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Advancing Free Trade
for Asia-Pacific **Prosperity**

Workshop on APEC Best Practices on Developing Services-related Statistics in Mode 3

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1. Executive Summary

The workshop was held virtually from 29-30 June 2021. It aims to improve the understanding and capability of statistical services on trade in services in mode 3 by sharing experience and exchanging best practices among the APEC Economies.

This workshop invited experts from the United Nations Conference on Trade and Development (UNCTAD), the World Trade Organization (WTO), the Organisation for Economic Co-operation and Development (OECD), and an Independent Statistical Consultant to present material related to Foreign Affiliates Statistics (FATS). In addition, the practitioners from several economies also shared their experiences about the implementation of FATS in their respective economies. These experiences came from the United States Trade Representative (USTR), the Australian Bureau of Statistics (ABS), the Statistics Indonesia (BPS), and the Ministry of Commerce of Thailand.

In their presentations, the speakers shared knowledge on FATS, particularly the method of calculating the FATS data. The speakers also shared their experiences as a FATS data compiler and information about the challenges in implementing FATS.

The time allotted for each day of the workshop was approximately 2.5 hours. The agenda includes speakers' presentations, sharing experiences, and Q&A session. In addition, on the second day of the workshop, there was a breakout session aimed at building interactive discussions from all workshop participants. This session discussed three main questions, i.e.,

- What are the challenges faced by APEC Economies in compiling FATS? How will those issues be addressed, and is any assistance needed?
- From users' view, what kind of FATS data is essential to compile in the short term as part of trade policy formulation? Are there any challenges related to FATS awareness, institutional arrangements, and data sharing?
- Does your economy have any plan or activities following this workshop, including the key priorities?

After the breakout session, each group representative made a brief presentation on the results of the discussion. We summarized that each economy has a different stage of development in FATS data compilation. Several economies have collected FATS data while the others are still in the process of preparation. Thus, they face some challenges e.g., coordination among relevant ministries, unavailability of data, and difficulty to collect the data. It is essential to build awareness in terms of FATS compilation and utilization to facilitate inter-ministerial coordination, as some developing economies faced this issue such as Indonesia and Peru.

Finally, based on experiences from economies that have already implemented FATS, regulation is vital so that enterprises are willing to cooperate in reporting data. In addition, the government also needs to convince the enterprises to provide the data and ensure the confidentiality of the reported data.

2. Opening Remarks

Mr Djatmiko Bris Witjacksono, Director General for International Trade Negotiations, Ministry of Trade of Indonesia, delivered his opening remarks on the importance of Services-Related Statistics in Mode 3. Mr Witjacksono explained that previously the event would be held in Bali in March 2020, which was later postponed due to the Corona Virus Disease 2019 (COVID-19) pandemic. Nevertheless, he hoped that the event could still achieve its potential benefits.

He shared that the services sector plays an increasingly important role in international trade and the economy. According to APEC Key Indicator Database 2021, commercial services trade in all APEC Economies has had an increasing trend in the last decades, from 7.9% of total gross domestic product (GDP) in 2010 to 8.6% of total GDP in 2019. Meanwhile, commercial services trade in Indonesia has a similar trend but with a slightly lower share than APEC Economies, increased from 5.5% to 6.3% for the same period. Moreover, both exports and imports of commercial services in APEC Economies also increased around 50-60% between 2010 and 2019. Interestingly, the export of commercial services in Indonesia grew rapidly more than 90% for the same period.

He highlighted the importance of statistics in building strategies based on individual performances of services industries. According to the WTO, trade in services commitments in the General Agreement on Trade in Services (GATS) is dominated by mode 3, around 53%. Thus, mode 3 data of trade in services is required. There are some initiatives to compile mode 3 statistics at the international level, such as Integrated Trade Intelligence Portal (I-TIP) Services, a joint initiative of the WTO and the World Bank. He also added the importance of FATS in assessing the impact of foreign-controlled enterprises on the economy, monitoring the effectiveness of internal markets and the gradual integration of economies within the context of globalization, and sharing a better understanding of the role of investment in global value chains (GVCs). FATS data is also beneficial for trade negotiators to negotiate specific commitments and monitor their economic impact for services sectors.

He also emphasized that the availability of reliable statistics allows the better analysis of trade at the global level and bilateral flows of individual service sectors by mode of supply. However, having a reliable services-related statistic, particularly for mode 3, is more challenging due to inadequately disaggregated data. Also, measuring the extent of trade in services is often tricky, hence official trade figures may underestimate its actual share in world trade. According to the UNCTAD 2020, the services sector was accounted for 48

percent of world direct investments in 2019, rather close to its share in the world GDP but significantly greater than its share in the world trade.

Finally, he stated that the workshop is an important endeavor to seek better ways to produce services-related statistics in mode 3 for APEC Economies. The availability of trade in services statistics in mode 3 may support a better trade policies formulation in the economy.

3. Introduction to the Workshop

The introduction of the workshop was delivered by Mr Iskandar Panjaitan, Director for Trade in Services Negotiation, Ministry of Trade of Indonesia.

Mr Panjaitan provided a brief background and information on the workshop. He explained that Indonesia requested the participation of the APEC Economies to complete the pre-event evaluation before the implementation of the workshop. The evaluation aimed to collect information on the availability of trade in services statistics data in the APEC Economies. Indonesia also circulated the tracking mechanism form.

On the workshop arrangement, he provided a comprehensive picture of the workshop and introduced the speakers who would participate. Then he informed the economies that have confirmed their participation in the tracking mechanism process and encouraged the other economies to participate in that mechanism. He expressed his hope that all the participants could have a fruitful discussion during the workshop.

4. Workshop Summary

4.1 The Statistical Framework for Measuring Mode 3 and Experiences from APEC Economies

The first day of the workshop was divided into two sessions and moderated by Mr Andy Johan Prasetyo, Deputy Director at Statistics Department, Bank Indonesia. In the first session, each speaker was given 20 minutes to present the materials. In the second session, each speaker was given 15 minutes to share their experiences from the user and compiler of the FATS data perspective.

4.1.1 Overview of Foreign Direct Investment (FDI) in APEC Economies

The first presentation was conducted by Mr Onno Hoffmeister from the Statistics Production Unit, UNCTAD. He presented a brief overview of trends and FDI in the APEC region. FDI is relevant in the international trade and services statistics because it is a precondition for commercial presence in an economy. FDI statistics could give a rough indication of the trade development in Mode 3. The recommended core element of a Trade in Services (TiS) production system (Manual on Statistics of International Trade in Services

(MSITS) 2010) is considered as the first step in the implementation phase. Once a suitable method for the production of statistics and FDI is established, it can build a system for the production of FATS. Later on, the detailed statistics on trade and services in Mode 3 can be compiled.

Mr Hoffmeister continued with the concepts and definitions of FDI. Then he showed the importance of the APEC region for global FDI accounted for around 60 percent of FDI inflows and outflows, noting that both were more or less balanced. Given that the share was lower than ten years ago, it was increasing. In terms of historical trends, the APEC region has largely followed the global FDI development. Whereas in the 1970s there was a small value of FDI, it increased exponentially after 2015.

Based on the data of FDI stock by APEC economies in 2020, the United States was both the prominent FDI investors and recipients, followed by the People's Republic of China; Hong Kong, China; Canada; and Australia. He also elaborated the breakdown of FDI by economic sector in 11 APEC economies representing 76 percent of APEC FDI inflows and 69 percent of APEC FDI outflows. Services accounted for the largest share of the inflows and outflows and increased over time despite the declining trend in total FDI. Focusing on the services sector, these are the largest to the smallest activities: business, financial and insurance, trade, information and communication, as well as transportation and storage. Finally, he informed that FDI trends in services are specific in APEC economies because each economy does not follow the same trend.

4.1.2 From FDI Statistics to FATS: Main Concepts and Definitions

The second presentation was conducted by Ms Barbara D'Andrea from Economic Research and Statistics, WTO. She presented the differences between FDI statistics and FATS. In brief, FDI is a financial transaction between direct investors and affiliates, while FATS is related to describing the overall operation of foreign control affiliates. She explained the FATS elements, i.e., geographical attribution (inward and outward), activity or product attribution (activity as a priority, product as a long-term goal), and priority variables.

She also mentioned five essential economic variables to be compiled for foreign affiliates in FATS: sales (turnover) and/or output, employment, value-added, exports and imports of goods and services, and number of enterprises. Sales equal turnover, but the output is a superior measure that should be used in particular. Measuring the value of goods and services exported and imported by foreign affiliates is also very important, noting that foreign affiliates are also a resident of the economy in which they are established. The value of their exports and imports is already recorded in their economy and the host economy for balance of payment. The number of enterprises shows the presence of foreign control enterprises in an economy. Finally, those affiliates source their labor force from the domestic or their affiliates abroad (intra-corporate transferees), which also important indicator for Mode 3.

4.1.3 From FATS to Mode 3: How to Estimate the International Supply of Services via Commercial Presence

The last presentation in the first session was conducted by Ms Antonella Liberatore from Trade and Productivity, the OECD Statistics and Data Directorate. She started by explaining the definitions of Mode 3 and some related terminologies of Mode 3. Then she explained that the international supply of services through Mode 3 was approximated by FATS variable output (or turnover). But GATS refers to all foreign-controlled enterprises, meanwhile FATS do not include cases where control is achieved through minority stake (ownership between 10 and 50%). The FATS total output (sales) includes exports (captured in the balance of payments). However, output sold to residents of the host economy should be covered to avoid double-counting. Since FATS is classified mainly by primary activity and not a by-product, only services should be covered. She clarified the difference between output and sales (turnover), whereas the output is goods or services produced by an establishment while turnover is gross operating revenues. She explained how to calculate foreign services sold to residents by subtracting total output with exports. In addition, the share of output sold to residents is likely to be higher in some industries (e.g., real estate, wholesale & retail trade) than others (e.g., accommodation and food).

She also provided the distinction between services and goods in terms of theory and practice. Then she introduced Trade in Services Data by Mode of Supply (TISMOS) as the first global dataset of trade in services by mode of supply. Lastly, she informed that Mode 3 had the largest share of global and APEC trade in services in 2017. It is also important to underline that Mode 3 should be seen together with the other modes of supply, particularly with the emergence of digitalization.

4.1.4 The Application of Mode 3 Data in Formulating Trade Policy

The second session was the sharing of experiences, the first speaker was Mr Todd Nissen, Director for Services and Investment, USTR. Regarding the United States (US) exports value, he highlighted that services data accounted for one-third of the US total trade. Unfortunately, he said that Mode 3 is invisible in the balance of payments import and export data. For an economy like the US, the picture could not be seen accurately without Mode 3 data.

He emphasized some reasons for establishing affiliates, that are nature of services transactions favor proximity to customer, taxes, and regulatory requirement to be locally established. He later explained the recent study from the US National Trade Commission about Mode 3 barriers on domestic trade and its relationship to the rest of the US' trade dynamics. The Mode 3 barriers affect cross-border trade negatively. The result of the study suggested that cross-border trade and foreign affiliates sales trend to be complementary. Furthermore, the result is robust across most sectors ranging from telecommunications to professional services.

At last, he concluded that the magnitude of Mode 3 trade commands attention and focuses on policy questions, i.e., 1) What are the domestic benefits, and how well can it be measured? 2) Which foreign barriers are restricting affiliate trade that confers domestic benefits? 3) What domestic policies are affecting the ability to attract FDI in services?

4.1.5 Australian Outward Foreign Affiliates Trade: Embracing Change to inform Australia's Emerging Policy Priorities

The last speakers on the first day of the workshop were Mr Michael Abbondante and Ms Brigitte Batschi, both from the International Accounts of the ABS. Mr Abbondante shared Australia's experience in collecting FATS data, includes the project's policy drivers, and the approach they took concerning a low intrusion high collaboration model.

In terms of the policy drivers, Mr Abbondante described that there had been some significant changes in Australia's economic landscape over the past decade, including shifts in the distribution of economic weights in the global economy. As a result, to a better-informed policy decision-making, government agencies were keen to understand the contemporary pattern of foreign investment and associated business activity to help strengthen Australia's international reputation as a destination and source of foreign investment. He added about the strategic objectives of the ABS to develop new statistical solutions to support Australia's emerging priorities and partners in a way that enabled its statistics to support decision making.

He also shared the data collection strategy that was conducted and its result. From Australia's experience, he drew some of the key learnings i.e., the project that includes a low intrusion and collaboration approach successfully confirmed the ownership level reflected data availability; close collaboration with agency partners promoted communication flow in real-time; and strong demand for services export data in government interest grew for more regular iterations of datasets.

Q&A Summary

The moderator started the Q&A session for the participants' questions addressed to all speakers. The first question came from Indonesia about the specific method to record FDI data done by each economy and how it was compiled to become statistics data that could picture FDI worldwide. Mr Hoffmeister informed that the methods by which national data providers (usually central banks) compile FDI had their specificities indeed. However, they are compiled respecting common concepts and definitions, as laid down in the Balance of Payments and International Investment Position Manual (BPM6). Due to this output harmonization, a considerable degree of global comparability has been achieved. UNCTAD can guide the compilation of FDI statistics.

The second question was from Peru concerning whether the FATS represented a breakdown of FDI statistics and the trouble that might occur when calculating the FATS if an economy had trouble disaggregating commercial services statistics by partner economy. Ms D'Andrea responded that it is not a breakdown of FDI statistics because it is entirely different, and FATS focuses on activities. However, those statistics complement one another. For the latter, conducting a survey was required.

The third question was from Indonesia concerning how to consider who controls the company with 50 percent and 33.3 percent ownership. Ms D'Andrea suggested that if the first case with 50 percent of ownership is owned by the government had more weight, it would be split equally by 50 percent and no control if it is unknown. Meanwhile, for the second case, for the 33.3 percent of ownership from three economies, she stated that no matter how much the percentage for each economy, the controller should be the one who monitors.

4.2 Measuring Mode 3 using FATS, Experiences from APEC Economies, and Breakout Session

The second day of the workshop was divided into three sessions, which were the presentation from the expert, sharing experiences from Indonesia and Thailand, and breakout session. The first and the second sessions were moderated by Ms Ika Yulistyawati, Trade Negotiators for Trade in Services Negotiations, the Ministry of Trade of Indonesia, while the last session was moderated by Ms Titik Anas, founder of Presisi Indonesia.

4.2.1 Measuring Mode 3 using FATS: Foreign Affiliates Surveys and FATS, and Mode 3 Compilation Methodology and Issues

At the first session, Mr Michael Mann, an independent statistical expert discussed some issues and challenges based on his experiences when he worked in the US Statistical Bureau.

Mr Mann informed that the US has been collecting FATS data for many years, starting in the 1950s and improving during the 1970s and 1980s. There are two surveys which are benchmark survey and annual survey. The benchmark survey is the most extensive survey with the most comprehensive and subject matter that has most questions on it which conducts every five years. While the annual survey is easier survey and less respondent burden as it has fewer questions. Those surveys are mandatory surveys authorized by the US Congress. The government imposes penalties for enterprises that do not submit the surveys.

The advantage of conducting the survey is that the compiler could tailor questions to data that are generally reliable. On the other hand, the disadvantages are respondent burden, compiler burden, and monetary cost. He also explained some issues and challenges, one of which was about the

services category that did not match the industry. He added some practical advices on the compilation of FATS for APEC economies.

According to his presentation, the issues and challenges regarding FATS are primary and secondary industries, excluded categories, as well as suppression. Firstly, FATS statistics are often classified by primary industry of the affiliate based on its largest industry of annual sales and imprecision may also arise, so the possible solution is to using micro data. Secondly, the bridge table may exclude a few service categories found in its trade statistics because economies may not publish local host economy sales statistics. Lastly, some economies have limitations in the data they can publish because of regulations that prohibit the potential disclosure of survey data reported by individual companies. Economies will aggregate the survey data to the economy and area level detail used for publication and perform nondisclosure analysis. In addition, the nondisclosure analysis can reveal a large number of published values that must be suppressed, even some times at the global level.

4.2.2 FATS Indonesia

Sharing experience of FATS data collection from Indonesia was presented by Ms Titi Kanti Lestari, Director for Finance, Information Technology, and Tourism Statistics, Statistics Indonesia. The objectives of FATS data collection are to obtain a directory of foreign affiliates and to provide data on foreign affiliates statistics. By having FATS data, it is expected that it will provide a better understanding on the impact of globalization to Indonesia's economy and an adequate data for trade negotiations.

She provided an information regarding the establishment of the inward FATS pilot study in 2013. Currently, Indonesia is in the stage of executing enterprise surveys and secondary data compilation. In this stage, Indonesia incorporates some questions regarding FATS in the other surveys, i.e., Manufacturing Survey, Business Characteristic Survey and Hotel Survey. She also mentioned that the Statistics Indonesia has approximately 248 surveys that may be considered as burdensome for enterprises. This condition may happen due to the unavailability of business registration data.

Statistics Indonesia faces some issues and challenges. Inward FATS could not be fully described due to limited data coverage of foreign affiliates non-existing business registry. Furthermore, primary data collection for inward FATS was inefficient due low response rates as well as incomplete and inconsistent questionnaire results. In addition, special survey for FATS compilation might increase respondent burden as they involved in several surveys. Thus, Statistics Indonesia would improve strategic relationships with ministries or agencies and optimize existing secondary data from available surveys.

4.2.3 APEC Best Practices on Developing Services-related Statistics in Mode 3: Experiences from Thailand

The last presentation was conducted by Ms Warunya Mahaisawariya, Trade Officer in the Business Information Division, Department of Business Development, Ministry of Commerce of Thailand. The presentation included a brief introduction of Department of Business Development, some current reports related to the FATS and a summary of FATS data compilation in Thailand.

She introduced four main missions of the Department of Business Development under the Ministry of Commerce, which delivers business registration which involves processing company limited, an ordinary partnership, etc.; provides basic information about the company, financial registration, or other government agencies; serves a supporting role such as promoting corporate governance; and promotes Thai entrepreneurs.

In relation to developing FATS in Thailand, she conveyed that it requires the involvement of many parties. For instance, data sources for FATS in Thailand come from the Bank of Thailand, Department of Business Development, and Customs Department. The main role of Department of Business Development is mainly as one of the data providers to implement FATS.

She explained several outputs related to FATS in Mode 3 for internal and external sharing, e.g., Department of Business Development (DBD) Datawarehouse+, Infographic via Facebook page, monthly press conference, and DBD website. She concluded that Thailand also faces some challenges in collecting FATS, such as consolidated data sources and difficulty in identifying the company's main business.

Q&A Summary

There were 3 questions discussed in the session. The first question was from Indonesia in regard to the continuity of FATS data collection activities and issues related to data publications, specifically on Indonesia inward FATS 2020. Ms Lestari responded that Statistics Indonesia would carry out all the surveys, including the administrative data. She added that in 2021, Statistics Indonesia is planning to get support from the ABS regarding trade in services statistics and FATS. The ABS will provide technical assistance to Statistics Indonesia on how to collect the data. She also mentioned that the main issue related to the data is the lack of awareness of the company because they do not realize the importance of the data for policymaking and negotiation purposes.

The second question also came from Indonesia addressed to all speakers concerning how to encourage or build awareness for the company to report the data related to FATS. Mr Mann responded that the first avenue is regulation. However, in his perspective, the availability of regulation is still associated with the company reporting. Hence, the best recommendation is to contact the company in person.

The third question was addressed to Mr Michael Mann about handling some disadvantages of the survey method in compiling FATS, such as respondent burden, compiler burden, and cost. Mr Mann shared that the US started using electronic reporting a few years ago even though it cost a lot of money. The establishment of the new system was a game-changer since it saved a lot of monetary costs and lifted the burden of the compiler because it all became automated. Mr Hoffmeister added that the solutions regarding the issues were to rely as much as possible on data registration as well as to make an overall review of all the different surveys.

4.3 Breakout Session

In this session, the participants were divided into five groups to discuss questions as specified in the agenda, and each group was facilitated by a facilitator and note taker. For the breakout session, we had five facilitators: Ms Antonella Liberatore, Mr Michael Mann, Ms Barbara D'Andrea, Ms Made Suardhini, and Ms Titik Anas.

First, Ms Anas explained the breakout session mechanism where all the facilitators and participants would enter a group and discuss the said questions for 40 minutes. Then the group representatives should present the conclusion of the groups' sharing session. The breakout session aims to share experiences among workshop participants related to:

- What are the challenges faced by APEC Economies in compiling FATS? How will those issues be addressed, and is any assistance needed?
- From users' view, what kind of FATS data is essential to compile in the short term as part of trade policy formulation? Are there any challenges related to FATS awareness, institutional arrangement, and data sharing?
- Does your economy have any plan or activities following this workshop, including the key priorities?

1. Group 1: Ms Titik Anas

What are the challenges faced by APEC Economies in compiling FATS? How will those issues be addressed, and is any assistance needed?

- Papua New Guinea has no experience in collecting the data. The ministries or organizations of Papua New Guinea also have their own survey, so it is a challenge to employ FATS.
- FATS had not been published yet in Brunei Darussalam. In addition, the population and the categories of companies are limited, which makes it less feasible to utilise FATS, not to mention that FATS mandates companies to publish their internal data, which is considered confidential.

- Mexico has limited data, including enterprise data that may not be accurate. However, Mexico with Chile and Peru are in progress to compile FATS.
- FATS is relatively new for Indonesia. Business registration (one single data) is one of Indonesia's challenges. In Indonesia's case, respondents' burden could be reduced by collecting information from the other survey/data.

From users' view, what kind of FATS data that are essential to compile in the short term as part of trade policy formulation? Are there any challenges related to FATS awareness, institutional arrangement and data sharing?

- In Mexico, the essential FATS data to compile is the transaction data with the partners in the short term. Enterprise's activity data – that is not FATS - is collected by the central bank. As a trade negotiator, FATS is vital to have a broader view of partner economies. One of Mexico's challenges to this issue is that there is no institutional arrangement regarding communication and coordination.
- In Indonesia, the data users are not involved in the data compilation, but The Ministry of Trade coordinates with the central bank. The Ministry of Trade has a cooperation with the Statistics Indonesia (BPS) to compile Trade in Services data for all Modes of supply. Currently, Indonesia uses BPM6 data. The Central Bank of Indonesia (BI), Statistics Indonesia and the Ministry of Investment should cooperate to have a single statistical data.
- The basic information needed from Indonesia is how many foreign affiliate companies are, the value/output, and the kind of sector these foreign affiliates are in. Five critical variables from the MITS, i.e., number of enterprises, number of workers, export-import of goods and services, and the value-added.

Does your economy have any plan or activities as the follow up of this workshop, including the key priorities?

- In Brunei Darussalam, the plan to use FATS at the international level is implemented under the Association of Southeast Asian Nations (ASEAN) scheme.
- Mexico stated that a complimentary workshop (follow up workshop) might be required. In the medium term, the FATS may be compiled. The materials of FATS can be shared among some institutions.
- Indonesia has already confirmed its participation in the tracking mechanism and has several plans to disseminate the FATS information, such as conducting a virtual discussion with the

stakeholders (the compilers and users) and mapping the existing database to compile FATS.

2. Group 2: Mr Michael Mann

What are the challenges faced by APEC Economies in compiling FATS? How will those issues be addressed, and is there any assistance needed?

- The Philippines mentioned that the challenge in compiling FATS is the limitation on the data availability, while in Peru, it is the coordination between related stakeholders.

From users' view, what kind of FATS data that are essential to compile in the short term as part of trade policy formulation? Are there any challenges related to FATS awareness, institutional arrangement and its data sharing?

- Mr Nissen, one of the speakers, mentioned that the essential FATS data to compile in the short term is the export data from affiliates of the parent company.
- In Indonesia case, the detailed items on services already have a significant improvement.
- In Philippines, the distribution services and utilization of the sector data are essential to compile in the short term. The challenge for the Philippines is a reconciliation exercise to match inbound and outbound and the FATS partner data.

Does your economy have any plan or activities as the follow up of this workshop, including the key priorities?

- Thailand plans to adopt best practices in line with local laws and regulations.

3. Group 3: Ms Barbara D'Andrea

What are the challenges faced by APEC Economies in compiling FATS? How will those issues be addressed, and is any assistance needed?

- Indonesia's challenge to compile FATS data is that the FATS data collection comes from a coordination with other institutions. Strict regulation may help to solve this issue. Moreover, there will be a technical assistance from Australia.

- Another challenge from Mexico is that the information is not for the public. However, there is an institutional arrangement between the central bank and stakeholders.
- Ms D'Andrea added that users sometimes do not know the availability of FATS data. The economy/institution needs to communicate this data availability to the user.

From users' view, what kind of FATS data that are essential to compile in the short term as part of trade policy formulation? Are there any challenges related to FATS awareness, institutional arrangement and its data sharing?

- For Mexico, the FATS data that are essential to compile in the short term are general information regarding bank flows, movement of foreign investment and other breakdowns, but this data comes with an issue, i.e., confidentiality. The other problems faced by Mexico, such as related to foster institutional awareness arrangement and data sharing.
- The similar challenge is also faced by the Philippines, i.e., institutional arrangement. Two agencies in the Philippines compiling FDI data are the Central Bank of the Philippines (BSP) and the Philippine Statistics Authority (PSA).

Does your economy have any plan or activities as the follow up of this workshop, including the key priorities?

- Malaysia would be releasing the inward and outward FATS for this year (in September). Malaysia conducts surveys and secondary data. Inward FATS data includes value-added, number of affiliates, employees, import, export, compensation of employees.
- Mexico has not precisely released a specific survey, but institutional groups already gathered specific data.

4. Group 4: Ms Antonella Liberatore

What are the challenges faced by APEC Economies in compiling FATS? How will those issues be addressed, and is any assistance needed?

- Statistics Indonesia is responsible for compiling FATS. The challenge of compiling FATS is the high cost of the survey and collaboration among the institutions. Thus, any assistance related to FATS should be given to Statistics Indonesia.

From users' view, what kind of FATS data that are essential to compile in the short term as part of trade policy formulation? Are there any challenges related to FATS awareness, institutional arrangement and its data sharing?

- In the US, the essential FATS data to compile in the short term is the data regarding the US affiliates. However, the US faces missing data as an issue.
- In Indonesia, the FATS data is rarely used since the economy relies more on mode 1, mode 2, and mode 4 data.

Does your economy have any plan or activities as the follow up of this workshop, including the key priorities?

- Even though the US has already utilized the FATS data, the economy also plans to have better data visualization and more analysis in utilizing the FATS data.

5. Group 5: Ms Made Suardhini

What are the challenges faced by APEC Economies in compiling FATS? How will those issues be addressed, and is any assistance needed?

- In Indonesia, FATS is conducted by Statistics Indonesia using administrative data and surveys. The Central Bank of Indonesia does not yet use the data because it has not been published. There are challenges to provide FATS data such as respondent and compiler burden, cost, and identification of enterprises.
- Peru faces issues such as the absence of regulations that act as the framework in compiling the FATS data and coordination between the Central Reserve Bank of Peru (BCRP) and the National Institute of Statistics and Information (INEI).

From users' view, what kind of FATS data that are essential to compile in the short term as part of trade policy formulation? Are there any challenges related to FATS awareness, institutional arrangement and its data sharing?

- Malaysia needs inward and outward data, especially in the manufacturing sector, to know the performance of the foreign company in the economy. The challenge related to FATS data sharing is the collection of the data which is done quarterly, so that the people need to wait for the publication from Statistics Malaysia.
- In Peru, the Ministry of Trade promotes the performance of manufacturing goods. The efforts include monitoring the flow of imports and exports of services.

Does your economy have any plan or activities as the follow up of this workshop, including the key priorities?

- Malaysia plans to raise awareness to business people and the public. It is essential since many people and institutions know how to use FATS data and its contribution to policy formulation.
- Peru plans to generate cooperation between the Central Reserve Bank of Peru and National Institute of Statistics and Information .
- Indonesia plans to improve the regulation about data confidentiality and data quality. In addition, the Ministry of Investment will support in providing data from their system (manufacturing industry).

After each group presentation, Ms Anas summarized that each member has a different stage of development in FATS data compilation. Thus, they face some challenges from coordination to collection because of the unavailability of data and the difficulty to collect the data. However, the users of the FATS understand the importance of inbound and outbound data. The participants also understood the benefit of the workshop by learning from the experts from the past two days.

4.4 Conclusion of the workshop

Following the breakout session, the contractor of this workshop, Presisi Indonesia, represented by Ms Widdi Mugijayani, conveyed the conclusions of the workshop by delivering a brief summary of all the speakers' presentations. She also shared the tracking mechanism as the follow-up activity of the workshop.

Regarding tracking mechanism, she explained that it comprises two parts. The first part is mapping existing conditions on FATS statistics in the respective economy and the second part is conducting post-workshop activities. Ms Mugijayani explained that the tracking mechanism would be conducted in three months upon completion of the workshop. She also invited all the APEC economies to participate in the tracking mechanism by submitting a follow-up workplan at the end of the workshop.

5. Closing Remarks

The closing remarks were delivered by Mr Farid Amir, Director for APEC and International Organization Negotiation, Ministry of Trade of Indonesia. He expressed his appreciation to all speakers, moderators, facilitators as well as participants for the valuable contributions to the workshop. He reiterated the information on the follow-up activity of the workshop which is to conduct a tracking mechanism. He also encouraged APEC economies to continue the work in improving the services-related statistics.

6. Annexes

6.1 Annex 1: Workshop Agenda

TENTATIVE AGENDA

Workshop on APEC Best Practices on Developing Services-related Statistics in Mode 3

29 – 30 June 2021

7pm (GMT+8) – Singapore Time

Agenda 1 (Day 1)		
7.00pm– 7.05pm	Welcoming and photo session	5 min
7.00pm– 7.10pm	Opening Remarks Director General for International Trade Negotiation, Ministry of Trade of Indonesia	5 min
7.10pm– 7.15pm	Introduction to the Workshop Director for Trade in Services Negotiation, Ministry of Trade of Indonesia	5 min
7.15pm– 7.35pm	The statistical framework for measuring Mode 3 a. Overview of FDI in services in APEC economies	Onno Hoffmeister (UNCTAD) 20 min
7.35pm– 7.55pm	b. From FDI statistics to FATS: main concepts and definitions	Barbara d’Andrea (WTO) 20 min
7.55pm– 8.15pm	c. From FATS to estimating trade in services through Mode 3	Antonella Liberatore (OECD) 20 min
8.15pm–	Experiences from APEC Economies a. The application of Mode 3 data in formulating trade policy: sharing experience of the US	Todd Nissen (USTR)

8.30pm		15 min
8.30pm-8.45pm	<p>b. The Collection of FATS Data: sharing experience of Australia</p> <p>Moderator: Andy Johan Prasetyo, Deputy Director for Department of Statistic at Central Bank of Indonesia</p>	<p>Brigitte Batschi and Michael Abbondante(ABS)</p> <p>15 min</p>
8.45pm-9.15pm	<u>Q&A Session / Discussion</u>	30 min
Agenda 2 (Day 2)		
7.00pm-7.05pm	Opening and Photo Session	All speakers, moderators, facilitators and participants
7.05pm-7.30pm	<p>Measuring Mode 3 using FATS</p> <ul style="list-style-type: none"> Foreign affiliates surveys and FATS Mode 3 compilation methodology and issues 	<p>Michael Mann</p> <p>25 Min</p>
7.30pm-7.45pm	<p>Experiences from APEC Economies</p> <p>a. Experience from Indonesia</p>	<p>Titi Kanti (Statistics Indonesia - BPS)</p> <p>15 min</p>
7.45pm-8.00pm	<p>b. Experience from Thailand</p> <p>Moderator: Ika Yulistyawati, Trade Negotiators for Trade in Services Negotiations, Ministry of Trade of Indonesia</p>	<p>Warunya Mahaisawariya (Ministry of Commerce of Thailand)</p> <p>15 min</p>
8.00pm-8.45pm	<p>Breakout session:</p> <p>Sharing experiences and practices among workshop participants in relation to:</p> <ul style="list-style-type: none"> What are challenges faced by APEC Economies in 	<p>Facilitated by the Contractor</p> <p>45 min</p>

	<p>compiling FATS? how those issues will be addressed, and any assistances needed?</p> <ul style="list-style-type: none"> • From users' view, what kind of FATS data that essential to compile in the short term as part of trade policy formulation? Are there any challenges related to FATS awareness, institutional arrangement and its data sharing? • Does your economy have any plan or activities as the follow up of this workshop, including the key priorities? <p>Facilitator of the Breakout Session:</p> <ul style="list-style-type: none"> • Antonella Liberatore (OECD) • Michael Mann • Barbara d'Andrea (WTO) • Titik Anas (Presisi) • Made Suardhini (Presisi) <p>Note: the participants will be divided into 5 groups of discussion. The discussion of each group will be facilitated by the facilitator.</p>	<p>Moderator: Dr Titik Anas (Presisi - Contractor)</p>
8.45pm-9.10pm	<p>Presentation of the breakout session</p> <p>Note: 5 groups (@5min)</p>	<p>Facilitated by the Contractor</p> <p>25 min</p> <p>Moderator: Dr Titik Anas (Presisi - Contractor)</p>
9.10pm-9.20pm	<p>Conclusion of the workshop</p> <ul style="list-style-type: none"> • Inviting participants from APEC economies to be volunteers in the tracking mechanism process (2 or more economies) <p>Presenting conclusion of the workshop</p>	<p>Contractor</p> <p>10 min</p>
9.20pm-9.25pm	<p>Closing Remarks</p> <p>Director for APEC and International Organization Negotiations, Ministry of Trade of Indonesia</p>	<p>5 min</p>