

Administrative Data and Statistics on
International Trade in Services

Statisticians are since many years confronted with the growing interest in service statistics in general and in the international trade in services specifically. Whereas the material production can be surveyed more easily at the various stages from production, distribution to the final use this is a rather difficult task for services.

As part of the general system of economic statistics service statistics can be organized as statistics on the producers of services or as commodity statistics. For the latter the statistical tools and instruments are rather underdeveloped. Consequently commodity statistics in this important field is often only fragmentary.

Internationally traded services are by concept commodity statistics. Accordingly all the general problems of commodity statistics on services apply also to the international trade in services such as the borderlines between goods and services (invisible services on goods, complex production), services and other economic transactions (factor income, transfer, capital movements a.s.o.) or the problem of establishment trade.

In many countries the Balance of Payments (BOP) Statistics is the only comprehensive reference to quantify the international service transactions. A critical inspection of the items of the current account within BOP statistics shows severe problems to identify/separate the service transactions:

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(i) valuation of merchandise,

- ✓ (ii) merchanting,
- ✓ (iii) complex production,
- ✓ (iv) functional categories like tourism, embassies and consulates or
- ✓ (v) banking and insurance services.

On the other hand, the strong need on detailed information on service transactions can hardly be met by the BOP compilers. For that reason new attempts are made especially by the international organisations to enlarge the statistical survey programmes to cover the respective variables. An alternative approach at least for the export side could be the more extensive use of administrative data, it is the value added tax (VAT) statistics which provides a sound statistical basis on tax-free exports of goods and services by branches. In an integrated and coherent statistical system with harmonized registers and compatible activity/commodity classifications the export of services is theoretically the residual of total exports according to the VAT statistics minus exports of merchandise. By this way two important aims are reached, it is the separation of the services from goods as well as a detailed breakdown of the respective transaction by branches.

The main problems with such an statistical undertaking are the wholesale traders. Their export turnover must be split into the merchandise component and the trade margins. Similar problems appear within the transport sector, it is the supporting and auxiliary transport activities like the services provided by shipping agents when the turnover includes the value of the merchandise, or the travel agencies and international tour operators. This approach is not suitable also for banking and insurance services for which a very specific definition is used in economic statistics.

An empirical study for Austria covering a ten years period brought some interesting insights. Though proceeding with utmost caution one could summarize as follows:

- (i) the service definition used for BOP statistics is to broad
- (ii) beneath the factor income the functional categories such as embassies and consulates or tourism mix goods with services or goods and services with other transaction
- (iii) the level of exports of merchandise can be confirmed
- (iv) the level of exports of services according to the BOP statistics is significantly overestimated as compared to the VAT statistics (between 8 and 10 percent for the whole period).

NB!