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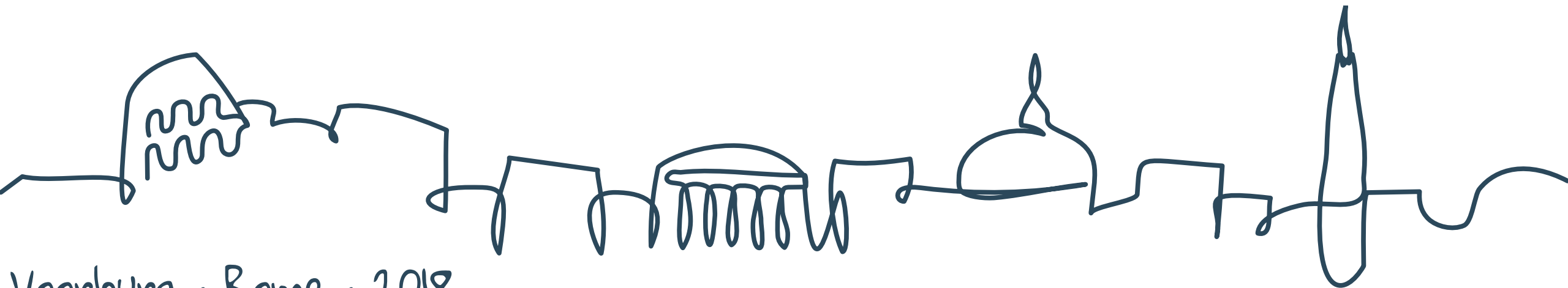
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# Export of services

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# Balance of payments

Bank of Estonia compiles external sector statistics that include data on the balance of payments.

The methodology of the balance of payments statistics is based on the [Balance of Payments and International Investment Position Manual, 6th Edition \(BPM6\)](#) of the International Monetary Fund.

From Balance of Payments Manual: System of National Accounts 2008 (SNA) coverage of exports and imports of goods and exports and imports of services is identical to balance of payments coverage of corresponding items – with the exception of the item “financial intermediation charge indirectly measured”.

The European system of accounts (ESA) 2010, “exports of services consist of all services rendered by residents to non-residents”.

The services account reflects the services sold to and purchased from non-residents by Estonian residents.

# Balance of payments

Bank of Estonia compiles quarterly and monthly balance of payments (the latter is also known as the balance of payments flash estimate).

The Balance of Payments is compiled using a system that combines three sources of information:

- The survey system draws upon information from statistical surveys and reports, such as enterprise surveys and reports from credit institutions.
- The cross-border payments system is based on the collection and processing of international payments sent or received through Estonian banks. The information supplied on the payment instructions is used to give a transaction code to each payment that matches the structure of statistical outputs.
- The administrative system draws on information from the data collected by agencies such as the foreign trade statistics, the database of the Estonian Central Securities Depository, the central database for securities of the European System of Central Banks, and the tax declarations submitted to the Tax and Customs Board.

The data sources used in compiling the statistics for the main service groups are described in paper.

# Balance of payments

The data are collected through electronic data transmission channels like eAruanne, SWIFT file exchange and X-tee, and are generally processed automatically. The information from the three systems is added to where necessary by modelling or estimates. Statistical outputs are compiled using the calculation algorithms of the information system, and they are validated before publication using arithmetic and qualitative tests and correspondence control for inputs and outputs.

Bank of Estonia and Statistics Estonia use the same principles for revising statistics, and these are in line with the principles of the revision policy recommended by the European Commission and the European Central Bank. The revision policy is harmonised for the external sector statistics and the sub-accounts of the national accounts (GDP, external sector financing statistics, and the quarterly and annual non-financial and financial accounts).

Revisions can be regular or extraordinary.

# Foreign trade services statistics by Statistics Estonia

The Bank of Estonia is responsible for the compilation and dissemination of international trade of services statistics (ITSS). The ITSS data is transmitted to Statistics Estonia for the compilation of Services Trade by Enterprise Characteristics (STEC) datasets.

STEC data are typically produced by linking International Trade in Services enterprise surveys with the Statistical Business Register, creating additional information from existing national statistical data sources at a moderate cost for compilers, without increasing the burden to respondents. However, this data linking process has conceptual, practical, and dissemination challenges.

The trade of services data contains the following indicators: (i) reference year, (ii) registration code of the trader (ID), (iii) name of the trader, (iv) Balance of payments code (BPM), (v) Balance of payments description, (vi) partner country, (vii) value of exports and (viii) value of imports.

# Foreign trade services statistics by Statistics Estonia

The foreign trade data of services are classified by the primary activity of the exporters and importers. The principal activities of enterprises are classified according to **the Estonian Classification of Economic Activities (EMTAK 2008)**, which is based on NACE Rev. 2. The data are only for economic units registered in Estonia.

The foreign trade statistics on services have been divided by administrative unit according to the legal address of the enterprises having exported or imported services. The administrative unit is determined based on the legal address also if the enterprise operates in several counties or if its foreign trade operations do not take place in the administrative unit that corresponds to its legal address.

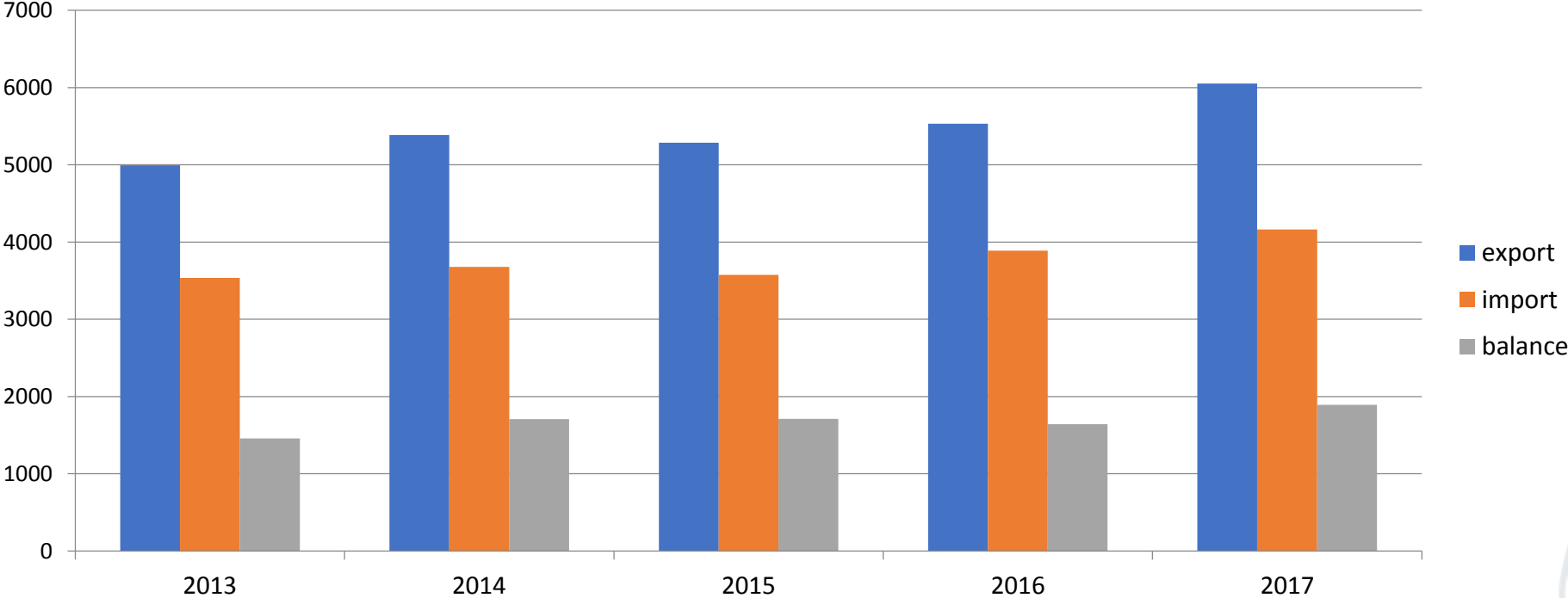
The foreign trade data on services are classified by the type of ownership of enterprises exporting and importing services.

The data cannot be published until they have first been published by Bank of Estonia (Bank of Estonia publishes data 70 days after the end of the reporting period). The table on the foreign trade of services is updated in the database by Statistics Estonia on a quarterly basis, generally 71 days after the reporting period.



# Data of exports of services in Estonia

### Services exports and imports (EUR million)



Source: Bank of Estonia



# Data of exports of services in Estonia

## Exports of services by major categories

	2016		2017		2016/2017
	Volume (EUR million)	Share %	Volume (EUR million)	Share %	Change %
Total	5531,7	100,0	6053,5	100,0	9,4
01 Manufacturing services on physical inputs owned by others	177,9	3,2	195,2	3,2	9,7
02 Maintenance and repair services	169,0	3,1	167,0	2,8	-1,2
03 Transport	1593,1	28,8	1787,9	29,5	12,2
04 Travel	1386,6	25,1	1443,1	23,8	4,1
05 Construction	362,1	6,5	408,4	6,7	12,8
06 Insurance and pension services	3,6	0,1	4,6	0,1	27,8
07 Financial services	125,5	2,3	121,7	2,0	-3,0
08 Charges for the use of intellectual property	10,4	0,2	17,5	0,3	68,3
09 Telecommunications, computer and information services	519,2	9,4	636,0	10,5	22,5
10 Other business services	1092,3	19,7	1175,7	19,4	7,6
11 Personal, cultural and recreational services	50,2	0,9	58,4	1,0	16,3
12 Government goods and services, n.i.e	41,9	0,8	38,1	0,6	-9,1

Source: Bank of Estonia

# Data of exports of services in Estonia

## Exports of services by administrative unit

Administrative unit	2016		2017	
	Volume	Share	Volume	Share
	(EUR million)	%	(EUR million)	%
Whole country	5531,7	100,0	6053,5	100,0
Harju county	3600,3	65,1	4009,3	66,2
..Tallinn	3153,7	57,0	3541,8	58,5
Tartu county	280,3	5,1	297,3	4,9
..Tartu city	259,7	4,7	268,7	4,4
Other counties	1651,1	29,8	1746,9	28,9
Source: Statistics Estonia				

# Data of exports of services in Estonia

## Exports of services by economic activity EMTAK 2008 (based on NACE Rev. 2)

	2016	2017	2016	2017	2016/2017
Economic activities	Volume	Volume	Share	Share	Change
	(EUR million)	(EUR million)	%	%	%
Economic activities total	5531,7	6053,5	100,0	100,0	9,4
A Agriculture, forestry and fishing	10,5	6	0,2	0,1	-42,9
B Mining and quarrying	0,5	0,7	0,0	0,0	40,0
C Manufacturing	486,4	510,1	8,8	8,4	4,9
D Electricity, gas, steam and air conditioning supply	20,9	11,6	0,4	0,2	-44,5
E Water supply; sewerage, waste management and remediation activities	7,5	5,9	0,1	0,1	-21,3
F Construction	253,9	296,1	4,6	4,9	16,6
G Wholesale and retail trade; repair of motor vehicles and motorcycles	244,7	173,2	4,4	2,9	-29,2
H Transportation and storage	1502,8	1702,4	27,2	28,1	13,3
I Accommodation and food service activities	45,5	55,2	0,8	0,9	21,3
J Information and communication	612,1	731,4	11,1	12,1	19,5
K Financial and Insurance Activities	174,8	190,8	3,2	3,2	9,2
L Real estate activities	37,4	33,3	0,7	0,6	-11,0
M Professional, scientific and technical activities	360,0	433,6	6,5	7,2	20,4
N Administrative and support service activities	371,6	431,5	6,7	7,1	16,1
O Public administration and defence; compulsory social security	24,1	21,1	0,4	0,3	-12,4
P Education	8,0	9,2	0,1	0,2	15,0
Q Human health and social work activities	22,8	22	0,4	0,4	-3,5
R Arts, entertainment and recreation	29,4	33,1	0,5	0,5	12,6
S Other service activities	35,4	35,4	0,6	0,6	0,0
Economic activity not specified	1283,5	1350,8	23,2	22,3	5,2

Source: Statistics Estonia

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## Measurement issues

The new additional data source for measuring the foreign trade of services is special scheme for imposing value added tax on electronic communications and electronically supplied services – MOSS (Mini One Stop Shop).

As from 1 January 2015 the amendment of the Value Added Tax Act as regards the taxation of electronic communications and electronically supplied services (henceforth digital services) will enter into force. The amendment concerns persons liable to value added tax who are providing electronic communications services (**telecommunications** and **broadcasting** services) and **electronic services** to persons not liable to account for VAT who are established in other European Union Member States.

The MOSS has been very successful in EU with EUR 3 billion paid through it in 2015, representing up to EUR 18 billion in trade and 70% of the total in this sector. This mechanism has saved business EUR 500 million or EUR 40 000 per business compared to the alternative of direct registration (95% reduction compared to the alternative of direct registration), and thus contributed to reducing unnecessary burdens on business.

The VAT data will be used as an additional data source for foreign trade data calculations.



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# Thank you!

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The references used in this presentation can be found in paper.