

VIRTUAL TRAINING WORKSHOP ON DATA COLLECTION AND ANALYSIS OF TRADE IN SERVICES AMONG THE OIC MEMBER STATES

23-25 March 2021

Draft Concept Note

I. Context:

Services are crucial for achieving the 2030 Sustainable Development Goals (SDGs). In this regard, strengthening the domestic services sector by increasing its backward and forward linkages with the primary and the secondary sectors, as well as its linkage with trade, can be an effective component of a comprehensive development strategy. For developing countries, service trade is the new frontier for enhancing their participation in international trade and, in turn, realizing development gains.

Given the multifaceted contribution of services to national economy and trade, it is critically important for countries to design and implement a services-driven development strategy within a coherent and comprehensive policy framework, ensuring linkages with other policy areas and overall national development objectives.

However, due to the complexity of the services sector and the broad range of actors involved across ministries, departments and agencies at different levels of government as well as in the private sector, developing and implementing such a strategy remains a challenge for many countries within upcoming WTO negotiations.

Hence, there is a risk of slow progress in positively integrating developing countries into the global services economy and increasing their participation in services trade. It is therefore imperative to increase public and private sector advocacy and awareness to mobilize policy attention and resources to boost the sector's contribution to growth and development.

Services represent the fastest growing sector of the global economy and account for two thirds of global output, one third of global employment and nearly 20% of global trade on a Balance Of Payments Basis (BOPS) and 25% of intra-OIC trade. Over the past 20 years, trade in services has become the most dynamic segment of world trade, growing more quickly than trade in goods. Developing countries and transition economies have played an increasingly important role in this area, increasing their share in exports of world services from a quarter to one-third over this period.

The Extended Balance of Payments Services Classification (EBOPS 2010) consists in 12 main components (broken down further into more detailed positions):

1. Manufacturing services on physical inputs owned by others
2. Maintenance and repair services n.i.e.
3. Transport
4. Travel
5. Construction
6. Insurance and pension services
7. Financial services
8. Charges for the use of intellectual property n.i.e.
9. Telecommunications, computer and information services
10. Other business services
11. Personal, cultural and recreational services
12. Government goods and services n.i.e.

In addition, detailed correspondence tables between the statistical classification EBOPS 2010 and the services list used by trade negotiators (known as W/120), may help compilers in resolving classification problems and linking statistical classifications with the classifications used in GATS commitments.

The challenges faced services sector are:

- Collection, harmonisation and analysis of data in trade in services;
- Absence of political will in many OIC Countries to deal with services sector;
- Lack of capacity building program and specialists in trade in services in the OIC region;
- No progress in trade negotiations with WTO;
- Weakness of negotiations on trade in services in many regional economic groupings.

According to online data from WTO of January 2021 and ICDT calculations, world trade in commercial services of OIC Countries accounted for USD 811 billion in 2016 against USD 977 billion in 2019; i.e., 20.50% of growth. In 2019, trade in services of OIC Countries represented 26% of its global trade.

Besides, more than 82% of trade in services of OIC are composed of transport and travel and other services (18%). The main actors of trade in services are: UAE, Saudi Arabia, Turkey, Malaysia, Indonesia, Qatar, Egypt, Nigeria, Kuwait and Morocco. These 10 countries recorded 72% of total trade of the OIC countries in 2019.

II. Objectives of the Workshop:

According to the obstacles mentioned earlier, the Islamic Centre for Development of Trade (ICDT), the Statistical, Economic and Social Research and Training Centre for Islamic Countries (SESRIC) and the Country Strategy and Cooperation Department of the Islamic Development Bank (IsDB) are collaborating to organize a virtual workshop on data collection and analysis methods in order to support and assist officers of National Statistics Offices to benefit from new methodologies of collecting, harmonizing and analysing

services data, to explore markets of services subsectors and to exchange reliable data in collaboration with customs directorates and other stakeholders in one hand.

In the second hand, to help negotiators in trade services to approach new markets in this field and to diversify future partners at bilateral, regional and multilateral trade and investment agreements with a view of boosting intra-OIC trade and assisting OIC Member States to achieve the objectives of the OIC Ten-Year Plan 2016-2025, namely 25% of the share of intra-OIC trade by 2025, and relevant SDGs.

III. Participants in the workshop:

Directors and officers of National Statistics offices, Central Banks and Negotiators from Ministries of Trade and Foreign Affairs of the OIC Member States and international organizations' experts will be invited to participate in the workshop. The workshop will be in English, Arabic and French with simultaneous translation.

IV. Organizers and Partners of the Workshop:

Organisers: ICDT, SESRIC and IDB Country Strategy and Cooperation Department.

Partners: WTO, UNCTAD, ITC, Statistics Canada and other National Statistics Offices and Central Banks of Member States.

V. Venue and date: Virtual, 23-25 March 2021.