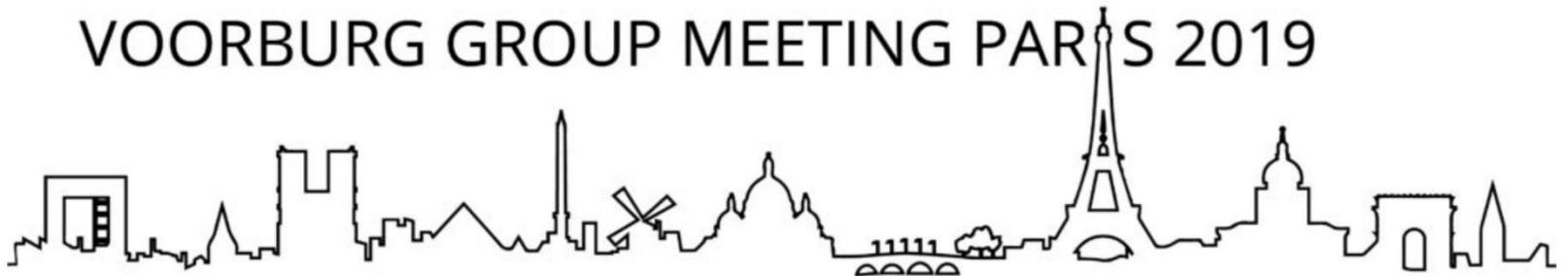


# Export of Services - issues

Presentation by Jakob Kalko, based on 2018 papers

VOORBURG GROUP MEETING PARIS 2019



VOORBURG - PARIS - 2019

# Export of services

## Presentations - output

- Maja Dozet - Croatia
- Eveli Sokman – Estonia
- Agnieszka Matulska-Bachura - Poland

## Presentations – SPPI

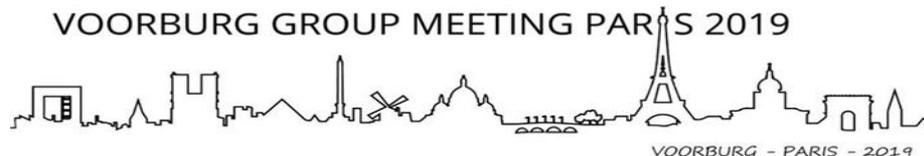
- Yann Leurs/Frederic Ouradou – France
- John Jeremy – UK

## Discussant

- Magarida Martins - IMF

# Output – some facts

- Increase of trade in export of services in general
- Data can be collected through surveys – or through direct contact with large players, trade organizations etc.
  - sampling frames may be based on information from VAT, FATS or other information, showing foreign transactions
- In general – enterprises have good information concerning turnover/output related to export. It may depend on kind of service.



# Output - challenges

- Increased activity of exports demands higher attention towards consistency between BPM, SNA and foreign trade statistics
- No customs report – no/limited administrative data sources.
- Increased demand for detailed data on export
- More complex corporate structures– scope of internal transactions across borders increases. Problem for national accounts ?
- How to collect correct data for export of services on digital platforms ?
- General comparability between countries
- Underreporting of export activities ? Informal sector?

# Output –future possibilities

- Surveys – data seems to be available
- Export measured through transaction data for some services ? (eg. Hotells, restaurants, digital platforms)
- Big data – a future datasource ?
- **Other sources ?**

# Output –future possibilities

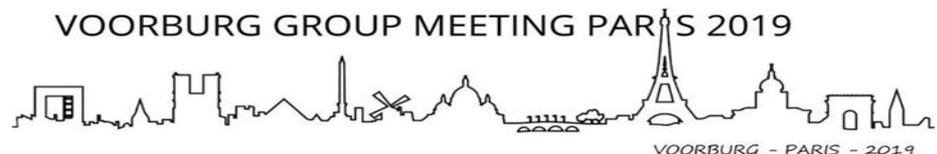
- MOSS –Mini One Stop Shop
  - established 1/1- 2015
  - covers delivery B2C – to customers within the EU
  - covers delivery of electronic services (telecommunication, radio/TV, software, Data/electronic games, magazines, E-learning services, cloud services/computing.
  - VAT should be registered in the country where the consumer is located, not where the enterprise is established
  - Returns (along with the VAT paid) are made available, Quarterly
  - Any countries with experience from this source ? Might be legal obstacles, using the source.

## SPPI (B2X) - some facts

- Why B2X, SPPI:
  - In general B2X can not be assumed =B2A. *Different markets.*
  - Correct measurement of B2X is important for NA in order to estimate correct volume
  - interesting to compare development in the ratio of export to import prices
- Limited international experiences
- Full agreement that SPPI should include export of services and is of increasing importance –but component is difficult to separate

## SPPI (B2X) - Challenges

- Currency fluctuations – when producer of services receives the revenue in foreign currency, price may be influenced by factors, not relevant for statistical purposes.
- Services from online platforms – how to measure services?
- Transfer pricing – a rising challenge due to the increasing international organization of enterprise groups. *Transfer price occurs when a legal unit in a multinational enterprise sells a good or a service to another unit in the same group*
- Some challenges with transfer prices
  - are they “true” market prices ?
  - challenges of deflating correct volume of exports



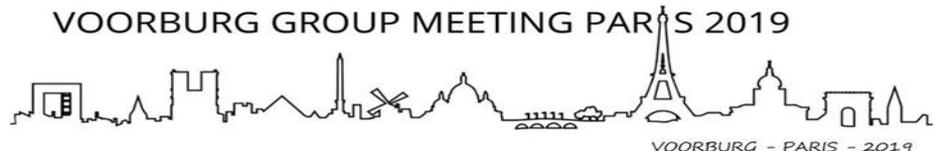
## SPPI (B2X) - Challenges

- Some suggested solutions (*Export and import price index manual, IMF 2009*) for the issue of transfer pricing
  - *Internal comparable*: Price of same/similar service to a third party
  - *External referenced comparable*: Price of same/similar service on a domestic or international exchange. Not relevant for services ?
  - *External comparable*: Market-transaction of the same service between to other parties
  - *Downstream/upstream internal transaction*. Not relevant for services (?)
  - *Declared transfer price*: Collection of listed transfer price. Determine if price is cost or market based
- In general – lack of practical guidance for adjustment of transfer prices for services.
- *Any practical experiences from countries using these guidelines ?*

## SPPI (B2X) – possibilities

- Weights - output data for some services is available among exporting units
- French paper points out possibilities of duplication of prices – where *services are delivered in the domestic territory to non-residents*

Examples: Transport, food services, accommodation, taxi operations



## Summary of questions raised

- Other sources for output used than survey or direct contact with trade organizations ?
- Any countries with experience from using MOSS ?
- Any practical experiences from countries using guidelines for treating «transfer prices» ?
- Any new pilots or full scala survey conducted since october 2018 in any countries for output or Export prices ?