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THE METHODOLOGY OF SELECTED OECD COUNTRIES' DATA
ON TRADE IN SERVICES

Contribution to the Fourth Meeting
on the Voorburg Group on Service Statistics

by

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The attached note -- extracted from the OECD document "OECD Countries' International Trade in Services 1970-1987" -- sets out information received from the United States, Germany, France, the United Kingdom, Canada, Finland, Norway and Australia.

GENERAL NOTE ON THE U.S. DATA

U.S. data include the results of the recently completed benchmark survey and annual follow-on surveys on selected U.S. international service transactions with unaffiliated foreigners as published in R.C. Krueger, U.S. International Transactions, First Quarter 1989, Survey of Current Business, June 1989, pages 30 to 32. The definitions of the new service items are extracted from Form BE-20 which is the questionnaire of the benchmark survey.

U.S. DATA : DEFINITIONS

Credits measure expenditures in the United States by foreign travellers (excluding foreign government personnel and their dependents and other foreign citizens residing in the United States) for lodging, food, transportation within the United States, entertainment, personal purchases, gifts, and other outlays associated with travel in the United States. Transocean passenger fares are included elsewhere; however, fares received by U.S. carriers from Canadian and Mexican travellers visiting the United States are included.

Debits measure expenditures in foreign countries by U.S. travellers (excluding U.S. Government personnel and their dependents and other foreign citizens residing abroad) for lodging, food, transportation within the United States, entertainment, personal purchases, gifts, and other outlays associated with travel abroad. Transocean passenger fares are included elsewhere; however, fares paid to Canadian and Mexican carriers by U.S. travellers visiting Canada and Mexico are included.

2.1. Freight

Credits measure (1) freight revenues of the U.S.-operated ocean, air, and other carriers for the international transportation of U.S. exports; (2) freight revenues of U.S.-operated carriers for the transportation of foreign freight between foreign points. "Other" freight receipts consist primarily of pipeline freight receipts from Canada and receipts from Canada related to Great Lake traffic and rail traffic.

Debits measure freight payments to foreign-operated ocean, air, and other carriers for international transportation of U.S. imports. "Other" freight payments consist of transactions related to Great Lake traffic and rail traffic between Canada and the United States.

2.2. Passenger fares

Credits measure passenger fares received by U.S. ocean and air carriers from foreign residents travelling between the United States and foreign countries and between two foreign points. Excluded are passenger fares received by U.S. carriers from Canadian and Mexican travellers visiting the United States; such fares are, by convention, included in the travel account.

Debits measure passenger fares paid to foreign ocean and air carriers by U.S. residents travelling between the United States and foreign countries. Excluded are passenger fares paid to Canadian and Mexican carriers by U.S. travellers visiting Canada and Mexico; such fares are, by convention, included in the travel account.

2.3. Port services

Credits measure port expenditure receipts for goods and services purchased in the United States by foreign-operated carriers.

Debits measure port expenditure payments for goods and services purchased in foreign countries by U.S.-operated carriers.

2.4. Other transportation

Credits measure receipts of U.S. owners from foreign operators for the charter of vessels and rental of freight cars and containers.

Debits measure payments to foreign owners by U.S. operators for the charter of vessels and rental of freight cars and containers. Transportation by foreign carriers of freight between U.S. points is largely prohibited and therefore is not included. (The major potential source of such payments -- coastal shipping -- is reserved by law for U.S. carriers.)

3.1 Military goods and services transactions

Credits measure exports of defense agencies. They consist almost entirely of transfers under U.S. military agency sales contracts. These transfers are deliveries of goods and services provided to foreign governments by U.S. defense agencies, for cash and credit, under the foreign military sales (FMS) programme. The FMS programme, established in 1950, was designed to assist U.S. allies -- mainly NATO countries -- in purchasing and standardizing military equipment within NATO. However, participation in the programme has not been limited to NATO countries.

Debits measure imports of the defense agencies, referred to as direct defense expenditures in the international accounts. They consist of expenditures for goods and services purchased abroad by U.S. military agencies (DOD) and the U.S. Coast Guard. They include overseas expenditures of DOD personnel, goods purchased abroad by DOD, payments for the hire of foreign personnel, overseas expenditures by U.S. and foreign contractors hired by DOD, and U.S. payments to the commonly funded NATO infrastructure programme.

3.2 Other government services

Credits measure the receipts for services such as the launching of space satellites, enrichment of uranium for power plants, and postal services. Also included are toll receipts from the use of the U.S. portion of the St. Lawrence Seaway and, until 1979, the use of the Panama Canal. Finally, the value of administrative services provided by agencies that administer non-military foreign assistance programmes is included.

Debits measure the cost of maintaining U.S. embassies and consulates abroad, expenditures of the U.S. personnel employed abroad by non-military agencies, membership fees paid to international organizations, payments for postal and other services, expenditures for maintenance of the Panama Canal (until the end of 1979), and contributions to worldwide peacekeeping operations.

4.1 Other private services from and to affiliated foreigners

This account measures net receipts of U.S. direct investors from their foreign affiliates for management, professional and technical services, charges for the use of tangible property, film and television tape rentals, and all other charges and fees, including allocated expenses, and corresponding net payments to foreign direct investors by their U.S. affiliates. Negative amounts shown under "debits" indicate that U.S. affiliates' receipts from their foreign parent companies exceeded their payments to their foreign parent companies.

4.2 Education

This item measures foreign students' expenditures in the United States and U.S. students' expenditures abroad. The estimates are based on information about characteristics of the student populations and students' expenditures for tuition and other living expenses.

4.3 Financial services

This account measures noninterest income earned by banks (which is reclassified from portfolio income receipts) such as fees on bankers' acceptances, commercial and standby letters of credit, undrawn funds under commitment, and items for collection, as well as commissions on securities transactions.

4.4 Insurance

This account covers (a) primary insurance: insurance purchased from foreign insurance carriers and includes premiums (net of cancellations) paid to these carriers, and (b) reinsurance: transactions related to the transfer of risk insurance between U.S. and foreign insurance companies.

4.5 Telecommunications

Message telephone services (communications carriers only): Receipts from foreign persons (communications companies and postal, telephone, and telegraph agencies (PTT's)) for their share of revenues for transmitting messages originating abroad to U.S. destinations, and payments to foreign persons (communications companies and PTT's) for their share of revenues for transmitting messages originating in the United States to foreign destinations.

Private leased channel services : Receipts from foreign persons for circuits and channels terminating in the United States and for circuits and channels between foreign points, and payouts to foreign persons for leased channels and circuits terminating in foreign countries.

Facsimile, telex, and other jointly provided (basic) services : Includes telex and telegram services, packet switched services when not offered in connection with enhanced services, and other regulated services of the type reportable to the FCC on Report 4351.

Value-added (enhanced) services : Telecommunications services that add value, or function above and beyond the telecommunications transport services that deliver the value-added services to end users. They can include (i) electronic mail, voice mail, code and protocol processing, and management of data networks ; (ii) facsimile services and videoconferencing ; and (iii) other value-added (enhanced) services.

Support services : Services related to the maintenance and repair of telecommunications equipment ; ground station services ; capacity leasing for transmitting ; and launching of communications satellites.

4.6. Accounting, auditing and bookkeeping

This item excludes data processing and tabulating services.

4.7. Advertising

Preparation of advertising and placement of such advertising in media, including charges for media space and time.

4.8. Computer and data processing services

Data entry, processing (both batch and remote), and tabulation ; computer systems analysis, design, and engineering ; software, both custom programming and prepackaged, including rights to use, reproduce, or distribute such software ; equipment leasing (except financial leasing) ; integrated hardware/software systems ; and other computer services (e.g., timesharing, maintenance, and repair).

4.9. Data base and other information services

Business and economic data base services, including business news, stock quotation, and financial information services ; medical, legal, technical, demographic, bibliographic, and similar data base services ; general news services, such as those provided by news syndicates ; and other information services, including reservation systems and credit reporting and authorization systems.

4.10. Engineering, architectural, construction and mining

This item covers :

(i) Engineering and design

This account measures net receipts from services of a professional nature in the fields of engineering, architecture and land surveying.

(ii) General construction

This account measures net receipts from building construction -- office buildings, farm buildings, hotels, dwellings, and stores -- and heavy construction -- bridges, highways, and tunnels, port facilities, dams and water projects, airfields, pipelines and industrial facilities.

(iii) Technical assistance

This account measures net receipts from training and supervision of personnel, management of hotels, plants and other facilities ; data processing, design and installation of computer and information systems ; procurement ; and installation, maintenance and repair of equipment.

(iv) Consulting

This account measures net receipts from economic and management consulting, research, feasibility studies (except physical studies), logistics planning, and other studies.

(7) Other contract operations

This account measures net receipts from diverse services such as dredging, certain types of drilling and diving services.

4.11. Installation, maintenance and repair of equipment

a. Maintenance and repair services primarily to machinery and equipment, and small maintenance and repair work on buildings, structures, dams, highways, etc. Excludes major projects and computer maintenance and repair.

b. Installation, startup, and training services provided by a manufacturer in connection with the sale of goods. Excludes such services where the cost is included in the price of the goods and not separately billed or is declared as a part of the price of the goods on the shipper's export or import declaration filed with the U.S. Customs Service.

4.12. Legal services

Legal advice or other legal services.

4.13. Management consulting and public relations services

Management services, except management of health care facilities; consulting services, excepting consulting engineering services related to actual or proposed construction or mining services projects and computer consulting; and public relations services, except those that are an integral part of an advertising campaign.

4.14. Hospital services

This item covers management of hospitals, nursing houses and other health care facilities.

4.15. Research and development

This item consists of laboratory and other physical research and development and product testing. Includes medical and dental laboratory services.

4.16. Other rentals

This account measures receipts from and payments to unaffiliated non-residents only (inter-racial transactions with affiliated non-residents are included in "Other private services from (or to) affiliated foreigners").

4.16. Expenditures of foreign governments and international organizations

These transactions include expenditures in the United States by (a) foreign governments to establish, maintain, and staff embassies and consulates and (b) international organizations, such as the United Nations and the International Monetary Fund, for wages and salaries, construction, and administrative and other services. Also included are earnings of U.S. agents of foreign governments, such as lawyers, public relations personnel and lobbyists.

GERMAN DATA : DEFINITIONS

1. Trade

Receipts cover expenditure on goods and services for the personal use and consumption (including gifts) by foreign travellers in Germany, payments include expenditure on goods and services for the personal use and consumption (including gifts) by resident travellers abroad. The main categories of travellers are tourists, business travellers, excursionists, students and trainees (when not staying longer than one year) and persons crossing the border for family visits, medical treatment, etc., but a breakdown by categories is not possible.

2.1. Freight

This item covers :

a. Seaborne freight :

- (i) Expenditure in connection with imports to non-resident shipping companies (fob contracts) and to non-resident suppliers (cif contracts).
- (ii) Receipts in external trade and trade between third countries (cross trade) on the part of German shipping companies from non-residents (export fob, import cif contracts, cross trade) and on the part of German shipping companies from residents (export cif contracts).

b. Inland waterway freight :

- (i) Expenditure to non-resident inland waterway companies in connection with imports for transport from the foreign port of loading to the port of unloading in the FRG and offsets to overstated payments received (receipts of foreign inland waterway enterprises on German exports to the frontier).
- (ii) Receipts of German inland waterway companies in connection with exports from the German frontier to the port of unloading abroad and transit traffic.

c. Road freight :

- (i) Expenditure to non-resident road transport enterprises in connection with imports from the place of loading abroad to the place of unloading in the FRG and offsets to overstated payments received (receipts of foreign road transport enterprises on German exports to the frontier).
- (ii) Receipts of German road transport enterprises in connection with German exports from the frontier to the place of unloading abroad and transit traffic.

d. Other freight :

- (i) Rail :
Receipts cover transit freight only.

(ii) Air transport :

Expenditure cover transport undertaken by foreign air transport enterprises in the FRG (i.e. the Berlin route) and expenditure on the part of German air transport enterprises for transport services performed by non-resident enterprises.

Receipts include transport services performed by German air transport enterprises for non-residents.

(iii) Other services :

Expenditure on the part of residents for transport services in connection with traffic between third countries and for transport services performed by non-resident enterprises in the FRG (if not included under other head line), including expenditure for transport via pipelines.

2.2. Transport services

Credits cover receipts of :

- (i) German air transport enterprises : passenger fares for the transport of non-residents (tickets sold by German subsidiaries abroad).
- (ii) German marine shipping enterprises : passenger fares for the transport of non-residents.
- (iii) German railways : non-resident passengers carried on inland routes.
- (iv) Other transport enterprises : payments received in respect of the transport of non-residents.

Debits include payments to :

- (i) Non-resident air transport enterprises with branch offices in the Federal Republic : passenger fares for the transport of residents, including tickets sold for the Berlin route.
- (ii) Foreign railways : transport of residents on foreign routes.
- (iii) Other non-resident transport enterprises : payments made in respect of the transport of residents.

2.3. Port services

They incorporate on the receipts side the services provided by German marine and inland waterway ports and airports, docks services, and other ancillary enterprises (e.g. German Federal Railways and fuel suppliers) for non-resident means of transport. Apart from the supply of fuel and other stores, such services include port fees, the cost of loading and unloading, canal and quay fees, towing and salvage costs, the cost of storing merchandise in conjunction with transport costs, emergency repairs, etc.

The expenditure side covers payments made by German transport enterprises, especially in foreign marine and inland waterway ports and airports. However, an attempt is made to eliminate whatever expenditure is presumed to be already included in the oil value of imports, e.g. expenditure on the part of foreign trade firms and forwarding agents for transshipment and storage costs.

2.4. Other transportation

Repairs to foreign (German) transport equipment in the Federal Republic (abroad) are covered by this heading, the major item being work undertaken on ships. "Other transport payments" constitute receipts and expenditure on the part of German Federal Railways for the lease of rolling stock and payments made for the charter of freight and passenger ships.

3. Government services

Credits cover receipts of :

- (i) from foreign troops stationed in the FRG ;
- (ii) from foreign international organisations in the FRG and abroad ;
- (iii) from foreign diplomatic missions in the FRG and other foreign agencies ;
- (iv) other receipts of the Federal Authorities ;
- (v) other receipts of the provincial and local authorities and other public bodies, including social welfare insurance.

Debits correspond to expenditure by resident public authorities in respect of :

- (i) remuneration (employees and self-employed persons) ;
- (ii) diplomatic and military establishments abroad ;
- (iii) international organisations (excluding contributions) and other non-resident public bodies and by resident private bodies to public bodies abroad.

4.1. Communications

This item consists of operating receipts and expenditure of the German Federal Post Office.

4.2. Insurance on transport

Payments to/from resident insurance companies:

- (i) Receipts accruing from premiums from non-residents for import and export insurance (import cif, export fob contracts) and from residents for export insurance (export cif contracts).
- (ii) Expenditure cover disbursements relating to claim payments, including claim prevention costs, experts' reports, etc., arising from policies with residents and non-residents in respect of the insurance of imports and exports.

Payments to/from resident policy-holders:

- (i) Receipts accruing from claim payments received from non-resident insurance companies.
- (ii) Expenditure cover disbursements relating to premiums paid to non-resident insurance companies for insuring seaborne imports.

4.3. Non-merchandise insurance

This item covers life insurance, other forms of direct insurance and re-insurance transactions. It includes life insurance premiums, capital payments, annuities and redemptions; for other forms of direct insurance premiums and payments for damages; for re-insurance, clearing balances, in-payments for claims, payments made on the basis of excess of loss treaties, proceeds and brokers' fees.

4.4. Commissions

This item covers the remuneration for the negotiation of transactions of all kinds, especially commission fees for transactions in goods and for services, the refunding of expenses, and other remuneration to agents, etc. Until end-1985 commission fees for services also include bank charges.

4.5. Advertising

This item covers the costs of advertising in newspapers and magazines and on radio and television. Moreover, costs incurred during exhibitions and trade fairs abroad (including personnel costs) as well as corresponding receipts by residents are recorded here. This item also includes membership fees paid to industrial and professional organisations.

4.6. Film and television

Besides the production costs of feature, documentary, and television films (including actors' fees), this item comprises receipts from and expenditure on the distribution of films and the purchase and the sale of exploitation rights to cinema and television films.

4.7. Construction

This item comprises the receipts of resident construction and assembly enterprises temporarily operating abroad for foreign account and the payments made by residents to foreign enterprises temporarily operating in Germany. Moreover, it covers expenditure on additional purchases of goods and services.

4.8. Overhead expenses

This item covers payments by subsidiary companies and branches to parent companies for shared costs (e.g. administrative costs) and subsidies paid by the parent companies to subsidiaries and branches in respect of current operating expenses (for the coverage of losses, less under "Investment income").

4.9. Residential payments

Included under this item are auxiliary services in respect of merchandising and services transactions; compensation and repayments on the basis of guarantees or other contractual obligations, price discounts and rebates.

4.10. Merchandising

This item covers transactions in respect of goods in other countries. These data, which reflect the net figures for purchases and sales, incorporate changes in the level of stocks held abroad.

4.11. Processing

Imports and exports for and after processing are deducted from the foreign trade statistics; the difference between them, the processing commission, is recorded here.

4.12. Banking

This item covers receipts and expenditure of commission fees of resident financial institutions, except commission fees associated with securities transactions.

4.13. Services

Besides receipts to buildings abroad owned by residents or to buildings in Germany owned by non-residents and consumption by inward-bound and outward-bound commuters, this item also contains estimates of missing receipts in the entire service sector owing to gaps in coverage and exemptions limits for reporting.

Exploration comprises spending on prospecting and development work in German petroleum, natural gas and other concessions abroad. From 1973 onwards, this expenditure is recorded under long-term capital transactions as direct investment in the form of credits. Incoming payments are divided into amortisation and earnings; expenditure on definitely dry drilling holes must be written off.

FRENCH DATA : DEFINITIONS

1. Travel

Receipts cover costs incurred in France by non-residents for travelling and accommodation expenses during leisure and business trips, or official visits, and expenses incurred during protracted stays (for medical treatment, study, etc.) ; payments include expenditure of the same kind incurred abroad by residents.

2.1. Sea transport

This item covers :

- (i) payments of charges for the transport of goods by sea ;
- (ii) payments for the chartering of vessels and for stopovers by French vessels at foreign ports and by foreign vessels at French ports ;
- (iii) passenger fares paid by non-residents to resident companies and by residents to non-resident companies ;
- (iv) the estimated proportion of sea freight costs included in payments for merchandise, based on the freight charge scales published by the customs authorities.

2.2. Air transport

This item covers payments for air transport :

- (i) chartering of aircraft ;
- (ii) receipts and expenditure earned or incurred abroad by French airlines and in France by foreign airlines

2.3. Other transport

This item covers :

- (i) payments for reciprocal services performed by railway companies; these mostly comprise receipts and expenditure recorded by the Société Nationale des Chemins de Fer Français (French Railways) in its dealings with each of the foreign rail companies ;
- (ii) payments for transport by road ;
- (iii) payments for river freight and the chartering of barges, etc., receipts and expenditure received or incurred abroad by resident watermen and in France by non-resident watermen and foreign river transport companies, and charges in the balance of the operating accounts of French river transport companies ;
- (iv) payments for the use of gas and oil pipelines ;
- (v) the estimated proportion of costs for freight (other than sea freight) included in payments for merchandise, based on the freight charge scales published by the customs authorities.

2.4. Incidental cost on merchandise

This item covers settlements in respect of all costs attendant upon exports and imports (transport, insurance, commissions other than bank commissions, refunds, discounts, etc.), which cannot be classified more precisely.

3. Government services

This item comprises :

- (i) sundry administrative receipts and expenditure (diplomatic missions and consulates, receipts of civilian or military authorities) ;
- (ii) the receipts and expenditure of foreign diplomatic missions and consulates and the administrative expenditure incurred in France by international organisations ;
- (iii) expenditure incurred by foreign governments in France for civilian or military purposes.

4.1. Insurance

This item covers settlements in respect of insurance premiums, compensation and claims :

- (i) paid or received by residents who have taken out policies with non-resident companies or who are covered by such policies ;
- (ii) received or paid by resident companies under policies taken out by non-residents or covering non-residents ;
- (iii) relating to reinsurance transactions, the estimated proportion of insurance premiums in respect of goods transport included in payments for merchandise is also included.

4.2. Construction/engineering

This heading covers payments in respect of :

- (i) the operating costs and profits of sites (dredging of harbours, construction of dams, public works, etc.) ;
- (ii) costs incurred for the prospection of sites and the drilling of oil wells abroad by resident enterprises or in France by non-resident enterprises ;

Income on services financed by medium- and long-term suppliers' credits authorized by the Banque Française du Commerce Extérieur (French External Trade Bank) is recorded on the basis of transactions.

4.3. Technical cooperation

This item comprises payments in respect of costs for studies, plans and research, technical assistance and the supply and assembly of machinery or plant (project development). Income in respect of services backed by medium- and long-term suppliers' credits authorized by the Banque Française du Commerce Extérieur is recorded on the basis of transactions.

4.4. Processing

This item encompasses payments for processing work (oil refining, processing of metals or textiles, etc.) and costs for the repair of small items of equipment.

4.5. Maintenance services

This item covers contributions paid by branches or affiliated enterprises to the administrative costs of their parent companies.

4.6. Merchandising

This item covers settlements in respect of :

- (i) purchases of merchandise abroad which is not subsequently imported or re-sold abroad ;
- (ii) purchases from and sales to foreigners of French merchandise which never leaves French customs territory ;
- (iii) purchases abroad of merchandise which is to be used for a major engineering site set up abroad by a French enterprise ; in the event of this merchandise being resold once the project is completed, this transaction too is recorded under this item ;
- (iv) purchases and sales on forward commodity markets, either by residents on foreign forward or by non-residents on the Paris, Roubaix or Le Havre commodity markets.

4.7. Miscellaneous services

This item comprises payments covering all services which are not recorded elsewhere. They are compiled under five economic codes :

- (i) bank charges ;
- (ii) film royalties ;
- (iii) non-commercial cancellations ;
- (iv) rents and other payments in respect of merchandise covered by leasing arrangements ;
- (v) sundry services.

This last code comprises settlements in respect of specific business transactions, prominent among these being :

(i) copyrights ;

(ii) advertising costs, including the cost of participating at fairs, conferences and exhibitions ;

(iii) settlements covering the balances of traffic accounts between the French postal and telecommunications service and foreign postal services, and revenue and expenditure of the French radio and television companies abroad.

4.6. Other goods and services

This item comprises the adjustment of the statistical bias estimated by comparing notifications of settlements with customs statistics. Differences between notifications by intermediary banks and customs records of transactions can be attributed to inaccuracies in both bank notifications and customs statistics.

1. **Travel**

This item covers goods and services provided to UK residents during trips of less than one year in overseas countries, and provided to overseas residents during similar trips in the United Kingdom. The figures are net of any purchases net out of earnings made during the trips. The figures exclude air and sea travel to and from the United Kingdom; these services, where they affect the balance of payments, are included in "Civil aviation" and "Sea transport". The figures however include transport services provided to UK residents within or between overseas countries and transport services provided to overseas residents within the United Kingdom.

2. **Transportation**

This item includes :

(a) **Sea transport**

Exports of UK operators consist of freight services on UK exports (but not imports) and on cross-trades (i.e. trade between countries other than the United Kingdom) the carriage of overseas passengers and the provision to them of goods and services, and the chartering of ships to non-residents; exports also include fuel and other supplies purchased in the United Kingdom by overseas operators.

Conversely, imports comprise fuel and other goods purchased abroad by UK operators, their chartering of ships from non-residents, and the carriage by non-resident operators of UK imports (but not exports) and UK passengers.

(b) **Civil aviation**

The exports of UK airlines comprise the carriage of overseas passengers and the provision to them of goods and services, the carriage of UK exports (but not imports) and cross-trades and the chartering of aircraft to non-residents. Exports also include airport charges, fuel and other supplies purchased in the United Kingdom by overseas airlines.

Debits include expenditure abroad by UK airlines on fuel, airport charges, crews' expenses, charter payments, etc., together with services provided by overseas airlines to UK residents (including UK shipping companies), for the carriage, etc. of exports (but not imports), UK passengers and UK mail. Up to 1979 they exclude fare payments for flights wholly outside the UK.

(c) **Land transport**

Credits comprise the earnings of UK road hauliers for the carriage outside the United Kingdom of UK exports (but not imports) and for carrying cross-trades. An entry is also included for their earnings from carrying UK imports within the exporting countries.

Debits include payments to all overseas land transport operators for the carriage outside the United Kingdom of UK imports (but not exports). Prior to 1982 some of these payments were included under "Sea transport". Debits also include an estimate of the earnings of overseas road hauliers for carrying UK exports and imports within the United Kingdom, based on various sources.

Credits and debits payments in respect of lorries entering and leaving the United Kingdom via the Northern Ireland Land Boundary are excluded.

The disbursements abroad by UK road hauliers, and in the United Kingdom by overseas road hauliers, are included within "Travel".

3. **Government services**

This item covers :

- (1) all exports and imports of services by the UK government, including its employees stationed abroad, to/from overseas residents, unless these transactions are more appropriate to other items in this account, or cannot be allocated here;

- (i) imports of goods from non-United-Kingdom sources to UK government installations abroad (except goods which have passed through HM Customs and Excise and have therefore been included as UK imports in the visible trade account);
- (ii) the cost of operating and maintaining Commonwealth High Commission offices, foreign embassies and consulates in the United Kingdom, including the personal expenditure of diplomatic staff, and similar expenditure by the UK offices of non-territorial organisations;
- (iv) the personal expenditure of US forces and the purchases of goods and services by military establishments located in the United Kingdom from the private sector.

4.1. Other services provided by/to UK companies

Other services comprise all overseas service transactions of UK companies not covered elsewhere. The estimates of services provided to and by related concerns exclude the transactions of UK oil companies up to 1983, but otherwise cover the appropriate shares of management expenses as well as payments for specific services. The estimates of services provided by unrelated concerns are included within "Miscellaneous debits". From 1978, services provided to unrelated concerns are excluded.

Overseas royalties and other services transactions of UK oil companies up to 1983 are included within the estimates of other services transactions with unrelated concerns which are included within "Miscellaneous debits".

Payments for royalties and other services received or made locally by overseas branches and subsidiaries are excluded from these items. Like other trading transactions, they are accounted for in arriving at the net profit included under "Interest, profits and dividends".

4.2. Film and television

This item covers production costs, royalties, rentals and purchases of cinematograph film and television materials.

4.3. Telecommunications and postal services

This item comprises overseas services related to international telephone, telegraph and telex services, and surface mail.

4.4. North Sea oil and gas companies

The main components of the credit item are work done overseas by UK-owned drilling rigs and offshore supply boats and by UK seismic survey contractors, services provided by UK residents to the owners of foreign drilling rigs, the treatment of Norwegian oil and gas at the Seal Sands and St. Fergus terminals and the transporting of Norwegian gas to the latter terminal and receipts of the UK company operating the Murchison field from the Norwegian partners in respect of their share of the operating costs of the field.

The debit item comprises services such as the hire of the drilling rigs and marine support vessels, consultancy, diving and surveys. The United Kingdom's share of the development costs of the Norwegian operated Frigg and Stafford fields is included here to the extent that this expenditure cannot be allocated to visible trade.

These series exclude items which are more appropriate to and allocated to other items in the balance of payments accounts (for example, freight services on exported goods).

4.5. and 4.6. Insurance underwriters and brokers

Underwriters' services are measured by net premiums from overseas (that is, premiums received less claims paid) less overseas expenses. Also included are management fees received from overseas members of Lloyds.

All net premiums for the cargo insurance of UK exports (but none for imports) are included, irrespective of who pays the premiums.

For insurance companies, only the earnings from marine, aviation and transport business were previously included, but now integrated enquiries introduced for 1994 added general and long-term business to the coverage. The figures for Lloyd's underwriters, however, cover all their overseas business written in the United Kingdom - known as home/foreign business - in all years.

Brokers' services are measured by net brokerage earnings on business written in foreign currencies, and sterling business known to relate to overseas residents.

4.7. Banks

UK banks' services, including those giving rise to commissions in respect of credit and bill transactions such as advising, opening and confirming documentary credits, collection of bills, etc.; net receipts on foreign exchange dealing commission on new issues of overseas securities; banking charges, fees and commissions in respect of current account operations, executor and trustee services, portfolio management, commitment fees, guaranteed security transactions and similar services.

4.8. Commodity traders and other brokers

This item covers:

- (i) Brokerage services by UK commodity traders other than oil companies in respect of physical trade in commodities (industrial raw materials and primary foodstuffs) traded between foreign countries and also the undertaking of transactions on commodity futures markets. Earnings from physical trade include commissions on brokerage and agency business, and earnings from merchandising.

The net flows arising from futures transactions cover the dealings of UK residents on foreign futures markets and the dealings of non-residents on UK futures markets. The flows comprise commissions paid to members of markets through whom futures contracts are bought and sold, premiums paid for "options" (i.e. the right to take up futures contracts at a fixed price during a given period ahead) and the settlement of "differences" (i.e. the gains or losses caused by changes in price while futures contracts are held). Also covered is the brokerage service provided by UK firms in respect of third-country trade in goods other than commodities.
- (ii) Baltic Exchange. Brokerage and other services leading to commissions and agency fees, etc., in respect of chartering and sales and purchases of ships and aircraft, and miscellaneous associated activities. Earnings on the Exchange's commodities section are included in the "Commodity trading" figures and excluded here.
- (iii) Securities dealers. Net earnings from commissions. Up to 1982, also includes the earnings of stock exchange brokers from fees, arbitrage, underwriting capital issues and managing investment portfolios for overseas clients. From 1983, non-commission earnings are included within "Other services".
- (iv) Lloyd's Register of Shipping. Earnings from fees charged for ship classification and other related services.
- (v) Other brokers. This includes the commissions of gold and silver bullion dealers, and the net overseas receipts of foreign exchange brokers.

4.9. - 4.14. UK consultancy firms

These items comprise the overseas earnings, net of overseas expenses, of those identified classes of UK firms whose main overseas earnings are from consultancy and design work: consulting engineers, process engineers, solicitors and barristers, management and economic consultants, chartered surveyors, architects and miscellaneous professional activities. The consultancy earnings of other UK firms (which are substantial) are included indistinguishably elsewhere in the accounts.

4.15. Advertising

The credits series represents advertising services provided for non-residents by UK newspapers and other media and by advertising agencies.

4.16. Expenditures in the UK by overseas students

These data represent the fees and other expenditure of overseas students of various types who are funded from overseas and are in the United Kingdom for 12 months or more. (The expenditure of overseas students in the United Kingdom for shorter periods is recorded in "Travel" credits). The figures include the fees and other expenditure of pupils in UK private schools.

4.17. Commissions on UK imports

This item covers agents' services to suppliers and after-sales services provided by traders with sole concessions in certain products.

4.18. Miscellaneous

Miscellaneous credits include the earnings of UK residents working temporarily overseas, subscriptions to UK professional associations, a contra-entry for grants given by the UK government which are spent on services, other than education, in the United Kingdom, and other minor receipts. From 1978, they include services provided by UK companies to unrelated concerns (see item 4.1).

Miscellaneous debits comprise estimates of the value of services provided to UK companies by unrelated overseas concerns and other miscellaneous payments.

4.19. Loss/damage to UK imports

This item is the value of loss and damage incurred en route by all UK imports. It also includes, indistinguishably insurance services on UK imports provided by overseas insurers. The estimate comprises insurance premiums paid on UK imports, less insurance services (premiums less claims) on UK imports provided by UK insurers.

Geographical Detail of United Kingdom's Data

The availability and sources of geographical information for each item are indicated in the following table.

The letters used mean :

- A - Generally reliable estimates available for each year.
- B - Generally reliable estimates, but less frequently than for each year.
- C - Infrequent information available.
- D - Reasonable proxy series available.
- E - No information - pure guesswork.

1. Travel				
a. net	)			
b. credits	)	A		International passenger survey. Debits by "main"
c. debits	)			country of visit.
2.1. Freight				
a. net				
b. credits				
(i) sea	B)			
(ii) air	A)			Surveys of UK operators.
(iii) land	A)			
c. debits				
(i) sea	D			Flag.
(ii) air	D)			
(iii) land	D)			Exporting country.
				Proportions applied to oil-fob differences, less UK operators' shares.
2.2. Passenger fares				
a. net				
b. credits				
(i) sea	A			International passenger survey and assumptions for
(ii) air	D			cruises not touching UK.
c. debits				Country of sale of ticket.
(i) sea	)			
(ii) air	)A			International passenger survey - with central
	)			assessment of nationality of each operator.
2.3. Post services				
a. net				
b. credits				
(i) sea	D			Flag.
(ii) air	A			Survey of overseas airlines (high, but not com-
c. debits				plete, response).
(i) sea	B)			
(ii) air	A)			Surveys of the operators.
2.4. Other				
a. net				
b. credits				
(i) sea	B)			
(ii) air	A)			
c. debits	)			Surveys of UK operators (charter payments only).
(i) sea	B)			
(ii) air	A)			
3.1. Military transactions				
a. net	)			
b. credits	)A			Official sources.
c. debits	)			
3.2. Other				
a. net	)			"A" for transactions of UK government (from
b. credits	)A,C			official sources).
c. debits	)			"C" for expenditure of UK-located embassies etc

4.1. Other services provided
by/to UK companies

a. net)
b. credits) A
c. debits)

"A" for royalties and services provided by/to related concerns. These are derived from surveys of relevant UK companies.

4.2. Films and television

a. net)
b. credits) A
c. debits)

(For limited country detail only. Otherwise "E").

4.3. Telecommunications and postal services

a. net)
b. credits) C
c. debits)

4.4. North Sea oil and gas companies

a. net)
b. credits) E
c. debits)

4.5. Insurance underwriters

a. credits) D

Very limited country details.

4.6. Insurance brokers

a. credits)

4.7. Banks

a. credits) C

EC/other split: for 1976 and 1983 only.

4.8. Commodity traders and other brokers

a. credits) C

One-off surveys

b. credits)

c. credits) E

Based on world trade.

d. credits)

4.9. Consulting engineers

a. credits) D

Based on contract values.

4.10. Surveyors

a. credits)

4.11. Solicitors and barristers

a. credits) E

4.12. Management and economic consultants

a. credits) A

Association data (limited detail).

4.13. Chartered surveyors

a. credits)

4.14. Other identified

a. credits) E

4.15. Advertising

a. credits)

4.16. Expenditure in the UK by overseas students

a. credits) A

Data by colleges.

4.17. Commissions on UK imports

a. credits) D

Visible imports.

4.18. Miscellaneous

a. net)

b. credits) E

c. debits)

4.19. Loss/damage to UK imports

a. debits) D

Visible imports.

CANADIAN DATA : DEFINITIONS

General

The concepts and definitions used in producing individual series described below are those used in constructing the services and factor income component of the current account of Canada's balance of international payments (1). Presentations differ somewhat in published Canadian statistics (2).

Estimates for international travel are prepared by Statistics Canada from regular survey and administrative data where international travel fares are classified as part of the travel account. For transportation, a number of small surveys are directed to companies in the transportation sector and are used along with other indicators to build the various estimates of freight and shipping transactions.

For government transactions, many data are derived from official government financial statements.

Much of the detail for other services (which are largely business services) comes from a comprehensive annual survey of international service transactions of Canadian firms. Survey data are collected on a dozen individual categories for both receipts and payments. This is coupled with a number of other specific enquiries made each year, certain benchmark studies and other data, to produce figures ranging from consulting and professional services through insurance, communications, and automotive charges. The series are published inclusive of any applicable withholding taxes. Transactions are classified according to country, country of control, industry and the province in which the head office is located. Transactions are also identified according to whether they are carried out with a foreign affiliate or non related party. Royalties appear as one category of business services in the published Canadian series. Certain miscellaneous services, including international trade union operations and student expenditures and labour income, rely on data from various governmental sources and employ a number of benchmarks which are reviewed periodically. (Labour income is included with services in the data currently provided to the OECD).

Within the factor income component, investment income data (interest, dividends and miscellaneous income) derive in large part from official accounting records and from survey data. Royalty transactions, which are shown in Canada under services, are identified separately in data prepared for OECD use.

Overall, the quality of estimates is seen as reliable. Administrative data are used to assess statistics derived from surveys and cross checks are made with various related surveys. Improvements to the statistics continue to be incorporated into the database and other changes (such as in definition, classification, measurements, etc.) will be reflected as these are further researched and agreed at domestic and international levels. It is useful to note that much of the data on services is relatively new (in comparison, for example, with long established series for merchandise trade). Unique measurement problems too arise because of the intangible nature of services.

1. Travel

This account includes receipts and payments arising from travel between Canada and other countries, excepting passenger fares (item 2.2 below). The latter is currently classified as "Travel" in the Canadian statistics. Travellers cover those travelling for less than one year for business, recreational, and for other purposes such as health or study. Goods purchased by the traveller for personal use are included in travel; goods which are shipped at a later date are recorded in merchandise trade.

Travel estimates, obtained from the Education, Culture and Tourism Division of Statistics Canada, are derived from a combination of a census count of travellers crossing the border and a sample survey of traffic to collect information on traveller characteristics such as expenditures.

(1) For a general description, reference should be made to the Canadian Balance of Payments and International Investment Position, A Description of Sources and Methods, Statistics Canada, Catalogue 67-506 (Occasional).

(2) For the current Canadian presentation, definitions and data sources, reference should be made to Canada's International Transactions in Services, 1986 and 1987, Statistics Canada, Catalogue 67-203.

2. Transportation

As well as passenger fares, this measures receipts and payments related to the transportation of merchandise.

Receipts cover :

- Canadian operated carriers (Ocean ships, lake vessels, aircraft, rail, trucks and pipelines) transporting merchandise exports both inland and beyond the borders of Canada, receipts from vessel charters ;
- Canadian operated carriers transporting commodities between foreign countries; and
- port expenditures in Canada by foreign shipping companies.

Payments cover :

- transportation by non-resident carriers of imports to Canada, including inland freight charges in other countries ;
- the transport of Canadian commodities, in particular oil and natural gas, in transit through the United States ;
- port expenditures abroad by Canadian shipping companies ; and
- foreign vessel charters.

In the Canadian statistics, inland freight on merchandise freight is included under freight and shipping. This requires some adjustments to be made to the values reported to Customs on trade documents to exclude the inland freight component. Passenger fares are classified in the Canadian data with the "Travel" account, but have been identified separately for inclusion here under "Transportation".

Data are segmented as follows :

- 2.1. Ocean shipping - covers gross earnings of shipping operators, charter income, port and miscellaneous expenditures, including certain inland shipping.
- 2.11 Port services - refer primarily to port expenditures in Canada by ocean shipping operators and expenditures abroad by expenditures in respect to inland shipping on the Great Lakes system.
- 2.2. Passenger fares - cover, on the receipts side, international fare payments to Canadian carriers by non-residents ; and for payments, international fares paid to non-resident carriers by Canadian residents. International expenditures by airlines are currently included as part of business services - see "Transportation related services" (item 4.2 below), which also covers the transport of migrants.
- 2.3. Inland freight - covers freight on merchandise chiefly to and from the United States.
- 2.4. Intransit and air freight - covers (a) receipts and payments on the transport chiefly of U.S. commodities through Canada, and Canadian commodities, in particular oil and gas, through the United States, and (b) expenditures of foreign airlines in Canada and Canadian airlines abroad in respect of freight movements.

The data are derived from a number of small, customized surveys directed to different carriers (ocean, rail, air, etc.), and the results are variously coupled with indicators (such as merchandise trade by mode of transport and freight rates). For passenger fares, data are derived from the same sources as for travel.

3. Government transactions

This series covers international transactions arising from government activities (diplomatic, commercial and military) not covered elsewhere in the balance of payments. Receipts include mainly expenditures in Canada by foreign governments. Payments cover mainly expenditures abroad of both the Canadian federal and provincial governments. It should be noted that transactions of diplomatic missions include capital as well as current outlays.

4. Consulting and other professional services

This covers services such as engineering, architecture, law, patent agents, ac-

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counting, marketing, planning, taxation, finance, drilling and development of natural resources. A majority of receipts in this category are from companies providing consulting engineering services, while payments arise from users of these services across many sectors. Currently, some revenues are reported on a gross basis and, hence, not netted against payments which are made to generate these revenues.

For transactions such as construction, the distinction between services and direct investment is made by assessing whether there is a lasting interest in a going concern abroad. If not, then the transactions are classified as services which, therefore, include all projects irrespective of the length of time required to carry them out.

Estimates are derived from the annual survey of international transactions in business services.

4.2. Transportation related services

Data comprise expenditures by foreign airlines operating in Canada (receipts) and expenditures abroad by Canadian airlines (payments). Outlays cover such items as salaries paid to local residents, aircraft maintenance and services, related commission expenses and certain advertising.

Other inclusions are settlements arising from air pooled routes, fees for international organizations concerned with the governing of transport (as IATA), the transport of migrants and trucks licence fees.

As noted earlier, airline passenger fares are included in the "Travel" account, while charges for the transportation of commodities and vessel charters are included under "Transportation" above.

The great majority of data is based on small annual surveys.

4.3. Management and administrative services

In addition to charges for managerial and administrative services, this also includes estimates for trust company fees and expenses in Canada of Canadian incorporated companies having all their operations outside Canada. Data are based largely on the annual survey of international transactions in business services.

4.4. Research and development

This covers charges related to systematic investigations by means of experiments or analysis to achieve a scientific or commercial advance for or through the creation of new or significantly improved products or processes. Data are derived from the annual survey of international transactions in business services.

4.5. Commissions

Commissions cover those of brokers and agents; that is, earned by wholesale merchants, agents and brokers on merchandise trade. In addition are other commissions which cover those earned by manufacturers' sales branches and other types of commercial commissions.

Fees and commissions on transactions in securities are excluded (see "Other financial services", item 4.15 below).

Estimates combine survey data with fixed factors applied to merchandise export and import series. For trade with the United States, lower factors are applied than for other countries, given the larger volume of transactions which occur between affiliates and which are presumed not to involve agents.

4.6. Films and broadcasting

This covers services purchased or sold by private and public radio and television stations and the distribution of motion picture films.

Data on films are obtained from the annual survey of international transactions in business services. Estimates for broadcasting are based on annual survey information obtained from the Services Division of Statistics Canada.

4.7. Advertising and promotional services

This covers advertising in newspapers, journals, radio, television and other media, participation in trade fairs and cost of sales promotion. Certain advertising outlays are reported with data on airline transactions under "transportation related services" (see item 4.2 above).

Data are from the annual survey of international transactions in business services. In addition, advertising services include a benchmark projection of expenses in Canada of representative offices of foreign banks which conduct banking operations from abroad.

4.8. Insurance

This covers insurance and/or reinsurance premium income received from non-resident individuals and/or corporations and premiums paid directly to non-resident insurers for all types of risks. The category also covers claims received from non-resident insurers and claims paid to non-resident by Canadian companies, pursuant to any insurance contract entered into directly by the parties concerned. Statistics cover the transactions of both insurers and brokers.

Data for insurance companies are obtained by direct annual survey of Canadian and foreign insurance companies in Canada. These are supplemented by the annual survey of international transactions in business services, especially in the case of insurance transactions by brokers. Data are recorded on a gross basis.

4.9. Computer services

This covers advisory services, use of computer facilities, purchases and development of software, systems design, installation, testing, debugging, ongoing maintenance, documentation, charges and training. Computer services were not captured separately until 1981. Prior 1981, these transactions were reported under "Other business services" (see item 4.15 below). It should be noted that computer services may also be embedded in other categories (e.g. "Management services").

Estimates are based on two sources: the annual survey of international transactions in business services which covers receipts from many companies not primarily providing services. To this is added receipts by major industry firms surveys by the Services Division of Statistics Canada.

4.10. Equipment rentals

This item excludes financial leasing and rentals of real estate; it otherwise covers rentals of machinery, drilling rigs and supply vessels, tools, motor vehicles, aircraft, railway equipment, computers and other equipment. Foreign vessel charters, however, are recorded under "Transportation" (item 2 above). Data sources do not currently permit a distinction to be made between rentals with or without operating crews.

The annual survey of international transactions in business services and other smaller surveys are the basis of equipment rental estimates.

4.11. Franchises and similar rights

This covers contractual privileges granted by an individual or corporation, permitting the sale of a product, use of a trade name or provision of a service within a specified territory, and/or in a specified manner.

This item is very small relative to other service payments. This is attributable in part to undercoverage (where a general provision is estimated under "Other business services" (item 4.15) to cover this and other such situations). Secondly, many franchise firms controlled abroad have subsidiaries established in Canada, and franchise fees payable to such subsidiaries within Canada do not give rise to international payments. The data are obtained from the annual survey of international transactions in business services.

4.12. Communications

This item includes telephone, telegraph, telex, data transmission, courier, and postal transactions. Telecommunications transactions are recorded partly on a net basis.

Data are derived from both the annual survey on international transactions in business services and from specific information supplied by certain other industry participants.

4.13. Refining and processing services

This item includes fees received from non-residents for refining of metals in Canada. No payments have been recorded for this category. Certain adjustments are made to the Customs merchandise data to reflect only the value added of processing as a service item. Regular survey data are the principal source of information.

4.14. Towing and other automotive charges

This covers fees paid or received by automotive companies for charges such as retooling, warranty and other charges. The data are obtained from the annual survey of international transactions in business services and from information reported on Customs trade documents from the International Trade Division of Statistics Canada.

4.15. Other business services

The category comprises various miscellaneous services which include: a broad range of services which individual companies were unable to categorize under the specified items.

in the annual survey of international transactions in business services; withholding taxes (survey data are reported net); miscellaneous specific items such as fishing fleet or export packaging receipts, covered by annual reports and benchmark estimates; an estimate to cover under-reporting in the survey and operations too small to survey.

4.16. Other financial services

Prior to 1986, the item covered payments only, chiefly commissions payments on new Canadian securities issued abroad. For 1986 and 1987, new estimates have been made for fees and commissions on the trade in outstanding securities with non-residents, both for receipts and payments. These derive from gross trading data coupled with certain rate factors based on discussions with the industry, and some extensions made to cover certain management and listing fees payable abroad. Banking services are not available separately from other banking transactions and are currently included in investment income transactions.

Other financial service payments are covered through the annual survey of international transactions in business services.

4.17. Miscellaneous

(i) Trade unions

Transactions cover primarily wages, strike receipts, and dues payable to international unions. Data are obtained from annual returns filed with Statistics Canada under the Corporations and Labour Unions Returns Act.

(ii) Other services

This item covers expenditures by Canadian students abroad and by foreign students in Canada, recreational and cultural related transactions and labour income consisting of earnings by commuters and migrant workers. Data sources include regular series from the Canadian Department of Employment and Immigration and estimates based on periodically updated benchmark studies.

FINLAND'S DATA : DEFINITIONS

Data on payments between Finland and other countries are used to compile statistics on Finland's invisible trade. Efforts to develop the balance of payments statistics have centered on increasing the reliability of foreign exchange statistics and improving the country-by-country breakdown.

The basic data for visible and invisible foreign trade statistics are collected by the Bank of Finland and various government agencies. To prepare the ground for the partial transfer of responsibility for the compilation of data to the banks authorized to deal in foreign exchange, a Uniform Foreign Trade Data System was created in 1980.

1. Travel

The travel item consists of personal expenditure by non-residents in Finland and by Finnish residents in other countries, together with the Finnmark banknotes purchased and returned by foreign banks. The value of goods which travellers purchase in bordering countries and take back to their country of residence cannot be identified separately and is included in the travel account.

The value of foreign exchange sold for travelling purposes by Finnish banks is reported to the Bank of Finland. The amounts of Finnmark notes taken out of the country by residents and brought into the country by foreign visitors are estimated using information exchanged by central banks on sales and purchases of banknotes.

2. Transportation

The transport account can be divided into 3 items, i.e. sea transport, air transport and other transportation. Sea and air transport can be further divided into goods transport and passenger transport. The items included in other transportation consist of railway and road transport, and of airport, road transport and harbour services relating to transportation. This item also includes repairs of ships and aircrafts and bunker oil.

2.1. Freight

Freight receipts and expenditure are calculated by using the fob-cob-method of recording recommended by the IMF.

The National Board of Navigation collects annually data on sea transport freights specified into quarterly data. Data are requested from some 20 Finnish shipping companies. Data on air transport, railway and road transport freights are obtained on the basis of purchases and sales of foreign exchange. The transport charges effected from foreign accounts are also entered into freights. Data are based on companies' quarterly reports. The recording of visible trade in Finnish Foreign Trade Statistics with exports at f.o.b. values and imports at c.i.f. values affects the recording of transport freights. However, it has been possible to calculate visible imports at f.o.b. values on the basis of the transport and insurance data on imports compiled by the National Board of Customs.

Statistics on sea transport have so far been regarded as quite comprehensive, and they have, in fact, mainly met the need for information.

The shift of ships into countries with flags of convenience is bound, however, to weaken the availability of information. Therefore, it will be particularly necessary to take into account, in connection with the inquiries conducted by the National Board of Navigation, the recording on the activities of Finnish-owned ships under flags of convenience.

2.2. Passenger services

Passenger transport receipts consist of passenger transport receipts of domestic shipping companies and Finnair (so-called ticket receipts) and Finnish transport services bought by foreign travel agencies. Expenditure consist of foreign expenses arising from the activities of domestic passenger transport companies (sea and air transport) and passenger transport services bought from foreign companies.

By contrast, the passenger transport services (so-called local transport) bought by Finns abroad from foreign transport companies and those bought by foreigners in Finland from Finnish companies are entered in the travel account. It is also difficult to differentiate travel and transport from each other whenever it is necessary to conclude on the basis of foreign exchange payments whether a passenger transport act has taken place in the location of journey (= travel) or outside the location of journey/country of travel (= passenger transport).

Passenger transport is being arranged by travel agencies and transport companies. Air transport accounts for two-thirds and sea transport for one-third of transport receipts.

Part of data on passenger transport is excluded from balance-of-payments statistics, because the settlements of travel agencies effected on a clearing basis - being denominated in domestic currency - are not at all recorded in foreign exchange statistics.

2.2. Other transportation

Other transportation includes railway and road transport as well as payments relating to the time charter of domestic ships. The most valuable item in other transportation consists of harbour and airport services. In addition, this item includes the traffic/service and repair expenses relating to road traffic as well as the rents on transport equipment used for goods transport other than ships and aircraft.

The inquiries among shipping companies provide information on the time charter receipts of Finnish merchant ships time-chartered abroad.

Railway receipts and expenditure are based on notifications obtained from the State Railways.

Road transport is recorded in accordance with purchases and sales of foreign exchange. Receipts include the traffic, service and repair expenses of foreign lorries and buses as well as rents on transport equipment used for goods transport other than ships and aircraft. The corresponding expenditure items include the foreign expenses of domestic lorries and buses.

The airport and harbour services serving transportation include the following items:

- (I) The traffic expenses abroad of the Finnish merchant fleet, including time-chartered ships, based on inquiries among shipping companies.
- (II) The stevedoring of foreign ships estimated on the basis of the volumes to be loaded and price data. The stevedoring of Finnish ships, which is regarded as a domestic transaction, is not included in import and export statistics.
- (III) Harbour receipts on the basis of purchases of foreign exchange. The item includes receipts from ship repairs and sales of fuel.
- (IV) Air traffic charges include airport services, repair activities or fuel purchases. Data are based on foreign exchange payments, and they are revised according to data obtained from Finnair and the National Board of Civil Aviation.

The transport items relating to countries with tied currencies are recorded on the basis of data obtained from the Bank of Finland's Bilateral Trade Department.

3. Government transactions

The item is recorded on the basis of Foreign Exchange Statistics data. These data include operation contributions in accordance with the agreements on international organisations, public development aid and remitted development credits.

Subsidies for food exports to developing countries are recorded in accordance with the estimates of the Ministry for Foreign Affairs. The planning work effected under development co-operation projects is recorded on the basis of the financial statement data of the central government.

4. Other services

The major items under the other services heading are telecommunications, non-merchandise insurance, know-how, advertising, and payments and receipts in respect of film rentals.

4.1. Communications

This item includes foreign receipts and expenditure of the National Board of Post and Telecommunications in accordance with the reports of the National Board of Post and Telecommunications.

4.2. Insurance

All domestic insurance companies report their foreign transactions annually to the Central Statistical Office. For the remaining services, foreign exchange records are used.

4.1. Construction

This item includes payments relating to foreign trade. Data are recorded on the basis of purchases and sales of foreign exchange.

4.4. Advertising

Advertising is recorded on the basis of the data on purchases and sales of foreign exchange in the Foreign Exchange Statistics. This item includes all fair and exhibition expenses, including rents on premises, advertisement expenditure as well as the expenses on advertising research serving the production of marketing.

4.6. Construction

The data on purchases and sales of foreign exchange constituting the basic sources of information are supplemented with data on income from the planning work of projects and its use for current expenses. These data are supplemented with data obtained from inquiries about Soviet projects. The item includes planning and expertise remunerations, contracts, technical expertise, consulting exports, ADP planning and know-how contracts, even though these were not connected to the construction projects. Expenditure includes foreign construction and architectural work in Finland as well as technical and management planning and imports of know-how and ADP planning. Owing to the difficulties in specifying Foreign Exchange Statistics data, the data on construction planning and architecture also include some domestic currency needed for purchases of foreign planning work and the maintenance of operations. According to the definitions of the balance of payments, such capital transfers should be included under direct investment of the capital account.

So as to improve the coverage of data, the unpatented income reported by exporters to the central bank which has been used to cover abroad the maintenance and overhead costs of operations is added to the foreign exchange payment in the Foreign Exchange Statistics.

Data on the Finnish projects in the Soviet Union are collected by means of an annually inquiry. The total value of construction exports is divided into the domestic share, sub-contracts and services bought from abroad. The domestic share includes know-how, planning and other services. In addition to services, construction planning and architectural companies are requested data on goods deliveries, which are recorded under visible trade, and wages and salaries to be recorded under item "Labour income". As from 1981, in the recording of Soviet project payments, the recording on payment bases was replaced by the recording on gross invoicing bases. As a result, the difference in income between invoicing and payment bases is entered into the capital account.

NORWAY'S DATA : DEFINITIONS

1. Travel

Credits include expenditures in Norway by foreign travellers (excluding foreign government personnel and their dependents and other foreign citizens residing in Norway) for lodging, food, transportation within Norway, entertainment, educational services, health services, personal purchases, gifts, and other outlays associated with travel in Norway. Border trade is also included. Transocean passenger fares are included elsewhere.

Debits include expenditures in foreign countries by Norwegian travellers (including Norwegian sailors and airline crews, but excluding Norwegian government personnel and their dependents and other Norwegian citizens residing abroad) for lodging, food, transportation within foreign countries, entertainment, educational services, health services, personal purchases, gifts, and other outlays associated with travel abroad. Transocean passenger fares and border trade are included.

2.1. Freight

Credits include freight revenues of Norwegian-operated carriers for the international transportation of Norwegian exports, and freight revenues of Norwegian-operated carriers for the transportation of foreign freight between foreign points. Included are ocean carriers (also supply vessels), air carriers and other carriers (also railway and pipeline).

Debits cover freight payments to foreign-operated carriers for international transportation of Norwegian imports. Included are ocean carriers (but not supply vessels which are included elsewhere), air carriers and other carriers (also railway).

2.2. Passenger fares

Credits include passenger fares received by Norwegian ocean and air carriers from foreign residents travelling between Norway and foreign countries and between two foreign points.

Debits are included in the item "Travel".

2.3. Other transportation

Credits include port expenditure receipts and other receipts for goods and services purchased in Norway by foreign-operated carriers.

Debits cover port expenditure payments and other payments for goods and services purchased in foreign countries by Norwegian-operated carriers. Included are also railway, pipeline and payment for charter of vessels, but not insurance of Norwegian ships (included elsewhere).

3.1. Government services, military

This item includes "net" receipts in connection with the NATO infrastructure programme, and other receipts to the Norwegian defense from abroad. Debits are not specified since these services are recorded on a net basis.

3.2. Government services, civil

Credits include receipts of airport fees, lighthouse and pilot services, etc. from foreign carriers. Included are also costs in connection with foreign embassies and consulates in Norway and the NATO headquarter in Norway.

Debits cover Norwegian central and local government purchases abroad. Included are also costs in connection with Norwegian embassies and consulates in foreign countries.

4.1. Insurance

Credits include life insurance and other non-merchandise insurance. Other non-merchandise insurance is based on estimates for premiums received by foreign insurers less losses paid.

Debits cover merchandise insurance, life insurance, other non-merchandise insurance and insurance of Norwegian ships. These figures measure premiums paid to foreign insurance companies less losses received.

4.2. ~~Spokane~~

Credits include exports of commissions business on ships, aircrafts and oil platforms and on freights. Included are also commissions on imports of wholesale and retail trade. They also include exports of banking and related financial services.

Debits cover imports of commissions business on ships, aircrafts and oil platforms and on freights. Included are also commissions on exports of wholesale and retail trade. They also include imports of banking and related financial services.

4.3. ~~Operating expenditure~~

Credits include :

- (i) correction for oil and gas fields stretching across the Norwegian and British parts of the continental shelf,
- (ii) foreign countries' purchases of oil drilling services from Norwegian oil drilling companies and charter payments for rental and leasing of Norwegian oil platforms and
- (iii) operating expenditures by other foreigners in Norway.

Debits include :

- (i) payments for contract work, services allied to manufacture and repair of oil platforms, services allied to oil and gas exploration and drilling, supply services, correction for oil and gas fields stretching across the Norwegian and British parts of the continental shelf, and unspecified services purchased abroad by the Norwegian oil and gas production companies,
- (ii) payments for contract work, repair expenditures, rental and leasing of machinery and equipment, rental and leasing of oil platforms and other operating expenditures abroad for Norwegian oil drilling companies, and
- (iii) imports of operating expenditures by other Norwegian residents.

4.4. ~~Communications~~

Credits include exports of postal services and telecommunication services. Debits cover imports of postal services and telecommunication services.

4.5. ~~Construction and engineering~~

Credits include exports of engineering, architectural and technical services (compensation for work and services carried out for clients).

Debits cover some of the imports of construction and engineering services on a net basis (otherwise included in item "Fees and various services", debit). The high 1978 figure is due to some special work on oil production platforms for which gross value could be specified.

4.6. ~~Accountancy~~

Credits include exports of accounting, auditing and bookkeeping services (compensation for work and services carried out for clients).

Debits are included in item "Fees and various services", debit.

4.7. ~~Legal services~~

Credits include exports of legal services (compensation for work and services carried out for clients). Debits are included in item "Fees and various services", debit.

4.8. ~~Consultancy and technical co-operation~~

Credits include exports of office and research services, and debits cover imports of office and research services.

4.9. ~~Management services~~

Credits include exports of management and consulting services (compensation for work and services carried out for clients). Debits are included in item "Fees and various services", debit.

4.10. Computing services

Credits include exports of data processing and tabulating services (compensation for work and services carried out for clients). Debits are included in item "Fees and various services", debit.

4.11. Publicity

Credits include exports of publicity services (compensation for work and services carried out for clients). Debits cover imports of publicity services (compensation for work and services carried out for clients).

4.12. Equipment leasing

Credits cover exports of equipment leasing and rental (compensation for work and services carried out for clients). Debits are included in item "Fees and various services", debit.

4.13. Culture and recreation

Credits include exports of film rentals only. Debits cover imports of film rentals only.

4.14. Installation and repair

Credits include exports of installation and repair work. Debits cover imports of installation and repair work.

4.15. Fees and various services

Credits include exports of fees, franchising, periodicals bought through subscriptions, and various services. They also include exports of seismic services. However, following the final figures for 1985 it will be possible to separate exports of seismic services from this item and record it in item "Construction and engineering", credit.

Debits cover imports of fees, some of the construction and engineering services, accountancy, legal services, management services, computing services, equipment leasing and rental, franchising, periodicals bought through subscriptions, and other various services.

4.16. Miscellaneous services, including minor values

Credits include exports of miscellaneous services. The limit for recording minor values without specification has been raised during the last years; they dominate this item from 1977). For the years 1973-1976 foreigners' operating expenditures were also included here (exports from service companies serving the oil and gas production especially high in 1976).

Debits cover imports of miscellaneous services. The limit for recording minor values without specification has been raised during the last years; they represent the bulk of this item.

AUSTRALIA'S DATA : DEFINITIONS

1. **Travel**

Credits cover acquisition of goods and services in Australia by non-resident travellers. Non-resident travellers include persons visiting Australia for business, study or recreation for less than one year; foreign military personnel on rest and recreation leave in Australia; and foreign students studying in Australia under government aid programmes. Foreign government officials (e.g. diplomats) and their dependants stationed in Australia are excluded as are non-resident persons working in Australia for resident employers, and foreign civilian crews (Australian expenditure of each of these groups is measured in other items).

Debits cover acquisition of goods and services abroad by resident travellers. Resident travellers include Australians going abroad for business, study or recreation for less than one year. Australian government officials (e.g. diplomats) and their dependants stationed abroad are excluded as are Australians working abroad for non-resident employers and Australian crews (whose overseas expenditure is measured in other items).

2.1. **Freight**

Credits measure freight services performed by resident transport operators on merchandise exports. Debits measure freight and other distributive services performed by non-residents on merchandise imports.

2.2. **Passenger services**

Credits measure international passenger services provided to non-residents by resident transport operators. Debits measure international passenger services provided to residents by non-resident transport operators.

2.3. **Port services**

Credits measure goods and services (e.g. supplies, stevedoring, maintenance, port charges, etc.) procured in Australian ports by non-resident transport operators; goods and services purchased by foreign civilian crews in Australia; time charter and operational charter services provided by residents to non-residents; miscellaneous transportation services provided by residents to non-residents such as the carriage of freight between overseas ports and the carriage of mail.

Debits measure goods and services (e.g. supplies, stevedoring, maintenance, port charges, etc.) procured in foreign ports by resident transport operators; goods and services purchased by Australian crews abroad; time charter and operational charter services provided by non-residents to residents; and miscellaneous transportation services provided by non-residents to residents such as the carriage of freight between Australian ports and the carriage of mail.

3. **Government services**

Credits cover acquisition of goods in Australia, and services in Australia and abroad, by non-residents from the resident official sector.

Debits cover:

- (i) acquisition of goods and services abroad for defence purposes by the resident official sector from non-residents;
- (ii) acquisition of financial services by the resident official sector from non-residents;
- (iii) acquisition of goods and services a.e.s. by the resident official sector from non-residents. Mainly includes official expenditure on goods and services abroad by Australia's embassies, consulates and State Government Agents-General.

4.1. Insurance

(i) Merchandise insurance

This item covers insurance services performed by resident insurers on merchandise exports and insurance services performed by non-resident insurers on merchandise imports.

(ii) Non-merchandise insurance

Credits cover life and general insurance services (other than services relating to merchandise exports and imports) provided by resident insurance and reinsurance enterprises to non-residents.

Debits cover life and general insurance services (other than services relating to merchandise trade) provided by non-resident insurance and reinsurance enterprises to residents.

4.2. Expenditure of foreign governments

This item covers official expenditure on goods and services provided by the resident non-official sector to foreign embassies, consulates, joint defence facilities and similar non-resident entities in Australia.

4.3. Expenditure of government employees

Credits cover personal expenditure on goods and services in Australia by foreign government officials (e.g. diplomats) and their dependants stationed in Australia. Debits cover personal expenditure on goods and services abroad by Australian government officials (e.g. diplomats) and their dependants stationed abroad.

4.4. Expenditure of other employees

Credits cover expenditure on goods and services in Australia by non-resident workers out of the income they earn from resident employers. Debits cover expenditure on goods and services abroad by resident workers out of the income they earn from non-resident employers.

4.5. Miscellaneous services

Credits cover acquisition of services n.e.c. by non-official non-residents from the resident non-official sector. Includes consultants' services; financial services; agents' services; rental services; storage, advertising and sales promotion; management, business and technical services; processing and repair services; and operational leasing services n.e.c.

Debits cover acquisition of services n.e.c. by the resident non-official sector from non-residents. Includes consultants' services; financial services; agents' services; rental services; storage, advertising and sales promotion; management, business and technical services; processing and repair services; and operational leasing services n.e.c.