October 2026

Table of Contents

CHAPTER I : INTRODUCTION 9

A. Background 9
B. Objectives of the Guide 11
C. Scope of the Guide 11
D. Relationships of the Guide with International Manuals 11
E. Structure of the Guide 12

CHAPTER II : GENERAL FRAMEWORKS 14

A. Conceptual Framework 14
B. Trade in Services Agreements 14
C. Legal Framework 15
D. Integrated Economic Statistics Approach 18
E. International Classifications and Standards 18

CHAPTER III : CONCEPTS AND DEFINITIONS 19

A. Classification of Services According to EBOPS 2010 19
B. Correspondence with CPC Version 2.0 and ISIC Revision 4 23
C. Residence and Non-Residence 23
D. Statistical Units 24

CHAPTER IV : DATA SOURCES AND DATA COLLECTION 26

A. International Transactions Reporting System 26
B. Administrative Records 26
C. Statistical Business Register 26
D. Enterprise Survey 27
E. Foreign Affiliates Statistics Questionnaire 27
F. International Financial Reporting System 28
G. Standardized Support for the Collection of Financial Statements under the Accounting System of *Organisation pour l'harmonisation en Afrique du droit des affaires* 28

CHAPTER V : GENERAL COMPILATION FRAMEWORK 30

A. Manufacturing services on physical inputs owned by others 30
B. Maintenance and Repair Services n.i.e. 36
C. Transport 39
D. Travels 44
E. Construction 48
F. Insurance and pension services 53
G. Financial Services 55
H. Charges for the use of intellectual property n.i.e 58
I. Telecommunications, computer, and information services 62
J. Other Business Services 66
K. Personal, cultural, and recreational services 68
L. Government goods and services n.i.e. 72

CHAPTER VI : FOREIGN AFFILIATES STATISTICS 75

CHAPTER VII : DATA QUALITY AND VALIDATION 80

A. DATA QUALITY FRAMEWORK 80
B. METADATA STANDARDS AND DOCUMENTATION 80
C. VALIDATION AND CONSISTENCY CHECKS 81
D. DISSEMINATION 81
E. REVIEW OF THE GUIDE 81

CHAPTER VIII : TRADE IN SERVICES DATABASE DEVELOPMENT 83

A. ECOWAS REGIONAL TIS DATABASE ARCHITECTURE 83
B. DATA SUBMISSION TEMPLATES AND STANDARD FORMATS 83
C. COOPERATION WITH OTHER TRADE DATABASES 83

CONCLUSION 84

FOREWORD

International trade in services has become an increasingly important driver of economic growth, regional integration, employment creation, investment, and competitiveness across the global economy. For ECOWAS Member States, services such as transport, travel, financial services, telecommunications, business services, professional services, construction, education, health, and digital services play a vital role in connecting markets, supporting production, facilitating trade in goods, and deepening economic cooperation within the region and beyond.

Despite its growing importance, the measurement of trade in services remains a major statistical challenge. Unlike trade in goods, services are often intangible, delivered through different channels, and supplied through complex arrangements involving residents and non-residents, foreign affiliates, digital platforms, and the temporary movement of persons. These characteristics make it necessary to adopt clear concepts, harmonised definitions, appropriate data sources, and internationally comparable compilation methods.

This Methodological Guide for the Compilation of Trade in Services by Mode of Supply for ECOWAS Member States has therefore been developed to provide a common regional framework for the collection, compilation, classification, analysis, and dissemination of international trade in services statistics. The Guide is intended to support Member States in producing reliable, timely, and comparable data on trade in services and by mode of supply, in line with international standards.

The Guide draws extensively on the Manual on Statistics of International Trade in Services 2010 (MSITS 2010), the Balance of Payments and International Investment Position Manual, Sixth Edition (BPM6), the Extended Balance of Payments Services Classification 2010 (EBOPS 2010), the System of National Accounts 2008 (SNA 2008), and other relevant international and regional statistical frameworks. It also reflects lessons from existing regional experiences and the technical contributions of ECOWAS Trade in Services Technical and Regional Working Groups.

The development of this Guide is timely and strategic. As ECOWAS advances the implementation of regional integration programmes and engages more deeply with the African Continental Free Trade Area (AfCFTA), particularly the Protocol on Trade in Services, the availability of robust trade in services statistics is essential. Such statistics will strengthen evidence-based policymaking, support trade negotiations, improve monitoring of commitments, and enhance understanding of the competitiveness and opportunities within the region's services sectors.

Furthermore, harmonised trade in services statistics is critical for macroeconomic management and external sector analysis. They provide valuable information for balance of payments compilation, foreign exchange monitoring, investment promotion, private sector development, and the assessment of regional and global services trade flows. By improving the quality and comparability of services trade data, Member States will be better positioned to design policies that promote inclusive growth, economic diversification, and sustainable development.

This Guide also responds to the need for stronger institutional coordination among national statistical offices, central banks, ministries responsible for trade, regulatory agencies, sector regulators, and other data-producing institutions. Effective compilation of trade in services

statistics requires collaboration across these institutions, supported by clear roles, consistent methodologies, and sustainable data-sharing arrangements.

The ECOWAS Commission commends the commitment of Member States and technical experts who contributed to the preparation of this Guide. Their efforts have produced a practical and regionally relevant tool that will help close long-standing data gaps and promote statistical harmonisation across the Community.

It is our expectation that Member States will use this Guide as a reference for strengthening national systems for compiling trade in services statistics and for progressively aligning their practices with international recommendations. The ECOWAS Commission remains committed to supporting Member States through capacity-building, technical assistance, coordination, and the promotion of harmonised statistical development across the region.

The successful implementation of this Guide will mark an important step towards improving the measurement of services trade in West Africa and strengthening the statistical foundation for regional integration, trade policy, and economic transformation.

ACKNOWLEDGEMENTS

The preparation of this Methodological Guide for the Compilation of Trade in Services by Mode of Supply for ECOWAS Member States was made possible through the support of the Harmonising and Improving Statistics in West and Central Africa (HISWACA) Project, funded by the World Bank. The ECOWAS Commission gratefully acknowledges the financial and technical support provided under the HISWACA Project, which facilitated the consultations, technical reviews, expert engagements, and coordination processes that contributed to the development of this Guide.

The Commission expresses its sincere appreciation to the World Bank for its continued support towards strengthening statistical systems in West and Central Africa. This support has been instrumental in promoting harmonised methodologies, improving data quality, and building institutional capacity for the production of reliable and comparable statistics across the region.

The ECOWAS Commission also acknowledges the valuable contributions of regional institutions, particularly the West African Monetary Agency (WAMA), the West African Monetary Institute (WAMI), and the West African Economic and Monetary Union (UEMOA). Their technical inputs, institutional experience, and guidance during the preparation of the Guide enriched the methodological content and helped ensure that the document reflects both international statistical standards and the realities of the ECOWAS region.

Special appreciation is extended to ECOWAS Member States for their active participation, cooperation, and valuable contributions throughout the development process. The Commission particularly recognizes the efforts of national institutions involved in the production and use of international trade in services statistics, including National Statistical Offices, Central Banks, and other relevant data-producing institutions.

The Commission further acknowledges the important contributions of members of the ECOWAS Trade in Services Technical Working Group and the Regional Working Group, whose technical discussions, country experiences, and recommendations greatly informed the structure and content of the Guide. Their expertise helped to ensure that the Guide is practical, harmonised, and responsive to the statistical needs and policy priorities of ECOWAS Member States.

This Guide benefited from internationally recognized statistical frameworks and manuals, particularly the Manual on Statistics of International Trade in Services 2010 (MSITS 2010), the Balance of Payments and International Investment Position Manual, Sixth Edition (BPM6), the Extended Balance of Payments Services Classification 2010 (EBOPS 2010), and the System of National Accounts 2008 (SNA 2008). It also drew on relevant regional and international experiences, including guidance from Eurostat, UEMOA, WAMA, WAMI, and other institutions engaged in the compilation and harmonisation of trade in services statistics.

The ECOWAS Commission extends its appreciation to all technical experts, consultants, resource persons, and development partners who provided methodological guidance, technical assistance, peer review, and other forms of support during the preparation of the Guide. Their contributions were essential in shaping a coherent and practical framework for improving the collection, compilation, analysis, and dissemination of trade in services statistics across the ECOWAS region.

Finally, the Commission expresses its gratitude to all individuals and institutions that contributed directly or indirectly to the successful development of this Guide. It is expected that the Guide will serve as an important reference document for Member States and support the production of high-quality, timely, and comparable trade in services statistics for regional integration, policy formulation, trade negotiations, and economic governance.

ACRONYMS AND ABBREVIATIONS

BPM6	**Balance of Payments and International Investment Position Manual, Sixth Edition**
c.i.f.	Cost, Insurance, Freight (also CIF)
CPC	Central Product Classification
EBOPS	Extended Balance of Payments Services Classification
Eurostat	Statistical Office of the European Union
FATS	Foreign Affiliates Statistics (as used in this Manual)
FDI	Foreign Direct Investment
FDIR	Framework for Direct Investment Relationships
f.o.b.	Free On Board (also FOB)
GATS	General Agreement on Trade in Services
GATT	General Agreement on Tariffs and Trade
GDP	Gross Domestic Product
HS	Harmonized Commodity Description and Coding System
ICFA	ISIC, Rev.4 Categories for Foreign Affiliates in services
ILO	International Labour Organization
IMF	International Monetary Fund
IMTS	International Merchandise Trade Statistics
IRTS	International Recommendations for Tourism Statistics
ISCO	International Standard Classification of Occupations (International Labour Organization)
ISIC	International Standard Industrial Classification of All Economic Activities
ITRS	International Transactions Reporting Systems
MNE	Multinational Enterprise
NPO	Non-Profit Organization
OECD	Organisation for Economic Co-operation and Development
SNA	System of National Accounts
TFSITS	Task Force on Statistics of International Trade in Services
TRIPS	Agreement on Trade-related Aspects of Intellectual Property Rights
MSIT2010	Manual on Statistics of International Trade in Services 2010
TSA	Tourism Satellite Account
UCI	Ultimate Controlling Institutional unit (used in respect of foreign affiliates)
UN	United Nations
UNCTAD	United Nations Conference on Trade and Development
W/120	Services Sectoral Classification List (see World Trade Organization document MTN.GNS/W/120)

Chapter I : Introduction

A. Background

1.1 The term services cover a heterogeneous range of intangible products and activities that are difficult to encapsulate within a simple definition. Services are also often difficult to separate from the goods with which they may be associated in varying degrees. In general, Manual on Statistics of International Trade in Services 2010 (MSITS 2010) respects the System of National Accounts 2008 (SNA 2008) use of the term services, which is defined as follows (2008 SNA, par. 6.17): Services are the result of a production activity that changes the conditions of the consuming units, or facilitates the exchange of products or financial assets. (MSITS 2010 Box 1.1)

1.2 Trade in services is defined as a service transaction (i.e., the payment for a service rendered) between residents and non-residents in the reporting economy. Services credits correspond to services exports, and services debits correspond to imports. Trade in services, as measured by transactions between residents and non-residents, is usually measured in terms of sales (apart from any services that may have been donated), Eurostat 2023[1]. In MSITS 2010, international trade in services is defined as trade between residents and non-residents of an economy in addition to the supply of services through foreign affiliates established abroad and the supply of services through the presence of foreign individuals, either as foreign service suppliers themselves or as employees of a foreign service supplier.

1.3 International trade in services (ITS) has become a central pillar of global economic activity, driven by expanding demand for services. As economies integrate further, there is a need to adequately measure the supply of international trade in services for policymaking at national, regional, and continental levels. The global response was the development of the MSITS 2010 and the accompanying Compiler's Guide, both of which provide internationally harmonized frameworks, definitions, classifications, and practical guidance for measuring services trade across all four modes of supply under the World Trade Organisation General Agreement on Trade in Services (GATS). These global standards aim to support countries in generating more reliable and comprehensive statistics for economic analysis, trade negotiations, and regulatory decision-making.

1.4 For the ECOWAS region, the development of a harmonized methodological guide for compiling trade in services statistics is particularly timely. The regional economy is increasingly shaped by services-led growth statistics yet the systems for capturing services flows across Member States remain fragmented, uneven, and in several cases non-existent. Differences in methodological approaches, data sources, institutional roles, and statistical capacity hinder the region's ability to generate comparable estimates or to evaluate the true scale and direction of services trade among the ECOWAS Member States and with the World.

1.5 The need for harmonisation is reinforced by the ECOWAS legal framework Decision A/DEC.12/01/06, which established a long-standing disparity in external trade statistics and established the obligation for Member States to adopt a common, internationally

[1] European business statistics compilers guide for European statistics on international supply of services by mode of supply 2023 edition

aligned framework. Although originally focused on merchandise, the Decision's core principles focused on harmonisation, methodological consistency, quality assurance, and international standardization. It places a clear responsibility on Member States to implement harmonised statistical systems and mandates the ECOWAS Commission to coordinate, consolidate, and publish regional external trade statistics. These provisions naturally extend to ITS, where multiple institutions should collaborate to collect data from enterprises, banks, regulators, and administrative systems. They also create a legal expectation that Member States will transmit harmonised external trade data now including services to the ECOWAS Commission for use in regional reporting and analysis. The Decision's call for continuous evaluation and updating of methodologies further supports the need for a modern, regionally adapted ITS framework consistent with MSITS 2010 and Balance of Payments and International Investment Position Manual, Sixth Edition (BPM6).

1.6 The importance of robust ITS statistics for regional policy cannot be overstated. High-quality, comparable, and timely data form the evidence base for designing and monitoring ECOWAS protocols on the free movement of people, financial integration, transport connectivity, and professional services mobility. As ECOWAS Member States engage with the African Continental Free Trade Area (AfCFTA) in particular its Trade in Services Protocol, ITS statistics are essential for scheduling commitments, aligning regional and continental obligations, and supporting Member States to negotiate from an informed, coordinated position.

1.7 Reliable ITS statistics are equally critical for macroeconomic management. Services transactions influence balance-of-payments outcomes, exchange-rate dynamics, and external-sector resilience. For central banks and ministries of finance, detailed ITS data provide insights into foreign exchange inflows, external vulnerabilities, and the broader macroeconomic implications of international services. High-quality statistics also support investment promotion and private-sector development by enabling service providers, investors, and regional institutions to identify market opportunities and understand the competitiveness of ECOWAS service sectors.

1.8 In this context, the ECOWAS Methodological Guide builds on the foundations of MSITS 2010 and its accompanying Compiler's Guide. It also integrates guidance from Eurostat's Compiler's Manual and lessons learnt from UEMOA's experience in compiling trade in services statistics. The Guide further reflects the collective insights and technical recommendations emerging from discussions of both ECOWAS Trade in Services Technical and Regional Working Groups. Together, these sources provided a harmonised and regionally tailored framework for compiling and disseminating trade in services statistics.

1.9 The basic aims are to close long-standing data gaps in intra and inter regional trade statistics, promote consistency across national statistical systems, and equip Member States with robust statistics for policymaking, trade negotiations, and deeper regional integration. The Guide provides the frameworks to extend balance of payments trade in services statistics to include geographical location, modes of supply and foreign affiliates statistics in ECOWAS region.

B. Objectives of the Guide

1.10 The primary objective of the Methodological Guide is to provide ECOWAS Member States with a harmonised and coherent framework for trade in services data collection, compilation, classification, analysis, and dissemination. By establishing a common regional framework, the Guide will strengthen the quality, consistency, and comparability of services trade data across Member States, thereby supporting regional integration, policy formulation, and economic governance. The implementation of the Guide will help Member States progressively align their national statistical systems with internationally accepted standards. This will ensure that data produced by Member States can be aggregated at the regional level. In addition, the Guide will assist in strengthening institutional coordination among the various agencies involved in ITS data production.

C. Scope of the Guide

1.11 The Methodological Guide encompasses the full range of data collection instruments, techniques and sources for the compilation of relevant trade in services statistics. In addition, it includes conceptual, methodological, valuation and estimation techniques necessary for compiling international supply of services for ECOWAS Member States. It covers the concept of resident and non-resident transactions in services, following the principles and classifications of the BPM6 and The Extended Balance of Payments 2010 (EBOPS 2010) and by mode-of-supply and by partner-country breakdowns. It also comprises the concept and measurement of mode of supply.

D. Relationships of the Guide with International Manuals

1.12 MSITS 2010 constitutes the primary framework along with other statistical frameworks upon which the Guide is developed. It aligns with the BPM6, which provides the fundamental conceptual basis for recording resident–non-resident transactions. BPM6 defines key statistical concepts such as residence, valuation, time of recording, and the treatment of transactions between related enterprises. It also outlines the structure of the balance of payments accounts within which trade in services is recorded.

1.13 SNA 2008 establishes the overarching framework for measuring economic activity, including the production and consumption of services, within a national economy. Many of the units, classifications, and valuation methods used in SNA 2008 underpin those used in BPM6 and MSITS 2010. The Regional Guide is therefore developed to ensure consistency with ITS statistics and national accounts. EBOPS 2010 Services Classification is the key classification system used for breaking down trade in services into standard, detailed categories. The classification provides a more granular classification that reflects the variety of service industries. Beyond these primary frameworks, the Regional Guide incorporates elements from other international statistical systems that play an important role in the compilation of service-related indicators. These include the International Recommendations for Tourism Statistics (IRTS 2008), essential for measuring travel services and tourism flows; the OECD Benchmark Definition of Foreign Direct Investment (BD4), relevant for understanding foreign affiliates statistics (FATS) and mode 3 trade; the International Merchandise Trade Statistics (IMTS 2010), important for reconciling goods–services interactions; and statistical frameworks on labour mobility and migration relevant to the measurement of mode 4 services.

1.14 By integrating these complementary frameworks, the Guide ensures coherence across multiple statistical domains and aligns ITS measurement in the ECOWAS region with global best practices. This alignment facilitates accurate international comparisons, strengthens Member States' capacity to meet international reporting obligations, and supports the development of a unified regional statistical architecture capable of informing trade negotiations, macroeconomic management, and regional integration policies.

E. Structure of the Guide

1.15 This Methodological Guide is organised into seven chapters.

- **Chapter I – Introduction**

  This chapter presents the background, objectives, and scope of the Guide, and explains its alignment with relevant international statistical manuals.
- **Chapter II – General Frameworks**

  This section outlines the conceptual foundations of trade in services statistics, including the WTO and AfCFTA agreements, the legal framework, the integrated economic statistics approach, and the international classifications and standards that underpin the Guide.
- **Chapter III – Concepts and Definitions**

  Set out the core statistical concepts, including the treatment of resident and non-resident transactions, Foreign Affiliates Statistics (FATS), and the statistical units relevant for compiling trade in services data.
- **Chapter IV – Methods of Data Collection and Sources**

  This chapter provides guidance on the principal data sources used in compiling services statistics, with an overview of surveys, administrative records, and other relevant information systems.
- **Chapter V – General Compilation Framework**

  Presents the methodological procedures for compiling each EBOPS 2010 service category. It outlines classification principles, recommended data sources, valuation rules, and approaches for allocating transactions to the modes of supply.
- **Chapter VI - Foreign Affiliates Statistics**

  This chapter outlines the methodological procedures to capture trade in services data exchanged between parent companies and their affiliates, mainly through mode 3.
- **Chapter VII – Data Quality and Validation**

  This chapter set out the regional data quality framework, including metadata requirements, validation procedures, and mechanisms for reviewing and updating the Guide.
- **Chapter VIII – Database Development**

This chapter describes the ECOWAS regional ITS database architecture, detailing data submission requirements, linkages with other regional and international databases, and the tools for data storage, access, and dissemination.

Chapter II : General Frameworks

A. Conceptual Framework

2.1 The conceptual framework for compiling statistics on international trade in services is grounded in a set of internationally agreed standards that define what constitutes services trade, it draws extensively from the guidance (MSITS 2010) and its Compiler's Guide, both of which articulate the structure, principles and classifications required for accurate and consistent measurement across national and regional statistical systems.

2.2 The MSITS-based conceptual framework for measuring international trade in services rests on three interconnected pillars:

a) Resident/non-resident services transactions, following BPM6 and EBOPS 2010.
b) Foreign Affiliates Statistics (FATS) to capture Mode 3 services.
c) Complementary indicators on modes of supply and movements of persons.

2.3 Under this framework, all four GATS modes of supply are measured using mutually reinforcing statistical systems.

B. Trade in Services Agreements

2.4 The international supply of services can take place through four different modes of supply that depend on the territorial presence of the supplier and the consumer at the time of the transaction. The four modes can be described as follows: (GATS art. I:2)

- ***Mode 1 (cross-border supply):*** the supply of services from the territory of one member into the territory of any other member. The definition implies that both the supplier and the consumer remain in their respective territories when the service is consumed. This is similar to trade in goods, where the product is delivered across borders and the consumer and the supplier remain in their respective territories. Examples include banking or engineering services transmitted via the internet or mail.

- ***Mode 2 (consumption abroad):*** the supply of services in the territory of one member to a service consumer of any other member. This means that either: (i) the consumer is abroad when consuming the service; or (ii) the service transaction related to their property takes place abroad. Typical examples of the former are tourist activities, such as visits to museums and theatres, or travel abroad to receive medical treatment or follow language courses. For transactions related to a consumer's property, Mode 2 is only relevant when the nature of the service changes the condition of the good or physical asset itself (including transporting, cleaning, repairing or otherwise transforming the good). These include services such as ship repair abroad, or manufacturing services using inputs owned by others

- ***Mode 3 (commercial presence):*** the supply of services by a service supplier of one member, through a commercial presence in the territory of any other member. Commercial presence is defined in statistical terms as the establishment of a controlled affiliate abroad and covers not only juridical persons in the strict legal sense, but also legal entities that share some of the same characteristics, such as representative offices and branches

Mode 3 should only include sales to the host (reporting) country. Services provided by a foreign-controlled entity to residents of other economies (including the economy of the investor) are considered to be supplied via Mode 1, 2 or 4 (depending on the case), and are recorded as trade in services of the host economy. This is because once a commercial presence has been established (i.e., any restrictive measure on foreign control has been overcome), foreign-controlled entities are resident in the host (reporting) economy and any resident to non-resident transaction is therefore recorded in the balance of payments of the host economy. Examples of services supplied via Mode 3 include financial services provided by a branch or subsidiary of a foreign bank, medical services provided by a foreign-owned hospital and courses offered by a foreign-owned school.

- ***Mode 4 (presence of natural persons):*** the supply of services by a service supplier of one member, through the presence of natural persons of a member in the territory of any other member. This takes place when an individual is temporarily present in the territory of an economy other than their own to provide a service. Mode 4 covers:

    1. contractual service suppliers, whether employees of a foreign service supplier or self-employed;
    2. intra-corporate transferees and foreign employees directly recruited by foreign-owned companies;
    3. service sellers who enter the host country to set up contractual relationships for a service contract, or people responsible for setting up a commercial presence.

    However, only services provided by contractual service suppliers (a) are in scopewhen measuring the value of services supplied via Mode 4, while all cases (a to c) are covered when measuring non-monetary (quantitative) data on the number of natural persons crossing borders in order to supply services (see MSITS 2010 Compilers Guide Box 1.1).

    Ultimately, the GATS modes of supply are defined based on the location of the supplier and the consumer at the time when services are rendered, the nationality of the supplier and the way in which the service is provided (see MSITS 2010, par. 2.25).

2.5 This structure allows compilers to view services trade beyond traditional cross-border flows and ensures that all relevant policy interests, especially those linked to trade negotiations are incorporated into measurement. MSITS emphasizes that existing statistical systems already capture elements of these modes, but require harmonisation and expansion to cover them fully. In the same vein, the AfCFTA Protocol on Trade in Services recognises and adopt this transaction structure in the GATS.

C. Legal Framework

2.6 A strong and clearly articulated legal framework is essential for the effective compilation of statistics on international trade in services (ITS). Both the MSITS 2010 Manual and the MSITS 2010 Compiler's Guide emphasize that high-quality services trade statistics can only be produced when countries establish robust laws, regulations, and institutional mandates governing data collection, access, processing, confidentiality, and dissemination.

The legal framework provides the foundation for national statistical systems, ensuring that all agencies involved in ITS compilation operate with clarity, authority, and accountability.

2.7 The regional legal framework emanates from Article 84 of ECOWAS Treaty which require that member states should "eliminate incompatibility" and "adopt a common position". The guided principles are: Subsidiarity, Transparency, Coherence, Proportionality, Complementarity, Solidarity, and co-operation. The Guide is based on DECISION C/DEC/12/01/06 REVISING DECISION C/DEC/3/6/86 LAYING DOWN THE PROCEDURES FOR COMPILING THE FOREIGN TRADE STATISTICS OF THE MEMBER STATES OF ECOWAS.

National Legal Mandates for Data Collection and Compilation

2.8 The legal framework should clearly identify the national authority responsible for ITS statistics typically the national statistical office, the central bank, or both acting jointly. The Compiler's Guide notes that some countries enact additional sector-specific acts for specialized areas such as FATS or foreign investment reporting, ensuring clarity around who is expected to provide information on foreign affiliates or international transactions.

2.9 When several agencies are involved such as the central banks, immigration services, investment promotion agencies, customs authorities, legal provisions should be put in place to facilitate data sharing and cooperation. Without these provisions, compilers may struggle to obtain timely and complete data.

In many countries, a Legal Act specifies:

- the authority to collect data through surveys and administrative sources;
- the obligation of enterprises and institutions to report accurate information;
- penalties for non-compliance; and
- the responsibilities of agencies in disseminating official statistics.

Incorporation of International Obligations and Recommendations

2.10 Countries' legal frameworks should also reflect their obligations under international agreements. The Compiler's Guide states that when a country becomes party to an international convention or adopts global statistical recommendations, these should be incorporated into national legislation. Incorporating these obligations in national law ensures that compilers are able to produce data consistent with international norms and meet their global reporting responsibilities.

Legal Acts Governing Access to Data Sources

2.11 Given the wide range of data sources required for ITS compilation, such as surveys, ITRS systems, customs records, business registers, tax records, tourism data, and other administrative sources, the legal framework should ensure that compilers have the authority to access these data. The Compiler's Guide recommends that legislation explicitly grant the statistical office or central bank the right to use administrative records for statistical purposes. Without such legal provisions, the ability to produce comprehensive ITS statistics is significantly constrained.

Confidentiality and Data Protection

2.12 Protection of confidential data is a core component of the legal framework. The Compiler's Guide highlights the importance of confidentiality provisions that prevent the disclosure of microdata and restrict its use to statistical purposes only. This principle is consistent with the UN Fundamental Principles of Official Statistics, which are also referenced in the Guide.

Legal Support for Coordination and Institutional Arrangements

2.13 Since ITS compilation requires coordinated efforts across multiple agencies, the legal framework should support institutional arrangements that facilitate cooperation, data exchange and clarity of mandates.

2.14 Institutional Framework for ECOWAS Member States, the compilation and dissemination of statistics on the international supply of services often involve several national institutions. In line with the recommendations of MSITS 2010, responsibilities should be shared among the national statistical office, the central bank, relevant ministries and sector-specific regulators. These stakeholders contribute to different components of resident–non-resident trade in services data, FATS, and complementary indicators, establishing clear and effective institutional arrangements is essential.

2.15 The ECOWAS Commission through the Directorate of Research and Statistics should coordinate the national committees in supporting harmonization efforts and comparability of statistics among Member States, enabling accurate monitoring of trade in services and development of Analysis Note on Trade in Services in ECOWAS region. It should coordinate the inter-Regional Economic Communities (RECs) collaboration, relationships and technical interactions at continental and global levels.

2.16 Member States should formalize cooperation among these stakeholders through existing ECOWAS trade institutional framework. The national committee headed by the national statistics office should oversee the coordination, review methodological issues, support data validation, and ensure alignment with international recommendations.

Roles and Responsibilities of Member States

2.17 ECOWAS Member States have responsibility for the full range of activities required to produce ITS statistics. They should collect and compile trade in services data using ECOWAS standardised instruments. They should ensure that national statistical operations adhere to regional concepts as contained in the Guide. such as residence, valuation principles, and classification standards.

2.18 Each Member States should designate NSO to coordinate national statistical operations, manage the flow of information among agencies, and ensure the timely submission of ITS data to the ECOWAS Commission. They are also responsible for producing complete metadata, documenting national methods, and notifying the ECOWAS Commission of any methodological changes, revisions, or breaks in series that affect comparability. They should engage and encourage participation in capacity-building initiatives at national, regional, continental and global levels

Regional Data Transmission and Validation Protocol

2.19 ECOWAS Commission through the Directorate of Research and Statistics should provide a regional protocol guiding ITS transmission and dissemination. It should provide a portal for data upload and storage to ensure the consistency, comparability, and reliability of data submitted by Member States. Member States should use harmonised regional templates for data submission and should be accompanied by metadata explaining concepts, data sources, methods, and any deviations from the recommended standards.

2.20 Member States should conduct internal validation, including checks for internal consistency, coherence between ITRS and survey data, and reconciliation with balance of payments aggregates. Upon receipt, the ECOWAS Commission should perform its own validation procedures, applying regional quality checks, cross-country consistency tests, and mirror analysis where applicable. Feedback from this process is communicated to Member States, which are required to revise and resubmit corrected data within agreed timelines. This validation cycle ensures harmonised and high-quality regional statistics.

D. Integrated Economic Statistics Approach

2.21 The conceptual framework is supported by other integrated economic statistics. Integrated statistics aim to improve coherence across business, trade, BOP, national accounts and administrative data systems. MSITS 2010 encourages this approach, which the guide has adapted, because services trade measurement relies on multiple sources that must be brought together to produce consistent national and regional statistics.

E. International Classifications and Standards

2.22 The conceptual framework relies heavily on the alignment of ITS statistics with a suite of international classifications. These classifications ensure global comparability and facilitate the integration of services trade statistics with other macroeconomic datasets. MSITS stresses that any national deviations should be mapped to international standards for consistency. including:

- EBOPS 2010 for services categories
- ISIC Rev.4 for industry classification, particularly relevant for FATS
- CPC Version 2 for product classification
- SDMX, partner country codes and metadata structures
- International Recommendations for Tourism Statistics (IRTS 2008)
- OECD FDI Benchmark Definition.

Chapter III : Concepts and Definitions

A. Classification of Services According to EBOPS 2010

3.1 This chapter presents the core concepts and coverage that underpin the compilation of International Trade in Services statistics. These concepts ensure that compilers across ECOWAS Member States adopt harmonised practices consistent with BPM6, SNA 2008, EBOPS 2010, CPC Version 2.0, and ISIC Rev.4.

3.2 EBOPS 2010 is the internationally agreed classification for compiling statistics on resident and non-resident trade in services. It expands BPM6 services into a detailed and policy-relevant structure. For the purposes of this methodological guide, the "12 EBOPS services categories" refer to the major EBOPS headings commonly used by compilers.

3.3 It also provides the internationally agreed detailed classification of services for BOP reporting.

- Manufacturing services on physical inputs owned by others
- Maintenance and repair services n.i.e.
- Transport
- Travel
- Construction
- Insurance and pension services
- Financial services
- Charges for the use of intellectual property n.i.e.
- Telecommunications, computer, and information services
- Other business services
- Personal, cultural, and recreational services
- Government goods and services n.i.e.

Manufacturing Services on Physical Inputs Owned by Others

3.4 Manufacturing services on physical inputs owned by others includes activities such as processing, assembly, labelling and packing that are undertaken by enterprises that do not own the goods. Examples include oil refining, liquefaction of natural gas and assembly of clothing and electronics. Excluded are the assembly of prefabricated construction (included in construction) and labelling, and packing incidental to transport (included in transport services).

3.5 The manufacturing is undertaken by an entity that does not own the goods and that is paid a fee by the owner. The ownership of the goods does not change, so no general merchandise transaction is recorded between the processor and the owner. Only the fee charged by the processor is included under this item, although such a fee may include the cost of materials purchased by the processor. (MSITS Compilers Guide, par. 3.66 - 3.67).

Maintenance and Repair Services n.i.e.

3.6 Maintenance and repair services n.i.e. includes maintenance and repair work by residents on goods that are owned by non-residents (and vice versa). The repairs may be performed at the site of the repairer or elsewhere. Maintenance and repairs on ships, aircraft and other transport equipment are included in this item. Cleaning of transport equipment is included in transport services. Construction repairs and maintenance are included under construction. Maintenance and repairs of computers are included under computer services." (MSITS 2010 Manual, par. 3.78)

3.7 The value recorded for maintenance and repairs is the value of the repair work done, not the gross value of the goods before and after repairs. The value of maintenance and repairs encompasses any parts or materials supplied by the repairer and included in the price (parts and materials charged separately are excluded from services and included in general merchandise). Both minor repairs that maintain the item in working order and major repairs that extend the efficiency or capacity of the good or extend its life are included. No distinction is made between those repairs included by the customer in intermediate consumption and those included in capital formation. (MSITS 2010 Manual, par. 3.79),

Transport Services

3.8 Transport covers the process of carriage of people and objects from one location to another as well as related supporting and auxiliary services and rentals (charters) of carriers with crew. Also included are postal and courier services. Transport can be classified according to mode of transport and what is carried (passengers or freight). MSITS Compilers Guide 3.80. There is a distinction between the two definitions because EBOPS is a product-based classification used in balance-of-payments and trade-in-services statistics, focusing on transactions between residents and non-residents. In contrast, ISIC is an activity-based classification that groups producers, enterprises or establishments, according to their principal economic activity.

3.9 MSITS 2010 further recommends disaggregating transport services by both the type or mode of transport, air, maritime, and other modes such as road, rail, and inland waterways, and the type of service, including passenger, freight, and auxiliary or supporting services. This structured classification ensures that transport services are captured consistently and remain comparable across countries, modes, and statistical domains.

Travel

3.10 Travel is not a specific product; rather, it encompasses a range of goods and services consumed by non-residents in the economy that they visit. Travel is defined as covering goods and services for own use or to be given away, acquired from an economy, by non-residents during visits to that economy. It covers stays of any length, provided that there is

no change in residence. MSITS Compilers Guide 3.115. Travel covers goods and services consumed by persons who travel outside their country of residence for less than one year. Travel includes:

- Business travel
- Personal travel (health, education, tourism, visits, pilgrimages)

3.11 It excludes international transport to and from the destination, which is classified under transport.

Construction

3.12 Construction covers the creation, management, renovation, repair or extension of fixed assets in the form of buildings, land improvements of an engineering nature and other constructions such as roads, bridges and dams. It also includes related installation and assembly work, site preparation and general construction as well as specialized services such as painting, plumbing and demolition.

3.13 Construction is valued on a gross basis, that is, inclusive of all goods and services used as inputs to the work, other costs of production and the operating surplus that accrues to the owners of the construction enterprise. This valuation principle is the same as that which applies in the valuation of all production (of both goods and services) MSITS Compilers Guide 3.132 - 3.133.

Insurance and Pension Services

3.14 Insurance and pension services covers the provision to non-residents of various types of insurance by resident insurance enterprises, and vice versa. MSITS 2010 recommends that insurance and pension services be disaggregated into four separate sub-components: direct insurance; reinsurance; auxiliary insurance; and pension and standardized guarantee services. The value recorded is the service charge component, not the total premium. (MSITS CG, par. 3.149).

Financial Services

3.15 Financial services may be charged for explicitly or implicitly, and some transactions in financial assets may involve both explicit and implicit charges. It covers financial intermediation and auxiliary services, except those of insurance enterprises and pension schemes. These services include those usually provided by banks and other financial intermediaries and auxiliaries. It excludes FISIM (Financial Intermediation Services Indirectly Measured), which is separately identified in national accounts. MSITS Compilers Guide 3.190.

Charges for the Use of Intellectual Property n.i.e.

3.16 This includes intellectual property products that are not included elsewhere in EBOPS 2010, Franchise and trademark licensing fees, which covers all payments and charges for the use of trademarks and franchises, Licenses for the use of outcomes of research and development, which covers fees and charges for the use of proprietary rights arising from research and development, Licenses to reproduce and/or distribute computer software, Licenses to reproduce and/or distribute audio-visual and related products. MSITS Compilers Guide 3.220.

Telecommunications, Computer and Information Services

3.17 MSITS 2010 recommends that the BPM6 component telecommunications, computer, and information services be further disaggregated into three sub-components: telecommunications services, computer services and information services. MSITS Compilers Guide 3.221

a) Telecommunications services – voice, data transmission, mobile services, satellite communication
b) Computer services – software development, IT consulting, data processing, cloud services
c) Information services – news agency services, online content, data dissemination

Other Business Services

This category captures a wide range of specialized business services including:

- Research and development services;
- Professional and management consulting services;
- Technical, trade-related, operational leasing and other business services;

It is often the largest and most diverse EBOPS category for many countries.

Personal, Cultural and Recreational Services

3.18 Personal, cultural, and recreational services comprise two sub-components, audio visual and related services and other personal, cultural, and recreational services. Audio-visual and related services cover services associated with audio-visual activities (movies, music, radio and television) as well as services relating to the performing arts. *MSITS Compiler Guide 3.254.*

Government Goods and Services n.i.e.

3.19 Government goods and services n.i.e. covers goods and services supplied by and to enclaves, such as embassies and military bases; Goods and services acquired from the host economy by diplomats, consular staff and military personnel located abroad and their dependents. Services supplied by and to Governments and not included in other categories of services. EBOPS 2010 recommends that government goods and services n.i.e. be further classified according to the following breakdown:

- Embassies and consulates;
- Military units and agencies; and
- Other government goods and services n.i.e.

3.20 This further breakdown is based on the transactor, that is, the government unit undertaking the transaction, rather than on the type of transaction. MSITS Compiler Guide 3.269 - 3.270.

B. Correspondence with CPC Version 2.0 and ISIC Revision 4

The international classification systems most relevant to ITS statistics are:

Central Product Classification (CPC Version 2.0)

3.21 CPC classifies products, including services, based on their physical characteristics or the nature of the activity. EBOPS 2010 is directly mapped to CPC Ver. 2.0, allowing compilers to categorize services with greater detail.

International Standard Industrial Classification (ISIC Revision.4)

ISIC is a statistical framework that classifies productive activities of enterprises.

It is essential for:

- Business registers
- Enterprise surveys
- FATS
- Understanding the industry that produces a given service.

C. Residence and Non-Residence

3.22 In accordance with BPM6 manual, a unit is a resident of a country when it has its centre of predominant economic interest in that country, typically for at least one year. In the context of trade in services statistics (especially under BPM6 and MSITS 2010), the centre of predominant economic interest refers to the country where an individual or enterprise maintains its strongest and most lasting economic ties, and where it conducts activities on a significant and continuing basis (usually for one year or more). Residence is not based on nationality or legal registration, but on economic presence and activity. For example, from a BOP perspective, a site office may be regarded as a resident if substantive (long-term) construction work is undertaken, even if legally it is not necessarily treated as resident in the host country. The main convention for defining the residence of persons travelling is by the residence of the mobile operator related to them.

3.23 The Balance of Payments Manual (BPM6) provides the primary statistical framework for measuring the international supply of services. Under this framework, resident–non-resident transactions constitute the basis for recording Modes 1, 2, and 4, and MSITS incorporates BPM6 principles such as the definition of residence, valuation at market

prices, accrual recording, and gross measurement. Compilers are required to record all services transactions between residents and non-residents using the Extended Balance of Payments Services Classification (EBOPS 2010), which elaborates on the BPM6 classification by offering more detailed service categories and optional breakdowns aligned with user needs.

D. Statistical Units

3.24 The statistical units for trade in services statistics cover institutional units such as households, enterprises, quasi-corporations, non-profit institutions and government units, and other types of units. For FATS, the statistical units can be enterprises or establishments.

i. **Enterprises:** An enterprise is an institutional unit engaged in production, and may be a corporation or quasi-corporation, a non-profit institution, or an unincorporated enterprise (part of the household sector). As a general principle, an enterprise is resident in an economic territory when the enterprise is engaged in a significant amount of production of goods and/or services at a location in the territory. (MSITS 2010, par .3.17).

ii. **Establishments:** A production unit at a single location. Useful for detailed economic activity data, especially when using ISIC.

iii. **Households:** Households are relevant when individuals consume (Mode 2) or supply services across borders (Mode 4).

iv. **Holding Company:** A holding company is an institutional unit whose primary activity is owning and controlling the equity of other enterprises, without engaging in the day-to-day management or production operations of those enterprises. Its main function is to exercise control or influence through the ownership of shares or equity interests.

v. **Parents Company:** Is an enterprise that owns more than 50% of the voting power in another enterprise, thereby exercising control either directly or indirectly. Within this relationship, the Immediate Parent is identified as the first foreign investor that holds the controlling equity stake directly, while the Ultimate Parent (UCI, Ultimate Controlling Institutional Unit) is the specific entity positioned at the very top of the ownership structure that is not, in turn, controlled by any other institutional unit.

vi. **A Subsidiary:** Is defined as an enterprise in which a parent company owns more than 50% of the voting power, thereby gaining control over its operations. This definition of control is crucial, as the MSITS 2010 manual's classification for Mode 3 (Commercial Presence) relies heavily on these Foreign Direct Investment (FDI) control relationships, as outlined in the OECD BD4 and BPM6 manuals. Furthermore, this concept aligns with the ISIC and FATS (Foreign Affiliates Statistics) definitions, where the subsidiary is fully consolidated into the parent's corporate group and is considered a foreign affiliate when controlled by a non-resident parent.

vii. **An Associate:** is an enterprise where an investor owns ***10% to 50% of the voting power***, allowing them to have ***significant influence*** over major policy decisions without actually

controlling daily operations. This definition, which emphasizes influence rather than full control, is adopted by the MSITS 2010 manual, aligning with the ownership rules used in the BPM6 and BD4 statistical guidelines when analysing commercial presence (Mode 3) relationships.

viii. **A Joint Venture (JV):** Is defined as an enterprise that is jointly owned and jointly controlled by two or more parties, typically established through a contractual or equity arrangement where no single investor holds unilateral control. The MSITS 2010 manual refers to the concept of joint control as defined in BD4 and corporate accounting standards, emphasising that control rights are shared (whether equally or based on a pre-agreed structure). Joint Ventures can take the form of either incorporated enterprises or unincorporated collaborations, such as certain large-scale construction projects.

ix. **A Branch:** Is defined as an unincorporated enterprise that is entirely owned and controlled by a parent company but operates in a country different from the parent's residence. As defined in BPM6 and applied in MSITS 2010 for Mode 3 (Commercial Presence), a branch has no independent legal personality separate from its parent. It qualifies as a quasi-corporation when its operations are substantial and long-term, and this form of presence is common in sectors such as banking, insurance, construction, and the extractive industries.

x. **A Head Office (classified as ISIC Rev.4:** is an enterprise unit whose primary function is to ***oversee and manage*** the strategic, administrative, and operational aspects of its subsidiaries, divisions, or branches across the entire corporate group. Critically, a head office is ***operational and service-providing***, distinguishing it from a ***holding company*** (ISIC 6420), which mainly focuses on owning equity in other entities rather than actively managing their daily operations.

Chapter IV : Data Sources and Data Collection

A. International Transactions Reporting System

4.1 The International Transactions Reporting System (ITRS) is one of the long-standing and most widely used data sources for compiling statistics on international trade in services The international transactions reporting system (ITRS) 1 is part of the broader institutional data collection framework of many economies. It differs from economy to economy, drawing from economies' legal framework, accounting systems, and foreign exchange regulations; however, virtually all such systems have certain features in common. Most ITRS (formerly known as foreign exchange record systems) evolved as by-products of foreign exchange control systems.

4.2 However, as foreign exchange restrictions were eased or lifted, many systems were extended beyond their original purpose of measuring foreign exchange transactions; hence, a broader designation is necessary to describe them. This chapter outlines features of an ITRS and also discusses the use of an ITRS in compiling balance of payments and IIP statistics. 4.2 As a general rule, an ITRS is a data collection system that obtains data from banks and companies at the level of individual transactions. The most comprehensive "traditional" ITRS measures: (1) cash transactions with non-residents that pass through domestic banks; (2) cash transactions that pass-through enterprise accounts with banks abroad; (3) transactions on intercompany accounts with non-resident companies; (4) positions; and (5) noncash transactions. Statistics are compiled from forms submitted to/by domestic banks and from forms submitted by companies. BPM6. 4.1-4.2

B. Administrative Records

4.3 Administrative records are among the most valuable and cost-effective data sources for compiling statistics on international trade in services (ITS). According to MSITS 2010 and the MSITS Compiler's Guide, administrative data consist of information collected by government agencies, regulatory bodies, and public institutions for operational, legal, or regulatory purposes but which can be repurposed for official statistics. Their potential for ITS compilation has grown as governments and regulators expand their digital monitoring and reporting systems.

4.4 It serves as an important complement to enterprise surveys and the International Transactions Reporting System (ITRS), and in some cases they provide the only feasible source of information for specific service categories. They help fill conceptual, coverage, and classification gaps that arise when using ITRS or surveys alone.

C. Statistical Business Register

4.5 A Statistical Business Register (SBR) is a comprehensive database of enterprises operating within a country. It is commonly understood as a register of economic units' resident in the national economic territory. An SBR is established and maintained for statistical purposes; for example, it provides a central sampling frame for business surveys and plays a central role in the integrated collection and compilation of economic statistics, from which detailed and interlinked indicators can be derived. MSITS Compiler Guide 5.1

4.6 Compilers of data in accordance with the statistical framework for measurement of the international supply of services are advised to use an SBR as the central sample frame for their survey program in order to obtain better coverage, harmonize surveys, integrate trade in services statistics with other economic statistics, reduce costs and the response burden, prevent the double counting of statistical information and, above all, achieve better quality and more coherence in official trade in services statistics. A high-quality SBR helps to improve the efficiency and coherence of the national statistical system. MSITS Compilers Guide 5.2

It is fundamental for ITS compilation because it:

- Provides the sampling frame for enterprise surveys;
- Identifies foreign-controlled enterprises for FATS;
- Classifies enterprises by ISIC Rev.4 activity;
- Tracks linkages between enterprises (ownership, subsidiaries, affiliates)
- Supports the integration of business, trade, and investment statistics

4.7 MSITS emphasizes that the quality of ITS statistics depends heavily on the completeness and accuracy of the SBR.

D. Enterprise Survey

4.8 This is a structured instrument used to collect detailed information directly from enterprises engaged in international service transactions. They are essential because many services do not pass-through customs and cannot be captured through administrative sources alone. Through these surveys, compilers obtain data on the export and import of services following the EBOPS 2010 classification, partner-country details, and characteristics of the reporting enterprises (such as industry, size, and ownership). They also help identify modes of supply, particularly Modes 1, 2, and 4, and provide the core variables required for compiling Foreign Affiliates Statistics (FATS), including turnover, employment, value added, and the operations of foreign-owned or foreign-affiliated enterprises.

4.9 MSITS 2010 further highlights that enterprise surveys support a more integrated statistical system by complementing other sources such as ITRS, administrative records, and household surveys. While challenges such as response burden, non-response, and difficulties in reporting detailed categories may arise, MSITS recommends clear definitions, simplified questionnaires, strong business registers, and electronic reporting tools to ensure quality and completeness. Overall, enterprise surveys play a central role in producing comprehensive, reliable, and policy-relevant international trade in services statistics, particularly for capturing detailed EBOPS data, partner-country flows, and the increasingly important activities of foreign affiliates. (MSITS 2010, Chapters 3, Par. 3.302).

E. Foreign Affiliates Statistics Questionnaire

4.10 The Foreign Affiliates Statistics (FATS) questionnaire is a key data collection instrument used to measure the commercial presence mode of supply (Mode 3) in trade in services. It collects information from enterprises on the structure, operations, and economic activities

of foreign-controlled affiliates operating within the compiling economy (Inward FATS) and resident enterprises with affiliates abroad (Outward FATS). The questionnaire captures essential variables such as sales or turnover, employment, value added, number of enterprises, exports and imports of services, and other performance indicators needed to assess the contribution of foreign affiliates to the services sector.

4.11 Designed in line with MSITS 2010, BPM6, and the OECD Benchmark Definition of FDI, the FATS questionnaire will ensure consistency and comparability across all countries. It also collects information on ownership relationships, particularly the country of the Ultimate Controlling Institutional Unit (UCI) and the industry classification of the affiliate, which helps attribute international service activities accurately.

4.12 Overall, the FATS questionnaire provides a reliable and internationally harmonised source of data for compiling Mode 3 statistics, supporting regional monitoring, policy formulation, and the assessment of the role of foreign affiliates in the development of the ECOWAS services economy.

F. International Financial Reporting System

4.13 The *International Financial Reporting Standards (IFRS)* accounting system used in many West African countries provide essential source data for compiling international trade in services (ITS) statistics, including FATS. Financial statements and accompanying notes supply core variables such as sales/turnover, value added, exports and imports of services, assets, liabilities and related-party information that are used to identify and measure cross-border service flows and the activities of foreign affiliates. MSITS 2010 and related guidance explicitly recognise financial statements and administrative accounts as important inputs for Mode 3 (commercial presence) measurement and for producing comparable FATS indicator. This is equivalent to OHADA for the non-UEMOA ECOWAS which Nigeria, Ghana, Gambia, Liberia and Sierra Leone have adopted at different times.

G. Standardized Support for the Collection of Financial Statements under the Accounting System of *Organisation pour l'harmonisation en Afrique du droit des affaires*

4.14 One of the principal tools for obtaining FATS data in countries within the *Organisation pour l'harmonisation en Afrique du droit des affaires* (*OHADA)* region is the Standardized Support for the Collection of Financial Statements under the *OHADA* Accounting System (SYSCOHADA), commonly referred to as the SYSCOHADA reporting package (normal system). SYSCOHADA is a comprehensive and harmonised set of accounting and financial documents that enterprises operating under the *OHADA* normal accounting regime prepares, submit, and analyse for tax, statistical, and regulatory purposes.

4.15 Its main objectives are to:

- standardize the collection of financial statements across OHADA Member States;
- facilitate the transmission of financial data to tax authorities, statistical offices, and central banks;
- ensure the comparability of financial information across companies and across countries within the OHADA region.

4.16 Within the SYSCOHADA (Normal System) package, two components are particularly relevant for compiling FATS data: Form R2 (Identification and Miscellaneous Information – Sheet 2) and Note 21 (Turnover and Other Income), both of which provide essential inputs for FATS compilation

Chapter V : General Compilation Framework

A. Manufacturing services on physical inputs owned by others

5.1 Manufacturing services on physical inputs owned by others includes activities such as **processing, assembly, labelling and packing** that are undertaken by enterprises that do not own the goods. Examples include oil refining, liquefaction of natural gas and assembly of clothing and electronics.

5.2 Excluded are:

i. the assembly of prefabricated construction (included in Construction)
ii. labelling and packing incidental to transport. These are included in Transport services (MSITS 2010, par. 3.66).

5.3 The manufacturing is undertaken by an entity that does not own the goods and that is paid a fee by the owner. The ownership of the goods does not change, so no general merchandise transaction is recorded between the processor and the owner. Only the fee charged by the processor is included under this item, although such a fee may include the cost of materials purchased by the processor.

5.4 An international trade element exists where the work done is by a resident of one economy for the owner of the goods who is resident in another economy. The treatment of these services is not conditional on whether the goods were previously or subsequently in the physical possession of the owner or not.

5.5 Purchases of materials by the owner (that is, of goods to be processed) may be obtained from residents of the same economy as that of the owner, the same economy as that of the processor, or a third economy. It is called *Services incidental to manufacturing 884+885 (except for 88442) under the Services Sectoral Classification List (MTN.GNS/W/120)*

5.6 Related purchases and sales of goods and services are recorded by the owner of the goods as imports of general merchandise when the goods are acquired from residents of the same economy as that of the processor or a third economy, or exports of general merchandise when the goods are sold to residents of the same economy as that of the processor or a third economy.

a. When the goods are acquired from residents of the same economy as that of the owner, there is no international transaction
b. When the goods are acquired from residents of the same economy as that of the processor or a third economy, the owner of the goods to be processed records imports of general merchandise

5.7 Sales of finished goods (that is, goods after processing) are treated as follows:

a. When the goods are sold to residents of the same economy as that of the owner, there is no international transaction
b. When the goods are sold to residents of the same economy as that of the processor or a third economy, the owner of the goods under processing records the sale as exports of general merchandise.

Valuation

5.8 **To analyse processing activities,** gross values of the physical movements of goods without a change of ownership are required to be identified.

5.9 Identification:

a. For the owner (customers of manufacturing services on goods processed abroad):
    i. Goods supplied for processing (goods sent);
    ii. Goods dispatched after processing (goods returned);
b. For the processor (providers of manufacturing services on goods processed in the reporting economy):
    i. Goods received for processing (goods received);
    ii. Goods dispatched after processing (goods sent).

5.10 To indicate Gross values of goods supplied or received for processing or the gross values of the goods returned or sent after processing, a market-value equivalent might be required.

5.11 Transport costs may be incurred on movements of goods undergoing processing. The transport services incurred on movements of goods undergoing processing are determined on the basis of inclusion or exclusion of goods in general merchandise:

a. For goods included in general merchandise,
    i. general principles for f.o.b. valuation apply

        - transport costs up to the customs frontier are treated as payable by the exporter, and
        - transport costs after the frontier are treated as payable by the importer

    ii. For goods not included in general merchandise (e.g. materials delivered from the owner to the processor with no change of ownership)
        - transport costs are shown according to the arrangements of the parties, i.e. according to the invoiced amount payable by the party liable to pay the expense.

5.12 If the processor acquires ownership of the goods, then the gross values of the sale and purchase of these goods are included in general merchandise. This is therefore considered manufacturing of goods on own account, in contrast with *manufacturing services on physical inputs owned by others*.

5.13 The value of the fees charged for manufacturing services on physical inputs owned by others may be treated as the difference between the value of goods sent for processing and the value of goods after processing. They are not necessarily the same due to holding gain/losses and overheads (financing, marketing and know-how included in the finished good price) and measurement errors associated with the valuation of movements of goods where there is no sale.

Data sources

5.14 Manufacturing services on physical inputs owned by others (MSIO) involve operators processing goods they do not own, with only the processing fee counted as a service export/import in international trade under BPM6 standards. Data may be obtained directly through one or more of these methods:

- **International Merchandise Trade Statistics (IMTS)** on the movement of goods shown as supplementary items under the component *manufacturing services on physical inputs owned by others*.
- **International Transactions Reporting System (ITRS)**: Payments between goods owners and processors, adjusted to isolate fees from other transactions.
- **Surveys of enterprises**
    - These surveys target trade statistics compilers gathering data for balance of payments, often via enterprise questionnaires for accurate ownership-based recording. Thes also target manufacturers (e.g., in export processing zones) for contract fees and goods values; most reliable for service value.
    - Core Screening Questions include those for the identification of relevant operators, Input Details, Processing and Output (Capture work performed and outbound flows), Fee and Value Data (Essential for service trade measurement (net fee only)) and Additional Context such as affiliation with principal (related/unrelated enterprise), any local inputs added (value, if minor).

      These questions align with practices from Malaysia, France (EAP survey), and BPM6-compliant surveys, ensuring no double-counting of goods flows

- **Administrative data**
    - These include records from customs and tax authorities. These sources help identify processing fees where goods are manufactured without ownership change by the processor. MSPIOS data compilation often supplements surveys due to limitations in customs declarations alone.
    - **Customs declarations and IMTS**: Identify goods sent/received for processing via special codes (e.g., compensating products), though full fee values may need adjustment as they record notional goods values, not services.
    - **Tax authority records**: Statements on income/expenses from processors, especially in export processing zones (e.g., maquiladoras) with tax concessions, capturing manufacturing fees
    - **Partner countries and international organizations**

Compilation Considerations

5.15 Customs data requires combination with enterprise surveys for accuracy, as goods value differences (pre/post-processing) may include overheads, holding gains, or sourced materials not part of the service fee. In contexts like AfCFTA/ECOWAS, national statistical offices may link these to trade portals for regional monitoring. Supplementary IMTS items track gross goods flows to align with BPM6/MSITS standards.

Modes of supply Allocation

5.16 Services supplied by enterprises primarily engaged in manufacturing activities may also be of interest in the context of the supply of manufacturing services on physical inputs owned by others. Manufacturing services on physical inputs owned by others refer to a specific subcategory of manufacturing services in international trade statistics, where a unit

processes or transforms goods owned by another entity without taking ownership of those inputs. This is distinct from standard goods trade, as only the processing fee is recorded as a service transaction. These services are classified under frameworks like BPM6 (Balance of Payments and International Investment Position Manual, 6th edition) and EBOPS 2010. In BPM6, goods sent for processing are not recorded as exports/imports; only the processing fee is traded as a service import/export between the principal and contractor. This avoids double-counting and reflects economic ownership.

5.17 As we already know, under the General Agreement on Trade in Services (GATS), services are delivered via four modes of supply. For this sector, the key activities are processing, assembly, labelling, and packing of goods like oil refining, electronics assembly, or clothing production, where the principal retains ownership.

Activity Examples	Description
Oil refining	Transforming crude oil owned by others into refined products.
Electronics assembly	Assembling components (e.g., smartphones) without owning parts.
Textile processing	Dyeing, cutting, or packing fabrics provided by the principal.
Metal casting/ forging	Shaping metals on contract basis.

5.18 For instance, if a Nigerian firm sends fabrics to Ghana for assembly under AfCFTA protocols, only the fee counts as a service export from Ghana. Therefore, *manufacturing services on physical inputs owned by others* (that is, the service component of the repair or processing service fee) are also covered by Mode 2, as the property of the consumer is moving in order for the service to be supplied. However, if manufacturing services are supplied through persons moving abroad, then these would fall under Mode 4.

5.19 It should be noted that Mode 2 (consumption abroad) supply in manufacturing services on physical inputs owned by others is uncommon and often treated as marginal in statistical frameworks like BPM6 and GATS, as it requires the service consumer (principal owning the inputs) to travel to the processor's country for the service delivery. However, for the statistical treatment in practice, many national compilers record it as Mode 2 exclusively when measuring modes of supply, due to the physical presence needed for processing, even if the principal does not personally travel. This reflects the consumer "consuming" the processing service abroad via goods shipment.

Mode of supply	Short description	Definition	Example
Mode 1	Cross-border supply	From the territory of one Member into the territory of any other Member	• Maquiladoras in Mexico: A US company ships electronic components to a Mexican factory for assembly into finished devices; the factory charges a processing fee as a service export from Mexico (Mode 1), while goods flow back ownership-neutral.

			• Textile processing: Nigerian fabrics are sent to Ghanaian firms for dyeing and cutting under AfCFTA arrangements; only the fee counts as Ghana's service export via cross-border supply
Mode 2	Consumption abroad	In the territory of one Member to the service consumer of any other Member	• Hungarian manufacturing processing: A foreign firm ships components to Hungary, where locals process them (e.g., metal parts assembly); recorded as Mode 2 import for the principal, with Hungary exporting the service fee. • Tourist-owned goods repair: A traveler from Nigeria brings personal electronics to a Ghanaian workshop for refurbishment on contract; the fee is a Mode 2 service export from Ghana, though atypical for scale manufacturing.
Mode 3	Commercial presence	By a service supplier of one Member, through commercial presence in the territory of any other Member	Occurs when the service provider establishes a local affiliate, subsidiary, or branch in the consumer's country to perform processing on inputs owned by others. The affiliate charges a processing fee locally, recording it as a service supplied through commercial presence. E.g. • Foreign affiliate assembly in host country: A German automaker sets up a processing plant in Nigeria as a local subsidiary; it assembles vehicle components owned by the German parent (shipped in), charging an internal processing fee treated as Mode 3 service supply to the Nigerian market. • Electronics subcontracting subsidiary: A South Korean firm establishes a factory in Ghana under AfCFTA to process semiconductors owned by Korean principals; the fee for transformation services is recorded via Mode 3
Mode 4	Movement of natural persons	By a service supplier of one Member, through presence of natural persons of a member in the territory of any other Member	Covers contractual service suppliers or intra-corporate transferees who perform transformation tasks temporarily, excluding permanent migration or goods-sector manufacturing employees. It excludes setup for other modes or unskilled labor not tied to service contracts. • Expert technician dispatch: A Nigerian specialist in semiconductor etching travels temporarily to a Ghanaian facility under AfCFTA to process client-owned silicon wafers; the individual's fee is recorded as a Mode 4 service export from Nigeria. • Artisanal repair specialist: A foreign jewellery craftsman from India enters Kenya short-term to refurbish gemstones owned by a Kenyan principal, charging only for the skilled processing service

The modes of supply allocation of manufacturing services on physical inputs owned by others are as follows:

See table in Annex

[b] In the economic territory where the affiliate is established. If it is not possible to break down sales or output by product using EBOPS 2010, then provide sales or output of services, broken down by activity using ICFA, Rev.1.

Ebops2Cpc classifications

See table in Annex

Instrument of data collection

Survey instrument for Modes 1, 2, & 4 in the Annex

FATS for Mode 3

ECOFATS survey instrument for Modes 3 in the Annex

Estimation Procedures and Model-based Techniques

5.20 Estimation procedures for Manufacturing Services on Physical Inputs Owned by Others (MSPIOS) primarily involve adjusting the difference between the value of returned processed goods and original inputs to isolate the processing fee. This adjustment accounts for factors like holding gains, price changes over time, intellectual property embedded in outputs, and processor-added materials. Model-based techniques use data models combining customs declarations (IMTS supplementary items) with benchmark surveys or tax records to validate and estimate fees by major manufacturing type.

Core Estimation Procedures

5.21 Procedures follow BPM6 and MSITS 2010 guidelines, recording only the fee charged by the processor (gross recording of goods flows as supplements):

- Subtract value of goods received from goods returned, then deduct non-fee components: IP contributions (design, brands), time-value changes, processor's minor inputs.
- Identify transactions via customs codes for goods for processing, supplement with enterprise surveys for fee details.
- Differentiate from merchanting: This sector requires principal ownership of main inputs; minor processor inputs still classify as services.

Model-Based Techniques

5.22 Models integrate administrative data for imputation when direct fees are unavailable.

- **Regression or unit value models**: Hourly rates (service/man-hours by skill), unit values (service/goods processed quantity), or contract price re-evaluations.
- **Data reconciliation models**: Link IMTS gross flows, ITRS payments, tax/VAT invoices; benchmark against periodic surveys for model calibration.

5.23 These methods ensure consistency with national accounts, avoiding double-counting goods/services.[2]

B. Maintenance and Repair Services n.i.e.

5.24 Maintenance and Repairs covers the maintenance and repairs on ships, aircraft, and other transport equipment under this item. Distinctly, it assigns cleaning of transport equipment to transport services, construction repairs and maintenance to construction, and computer maintenance and repairs to computer services.

5.25 The following items are to be included:

- maintenance and repair of vehicles,
- maintenance and repair of telephone networks, transmission equipment and satellites,
- technical maintenance and repair,
- maintenance and repair of electronics and medical equipment,
- maintenance and repair of industrial equipment, machinery and manufacturing equipment,
- maintenance and repair of furniture and musical instruments.

5.26 The following items are to be excluded from the service sector:

- Maintenance and repair of buildings → Construction services (EBOPS 5)
- Maintenance and repair of airport and railway facilities → Construction services (EBOPS 5)
- Maintenance and repair of computers and networks → Computer services (EBOPS 9.2)
- Maintenance and repair of drilling rigs and oil rigs → Services incidental to mining, and oil and gas extraction (EBOPS 10.3)
- Cleaning of vehicles → Transport services: other supporting, auxiliary and transport services (EBOPS 3)
- Cleaning of buildings on the outside → Construction services (EBOPS 5)
- Cleaning of buildings on the inside → Other business services n.i.e. (EBOPS 10)

Data Sources

5.27 The main sources to capture maintenance and repair services are Enterprise and Establishment Surveys (EES), International Transactions Reporting Systems (ITRS), administrative records (AR), customs data, and information on tax concessions**.**

i. International Transactions Reporting System (ITRS)

- Captures payments/receipts for repair services if transactions are processed through the banking system and exceed reporting thresholds.

[2] Country examples include France's ProdCom-adapted surveys splitting by economic models (e.g., contractors without input ownership) and Eurostat PPI task force net pricing.

- Useful for capturing cross-border service payments.
- Limitations: misclassification, incomplete descriptions, threshold reporting.

ii. Establishment/Enterprise Surveys

- Target companies engaged in repairs of industrial equipment, vehicles, aircraft, ships, machinery, and other goods.
- Survey items include: value of repairs for non-residents, number of non-resident clients, nature of repair services, and contract-based work.

iii. Administrative and Sector Data

- Aviation authorities (aircraft repair operations).
- Maritime authorities (shipyards, dry docks).
- Special economic zones and industrial clusters.
- Customs data on goods temporarily admitted for repair.
- Immigration records and work permits for foreign technicians temporarily entering the country to perform repairs

iv. Foreign Affiliates Statistics (FATS) Surveys Mode 3 (Commercial Presence)

- Foreign affiliates statistics (FATS) should be used to measure Mode 3 maintenance and repair services performed by foreign controlled repair enterprises operating locally. In that case, compilers need to identify repair related activities in FATS, either via ISIC codes (e.g. repair and installation of machinery and equipment, repair of motor vehicles) or via secondary activity information.

Modes of Supply Allocation

5.28 The mode-of-supply allocation for Maintenance and Repair Services n.i.e. is determined by where the goods are repaired and by the residency status of both the service provider and the client.

5.29 In line with guidance from the United Nations Statistics Division on measuring trade in services by GATS modes of supply, maintenance and repair services (SB) are assigned predominantly to Mode 2 (consumption abroad), with a possible but generally small share for Mode 4. The recommended default allocation is:

- Mode 1: 0%;
- Mode 2: 90%;
- Mode 3: 0%;
- Mode 4: 10%.

5.30 This reflects the typical case where the good moves to the territory of the provider for repair (e.g. a ship docking in a foreign shipyard, an aircraft sent to a foreign MRO centre), which corresponds to consumption abroad (Mode 2). However, when repair personnel travel temporarily to the client's location (e.g. on-site maintenance of industrial equipment

abroad), the corresponding value should be attributed to Mode 4 (presence of natural persons).

5.31 Compilers are encouraged to refine these shares when national evidence shows:

- a significant use of remote diagnostic and repair solutions (which could justify a positive Mode-1 share);
- important volumes of on-site repair by travelling technicians, implying an increase in the Mode-4 share;
- structural differences by partner or type of equipment (e.g. more Mode 2 for ships and aircraft, more Mode 4 for high-tech industrial equipment).

EUROSTAT Modes of Supply Allocation

See table in Annex

EBOPS to CPC Correspondence

See table in Annex

Estimation Procedures and Model-Based Techniques

5.32 Estimation becomes essential when direct data collection does not fully capture all activities, especially in the case of small-scale or informal cross-border repair services. Whenever data are missing, incomplete, or inconsistent, appropriate estimation techniques must be applied. Several estimation techniques can be used:

- **Use of Customs Data for Mode 1 Estimation:** Customs records are a vital source for estimating Mode 1. The value of goods temporarily exported for repair (and subsequently re-imported) is recorded by customs. The difference between the value of the goods before and after repair, or the explicitly declared repair fee, can be used as a proxy for the value of the service provided.
- **Benchmarking and Extrapolation**: For small-scale repair services (e.g., household goods), where direct surveys are impractical, compilers can use:
  - ✓ *Benchmarking*: Use data from a detailed, periodic survey (e.g., a Household Expenditure Survey) to establish a benchmark ratio of repair expenditure to total consumption. This ratio can be applied to annual consumption data.
  - ✓ *Extrapolation:* Use growth rates from related sectors (e.g., manufacturing or wholesale trade) to extrapolate repair service data between benchmark years.
- **Estimation for Mode 4**: Mode 4 estimation relies heavily on administrative data such as:
  - ✓ Work Permits: Use the number of work permits issued to foreign technicians (classified under relevant ISIC codes) and multiply by an estimated average compensation rate to derive a value for Compensation of Employees.

- ✓ Targeted Surveys: Include specific questions in establishment surveys asking firms to report payments made to non-resident, temporarily present technicians

- **Ratio Estimation:** Used when survey coverage is partial. - Apply repair-service ratios from surveyed firms to non-surveyed firms. Example: If 40% of surveyed firms export repair services, apply the ratio to total industry population.
- **Regression-Based Estimation:** Repair service exports can be modelled using indicators such as the size of the installed machinery base, the number of foreign clients, port or airport activity levels, and the scale of industrial operations in free zones.

C. Transport

5.33 Transport services cover the carriage of people and goods from one location to another and the related supporting and auxiliary services, including rentals/charters of carriers with crew. Postal and courier services are also included.

5.34 It includes the carriage of passengers and freight, along with supporting and auxiliary services, across all modes of transport including sea, air, rail, road, internal waterways, pipelines, and even space.

5.35 It should exclude the following items:

- Freight Insurance. It should be included under freight Insurance as a separate service transaction.
- Goods purchased by travellers. It should be included under Travel Services. (Goods and services (e.g., hotel stays, meals) purchased by travellers are classified as Travel, even if the traveller is a transport worker).
- Maintenance and repair of transport equipment. It should be included under Maintenance and Repair Services n.i.e. (If the repair is performed by a third party (not the transport operator) on a good owned by a non-resident).
- Rental of transport equipment without operator. It should be included under Other Business Services. (This is a leasing service, not a transport service)

Data sources

5.36 Compiling Transport Services requires leveraging on multiple data sources.

These include:

i. International Transaction Reporting System

Captures payments/receipts for freight and passenger transport services processed through the banking system, especially for large, easily identifiable transactions

ii. Administrative Data

Records of port/airport fees, landing fees, and other auxiliary services paid by non-resident carriers, which are Mode 2 imports.

iii. Foreign Affiliates Statistics (FATS) Surveys

Captures the sales, employment, and value added of foreign-owned transport affiliates (e.g., local offices of foreign airlines or shipping agents).

iv. Establishment Surveys

Targeted surveys of major resident transport operators (airlines, shipping lines, large road haulers) to capture transactions with non-residents.

v. Customs Data

Used to validate freight transport values by comparing the value of goods (FOB) with the reported freight costs.

vi. Immigration/Work Permit Data

Records of temporary movement of transport personnel (e.g., foreign pilots, specialized mechanics) for Mode 4 estimation.

Modes of supply Allocation

5.37 However, the below table shows the allocation of different mode of supply as it relates to Transport services adapted from table V.2 MSITS 2010.

5.38 See table in Annex

Ebops to Cpc Correspondence

See Annex

Estimation Procedures and Model-based Techniques

5.39 Dataset are produced for specific reasons, typically to fill data gaps that are not reported by official statistics. This situation prevails for transport services broken out by modes of supply, which is of great interest to policy makers and analysts alike, but which official statistics do not provide. Hence, the WTO Trade in Services by Mode of Supply (TISMOS) dataset sets out to construct such a dataset with ECOWAS Member States coverage.

5.40 This section presents the assumptions of the TISMOS methodology and discusses how some of these assumptions can be replaced by collected data or better estimates.

5.41 There are 56 possible positions to be filled in the transport sector, but the number of these positions is reduced to 19 when taking into account the allocation model adopted in the MSIT 2010.

FATS or Procedure to adjust E9 estimation

5.42 Commercial presence, or mode 3, can be approximated using Foreign Affiliates Statistics (FATS). In the past, because of the lack of data on foreign affiliates' activities, researchers used FDI stocks as a proxy to measure mode 3. However, FDI and foreign affiliate activity statistics reflect different facets of the role of multinationals in the world economy. The FATS framework describes the activities of foreign-controlled affiliates in the reporting economy (inward FATS) and, conversely, the activities of majority-owned affiliates of resident enterprises established abroad (outward FATS). The FATS variable to measure mode 3 should be output (or production value). For most service sectors, this will be the same as sales (or turnover) because for most services there is no work-in-progress, nor stocks.

5.43 One of the key instruments for obtaining FATS data in countries within the OHADA region is the Standardized Support for the Collection of Financial Statements under the OHADA Accounting System (SYSCOHADA) – also known as the SYSCOHADA reporting package (normal system). SYSCOHADA is a structured set of accounting and financial documents that companies subject to the OHADA normal accounting regime are required to prepare, submit, and analyse for tax, statistical, or regulatory purposes. The main objectives of SYSCOHADA are : (i) standardize the collection of financial statements across the OHADA region, (ii) facilitate the transmission of financial data to tax administrations, statistical agencies, or central banks, (iii) ensure comparability of financial data between companies and OHADA member states.

5.44 Two typical Components of the SYSCOHADA (Normal System) Package are useful to get FATS: Form R2 (Identification and Miscellaneous Information Sheet 2) and Note 21 (Turnover and Other Income)".

5.45 The typical content of Sheet R2 includes:

- Administrative information about the company: Company name, legal form, address, tax identification number, etc.
- Business activity data: Sector of activity (ISIC code), number of employees, fiscal year duration, changes in accounting methods.
- Information on capital ownership (Publicly controlled entity, National privately controlled entity, Foreign privately controlled entity), subsidiaries, and equity interests.

5.46 The content of Note 21 includes the Turnover (Revenue): Sales of goods, services rendered, production sold (goods and services), broken down by geographic area (domestic, abroad). In fact, one needs to distinguish between output sold locally and exported. Only the former should be considered as mode 3 supply of services in the host economy (i.e. the country of establishment of commercial presence). The exports of foreign affiliates are considered as mode 1 supply of the host economy to third economies.

5.47 One of the challenges for ECOWAS is how to generalize and harmonize the practice of collecting FATS data across the entire region.

5.48 Movements under Mode 3 and Mode 4 are, in some respects, closely linked – at least with regard to certain categories of people under Mode 4, namely seconded employees within companies and foreign nationals directly recruited by subsidiaries. For these particular

categories of people, FATS can be a key source of information on the value of services provided and the number of people and trips involved.

5.49 The MSITS 2010 (par. 5.87) notes that foreign nationals employed in foreign affiliates, particularly intra-corporate transferees, constitute a category of natural persons falling under Mode 4 as referred to in countries' commitments. Even though data on the foreign workforce of foreign affiliates are generally not reported separately from total employment data, such information could be used to conduct more in-depth analysis of Mode 4 commitments, including their relationship to the provision of services through Mode 3. Indeed, a service is effectively sold by the enterprise established through foreign investment, but the presence and movement of foreign personnel are covered by Mode 4 commitments. It may therefore be useful, at least from an analytical standpoint, to be able to assess the contribution of these persons to the sales in question (MSITS 2010, par. 5.88).

5.50 The MSITS-CG (par. 16.20) adds that FATS data sources may be useful for movements within an enterprise, whether the employer–employee relationship remains with the sending enterprise, corresponding to the provision of services by the sending enterprise to the receiving enterprise, or whether the employer–employee relationship is with the receiving enterprise. FATS may also be useful for producing statistics on direct hiring by foreign affiliates.

5.51 It is recommended to add to form R2 questions on the number of jobs, the number of jobs held by foreign nationals, and the number of contracts given to foreigners. (See annex 4)

Other information on the estimation Procedures

5.52 The BPM6 framework governs the recording of economic transactions between residents and non-residents. For Transport Services, BPM6 clarifies several critical compilation issues:

- ***Valuation:*** Transactions must be recorded at market prices.
- ***Time of Recording***: Transactions should be recorded when ownership changes or when the service is rendered (accrual basis).
- ***Freight Insurance***: Freight insurance is recorded under Insurance Services, not Transport Services.
- ***Goods Valuation***: The cost of freight and insurance for goods is excluded from the value of the goods themselves when recorded on a Free On Board (FOB) basis, ensuring that the Transport Services component is captured separately.

5.53 By adopting the MSITS 2010 framework, which is fully consistent with BPM6 and EBOPS 2010, ECOWAS Member States can ensure their Transport Services statistics are internationally comparable and accurately reflect the economic reality of the sector.

The Integrated Approach

5.54 MSITS 2010 advocates for an integrated approach that links Balance of Payments (BOP) statistics, Foreign Affiliates Statistics (FATS), and the GATS Modes of Supply. For the Transport Sector, this means:

- ***BOP for Modes 1, 2, and 4***: BOP data remains the core source for measuring transactions between residents and non-residents (Modes 1 and 2). The "Compensation of Employees" component of the BOP is the primary statistical measure for Mode 4.
- ***FATS for Mode 3***: FATS data is essential for quantifying the economic activity of foreign-controlled transport affiliates (Mode 3).
- ***Linking BOP and FATS:*** The integrated approach requires compilers to use a common set of classifications (EBOPS 2010 and ISIC Rev. 4) to ensure that the data collected via BOP and FATS surveys can be combined and analysed coherently.

5.55 However, estimation is critical for Transport Services, especially for regional road transport and small-scale operators where direct reporting is difficult.

a) Estimation of Freight Transport:

- **Customs-Based Estimation:** Use the difference between the CIF (Cost, Insurance, Freight) and FOB (Free on Board) values of goods imports to estimate the total freight cost. This total should then be allocated between resident and non-resident carriers based on market share data.
- **Road Transport Models**: Develop models based on traffic counts, average distance travelled, and estimated freight rates for cross-border road transport to estimate the value of services provided by resident and non-resident haulers.

b) Estimation of Auxiliary Services:

- **Port/Airport Data:** Use administrative data on fees (landing, parking, handling) paid by non-resident carriers to port/airport authorities. This data provides a robust measure of Mode 2 imports.
- **Fuel and Stores:** Estimate the value of fuel and other stores purchased by non-resident carriers in the compiling economy using data from major suppliers, which is a Mode 2 export.

c) Other Estimation Techniques:

- **Administrative Data:** Use work permit data for foreign transport personnel (pilots, mechanics, etc.) and multiply by an estimated average compensation rate to derive the value of Compensation of Employees.

5.56 **Survey Integration:** Include questions in the Establishment Survey asking firms to report the number of non-resident personnel temporarily employed and the total compensation paid to them.

D. Travels

5.57 The classification of *Travel* according to the BPM6 compilation Guide appendix is presented in Table 1, together with the more detailed Extended Balance of Payments Services (EBOPS) classification described in the MSITS 2010.

Table 1: Classification of travel items

Balance of Payments (BPM6) (*Italicized items are supplementary items***)**	**Extended Balance of Payments Services Classification (EBOPS—MSITS 2010)**
Standard breakdown of travel by purpose	
1.A.b.4.1 Business *1.A.b.4.1.1 Acquisition of goods and services by border, seasonal and other short-term workers* *1.A.b.4.1.2 Other*	4.1 Business (SDA) 4.1.1 Acquisition of goods and services by border, seasonal and other short-term workers 4.1.2 Other
1.A.b.4.2 Personal *1.A.b.4.2.1 Health-related* *1.A.b.4.2.2 Education-related* *1.A.b.4.2.3 Other*	4.2 Personal 4.2.1 Health-related (SDB1) 4.2.2 Education-related (SDB2) 4.2.3 Other (SDB3)
Alternative presentation for travel (for both business and personal travel):	
1.A.b.4.0.1 Goods *1.A.b.4.0.2 Local transport services* *1.A.b.4.0.3 Accommodation services* *1.A.b.4.0.4 Food-serving services* *1.A.b.4.0.5 Other services* ○ *Of which 1.A.b.4.0.5.1 Health services* ○ *Of which 1.A.b.4.0.5.2 Education services*	4a.1 Goods (SD1) 4a.2 Local transport services (SD2) 4a.3 Accommodation services (SD3) 4a.4 Food-serving services (SD4) 4a.5 Other services (SD5) ○ *Of which 4a.5.1 Health services* ○ *Of which 4a.5.2 Education services*

Inclusion and Exclusions

5.58 The Travel category has a specific status in EBOPS 2010 insofar as it does not refer to a specific product, but rather "covers a range of goods and services consumed by non-residents in the economy they visit" (MSITS 2010, § 3.115). It is therefore a category based on economic agents, whereas EBOPS 2010 is primarily a product-based classification.

5.59 More specifically, "this item covers goods and services for own use or to be given away, acquired from an economy by non-residents during visits to that economy. It covers stays of any length, provided there is no change of residence" (MSITS 2010, § 3.115).

5.60 This specificity also implies that there is no correspondence between this category and CPC Version 2.

5.61 The specific transactions that should be included in or excluded from this category are detailed below.

- The travel category includes, in particular, goods and services acquired by individuals who undertake studies or receive medical treatment outside their country of residence. It also covers purchases of goods and services by seasonal workers, border workers, and other temporary workers in the economy in which they are employed (MSITS 2010, § 3.116).

- Goods and services may be purchased either by the individuals concerned or by a third party on their behalf; for example, business travel may be paid for or reimbursed by an employer; a student's tuition and living expenses may be paid by the government; and healthcare expenses may be paid or reimbursed by the government or by an insurer. Goods and services provided free of charge by the producer are also included; this is the case, for example, for tuition fees covered by a university (MSITS 2010, § 3.117).
- By contrast, valuables (such as high-value jewellery or paintings), durable consumer goods (such as automobiles or electronic products), and other consumption goods acquired for the traveller's personal use that exceed customs thresholds are excluded. These goods are recorded under general merchandise (MSITS 2010, § 3.121). It should be noted that this exclusion runs counter to the recording principle adopted in tourism statistics (see below).
- The travel item also excludes the purchase of goods and services by diplomats, consular staff, military personnel, and similar individuals, as well as their dependents, in the territory where they are posted or stationed (these goods and services are included under government goods and services n.i.e.) (MSITS 2010, § 3.122).
- Finally, as already indicated, the travel item also excludes expenditures related to international passenger transport (recorded in EBOPS 2010 under the passenger transport subcomponent).

5.62 The **business travel** subcategory covers goods and services purchased for personal use or for transfer by persons traveling abroad primarily for business purposes (including goods and services for which they are reimbursed by their employer). It does not include sales or purchases carried out on behalf of the enterprise they represent. Persons traveling for business purposes include, for example, crews of ships or aircraft making short or extended stopovers; government officials or employees of international organizations traveling on official business; employees traveling to economies in which they are not resident on behalf of their employer; self-employed persons traveling for business purposes; and seasonal workers, border workers, and other temporary workers who are not resident in the economy in which they are employed but whose employer is resident in that economy (MSITS 2010, § 3.123).

5.63 The business activities of persons traveling for business purposes may include production or installation work, sales campaigns, market prospecting, trade negotiations, missions, conferences, conventions, other meetings, and other professional activities carried out on behalf of an enterprise resident in another economy (MSITS 2010, § 3.124).

5.64 The purchase, for their own use or for resale, of goods and services by frontier workers, seasonal workers, and other workers who are not residents of the economy in which they are employed, but whose employer is resident in that economy, is recorded under a specific EBOPS 2010 subcategory: **acquisition of goods and services by frontier, seasonal, and other short-term workers**. All other business travel is included under the EBOPS 2010 subcategory **other business travel**. The separate identification of these activities facilitates consistency with tourism statistics (MSITS 2010, §3.125).

5.65 The **personal travel** subcategory covers goods and services purchased by individuals traveling abroad for purposes other than business, such as holidays, recreational and cultural activities, visits to relatives and friends, pilgrimages, education, or medical

treatment. The MSITS 2010 recommends distinguishing within this subcategory three components according to the main purpose of the trip (MSITS 2010, §3.126):

- **Health-related expenditure**, covering spending on medical services, other healthcare, food, accommodation, and local transport by persons traveling for medical reasons.
- **Education-related expenditure**, covering spending on tuition fees, food, accommodation, local transport, and medical services by non-resident students.
- **Other expenditure**, covering spending by individuals not traveling for education or medical purposes. This category is usually the largest component of travel, as it includes all individuals traveling abroad for holidays, recreational and cultural activities, visits to relatives and friends, and pilgrimages.

5.66 **An alternative presentation of travel by product is also recommended**, based on the following categories: **goods; local transport services; accommodation services; food services; and other services**. It is also suggested to further break down "other services" into health services and education services. This presentation helps support analysis from a GATS perspective and facilitates closer links with tourism statistics and supply and use tables. The separate identification of expenditure on local transport, accommodation, and food services also facilitates the analysis of travel expenditure.

5.67 When using this product-based presentation, compilers should ensure that there is no confusion between health and education services in the product-based presentation and health- and education-related expenditure in the personal travel subcategory (purpose-based presentation) (MSITS 2010, §3.127).

5.68 The MSITS Compiler's Guide (§ 14.74) adds that these breakdowns may be used to better assess the scope of travel activities and evaluate their possible impact in terms of economic activity, as well as to ensure consistency between travel data compiled in accordance with MSITS 2010 and other related statistics, such as tourism statistics, the Tourism Satellite Account (TSA), or the supply and use table.

5.69 Some of the above-mentioned requirements, such as the mandatory breakdown of travel into business travel and personal travel, and the further breakdown of the latter into travel for medical reasons, travel for education, and travel for other purposes, are not new compared with previous editions of the MSITS and the BPM. Other breakdowns, such as the alternative presentation of travel by types of goods and services, pose new challenges for balance of payments compilation. To meet these requirements, statisticians must take advantage of the closer interaction with agents directly involved in external transactions and the availability of more detailed information (MSITS Guide, § 14.75).

5.70 The goods and services included under the travel item may be supplied through a travel agent, tour operator, timeshare real estate agent, or other intermediary. In some cases, the agent may pay travel service providers an amount corresponding to the deduction of a margin or commission. If the agent is resident in the same economy as the customer, the margin or commission constitutes a transaction between residents. The net amount payable to service providers resident in other economies (after deduction of the margin or commission receivable by the agent) is recorded under travel. In other cases, the non-resident service provider may pay the commission of the resident agent, and the gross

amount is payable by the customer to non-residents and is therefore recorded under travel. Cruise fares provided by operator's resident in economies other than that of the traveller is included under travel (and not under passenger transport) (MSITS 2010, § 3.128).

5.71 MSITS 2010 (§ 3.129) notes that while non-residents have always been able simply to purchase a secondary residence or holiday home instead of using other forms of short-term accommodation, other forms of purchasing and renting holiday homes have emerged. The term "timeshare" covers a wide variety of such arrangements. However, this paragraph does not provide a detailed, specific valuation method for these services. It mainly outlines the general principle for their statistical treatment and implicitly refers to the BPM6 rules for their valuation.

5.72 The MSITS Compiler's Guide (§ 14.73) further notes that the concept of travel, as used in MSITS 2010, is closely linked to the concept of tourism. Therefore, statisticians compiling trade in services are advised to understand the conceptual framework of tourism statistics, including the Tourism Satellite Account (TSA).

Specific data collection instrument or Surveys for Travel

See Annex

Estimation Procedures and Adjustments to be made to meet the scope of supply of services

5.73 The balance of payments *travel* item includes both the goods and the services acquired by non-residents in the economy they visit. The expenditure on goods should be estimated and excluded to isolate the service component.

Travel (SD) includes both goods and services acquired by non-residents in the economy they visit.

5.74 The alternative presentation of travel (see table 1), i.e. the breakdown into goods (SD1), local transportation services (SD2), accommodation services (SD3), food-service services (SD4), and other services (SD5), would be the best way to identify the services component. However, only a few economies report this breakdown. For this reason, it was decided to use the standard BPM6/MSITS 2010 breakdown of travel by purpose, and to remove goods proportionally from business and personal travel, as well as from their subitems.

5.75 For economies that report the alternative breakdown as non-zero, the share of goods in the total value of travel exports (imports) is calculated directly and subsequently subtracted from business and personal travel (and their subitems).

5.76 For the remaining economies, the WTO-OECD TISMOS methodology use the following estimations procedures:

- For some OECD countries, the proportion of goods in total travel expenditure was provided through a questionnaire of compilers developed by Eurostat (Questionnaire of the Eurostat Modes of Supply Task Force).

- For other OECD countries, as well as some non-OECD economies, the proportion of goods is estimated on the exports side using information on inbound tourism expenditure published by the OECD. First, the ratio of other consumption products to total consumption products is computed for each available year (2007–2016). Because of the patchy coverage and the small variations of the ratios over time, an average of the ratios over the available years is used (presented in Table 6 for each country). It should be noted that using tourism statistics to estimate the proportion of goods in travel has some shortcomings, as the concepts of tourism do not fully match the concepts of travel in the balance of payments. Moreover, tourism statistics are only available on the inbound (exports) side. Nevertheless, the same ratios are used for both exports and imports, as it is assumed that the expenditure patterns of travellers to and from economies are similar.
- For all the remaining countries, SD1 is estimated by applying the shares reported by similar economies.

The WTO/EUROSTAT/MSIT Allocation Model

See table in Annex

Questions for ECOWAS Members:

- Does your country use the forms 10, 21, 22 and 23 recommended by the BPM6 Compilation Guide for Travel?
- If not, what are the discrepancies with these forms?
- Are the balance of payments data Travel disaggregated by partner?

E. Construction

5.77 Construction covers the creation, management, renovation, repair, or extension of fixed assets in the form of buildings, land improvements of an engineering nature, and other constructions such as roads, bridges, and dams. It includes related installation and assembly work, site preparation, and general construction, as well as specialized services such as painting, plumbing, and demolition.

Activities included and non-included in Construction services

5.78 Based on the provided sources, the activities included in construction services are:

- **General Activities:**
  - Creation, management, renovation, repair, or extension of fixed assets,
  - General construction,
  - Site preparation,
- **Specific Projects and Assets:**
  - Buildings,
  - Land improvements of an engineering nature,
  - Other constructions such as roads, bridges, and dams,
- **Related and Specialized Work:**

- Installation and assembly work,
- Specialized services, such as painting, plumbing, and demolition,
- Building completion and finishing work.
- General construction work for civil engineering.
- The assembly of prefabricated construction.
- Repairs of railway facilities, harbours and airfield facilities (these are excluded from transport services and included in construction).

5.79 Based on the provided sources, the following activities and elements are not included in construction services:

- **The value of land:** The change in ownership of the land component is excluded from construction; separate estimates should be made for the structure and the land components.
- **Operations of foreign branches (long-term projects):** Major projects (such as bridges, dams, and power stations) that take a year or more to complete and are managed through a site office usually satisfy the criteria for identification as a branch (a direct investment enterprise) and are therefore not classified as international trade in services (construction).
- **Goods and services sourced from the home economy:** Goods and services acquired from residents of the home economy of the enterprise undertaking the construction are excluded, as they represent resident-to-resident transactions.
- **Mining engineering and specific oil/gas services:** Mining engineering is excluded from construction (and engineering) and included in services incidental to mining, and oil and gas extraction. Additionally, derrick building, repair, and dismantling services at oil and gas fields are classified under services incidental to mining, and oil and gas extraction, rather than construction.
- **Architectural services:** Transactions related to the design of buildings are classified under architectural services, not construction.

5.80 Construction is classified into: Construction abroad and Construction in the compiling economy. ***Construction Abroad*** entails Resident firms working abroad which will be captured as Exports and, ***Construction in Compiling Economy*** entails Non-resident firms working in compiling economy which will be captured as Imports.

Determination of Residency of the construction enterprise

5.81 Construction should be recorded in the balance of payments and in the statistics on the international supply of services when a company undertakes construction activity in an economy other than the one in which it is resident, and in which the activity carried out is not substantial enough to recognize it as a separate institutional unit. Establishing the residency of the construction companies is thus the first step in determining the proper treatment of construction transactions. (BPM6-CG, par. 12.91).

5.82 A construction company established in one economy may undertake the construction of large-scale projects (e.g., plants, buildings, bridges) in another economy either through a direct investment relationship (creating a foreign branch in that economy or through

subsidiary or associate companies in that economy), or by directly undertaking the work itself. If the construction company undertakes the work itself, its activities may be regarded either as a direct investment activity or as an export of services by that company. (BPM6-CG, par. 12.92). Actually, if certain criteria are met, the work undertaken is to be treated as having involved the creation of a separate institutional unit resident in the economy where the activity is being carried out.

5.83 The criteria to be taken into account in this assessment are principally the following (BPM6-CG, par. 12.93):

a. The project extends over a period of at least one year.

b. There is maintenance of a complete and separate set of accounts for the activity (i.e., income statement, balance sheet, transactions with the parent company, etc.)

c. The activity is subject to tax in the host economy

d. There is a substantial physical presence

e. There is a receipt of funds for its work for its own account. Construction activities involving major projects (bridges, dams, power stations, etc.) that are carried out through unincorporated site offices, in many cases meet the criteria of a direct investment enterprise and should thus be treated as part of the production of the host economy, not as an export of services to that economy. (MSITS-CG, par. 14.105).

Data sources

i. **Enterprise/Establishment Surveys*:*** MSITS (2010) recommends special construction surveys for capturing construction covering; (i)Project value (ii)Duration (iii) Inputs (local inputs and foreign inputs) (iv) Labour by residence (v) Subcontracting. MSITS 2010 recommends Integration with FATS/FDI Surveys thus using an integrated survey instrument.

ii. **International transaction reporting system (ITRS):** Captures Payments for services and Settlement of construction contracts.

iii. **Administrative Data:** Captures data such as Construction permits, Tax filings, public works registers, FDI registries.

See Annex

Modes of supply Allocation

See Annex

EBOPS–CPC Correspondence

See Annex

FATS component of construction services

For ISIC Rev4:

F-Construction:

41 - Construction of buildings

410 - Construction of buildings:

5.84 This division includes general construction of buildings of all kinds. It includes new work, repair, additions and alterations, the erection of pre-fabricated buildings or structures on the site and also construction of temporary nature. Included is the construction of entire dwellings, office buildings, stores and other public and utility buildings, farm buildings, etc.

42 - Civil engineering

421 - Construction of roads and railways

422 - Construction of utility projects

429 - Construction of other civil engineering projects

5.85 This division includes general construction for civil engineering objects. It includes new work, repair, additions and alterations, the erection of pre-fabricated structures on the site and also construction of temporary nature. Included is the construction of heavy constructions such as motorways, streets, bridges, tunnels, railways, airfields, harbours and other water projects, irrigation systems, sewerage systems, industrial facilities, pipelines and electric lines, outdoor sports facilities, etc. This work can be carried out on an own account or on a fee or contract basis. Portions of the work and sometimes even the whole practical work can be subcontracted out.

43 - Specialized construction activities

431 - Demolition and site preparation

432 - Electrical, plumbing and other construction installation activities

433 - Building completion and finishing

439 - Other specialized construction activities

5.86 This division includes specialized construction activities (special trades), i.e the construction of parts of buildings and civil engineering works without responsibility for the entire project. These activities are usually specialized in one aspect common to different structures, requiring specialized skills or equipment, such as pile driving, foundation work, carcass work, concrete work, brick laying, stone setting, scaffolding, roof covering, etc. The erection of steel structures is included, provided that the parts are not produced by the same unit. Specialized construction activities are mostly carried out under subcontract, but especially in repair construction it is done directly for the owner of the property.

Also included are building finishing and building completion activities.

5.87 Included is the installation of all kind of utilities that make the construction function as such. These activities are usually performed at the site of the construction, although parts

of the job may be carried out in a special shop. Included are activities such as plumbing, installation of heating and air-conditioning systems, antennas, alarm systems and other electrical work, sprinkler systems, elevators and escalators, etc. Also included are insulation work (water, heat, sound), sheet metal work, commercial refrigerating work, the installation of illumination and signalling systems for roads, railways, airports, harbours, etc. Also included is the repair of the same type as the above-mentioned activities.

5.88 Building completion activities encompass activities that contribute to the completion or finishing of a construction such as glazing, plastering, painting, floor and wall tiling or covering with other materials like parquet, carpets, wallpaper, etc., floor sanding, finish carpentry, acoustical work, cleaning of the exterior, etc. Also included is the repair of the same type as the above-mentioned activities.

5.89 The renting of construction equipment with the operator is classified with the associated construction activity.

Valuation

5.90 Gross Valuation Principle: construction services are valued on a **gross basis**. This means the total value of the service provided is recorded rather than just the net profit or fee.

- **Scope of Credits:** Construction credits include all construction work performed abroad by residents of the compiling economy.
- **Time-share Arrangements:** This valuation also extends to accommodation services provided through **time-share arrangements**, ensuring these property-use rights are captured within the construction service framework.

5.91 Treatment of Local Inputs and Analytical Exclusions: distinction between standard BOP reporting and the **Modes of Supply (MoS)** analytical framework:

- **Standard BOP Reporting:** Following Eurostat standards, the BOP identifies all goods and services acquired from residents of the "host" economy (where the project is located) as part of the total project reporting.
- **Modes of Supply (MoS) Exclusion:** To avoid distorting the measurement of cross-border service delivery, the acquisition of inputs from residents of the host economy is **excluded** from the Modes of Supply framework. This ensures that the data reflects only the value of the international service traded, rather than local supply chain activity.

5.92 **Estimation Procedures and Model-based Techniques**

- **Handling Missing Data**: Employ estimation and modelling techniques (e.g., gravity models as used in interpolation, back-casting, nowcasting) when direct data collection is not yet complete or feasible.
- **Internal Consistency and Reconciliation**: Ensure that aggregated data are internally consistent (e.g., sum of sub-categories equals parent category) and work towards reconciling asymmetries between reported and mirror (partner) trade flows.

F. Insurance and pension services

5.93 Insurance and pension services cover the provision to non-residents of various types of insurance by resident insurance enterprises, and vice versa. These services reflect the output of specific industries and include the processes of underwriting insurance policies, managing pension funds, and providing financial protection against specified risks. The service component is derived from premiums, premium supplements, and claims, separating it from income transfers or financial flows (MSITS 2010, para. 3.148).

5.94 The following items are to be included:

- ***Direct insurance*** (life insurance, freight insurance, and other direct insurance such as accident, health, property, liability, credit, and travel insurance). (MSITS 2010, para. 3.149)
- ***Reinsurance*** (transactions between insurance providers where risks are transferred). (MSITS 2010, para. 3.149)
- ***Auxiliary insurance services*** (brokerage, agency, claims adjustment, actuarial, and consultancy services). (MSITS 2010, para. 3.149)
- ***Pension and standardized guarantee services*** (individual/group pension services, pension fund management, and standardized guarantees like export credit guarantees). (MSITS 2010, para. 3.149)

5.95 The following items are to be excluded from the service sector:

- Financial aspects such as the accumulation of reserves, investment income not attributable to policyholders, or pure financial intermediation (e.g., changes in actuarial reserves for life insurance are deducted as asset accumulation). (MSITS 2010, para. 3.164)
- Social security schemes or government-provided insurance not operated on a commercial basis. (MSITS 2010, para. 3.150)
- Non-service elements like actual claims payments (treated as transfers) or volatility adjustments for catastrophic events. (MSITS 2010, para. 3.168)

Data sources

5.96 The main sources to compile Insurance and Pension Services are:

- International Transactions Reporting Systems (ITRS), capturing cross-border premium and claim flows, reinsurance payments, and service fees processed through the banking system.
- Enterprise and establishment surveys of resident insurance corporations, reinsurance companies, and pension funds, collecting data on premiums, claims, commissions, technical reserves, investment income, and cross-border business by partner economy.
- Administrative records, such as supervisory and regulatory filings with insurance and pension regulators, tax returns, and prudential reports (**CIMA** Code and **National laws for non-CIMA countries**), which provide detailed information on gross premiums written, claims incurred, commissions, and reserves.

- Financial statements of major insurance and pension entities, used to derive service margins and to reconcile survey and ITRS information.

For ***reinsurance***, compilers may need to complement ITRS and survey data with information from:

- Sectoral associations of insurers and reinsurers.
- Large corporate clients that regularly purchase international reinsurance cover, especially in specialized lines (catastrophe, aviation, energy).

Modes of supply Allocation

5.97 The mode-of-supply allocation for Insurance and Pension Services follows MSITS 2010 guidance and depends on the location of the policyholder and service supplier and the way the contract is concluded.

5.98 A simplified recommended allocation is as follows:

- Mode 1 (Cross-border supply): Most cross-border insurance, reinsurance, and pension administration services where the policy is concluded remotely (e.g. through correspondence, online channels, or cross-border reinsurance contracts).
- Mode 2 (Consumption abroad): Limited, but may apply when non-resident individuals purchase short-term insurance (e.g. travel or health insurance) while physically present in the territory of the service supplier.
- Mode 3 (Commercial presence): Services supplied by foreign-controlled insurance corporations and pension funds that have established a resident affiliate in the compiling economy; these are typically measured through Foreign Affiliates Statistics (FATS).
- Mode 4 (Presence of natural persons): Services supplied by individual insurance agents, consultants, or actuaries who are temporarily present in another economy to provide insurance or pension-related services.

See table in Annex

EUROSTAT Modes of Supply Allocation

See table in Annex

Ebops2Cpc Correspondence

See table in Annex

Estimation Procedures and Model-based Techniques

5.99 Estimation is required when direct data collection does not fully capture all cross-border insurance and pension activities, for example small-scale policies, captive arrangements, or complex reinsurance chains.

- For non-life insurance, compilers may:
  - Derive the service charge as premiums earned plus premium supplements minus adjusted claims, applying benchmark ratios from supervisory data or detailed surveys to ITRS-recorded cross-border premiums;
  - Smooth the impact of major catastrophes by spreading exceptionally large claims over several years to obtain a more stable estimate of underlying service output.
- For life insurance and pension services, when full data on reserves and investment income are not available, compilers can:
  - Use regulatory returns and financial statements to estimate technical reserves and investment income attributable to policyholders;
  - Apply benchmark ratios (e.g. service output as a percentage of contributions and premium supplements) from large institutions to smaller entities not directly surveyed, using ratio-based or regression-based estimation.
- Mode 3 supply via foreign-controlled insurance and pension affiliates is measured from FATS using turnover or, preferably, value of output for ISIC (financial and insurance activities), restricted to services sold locally in the host economy. Turnover sold to non-residents is excluded from Mode 3 and should appear in cross-border services (Mode 1), while goods and non-service elements are removed in line with national accounts principles.
- Where FATS coverage or breakdown is insufficient, compilers may use FDI data, business registers and mirror statistics to approximate the structure of foreign-controlled insurance and pension activity and to allocate total output between goods and services, residents and non-residents.

G. Financial Services

5.100 The classification of *Financial Services* according to the BPM6 compilation Guide appendix is presented in Table 1, together with the more detailed Extended Balance of Payments Services (EBOPS) classification described in the MSITS 2010.

Table 2: Classification of Financial Services items

Balance of Payments (BPM6) (*Italicized items are supplementary items***)**	**Extended Balance of Payments Services Classification (EBOPS—MSITS 2010)**
1.A.b.7 Financial services *1.A.b.7.1 Explicitly charged and other financial services* *1.A.b.7.2 Financial intermediation services indirectly measured (FISIM)*	7 Financial services (SG) 7.1 Explicitly charged and other financial services (SG 1) 7.2 Financial intermediation services indirectly measured (FISIM) (SG 2)

Inclusion and Exclusions

5.101 This item covers services provided in connection with transactions involving financial instruments, as well as other services related to financial activity, such as deposit-taking and lending, letters of credit, credit card services, and fees and commissions associated with leasing, factoring, and payment guarantees and clearing.

5.102 It also includes financial advisory services, custody of financial assets or physical gold, asset management services, monitoring and supervision services, routine services, liquidity provision services, risk-taking services other than those covered by insurance, services related to mergers and acquisitions, credit rating services, stock exchange services, and trust services (MSITS 2010, § 3.190).

5.103 EBOPS 2010 distinguishes between, on the one hand, **explicitly charged and other financial services**, and, on the other hand, **financial intermediation services indirectly measured (FISIM)**.

5.104 Since the definition of FISIM is based on the method of remuneration, there is no direct correspondence with CPC Version 2. As a result, a correspondence between EBOPS 2010 and CPC Version 2 can only be established for the financial services item as a whole.

5.105 This item corresponds to an aggregation of four CPC Version 2 groups covering the following services:

- Financial services, except investment banking, insurance, and pension services;
- Investment banking services;
- Auxiliary financial services, except those related to insurance and pensions;
- Financial asset holding services.

5.106 The following remarks provide additional clarification on the content and valuation of this EBOPS item.

Exclusions from financial services

5.107 Certain financial transactions are not considered **financial services** and should therefore be excluded from this item. In particular, the following transactions are excluded (MSITS 2010, § 3.212):

- Interest received on deposits, loans, leases, and debt securities (these are **investment income** and are not included in EBOPS);
- Dividends received;
- Intermediation services for life insurance and pensions (included under **insurance and pension services**);
- Other insurance services;
- Non-financial advisory services provided by banks (such as management consulting services, which are included under **business and management consulting and public relations services**);
- Gains and losses arising from the purchase and sale of securities and derivatives on own account.

Modes of remuneration

5.108 Four modes of remuneration for financial services can be distinguished, each corresponding to different valuation methods. More specifically, MSITS 2010 (§ 3.191) indicates that financial services may be remunerated through:

- Explicit fees, such as commissions;
- Margins on buying and selling transactions;
- Asset management fees deducted from property income receivable, in the case of entities holding financial assets;
- Margins between the interest rate payable and a reference rate on loans and deposits, known as **financial intermediation services indirectly measured (FISIM)**.

5.109 Further details on the content and valuation of margins on buying and selling transactions, on the one hand, and FISIM, on the other hand, are provided below.

Margins on buying and selling transactions

5.110 Brokers and market makers in financial instruments may charge all or part of their services through a margin between their buying price and their selling price (MSITS 2010, § 3.195).

5.111 In such cases, *the difference between the reference price—generally a mid-price between bid and ask prices—and the broker's buying price at the time of purchase constitutes the service charge to the seller. Similarly, the difference between the reference price and the broker's selling price at the time of sale constitutes the service charge to the buyer (MSITS 2010, § 3.197).*

FISIM (Financial Intermediation Services Indirectly Measured)

5.112 MSITS 2010 (§ 3.202) notes that actual interest can be regarded as comprising both an income element and a service charge. Deposit-taking and lending institutions offer lower interest rates to depositors than those they charge to borrowers. The resulting interest margin is used by financial corporations to cover their costs and generate an operating surplus. These margins provide an alternative to explicitly charging customers for the financial services provided.

5.113 The amount of FISIM payable by each depositor and borrower is calculated using the concept of a **"reference" interest rate**. This reference rate should contain no service element and should reflect the risk and maturity structure of deposits and loans. The rate prevailing for interbank borrowing and lending may be an appropriate reference rate. A single rate should be used for transactions denominated in domestic currency, whereas different rates should be applied to loans and deposits denominated in other currencies (MSITS 2010, § 3.204).

5.114 More specifically, MSITS 2010 (§ 3.206) indicates that FISIM is measured as follows:

- **For loans granted by financial corporations**, FISIM is the difference between the interest actually charged on the loans and the amount that borrowers would pay if the reference rate were applied;

- **For deposits with financial corporations**, FISIM is the difference between the interest that depositors would receive if the reference rate were applied and the interest they actually receive.

Correspondence between the EBOPS 2010 and CPC 2.0 for financial services

See table in Annex

The WTO/EUROSTAT/MSIT Allocation Model

See table in Annex

Specific data collection instrument or Surveys for financial services

See Annex

Questions for ECOWAS Members:

- Does your country use the forms 6 and 17 recommended by the BPM 6 Compilation Guide for financial services?
- If not, what are the discrepancies with these forms?
- How do you compute the FISIM?
- Are the balance of payments data for financial services sector disaggregated by partner?

H. Charges for the use of intellectual property n.i.e

5.115 This section covers the treatment of intellectual property products (and their listing) that are not included elsewhere in EBOPS 2010.

5.116 The production of intellectual property products (books, recordings, films, software, disks, etc.,) is a two-stage process:

- Stage 1: production of the original - output of this stage is the original itself over which legal or de facto ownership can be established by copyright, patent or secrecy.
- Stage 2: production and use of copies of the original. Either by the owner of the asset who may use it directly to produce copies that give the purchaser the right to use. Or alternatively, the owner may license other producers to reproduce and distribute the content. The payments made by the licensee may be described as fees, commissions or royalties.

5.117 Therefore, charges for the use of intellectual property n.i.e. include:

- Charges for the use of proprietary rights, such as patents, trademarks, copyrights, industrial processes and designs, trade secrets, and franchises, where rights arise from research and development, as well as from marketing;

- Charges for licences to reproduce and/or distribute intellectual property embodied in produced originals or prototypes, such as copyrights on books and manuscripts, computer software, cinematographic works and sound recordings, and related rights, such as for the recording of live performances and for television, cable or satellite broadcast. (MSITS 2010, para 3.214).

5.118 Included:

- temporary rights to use patents, copyrights relating to the results of research and development and industrial processes and designs
- temporary rights related to computer software and audio-visual originals

5.119 Excluded:

- outright sales of patents, copyrights relating to the results of research and development and industrial processes and designs. (These are included under research and development services)
- The sale of the software for individual or personal use (this is recorded in *computer services)*. Software sold on physical media with the right to perpetual use is included under *goods*.

5.120 EBOPS 2010 recommends an extended breakdown of charges for the use of intellectual property n.i.e. This breakdown is as follows (see Table III.1, MSITS 2010)

- **8.1 Franchise and trademark licensing fees**, which covers all payments and charges for the use of trademarks and franchises.
- **8.2 Licences for the use of outcomes of research and development,** which covers fees and charges for the use of proprietary rights arising from research and development.
- **8.3 Licences to reproduce and/or distribute computer software,** which covers the charges for the authorized reproduction and/or distribution (through licensing agreements) of produced software originals.
- **8.4 Licences to reproduce and/or distribute audio-visual and related products,** which is further broken down into two sub-components:

    - **Licences to reproduce and/or distribute audio-visual products,** which covers fees and charges for the authorized reproduction and/or distribution, through licensing agreements, of produced audio-visual originals or prototypes (for example, cinematographic works and sound recordings). Also included are rights relating to the reproduction and/or distribution of recordings of live performances and radio, television, cable and satellite broadcast. Retransmission rights for sports events are also covered. Further information on audio-visual products is provided in the complementary grouping audio-visual transactions.
    - **8.5 Licences to reproduce and/or distribute other products** covers fees and charges for the authorized reproduction and/or distribution through licensing

agreements of original works of authors (for example, translation rights), painters, sculptors, etc., excluding those relating to products of an audio-visual nature.

Data sources

5.121 Data on "Charges for the use of intellectual property n.i.e." (BOP code SH) through national Balance of Payments (BoP) frameworks, are compiled primarily using enterprise surveys, bank-based International Transactions Reporting Systems (ITRS), and administrative records like tax data on royalties.

- **Enterprise surveys**: Direct collection from businesses (especially MNEs) for receipts/payments by IP type, partner, and EBOPS sub-categories; covers detailed service transactions above thresholds. Specific surveys for collecting national data on IP charges (royalties and license fees) typically target enterprises engaged in international services trade, often as part of broader BoP or SITS surveys.

Enterprise surveys are a primary tool for collecting direct data on charges for the use of intellectual property n.i.e., targeting multinational and large firms for royalty/license payments and receipts.

Specific Examples

- **US BEA Enterprise Surveys**: The Bureau of Economic Analysis conducts annual surveys of U.S. multinational companies (MNCs) to capture IP royalties paid/received abroad, used in compiling BPM6 IP n.i.e. flows like software licenses.
- **Eurostat FATS Surveys**: Foreign Affiliates Trade in Services (FATS) and enterprise surveys in EU countries (e.g., Hungary, Ireland) collect IP charges data from multinationals, focusing on R&D outcomes and trademarks.
- **Africa: Kenya IP Awareness Survey (KIPI)**: Surveyed firms on royalty payments for IP use, revealing 10% pay for others' rights, aiding national BoP estimation.These surveys complement ITRS data, with thresholds for respondent selection (e.g., firms with >€1M transactions).

5.122 Common survey types include:

- **Comprehensive trade in services surveys**: Quarterly/annual enterprise surveys covering all services, with dedicated IP sections for royalties/licenses (e.g., franchises, trademarks, software, AV). New Zealand's "Survey of International Trade in Services and Royalties" explicitly collects IP data, excluding bundled software/AV where specified.
- **Generic enterprise/establishment surveys**: Sample-based surveys of businesses for resident/non-resident services transactions, broken by EBOPS (including code 8 for IP); often targets firms with foreign links or large external trade.
- **Specialized sector surveys**: R&D/innovation surveys or manufacturing services surveys capture IP-related licenses (e.g., R&D outcomes); FATS surveys for MNEs include IP flows in sales/value added.

- **Threshold-based business surveys**: Mandatory reporting for firms above turnover thresholds, supplemented by ITRS for smaller payments.

5.123 These surveys ensure accrual-based recording and partner breakdowns, integrated with BoP compilation. Countries face significant challenges in compiling data on charges for IP n.i.e., stemming from data quality issues, multinational enterprise (MNE) practices, and methodological complexities.

- **Intra-REC asymmetries**: large discrepancies between reported exports and imports (e.g., imports often below exports in computer-related IP), indicating incomplete coverage or misclassification.
- **Incomplete reporting and surveying**: Difficulty identifying IP transactions, especially technology flows between affiliates; many IP-holding countries underreport royalties.
- **MNE tax planning distortions**: Profit shifting via structures like "Double Irish Dutch Sandwich" (prominent in Ireland/Netherlands) mislocates economic ownership, inflating/deflating flows away from market values or arm's-length principles.
- **Economic ownership determination**: Hard to assign IPP ownership within MNE groups, affecting service versus asset recording.
- **Data source limitations**: Reliance on surveys/ITRS/tax records struggles with bundled transactions, non-market pricing, and lack of firm-level granularity.

- **ITRS and banking data**: Captures cross-border payments routed through banks, often for smaller transactions or bundled payments.
- **Administrative data**: Tax authorities provide royalty/license fee records, with challenges noted in IP holding structures for tax planning.

Modes of supply Allocation

See table in Annex

EBOPS 2010 to CPC 2.0 Correspondence

See table in Annex

Instrument of data collection

Survey instrument for Modes 1, 2, & 4 in the Annex

FATS for Mode 3

ECOFATS survey instrument for Mode 3 in the Annex

Estimation Procedures and Model-based Techniques

5.124 ITRS (International Transaction Reporting System) compiles charges for the use of intellectual property n.i.e. by mandating banks and authorized dealers to report cross-

border payments/receipts for IP royalties, licenses, and fees above thresholds (e.g., USD 100,000). Banks collect details on payments to/from non-residents for proprietary rights (patents, trademarks, franchises) via standardized forms, distinguishing IP n.i.e. from embedded IP in goods or other services using BPM6 codes (e.g., SH for IP n.i.e.), providing counterparty details for directionality. Central banks validate banks' and authorized dealers' data by aggregating ITRS reports quarterly/annually, grossing up small transactions and imputing unreported flows via partner data. It makes adjustments by excluding non-IP payments (e.g., pure R&D services) and allocate to modes (mostly Mode 1); Mirror statistics are then used to balance asymmetries.

5.125 Model-based techniques for estimating IP royalties (charges for IP n.i.e.) in BPM6 supplement direct data like surveys/ITRS when coverage is incomplete, using extrapolations, ratios, and partner mirroring.

- **Ratio Extrapolation:** Compilers apply fixed ratios from benchmark periods (e.g., IP as 5-10% of R&D expenditure or software imports) to current industry data or total services trade. Quarterly models trend-adjust annual benchmarks for timeliness.
- **Mirror and Partner Data:** Compilers use partner country reports (e.g., Nigeria mirrors US BEA IP receipts data) which are adjusted for asymmetries via gravity models factoring GDP similarity and trade ties.
- Other techniques include:
  - **Commodity Flow Models**: IP payments proportional to branded goods imports (e.g., franchise fees ~ luxury imports).
  - **Regression Models**: Econometric links to FDI, patents filed, or tech imports (e.g., OLS: Royalties = coefficient multiplied by R&D spend plus the residual).
  - **Judgmental Adjustments**: Expert benchmarks for volatile flows like franchising.

I. Telecommunications, computer, and information services

5.126 The definitions of this sector are in terms of coverage, inclusions and exclusions. Computer services and telecommunications services are defined in terms of the nature of the service, not the method of delivery. Only amounts payable for transmission should be included under telecommunications services.

5.127 Telecommunications services covers the broadcast or transmission of sound, images, data, or other information by telephone, telex, telegram, radio and television cable transmission, radio and television satellite, electronic mail, facsimile, etc., and includes business network services, teleconferencing and support services. It does not include the value of the information transported. Also included are mobile telecommunications services, Internet backbone services and online access services, including the provision of access to the Internet.

It Includes:

- Voice services (e.g., international calls)
- Data transmission (e.g., internet access and data roaming)
- Mobile and fixed-line services

- Satellite services
- Other supporting telecommunication services;

And excludes:

- Installation services for telephone network equipment. It should be included under construction
- Database services. It should be included under information services.

5.128 Computer services consist of hardware- and software-related services and data- processing services. Computer service is broken down into computer software and other computer services.

Computer software includes

- Sales of customized software (however delivered) and related licenses to use Development, production, supply and documentation of customized software, including operating systems, made to order for specific users
- Non-customized (mass-produced) software downloaded or otherwise electronically delivered, whether with a periodic license fee or a single payment
- Licenses to use non-customized (mass-produced) software provided on a storage device such as a disk or CD-ROM with a periodic license fee
- Sales and purchases of originals and ownership rights for software systems and applications
- General business productivity software, computer game software, and other applications. It would be useful to separately identify computer software original for national accounts purposes.

Excluded from computer software are:

- Non-customized software on storage devices with licenses that convey perpetual use. These should be included under general merchandise.

Other computer services include:

- Hardware and software consultancy and implementation services, including the management of subcontracted computer services
- Hardware and software installation, including installation of mainframes and central computing units
- Maintenance and repairs of computers and peripheral equipment
- Data recovery services, and provision of advice and assistance on matters related to the management of computer resources Analysis, design and programming of systems ready to use (including web page development and design) and technical consultancy related to software

- Systems maintenance and other support services, such as training provided as part of consultancy
- Data-processing and hosting services, such as data entry, tabulation and processing on a timesharing basis
- Web page hosting services (that is, provision of server space on the Internet for hosting of clients' web pages)
- Provision of applications, hosting clients' applications, and computer facilities management

Excluded from computer services are:

- computer-training courses not designed for a specific user. It should be included under other personal, cultural, and recreational services under education services.
- leasing of computers without an operator. It should be included under operating leasing services.
- charges for licenses to reproduce and/or distribute software. It should be included under charges for the use of intellectual property n.i.e.

Information services is divided into news agency services and other information services:

- News agency services includes the provision of news, photographs and feature articles to the media

5.129 Other information services include database services, such as database conception, data storage, and the dissemination of data and databases (including directories and mailing lists), both online and through magnetic, optical or printed media and web search portals (encompassing search engine services that find Internet addresses for clients who input keyword queries).

5.130 Also included are direct non-bulk subscriptions to newspapers and periodicals, whether by mail, electronic transmission or other means; other online content provision services; and library and archive services. (Bulk newspapers and periodicals are included under general merchandise.)

Note: Downloaded content that does not constitute software, audio-visual, or related products is classified under information services.

Data sources

- **Establishment Surveys:** Survey of Telecoms statistics and IT companies.
- **Administrative records:** Records fillings from regulatory agency, tax records, and licensing data from telecommunication authorities**.**
- **Financial Statements:** Annual reports from telecommunication companies.

- **ITRS (international transaction reporting system):** The data elements captured are; Type of telecommunication service provided, Volume of cross-border transactions, Value of transactions, Direction of trade (exports or imports), Partner countries, Fees and commissions earned, Employment size and turnover.
- See Annex

Modes of Supply Allocation

See table in Annex

ISIC 4 classification:

J – Information and communication

Publishing Activities (Division 58)

5.131 This division covers the publishing of books, periodicals, directories, mailing lists, newspapers, journals, and other forms of published material. It also includes software publishing. The main groups are:

- 581 – Publishing of books, periodicals, and other publishing activities
- 582 – Software publishing

Motion Picture, Video, Television, Sound Recording, and Music Publishing (Division 59)

5.132 Division 59 encompasses the production, post-production, distribution, and exhibition of motion pictures, videos, and television programmes, as well as sound recording and music publishing. The key groups include:

- Motion picture, video, and television programme activities,
- Sound recording and music publishing activities,

Programming and Broadcasting Activities (Division 60)

5.133 This division includes activities related to radio and television broadcasting services. The main classifications are:

- 601 – Radio broadcasting
- 602 – Television programming and broadcasting activities.

Telecommunications (Division 61)

5.134 Division 61 comprises all forms of telecommunications services, including wired, wireless, satellite, and other telecommunication activities. The relevant groups are:

- 611 – Wired telecommunications activities
- 612 – Wireless telecommunications activities

- 613 – Satellite telecommunications activities
- 619– Other telecommunications activities

Computer Programming, Consultancy, and Related Services (Division 62)

5.135 This division covers software programming, computer consultancy, facilities management, and other IT-related services. The core category is:

- 620 – Computer programming activities, including consultancy, IT infrastructure management, and other computer service activities.
- Information Service Activities (Division 63)
- Division 63 includes data processing, hosting, web portals, news agencies, and other information service activities. The main groups are:
- 631 – Data processing, hosting, and related activities; web portals
- 639 – Other information service activities, including news agencies and other information services not elsewhere classified.

EBOPS to CPC Correspondence

See table in Annex

Estimation Procedures and Model-based Techniques

- Handling Missing Data: Employ estimation and modelling techniques (e.g., gravity models as used in interpolation, back-casting, nowcasting) when direct data collection is not yet complete or feasible.
- Internal Consistency and Reconciliation: Ensure that aggregated data are internally consistent (e.g., sum of sub-categories equals parent category) and work towards reconciling asymmetries between reported and mirror (partner) trade flows.

J. Other Business Services

5.136 The **Other Business Services** sector (EBOPS Category 10) captures a wide range of specialized business services and is often the largest and most diverse category for many countries. EBOPS 2010 identifies three main sub-components:

- **Research and development (R&D) services:** Includes basic research, applied research, and experimental development. It excludes technical studies and consultancy work, which are classified under professional and management consulting.
- **Professional and management consulting services:** Includes legal services, accounting, auditing, bookkeeping, tax consulting, business and management consulting, public relations, advertising, market research, and public opinion polling.

- **Technical, trade-related, and other business services:** Encompasses architectural, engineering, and scientific services; waste treatment and de-pollution; services incidental to agriculture and mining; operating leasing services; and trade-related services (commissions).

5.137 **Specific valuation and exclusions:**

- **Operating leasing:** Renting of dwellings and buildings is included here; if the payment cannot be split between land and building, the whole amount is treated as a building rental if its value exceeds the land. However, the rent of land alone, rental of buildings by embassies/international organizations, leasing of telecom lines, and financial leasing are excluded from this sector.

Transaction Type	Included in Other Business Services?	Correct Reporting Category
Operating Leasing of Buildings	**YES**	**Other Business Services (10.3.3)**
Rent of Land Alone	**NO**	**Primary Income (Rent)**
Financial Leasing	**NO**	**Financial Account** (Treated as a loan)
Leasing of Telecom Lines	**NO**	**Telecommunications Services (9.1)**
Embassy/Intl. Org. Rentals	**NO**	**Govt. Goods and Services n.i.e. (12)**

- **Trade-related services:** Includes commissions on goods and services, but margins of wholesalers/retailers on goods they own are generally included in the value of the goods (merchandise trade).

5.138 **Data Sources** Compilation of Other Business Services relies heavily on direct reporting and administrative data to capture the diverse nature of these transactions:

- **Enterprise/Establishment Surveys:** General trade in services surveys is the primary source for covering the broad range of business services. Specific focused surveys (e.g., R&D and innovation surveys) can provide insight into intrafirm trade and patents.
- **International Transactions Reporting System (ITRS):** Captures payments and settlements for services processed through the banking system, such as legal, accounting, and consulting fees.

- **Administrative Records:** Tax records and VAT data are valuable for identifying traders in business services and updating the statistical business register.
- **Foreign Affiliates Statistics (FATS) / FDI Surveys:** Essential for capturing the commercial presence (Mode 3) of foreign affiliates providing business services in the compiling economy (inward) and resident enterprises providing services abroad (outward).

Modes **of Supply Allocation**

See table in Annex

Estimation Procedures and Model-based Techniques

5.139 Because "Other Business Services" contains hidden and complex transactions, compilers must often rely on estimations and data integration:

- **Distribution Margins (Trade-related services):** In BOP statistics, the trade margins for wholesaling and retailing are usually included in the value of general merchandise. To capture the Mode 1 supply of distribution services, compilers must separately estimate these trade margins using models based on wholesale/retail turnover data and apply them to cross-border merchandise trade.
- **Mode 4 vs. Employment:** The survey data must be carefully scrutinized to differentiate between a service contract (Mode 4) and an employment relationship (Compensation of Employees). If a professional is employed by the host entity for over a year, they become a resident, and the transaction is removed from Other Business Services.
- **Intra-firm Trade and R&D Valuation:** For R&D and management consulting, transactions between affiliated enterprises may be subject to transfer pricing or go unrecorded. Compilers should use Frascati-based R&D surveys to impute unrecorded exchanges of R&D assets between parent companies and affiliates, estimating value based on production costs plus a mark-up.
- **Microdata Linking (STEC):** By linking trade in services survey data with the Statistical Business Register (SBR), compilers can utilize the Services Trade by Enterprise Characteristics (STEC) framework. This model missing data by linking trade flows to trader characteristics (like foreign ownership or ISIC classification), thereby estimating the total business services output without overburdening respondents.

K. Personal, cultural, and recreational services

5.140 Personal, cultural, and recreational services comprise two sub-components, audio-visual and related services and other personal, cultural, and recreational services. Audio-visual and related services cover services associated with audio-visual activities (movies, music, radio and television) as well as services relating to the performing arts. Other personal, cultural, and recreational services include health, education, heritage and recreational, and other personal services (MSITS 2010, para. 3.253).

5.141 The following items are to be included:

- Audio-visual and related services: production of motion pictures, radio and television programmes, musical recordings; rentals of audio-visual products; charges for access to encrypted television channels; purchases and sales of ownership rights for audio-visual originals. (MSITS 2010, para. 3.256)
- Artistic related services: services provided by performing artists, authors, composers, sculptors, independent models, set/costume/lighting designers; presentation and promotion of performing arts events. (MSITS 2010, para. 3.260)
- Health services: general and specialized human health services by hospitals, doctors, etc., including remote services like telemedicine. (MSITS 2010, para. 3.264)
- Education services: all levels of education delivered through correspondence, television, Internet, or teachers in host economies. (MSITS 2010, para. 3.265)
- Heritage and recreational services: museum and preservation services, sporting and other recreational services. (MSITS 2010, para. 3.263)
- Other personal services: social services, domestic services, and other personal services n.i.e. (MSITS 2010, para. 3.263)

5.142 The following items are to be excluded from the service sector:

- Audio-visual products on physical media purchased for perpetual use (included in general merchandise). (MSITS 2010, para. 3.257)
- Health services provided to non-residents in the territory (included in travel); veterinary services (included in agriculture services). (MSITS 2010, para. 3.264)
- Education services provided to non-residents in the territory (included in travel). (MSITS 2010, para. 3.265)
- Exclusive rights like publisher exclusivity (included in capital account). (MSITS 2010, para. 3.262)

Data sources

5.143 This sector is highly heterogeneous, involving both businesses (B2B) and direct supply to households (B2C). Data Source Recommendations vary greatly by subsector.

5.144 Audio-visual and Related Services:

- **Targeted Surveys of Core Enterprises**
  - Film/TV production and distribution companies.
  - Broadcasting organizations.
  - Sound recording studios.
  - Key Data**:** Revenue from sales/licenses of rights to non-residents.
- **Royalty Collection Societies is an essential source because t**he societies (e.g., for music, performing rights) have detailed records of cross-border royalty payments and can provide aggregated data to the compiler.
- **ITRS should be used f**or tracking specific royalty and license payments.

5.145 Other Personal, Cultural, and Recreational Services

- **Main sources for Education Services are**
    - **Administrative records of educational institutions** are identified as "**the best source**", since universities and colleges have registration and financial systems that identify foreign students and their tuition payments (European business statistics compilers guide for European statistics on international supply of services by mode of supply, 2023 edition, chap. 11, paras. 11.14–11.15)
    - **Government Education Ministry Databases:** Centralized repositories of data on international student enrolment and fees.
    - **Surveys of Students (for validation):** To ensure institutional data captures all payments.
- **Main sources for Health Services are**
    - **Hospital and clinic billing systems** flag "foreign" or "non-resident" patients and therefore require close collaboration with health authorities to be fully exploited (European business statistics compilers guide 2023, chap. 11, para. 11.16).
    - **Health Insurance Fund Records:** Data on claims paid to foreign providers (exports) and for treatment of non-residents domestically (imports).
- **Main sources for Heritage and Recreational Services are**
    - **Surveys of providers** covering museums, sports clubs, theatres, amusement parks and gambling operators provide key information on non-resident users and are an important source for estimating exports of heritage and recreational services (European business statistics compilers guide 2023, chap. 11, para. 11.19).
    - **Household and Tourism Expenditure Surveys (Paras. 11.20, 11.23): CRITICAL.** The guide states that for museums, sports events, etc., **"a large part of the consumption is by visitors... therefore, household surveys, including tourism surveys, are a necessary source."** These capture the **Mode 2** expenditure missed by business surveys.
    - **Household and tourism expenditure surveys** are described as "critical", because a large part of the consumption is by visitors; household surveys, including tourism surveys, are thus a necessary source to capture Mode 2 expenditure that business surveys miss (European business statistics compilers guide 2023, chap. 11, paras. 11.20, 11.23).
    - **Payment Card and Mobile Payment Data (Emerging Source):** For aggregating small-value recreational transactions by non-residents.
- **Main sources for Other Personal Services are**
    - **Embassy/Consulate Financial Records (Para. 11.24):** For fees from passport/notarial services to nationals.
    - **Surveys of Non-Profit Institutions (NPIs):** For services of religious and charitable organizations.

- **Main sources for Government Goods and Services n.i.e.:**
    - **Government finance statistics** (GFS) and budgetary systems are identified as "the main source"; compilers work closely with the Ministry of Finance and line ministries to obtain information (European business statistics compilers guide 2023, chap. 11, paras. 11.30–11.33):
        - ✓ **Defence:** Costs of military units deployed abroad; costs of hosting foreign troops.
        - ✓ **Foreign Affairs:** Costs of cultural institutes abroad; visa/consular fee revenue.
        - ✓ **All Ministries:** Costs of providing technical assistance in kind.
    - **Data from International Organizations:** On technical assistance received.

Modes of supply Allocation

5.146 Personal, cultural, and recreational services are allocated to GATS modes with a simplified approach. Transactions involve multiple modes, with Mode 1 predominant for audio-visual, Mode 2 for health and education, and Mode 4 for artistic services. Full allocation is a long-term goal; start with dominant modes. (MSITS 2010, para. 5.36).

5.147 These simplified approaches reflect that:

- a large part of audio-visual and related services is supplied remotely (licensing, distribution, broadcasting, streaming) via Mode 1, while artists and technical staff may be temporarily present abroad (Mode 4) and some consumption occurs abroad (Mode 2) when non-residents travel to attend performances or events;
- health and education services can be exchanged both remotely (tele-health consultations, online courses) and through consumption abroad (patients or students travelling to the provider's country);
- heritage and recreational services are typically consumed in the territory where the service is delivered (Mode 2), but certain activities (online ticketing, virtual visits, streaming of events) are now supplied across borders via Mode 1.

5.148 A simplified recommended allocation for EU Countries is as follows:

EUROSTAT Modes of Supply Allocation

See table in Annex

Ebops2Cpc Correspondence

See table in Annex

Estimation Procedures and Model-based Techniques

5.149 Estimation is needed where direct reporting is incomplete, particularly for:

- Small audio-visual producers and independent artists operating informally.
- Private clinics and training centres with partial reporting of non-resident clients.
- Cultural and recreational institutions that do not systematically distinguish resident and non-resident users.

5.150 Possible techniques include:

- Using ratios of non-resident to total revenue derived from surveyed institutions and applying them to administrative or financial data for the full population of providers.
- Combining data on foreign students, foreign patients, or foreign event attendees with average expenditure profiles to estimate the value of exported personal, cultural, and recreational services.
- Benchmarking against partner-country data (mirror statistics) for major audio-visual and cultural trading partners, and reconciling significant asymmetries.

5.151 Where Mode 3 data are missing, compilers may use FDI positions and financial statements of foreign-controlled entities as proxies to approximate the output or turnover of foreign affiliates providing personal, cultural, and recreational services in the compiling economy.

L. Government goods and services n.i.e.

5.152 Government goods and services n.i.e. (not included elsewhere) is a residual category that covers government transactions (including those of international organizations) that cannot be classified under other specific service categories. It includes:

- **Embassies and consulates:** Goods and services supplied by and to enclaves, such as embassies, consulates, and government tourism or trade promotion offices.
- **Military units and agencies:** Goods and services supplied by and to military bases and defence agencies.
- **Other government goods and services n.i.e.:** Services supplied by and to Governments that are not included in other categories, such as technical assistance on public administration, police-type services, and charges for visas.

5.153 **Specific inclusions and exclusions:**

- **Inclusions:** It covers all personal expenditures on goods and services by diplomats, consular staff, military personnel, and their dependents in the economies where they are located. It also includes repairs on embassies and military bases owned by the government that occupies them.
- **Exclusions:** It excludes expenditures of locally engaged staff of embassies and international organizations (which are resident-to-resident transactions). It also excludes

expenditures by staff of international institutions staying in the host economy for 12 months or more, as they are regarded as residents of the host economy. The construction of new buildings for embassies or bases is classified under Construction.

Data Sources

5.154 The compilation of this sector relies predominantly on administrative and official records, supplemented by surveys and financial system data:

- **Administrative Records (Government Finance Statistics):** Budgetary systems, statements of government accounts, and data from the Ministry of Finance are the primary sources. This includes Ministry of Foreign Affairs records (for cultural institutes abroad and visa fees) and Ministry of Defence records (for military units deployed abroad and costs of hosting foreign troops).
- **International Transactions Reporting System (ITRS):** The central bank can provide comprehensive data on the international settlements of the central government. However, ITRS may struggle to capture transactions with foreign government enclaves located in the compiling economy or transactions that occur without direct monetary settlements.
- **Enterprise/Establishment Surveys:** Specific surveys targeted at foreign embassies, consulates, and international organizations located in the compiling economy can capture their local purchases (exports of the host economy).
- **Data from International Organizations:** Useful for tracking technical assistance received by the compiling economy.

Modes of Supply Allocation:

See table in Annex

5.155 Instrument **of Data Collection**

- **Government Budget and Expenditure Templates:** Standardized templates used to extract costs of government services, diplomatic missions, and technical assistance from national budget systems.
- **Surveys of Extraterritorial Organizations:** Targeted questionnaires administered directly to foreign embassies, military bases, and international bodies operating within the compiling economy.
- **ITRS Routing Codes:** Specific payment codes within the banking system to capture official government transfers and administrative fees.

5.156 **Estimation Procedures and Model-based Techniques** When comprehensive direct data collection is difficult or data lacks timeliness, compilers must use estimation and modelling:

- **Wage-Based Estimation for Personal Expenditures:** To estimate the personal expenditures of diplomats and government personnel posted abroad (and their

dependents), compilers can use administrative data on the wages paid to these officials. An assumption is then made about the percentage of those wages spent in the host economy. For example, Statistics Denmark estimates that government officials spend 50 percent of their salary on personal expenditures in the host country.

- **Mirroring for Foreign Embassies:** The revenue side (exports) can be estimated by combining lists of foreign embassies and international organizations, identifying the number of foreign staff employed there, and multiplying this headcount by the estimated average local expenditure of a diplomat (often proxied by the expenditure of the compiling country's own diplomats abroad).
- **Budget Data as Proxies:** Actual government expenditure data is sometimes delayed until the end of the fiscal year. In such cases, compilers can use approved government budget data—which is usually timely and aligns with BOP classifications—as a proxy for actual expenditures, adjusting later when final data is available.
- **Extrapolation and Modelling:** If data on government expenditures abroad provide only broad aggregates or partial coverage, compilers should extrapolate series or create data models based on historical trends, government expenditure policies, and budget planning.

Chapter VI : Foreign Affiliates Statistics

Definition

6.1 Foreign Affiliates Statistics (FATS) broadens the traditional definition of international trade in services based on the residence principle to include transactions between foreign-controlled business units and customers in the countries where these business units are established. FATS are thus statistics relating to the activity of foreign affiliates. FATS are key to the production of statistics on Mode 3 transactions, that is on the supply of services through a commercial presence abroad.

6.2 The main source for Mode 3 is FATS data. FATS data are typically compiled from several sources. The main sources for FATS (and consequently also for Mode 3 estimation) fall into three broad categories: • Enterprise / establishment surveys – these are also the most common source for FATS data collection. These include structural business surveys, annual business surveys, the EuroGroup Register (EGR), the annual business register maintenance surveys and data sourcing from information systems for the online collection of annual reports of all economic active enterprises. The annual reports normally contain a set of accounting and statistical questionnaires. • Foreign direct investment surveys – FDI statistics can be considered as a rough indicator of the extent to which economies rely on commercial presence abroad to supply services. • Administrative records such as tax records, annual declarations of enterprises, administrative sources, publicly available sources, and direct contacts are used as additional sources to identify the ultimate controlling institutional unit (UCI).

6.3 "Control", as referred to in the Framework for Direct Investment Relationships (FDIR), set out in chapter 3 of Fourth edition of the OECD Benchmark Definition of Foreign Direct Investment (BD4) (par. 135), is deemed to exist if there is majority ownership that is, control of more than 50 per cent of the voting power at each stage of the chain of ownership. FATS cover operations of affiliates that are controlled by a single investor, or a single group of investors. (MSITS 2010, par 4.10).

6.4 An Affiliate is considered as synonymous with "direct investment enterprise" (MSITS 2010, par 4.2), which implies that the population covered by Foreign Affiliates Statistics is in principle the same as that covered by FDI statistics, in practice, MSITS 2010 recommends to focus on the compilation of statistics on enterprises that are controlled by a non-resident unit, and this control, in turn, is considered to exist when another unit holds more than 50 per cent of the voting rights in the affiliate, if it is an incorporated company, or the equivalent if it is an unincorporated company.

6.5 MSITS 2010 par. 4.11 recognizes that some cases could be the subject of supplementary statistics, in particular when an affiliate is controlled by multiple unaffiliated foreign direct investors and when a foreign direct investor owns exactly 50 per cent of voting power. Worth noting is the fact that statistics on foreign affiliates controlled by residents of the compiling economy should include all controlled foreign affiliates, irrespective of whether the control in the affiliate is held directly or indirectly and irrespective of whether the direct investor in the compiling economy is the ultimate investor (ultimate controlling

institutional unit (UCI)) or is, instead, an intermediate investor in an ownership chain. (MSITS 2010, par. 4.12).

6.6 FDI and FATS statistics relate to not only units belonging to the services sectors but, in principle, to all economic sectors. Commercial presence is defined in Article 28 of the GATS as covering any type of business or professional establishment, including a juridical person or a branch. MSITS 2010, par. 4.13) thus notes that, in principle, FATS could be collected at either the enterprise (company) level or at the level of individual business locations (establishments).

6.7 MSITS 2010 (par. 4.44) notes that a wide range of economic variables in regard to FATS may be pertinent for analytical and policy purposes. The selection of the variables to be collected should be based primarily on their usefulness for trade policy needs and for analysing globalisation phenomena. The practicalities associated with data availability should also be considered. With such considerations in mind, and in the interests of harmonisation with other international guidelines.

6.8 For Member States that do not already produce a full FATS dataset, as a first step (and until FATS statistics are fully developed) we recommend adding some specific questions to surveys from other domains: • Structural business statistics (SBS) survey – questions on the direct and indirect control and UCI residency of the foreign affiliates; • Foreign direct investment (FDI) surveys – the standard FDI questionnaire can be supplemented by additional questions concerning ownership and UCI (to identify the inward FATS population and the country of residence of the UCI); questions on non-resident enterprises in which the country's enterprises control (directly or indirectly) more than 50 % of voting rights; such questions comprise their identification code, name, NACE Rev. 2 code, percentage share of voting rights, country of location, number of persons employed and turnover.

6.9 FATS can be categorised into two distinct categories namely; the Inward FATS and the Outward FATS.

- **Inward Foreign Affiliates Statistics (Inward FATS):** describe the activities of foreign-controlled enterprises operating within the reporting economy. They measure how foreign multinational enterprises contribute to the domestic economy through indicators such as sales/turnover, employment, value added, number of enterprises, and trade in services.
- **Outward Foreign Affiliates Statistics (Outward FATS):** capture the activities of majority-owned foreign affiliates established abroad by resident enterprises. They show the extent and impact of the reporting country's multinational activities overseas by collecting information on the performance and operations of these foreign affiliates.

Data Source

6.10 FATS often require the integration of multiple data sources, For FATS to be useful in the compilation of statistics on the international supply of services, a breakdown of their main variables by product, partner country and activity is of utmost importance. For example, FATS may cover goods and services sold to not only the host economy of the affiliate but

also to the home economy of the parent company or to third countries, while only services sold to the host economy, including services sold by goods producing affiliates as a result of a secondary activity, are constituting Mode 3 transactions.

i. Establishment Surveys

6.11 The first approach entails conducting surveys that request information directly on the operations of resident affiliates of foreign enterprises and foreign affiliates of domestic enterprises. The second approach, which can be used only for inward investment, identifies the subset of existing data on resident enterprises that are foreign- controlled enterprises through business registers and tax fillings.

6.12 Whichever of these approaches is taken, there are likely to be links to existing data on FDI. Where there are surveys of foreign affiliates, registers used in collecting FDI data would typically be used to identify foreign-controlled affiliates for which FATS variables should be collected. Alternatively, key FATS variables might be incorporated in existing FDI surveys.

6.13 However, compilers should note that FDI surveys may need to be conducted more frequently (for example, quarterly), whereas FATS may be needed less frequently (for example, annually). Incorporating FATS-related questions in FDI surveys may also increase the response burden imposed on enterprises that are not part of the FATS population. (MSITS 2010, par. 4.67). In addition, it should be noted that the activity classification used in FDI statistics may be different from that used for FATS. (MSITS 2010, par. 4.69)

6.14 Developing FATS as a subset of enterprise statistics may also rely on the use of existing data on FDI, and more specifically of FDI registers. The situation in this respect is however quite different. As said, it is not possible to compile outward statistics within that framework. However, the activity classification used may be quite detailed and product detail may be available for sales or turnover. In addition, a comprehensive set of statistical variables can generally be provided. (MSITS 2010, par. 4.70). MSITS 2010 (par. 4.71) stresses that, in many cases, a mix of the two approaches may work best, with separate surveys (or existing FDI surveys) being used for the compilation of outward FATS and the identification of foreign- controlled companies; and with "enterprise statistics" providing the context for the compilation of inward FATS, having a more detailed activity breakdown and a more comprehensive set of variables. Extended business registers might also be a suitable means of obtaining information of foreign enterprises in a compiling economy.

ii. Administrative Sources

6.15 MSITS-CG 2010 (par. 15.20) notes that the outward FATS characteristics are usually collected based on (1) FDI surveys, and (2) dedicated FATS surveys. In case a FATS survey is developed, it would be advisable to conduct a periodic census for outward FATS (i.e. including all units identified as belonging to the target population of reporting units). Between censuses, sample surveys could be conducted.

6.16 Administrative data could also be considered for compiling outward FATS if the data include relevant variables, administrative sources are business registers, tax return or regulatory reports such as for banks or insurance companies, or more generally on foreign investment, privatization monitoring, etc.

6.17 Furthermore, compiling data for some activities may sometimes be challenging, in particular if not covered in the data sources, or given the difficulty to gather information for particular industries (e.g., financial activities). This is particularly true for inward FATS in that if structural business data are used as a source, then some activities may not be covered, such as some personal or social services. In this case compilers should derive this information from other sources or estimate the variables for these particular sectors. Alternatively, at least as a starting point, compilers may wish to concentrate solely on services activities of importance to their economy. see (MSITS-CG, par.15.95).

Bridge allocation table for mode 3

See table in Annex

EBOPS 2010-ISIC Rev. 4 correspondence for the 12 broad sectors classification

See table in Annex

Compilation Methodology for FATS

FATS Variables (Turnover, Employment, Partner, Sector (ISIC))

6.18 MSITS 2010 recommends that the FATS variables to be collected include at least the following basic measures of foreign affiliate activity: sales (turnover) and/or output; employment; value added; exports and imports of goods and services; and number of enterprises. Within the list of variables recommended for FATS compilation, employment is also of great interest, particularly if compilers are able to separately identify the portion of employees from abroad (i.e., non-residents). That information would be useful in relation to mode 4.

6.19 The variables should be broken down as follows:

- The country of location of the foreign affiliate for outward FATS, or the origin of ultimate control/FDI for inward FATS;
- The activity of affiliates;
- The type of products produced by the foreign affiliates for the variables for which such a breakdown is possible, at a minimum distinguishing service from goods. Although that is generally seen as a longer-term goal, some compiling economies have already compiled such data, or such a breakdown is feasible;
- For output or sales, distinguishing among those within the host economy, the home economy and third economies.

6.20 MSITS-CG (par. 15.9) adds that, when analysing the international supply of services by mode, only those data derived from the FATS framework that correspond to Mode 3 should be considered, to compare to data derived from the BOP services account.

Linkages Between FATS and Mode 3 of Supply

6.21 FATS will include such variables as output or turnover/sales and employment. Although the interest, from a mode 3 perspective, is not limited to such output, output is the measure of the mode 3 supply of services, which, in a GATS context, is Similar to exports and imports of services recorded in the BOP (corresponding to modes 1, 2 and 4)

6.22 Within the list of variables recommended for FATS compilation, employment is also of great interest, particularly if compilers are able to separately identify the portion of employees from abroad (i.e., non-residents). That information would be useful in relation to mode 4.

Chapter VII : Data Quality and Validation

A. Data Quality Framework

7.1 The production of high-quality, reliable and internationally comparable ITS statistics requires a robust and well-structured data quality framework. Given the complexity of services transactions and the multiplicity of data sources, including ITRS, administrative records, enterprise surveys, and FATS, systematic validation and quality assurance processes are essential to maintain the credibility of national and regional statistics. This chapter outlines the core elements of the ECOWAS data quality framework, including standards for accuracy, coherence and comparability, metadata documentation, validation mechanisms, peer review, and dissemination procedures.

7.2 Member States adopt a data quality framework aligned with international best practices, including the IMF's Data Quality Assessment Framework (DQAF) and the UN Fundamental Principles of Official Statistics. The framework emphasises three key dimensions, accuracy, coherence and comparability.

7.3 Accuracy refers to the extent to which the data produced closely reflect the true values of the underlying transactions. To ensure accuracy, Member States should apply consistent concepts and definitions, use reliable data sources, and apply rigorous validation procedures before publication or submission to the ECOWAS Commission.

7.4 Coherence relates to the internal consistency of ITS data within a statistical domain and across related datasets. For example, ITS estimates must be reconcilable with the balance of payments, sectoral administrative data, and enterprise survey results. Achieving coherence requires integrating data from multiple sources through systematic cross-checks.

7.5 Comparability ensures that data can be meaningfully compared over time and across Member States. This requires the application of standard classifications such as EBOPS 2010, CPC Ver.2, ISIC Rev.4, and adherence to harmonised regional methodologies as outlined in this Guide. Member States should also document methodological changes to prevent breaks in time series.

B. Metadata Standards and Documentation

7.6 Comprehensive metadata are essential for ensuring transparency, interpretability and reproducibility of ITS statistics. Member States are required to prepare metadata in accordance with the ECOWAS metadata standard, which aligns with MSITS 2010 and the SDMX framework. Metadata should describe the data sources used for each EBOPS category, the methods applied for data compilation, coverage, classification decisions, adjustments, and estimations. They should also document any deviations from recommended international practices, as well as changes in methodology, data collection instruments, or administrative systems. Metadata should accompany each annual or quarterly submission to the ECOWAS Commission. This ensures that regional compilation is properly informed by national practices and that users understand the strengths, limitations and comparability of the statistics.

C. Validation and Consistency Checks

7.7 Validation is an integral part of the ITS compilation process and should be conducted both at the national and regional levels. Member States should implement systematic validation checks before disseminating national data or submitting them to ECOWAS Commission. National validation includes checks for arithmetic accuracy, correct application of classifications, logical consistency within EBOPS categories, and coherence between ITRS, enterprise surveys and administrative data. Cross-domain validation, such as reconciling ITS data with related balance of payments items or foreign exchange data, is equally important to ensure credibility. At the regional level, the ECOWAS Commission conducts its own consistency checks, including cross-country comparisons, trend analysis, partner-country mirror checks where feasible, and assessments of outliers or structural breaks. When inconsistencies are identified, ECOWAS Commission should communicate to Member States to seek clarification or initiate revisions.

D. Dissemination

7.8 Dissemination of ITS statistics should follow principles of transparency, timeliness and accessibility. Member States should release ITS statistics according to a pre-announced dissemination calendar, accompanied by metadata that explain key methodological features, data sources and any limitations.

7.9 Dissemination formats should comply with regional and international standards, using harmonised tables, classifications and presentation formats. Metadata accompanying disseminated data should follow the SDMX standard and include descriptions of the concepts, methods, revisions and comparability issues. Ensuring comprehensive metadata increases user confidence and promotes informed use of ITS statistics by policymakers, researchers and the private sector.

E. Review of the Guide

7.10 Given the rapidly evolving nature of international statistical standards and the increasing complexity of measuring international trade in services, this Methodological Guide will require periodic review to remain relevant, accurate and fully aligned with global best practices.

7.11 These upcoming international revisions are expected to introduce new concepts, updated classifications, enhanced digital trade measurement frameworks, and expanded guidance on mode-of-supply allocation and foreign affiliates statistics. They will also strengthen the integration of services statistics with broader national accounts and balance of payments frameworks. The Guide should be updated and reviewed in line with changes in relevant international statistical standards to incorporate these changes once they are officially released.

7.12 ECOWAS Commission should establish TIS statistics **technical review mechanism**, involving the ECOWAS Commission, national statistical offices, central banks, , to monitor global methodological developments and prepare the region for timely adoption. The review will assess the need for adjustments in concepts, definitions, classifications, data collection instruments, compilation methods, metadata requirements, and data transmission protocols. It will also consider the operational implications for Member States, including training needs, capacity-building programmes, and potential revisions to national statistical legislation or institutional arrangements.

7.13 The updated version of the Guide should be disseminated following a validation process with Member States to ensure smooth implementation. By maintaining a regular review cycle, ECOWAS Commission should reinforce its commitment to producing high-quality, internationally comparable trade in services statistics that reflect both global standards and regional priorities.

Chapter VIII : Trade in Services Database Development

A. ECOWAS Regional TIS Database Architecture

8.1 A reliable and well-structured database system is essential for the consolidation, storage, validation, and dissemination of TIS statistics across the ECOWAS region. This chapter outlines the architecture, data submission formats, external cooperation arrangements, storage and dissemination tools, and metadata requirements that should guide the development and operationalisation of the ECOWAS Regional TIS Database.

8.2 The ECOWAS TIS database should serve as the central repository for all harmonised services trade data submitted by Member States. Its architecture is designed to support efficient data storage, structured validation processes, and seamless integration with other regional and international statistical systems. The database should incorporate a multi-tier structure that separates data storage, processing, and dissemination functions.

8.3 At the core is the data warehouse, which stores Member State submissions in a harmonised EBOPS 2010 format and contains additional layers for mode-of-supply allocations, partner-country breakdowns, and FATS data. An integrated validation engine performs automated quality checks, including completeness, coherence, and consistency tests. The architecture also foresees an analytical layer for producing regional aggregates, dashboards, and statistical outputs. This modular structure allows scalability as Member States expand coverage and improve data quality over time.

B. Data Submission Templates and Standard Formats

8.4 To ensure comparability across Member States, ECOWAS Commission should provide standardised TIS data submission templates. Each Member State should submit its TIS data using these templates, which capture the full range of service categories, transaction types, and, where possible, partner-country detail and mode-of-supply allocations.

8.5 Templates should be designed in machine-readable formats for ease of use, depending on Member State capacity. Harmonised coding structures including service codes, partner codes, and institutional identifiers will be embedded in the templates to facilitate automated validation and regional aggregation. Metadata templates should accompany each submission to ensure transparency of methods, concepts, classification choices, and deviations from the recommended practices. Establishing these standard formats is crucial for reducing discrepancies, enhancing comparability, and maintaining consistency across datasets.

C. Cooperation with Other Trade Databases.

8.6 The development of the ECOWAS TIS database should be closely aligned with ongoing regional and international statistical initiatives. Cooperation with existing trade databases strengthens interoperability, reduces duplication, and enhances the analytical value of data enabling policymakers to analyse services data of Member States.

Conclusion

1) The ECOWAS Methodological Guide for the Compilation of Statistics on Trade in Services represents a critical step toward closing long-standing data gaps and harmonizing the measurement of international trade in services (ITS) across Member States. By grounding its approach in internationally recognized frameworks such as MSITS 2010, BPM6, and EBOPS 2010, the Guide equips the region with a standardized system to accurately capture resident-non-resident transactions and foreign affiliates statistics (FATS) across all four GATS modes of supply.
2) **Strategic Importance for Regional Integration:** Reliable, high-quality, and comparable ITS statistics are fundamental for evidence-based policymaking and macroeconomic management. As the ECOWAS region transitions toward greater services-led growth and deeper integration through the African Continental Free Trade Area (AfCFTA), this robust statistical foundation will enable Member States to schedule commitments, monitor protocols on the free movement of people and professional services, and negotiate from an informed and coordinated position. Furthermore, detailed ITS data will provide essential insights into foreign exchange inflows, external vulnerabilities, and the broader macroeconomic resilience of the region.
3) **Implementation and Institutional Collaboration:** The successful implementation of this Guide relies heavily on establishing **strong legal frameworks and institutional coordination** at both national and regional levels. National Statistical Offices, Central Banks, and sectoral regulators must collaborate effectively to leverage diverse data sources, including enterprise surveys, administrative records, the International Transactions Reporting System (ITRS), and standardized accounting packages like SYSCOHADA. Member States are expected to adhere to the regional data quality framework, utilizing standardized data submission and metadata templates to ensure accuracy, coherence, and cross-country comparability.
4) **The Path Forward:** Moving forward, the operationalization of the **ECOWAS Regional TIS Database** will serve as the central repository for harmonized services trade data, significantly enhancing the region's analytical capabilities and integration with other international trade databases. Because international statistical standards and global trade dynamics are rapidly evolving, the ECOWAS Commission and Member States must maintain a **continuous technical review mechanism**. This commitment to periodic review and capacity building will ensure that the region’s trade in services statistics remain internationally comparable, high-quality, and highly relevant for future economic governance.