

Chapter 1 : International trade in services, UK - Office for National Statistics

Trade in Services refers to the sale and delivery of an intangible product, called a service, between a producer and consumer that are, in legal terms, based in different countries is called International Trade in Services.

Office for National Statistics View table. The time series from to shows that UK exports of these services had been increasing at a steady rate before growth started to decline in Exports excluding travel, transport and banking of merchant, other trade related and services between related enterprises by continent, to Source: Office for National Statistics Download this chart Image. Despite showing a decline in , the Netherlands continued to make a notable contribution to the overall UK exports total to Europe. Apart from Brazil, the decline in exports of these services to the Americas was broad based, with the USA experiencing the largest decline. Implementing the recommendations made in the current BPM6 manual resulted in a proportion of the data collected under this service product being reported elsewhere on the ITIS questionnaire therefore contributing to part of the decline seen in The rate of decline seen in UK imports of these services is much more subdued in comparison to the decline experienced in UK exports of these services, which saw a sharp downturn in Imports excluding travel, transport and banking of merchant, other trade related and services between related enterprises by continent, to Source: The rise in imports of these services from the Netherlands has resulted in the country making the largest contribution to the UK imports total of these services from Europe, superseding France which made the largest contribution in Trade in Services by Products: Industry Analysis This section illustrates UK trade in services exports and imports detailed by industry and product classification. UK exports of products, by industry, Source: Office for National Statistics Download this image. Please refer to Table C5 " to see the revised service product layout. This can also in part be attributed to the redesign of the ITIS questionnaire as values previously reported under this service type by respondents are now reported elsewhere on the questionnaire. This is in contrast to the time series from which shows exports from the manufacturing sector have gradually been reducing. These are new questions as of UK imports of products, by industry, Source: The increase seen in resulted in the information and communication sector becoming marginally the largest sector responsible for importing services to the UK. The breakdown of this sector by type of service product Table C4 shows that telecommunication and computer services are primarily the main types of services imported to the UK by the information and communication sector. Background notes Your views matter We are constantly aiming to improve this release and its associated commentary. We would welcome any feedback you might have and would be particularly interested in knowing how you make use of these data to inform our work. Please contact us via email: The Department of Business, Innovation and Skills BIS state that the ITIS survey is the only source of services and product detail for international service trade, and is essential for regional exports analyses. The British Film Institute BFI use the data to assess the performance of the UK film industry and for providing policy advice to the government and strategic advice to the industry. The data is used in the compilation of the International Trade Statistics yearbook. UK ITIS figures are also extensively used for policy, analysis and negotiations by international organisations as well as a number of foreign embassies. More widely the ITIS estimates are utilised by commercial companies, academics and independent researchers. Guidance on interpreting international trade in services statistics ITIS collects data relating to the amounts spent on both the imports and exports of UK businesses and collects geographical information as to where the services have either been imported or exported. Types of transactions covered Product: The statistical output from the ITIS survey covers the value of transactions between the UK and residents in other countries in respect of 52 products. The ITIS questionnaire has recently been revised in accordance with new international regulations. A breakdown showing the service products collected in both and can be found in table 5. Question mappings Questionnaire breakdown up to and including Questionnaire breakdown onwards Agricultural, forestry and fishing services Mining and oil gas extraction services Waste treatment and depollution Waste treatment and depollution services Other on-site processing services Manufacturing services on goods owned by others Maintenance

and repair services Accountancy, auditing, bookkeeping and tax consulting services Advertising, market research and public opinion polling services Business management and management consulting services

Chapter 2 : International Trade in Services - Office for National Statistics

Trade in services records the value of services exchanged between residents and non-residents of an economy, including services provided through foreign affiliates established abroad. This indicator is measured in million USD and percentage of GDP for exports, imports and net trade.

Recent Methodological Developments Last Updated: Failed to execute CGI: The final Manual is now available at <http://www.oecd.org/els/trade>: Up until the end of 2007, the main focus of the Task Force was the development of a manual that would provide guidelines for definitions, classification and coverage for statistics of international trade in services. The Task Force has now shifted its focus towards providing guidance and assistance to countries in the implementation of the recommendations contained in the Manual, with particular emphasis on the compilation of statistics on foreign affiliates trade in services. This first Manual was prepared by the Task Force to meet the needs of a variety of producers and users of statistics on international trade in services – particularly statistical compilers, but also governments and international organizations that must use statistical information in connection with international negotiations pertaining to trade in services, and also businesses and others that wish to assess developments in international services markets. A particular impetus for the preparation of a separate manual on statistics of international trade in services is the recent tendency for trade agreements to cover services as well as goods, and the need for statistics both to guide the negotiations relating to these agreements and to support implementation of such agreements. A new round of negotiations, GATS+, is now underway and it is clear that the existence of a more fully articulated statistical framework for international services transactions will help to support these negotiations and the agreements that are reached as a result of these negotiations. While the Manual features important new areas in the field of international services statistics, it does so by building upon, rather than by modifying, internationally agreed standards for statistical compilation. It provides a framework and a set of recommendations that will allow for the provision of a range of statistics on international trade in services. These recommendations are summarized in Chapter 1 and elaborated on in the remainder of the Manual. Chapter 2 proposes the framework and describes its links to existing international standards and frameworks. Chapter 3 focuses on the compilation of statistics relating to resident-nonresident trade in services, building on the balance of payments framework described in the fifth edition of the Balance of Payments Manual BPM5. Chapter 4 recommends standards for compiling statistics on "foreign affiliates trade in services", or FATS, drawing to a considerable extent on the concepts and definitions of the System of National Accounts SNA. The Manual describes four modes through which services may be traded internationally. It does so by considering the location of the supplier and consumer of the traded service. The first of these modes, mode 1 or cross-border supply, applies when suppliers of services in one country supply services to consumers in another country without either supplier or consumer moving into the territory of the other. Mode 2, consumption abroad, describes the process by which a consumer resident in one country moves to another country to obtain a service. Further, enterprises in an economy may supply services internationally through the activities of their foreign affiliates abroad. This mode of supply, mode 3, is called commercial presence. The last of these modes of supply, mode 4 or presence of natural persons, describes the process of supply of service when the producer moves to the country of the consumer in order to provide the service. The BPM5 framework contains, among other things, recommendations for the definition, valuation, classification, and recording of resident-nonresident trade in services. This table assists in the provision of clear definitions of the various components of the EBOPS classification. Except for the treatment of construction services discussed in paras. 2.1.1 and 2.1.2, recommendations are made in the Manual on the attribution of resident-nonresident transactions across the modes of supply. A separate annex discusses the relationship between the definitions and coverage of travel and traveler used in the Manual and in BPM5 and the coverage of the tourism satellite account. The Manual recognizes this in its discussions on and recommendations for FATS statistics, which comprise the major part of the third mode of supply, commercial presence. Included are recommendations on 1 the selection of foreign affiliates to be covered which follows the definition of foreign-controlled enterprises used in the SNA 2 ; 2 the attribution of FATS statistics

including a discussion on attribution by activity and by product ; and 3 the variables to be compiled. While this is a less well-developed area statistically than the balance of payments statistics, some FATS statistics for foreign-owned affiliates in the compiling economy may be found in, or derived from, existing statistics on domestic production, including national accounts statistics based on the recommendations of the SNA. Additional FATS variables identified are assets, compensation of employees, net worth, net operating surplus, gross fixed capital formation, taxes on income, and research and development expenditures. The definitions of these variables are drawn from the SNA. The final area in which the Manual moves beyond existing statistical frameworks is in the area where enterprises producing services in one country employ individuals who are residents of another country in the BPM5 and SNA sense on a non-permanent basis. This area is one in which countries make commitments under the GATS, and while some limited data are available from balance of payments statistics, there is a need for further development of statistics related to employment and income of foreign nationals. However, this area, which is part of the fourth mode of supply presence of natural persons , is still under discussion by the Task Force, so there is relatively little discussion on, or recommendation for, compiling relevant statistics included in the Manual. The Manual proposes a phased approach to implementation so that countries, including those that are beginning to develop statistics on international trade in services, can implement these developments gradually and begin to structure available information in line with this new international standard framework. The sequence of elements, as suggested, takes into account the relative ease that many compilers may find in their implementation. However, the order is quite flexible, so that countries can meet the priority needs of their own institutions. Full implementation “ to be seen as a long term goal ” would represent a considerable increase in the detail of information available on trade in services. This approval was given and the Manual was finalized and published in English in , in Chinese and Spanish in and in Russian in see <http://> It is expected that Arabic and French versions of the final Manual will become available progressively. The Task Force is now focusing on providing compilation guidance, particularly in the area of foreign affiliates trade in services. In addition, further development work is planned by the Task Force, in particular in the areas of telecommunications, internet-related, and environment-related services, as well as statistics relating to the movement of natural persons to take up employment on a non-permanent basis. Questions may be sent to bopmethodology@imf.org. Recommended Methodological Framework, UN publication.

Chapter 3 : International Trade in Services: Recent Methodological Developments

As services are becoming increasingly "tradable" thanks to advancement in the technology, international services trade has become the new frontier for expanding and diversifying exports, providing significant opportunities for developing and least developed countries (LDCs).

International Trade in Services: Meaning, Characteristics and Restrictions Article shared by: International trade in services: The advanced economies are primarily service economies in the sense that the services sector generates the major share of employment as well as income in these economies. In the industrial market economies, services produce, on an average, over 60 per cent of GDP and provide about 60 per cent of the total employment. It has been the experience that the share of the service in the GDP and total employment increases as the economy progresses. Thus, in the developing countries, the share of the services sector in the GDP increased from 40 per cent in to 47 per cent in In the low income countries, this ratio increased from 32 per cent to 35 per cent during this period. Economic development is, thus, characterised by an increase of the share of the services in the GDP and total employment. This trend tends to increase the international trade in services. The size of the international market for service is difficult to measure. However, it has been estimated that services, termed as invisibles, account for about one-quarter of the world trade. International trade in services is subject, in general, to lot of restrictions. The industrialised nations, like the U. The developing countries, like India on the other hand have strongly opposed such a move. This does not, however mean that all service require the physical proximity of the provider and user. There are two broad categories of services, viz.: The services where physical proximity is essential fall into three categories: The first category is characterised by the mobile provider and immobile user. This involves cases where the mobility of the beneficiary to the place of the provider is not physically feasible. For example, an Indian firm which has a construction contract abroad will have to send the manpower required to the construction site for carrying out the work. Similarly, a technician may have to go to a plant abroad to rectify a problem with the plant. The second category is characterised by mobile user and immobile provider. For example, certain experiments can be done only in those laboratories equipped for them. A patient who wants an open-hearted surgery will have to go to a hospital where the required facilities are available. The third category consists of mobile user and mobile provider; proximity may be achieved by either the provider going to the user or the user going to the provider. Services for which physical proximity is not essential are known as long distance services. In advanced countries, traditional banking and insurance services fall into this category since loans or insurance policies can be secured by mail or phone. The scope for long distance transactions will increase with the advance of technology. Even in respect of many long distance services, physical proximity between the provider and user will help increase the efficiency of the service. A large number of service firms will therefore like to have places of business in countries with sufficient market. International trade in many services involves international factor mobility. There are a number of international transactions involving temporary-factor-relocation services such as those requiring temporary residence by foreign labour to execute service transactions. These are special problems in liberalising trade in services compared to trade in goods. Protective measures include visa requirements and investment regulations. Services in different countries include banking and insurance; transportation; television, radio, film and other forms of communication, and so on. Several economists have tried to allay the fears of the developing countries in respect of liberalisation of trade in services. It has been pointed out that several developing countries have acquired enough strength in different services to successfully compete with developed countries. For example, countries like Korea, Brazil, India, Lebanon and Taiwan have done well in international construction and design contracts. Several developing countries have great potential in the field of professional services. Some already have considerable exports of tourism and shipping. It has been argued that if developing countries protect more expensive or lower quality services produced by local firms, they run the risk of handicapping their exports of goods: Access at reasonable cost to quality services can make the difference between success and failure in exporting. In many developing countries, the need for such services argues for at least selective liberalisation. First, it

would lower their costs and help them to develop markets. Second, it would encourage the multinational corporations to move away from goods in favour of producing more services. Third, if industrial nations can sell more services, they may be more willing to lower protective barriers elsewhere. These arguments, which sound theoretically very good many, not be easily realised. It needs to be cautioned that unless the developing countries take measures to strengthen their services before liberalisation, it would adversely affect the domestic service industries. India has great potential in a variety of services. With such a resource potential, we should be able to develop a number of service industries capable of obtaining customers from abroad.

Chapter 4 : International Trade in Services: Meaning, Characteristics and Restrictions

Statistics on international trade in services provide the monetary value of such trade, with an analysis by the type of service (for example computer services or legal services) and by partner country.

Chapter 5 : International trade in services - Exports

International trade in services International Trade in Services Over the last four decades, Mauritius has undergone remarkable structural transformation, with the relative importance of the agricultural sector declining significantly and that of manufacturing and service sectors increasing considerably.

Chapter 6 : Trade in services

The growth in international trade in services in recent decades means that high quality data on international trade in services that provide insights into the types of services that are traded, and with which partner countries, are vital for economic analyses and policy making. The OECD collects and.

Chapter 7 : Interagency Task Force on Statistics of International Trade in Services

Change to OPEC. With this release of the "U.S. International Trade in Goods and Services" report (FT), statistics for OPEC in exhibits 14, 17a, and 19 of the FT and exhibit 4 of the FT Supplement include Congo (Brazzaville), which joined OPEC on June 22,

Chapter 8 : International Trade in Services - CSO - Central Statistics Office

General Agreement on Trade in Services The WTO's General Agreement on Trade in Services (GATS) entered into force in It remains the only set of multilateral rules covering international trade.

Chapter 9 : International trade in services: questionnaires and information - OECD

International trade in services, UK: Product, industry and geographic breakdowns of imports and exports of services, excluding travel, transport and banking sectors. This is the latest release.