The Eurostat's balanced view of trade in services

Topic: Want to know more about how the EU FIGARO ICIO tables were made?
Author: Isabelle REMOND-TIEDREZ
Co-Authors: Juan Manuel Valderas Jaramillo

Asymmetries due to the mismatching in the data provided by one country and the mirror flow provided by its partner country for the same transactions are an important issue in trade statistics, especially when it comes to link all European Union (EU) economies as in the FIGARO dataset.

Although at EU level, balance of payments statisticians and trade in services statisticians follow up regularly on the asymmetries and try to reduce them, we needed to implement a methodology for compiling a balanced view of trade in services as an input to the EU inter-country supply, use and input-output tables.

For the first release of FIGARO tables for the year 2010, the 2010 international trade in services data (ITSS) serves as the primary input. Their exports and imports (or mirror exports) are subsequently cleaned, imputed, estimated, modelled and confronted with Balance of Payments data to get a full dataset for 29 countries (EU Member States plus USA), 30 partner countries (plus RoW) and a number of services items. The balancing of the resulting exports and import values to solve the bilateral trade asymmetries is based on the methodology developed by the European Commission and the OECD (Martins Ferreira, 2018). As the EU inter-country supply, use and input-output tables present economies using the activity and product classification, the last step is to bridge the balanced trade view of the data from services categories to product classification (CPA/CPC).

The paper summarises the steps as compiled for the 2010 tables and shows the way foreseen to improve the compilation steps for the time series 2010-2016. We also evaluate the impact on the original input data of each of the steps involved.

Martins Ferreira, P. (2018) "The QDR methodology: understanding trade flows in the EU", EURONA, issue NÂ°2/2018, pp. 55-70.