

Manual on
Statistics of
international
trade in
services

United Nations
European Commission
International Monetary Fund
Organisation for Economic Co-operation and Development
United Nations Conference on Trade and Development
World Trade Organization



DEPARTMENT OF ECONOMIC AND SOCIAL AFFAIRS
STATISTICS DIVISION

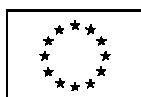
STATISTICAL PAPERS

SERIES M No. 86

MANUAL
on STATISTICS of
INTERNATIONAL TRADE in SERVICES



United Nations



European Commission



International Monetary Fund



Organisation for Economic
Co-operation and
Development



United Nations Conference
on Trade and Development



WORLD TRADE
ORGANIZATION
World Trade Organization

NOTE

Symbols of United Nations documents are composed of capital letters combined with figures. Mention of such a symbol indicates a reference to a United Nations document.

ST/ESA/STAT/SER.M/86

International Monetary Fund
Publication Stock No. MSITEA
ISBN 1-58906-128-4

United Nations publication
Sales No. E.02.XVII.11
ISBN 92-1-161448-1

Inquiries should be directed to:

United Nations Publications
DC2-853
New York, NY 10017

e-mail: publications@un.org

Copyright © 2002
United Nations,
European Commission,
International Monetary Fund,
Organisation for Economic Co-operation and Development,
United Nations Conference on Trade and Development and
World Trade Organization

All rights reserved

Foreword

The *Manual on Statistics of International Trade in Services* has been developed and published jointly by our six organizations, managed through the mechanism of an inter-agency task force.

The Manual sets out an internationally agreed framework for the compilation and reporting of statistics of international trade in services in a broad sense. It addresses the growing needs, including those of international trade negotiations and agreements, for more detailed, more comparable and more comprehensive statistics on this type of trade in its various forms. The recommendations, which will be promoted by our six organizations, will enable countries to progressively expand and structure the information they compile in an internationally comparable way. The *Manual* conforms with and explicitly relates to the *System of National Accounts 1993* and the fifth edition of the International Monetary Fund's *Balance of Payments Manual*.

The Manual has benefited from strong cooperation among the international organizations, the advice of specialist consultants, the invaluable input of a large number of member countries' experts and the many comments received during the worldwide review conducted by the United Nations and the International Monetary Fund in 1999-2000. It is intended for use by national and international agencies, and we commend it to countries for progressive implementation, taking into account their national information needs, priorities and resources.

Hermann Habermann
Director
United Nations Statistics Division

Yves Franchet
Director General
Statistical Office of the European Communities

Carol S. Carson
Director
Statistics Department
International Monetary Fund

Enrico Giovannini
Chief Statistician and Director of the Statistics Directorate
Organisation for Economic Co-operation and Development

Henri Laurencin
Chief Statistician
United Nations Conference on Trade and Development

Roslyn Jackson
Director of the Statistics Division
World Trade Organization

Contents

Foreword	iii
Acknowledgements	vii
List of acronyms	ix
Summary	1

Chapters

I. Foundations of the Manual: general introduction and overview.....	3
A. Introduction	3
B. Set of recommended elements for phased implementation	5
1. Recommended core elements	5
2. Other recommended elements	6
C. Shape of the Manual.....	7
II. Conceptual framework for the development of statistics on international trade in services.....	9
A. Introduction	9
B. Need for a statistical framework on international trade in services.....	9
1. Globalization and multilateral services trade negotiations	9
2. The General Agreement on Trade in Services.....	10
(a) Structure and guiding principles of GATS	10
(b) The four GATS modes of supply	11
(c) Services Sectoral Classification list - GNS/W/120.....	12
C. Statistical systems and classifications related to trade in services.....	12
1. International.....	12
(a) System of National Accounts, 1993.....	12
(b) Fifth edition of the IMF Balance of Payments Manual.....	13
(c) Central Product Classification, Version 1.0.....	13
(d) International Standard Industrial Classification of All Economic Activities, Revision 3.....	14
(e) International Merchandise Trade Statistics.....	14
(f) International migration frameworks and the Recommendations on Statistics of International Migration	14
(g) Tourism Satellite Accounts: Recommended Methodological Framework	14
2. Other statistical systems and classifications	15
(a) Joint OECD-Eurostat Trade in Services Classification.....	15
(b) OECD Benchmark Definition of Foreign Direct Investment.....	15
(c) OECD Manual on Economic Globalisation Indicators.....	15
D. Approach and framework of the Manual.....	15
1. Statistics on trade in services, labour and investment from BPM5.....	16
(a) Main BPM5 standard services components	17
(b) Labour-related flows of funds.....	17
(c) Foreign direct investment	17
2. BPM5 extensions.....	18
(a) Analysis of balance of payments transactions by origin and destination.....	18
(b) Extended Balance of Payments Services Classification	18
3. Foreign affiliates trade in services statistics	18
(a) FATS statistics: concepts and classification	18
(b) FATS statistics and other statistical frameworks	19
4. Statistical treatment of modes of supply: the simplified approach	20
(a) Simplified statistical criteria	20
(b) Balance of payments statistics by modes of supply	20
(c) FATS statistics and modes of supply	23
(d) Special problems in statistical treatment of mode 4.....	24

(e) Conclusion	25
III. Services Transactions Between Residents and Non-residents.....	26
A. Introduction	26
B. Principles of recording.....	26
1. Concept and definition of residence	26
2. Valuation of transactions	28
3. Other principles relating to the recording of transactions.....	28
C. EBOPS.....	29
D. Transactions between related parties	33
E. Statistics by trading partner.....	34
F. Modes of supply and EBOPS	34
1. Allocation of modes of supply.....	34
2. Priorities for allocation to modes of supply	35
G. Repairs on goods	36
H. Definitions of the components of the Extended Balance of Payments Services classification.....	36
1. Transportation services	36
2. Travel	38
3. Communications services	40
4. Construction services.....	40
5. Insurance services.....	42
6. Financial services.....	43
7. Computer and information services.....	47
8. Royalties and license fees	47
9. Other business services.....	47
10. Personal, cultural and recreational services	50
11. Government services, not included elsewhere.....	50
I. Alternative aggregations of service and non-service transactions.....	51
J. Data collection.....	52
K. Summary of recommendations.....	53
IV. Foreign affiliates trade in services statistics	54
A. Introduction	54
B. Universe to be covered	57
1. Ownership criteria	57
2. Types of producers	59
C. Time of recording.....	60
D. Statistical units.....	60
E. Attribution of FATS variables	60
1. By country	60
(a) Inward FATS	60
(b) Outward FATS.....	62
(c) Note on the equal ownership of shares by residents of more than one country	62
2. By activity and by product.....	62
(a) By activity.....	63
(b) By product.....	64
F. Economic variables for FATS	66
1. Sales (turnover) and/or output	66
2. Employment.....	68
3. Value added	68
4. Exports and imports of goods and services.....	69
5. Number of enterprises.....	69
6. Other variables.....	70
G. Compilation issues.....	70
H. Summary of recommendations	71

Boxes

1. Services definition	7
2. International trade in services	8
3. Example of the measurement of construction services.....	41
4. Estimation of insurance service charges.....	44
5. Financial intermediation services indirectly measured (FISIM)	46
6. Merchanting services.....	48
7. Measuring foreign direct investment.....	55
8. Immediate and ultimate investors.....	61

Charts

1. The four modes of supply: statistical criteria.....	22
2. Synthetic view of modes of supply.....	23

Tables

1. Statistical coverage of modes of supply	24
2. Extended Balance of Payments Services Classification, including memorandum items	30
3. ISIC Categories for Foreign Affiliates (ICFA).....	64
4. Sample formats for FATS statistics.....	67

Annexes

I. Movement of natural persons supplying services under GATS	73
II. Extended Balance of Payments Services Classification.....	81
III. EBOPS - CPC, Version 1.0 - GNS/W/120 correspondence tables.....	85
Table A.III.1. EBOPS – CPC, Version 1.0 – GNS/W/120 correspondence.....	86
Table A.III.2. GNS/W/120 – CPC, Version 1.0 – EBOPS correspondence.....	124
IV. ICFA-EBOPS Correspondence Tables.....	150
Table A.IV.1. Correspondence between ICFA and EBOPS	151
Table A.IV.2. Correspondence between EBOPS and ICFA	155
V. Extract from the General Agreement on Trade in Services.....	160
VI. Services Sectoral Classification List - GNS/W/120.....	161
VII. The Manual and tourism satellite accounts	167

<i>Glossary</i>	170
-----------------------	-----

<i>Bibliography</i>	172
---------------------------	-----

<i>Index</i>	174
--------------------	-----

Acknowledgements

The *Manual on Statistics of International Trade in Services* is the result of a wide-ranging and transparent process. It has been jointly produced by the organizations that participate in the Interagency Task Force on Statistics of International Trade in Services authorized by the United Nations Statistical Commission. It has benefited from strong cooperation among the six participating agencies, the sound advice of national experts and specialist consultants, and valuable contributions and comments from statistical compilers, trade negotiators, representatives of the business community, policy makers and analysts in all regions of the world and in international agencies.

The Task Force was established by the Statistical Commission in 1994. Its mandate was to strengthen cooperation among international organizations; encourage the development of international concepts, definitions and classifications; and promote the availability, quality and international comparability of international trade-in-services statistics. It was established in response to a growing demand from governments, businesses and analysts for more and better internationally comparable data on services trade, including those data needed in support of international negotiations and agreements. In view of the wide gap between statistical needs and available data, the work of the Task Force was considered a long-term exercise.

The Task Force consists of individuals representing the Organisation for Economic Co-operation and Development (OECD), which acts as the Convenor, the Statistical Office of the European Communities (Eurostat), the International Monetary Fund (IMF), the United Nations Statistics Division, the United Nations Conference on Trade and Development (UNCTAD) and the World Trade Organization (WTO). The Task Force members, in their initial meetings, considered possible strategies for improving the statistics. They decided that the preparation of new international methodological recommendations, both innovative and consistent with existing statistical systems, was a prerequisite for achieving its goals. Thus, in early 1996, they began to develop the present Manual.

Over the next several years, the Task Force members, with assistance from national experts and specialist consultants, developed the outline structure of the Manual, undertook research and prepared successive drafts of chapters and appendices. During this period, the Task Force was chaired first by Derek Blades (OECD), through 1999, and then by William Cave (OECD). Other Task Force members who significantly contributed to the development and production of the *Manual* were Jean-Claude Roman (Eurostat); Margaret Fitzgibbon, Mahinder Gill and Neil Patterson (IMF); Ann Chadeau and Erwin Veil (OECD); Mary Chamie (United Nations Statistics Division); Jolita Butkeviciene (UNCTAD); Jürgen Richtering (UNCTAD and later WTO); and Guy Karsenty (WTO).

The United States Bureau of Economic Analysis (USBEA), the Deutsche Bundesbank, and Statistics Canada made available leading national experts to work with the Task Force. These experts were Obie Whichard (USBEA); Almut Steger (Deutsche Bundesbank), who participated in her capacity as Chair of the Group of OECD-Eurostat Experts in Trade in Services Statistics; and Shaila Nijhowne (Statistics Canada), who participated in her capacity as Chair of the Technical Subgroup on Classifications of the Expert Group on International Economic and Social Classifications. Statistics Canada made additional research contributions, especially through Hugh Henderson. The Task Force employed two specialist consultants, Julian Arkell and Jack Bame, who undertook initial research and prepared early drafts of the *Manual*. Eivind Hoffmann (International Labour Organization), Thomas Hatzichronoglou (OECD), Francis Ng (World Bank) and Antonio Massieu (World Tourism Organization) provided advice to the Task Force.

The successive drafts of the *Manual* were subject to an extensive consultation and review process with expert groups, national statistical agencies, national central banks, international agencies, trade negotiators and data users. Reviews of the *Manual* or its status were undertaken during meetings of the IMF Committee on Balance of Payments Statistics, the Group of OECD-Eurostat Experts in Trade-in-Services Statistics, and the OECD Globalization Experts of the Working Party on Statistics of the Committee on Industry and the Business Environment; at workshops for national statisticians that were conducted by the UN Statistics Division, in cooperation with the regional commissions and national host agencies, in the Latin America and the Caribbean, Asia and Pacific, and African regions; at Asia Pacific Economic Cooperation and WTO seminars; and at a meeting of the United Kingdom Royal Statistical Society. The Task Force benefited immensely from the advice received at these various meetings and seminars, and also from comments received from about 70 countries following a mail-

out of the draft *Manual* by IMF and the UN Statistics Division in November 1999 to central banks and statistical agencies worldwide.

The Task Force wishes to express its appreciation to the members of the expert group that was convened in July 2000 to conduct the final external technical review of the draft *Manual*. The members of this group of statisticians, trade negotiators, business representatives and data users commended the Task Force for its work and made a number of recommendations to be addressed before submission of the *Manual* to the Statistical Commission for approval. The group was chaired by Peter Pariag (Trinidad and Tobago) and its other members were: Mr. Henderson, Ms. Nijhowne and David Usher (Canada); Quancheng Song (China); Wai-Yi Wang (Hong Kong, China); François Renard (France); Ms. Steger (Germany); Akhilesh C. Kulshreshtha (India); Jung-Hoi Koo (Republic of Korea); Alfonso Sales Duarte (Mexico); Adisa Timothy Odunlami (Nigeria); Lidia Troshina (Russian Federation); Stefaans Walters (South Africa); Stuart Brown and Duncan McKenzie (United Kingdom); Bernard Ascher, Peter D. Ehrenhaft, Harry Freeman and Mr. Whichard (United States of America); José Carlos Mattos and Francisco Javier Prieto (Economic Commission for Latin America and the Caribbean); and Sherry M. Stephenson (Organization of American States).

As a result of the extensive review process, in 2000 and early 2001 the Task Force prepared a further draft of the *Manual*, under the coordination of Mr. Cave, who drew together substantive material drafted by Ms. Fitzgibbon, Mr. Karsenty and Mr. Whichard, as well as important contributions and guidance from Ralf Becker (UN Statistics Division), Ms. Butkeviciene, Ms. Chamie, Mr. Patterson, Mr. Roman and Ms. Steger. OECD contributed secretarial and administrative support, particularly by Joscelyn Magdeleine. Editorial support was financed by IMF.

The present draft was submitted to the Statistical Commission at its thirty-second session, in March 2001. The Statistical Commission approved the *Manual* as an international manual and commended the Task Force for its work.

List of acronyms

BD3	third edition of the OECD <i>Benchmark Definition of Foreign Direct Investment</i>
BPM5	fifth edition of the IMF <i>Balance of Payments Manual</i>
CPC, Version 1.0	<i>Central Product Classification, Version 1.0</i>
EBOPS	<i>Extended Balance of Payments Services (Classification)</i>
FATS	In this <i>Manual</i> the term “ <i>FATS statistics</i> “ refers to “ <i>foreign affiliates trade in services statistics</i> ” (i.e., not to “ <i>Foreign Affiliates Trade Statistics</i> ”, as in some other literature)
FDI	foreign direct investment
FISIM	financial intermediation services indirectly measured
f.o.b.	free on board
FTE	full-time equivalent
GATS	<i>General Agreement on Trade in Services</i>
GATT	<i>General Agreement on Tariffs and Trade</i>
HS	<i>Harmonized Commodity Description and Coding System</i> of the World Customs Organization
ICSE-93	<i>International Classification of Status in Employment</i>
ICFA	<i>ISIC Categories for Foreign Affiliates</i>
ILO	International Labour Organization
IMF	International Monetary Fund
IMTS, Rev.2	<i>International Merchandise Trade Statistics: Concepts and Definitions, Revision 2</i>
ISCO-88	<i>International Standard Classification of Occupations</i>
ISIC, Rev.3	<i>International Standard Industrial Classification of All Economic Activities, Revision 3</i>
ITRS	international transactions reporting systems
MFN	most favoured nation
N/A	not applicable
n.e.c.	not elsewhere classified
n.i.e.	not included elsewhere
OECD	Organisation for Economic Co-operation and Development
1993 SNA	<i>System of National Accounts, 1993</i>
SPEs	special purpose entities
TSA	<i>Tourism Satellite Account: Recommended Methodological Framework</i>
UBO	ultimate beneficial owner (used in respect of foreign affiliates)
UN	United Nations
UNCTAD	United Nations Conference on Trade and Development
WTO	World Trade Organization

Summary

The Manual on Statistics of International Trade in Services is an important first step in addressing a growing demand from Governments, business and analysts for more relevant, detailed and internationally comparable statistics on such trade. A special emphasis is given to the statistical information needs of international trade negotiations and agreements.

The aim of the *Manual* is to provide a coherent conceptual framework within which countries can structure the statistics they collect and disseminate on international services trade. It recommends a number of core and additional data items to be implemented over time, and in so doing recognizes the constraints under which statistical compilers operate and the need not to burden data providers unduly. In order to facilitate countries' adoption of this framework, it builds on existing standards for compilation, in particular the fifth edition of the International Monetary Fund's *Balance of Payments Manual* (BPM5) and the *System of National Accounts, 1993* (1993 SNA).

Following the *General Agreement on Trade in Services* and to clarify how trade in services takes place, the *Manual* describes four modes through which services may be traded internationally. It does so by considering the location of both the supplier and consumer of the traded service. The first of these modes, mode 1 or *cross-border supply*, applies when suppliers of services in one country supply services to consumers in another country without either supplier or consumer moving into the territory of the other. Mode 2, *consumption abroad*, describes the process by which a consumer resident in one country moves to another country to obtain a service. Further, enterprises in an economy may supply services internationally through the activities of their foreign affiliates abroad. This mode of supply, mode 3, is called *commercial presence*. The last of these modes of supply, mode 4 or *presence of natural persons* describes the process by which an individual moves to the country of the consumer in order to provide a service, whether on his or her own behalf or on behalf of his or her employer.

The *Manual* is innovative in that it takes at once a broader and a more detailed view of international trade in services than the conventional balance of payments perspective set out in BPM5. It provides a more detailed classification of services delivered through conventional trade between residents and non-residents than is contained in BPM5, includes a treatment of local delivery of services through a foreign commercial presence and takes a first step toward linking these two systems. Links to existing statistical frameworks are described and correspondences provided between the classifications used in the *Manual*.

The BPM5 framework contains, amongst other things, recommendations for the definition, valuation, classification, and recording of resident/non-resident trade in services. Building on this framework, the *Manual* recommends extending the BPM5 classification of transactions by type of service to provide more detail through the *Extended Balance of Payments Services Classification* (EBOPS). Correspondence tables showing the relationship between EBOPS, the Central Product Classification, Version 1.0 and the GNS/W/120 list (the list of services for trade negotiations under the *General Agreement on Trade in Services*) are included in annex III to the *Manual*. These tables assist in the provision of clear definitions of the various components of EBOPS. Except for small differences in the treatment of construction services, the recommendations contained in the *Manual* are consistent with BPM5. Thus, a country's balance of payments statistics will provide many of the data that are needed to implement the recommendations relating to the measurement of resident/non-resident trade in services. Recommendations are made in the *Manual* on the attribution of resident/non-resident transactions across the modes of supply.

As well as providing services by way of trade between residents and non-residents of an economy (measured in balance of payments statistics), enterprises in an economy may also supply services internationally through the activities of foreign affiliates abroad. The *Manual* recognizes this in its discussions on and recommendations for foreign affiliate trade in services (FATS) statistics. Included are recommendations on (a) the selection of foreign affiliates to be covered (which follows the definition of foreign-controlled enterprises used in the 1993 SNA);* (b) the attribution of FATS statistics (including a discussion on attribution by activity and by product); and (c) the variables to be compiled. While this is a less well-developed area statistically than the balance of payments

* This is implemented statistically as covering affiliates that are majority-owned by a direct investor.

statistics, some FATS statistics for foreign-owned affiliates in the compiling economy may be found in, or derived from, existing statistics on domestic production, including national accounts statistics based on the recommendations of the 1993 SNA.

The recommended basic FATS variables discussed in the *Manual* are: sales (turnover) and/or output, employment, value added, exports and imports of goods and services, and number of enterprises. Additional FATS variables considered relevant are also identified. The definitions of these variables are drawn from the 1993 SNA.

For both resident/non-resident trade in services and foreign affiliate trade in services, the *Manual* recommends the compilation of statistics on trade by partner country.

One area in which the *Manual* moves beyond existing statistical frameworks is the area where services in one country are provided by individuals (or *natural persons*) from another country moving to the first country on a non-permanent basis to take up employment. This area, which is part of mode 4, is one in which countries make commitments in trade agreements, and while some statistics on associated payments are included in balance of payments statistics, there is a need for further development of statistics in this area. Consequently, there is only limited discussion on, and recommendation for, compiling relevant statistics on the movement of natural persons in the main text of the *Manual*. The subject is discussed more fully in annex I, including the relevance of currently available statistics on the employment and work related movements of foreign nationals.

Although it is an important first step, the *Manual* addresses to a limited extent the inherent difficulties experienced by compilers in collecting data on trade in services. In addition, the nature of trade in services is changing in response to new technologies. The *Manual* therefore identifies the need for further work in a number of areas. These include compilation guidance, improving the classification and descriptions of certain services such as internet related, environment related and tourism related services, and the development of a framework for the measurement of the movement of natural persons and associated payments in relation to trade in services. In a longer time frame, it is desirable that the links be reviewed and strengthened between classifications of services activity and products on the one hand, and classifications of international trade in services between residents and non-residents on the other.

The *Manual* proposes a phased approach to the implementation of its recommendations so that countries, including those that are beginning to develop statistics on international trade in services, can gradually begin to structure available information in line with this new international standard framework. The sequence of recommended elements, of which a subset are designated as core recommendations, takes into account the relative ease that many compilers may find in their implementation. However, the order is quite flexible, so that countries can meet the priority needs of their own institutions. Full implementation - to be seen as a long-term goal - would represent a considerable increase in the detail of information available on trade in services.

I. Foundations of the *Manual*: general introduction and overview

A. Introduction

1.1. The *Manual on Statistics of International Trade in Services* represents an important advance in providing a clearer, more detailed and more comprehensive system for the measurement of such trade. The *Manual* has been prepared to address the needs of a variety of producers and users of statistics on international trade in services. While it is primarily a guide for statistical compilers, it is also a useful tool for Governments and international organizations that use statistical information in connection with international negotiations on trade in services. Furthermore, it can aid businesses and others that need to assess developments in international services markets.

1.2. A particular impetus for the preparation of a separate manual on statistics of international trade in services has arisen from the recent tendency for trade agreements to cover services as well as goods, and the need for statistics both to guide the negotiations and to support implementation of these agreements. The most well known and wide-reaching agreement involving services is the *General Agreement on Trade in Services* (GATS), which became effective in 1995. Its specific requirements are discussed in the present *Manual*, and these requirements have informed several of the *Manual's* recommendations for extensions to existing statistical frameworks. A new round of multilateral negotiations, known as GATS 2000, was under way as the *Manual* went to press, and it is clear that the existence of a more fully articulated statistical framework for services should help to support these negotiations and any agreement that is reached. Statistics are necessary for analysing the increasingly important phenomenon of *globalization*, which is a concept that usually entails the internationalization of both production and sales, as well as for monitoring the performance of service industries. This need for statistics has fuelled the demand for development of a more comprehensive and better integrated approach to statistical issues pertaining to trade in services.

1.3. To meet these diverse needs, in recognition of the role of both affiliated enterprises and individuals locating abroad for the delivery of services to foreign customers, and in light of the increasing tendency for

trade agreements to cover such methods of supply, the term *international trade in services* is construed broadly in the *Manual*. It covers trade in services in the conventional sense of transactions between residents and non-residents. It extends the meaning of trade in services to cover services delivered through locally established enterprises. In the *Manual*, these latter transactions are designated as *foreign affiliates trade in services* (FATS). Also discussed in the context of trade in services are certain categories of service related employment of individuals non-permanently located abroad to the extent that they are covered by trade agreements. Although it extends the concept of *trade in services*, it does not extend the concept of *services*, and it conforms almost entirely to existing international statistical standards. Discussion of the usage of the terms *services* and *international trade in services* in this *Manual* is provided in boxes 1 and 2, respectively.

1.4. This construction of these terms signals the approach of the *Manual*, for while it features some important steps forward in the field of measurement of international trade in services, it does so by building on, rather than suggesting modifications to, internationally agreed standards for compilation. First and foremost among these standards is the fifth edition of the International Monetary Fund (IMF) *Balance of Payments Manual*¹ (BPM5), which contains recommendations for the definition, valuation, classification, and recording of resident/non-resident trade in services. Also important is the *System of National Accounts, 1993*² (1993 SNA), whose concepts and definitions underpin many of the *Manual's* recommendations about data on services delivered through foreign affiliates. Although there are important advances in the *Manual*, it recognizes that in some areas there is farther to go; where questions are raised that are not adequately resolved, this *Manual* also sets an agenda for further research and development work.

¹ Washington, D.C., 1993.

² Commission of the European Communities, International Monetary Fund, Organisation for Economic Co-operation and Development, United Nations and World Bank, Brussels/Luxembourg, New York, Paris, Washington, D.C., 1993.

1.5. For services trade between residents and non-residents, the *Manual* recommends building on the BPM5 framework by elaborating its classification of transactions by type of service to form the Extended Balance of Payments Services Classification (EBOPS). Annex III provides tables showing the correspondence between EBOPS, the *Central Product Classification, Version 1.0*³ (CPC, Version 1.0) of the United Nations, and the GNS/W/120 list of services identified within the scope of GATS.

1.6. An important feature of the *Manual* is a discussion of the modalities through which services may be delivered, of which the GATS identifies four: *cross border, consumption abroad, commercial presence* and *presence of natural persons*. Distinctions are made based on whether the service supplier, the consumer, or neither, moves from one country to another for the transaction to be effected.

1.7. For services delivered through subsidiaries and branches abroad, referred to in the present *Manual* as the *commercial presence* mode, methodological antecedents are not fully developed. However, drawing on work conducted by the Organisation for Economic Co-operation and Development (OECD) and the Statistical Office of the European Communities (Eurostat), as well as on the experience of a number of countries in collecting this type of data, the *Manual* reflects the emerging international consensus that statistics on such services should be developed for firms in which a foreign investor has a majority interest. They should be classified as a first priority on an activity basis (i.e., by industry of the producer rather than by type of service produced). Industry groupings drawn from the *International Standard Industrial Classification of All Economic Activities, Revision 3*⁴ (ISIC, Rev.3), are provided for use in reporting these statistics to international organizations. These groupings, known as the *ISIC Categories for Foreign Affiliates* (ICFA), allow the activities of services enterprises to be viewed in the context of the activities of all enterprises. Although detail by product for foreign-owned firms is encouraged to enable comparability between FATS data and trade between residents and non-residents, compilation on a product basis will remain a longer-term goal for most countries because of current limitations on data collection.

³ United Nations publication, Sales No. E.98.XVII.5.

⁴ United Nations publication, Sales No. E.90.XVII.11.

1.8. The most pertinent information on the activities of affiliates may be considered to be data on their sales. Services delivered through transactions between residents and non-residents are measured in terms of sales, and a comparable measure must be available for affiliates in order to measure services delivered through foreign affiliates on a parallel basis. However, additional information is generally required for an adequate assessment of the economic effects of affiliate operations and of measures to liberalize the delivery of services through the commercial presence mode of supply. Accordingly, the *Manual* recommends multiple indicators, or variables, for FATS, rather than sales only.

1.9. With respect to one of the modes of supply, the *presence of natural persons*, the definitions and concepts used in GATS require some information that lies outside the BPM5 and FATS domains or that pertains to transactions that BPM5 records in components other than services. Because these domains are not subject to modification, and because the statistical requirements in this area are less well defined, these requirements are addressed in an annex to the *Manual*. The lack of a precise definition and a suitable existing framework has led to the identification of this mode of supply as a key area for further development work.

1.10. The *Manual* provides descriptions of the major services involved in international trade as well as the GATS nomenclature and provisions. However, for a range of services that have attracted particular attention in trade negotiations, there is insufficient agreement on a detailed taxonomy and corresponding statistical treatment. These include telecommunications, financial services, professional services, environmental services, and internet related services. For these services, some further development work, beyond their treatment in the *Manual*, is recommended.

1.11. The *Manual* does not give more than summary practical guidance to national compilers as is the purpose of the IMF *Balance of Payments Compilation Guide*.⁵ It is recognized, however, that the successful implementation of the *Manual*'s recommendations will be greatly aided by further guidance and technical support from international agencies to supplement existing provision.

1.12. The treatment in the present *Manual* of both balance of payments statistics on trade in services and FATS statistics, even within the constraints of current

⁵ Washington, D. C., 1995.

statistical frameworks, represents a significant step toward building links between these two bases. This linkage poses a challenge to statisticians who may draw on expertise and information spread among central banks, national statistical offices, and government ministries. As statistics on trade in services are developed, close cooperation will be required among the institutions involved.

1.13. Measurement of trade in services is inherently more difficult than measurement of trade in goods. Services are more difficult to define. Some services are defined through abstract concepts rather than by any physical attribute or physical function. Unlike trade in goods, for trade in services there is no package crossing the customs frontier with an internationally recognised commodity code; a description of the contents; information on quantity, origin, and destination; an invoice; and an administrative system based on customs duty collection that is practised at assembling these data. The required information on services trade, once defined, is dependent on reaching a common understanding of concepts with data providers. It depends on information that may be reported either from business accounting and record keeping systems or by individuals, and on a variety of data sources, including administrative sources, surveys, and estimation techniques.

1.14. National agencies need to weigh the demand of users for more detail about services trade against the cost of collection, the burden of extra information provision on business, and the need for certain minimum quality thresholds. As with other statistical data collections, there is a requirement in most countries to protect the confidentiality of individual firms' data. These constraints and considerations limit in a very real sense the amount of detail on international trade in services that it is practical to provide. The level of detail set out in the *Manual* accordingly represents a compromise between the need that trade negotiators, analysts, and policy makers have for information and the difficulties of data collection that national agencies may encounter.

B. Set of recommended elements for phased implementation

1.15. The *Manual* recommends a complete set of elements for compilers to implement that build on internationally agreed standards so as progressively to achieve comparability of published statistics on international trade in services. These elements, if fully implemented, would represent a considerable increase in

the detail of information available on trade in services. It is recognized that many countries will see the full implementation of the recommendations as a long-term goal. The ten elements are listed below and represent a summary of the recommendations.

1.16. The first five are proposed as *core* elements to tackle first. It is suggested that these five core elements should be given particular priority and that the other elements can be implemented incrementally thereafter. The five core elements would, when implemented, provide a basis for a common internationally comparable basic data set. All countries, including those that are beginning to develop statistics on international trade in services, can follow this phased approach to begin to structure available information in line with this new international standard framework. The sequence of elements, as suggested, takes into account the relative ease that many compilers may find in their implementation, commencing with the easier elements. However, the order is intended to be quite flexible so that countries can meet the priority needs of their own institutions.

1.17. In general, as countries implement the recommendations in the present *Manual*, it is suggested that they provide explanatory notes along with published data in order to enhance the transparency of their methodologies and users' ability to compare data internationally. These notes should include information about data coverage and definitions, particularly where these deviate from the *Manual's* recommendations. Such metadata provide users of the statistics with useful background information on such things as how the data are collected or estimated, where coverage is thought to be deficient, and where the data deviate from the internationally agreed standards (as described in the present *Manual*). The provision of such explanatory notes along with the actual data is a practice now followed by many countries in a broad range of statistics.

1. Recommended core elements

BPM5

1.18. Implement the BPM5 recommendations, including the definition, valuation, classification and recording of service transactions between residents and non-residents.⁶

⁶ See paras. 3.1-3.23 below and annex II.

EBOPS: first part - disaggregation

1.19. Compile balance of payments data according to EBOPS,⁷ which involves disaggregating the BPM5 standard components for services into EBOPS subcomponents. Where the compilation of the main EBOPS classification is developed and carried out in stages, compilers should commence with the disaggregation of services of major economic importance to their own economies. Where data for related memorandum items are available as part of this compilation process, these memorandum items should also be compiled.

Foreign direct investment statistics

1.20. Collect complete statistics on foreign direct investment (FDI) (i.e., the flows, income, and period-end positions) classified by ISIC, Rev.3 activities to be complementary to the FATS statistics. For those countries that must delay the implementation of FATS statistics, FDI statistics provide an alternative interim indicator of commercial presence.⁸

FATS: basic variables

1.21. Record certain basic FATS statistics, such as sales (turnover) and/or output, employment, value added, exports and imports of goods and services, and number of enterprises. For achieving comparability when reporting to international organizations, these are classified by specified activity categories based on ISIC, Rev.3, i.e., ICFA.⁹

Trade in services by partner country

1.22. Compile statistics on trade in services by partner country. For transactions between residents and non-residents, the aim would be to report partner country detail at the level of services trade as a whole and for each of the main types of services in BPM5. In the case of FATS and FDI, it would be to report partner country detail both in the aggregate and for the major industry categories within ICFA. In both cases, it is recommended that countries give a higher priority to providing data with respect to their most important trading partners. To the extent possible,

⁷ See paras. 3.52-3.143 below and annex II.

⁸ See para. 4.9 and box 7.

⁹ See paras. 4.46-4.66 below and table 3.

countries should use a common geographical basis for all three sets of statistics.¹⁰

2. Other recommended elements

EBOPS: second part—completion

1.23. Complete the implementation of EBOPS¹¹ to the extent relevant to the compiling economy, including the memorandum items. As above, memorandum items should be compiled where the data necessary for this purpose are available as part of the data collection process for the related EBOPS components. Other memorandum items should be compiled where there is a demand for these data in the compiling economy. An elaboration of the full EBOPS classification and its memorandum items together with their correspondence to CPC, Version 1.0 is shown in annex III.

FATS: further details

1.24. Augment the basic FATS statistics by compiling data on additional aspects of the operations of foreign affiliates, such as assets, net worth, operating surplus, gross fixed capital formation, taxes on income, research and development expenditures, and compensation of employees.¹²

1.25. Detail of sales by product is desirable, not least because of the potential comparability between FATS data and trade between residents and non-residents. While compilation on this basis may well have to remain a long-term goal for most countries, as a first step toward a product basis, countries may wish to disaggregate sales in each industry as between services and goods. In addition, countries that are building their statistical systems for FATS on existing data systems that already include product detail may wish to use this detail from the outset because it could help them in monitoring commitments under GATS that are specified in terms of services products. Similarly, countries that are building their FATS data systems from the ground up should consider the feasibility of providing for a product dimension.¹³

¹⁰ See paras. 3.38-3.40 and 4.30-4.36 below.

¹¹ See paras. 3.52-3.143 below and annex II.

¹² See paras. 4.67-4.68 below.

¹³ See paras. 4.44-4.45 below.

Persons working abroad

1.26. Collect statistics on natural persons under the GATS framework, both those from the compiling economy working abroad and foreign natural persons working in the compiling economy, taking into account the needs, resources, and special circumstances of the compiling country. In this process, the framework, and definitions set out in annex I should be used as a guide.¹⁴

Trade between related¹⁵ and unrelated parties

1.27. Within the statistics on trade in services between residents and non-residents, separate out the trade with related parties from that with unrelated parties.¹⁶

GATS modes of supply

1.28. Allocate the transactions between residents and non-residents over the GATS modes of supply. The simplified procedure set out in paras. 3.41-3.49 below may be used as a starting point in compiling a first approximation of this allocation.

¹⁴ Measurement of the GATS presence of natural persons is an area for further development by international agencies.

¹⁵ Trade with related enterprises is defined to include trade with all enterprises with which there is a direct investment relationship.

¹⁶ See paras. 3.36-3.37 below.

C. Shape of the Manual

1.29. Chapter II of the present *Manual* discusses user needs, describes links with existing international frameworks, sets out the approach of the *Manual* with a statistical framework for measurement of international trade in services, and considers the modes of supply, introducing a simplified approach for statistical analysis of these. Chapter III addresses services trade between residents and non-residents, describes EBOPS in detail and explains how its components should be measured. Chapter IV describes the new domain of FATS statistics, the criteria used to define the coverage of FATS, the classifications used, and the variables recommended for compilation.

1.30. Supplemental information is provided in the annexes. Annex I discusses how to approach the compilation of trade statistics on services delivered by the movement of natural persons. Other annexes cover EBOPS; the correspondence between EBOPS, CPC, Version 1.0 and GNS/W/120, between ICFA and ISIC, Rev.3, and between ISIC, Rev.3 and ICFA; the GATS; the list of services used by GATS negotiators; and tourism satellite accounts. A glossary and bibliography conclude the Manual.

Box 1. Services definition

The term *services* covers a heterogeneous range of intangible products and activities that are difficult to encapsulate within a simple definition. Services are also often difficult to separate from goods with which they may be associated in varying degrees.

The present *Manual* generally respects the 1993 SNA use of the term *services*, which is defined as follows: “Services are not separate entities over which ownership rights can be established. They cannot be traded separately from their production. Services are heterogeneous outputs produced to order and typically consist of changes in the condition of the consuming units realised by the activities of the producers at the demand of the customers. By the time their production is completed they must have been provided to the consumers.”

However, the 1993 SNA then qualifies this relatively simple definition as follows: “There is a group of industries, generally classified as service industries, that produce outputs that have many of the characteristics of goods, i.e., those concerned with the provision, storage, communication and dissemination of information, advice

and entertainment in the broadest sense of those terms—the production of general or specialized information, news, consultancy reports, computer programs, movies, music, etc. The outputs of these industries, over which ownership rights may be established, are often stored on physical objects—paper, tapes, disks, etc.—that can be traded like ordinary goods. Whether characterized as goods or services, these products possess the essential characteristic that they can be produced by one unit and supplied to another, thus making possible division of labour and the emergence of markets.”

The 1993 SNA recommends the use of CPC for the classification of products or outputs of industry. Services are classified using sections 5 through 9 of CPC, Version 1.0. The 1993 SNA recommends the use of ISIC, Rev.3 for the classification of industry. In practice, service industries (or activities) are taken to be those in sections G through Q of ISIC, Rev.3. In BPM5, the concept of services is, in principle, essentially that of the 1993 SNA, but for practical measurement reasons international trade in services between residents and non-residents includes some trade in goods, such as those bought by travellers and those purchased by embassies. On the other hand, under certain circumstances international trade in goods may indistinguishably include such service charges as insurance, maintenance contracts, transport charges, royalty payments and packaging.

Examples of service activities are wholesale, retail, certain kinds of repair, hotel, catering, transport, postal, telecommunication, financial, insurance, real estate, property rental, computer-related, research, professional, marketing and other business support, government, education, health, social, sanitation, community, audiovisual, recreational, cultural, personal, and domestic services.

Box 2. International trade in services

Before the publication of the present *Manual*, the conventional statistical meaning of *international trade in services* was that described in BPM5, which defines international trade in services as being between residents and non-residents of an economy. This also corresponds very closely to the concept of trade in services in the “rest of the world” account of the 1993 SNA. Such trade is described in chapter III of the present *Manual*.

This concept of international trade in services combines with the concept of international trade in goods, to form international trade in goods and services in the BPM5 current account. But as described in box 1, it is not always practical to separate trade in goods from trade in services.

Services differ from goods in a number of ways, most commonly in the immediacy of the relationship between supplier and consumer. Many services are non-transportable, i.e., they require the physical proximity of supplier and customer—for example, the provision of a hotel service requires that the hotel is where the customer wishes to stay, a cleaning service for a business must be provided at the site of the business, and a haircut requires that both hairstylist and client be present.

For international trade in such non-transportable services to take place, either the consumer must go to the supplier or the supplier must go to the consumer. International trade agreements concerning services, in particular those embodied in GATS, make provision for agreement on suppliers moving to the country of the consumer.

To reflect this type of trade, the *Manual* extends the definition of *international trade in services* to include the value of services provided through foreign affiliates established abroad, described here as *foreign affiliates trade in services* (FATS). Such trade is described in chapter IV below.

Services are also supplied by individuals located abroad, either as service suppliers themselves or employed by service suppliers including those in the host country. A large part of this type of trade in services is covered by the BPM5 and FATS frameworks; the rest is discussed in annex I.

Note: Although the present *Manual* extends the scope of the term international trade in services, the *Manual* does not suggest that these extensions be regarded as imports or exports.

II. Conceptual framework for the development of statistics on international trade in services

A. Introduction

2.1. The present chapter identifies the need for a framework within which to compile statistics on international trade in services, describes relevant aspects of existing statistical systems and standards, and sets out the approach and framework adopted in the *Manual*.

2.2. Section II.B discusses the users' statistical requirements addressed in the *Manual*. It considers both general requirements and the detailed information needs of GATS with regard to classification detail, information by origin and destination, and information by modes of supply. Section II.C carries out a review of standard statistical systems and classifications related to trade in services. This review describes relevant aspects of existing statistical standards, for which consistency with the *Manual* is sought, and assesses the extent to which the *Manual* needs to complement these standards as the best means of meeting the user needs discussed in the previous section. Section II.D describes the *Manual's* approach and its main framework, as built on the SNA and BPM5 statistical systems, and identifies one area where it goes beyond these systems. The main framework has four components:

(a) BPM5 concepts and classification related to international trade in services (transactions between residents and non-residents);

(b) BPM5 extensions, providing for more detailed information on transactions by product category and by partner country;

(c) FATS statistics that complement BPM5, dealing with aspects of international trade in services, as broadly defined, that are out of the scope of BPM5 (e.g., transactions between residents);

(d) A simplified statistical approach for the treatment of modes of supply and the special case of measurement of presence of natural persons insofar as it is not covered in BPM5 trade in services.

B. Need for a statistical framework on international trade in services

1. Globalization and multilateral services trade negotiations

2.3. Rapid technological advances in the past few decades in transport, computing and telecommunications, including the development of the Internet and electronic commerce, have resulted in enterprises availing themselves of more distant resources for production and enabled them to serve ever wider markets. This trend towards globalization, reinforced by liberalization policies and the removal of regulatory obstacles to economic activities, has fuelled the steady growth of international investment and trade in goods and services. Better communications and multinational enterprises have also facilitated the movement of people, both as independent service suppliers and as employees.

2.4. It is estimated that services are the largest recipients of international investment flows, accounting for just over half of global outflows in 1999.¹⁷ Services comprised about one fifth of worldwide trade in balance of payments terms. There are currently few reliable international comparisons of FATS data, but for the United States at least, in 1998, services delivered to foreign markets by foreign affiliates of United States companies, and to United States markets by United States affiliates of foreign companies, exceeded the respective values of the exports and imports of services recorded in the United States balance of payments.¹⁸ The development of statistics on trade in services has lagged behind the reality of the marketplace. The present *Manual* is designed to encourage Governments to correct the data imbalance, and to arm themselves with more appropriate statistical tools for economic analysis and

¹⁷ United Nations Conference on Trade and Development, *World Investment Report 2000: Foreign Direct Investment and the Challenge of Development* (New York), 2000.

¹⁸ United States Bureau of Economic Analysis, *The Survey of Current Business* (Washington, D.C.), October 2000.

policy-making to match their needs, whether in economic development or trade negotiations.

2.5. An important response of the international community to the globalization of trade has been the creation of the World Trade Organization (WTO), which entered into force on 1 January 1995 as the major outcome of the Uruguay Round of multilateral trade negotiations. WTO provides a common institutional framework for the conduct of trade relations among its member countries. Its main functions are to facilitate the implementation, administration and operation of the multilateral trade agreements; to provide a forum for further negotiations; to review national trade policies; and to secure positive solutions to trade disputes. The three principal WTO agreements are the General Agreement on Tariffs and Trade (GATT) of 1994, the General Agreement on Trade in Services (GATS) and the Agreement on Trade-Related Aspects of Intellectual Property Rights. GATS is the first set of legally enforceable disciplines and rules ever negotiated and agreed at the world level to cover international trade in services.¹⁹

2.6. Trade negotiators require statistics as a guide to negotiate specific commitments in trade in services and thereafter to monitor compliance and the resulting changes for each type of service. Statistics can aid the evaluation of market access opportunities; inform decisions on negotiating priorities and strategy; support the comparison of commitments; facilitate the assessment of the extent of liberalization achieved in specific services and markets; and provide a statistical background for the settling of disputes. Private business also needs the information in order to be aware of the possibilities offered by trade liberalization. The analysis of markets for whatever purpose also requires that trade data can be linked to output data, whether in terms of activities or of products.

2.7. The *Manual* acknowledges the tight constraints under which statistical compilers operate, whether in national statistics offices, central banks or other institutions, as well as the need not to burden private enterprise unduly, while still providing a clear ultimate goal for a conceptually complete framework.

¹⁹. World Trade Organization, *The Results of the Uruguay Round of Multilateral Trade Negotiations: The Legal Texts* (Geneva, 1995), annex 1B.

2. *The General Agreement on Trade in Services*

(a) *Structure and guiding principles of GATS*

2.8. GATS establishes a set of rules and disciplines governing the use by WTO member countries of trade measures in services. Such measures consist of laws, regulations, administrative actions and decisions affecting the purchase, payment or use of a service or the presence of foreign service suppliers. The GATS disciplines extend across all government levels, including non-governmental bodies in the exercise of delegated powers.

2.9. The pillars of GATS are a set of *general obligations*, many of which apply directly and automatically to all WTO members and all services; *specific commitments* resulting from negotiations, whose scope is limited to the sectors and transactions in which a member has undertaken access obligations; and several *annexes* covering specific sectors or trade-related matters such as the movement of natural persons.

2.10. First and foremost among the *general obligations* is the principle of *most-favoured-nation* (MFN) *treatment*, which forbids any form of discrimination between services and service suppliers originating in different countries. Thus, regardless of whether or not a country allows foreign competition in a sector, it must apply the same conditions to services and service providers from all other WTO member countries.²⁰ Another general obligation (transparency) requires WTO members to publish all trade-related measures and establish national enquiry points to respond to other members' information requests.

2.11. *Specific commitments*, relating to market access, national treatment and any additional undertakings, are specified and bound in national schedules as a result of negotiations.²¹ While the GATS requires all member countries to submit such a schedule, it does not obligate

²⁰ An annex on MFN exemptions allowed WTO members to list exemptions for measures existing at the date of entry into force of GATS. These exemptions should in principle last no longer than 10 years; they are subject to review and must be (re)negotiated in subsequent trade rounds. New exemptions can be granted only in special circumstances and require a waiver under the WTO Agreement.

²¹ When commitments are "bound" in national schedules, this means that in general they cannot be easily modified or withdrawn; because "unbinding" is a difficult process, the commitments are virtually guaranteed conditions for foreign exporters and investors.

them to assume commitments in any particular sector. In turn, this leaves scope to adjust the level and structure of commitments to country specific objectives and constraints. Specific commitments may be undertaken with regard to any of the four modes of supply covered by GATS: *cross border supply*, *consumption abroad*, *commercial presence*, and *presence of natural persons*. For a given sector and mode, the relevant commitment may vary between full competition and denial of any degree of market access and national treatment. In many cases, members have opted for an intermediate solution, subjecting their commitments to particular limitations. Typical market access limitations, listed in GATS, are quota-type ceilings on the number of service suppliers, their operations or employees, and restrictions on the legal form of establishment or the participation of foreign capital. Frequently used national treatment limitations concern the eligibility of foreign suppliers for subsidies and restrictions on foreign land ownership.

2.12. The assumption of specific commitments does not prevent Governments from regulating the service concerned or the licensing of suppliers for quality purposes. GATS requires WTO members to ensure that the relevant standards, requirements and procedures do not constitute unnecessary barriers to trade and, in particular, that they are not more burdensome than is necessary to ensure the quality of the service.

2.13. Under GATS, WTO members are committed to entering into successive rounds of trade liberalizing negotiations.²² It was agreed that the first such round was to begin not later than five years from the date of entry into force of GATS, that is, by 1 January 2000.

(b) The four GATS modes of supply

2.14. In GATS, trade in services is defined as the supply of a service:

- a. from the territory of one [WTO] Member [country] into the territory of any other Member;
- b. in the territory of one [WTO] Member to the service consumer of any other Member;

c. by a service supplier of one [WTO] Member, through commercial presence in the territory of any other Member;

d. by a service supplier of one [WTO] Member, through presence of natural persons of a Member in the territory of any other Member.

2.15. These modes are generally referred to as mode 1 or cross-border supply, mode 2 or consumption abroad, mode 3 or commercial presence, and mode 4 or presence of natural persons.

2.16. Mode 1, cross-border supply, takes place when the consumer remains in his or her home territory while the service crosses national borders, the supplier being located in a different country. The delivery of the service can be effected, for example, by telephone, fax, Internet or other computer mediated links, television or the sending of documents, disks, tapes, etc. by mail or courier. It is similar to the traditional notion of trade in goods, where both the consumer and the supplier remain in their respective territory when the product is delivered. Indeed, freight transport services, which support trade in goods, are themselves examples of cross-border supply of services. Correspondence courses and telediagnosis are other examples.

2.17. Mode 2, consumption abroad, occurs when a consumer moves outside his or her home territory and consumes services in another country. Such tourist activities as visits to museums and theatres are typical examples of consumption abroad. Medical treatment of non-resident persons and language courses taken abroad are other examples of consumption abroad. Such activities such as ship repair abroad, where only the property of the consumer moves or is situated abroad, are also covered.

2.18. Mode 3, commercial presence, recognizes that it is often necessary for services to establish a commercial presence abroad as a way to ensure a close contact with the consumer in his or her home territory at the various stages of production and delivery, as well as after delivery. Commercial presence in a market abroad covers not only juridical persons in the strict legal sense, but also legal entities that share some of the same characteristics, such as representative offices and branches. Under GATS rules, "supply of a service" includes production, distribution, marketing, sale and delivery. Medical services provided by a foreign-owned hospital, courses in a foreign-owned school, and services supplied by a domestic branch or subsidiary of a foreign

²² Commitments are often negotiated bilaterally at the detailed sectoral level, and then extended to all WTO member countries in compliance with the MFN principle; to support the negotiation process, statistical information would thus need to be provided by origin and destination at the most detailed product level.

bank are examples of supplies through commercial presence.

2.19. Mode 4, presence of natural persons, occurs when an individual has moved into the territory of the consumer to provide a service, whether on his or her own behalf or on behalf of his or her employer. Thus, it covers two distinct categories of natural persons: self-employed and employees.

2.20. Mode 4 also applies to two areas: trade in services in the BPM5 sense (e.g., financial auditing services by an auditor sent by a foreign firm or provision of entertainment services by a self-employed professional foreign entertainer who is temporarily on tour in the host economy), and employment, meaning labour input in the production process. Presence of natural persons covers only non-permanent employment in the country of the consumer.²³ However, GATS provides no definition of “non-permanent” employment. In countries’ commitments, the temporary status generally covers two to five years, and it may be different for different categories of natural persons.

2.21. Short-term employment of foreign doctors or teachers is covered under mode 4. Intra-corporate staff transfers and, more generally, short-term employment of foreign staff in foreign affiliates are particularly relevant in the GATS context because many countries have referred to this subcategory of natural persons in their schedules of commitments. Other examples are short-term employment of construction workers or paid domestic helpers.

(c) Services Sectoral Classification list - GNS/W/120

2.22. In 1991, the GATT secretariat produced a note setting out a classification of service sectors, known as the GNS/W/120 Services Sectoral Classification list, resulting from consultations with member countries. The list identified relevant sectors and sub-sectors with regard to national services regulations so that specific commitments on these regulations could be made and negotiated. GNS/W/120 should thus be considered as a negotiating list rather than as a statistical classification. It is reproduced in full in annex VI. In order to assist the clear delineation of each sub-sector, codes from the

²³ The GATS annex on movement of natural persons states: “The Agreement shall not apply to measures affecting natural persons seeking access to the employment market of a Member, nor shall it apply to measures regarding citizenship, residence or employment on a permanent basis,” (see WTO, work cited in footnote 18).

Provisional CPC were assigned to each of the sub-sectors.

2.23. The 12 major categories in the GATT GNS/W/120 list are:

1. Business services.
2. Communication services.
3. Construction and related engineering services.
4. Distribution services.
5. Educational services.
6. Environmental services.
7. Financial services.
8. Health-related and social services.
9. Tourism and travel-related services.
10. Recreational, cultural, and sporting services.
11. Transport services.
12. Other services not included elsewhere.

2.24. The List may evolve over time, and the services trade negotiators may use other classifications in future negotiations, as has been the case for basic telecommunications, financial services and maritime transport.

C. Statistical systems and classifications related to trade in services

2.25. The *Manual* seeks consistency with international standards related to trade in services. These standards are reviewed below. In particular, compatibility with the following systems and classifications is given the highest priority: BPM5, the 1993 SNA, ISIC, Rev.3 and CPC Version 1.0.

2.26. The key standards on which the *Manual* builds are noted below; fuller treatment of transactions between residents and non-residents and foreign affiliates systems appears in chapters III and IV, respectively. A brief summary of the relevant concepts contained in the standards is also given below.

1. International

(a) System of National Accounts, 1993

2.27. The *System of National Accounts 1993* is an integrated system of accounts related to the economic activities and sectors of the economy of a country. To capture the transactions between that economy and all others, the 1993 SNA provides an account called the “rest of the world”, which it also refers to as the “external transactions account”. Within this account is

an “external account of goods and services”, in which trade in goods and trade in services are separately recorded.

2.28. The 1993 SNA identifies “foreign-controlled corporations” as sub-sectors of the two institutional sectors - *financial corporations* and *non-financial corporations*. Foreign-controlled enterprises are defined more broadly in the 1993 SNA than are the majority-owned foreign affiliates covered by FATS statistics and described in chapter IV below. The difference is that the 1993 SNA suggests that countries may wish to treat some “associated enterprises”, which are enterprises in which the non-resident ownership is between 10 per cent and 50 per cent, as foreign-controlled. The foreign affiliates for which the core FATS statistics are to be compiled exclude associated enterprises and so are a subset of foreign-controlled enterprises as defined in the 1993 SNA. However, the *Manual* encourages countries that can do so to provide supplemental statistics covering other cases where foreign control may be deemed to exist, such as majority ownership by multiple foreign direct investors, ownership of exactly 50 per cent by a foreign direct investor, and cases where effective control is deemed to have been achieved through a minority stake in an enterprise. Thus, for countries that produce such supplemental statistics, the total coverage of FATS statistics may be identical to that of the statistics on foreign-controlled enterprises based on 1993 SNA.

2.29. 1993 SNA statistics on foreign-controlled enterprises relate to what is usually termed *inward FATS*, i.e., to enterprises operating in the compiling country that are controlled by non-residents. The 1993 SNA statistics for a given country do not provide information on *outward FATS*, i.e., on enterprises established abroad that are controlled by residents of that country (though these enterprises would be covered by the 1993 SNA statistics of their respective host countries).

2.30. The 1993 SNA provides the definitions of most of the economic variables that chapter IV recommends should be collected for FATS. These include the priority variables (gross output, employment and value added) as well as the lower priority items (financial and non-financial assets, net worth, operating surplus, gross fixed capital formation, taxes on income and compensation of employees). The 1993 SNA also provides the definition of an enterprise, which is required for compiling the priority variable *number of enterprises*.

(b) *Fifth edition of the IMF Balance of Payments Manual*

2.31. BPM5 describes the conceptual framework that underlies balance of payments statistics. The balance of payments statement systematically summarizes, for a specific time period, transactions that take place between an economy and the rest of the world. Transactions, for the most part between residents and non-residents, consist of those involving goods, services and income; those involving financial claims on, and liabilities to, the rest of the world; and those (such as gifts) that are classified as transfers. A transaction itself is defined as an economic flow that reflects the creation, transformation, exchange, transfer or extinction of economic value and involves changes in ownership of goods and/or financial assets, the provision of services or the provision of labour or capital.

2.32. The international transactions in trade in services that take place between residents and non-residents of an economy that are described in the present *Manual* are based on the BPM5 classification and definition of services, but the detail recommended in chapter III of the present *Manual* is greater than that of BPM5.

2.33. The 1993 SNA and BPM5 have a common conceptual framework. The definitions of residence and time of recording and the principles of accrual accounting recommended in the present *Manual* are the same as those in both BPM5 and the 1993 SNA.

2.34. The scope of *international trade in services* between residents and non-residents in the present *Manual* is the same as that in BPM5. The one difference with respect to the 1993 SNA relates to the recommended treatment of financial intermediation services indirectly measured (FISIM), which for practical reasons is excluded from trade in services in BPM5. FISIM is discussed in some detail in paragraphs 3.108-3.115 below.

(c) *Central Product Classification, Version 1.0*

2.35. The *Central Product Classification, Version 1.0* is a part of the international system of interrelated classifications of economic activities and products (i.e., goods and services). It is the standard for all products that are an output of an economic activity, including transportable and non-transportable goods and services. For the description of goods, CPC, Version 1.0 is fully harmonized with the *Harmonized Commodity*

*Description and Coding System*²⁴ (HS) of the World Customs Organization. For services, CPC, Version 1.0 is the first international classification covering the whole spectrum of outputs of the various industries, and it can serve the different analytical needs of statistical and other users. For example, the Provisional CPC was used for the elaboration of the categories of services that were used during the negotiations leading to GATS that were conducted during the Uruguay Round, and was also used to describe the balance of payments services components recommended in BPM5. The general service product classification of CPC, Version 1.0 will serve as a guideline for the elaboration of such classifications for specific areas of the economy, including international trade in services.

(d) International Standard Industrial Classification of All Economic Activities, Revision 3

2.36. The *International Standard Industrial Classification of All Economic Activities, Revision 3* is a basic tool for fostering international comparability of data across a wide range of economic and social statistics, including production, value added, employment and other economic statistics. It is a standard classification of productive economic activities linked as far as possible with the way economic processes are organized in units. An industry is thus defined as the set of production units engaged primarily in the same or similar kinds of productive economic activity. Criteria relating to the economic transactors (e.g., financial institutions) and to types of transactions (intermediate and final consumption, capital formation etc.) reinforce the considerations for identifying stages of production. In line with the United Nations programme for the harmonization of international economic classifications, ISIC, Rev.3 categories are correlated with those of CPC, Version 1.0. A correlation table indicates the main kinds of activities that produce particular goods and services.

(e) International Merchandise Trade Statistics

2.37. The United Nations publication *International Merchandise Trade Statistics: Concepts and Definitions, Revision 2*²⁵ (IMTS, Rev.2) contains the revised recommendations of the Statistical Commission regarding statistics of international merchandise trade. The implementation of these recommendations will result in data that better meet the needs of a variety of

national and international users and that are more comparable with other statistics compiled in the framework of the 1993 SNA and BPM5. IMTS, Rev.2 provides a brief description of flows of goods between residents and non-residents that are not covered by merchandise trade statistics and identifies those services, the value of which is included in the value of imported and exported goods.

(f) International migration frameworks and the Recommendations on Statistics of International Migration

2.38. The *Recommendations on Statistics of International Migration, Revision 1*²⁶ set out a framework for reporting statistical information that measures international migration flows and stocks, including how population censuses can help gather information on foreign persons. The framework builds on the taxonomy of traveller inflows and outflows, and it gives priority to the identification of internationally mobile individuals who satisfy simple general definitions of short-term and long-term migrants. The recommended period of stay for inclusion among the former is three months, and for inclusion among the latter a year or more. Persons staying for periods shorter than three months are not included in these recommendations. Thus, this use of the term migrant is somewhat broader than that in BPM5, where an actual or intended stay of a year or more is required. A fuller taxonomy of migrants and other travellers, is provided in the Recommendations.²⁷ An ILO publication²⁸ provides an extensive discussion on sources of migration statistics.

(g) Tourism Satellite Accounts: Recommended Methodological Framework

2.39. Eurostat, the World Tourism Organization, OECD and the United Nations have developed the *Tourism Satellite Account: Recommended Methodological Framework*,²⁹ (TSA), which sets out a framework to measure the contribution of tourism to an economy in an internationally comparable way. TSA respects the definitions and norms of the 1993 SNA,

²⁶ United Nations publication, Sales No. E.98.XVII.14.

²⁷ Ibid., box 4.

²⁸ R.E. Bilsborrow, Graeme Hugo, A.S. Oberai and Hania Zlotnik, *International Migration Statistics: Guidelines for Improving Data Collection Systems* (Geneva, International Labour Organization, 1997).

²⁹ United Nations publication, Sales No. E.01.XVII.9.

²⁴ Brussels, Customs Cooperation Council, 1984.

²⁵ United Nations publication, Sales No. E.98.XVII.16.

where relevant. The present *Manual* and TSA have different coverage and the relationship between them is described further in annex VII. However, balance of payments data on travel, excluding business travel, as defined in paragraphs 3.77-3.86 below, are one source of data on a part of tourism as defined in TSA. The TSA framework allows for a breakdown of visitors' expenditure in a way that may be useful for GATS, for example, disaggregating visitors' expenditure on goods, hotels, and food and beverage serving services, or disaggregating visitors' expenditure by resident and non-resident visitors. TSA also provides lists of tourism-specific products with CPC links.

2. Other statistical systems and classifications

(a) Joint OECD-Eurostat Trade in Services Classification

2.40. The *Joint OECD-Eurostat Trade in Services Classification*³⁰ is closely linked to BPM5. It can be characterized as a disaggregation of the BPM5 classification for balance of payments transactions in trade in services. It covers all service transactions between residents and non-residents. The main categories of this classification are identical to the 11 main service categories of the BPM5 standard components, and the two-, three- and four-digit items are compatible with these standard components and BPM5 services subcomponents, with one minor exception, the treatment of construction services, which also affects other business services. The Joint Classification asks for data on *construction abroad* and *construction in the compiling economy*. Both of these items include goods and services purchased by construction services operations, while BPM5 recommends that these expenditures for goods and services purchased in the host economy be included in *other business services, other*. With this one exception, compiling and reporting on the basis of the Joint Classification simultaneously satisfies IMF requirements. The Joint Classification is also partially linked to the Central Product Classification through its relationship with BPM5.

2.41. The Joint Classification represents a first attempt to take account of GATS, particularly as regards financial services and telecommunications, and it also

reflects the statistical implications of the completion of the European Communities' Single Market in Services, which entailed a great number of directives relating to financial, telecommunications, transport, tourism and audiovisual services.

2.42. EBOPS, as recommended in the present *Manual*, is a disaggregation of the Joint Classification.

(b) OECD Benchmark Definition of Foreign Direct Investment

2.43. Foreign direct investment has assumed a crucial role in the internationalization of economic activities. The third edition of the *OECD Benchmark Definition of Foreign Direct Investment*³¹ (BD3) provides operational guidance, within the conceptual framework of BPM5 and as an elaboration of it, on how foreign direct investment data should be compiled to meet internationally agreed standards.

(c) OECD Manual on Economic Globalisation Indicators³²

2.44. The proposed OECD manual on economic globalization indicators will provide a framework of methodological and statistical guidelines for constructing indicators, on an internationally harmonized basis for use by policy makers and for the systematic monitoring over time of the progressive degree of worldwide economic integration. GATS obligations relate to many aspects of the presence of enterprises established abroad, which supply services through mode 3, *commercial presence*. As explained in paragraphs 4.1-4.15 below, FATS statistics provide information on the activities of majority-owned foreign affiliates. Although the OECD manual will cover a wider canvas than FATS statistics, the FATS framework has been conceived in a way that is consistent with the framework that is expected to be defined in the OECD manual.

D. Approach and framework of the Manual

2.45. To address the needs identified in paragraphs 2.3.-2.24 above, two basic principles underlie the *Manual's* approach:

³⁰ Organisation for Economic Co-operation and Development and Eurostat, *OECD Statistics on International Trade in Services* (Brussels/Luxembourg and Paris, 2000), appendix 1; may also be accessed at <http://www.oecd.org/std/TISclass.pdf>.

³¹ Paris, 1996.

³² This is the provisional title.

(a) consistency with international standards related to trade in services, extending them where necessary and feasible;

(b) phased implementation.

These principles facilitate the introduction and progressive implementation of a set of distinct elements in a flexible way to meet each country's priorities, at the same time progressively improving inter-country comparability. Throughout its coverage of international services transactions, links are provided between the *Manual* and relevant international standards.

2.46. The *Manual's* framework has two main building blocks for describing transactions in international trade in services. These are transactions between residents and non-residents (based on BPM5) and trade in services through the operations of foreign affiliates (the newly developed FATS statistical system). It is described here in four parts: BPM5 services and related transactions, BPM5 extensions, FATS statistics and a simplified statistical approach to the treatment of modes of supply. The four components are presented in paragraphs 2.51-2.101 below.

2.47. The *Manual's* statistical framework with regard to resident/non-resident transactions is based on BPM5, which contains, among other things, recommendations for the definition, valuation, classification and recording of resident/non-resident trade in services. BPM5 is a primary source of statistical guidance on international trade in services, international investment transactions and economic flows associated with the movement of workers. Extensions to BPM5 are developed in the *Manual* to provide for a more detailed treatment of service transactions between residents and non-residents by product category and by partner countries. The *Manual* does not set out to change the BPM5 broad service components but it does call for more detail so as to identify services that feature significantly in international trade in their own right. Examples of this more detailed treatment are in the areas of transport, communications, computer and information services, business and professional services, and personal services.

2.48. In addition to trade in services between residents and non-residents, services may be supplied through foreign affiliates in host countries. The FATS statistical system, which draws to a great extent on the concepts and definitions contained in the 1993 SNA, has been designed to provide information on the activity of foreign affiliates that is out of the scope of

BPM5. The *Manual's* framework is based on FATS statistics as a complement to, and in parallel with, BPM5.

2.49. The *Manual* proposes a simplified statistical approach that may be used as a starting point in allocating BPM5 and FATS service transactions to the GATS modes of supply. This approach draws on the correspondence between commercial presence and FATS, as well as between the other modes of supply and transactions between residents and non-residents, as captured in BPM5. It also includes systematic criteria for the allocation of modes of supply and simplifying methods and guidelines for the treatment of complex transactions. Because delivery of services through mode 4 can be measured only in part through the BPM5 and FATS systems, the *Manual* also outlines the issues arising in a more comprehensive measurement of services provided through mode 4.

2.50. The descriptions of BPM5, its extensions, FATS statistics and issues surrounding mode 4 statistics are discussed only briefly in the present chapter because fuller descriptions are provided in chapters III and IV below and annex I.

1. Statistics on trade in services, labour and investment from BPM5

2.51. Balance of payments statements summarize the economic transactions of an economy with the rest of the world for a specific period. Two key concepts are involved: *transaction* and *residence*. A *transaction* is an economic flow that reflects the creation, transformation, exchange, transfer or extinction of economic value, and involves change of ownership of goods and/or financial assets, the provision of services, or the provision of labour or capital. *Residence* is central because the identification of transactions between residents and non-residents underpins the BPM5 system. The definition of residence that is used in BPM5 is identical to that in the 1993 SNA, and is based on a transactor's centre of economic interest. Since political boundaries may not always coincide with those appropriate for economic purposes, the *economic territory*³³ of a country is used as the relevant geographical area for the characteristic of residence. An institutional unit is a resident unit when it has a centre of economic interest in the economic territory of a country.

³³ For a definition of economic territory, see para. 3.4 below.

(a) *Main BPM5 standard services components*

2.52. BPM5 statistics are arranged within a coherent structure to facilitate their use and adaptation for many purposes, including policy formulation, analytical studies, projections, bilateral comparisons of particular components or total transactions, and regional and global aggregations. The 11 main BPM5 standard services components are:

1. Transportation.
2. Travel.
3. Communications services.
4. Construction services.
5. Insurance services.
6. Financial services.
7. Computer and information services.
8. Royalties and license fees.
9. Other business services.
10. Personal, cultural, and recreational services.
11. Government services, not included elsewhere (n.i.e.).

2.53. These 11 services components together match the GATS product coverage relatively well, with several exceptions. First, for the most part, the component *government services, not included elsewhere (n.i.e.)* is excluded from GATS.³⁴ Second, some transactions considered as services under GATS are recorded under *goods* in BPM5; this concerns the value of repairs of most goods that are sent abroad for repair, as well as most processing services. Third, some BPM5 components, especially *travel*, include transactions in goods. Fourth, BPM5 includes payments for *royalties and license fees*. Except for franchise payments, this component is excluded from GATS coverage.

(b) *Labour-related flows of funds*

2.54. The relevance of information on short-term employment of foreign staff in service industries was indicated above (see paras. 2.20 and 2.21). BPM5 labour-related flows in the current account provide such information, although the income to be recorded in the balance of payments covers the compensation of persons working not only in service-producing activities but also in goods-producing industries.

2.55. When individuals work for less than one year in an economy where they are not resident, BPM5 records their earnings as *compensation of employees*, within the income component, while their expenditure in the host economy is placed in the travel component. *Compensation of employees* comprises wages, salaries and other compensation received by individuals for work performed for residents (natural or juridical persons) of economies where they are not resident.

2.56. In addition to staff working abroad for less than one year, *compensation of employees* covers potentially longer-term employees, such as border workers and local (host country) employees of embassies, consulates and international organizations.

2.57. Individuals who stay abroad for one year or more, or who intend to do so, are regarded in BPM5 as residents of the foreign economy, and so their earnings and expenditures are not recorded in the balance of payments because the flows are domestic transactions within that foreign economy.³⁵ Such individuals are called *migrants* in BPM5. *Workers' remittances* are current transfers by *migrant* workers who are employed in a foreign economy and considered to be residents there. These remittances are classified as current transfers in BPM5.

2.58. The relevance of information about *workers' remittances* is related to the facts that GATS does not provide precise guidelines for the definition of temporary presence and that most countries' commitments refer to two to five years of stay. Thus, *workers' remittances* are a useful complement to the information provided by *compensation of employees*.

(c) *Foreign direct investment*

2.59. Foreign direct investment is usually a precondition for the establishment of a *commercial presence*. FDI statistics are thus a relevant complement to FATS statistics as information on the *commercial presence* mode of supply. Where countries do not compile FATS statistics, FDI statistics may be the only available quantitative information on this mode of supply.

³⁴ Article 1 of GATS, describing the scope of the agreement, excludes services supplied in the exercise of governmental authority, meaning any service that is supplied neither on a commercial basis nor in competition with one or more service suppliers (see annex V).

³⁵ The one-year rule does not apply to students, medical patients and employees working in government enclaves, such as embassies and military bases, who remain residents of their economies of origin even if the length of stay in another economy is one year or more.

2.60. FDI reflects the objective of obtaining a lasting interest by a resident entity in one economy (a direct investor) in a business in another economy (a direct investment enterprise). The lasting interest implies the existence of a long-term relationship between the direct investor and the direct investment enterprise, as well as a significant degree of influence on the management of the enterprise. Direct investment includes the initial transaction between the two entities and all subsequent financial transactions between them and among affiliated enterprises, both incorporated and unincorporated. In inward and outward direct investment statistics, where feasible, the direct investment enterprise should be classified by its industrial activity in the host country and by the industrial activity of its direct investor.

2.61. A foreign direct investor is an individual, an incorporated or unincorporated public or private enterprise, a government, a group of related individuals or a group of related incorporated and/or unincorporated enterprises that has invested in a direct investment enterprise. A direct investment enterprise is a subsidiary, associate or branch operating in a country other than the direct investor's country of residence. The conceptual basis for compiling foreign direct investment statistics has been defined in BPM5 and in the OECD Benchmark Definition, involving such concepts as direct investor, lasting interest, significant influence on management and at least 10 per cent equity interest or equivalent voting power.³⁶

2. BPM5 extensions

(a) Analysis of balance of payments transactions by origin and destination

2.62. Balance of payments statistics by origin and destination are needed for analytical and policy purposes and for use in bilateral and multilateral negotiations. Country or regional analysis of trade in services, whether associated with balance of payments transactions, foreign direct investment or FATS, is a necessary complement to both product and economic activity classification systems. To the extent feasible, an identical geographical basis should be used for all related sets of services statistics. The geographical allocation of services transactions in the balance of payments is to the country where the provider or acquirer of the service is resident.

³⁶ For additional detail on direct investment concepts and definitions, see box 7.

(b) The Extended Balance of Payments Services Classification

2.63. The Extended Balance of Payments Services Classification has been devised for the *Manual* based on the experience gained with the implementation of the Joint Classification. It is a disaggregated sub-system of the BPM5 services classification. Annex II shows the relationship between EBOPS, the BPM5 classification of services and the Joint Classification. Correspondence tables are provided in annex III linking the EBOPS with CPC Version 1.0, thus providing greater detail and a necessary although partial statistical link between domestic production and trade in services. The need for a convergence of the product classifications of industry and trade, for comparative purposes, requires further development work to more closely align the structural components of EBOPS and CPC. The correspondence shown in annex III is an important first step in this direction, which clarifies the definition of EBOPS through the use of the detailed categories of CPC. As described in chapter III, EBOPS contains main categories that are identical to the 11 major BPM5 standard services components, as well as further details that are consistent with BPM5. The harmonization is bolstered by the standardization of the coding systems for identification and reporting purposes.

3. Foreign affiliates trade in services statistics

2.64. Affiliates are often established abroad to deliver services that require close contact between the supplier and the consumer. In the present Manual and following GATS coverage, domestic sales by foreign affiliates are covered by the term "international trade in services". However, because foreign affiliates are resident entities in their host country, their sales in these countries are not recorded in the balance of payments accounts, which are only concerned with transactions between residents and non-residents.

2.65. FATS statistics have been designed to capture such information. In addition, FATS statistics include a range of other statistical indicators so as to assess diverse aspects of the globalization phenomenon and to monitor the commercial presence mode of supply in a variety of contexts, such as those relative to trade, domestic output and employment.

(a) FATS statistics: concepts and classification

2.66. FATS statistics measure the commercial presence abroad of service suppliers through affiliates in foreign

markets, and are therefore closely related to statistics on FDI. Data on the activities of majority-owned foreign affiliates in the compiling economy are usually referred to as *inward FATS*, and those relating to majority-owned foreign affiliates of the compiling economy that are established abroad are referred to as *outward FATS*. FATS statistics cover a range of variables that can comprise some or all of the following: sales (turnover) and/or output, employment, value added, exports and imports of goods and services, number of enterprises, assets, net worth, operating surplus, gross fixed capital formation, taxes on income, research and development expenditures, compensation of employees and other aspects of potential interest to policy makers.

2.67. Ideally, it would be possible to attribute FATS variables on the basis of either the industrial activities of producers or the types of products produced and sold. Data on a product basis would identify the specific types of services delivered through the commercial presence mode of supply and could most readily be compared with data on services delivered through trade between residents and non-residents. However, some FATS variables, such as value added and employment, do not lend themselves to a product classification. Also, for some countries, FATS statistics may be developed as a subset of domestic enterprise or other statistics that are classified only on an activity basis. Further, for some purposes, the data may need to be viewed in conjunction with data on stocks and flows of foreign direct investment, which would normally be classified by activity but not by product.

2.68. The *Manual* thus recommends that FATS variables be classified by activity according to the ISIC Categories for Foreign Affiliates, a group of categories derived from ISIC (see chapter IV below and annex IV). ICFA covers all kinds of activities, including goods production. ICFA was designed so as to provide the best possible link with EBOPS in order to facilitate as much as possible the comparability of the two sets of statistics (see annex IV on the link between ICFA and EBOPS). This basis of presentation allows activities of services enterprises to be viewed in the context of the activities of all enterprises. In addition, where a cross-classification by product is possible, it provides a framework for displaying services produced as a secondary activity by enterprises classified as goods producers.

(b) *FATS statistics and other statistical frameworks*

2.69. FATS statistics, as conceived in the *Manual*, are consistent with existing statistical frameworks. They fall within the overall ambit of the 1993 SNA and observe the conventions of both BPM5 and BD3 in relation to foreign direct investment. They look to CPC and ISIC for product and activity classifications and to International Labour Organization (ILO) standards for employment variables. They also have been defined in a way that is consistent with the standards expected to be defined in the proposed OECD manual on economic globalization indicators for the measurement of foreign affiliates' activity. FATS statistics capture the activities of majority-owned foreign affiliates that form a subset of enterprises on the register of direct investment enterprises, and cover a wide variety of indicators on both their domestic and foreign operations.

2.70. The 1993 SNA defines a direct investment enterprise as "an incorporated or unincorporated enterprise in which an investor resident in another economy owns 10 per cent or more of the ordinary shares or voting power (for an incorporated enterprise) or the equivalent (for an unincorporated enterprise). Direct investment enterprises comprise those entities that are identified as subsidiaries (investor owns more than 50 per cent), associates (investor owns 50 per cent or less), and branches (wholly or jointly owned unincorporated enterprises), either directly or indirectly owned by the investor" (1993 SNA, para. 14.152). Further, foreign-controlled enterprises as defined by the 1993 SNA include subsidiaries and branches, but associates may be included or excluded according to a qualitative assessment of foreign control.

2.71. FATS statistics, as described in chapter IV below, relate mainly to subsidiaries and branches (both of which are majority-owned by the direct investor), but they may also include supplemental information on associates that are deemed to be under effective foreign control. In the real world, ownership structures can be very complex and may not fit neatly into any of these categories; in addition, actual management responsibilities may bear little or no relationship to the formal legal structure of the enterprise. Although it does not cover every possible case, chapter IV provides practical guidance on determining statistical coverage under different ownership structures (more comprehensive treatment of these issues is planned for the OECD manual on economic globalization indicators).

4. Statistical treatment of modes of supply: the simplified approach

2.72. Modes of supply are central to GATS. They are defined in its very first article and are the basis on which WTO member countries' commitments are scheduled. The *Manual* introduces, for the first time, modes of supply in the statistical context.

2.73. However, a comprehensive statistical treatment of modes of supply that would fully mirror the GATS legal definition and other GATS articles would be out of the scope of the present *Manual*. Such an approach would fail to ensure compatibility with international statistical systems, such as BPM5 and the 1993 SNA, and would demand excessive resources for implementation.

2.74. Drawing on GATS legal provisions, the *Manual* proposes, as a first approximation, a simplified approach to the statistical allocation of trade in services to modes of supply that is operational in the statistical context and consistent with international statistical standards.

(a) Simplified statistical criteria

2.75. To allow the allocation of services transactions to modes of supply in a systematic way, the *Manual* proposes unambiguous criteria derived from the GATS definitions. The *Manual* acknowledges that this allocation is only a first step in the estimation process and that further research and empirical information will be required both to validate and to refine the estimates. These simplified criteria are based on the following considerations:

(a) To the extent that foreign affiliates are a good approximation of commercial presence entities, FATS statistics provide information of service supplied through mode 3;

(b) Service transactions between residents and non-residents, as captured in the balance of payments accounts described in the BPM5 system, broadly cover mode 1, mode 2, and part of mode 4.³⁷

³⁷ There are some limitations, however, to the assimilation of commercial presence entities to foreign affiliates or to the correspondence between BPM5 service transactions and modes 1, 2 and 4. For example, such limitations relate to the foreign ownership criteria used for the identification of foreign affiliates and to the residence criteria that underpin statistical systems, while GATS legal provisions are not based

2.76. It is therefore possible to derive much information on services transactions by modes of supply from BPM5 and FATS statistics. However, the fourth mode of supply, mode 4, goes beyond the notion of "services transactions" in BPM5 and FATS. It would be necessary to draw on supplementary data from BPM5 and FATS as well as from other statistical systems, such as migration and labour market statistics, to have a broader picture of mode 4.

2.77. The simplified statistical criteria are based on the *territorial location* of the transactors (consumer and supplier) at the time the service is supplied, as well as on the type of the supplier (an individual or a business enterprise, respectively termed "natural or juridical persons" in GATS). They yield the same results as the GATS definition in most cases, while also providing clear guidelines for those that present special difficulties. However, it should be stressed that the *Manual's* guidelines on the compilation of statistics by modes of supply are laid out only for statistical purposes and do not imply any legal interpretation of GATS provisions. These criteria are shown in chart 1. In addition, each mode of supply is further illustrated in chart 2.

2.78. These statistical criteria for the allocation of modes of supply are further complemented with simplification rules discussed below.

(b) Balance of payments statistics by modes of supply

2.79. Balance of payments service transactions broadly correspond to mode 1, mode 2, and part of mode 4. Yet a given balance of payments service category generally includes transactions corresponding to several modes. Moreover, several modes of supply may be used for a single service transaction. With a view to facilitating the analysis and compilation of service transactions between residents and non-residents by modes of supply, the *Manual* suggests the use of two simplification rules.

2.80. First, separate identification of modes deemed to be relatively marginal in a given service category is not recommended. Thus, if the major part of a given service category corresponds to services supplied under one mode, this mode could be fully allocated to that service category. For example, telecommunications services would be allocated to cross-border supply (mode 1) because most transactions between residents and non-

on these statistical criteria. These limitations are discussed further in the present chapter as well as in chapters III and IV below.

residents are cross border. According to this methodology, a given service category in the balance of payments accounts would normally correspond to only one or two modes of supply.

2.81. Second, there are cases where specific balance of payments service transactions involve several modes of supply, such as when an architect designs a construction project, delivers it through a telecommunications link and has to make some visits to the country of the consumer at the implementation phase. In those cases, it is recommended that, if estimates cannot be provided for the subdivision of the transaction value by modes, the transaction be allocated to the most important mode in terms of time and resources associated with it.

*Balance of payments services components
corresponding to Mode 1*

2.82. Mode 1 applies when a service is delivered from a supplier abroad to a consumer in his or her territory of residence. This is the case for most balance of payments transactions recorded under transportation, communication services, insurance services, financial services, and royalties and license fees. Non-mode 1 transactions in these components mainly take place in two instances:

(a) Transactions fully occurring through presence of natural persons (mode 4), which are presumed to be marginal in these components;

(b) Transactions that involve both modes 1 and 4 (such as an insurance agent travelling to discuss the terms of a contract, whereas most of the insurance service would be produced in the country where the insurance company is located). In those cases, it might appear reasonable to allocate the transaction to mode 1.

Thus, applying the simplified approach, the BPM5 components indicated above would be allocated to mode 1.

*Balance of payments services components
corresponding to both mode 1 and mode 4*

2.83. Mode 1 also applies to part of transactions in computer and information services, other business services, and personal, cultural, and recreational services. However, these components also comprise transactions corresponding to mode 4 situations, where the supplier travels to the territory of the consumer. For these components, further analysis and empirical information are needed to determine how they can be

separately identified or estimated. In particular, the knowledge of the location of the supplier at the time when major transactions are delivered would be critical for a proper assessment of the share of modes 1 and 4 in these balance of payments components.

Balance of payments components and mode 2

2.84. The travel category broadly corresponds to mode 2 or *consumption abroad*, although it does not categorize all the types of services supplied to travellers. Further refinements would be needed for a better measurement of mode 2. In particular, an adjustment would be needed to exclude any goods purchased by travellers. A memorandum item is provided in EBOPS for this purpose.

2.85. Repairs and supporting and auxiliary services to carriers in foreign ports are also covered by mode 2. Although *repairs* are included in *goods* in BPM5, *supporting and auxiliary services* are included in *transportation*.

*An exception: balance of payments, mode 3
transactions in construction services*

2.86. The preceding paragraphs have set out how balance of payments transactions may be allocated to modes 1, 2, and 4. Commercial presence (mode 3) concerns mostly domestic sales of foreign affiliates (i.e., transactions between residents), as described in FATS statistics.

2.87. There are cases, however, where a commercial presence is not considered as being resident in its host country, such as an unincorporated site office carrying out a short-term construction project. The services provided in the host country by this type of commercial presence are transactions between residents and non-residents, and they are recorded in the balance of payments accounts under *construction services* and not in FATS statistics. These services are to be considered as supplied through mode 3 because under GATS, a *commercial presence* may be any type of establishment owned or controlled by foreign entities, even those created for a short period.

2.88. In turn, the balance of payments component *construction services* also includes transactions resulting from mode 4 - presence of natural persons. Whether or not these mode 4 transactions are minor relative to the mode 3 transactions in this category will depend on the characteristics of the compiling country.

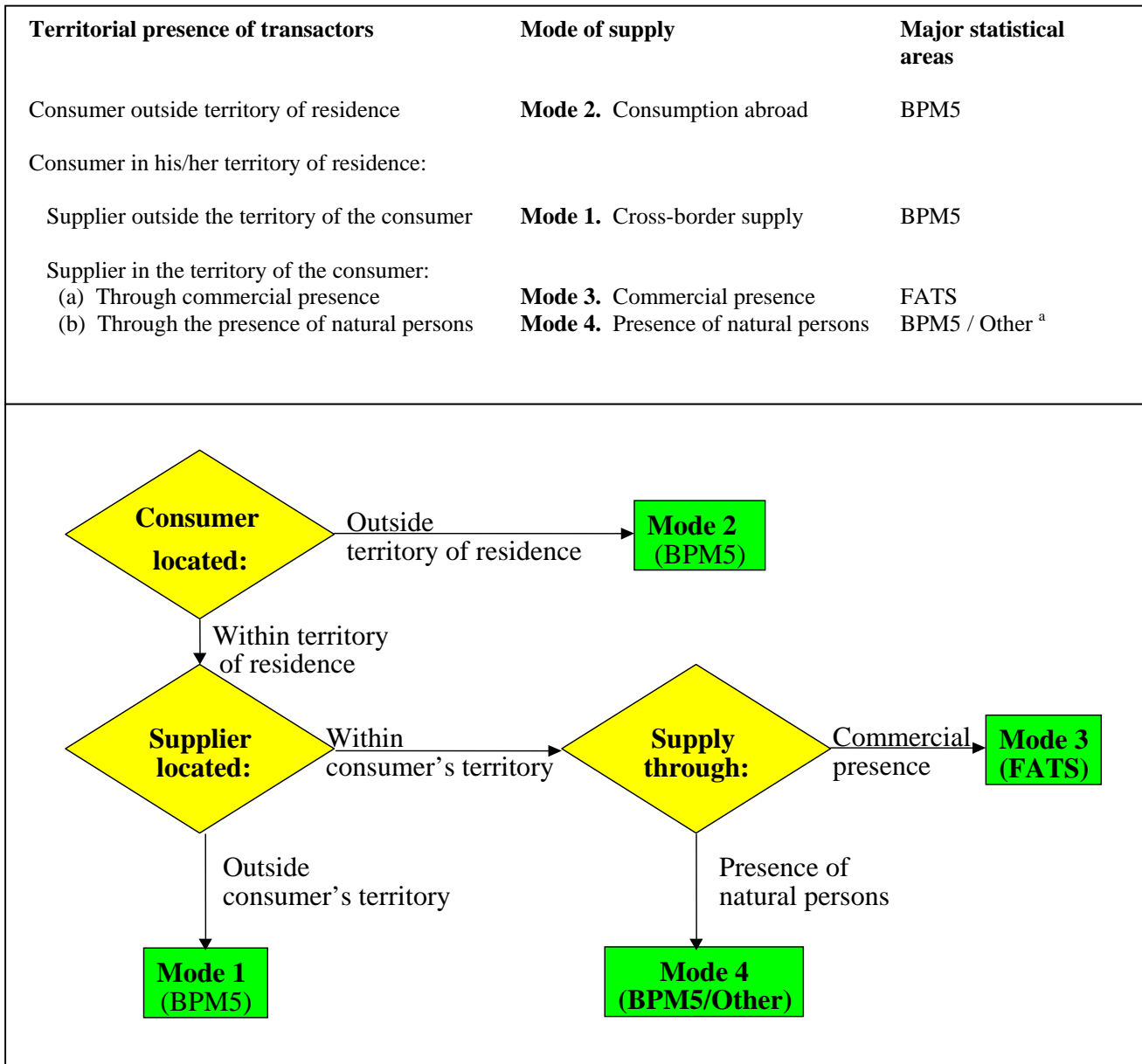
Balance of payments components and mode 4

2.89. Preceding paragraphs have shown that some transactions in BPM5 service components correspond to mode 4. In addition, supplementary information on other mode 4 activities may be provided by the *compensation of employees* component of *income* in BPM5.

2.90. *Compensation of employees* covers income in the

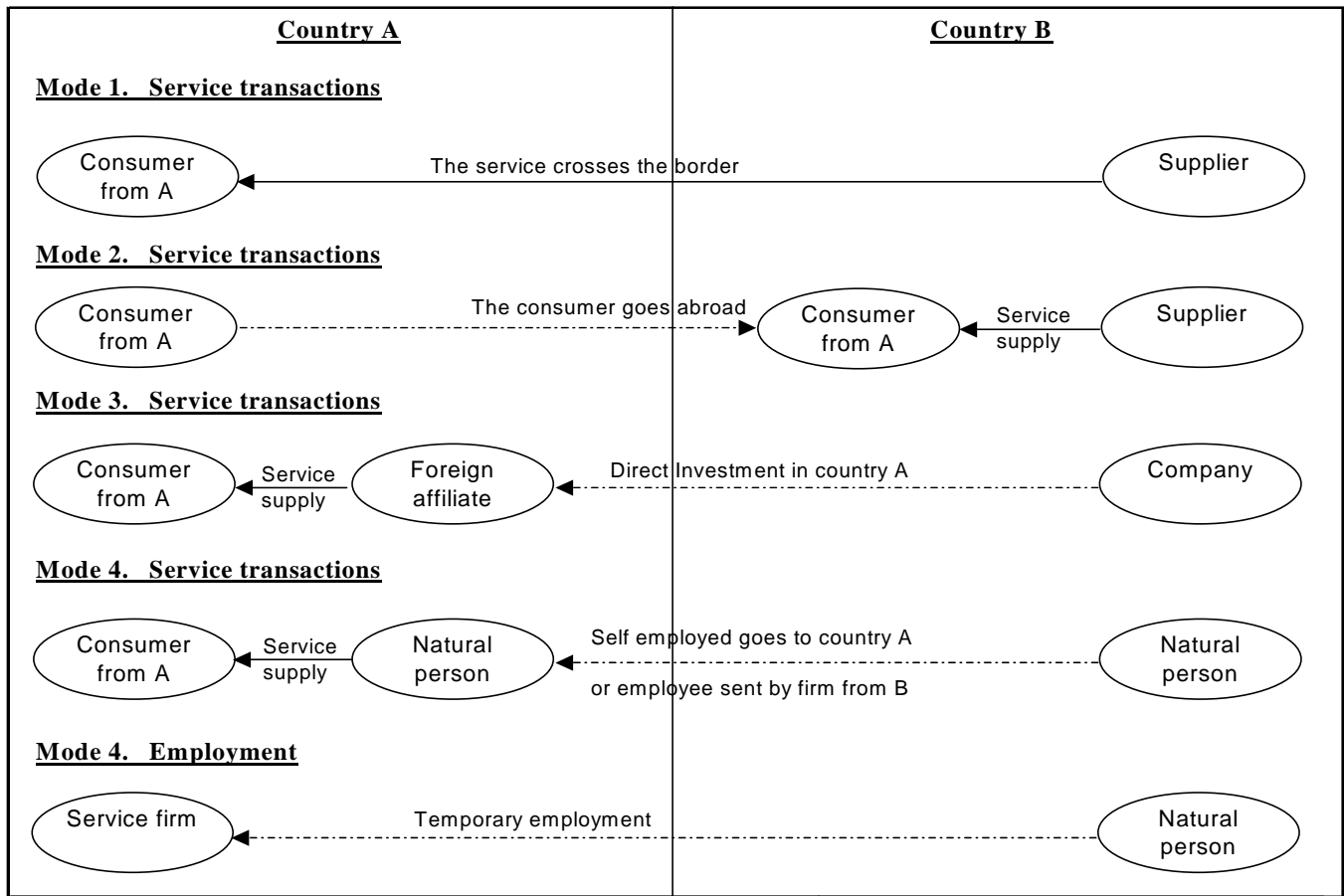
form of wages, salaries and other compensation received by non-resident individuals who are employed in resident enterprises that are producing goods and/or services, including manufacturing and agriculture, as well as industries primarily producing services. To provide relevant supplementary information on mode 4, identification of the part of compensation of employees arising from production of services is encouraged.

Chart 1. The four modes of supply: statistical criteria



^a The “other” statistical areas, such as migration and employment statistics, are not part of the statistical framework defined in the body of the *Manual*; they are dealt with in annex I.

Chart 2. Synthetic view of modes of supply



(c) *FATS statistics and modes of supply*

FATS statistics and commercial presence

2.91. By including commercial presence as a mode of supply, GATS has created a need for information on foreign affiliates in host economies. Service suppliers may choose to set up foreign affiliates as a means to sell their services in foreign markets as an alternative or a complement to exports through mode 1. On the grounds that such sales may, to a certain extent, substitute for cross-border exports, the *Manual* views domestic sales of foreign affiliates as the primary statistical indicator of mode 3.

2.92. FATS statistics, as recommended in the *Manual*, differ from the coverage of the GATS in the following ways:

(a) GATS refers to control as well as majority ownership, whereas FATS statistics mainly use the latter as the criterion for inclusion;

(b) GATS covers services products, whereas FATS is primarily based on activities.

FATS statistics and presence of natural persons

2.93. Non-permanent employment of foreign staff in foreign affiliates is particularly relevant to mode 4, as a subcategory of natural persons often referred to in countries' schedules of commitments. Quantitative information on foreign employment in foreign affiliates would be an indicator of the *income* dimension of mode 4. The *Manual* does not propose a further breakdown between permanent and short-term employment because the GATS notion of "non-permanent employment" differs among countries, and it is generally for a substantially longer period than the one-year rule

recommended by the relevant statistical systems (see paras. 2.20 and 2.21 above).

(d) Special problems in statistical treatment of mode 4

2.94. Mode 4 services supplied through the presence of natural persons pose particular measurement problems that cannot be fully resolved within the BPM5 and FATS framework. In addition, no simple correspondence can be readily established between any existing statistical framework and the part of GATS mode 4 services that is not covered by the BPM5 concept of trade in services. The trade-related movement of natural persons has given rise to a need for information collected on a new conceptual basis. Although not a new phenomenon, the concept of mode 4 delivery of services in trade is new; it must first be defined, and then a new statistical framework must be elaborated for measuring it. In that respect, annex I begins the process of constructing such a system: it reviews relevant existing statistical frameworks in order to identify useful aspects that might provide relevant measures for mode 4 services in the future.

2.95. GATS is clear that its use of the term “presence” refers to a non-permanent presence. Although nowhere

is the term “non-permanent” defined, countries have commonly defined it as referring to a period of between two and five years. Commitments are also made with regard to specific sectors or occupations and are not general. The statistical interpretation of *resident* is an individual who has a centre of economic interest in an economy. This is usually defined as an individual who stays, or intends to stay, for one year or longer in an economy.

2.96. The mode 4 service may be directly supplied - by self-employed individuals abroad or by employees abroad sent by non-resident firms to the host country - or may be indirectly supplied with the individual abroad working for a service supplier resident in the host country. Only services directly supplied by a non-resident supplier to a resident customer would be counted as international trade in services in the BPM5 framework.

2.97. The issues concerning definition and measurement of mode 4 are addressed in more detail in annex I, yet there remains a need for further research and development of a framework for statistics that can be used to measure the value of services provided through mode 4.

Table 1. Statistical coverage of modes of supply

Mode	Statistical coverage
Mode 1 Cross border supply	<u>BPM5</u> : <i>transportation</i> (most of), <i>communications services</i> , <i>insurance services</i> , <i>financial services</i> , <i>royalties and license fees</i> Part of: <i>computer and information services</i> , <i>other business services</i> , and <i>personal, cultural, and recreational services</i>
Mode 2 Consumption abroad	<u>BPM5</u> : <i>travel</i> (excluding goods bought by travellers); repairs to carriers in foreign ports (goods); part of <i>transportation</i> (supporting and auxiliary services to carriers in foreign ports)
Mode 3 Commercial presence	<u>FATS</u> : FATS statistics, each ICFA category <u>BPM5</u> : part of <i>construction services</i>
Mode 4 Presence of natural persons	<u>BPM5</u> : part of: <i>computer and information services</i> ; <i>other business services</i> ; <i>personal, cultural and recreational services</i> ; and <i>construction services</i> <u>FATS</u> (supplementary information): foreign employment in foreign affiliates <u>BPM5</u> (supplementary information): labour-related flows <u>Other sources</u> : see Annex I

(e) *Conclusion*

2.98. The allocation of modes of supply to service transactions in the BPM5 and FATS statistics, following the simplification criteria and rules, have been discussed above. The following were discussed in particular:

(a) As a general rule, FATS statistics provide information on mode 3 and balance of payments statistics correspond to the other modes of supply. The exception is that the balance of payments *construction services* component may be allocated to mode 3 or broken down between modes 3 and 4;

(b) The balance of payments components *transportation, communication services, insurance services, financial services, and royalties and license fees* may be allocated to mode 1;

(c) The balance of payments components *computer and information services, other business services, and personal, cultural, and recreational services* may be broken down by mode 1 and mode 4;

(d) The travel component broadly corresponds to mode 2, excluding travellers' expenditure on goods;

(e) Balance of payments labour-related flows provide supplementary information on mode 4.

2.99. Table 1 summarizes the two statistical systems underlying the *Manual's* main frameworks, BPM5 and FATS, and brings together information for each mode of supply.

2.100. A generalized framework for statistics on affiliates' operations would provide information on domestic sales according to both an activity breakdown (ICFA categories) and a product breakdown (EBOPS components). When product breakdowns are not available, the ICFA activity breakdown is used. This has been aligned with EBOPS for the purpose of approximating products produced by various industrial activities. There is, however, no intention of establishing one-to-one correspondence between ISIC, Rev.3 and EBOPS for the estimation of services produced by foreign affiliates. Such a correspondence might overlook important areas of secondary production by industries (for further explanation, see annex IV). Only when compilers are able to classify the output of foreign affiliates on a product basis will it be possible to directly compare the values of specific types of services, delivered to foreign markets through trade between residents and non-residents, with sales by foreign affiliates.

2.101. To achieve its goals of clarity, feasibility and minimum cost, this simplified statistical approach to modes of supply does not strictly adhere to GATS provisions. Rather, it has been designed to provide relevant information for GATS, while ensuring feasibility and minimizing the resources needed for its implementation. However, the introduction of these modes in the statistical context, albeit in a simplified way, may still necessitate significant resources. Thus, the breakdown of statistics by modes of supply is accorded a relatively low priority, and countries may choose to see the provision of statistics by these modes as a longer-term objective.

III. Services Transactions Between Residents and Non-residents

A. Introduction

3.1. The present chapter describes in detail the measurement of international trade in services in the conventional balance of payments sense of transactions between residents and non-residents of an economy. It sets out the principles underlying the recording of such trade. It discusses the concept of residence and its practical application, valuation of transactions, and other principles relating to recording of transactions. It then describes the Extended Balance of Payments Services Classification, the treatment of transactions between related parties, and the recording of trade by trading partner. Allocation by mode of supply is discussed, as is the treatment of repairs. Finally, it describes each of the components of EBOPS. A further detailed elaboration of EBOPS components through the presentation of a correspondence with CPC, Version 1.0 is set out in annex III.

B. Principles of recording

3.2. The principles for the measurement of services transactions between residents and non-residents in the present *Manual* are the same as those prescribed in BPM5 and the 1993 SNA. This is to ensure that compilers may make use of the same data sources as for compiling balance of payments statistics and that statistics on international trade in services are compiled on a basis consistent with that of other macroeconomic statistics. This is important both within each country's statistical system and also for purposes of international comparability. The main principles for recording these transactions are described below, and if more detailed guidance is needed, it may be obtained from BPM5 and its companion volumes, the *IMF Balance of Payments Textbook* and the *IMF Balance of Payments Compilation Guide*.³⁸

1. Concept and definition of residence

3.3. The residence concept is central to the measurement of transactions between residents and non-residents. The concept of residence in the present *Manual* is identical to

that used in BPM5 and the 1993 SNA. It is not based on nationality or legal criteria but on a transactor's *centre of economic interest*. Further, because territorial boundaries recognized for political purposes may not always be appropriate for economic purposes, the *economic territory* of a country is used as the relevant geographical area to which the concept of residence is applied. An institutional unit is a resident unit of a country or economy when it has a centre of economic interest in the economic territory of a country.

3.4. The economic territory of a country consists of the geographic territory administered by a government. Persons, goods and capital circulate freely within this territory. Included are islands that belong to the country, airspace, territorial waters and the continental shelf lying in international waters over which the country enjoys exclusive rights or over which it has, or claims to have, jurisdiction in respect of the right to fish or to exploit fuels or minerals below the seabed. Also included are territorial enclaves, such as embassies, consulates, military bases, scientific stations, information or immigration offices and aid agencies, located in other economies and used by the Government for diplomatic, military, scientific or other purposes, with the formal political agreement of the Governments of the economies where these enclaves are physically located. Thus, while territorial enclaves used by foreign Governments (or international organizations) may be located within a country's geographical boundaries, such enclaves are not included in the host country's economic territory.

3.5. An enterprise has a centre of economic interest, and thus residence, in an economy when it engages and intends to continue to engage in economic activities on a significant scale either indefinitely or over a long period of time from one or more locations, not necessarily fixed, within the economic territory of that economy. A period of one year is suggested as a guideline for determining residence, but this is not an inflexible rule.

3.6. Production undertaken outside the economic territory of a resident enterprise by the personnel, plant and equipment of that resident enterprise is treated as part of host country production, and the enterprise is treated as a resident unit (branch or subsidiary) of that

³⁸ Washington, D.C., 1996 and 1995, respectively.

country, if the enterprise meets the conditions noted in paragraph 3.5 above. In addition, the enterprise must maintain a complete and separate set of accounts of local activities (that is, income statement, balance sheet, transactions with the parent enterprise), pay income taxes to the host country, have a substantial physical presence, receive funds for enterprise work for the enterprise account and so forth. If these conditions are met, the enterprise is considered a foreign affiliate (see also chapter IV below). If these conditions are not met, the output of the enterprise should be classified as an export by a resident enterprise. Such production can generate an export only if the production is classified as domestic production (undertaken by a resident even though the physical process takes place outside the economic territory).

3.7. These considerations also apply to the particular case of construction activity carried out abroad by a resident producer. Special mention should be made of construction involving major specific projects (bridges, dams, power stations etc.) that often take several years to complete and are carried out and managed by non-resident enterprises through unincorporated site offices. In most instances, site offices will meet the criteria requiring that site office production be treated (as would the production of a branch or affiliate) as the production of a unit resident in the host economy and as part of the production of the host economy rather than as an export of services to that economy.

3.8. Offshore enterprises, including those engaged in manufacturing processes (including assembly of components manufactured elsewhere), trading and financial activity, are residents of the economies in which the offshore enterprises are located. This applies regardless of location in special zones of exemption from customs or other regulations or concessions.

3.9. Similarly, the principles used to determine the residence of an enterprise are applicable to an enterprise that operates mobile equipment (such as ships, aircraft, drilling rigs and platforms, and railway rolling stock) outside the economic territory where the enterprise is resident. Such operations may take place in (a) international waters or airspace or (b) another economy. In the first case (an enterprise with operations taking place in international waters or airspace), the activities should be attributed to the economy in which the operator maintains residence. In the second case (an enterprise with production taking place in another economy), the enterprise may be considered to have a centre of economic interest in the other economy. If

operations (such as a railway network) are carried out by an enterprise on a regular and continuing basis in two or more countries, the enterprise is deemed to have a centre of economic interest in each country and thus to have separate resident units in each. The enterprises must also be accounted for separately by the operator and recognized as separate enterprises by tax and licensing authorities in each country of operation. In cases involving the leasing of mobile equipment to one enterprise by another for a long or indefinite period, the lessee enterprise is deemed to be the operator, and activities are attributed to the country where the lessee is resident.

3.10. For ships flying flags of convenience, it is often difficult to determine the residence of the operating enterprise. There may be complex arrangements involving ownership, mode of operation and chartering of such ships. In addition, the country of registry differs, in most instances, from the operator's (or owner's) country of residence. Nonetheless, in principle, the shipping activity is attributed to the country of residence of the operating enterprise. If an enterprise establishes, for tax or other considerations, a branch in another country to manage the operation, the operation is attributed to the resident (branch) operating in that country.

3.11. Transactions of agents should be attributed to the economies of principals on whose behalf the transactions are undertaken and not to the economies of agents representing or acting on behalf of principals. However, services rendered by agents to enterprises represented should be attributed to the economies in which the agents are residents.

3.12. A household has a centre of economic interest where it maintains one or more dwellings within the country that members of the household use as their principal residence. All individuals who belong to the same household must be residents of the same economy. If a resident household member leaves the economic territory and returns to the household after a limited period of time, the individual continues to be a resident even if he or she makes frequent journeys outside the economic territory. An individual may cease to be a member of a resident household when he or she works continuously for one year or more in a foreign country. Even if an individual continues to be employed and paid by an enterprise that is resident in his or her home country, that person should normally be treated as a resident in the host country if he or she works continuously in the host country for one year or more.

3.13. Civil servants (including diplomats) and military personnel employed abroad in government enclaves continue to have centres of economic interest in their home countries while, and however long, they work in the enclaves. They continue to be residents in their home economies even if they live in dwellings outside of these enclaves.³⁹ However long they study abroad, students should be treated as residents of their home economy, provided that they remain members of households in their home economies. In these circumstances, their centres of economic interest remain in their economies of origin, rather than in the economies where they study. Medical patients abroad are also treated as residents of their economies of origin, even if their stays are one year or more, as long as they remain members of households in their economies of origin. Any other individual who moves to another economy and stays, or expects to stay, for a year or more, is considered to undergo a change of centre of economic interest, that is, he or she is considered to be a migrant.

3.14. Refugees are persons displaced from their home economies by natural disasters or other causes (such as persecution or conflict). Such displacement to other economies may be for a short period or on a long-term basis. In the case of short-term displacement, refugees continue to be residents of their home economies; however, if the displacement is for a long period and the refugees change their centre of economic interest, they are considered to be migrants and thus no longer residents of their original economies.

3.15. The present *Manual* follows BPM5 in its concept of residence; issues relating to this concept are discussed in more detail in chapter IV of BPM5.

2. Valuation of transactions

3.16. Market price should be used as the basis for valuation of transactions in international trade in services. Thus, transactions will generally be valued at the actual price agreed on by the supplier and the consumer. BPM5 identifies some of the more common circumstances under which it may not be possible to establish a market price and recommends that in such circumstances it is appropriate to develop a proxy measure, if possible by analogy with known market

³⁹ Because embassies and consulates are considered extraterritorial to the economies in which they are located, the compensation received by host country (local) staff is classified as payments of income to residents by non-residents.

prices established under conditions that are considered essentially the same as those pertaining to the unpriced transaction.

3.17. Particular problems may arise in valuing international transactions between related⁴⁰ enterprises integrated under the same management but situated in different economies. Transactions may not be market transactions because there is a lack of independence among the parties to the exchange, and the prices used in portraying such transactions in the books of the enterprises (called *transfer prices*) may or may not be market prices. Transfer pricing that is not based closely on market considerations could be expected to be common among related enterprises conducting business across national boundaries, because disparities between taxes and regulations imposed by different governments are a factor in management decisions on the optimum allocation of profits among units.⁴¹

3.18. The present *Manual* follows BPM5 by recommending that, where distortions between market and transfer prices are large, replacement of book values with market value equivalents is desirable in principle, although in practice such prices may be difficult to estimate. In view of the practical difficulties involved in substituting an imputed or notional market value for an actual transfer value, substitution should be the exception rather than the rule. However, if certain transfer prices are so divorced from those of similar transactions that the transfer prices significantly distort measurement, the prices should either be replaced by market price equivalents or be separately identified for analytical purposes.

3. Other principles relating to the recording of transactions

3.19. The appropriate time to record transactions in services is when they are rendered (that is, when they are delivered or received). This may differ from the time

⁴⁰ Related enterprises are those where there exists a direct investment relationship, as described in BPM5 and BD3. BPM5 defines the direct investment relationship as ownership, by a direct investor resident in one economy, of 10 per cent or more of the ordinary shares or voting power (for an incorporated enterprise) or the equivalent (for an unincorporated enterprise) of an enterprise resident of another economy. Further, direct investment enterprises comprise those entities that are either directly or indirectly owned by the direct investor. For further information, see box 7.

⁴¹ For further discussion on transfer pricing, see BPM5, paras. 97–103.

when payment is made or received, which may be either before or after (or at the same time as) the transaction takes place. Thus, transactions should be recorded, whenever possible, on an accrual rather than a cash-accounting basis. Services received are expenses and are recorded as *debit* entries, while services provided are revenues and are recorded as *credit* entries. Transactions in services should be recorded on a gross basis—that is, debit (imports) and credit (exports) transactions should be separately compiled, rather than recorded as the net of credits minus debits.

3.20. Transactions in services between residents of an economy and international organizations are included within the scope of resident/non-resident transactions.

3.21. Transactions may take place in a range of currencies, including the domestic currency of either the provider or the consumer of the services. To produce meaningful statistics, however, it is necessary for the compiler to convert all transaction values to a common unit of account. Most often, the common unit will be the national currency; this will facilitate the use of such statistics in conjunction with other economic statistics relating to the domestic economy. However, if this currency is subject to significant depreciation relative to other currencies involved in the international transactions of the economy, growth in money terms in transactions over time may result from this depreciation. A similar effect may be observed if a country is experiencing hyperinflation. In such cases it may be more analytically useful to express all transactions in another, more stable currency.

3.22. The most appropriate exchange rate to be used in converting transaction values from the currency of transaction to the currency of compilation is the market rate prevailing at the time that the transaction takes place. The mid-point between buying and selling rates should be used so that any service charge (the spread between the mid-point and those rates) is excluded. However, because the actual mid-point rate at the time at which the transaction occurs may not be available to the compiler, an accepted practice is to take the average mid-point rate for the period for which the data are being compiled.

3.23. BPM5 should be consulted for recommendations on conversion where there are multiple official exchange rates, or black or parallel market rates.⁴²

C. EBOPS

3.24. In 1996, OECD and Eurostat, in consultation with IMF, developed for use by their members a more detailed classification than that of BPM5 for international trade in services between residents and non-residents, by breaking down a number of the BPM5 service items. The Extended Balance of Payments Services Classification of transactions between residents and non-residents recommended in the present *Manual* is a further extension of the Joint Classification of OECD and Eurostat, and it allows for the provision of information required in connection with GATS. A number of memorandum items are introduced at the end of EBOPS. These memorandum items are not always confined to services transactions; they are included to provide additional information on the transactions that are to be recorded. Some, such as the travel items, are alternative breakdowns. In many countries, the information to be included in these memorandum items (e.g., for transportation, insurance and merchanting) may be obtained as part of the process of data collection. The item FISIM is already part of the national accounting framework. These memorandum items provide useful additional information for trade negotiations and other analytical purposes, including data quality assessment. Often the data necessary for compiling the memorandum items are available as part of the data-collection process for the related EBOPS components, and in such cases the memorandum items should be compiled at the same time as the related EBOPS components. However, if the data are not available but are deemed to be important for the compiling economy, the compiler may choose to set up further data-collection systems to obtain appropriate data for the memorandum items.

3.25. The full EBOPS classification is given in table 2. The further detail recommended in EBOPS recognizes the detail necessary for trade negotiations, primarily those conducted under GATS, as well as the importance of services in studies of globalization. In the present *Manual*, it is recognized that not all countries have the same needs for data, and that compilers will make decisions on the data to be compiled based on individual country needs. For the most part, EBOPS is consistent with the BPM5 classification; deviations from, and elaborations to, this existing international standard are identified in the definitions of EBOPS components set out in paragraphs 3.52-3.143 below. Annex II shows the relationship between EBOPS, on the one hand, and the BPM5 classification of services and the Joint Classification of OECD and Eurostat, on the other.

⁴² See BPM5, paras. 132–138.

3.26. The consistency between the existing classifications and the EBOPS classification is further reinforced in the coding system recommended in the present *Manual* for compilation and reporting purposes. The codes shown in the table in Annex II are the standard codes that are used by IMF, OECD, Eurostat and many country compilers when referring to balance of payments trade in services statistics.

3.27. The various classifications of services (BPM5, the Joint Classification of OECD and Eurostat, and EBOPS) are all primarily product-based classifications, and insofar as they are may be described in terms of the international classification of products, CPC. BPM5 describes the various services components in terms of the Provisional CPC, which was published in 1989. A similar, but more detailed, approach has been used in the present *Manual*, and annex III provides a detailed correspondence between EBOPS and CPC, Version 1.0, which was published in 1998. However, as in BPM5 and

the Joint Classification, there are a number of EBOPS components for which a correspondence with CPC, Version 1.0 cannot be established. In these areas, *travel*, *construction services* and *government services, n.i.e.*, a wide range of goods and services may be traded or consumed. Those three areas of EBOPS, which are discussed further below, emphasize the mode of consumption of goods and services rather than the type of product consumed. Further, it should be noted that it is not possible to establish a one-to-one correspondence between EBOPS and CPC, Version 1.0 because in places CPC, Version 1.0 calls for more detail than is shown in EBOPS, while in a few areas the reverse is true. In addition to the correspondence provided in annex III, further work that is anticipated after the publication of the present *Manual* on the convergence of EBOPS and CPC will potentially increase the harmonization of statistics compiled on services that are domestically produced and those that are internationally negotiated and traded.

Table 2. Extended Balance of Payments Services Classification, including memorandum items

Classification components

1 Transportation

- 1.1 Sea transport
 - 1.1.1 Passenger
 - 1.1.2 Freight
 - 1.1.3 Other
- 1.2 Air transport
 - 1.2.1 Passenger
 - 1.2.2 Freight
 - 1.2.3 Other
- 1.3 Other transport
 - 1.3.1 Passenger
 - 1.3.2 Freight
 - 1.3.3 Other

Extended classification of other transport

- 1.4 Space transport
- 1.5 Rail transport
 - 1.5.1 Passenger
 - 1.5.2 Freight
 - 1.5.3 Other
- 1.6 Road transport
 - 1.6.1 Passenger
 - 1.6.2 Freight
 - 1.6.3 Other
- 1.7 Inland waterway transport
 - 1.7.1 Passenger
 - 1.7.2 Freight

- 1.7.3 Other
- 1.8 Pipeline transport and electricity transmission
- 1.9 Other supporting and auxiliary transport services
- 2 Travel**
 - 2.1 Business travel
 - 2.1.1 Expenditure by seasonal and border workers
 - 2.1.2 Other
 - 2.2 Personal travel
 - 2.2.1 Health-related expenditure
 - 2.2.2 Education-related expenditure
 - 2.2.3 Other
- 3 Communications services**
 - 3.1 Postal and courier services
 - 3.2 Telecommunications services
- 4 Construction services**
 - 4.1 Construction abroad
 - 4.2 Construction in the compiling economy
- 5 Insurance services**
 - 5.1 Life insurance and pension funding
 - 5.2 Freight insurance
 - 5.3 Other direct insurance
 - 5.4 Reinsurance
 - 5.5 Auxiliary services
- 6 Financial services**
- 7 Computer and information services**
 - 7.1 Computer services
 - 7.2 Information services
 - 7.2.1 News agency services
 - 7.2.2 Other information provision services
- 8 Royalties and license fees**
 - 8.1 Franchises and similar rights
 - 8.2 Other royalties and license fees
- 9 Other business services**
 - 9.1 Merchanting and other trade-related services
 - 9.1.1 Merchanting
 - 9.1.2 Other trade-related services
 - 9.2 Operational leasing services
 - 9.3 Miscellaneous business, professional, and technical services
 - 9.3.1 Legal, accounting, management consulting, and public relations
 - 9.3.1.1 Legal services
 - 9.3.1.2 Accounting, auditing, bookkeeping, and tax consulting services
 - 9.3.1.3 Business and management consulting and public relations services
 - 9.3.2 Advertising, market research, and public opinion polling
 - 9.3.3 Research and development
 - 9.3.4 Architectural, engineering, and other technical services
 - 9.3.5 Agricultural, mining, and on-site processing services

- 9.3.5.1 Waste treatment and depollution
- 9.3.5.2 Agricultural, mining, and other on-site processing services
- 9.3.6 Other business services
- 9.3.7 Services between related enterprises, n.i.e.

10 Personal, cultural, and recreational services

- 10.1 Audiovisual and related services
- 10.2 Other personal, cultural, and recreational services
 - 10.2.1 Education services
 - 10.2.2 Health services
 - 10.2.3 Other

11 Government services, n.i.e.

- 11.1 Embassies and consulates
- 11.2 Military units and agencies
- 11.3 Other government services

Memorandum items

- 1 Freight transportation on merchandise, valued on a transaction basis
 - 1.1 Sea freight
 - 1.2 Air freight
 - 1.3 Other freight
 - 1.4 Space freight
 - 1.5 Rail freight
 - 1.6 Road freight
 - 1.7 Inland waterway freight
 - 1.8 Pipeline freight
- 2 Travel
 - 2.1 Expenditure on goods
 - 2.2 Expenditure on accommodation and food and beverage serving services
 - 2.3 All other travel expenditure
- 3 Gross insurance premiums
 - 3.1 Gross premiums—life insurance
 - 3.2 Gross premiums—freight insurance
 - 3.3 Gross premiums—other direct insurance
- 4 Gross insurance claims
 - 4.1 Gross claims—life insurance
 - 4.2 Gross claims—freight insurance
 - 4.3 Gross claims—other direct insurance
- 5 Financial intermediation services indirectly measured (FISIM)
- 6 Financial services including FISIM
- 7 Merchanting gross flows
- 8 Audiovisual transactions ^a

^a This item consists of a range of services and other transactions relating to audiovisual activities. Included are services that may be included in either *audiovisual services* or *royalties and license fees*, and also the acquisition and disposal of non-produced, non-financial assets relating to audiovisual activities, such as patents, copyrights, trademarks and franchises.

3.28. The GATS GNS/W/120 list explicitly excludes some services that are supplied by Governments - those that are supplied on a non-commercial basis and not in competition with one or more service suppliers.⁴³ These services are included in *government services, not included elsewhere*, within BPM5 and EBOPS.

3.29. Included in GNS/W/120 are the *distribution services* of wholesale trade and retailing. Following BPM5, these services are not identified in EBOPS. In the 1993 SNA, wholesalers and retailers are entities that purchase and resell goods with no or only minimal processing (in the form of cleaning, packaging and so forth). They supply a service to producers and consumers of goods by storing, displaying and delivering a selection of goods in convenient locations, thus making them easy to buy. Such services, with the exception of *merchandising services* (see para. 3.123 below and box 6), are not part of the international services transactions described in BPM5 because the margins that represent those distribution services are included in the free on board (f.o.b.) values of the goods to which they relate.

3.30. In the 1993 SNA, the *purchaser's price* is the amount paid by the purchaser, excluding any deductible value-added tax or similar deductible tax, in order to take delivery of a good or a service at the time and place required by the purchaser. It includes any transport charges that are paid separately by the purchaser to take delivery at the required time and place (irrespective of who provides these services) and also any taxes paid by the purchaser (including export taxes).

3.31. For services, the concept of market price in BPM5 is equivalent to the concept of purchaser's price in the 1993 SNA, because no wholesale, retail or transport distribution costs are involved.

3.32. However, for goods, BPM5 identifies the pricing level as f.o.b. at the border of the exporting country. In general, the f.o.b. price will not necessarily be the same as the purchaser's price because the f.o.b. price may include separately invoiced distribution costs (wholesale and/or retail margins as well as transportation costs to the border of the exporting country). Further, the purchaser's price will cover costs that take the goods to the purchaser's choice of location, which may be beyond the customs frontier. Therefore, those distribution costs, which are separately identified services in the 1993 SNA

framework, are not separately identified in the balance of payments framework.

3.33. The one exception to this is the special case of *merchandising services* (see para. 3.123 below and box 6), where goods are purchased in one country for sale in a second country by a resident of a third country. As discussed above, where goods are traded between two countries with no third party involved, the value of wholesale and retail services is included in the value of the goods. This special case arises because there are no goods flows in the country of residence of the merchant; thus, these services would not be included at all if not specifically identified.

3.34. It is recognized that it will not be possible for all compilers to immediately develop statistics at the detailed component level specified in EBOPS. Therefore, the highest priority is given to the development of statistics on international trade in services at the level described in BPM5. Following this, compilers should work towards disaggregation of these components to the level specified in EBOPS, but in an order that reflects the economic significance of the various services components to their economies. Third, compilation of the memorandum items should be carried out where the data are available as a by-product of the compilation of the related EBOPS components, or where their importance to users has been identified.

3.35. Although more frequent data would be useful for a range of analytical purposes, the present *Manual* recommends that EBOPS-level data and the memorandum items be produced on an annual basis, consistent with and reconcilable to quarterly data at a more aggregated level.

D. Transactions between related parties

3.36. Information on the value of all transactions between related parties is helpful in understanding the degree to which globalization of services supply is taking place. The present *Manual* therefore recommends that data on transactions in services separately identify transactions with related enterprises and transactions with unrelated enterprises. Although that breakdown would be most informative at the level of the detailed EBOPS classification, it is recognized that this could place a large burden on both suppliers and compilers of data and could also pose additional problems of confidentiality. Therefore, the present *Manual* recommends that such a breakdown be made only at the

⁴³ See annex V, part I, article I.

total services transactions level. This recommendation is accorded a lower priority than the compilation of statistics, including the memorandum items, at the level of detail described in EBOPS. It is also of lower priority than the development of FATS statistics (see chapter IV below) and statistics on the movement of natural persons supplying services under the GATS (see annex I).

3.37. On a related issue, paragraph 3.16 above discusses some particular difficulties inherent in the valuation of transactions between related enterprises. A further difficulty may arise in the identification of the nature of the services that are provided between related enterprises. That issue is discussed further in paragraph 3.135 below, but it occurs particularly where parent enterprises supply general management services and require reimbursement for costs settled directly on behalf of their branches, subsidiaries and associates. Those transactions between related parties that are not separately identifiable transactions are classified separately in EBOPS to the component *services between affiliated enterprises, n.i.e.*

E. Statistics by trading partner

3.38. There is a need for detailed geographical allocations of the statistics on the various types of services supplied and consumed by each economy according to the country of residence of trading partners. Such statistics give a firm basis for multilateral and bilateral trade in services negotiations that are carried out under GATS; they reveal developments in patterns of trade by type of service and are important for a variety of analytical purposes. Bilateral comparisons of one country's data with those of a trading partner, through the use of "mirror statistics", are an important tool for investigating and improving data quality. To the extent possible, an identical geographical basis should be used for all related sets of international services statistics (including FATS statistics).

3.39. Thus, in the present *Manual*, it is recommended that statistics on international trade in services be compiled on an individual trading partner basis, at least at the level of the 11 major components of the BPM5 classification of services (see para. 2.52 above), and where possible at the more detailed EBOPS level. The production of these statistics is one of the core elements recommended in the present *Manual*, and data collection by trading partner should, if practicable, be developed concurrently with the development of data collection at the EBOPS level. It is recognized that, depending on the

data collection methods used, it may be very resource-intensive and difficult for compilers to develop statistics by trading partner.

3.40. Given the obstacles, such as disclosure or incomplete information, to providing a complete detailed geographic breakdown of trade in services, the present *Manual* recommends that statistics be compiled at a detailed partner country level where compilers identify such statistics as being of most relevance in their economies. This means that countries should give priority to detailing their trade in services with their main trading partners.

F. Modes of supply and EBOPS

1. Allocation of modes of supply

3.41. The allocation of the various services to the modes of supply is a basic requirement in GATS. Services transactions between residents and non-residents may be supplied according to one or more of four of the modes of supply (mode 1, *cross-border supply*; mode 2, *consumption abroad*; mode 3, *commercial presence*; and mode 4, *presence of natural persons*) discussed in chapter II above. In many cases, a single service transaction may involve more than one mode of supply. The present *Manual* acknowledges that compilers will not be able to identify the real and full complexity of allocating each EBOPS type of service by the GATS mode of supply. Consequently, to facilitate the feasibility of data collection and as a first step, some simplifying assumptions are recommended following the principles set out in paragraphs 2.79-2.81 above. In short, each EBOPS type of service is allocated either to one dominant mode or, where there is no single dominant mode, to the most significant modes of supply.

3.42. Using that methodology and taking the simplest cases first, the following EBOPS services are deemed to be predominantly cross-border or mode 1: *transportation (except supporting and auxiliary services that are provided to domestic carriers in foreign ports or to non-resident carriers in domestic ports), communications, insurance and financial services, together with payments of royalties and license fees.*

3.43. All services recorded in balance of payments as *travel* are deemed to be consumption abroad or mode 2 under GATS. However, the *travel* component of the balance of payments classification also includes the purchase of goods by travellers, which is outside GATS

and hence excluded from mode 2. Thus, travellers' expenditure on goods should be separately identified from their expenditure on services, and only the services portion of travel expenditure should be allocated to mode 2. The goods portion would not be allocated to any mode of supply. In addition, *supporting and auxiliary services* that are provided to domestic carriers in foreign ports or to non-resident carriers in domestic ports should be allocated to mode 2 if they can be separately identified.

3.44. Mode 3, *commercial presence*, is primarily concerned with FATS and not balance of payments statistics, and is discussed in detail in chapter IV below. However, there is one exception to this general rule. Foreign entities established on a short-term basis to supply services are considered as non-residents in the host country in BPM5 and in the present *Manual*, and their transactions with residents in that country are recorded in the balance of payments. However, those entities are considered as *commercial presence* under GATS, which ignores the one-year statistical rule. This is the case in construction services, such as services provided by an unincorporated site office carrying out a short-term construction project. It is therefore recommended that these *construction services* be allocated to mode 3. The balance of payments component *construction services* also includes transactions in services supplied through the presence of natural persons. Where transactions through the presence of natural persons form a large part of total *construction services* and they can be separately identified, they should be allocated to mode 4.

3.45. For the remaining commercial services covered by GATS—namely, *computer and information services*, *other business services*, and *personal, cultural and recreational services*—the picture is rather more complex and might involve significant elements of both mode 1 and mode 4. To take a simple example, a consultant resident in the compiling economy providing services to a non-resident client may deliver the service *either* at the site of the client (mode 4) *or* from the office of the consultant transmitting reports cross border (mode 1) *or* a combination of those two. It is recommended that, to the extent feasible, the location of the supplier at the time of major service transactions in the above EBOPS components be determined. This would enable an allocation of those services between mode 1 and mode 4. If research were to indicate that for certain EBOPS components a particular mode of supply provides only a small proportion of the total supply, then

all of that type of service might be allocated to the dominant mode.

3.46. The simplifying assumptions for the allocation of trade by mode of supply set out in paragraphs 3.40 to 3.44 above should be regarded as a guide to first steps in the estimation process and be subjected to periodic review and empirical testing of their validity and appropriateness.

3.47. Compensation of non-resident employees is included in income in the balance of payments and is therefore not included in EBOPS. It may, however, yield indicators of mode 4 (*presence of natural persons*) activity. The present *Manual* therefore recommends that a breakdown of compensation of non-resident employees by the industry of the employing establishment be identified, to the extent possible, from existing data sources.

3.48. Services purchased in host economies by individuals and government units that are based in diplomatic and other similar enclaves in the host economy are included in *government services, n.i.e.*, which is a residual category for government transactions that are not classified to other components of EBOPS. Those services transactions are covered by GATS (mode 2) when provided by non-government entities. However, this *Manual* does not recommend that the purchases of those services (that is, those supplied by non-government entities) be separately identified from purchases of services supplied by government entities or from purchases of goods.⁴⁴

2. Priorities for allocation to modes of supply

3.49. Ideally, each EBOPS component should be allocated among mode 1, *cross-border supply*; mode 2, *consumption abroad*; mode 3, *commercial presence*; and mode 4, *presence of natural persons*, using the principles above. It may be that compilers are only able to make this allocation at a less detailed level of EBOPS. Although less desirable, compilers are encouraged to make the allocation at least at the level of the 11 major components of the BPM5 classification (see para. 2.52 above). However, recognizing the difficulty of allocating balance of payments transactions to modes of supply, the *Manual* recommends that a full allocation of services by modes of supply be accorded a low priority.

⁴⁴ See paras. 3.139-3.143 below for a more detailed discussion of these issues.

G. Repairs on goods

3.50. The present *Manual* follows BPM5 in recommending that, for the most part, the value of repairs on goods not be included in services. Repairs that are included in services in BPM5 and in the present *Manual* are:

(a) Construction repairs (included in construction services);

(b) Computer repairs (included in *computer services*);

(c) Repairs incidental to maintenance performed in ports and airports on transportation equipment (included in *transportation services*)

3.51. Maintenance services performed on goods are included in services.

H. Definitions of the components of the Extended Balance of Payments Services classification

3.52. In the remainder of the present chapter, the definitions of the various components of EBOPS are discussed in detail. This classification is listed in annex II. Annex III provides a detailed correspondence table between EBOPS, CPC, Version 1.0 and the GNS/W/120 services sector list that was used by trade negotiators during the Uruguay Round; it may be used to assist the compiler in resolving classification problems and to link the statistical classifications with the GATS list. Annex III also shows the relationship between the GNS/W/120 services sector list, CPC, Version 1.0 and EBOPS.

1. Transportation services

3.53. *Transportation* covers all transportation services that are performed by residents of one economy for those of another and that involve the carriage of passengers, the movement of goods (freight), rentals (charters) of carriers with crew, and related supporting and auxiliary services. Some related items that are excluded from transportation services are freight insurance (included in *insurance services*); goods procured in ports by non-resident carriers and repairs of transportation equipment (both are treated as goods, not services); repairs of railway facilities, harbours and airfield facilities (included in *construction services*); and rentals or charters of carriers without crew (included in *operational leasing services*). Paragraphs 3.9 and 3.10 above discuss the issues relating to the attribution of

residence of owners and operators of mobile equipment, including ships and aircraft.

3.54. EBOPS follows BPM5 in recommending a cross-classification of transportation by mode of transport and by kind of service. While BPM5 recommends the identification of three modes of transportation, EBOPS distinguishes eight modes of transportation—sea, air, space, rail, road, internal waterway, pipeline, and other supporting and auxiliary transportation services. EBOPS recommends the same classification of kind of service as BPM5—transport of passengers, transport of freight, and other supporting and auxiliary services. Discussion of the modes of transportation and kinds of service follows.

3.55. *Sea transport* covers all transportation services by sea.

3.56. *Air transport* covers all transportation services provided by air, including international passenger transportation.

3.57. The remaining modes of transport are a disaggregation of the single BPM5 mode “other transport.”

3.58. *Space transport* includes satellite launches undertaken by commercial enterprises for the owners of the satellites (such as telecommunication enterprises) and other operations performed by operators of space equipment, such as transport of goods and people for scientific experiments. Also included is space passenger transport and the payments made by an economy in order to have its residents included on the space vehicles of another economy.

3.59. *Rail transport* covers transport by trains.

3.60. *Road transport* covers international freight transport by lorries and trucks and international passenger transportation by buses and coaches.

3.61. *Inland waterway transport* relates to international transportation on rivers, canals and lakes. Included are waterways that are internal to one country and those that are shared among two or more countries.

3.62. *Pipeline transport and electricity transmission* covers international transport of goods in pipelines. Also included are charges for the transmission of electricity when this is separate from the production and distribution process. The provision of electricity itself is excluded, as is the provision of petroleum and related

products, water and other goods supplied through pipelines. Also excluded are distribution services of electricity, water, gas and other petroleum products (included in other business services).

3.63. **Other supporting and auxiliary transport services** covers all other transportation services that cannot be allocated to any of the components of transportation services described above.

3.64. EBOPS and BPM5 distinguish the same breakdown into kinds of transportation service.

3.65. **Passenger services** covers all services provided between the compiling economy and abroad or between two foreign economies in the international transportation of non-residents by resident carriers (credit) and that of residents by non-resident carriers (debit). Included in passenger services are those passenger services performed within an economy by non-resident carriers; fares that are a part of package tours; charges for excess baggage, vehicles, or other personal accompanying effects; and expenditures for food, drink, or other items that passengers make while on board carriers. Also included in passenger services are rentals provided by residents to non-residents, and vice versa, of vessels, aircraft, coaches or other commercial vehicles with crews for limited periods (such as a single voyage) for the carriage of passengers.

3.66. Excluded are passenger services provided to non-residents by resident carriers within the resident economies (included in *travel services*), cruise fares (included in *travel services*), rentals or charters that are financial leases (not included in EBOPS), and time charters without crew (included in *operational leasing services*).

3.67. **Freight services** may be divided into four categories. The first two are related to the fact that in an economy's balance of payments statistics, following BPM5, goods are valued free on board (f.o.b.)⁴⁵ at the customs frontier of the exporting economy, and thus freight charges are, by convention, borne by the importing economy (whether or not these are directly charged to the importer or included in the import price). The first category relates to international transportation of the compiling economy's exports and imports of goods; included are transportation services provided by (a) resident operators, beyond the customs frontier of the

compiling economy, on the compiling economy's exports (credits), and (b) non-resident operators, beyond the customs frontier of the exporting economy, on the compiling economy's imports (debits).

3.68. The second category of *freight* transportation is transport services provided by (a) resident operators of the compiling economy inside the customs frontier of the exporting economy, on the compiling economy's imports (credits), and (b) operators not resident in the compiling economy, inside the customs frontier of the compiling economy, on the compiling economy's exports (debits).

3.69. The third category is concerned with *freight* transportation supplied for goods that are not exports or imports of the compiling economy, but rather are (a) transit trade through an economy, (b) transport of goods between third economies (cross-trade), (c) coastal transportation or other transportation of goods between points within an economy, (d) movements of goods to or from entities located outside territories where the entities are residents (such as government agencies) provided by non-resident carriers, and (e) transport of mail for postal and courier services. This category comprises transportation services provided by resident operators for these goods when they are owned by non-residents (credit) and by non-resident operators on these goods when they are owned by residents of the compiling economy (debit).

3.70. The fourth group consists of rentals (or operational leases) provided by residents to non-residents, and vice versa, of vessels, aircraft, freight cars or other commercial vehicles with crews for limited periods (such as a single voyage) for the carriage of freight. Also included are towing related to the transportation of drilling platforms, floating cranes and dredges. Financial leases and time charters without crew are excluded.

3.71. Those services that are not covered above and that relate to one mode of transport only are recorded under the **other** category for the appropriate mode of transport (sea, air, rail, road and inland waterway transport). Services that relate to more than one mode of transport and that cannot be allocated to individual modes of transport are recorded under **other supporting and auxiliary transport services**. Included, for example, are cargo handling (such as loading and unloading of containers), storage and warehousing, packing and repackaging, towing (except as covered in the previous paragraph), pilotage and navigational aid for carriers,

⁴⁵ For a fuller discussion of valuation f.o.b., see BPM5, paras. 219 - 229.

maintenance and cleaning performed in ports and airports on transportation equipment, salvage operations, and agents' fees associated with passenger and freight transportation (including freight forwarding and brokerage services).

3.72. Included as memorandum items to EBOPS are a series of items relating to *freight transportation on merchandise, valued on a transaction basis*, disaggregated by mode of transportation (air freight, sea freight, rail freight, road freight, inland waterways freight and pipeline freight). For these items:

(a) *Credits* include all freight transport services provided (for import, export, cabotage⁴⁶ or cross-trade) by resident transport enterprises to all non-residents;

(b) *Debits* include all freight transport services provided (for import, export, cabotage or cross-trade) to all residents by non-resident transportation enterprises.

3.73. The transaction basis of measurement is useful because it represents the actual market transactions as they occur, with no correction, adjustment, or imputation. The transport service is recorded if, and only if, a transaction in transport services occurs between a resident and a non-resident. The recording of the separate transport service depends on the delivery terms that are specified in the contract for the sale/purchase of the goods and realised in the market transaction.

3.74. When the transportation contract is made between two residents of the same country, for transport services to be provided on an exported good, the transport service would be excluded in the transaction-based measurement method. This occurs, for example, when the delivery terms specified in the contract for the sale/purchase of a good are *franco domicile* ("carriage paid") and when the exporter has contracted with a resident of the exporting country to provide the transportation service.

3.75. The following cases would be included in the transaction-based measurement method:

(a) Where a contract to provide transport services is made between a resident and a non-resident and the delivery term is specified as *ex-works*, then the full transport service is recorded. This would include that

⁴⁶ Cabotage is the term used to describe transportation between points within a single economic territory; in this context, it refers to the services that are provided by residents to non-residents or vice versa.

part of the transportation service provided before the border of the exporting country;

(b) Transport services between residents and non-residents relating to cross-trade and cabotage.

3.76. This transaction-based information is requested by different users to complement the information of BPM5. Enterprises generally have this information in their accounts, and for this reason it is considered to be more robust than the information on a f.o.b. basis, which is often an estimated value (and which remains necessary as a BPM5 and 1993 SNA standard). The transaction-based information is already used by some balance of payments compilers as a basis for making the estimates on an f.o.b. basis for merchandise transportation (together with complementary information necessary for making these estimates). These items are considered to be analytically useful, and although not recommended in BPM5, they should be compiled if they are available as part of the process of compiling the data on *freight transportation*.

2. Travel

3.77. The *travel*⁴⁷ component of EBOPS differs from most other internationally traded services in that it is the consumer of these services that gives *travel* its distinctive characterization. The consumer (or traveller⁴⁸) moves to another economy to obtain goods and services. Thus, unlike most other services in EBOPS, *travel* is not a specific product; rather it is a range of goods and services consumed by travellers. It is for this reason that *travel* is not identified with any corresponding categories of CPC, Version 1.0.

3.78. *Travel* covers primarily the goods and services acquired from an economy by travellers during visits of less than one year to that economy. The goods and

⁴⁷ The term *travel*, as used in the present *Manual*, is synonymous with the term *travel* used in BPM5 and consistent with the term *tourism* used in the 1993 SNA. It is also related to the term *tourism* used in the *Tourism Satellite Account: Recommended Methodological Framework*, jointly published by the World Tourism Organization, Eurostat, OECD and the United Nations (see para. 2.39 above). The differences between the present *Manual* and BPM5, on the one hand, and TSA on the other hand, relate to expenditure by students and medical patients if they stay in the host economy for one year or more and expenditure by certain types of employees (see annex VII).

⁴⁸ The term *traveller* used here differs from the TSA definition of *visitor* primarily in the areas of students residing in other countries for education purposes, patients receiving long-term health care abroad and some aspects of employment abroad.

services are purchased by, or on behalf of, the traveller or provided, without a quid pro quo (that is, are provided as a gift), for the traveller to use or give away. Excluded are transportation of travellers within the economies that they are visiting, where such transportation is provided by carriers not resident in the particular economy being visited, as well as the *international* carriage of travellers, both of which are covered in *passenger services* under *transportation*. Also excluded are goods purchased by a traveller for resale in the traveller's own economy or in any other economy.

3.79. A traveller is an individual staying for less than one year in an economy of which he or she is not a resident for any purpose other than (a) being stationed on a military base or being an employee (including diplomats and other embassy and consulate personnel) of an agency of his or her government, (b) being an accompanying dependent of an individual mentioned under (a), or (c) undertaking a productive activity directly for an entity that is a resident of that economy. Expenditures made by individuals covered in (a) and (b) are recorded under *government services, n.i.e.* Expenditures made by individuals (including seasonal and border workers) covered in (c) in the economy of the employing enterprise are included under *travel*. The one-year guideline does not apply to students or to patients receiving health care abroad, who remain residents of their economies of origin even if the length of stay in another economy is one year or more.

3.80. Although BPM5 recommends a breakdown of *travel* into *business* and *personal* travel in its standard components, the present *Manual* recommends a further breakdown of each of these components of travel.

3.81. ***Business travel*** covers the acquisition of goods and services by *business travellers*, who are going abroad for all types of business activities, such as carrier crews stopping off or laying over, government employees on official travel, employees of international organizations on official business, and employees doing work for enterprises that are not resident in the economies in which the work occurs. They may visit an economy for sales campaigns, market exploration, commercial negotiations, missions, meetings, production or installation work, or other business purposes on behalf of an enterprise resident in another economy. *Business travel* also includes the acquisition of goods and services for personal use by seasonal, border and other workers who are not resident in the economy in which they are employed and whose employer is resident in that economy.

3.82. ***Business travel*** includes the goods and services acquired for their own personal use by travellers whose main purpose of travel is for business (including goods and services for which business travellers are reimbursed by employers) but not the sales or purchases that they may conclude on behalf of the enterprises they represent.

3.83. The acquisition of goods and services for personal use by seasonal, border and other workers, who are not resident in the economy in which they are employed and whose employer is resident in that economy, is separately identified in the EBOPS subcomponent ***expenditure by seasonal and border workers***. All other *business travel* is included in the EBOPS subcomponent ***other*** business travel.

3.84. ***Personal travel*** covers goods and services acquired by travellers going abroad for purposes other than business, such as holidays, participation in recreational and cultural activities, visits with friends and relations, pilgrimage, and education- and health-related purposes. The present *Manual* recommends a breakdown of personal travel into three sub-components - ***health-related expenditure*** (total expenditure by those travelling for medical reasons), ***education-related expenditure*** (i.e., total expenditure by students), and all ***other*** personal travel expenditure. This breakdown is the same as the supplementary information recommended in BPM5. In addition, separate data collected on, or estimated for, expenditure specifically on health and education services are useful for analytical purposes, and if these are available they should be provided separately.

3.85. The present *Manual* recommends an alternative disaggregation for *travel* services, to distinguish ***expenditure on goods, expenditure on accommodation and food and beverage serving services, and all other travel expenditure***. This alternative disaggregation, included in the memorandum items to EBOPS, will allow the allocation of expenditure on services to mode 2 supply of services. The separate identification of expenditure on accommodation and food services will facilitate more general analysis of travel expenditure.

3.86. All goods and services (except international passenger fares) acquired by travellers from the economies in which they are travelling for their own use are recorded under *travel*. These goods and services may be paid for by the traveller, paid for on his or her behalf or provided to him or her without a quid pro quo. The most common goods and services entered under *travel* are lodging, food, beverages, entertainment and transportation within the economy visited (all of which

are consumed in the supplying economy), and gifts, souvenirs and other articles purchased for travellers' own uses and which may be taken out of the economies visited.

3. *Communications services*

3.87. The present *Manual* recommends that the BPM5 component *communications services* be further disaggregated into two sub-components—first, *postal and courier services*, and second, *telecommunications services*.

3.88. *Postal and courier services* covers the pick-up, transport and delivery of letters, newspapers, periodicals, brochures, other printed matter, parcels and packages, including post office counter and mailbox rental services.

3.89. Within this component, postal services also include *poste restante* services, telegram services and post office counter services, such as sales of stamps, money orders etc. Postal services are often, but not exclusively, supplied by national postal administrations. Excluded are financial services rendered by postal administration entities, such as *postal giro*, banking and savings account services (recorded under *financial services*), and mail preparation services (recorded under *other business services, other*). Postal services are subject to international agreements, and the flows between operators of different economies should be recorded on a gross basis.

3.90. Also within this component, courier services focus on express and door-to-door delivery. Couriers may use self-owned, privately shared or public transportation to carry out these services. Included are express delivery services, which might include, for example, on-demand pick-up or time-definite delivery. Excluded are, for example, the movement of mail carried by air transportation enterprises (recorded under *transportation, air, freight*), storage of goods (recorded under *transportation, other, auxiliary and supporting services*), and mail preparation services (recorded under *other business services, other*).

3.91. *Telecommunications services* encompasses the transmission of sound, images or other information by telephone, telex, telegram, radio and television cable and broadcasting, satellite, electronic mail, facsimile services etc., including business network services, teleconferencing and support services. It does not include the value of the information transported. Also

included are cellular telephone services, Internet backbone services and on-line access services, including provision of access to the Internet.⁴⁹ Excluded are installation services for telephone networks equipment (included in *construction services*), and database services and related computer services to access and manipulate data provided by database servers (included in *computer and information services*).

4. *Construction services*

3.92. *Construction services* covers work performed on construction projects and installation by employees of an enterprise in locations outside the territory of an enterprise. The present *Manual* recommends that *construction services* be disaggregated into *construction abroad* and *construction in the compiling economy*. This disaggregation allows for the recording of both the construction services provided and the goods and services purchased in the host economy by non-resident enterprises that are providing the services, on a gross basis. Thus *construction abroad* comprises the construction services provided to non-residents by enterprises resident in the compiling economy (credit) and the goods and services purchased in the host economy by these enterprises (debit). *Construction in the compiling economy* comprises construction services provided to residents of the compiling economy by non-resident construction enterprises (debit) and the goods and services purchased in the compiling economy by these non-resident enterprises (credit).

3.93. This recommendation is a deviation from BPM5, which recommends that expenditures for goods and services purchased in the host economy be included in *other business services, other*. It is acknowledged that, for strong practical reasons, countries may prefer to continue to follow the treatment recommended in BPM5; in such cases, the treatment should be described in the explanatory methodological notes that accompany the publication of the data on construction services.

3.94. Both sub-components of *construction services* cover the work performed on construction projects and installations by employees of an enterprise in locations outside the economic territory of the enterprise (the work is generally performed for a short time period; the one-year rule for residence of such enterprises is to be

⁴⁹ At the time of publication of the *Manual*, the classification of a number of products related to Internet activity, in the area of telecommunications, information services and computing services, was highlighted for ongoing discussion.

applied flexibly, as described in paragraph 3.5 above). *Construction services* are valued on a gross basis—that is, they are valued inclusive of all goods and services used as inputs to the process of providing construction services, and also inclusive of all of the other costs of production and the operating surplus that accrues to the

owners of the construction enterprise. This valuation principle is the same as that which applies in the valuation of all production (of both goods and services), as described in the 1993 SNA. Box 3 provides a numerical example.

Box 3. Example of the measurement of construction services

Enterprise A, resident in country A, provides construction services in country B valued at 10,260. To provide these services, enterprise A purchases inputs of materials and labour consisting of:

	units
Materials (goods and services) and labour purchased in country A	1 200
Of which:	
Goods	645
Services	120
Labour	435
Materials and labour purchased in country B	6 655
Of which:	
Imported from country A	525
Imported from country C	1 730
Sourced in country B	2 290
Labour	2 110
Total cost of purchased inputs	7 855
In addition, a gross operating surplus accrues to enterprise A of:	2 405
Giving a gross value of construction services of:	10 260

The total value of the construction services produced is the sum of the inputs into the production process and the gross operating surplus accruing to the producing enterprise. Thus, the value of construction services is 10,260 units.

What would be measured in construction services trade between residents and non-residents?

In country A

Construction abroad

Credit	10 260 ^a
Debit	4 545 ^b

In country B

Construction in the compiling economy

Credit	4 545 ^b
Debit	10 260 ^a

If the goods valued at 645 units that are purchased in country A are shipped to country B for use in the construction process, the balance of payments compiler must ensure that they are excluded from the goods component of the balance of payments because they are purchases made by residents of country A from residents of country A, and not purchases made in country B.

^a Gross value of construction services.

^b Amount of goods and services purchased by enterprise A in economy B (the host economy), equal to 525+1730+2290 units; this amount would be recorded in *other business services* under BPM5 recommendations.

3.95. *Expenditure on goods and services in the host economy* includes expenditure by the construction enterprise on locally supplied items as well as expenditure in the host economy by the construction enterprise on goods and services that have been imported to the host economy, where the goods and

services are for use on the construction site. In the particular case where the construction enterprise purchases goods and services in its home economy, these still constitute part of the value of construction services. However, because they have not been purchased in the host economy, they are excluded from

*goods and services purchased in the host economy.*⁵⁰ Depending on the method of data collection used, it may not be possible to identify separately the goods purchased in the home economy and the host economy; for practical purposes, the compiler may need to estimate a breakdown or otherwise attribute all goods purchased to either the host or the home economy of the construction enterprise.

3.96. It may not be possible to identify the purchase of goods and services separately from labour costs; in this case the compiler will need to estimate a breakdown or alternatively allocate all costs either as goods and services or as labour costs. An example of the measurement of *construction services* is shown in box 3.

3.97. Projects carried out by subsidiaries, branches or associates of non-resident enterprises (direct investors) and certain site offices (see para. 3.7 above) are excluded here. However, the activities of branches and subsidiaries are included in the coverage of foreign affiliates (see chapter IV below) because such projects are regarded as part of the production of the host economy. The present *Manual* recommends that the coverage of enterprises providing *construction services* be the same as that of BPM5. That is, compilers should ensure that the construction services data compiled according to the present *Manual* relate to the same group of enterprises that are deemed to provide construction services in the balance of payments statistics.

3.98. *Construction services* covers all goods and services that form an integral part of construction contracts, including site preparation work, construction work for buildings, construction work for civil engineering, installation and assembly of machinery, and other construction services, such as renting services of construction or demolition equipment with operator or exterior cleaning work of buildings. Also included are construction repairs.

⁵⁰ Balance of payments compilers should note that in merchandise trade statistics, the value of goods imported into the host economy for use on the construction site will be included in merchandise imports under the general and special trade systems. Where goods are purchased by the construction enterprise in its home economy and shipped to the construction site, an adjustment must be made to the merchandise trade statistics to exclude the value of any such goods from the balance of payments goods component. If the goods are purchased in the host economy, no such adjustment is necessary.

5. Insurance services

3.99. *Insurance services* covers the provision of various types of insurance to non-residents by resident insurance enterprises, and vice versa. These services are estimated or valued by the service charges included in total premiums rather than by the total value of the premiums. The estimation procedures recommended in the present *Manual* (as in BPM5) are described in box 4.

3.100. The present *Manual* recommends that *insurance services* be disaggregated into five separate components—*life insurance and pension funding, freight insurance, other direct insurance, reinsurance, and auxiliary services to insurance*. This is a disaggregation of the BPM5 classification. Information on *gross premiums* and *gross claims*, separately for each of life insurance, freight insurance and other direct insurance, which may be the basis for estimating the service charge, is of analytic value and is recorded in the memorandum items.

3.101. Holders of *life insurance* policies, both *with profit* and *without profit*, make regular payments to an insurer (there may be just a single payment), in return for which the insurer guarantees to pay the policy holder an agreed minimum sum or an annuity, at a given date or at the death of the policy holder, if this occurs earlier. Term life insurance, where benefits are provided in the case of death but in no other circumstances, is a form of direct insurance, and is excluded here and included in *other insurance*.

3.102. *Pension funds* are separate funds established for the purpose of providing income on retirement for specific groups of employees. They are organized and directed by private or public employers or jointly by employers and their employees. They are funded by contributions from the employer and/or the employees and by the investment income earned on fund assets, and they also engage in financial transactions on their own account. They do not include social security schemes organized for large sections of the community that are imposed, controlled or financed by general government. Pension fund management services are included. In the case of pension funds, “premiums” are generally described as “contributions”, while “claims” are generally described as “benefits.”

3.103. *Freight insurance services* relate to insurance provided on goods that are in the process of being exported or imported, on a basis that is consistent with the measurement of goods f.o.b. and *freight*

transportation as described in paragraphs 3.67-3.70 above. This means that freight insurance services should be included in the compiling economy when they (a) relate to exports of goods beyond the customs frontier of the compiling economy and are supplied by resident insurers (credits) or (b) relate to imports of goods to the compiling economy, beyond the customs frontier of the exporting economy when they are provided by non-resident insurers (debits).⁵¹ In addition, *freight insurance services* includes services related to other transportation of goods, where the insurance services are provided between a resident and a non-resident of the compiling economy.

3.104. *Freight insurance* provides coverage against theft of, damage to, or complete loss of freight. Box 4 describes the recommended method for estimating *freight insurance services*. Excluded from the coverage of *freight insurance services* is the insurance of the vehicles that are used to transport the goods.

3.105. *Other direct insurance* covers all other forms of casualty insurance. Included are term life insurance; accident and health insurance (unless these are provided as part of government social security schemes); marine, aviation and other transport insurance; fire and other property damage; pecuniary loss insurance; general liability insurance; and other insurance, such as travel insurance and insurance related to loans and credit cards.

3.106. *Reinsurance* is the process of subcontracting parts of the insurance risk, often to specialized operators, in return for a proportionate share of the premium income. Reinsurance transactions may relate to packages that mix several types of risks.

3.107. *Auxiliary services* comprises transactions that are closely related to insurance and pension fund operations. Included are agents' commissions, insurance brokering and agency services, insurance and pension consultancy services, evaluation and adjustment services, actuarial services, salvage administration services, and regulatory and monitoring services on indemnities and recovery services.

⁵¹ Insurance costs up to the customs frontier of the exporting economy are included in the f.o.b. value of the goods exported. In this case, if the insurance services are provided by non-residents of the exporting economy, they should be included in *insurance services-debits* of the exporting economy and *insurance services-credits* of the economy that provides the services.

6. Financial services

3.108. *Financial services* covers financial intermediation and auxiliary services, except those of life insurance enterprises and pension funds (which are included in *life insurance and pension funding*) and other insurance services that are conducted between residents and non-residents. Such services may be provided by banks, stock exchanges, factoring enterprises, credit card enterprises and other enterprises.⁵² Included are services provided in connection with transactions in financial instruments, as well as other services related to financial activity, such as advisory, custody and asset management services. In addition, two memorandum items are recommended, *financial intermediation services indirectly measured* and *financial services including FISIM*. These are included to provide a means by which total financial services may be more completely compared internationally, because financial institutions in some countries may charge explicitly for services that can be measured only indirectly in others.

3.109. In general, financial intermediaries incur liabilities that they then lend to other entities on terms and conditions different from those applicable to their incurrence of liabilities. That is, they intermediate between lenders and borrowers by channelling funds from one to the other, putting themselves at risk in the process. The liabilities incurred and the assets acquired through this process are shown on the balance sheets of the intermediaries. These activities comprise *financial intermediation*.

3.110. In principle, *financial intermediation services* should also include FISIM, reflecting services that are not explicitly charged. FISIM is described briefly in box 5. The 1993 SNA recommends the allocation of FISIM to consuming sectors, including as a component of the external account of goods and services, in effect reclassifying a portion of interest income as financial services. However, the 1993 SNA also allows countries not to allocate any production of FISIM, consistent with the approach in the 1968 SNA. For practical reasons and reflecting the views of national balance of payments compilers at the time of its writing, BPM5 does not recommend including an estimate of FISIM in exports and imports of services. In consonance with the principle

⁵² A more detailed breakdown of the component *financial services*, appropriate to the particular need to provide data useful for negotiations under GATS, may be developed after publication of the present *Manual*.

Box 4. Estimation of insurance service charges

International *insurance services* are estimated or valued by service charges included in total premiums earned rather than by total premiums. In principle, the measurement of transactions in international insurance services recommended in the present *Manual* is consistent with that described in the 1993 SNA for insurance services for resident sectors. However, in practice, both BPM5 and 1993 SNA allow flows between residents and non-residents that are associated with investment income on insurance technical reserves to be ignored because of estimation problems, particularly for imports.

Separate estimations should be made for each of the various types of insurance—freight, pension funding, other direct, reinsurance and life.

For *freight insurance*, the insurance service charges for resident insurers providing insurance services to non-residents (credit) are estimated as the difference between premiums earned and claims payable on goods lost or destroyed in transit. It may be necessary to calculate the insurance service charge ratio (insurance service charge divided by total premiums payable) for a medium- or long-term period, and apply this ratio to premiums earned for each period. This applies particularly where claims payable exceed premiums earned for a particular period.

The service charges for non-resident insurers providing freight insurance services to residents (debit) can be estimated by taking the ratio of estimated service charges to total premiums for exports of insurance services and applying the ratio to total premiums payable to non-resident insurers. The ratio should be based on a medium- to long-term period.

For *pension funding* and *other direct insurance*, insurance services may be estimated in a similar manner to that for estimating freight insurance. That is, service charges for resident insurers providing services to non-residents are estimated as the difference between premiums earned by the insurers and claims payable to non-residents. Again, it may be necessary to calculate the insurance service charge ratio and apply this to premiums earned during each period. Insurance services provided to residents by non-resident insurers may be estimated by taking the ratio of estimated service charges to total premiums for exports of insurance services and applying this ratio to the total premiums paid to non-resident insurers. As before, the ratio should be based on a medium- to long-term period.

If there is no export insurance industry in the compiling economy, the compiler should use insurance service charge ratios based on the domestic insurance industry. If the domestic insurance industry is very small or non-existent, then the long-term relationship between premiums payable to non-resident insurers and claims receivable from non-resident insurers should be used to determine approximate service charges for imports of insurance services (debits).

Alternatively, compilers in the countries supplying insurance services to the compiling economy could be contacted for information regarding service charges.

For *reinsurance*, exports of services (credit) are in principle estimated as the balance of all flows occurring between resident reinsurers and non-resident insurers. Imports of services (debit) are estimated as the balance of all flows occurring between resident insurers and non-resident reinsurers.

Two features distinguish *life insurance* from other forms of insurance. The first is the length of time between the payment of premiums and the receipt of claims. The second is the certainty that a claim will occur. However, *life insurance services* may be estimated in the same ways as for non-life insurance services. An alternative, and sometimes more meaningful, estimate of the export of services of life insurance enterprises is to estimate an insurance service charge ratio by dividing the sum of operating costs and profits by premiums payable. This ratio would then be applied to premiums payable by non-residents to provide an estimate of insurance services. As with non-life insurance, the service charge ratio for life insurance services is more easily calculated for exports than for imports. Similar ratios, which could be obtained from the domestic life insurance industry or from compilers in other countries, could be used for imports.

In practice, life insurance transactions between residents and non-residents tend to be relatively insignificant in many countries, and service charges tend to be a small proportion of premiums payable. Thus, it may be possible to ignore entirely the service element of life insurance services.

of maintaining consistency with BPM5, the present *Manual* likewise excludes FISIM from international trade in financial services. However, countries that estimate FISIM attributable to external transactions for purposes of constructing national accounts are encouraged to disclose these estimates. Thus, *financial intermediation services indirectly measured* is included as a memorandum item to EBOPS; another memorandum item, *financial services including FISIM*, identifies the total of financial services directly and indirectly measured.

3.111. Included in financial *services* (excluding FISIM) are, for example:

(a) Explicit and implicit commissions and fees associated with financial transactions, such as:

- (i) Deposit taking and lending, including mortgage and non-mortgage loan services for business and personal purposes;
- (ii) Letters of credit, bankers' acceptances, lines of credit and other similar instruments;
- (iii) Financial leasing;
- (iv) Factoring;
- (v) Financial derivative transactions;
- (vi) Underwriting, placement of issues, brokerage and redemption of securities, including commissions related to the income payments related to securities;
- (vii) Clearing of payments;

- (b) Financial advisory services;
- (c) Custody services for financial assets or bullion;
- (d) Financial asset management services;
- (e) Merger and acquisition services;
- (f) Corporate finance and venture capital services;
- (g) Credit card and other credit granting services;
- (h) The spread on foreign exchange transactions;
- (i) Administration of financial markets;
- (j) Credit rating;
- (k) Service charges on purchases of IMF resources;

(l) Charges associated with undrawn balances under standby or extended arrangements with the IMF.

3.112. Excluded from *financial services* are, for example:

(a) Interest earned on deposits, loans, financial leases and debt securities (this is investment income, not included in services);⁵³

(b) Dividends earned;

(c) Life insurance and pension intermediation services (included in *life insurance and pension funding*);

(d) Other insurance services;

(e) Non-financial advisory services provided by banks (such as management advisory services, which are included in *business and management consultancy and public relations services*);

(f) Gains and losses made on purchase and sales of securities and financial derivatives on own account;

(g) FISIM.

3.113. In addition to explicit fees that may be charged for the conversion of foreign exchange, implicit service fees for foreign exchange transactions are valued as the spread between the mid-point rate and the buying or selling rate. Not all fees are invoiced separately; they may be included indistinguishably with the financial transactions to which they relate. An example is the invoiced price of a security that includes a charge for the brokerage service provided, as well as charges for the international transfer of foreign currency. Although such services are difficult to record, if possible estimates should be included in *financial services*. Note that fees paid by non-bank agents may be directly paid on accounts held abroad, or they may be included indistinguishably with related financial transactions.

3.114. Transactions in financial derivatives may take place through an intermediary. In this case, implicit or explicit service charges may be involved. The present *Manual* recommends that, where charges are explicitly made, they should be included in *financial services*, and where such services are not explicitly charged, FISIM should be estimated for inclusion in the memorandum item *financial intermediation services indirectly measured*, in line with the revised treatment of financial derivatives in balance of payments and national accounts statistics.⁵⁴

⁵³ But see the discussion on FISIM in box 5.

⁵⁴ See International Monetary Fund, *Financial Derivatives: A Supplement to the Fifth Edition (1993) of the Balance of Payments Manual* (Washington, D.C., 2000).

Box 5. Financial intermediation services indirectly measured (FISIM)

What is FISIM?

Some financial intermediaries are able to provide services for which they do not charge explicitly. FISIM is the measure of the value of these services. Financial intermediaries do this by paying to lenders (those from whom they borrow funds in the form of deposits and/or loans) rates of interest lower than the rates that they charge to those to whom they lend through loans (and to different categories of these lenders and borrowers). The resulting net receipts of interest are used by the financial intermediaries to defray their expenses and to provide an operating surplus. This method of operation avoids the need to charge customers directly for services provided and leads to the pattern of interest rates that can be observed in practice in most economies (that is, interest rates paid to depositors/lenders are lower than the interest rates charged to borrowers). In addition, financial intermediaries offer differential interest rates to depositors based on a range of factors, such as the size of the deposit, accessibility to funds and arrangements for cheque-writing facilities. Differential interest rates are charged to borrowers based on perceptions of the credit risk of the borrower, as well as on the collateral provided to the intermediary.

Although BPM5 does not recommend the inclusion of FISIM in financial services, the 1993 SNA does make such a recommendation.^a

Over time, as financial institutions charge explicitly for a wider range of services, growth in the money value of financial services excluding FISIM will be larger than if the institutions continue with the same charging policies—that is, financial services explicitly charged will show some growth that is due to a switch in charging policy, not necessarily an increase in the services provided. To ensure that a more complete and consistent picture is given of the total trade in financial services, the present *Manual* recommends that FISIM should be shown as a memorandum item, and that *financial services including FISIM* should also be included as a memorandum item. In addition, financial derivatives transactions may take place through an intermediary. In this case and where explicit service fees are not charged, a service may be provided, in which case it should be indirectly measured.^b

How is FISIM measured?

FISIM is measured in principle as the difference between the interest receivable by financial intermediaries on their loan and deposit assets and the interest payable on deposit and loan liabilities.

To estimate separately FISIM paid by lenders and borrowers, the concept of a “reference” rate of interest is suggested in the 1993 SNA. A reference rate represents the pure cost of borrowing funds. The type of rate chosen as the reference rate may vary from country to country, but the 1993 SNA suggests that either the inter-bank lending rate or the central bank lending rate might be used. It is possible also that the reference rate may vary between different markets in a single country. Given the reference rate, FISIM could be calculated as follows:

(h) For those to whom financial intermediaries lend, FISIM is the difference between the interest actually charged on loans and the amount that would be charged if the reference rate were used;

For those from whom intermediaries borrow in the form of deposits and/or loans, FISIM is the difference between the interest that would be earned if a reference rate were used and the interest actually earned.

The 1993 SNA states that the property (investment) income receivable by financial intermediaries from the investment of their own funds should be excluded from the estimation of FISIM.^c

Further information

Further discussion can be found in the 1993 SNA, paragraphs 6.120–6.134. However, at the time of preparation of the present *Manual*, debate is continuing as to the most appropriate methods for estimation of FISIM and for its allocation between lenders and borrowers.

^a The allocation of FISIM is an issue still under discussion; the 1993 SNA allows countries the option to continue the non-allocation practice of the 1968 SNA.

^b See International Monetary Fund, *The New International Standards for the Statistical Measurement of Financial Derivatives: Changes to the Text of the 1993 SNA* (Washington, D.C., March 2000), para. 11.36.

^c However, there is an emerging international consensus that where a financial intermediary on-lends its own funds, a financial intermediation service should be estimated on the loan receivable to which own funds have been applied.

3.115. Financial services may be provided by, among others, banks, credit card and travellers' cheque issuers, stock market administrators, factoring services, rating agencies and financial consultants.

7. Computer and information services

3.116. The present *Manual* recommends that more disaggregated information be produced than is recommended in BPM5. Thus, three sub-components are recommended - computer services, news agency services, and other information provision services.

3.117. *Computer services* consists of hardware and software-related services and data-processing services. Included are hardware and software consultancy and implementation services; maintenance and repair of computers and peripheral equipment; disaster recovery services, provision of advice and assistance on matters related to the management of computer resources; analysis, design and programming of systems ready to use (including web page development and design), and technical consultancy related to software; development, production, supply and documentation of customized software, including operating systems made on order for specific users; systems maintenance and other support services, such as training provided as part of consultancy; data-processing services, such as data entry, tabulation and processing on a time-sharing basis; web page hosting services (i.e., the provision of server space on the Internet to host clients' web pages); and computer facilities management.

3.118. Excluded from *computer services* are the provision of packaged (non-customised) software (classified as goods and therefore not included in EBOPS⁵⁵) and non-specific computer training courses (included in *other personal, cultural, and recreational services*).

3.119. *News agency services* include the provision of news, photographs, and feature articles to the media. In the GNS/W/120 list of services that was a basis for the GATS commitments in the Uruguay Round, these services are a part of "recreational, cultural and sporting services" rather than *computer and information services* in the case of BPM5. These services are therefore

⁵⁵ At the time of preparation of the present *Manual*, the classification of the provision of software that is downloaded through the Internet was under discussion.

separately identified in EBOPS, thus facilitating a linkage with GNS/W/120.

3.120. *Other information provision services* includes database services - database conception, data storage and the dissemination of data and databases (including directories and mailing lists), both on-line and through magnetic, optical or printed media; and web search portals (search engine services that find internet addresses for clients who input keyword queries). Also included are direct, non-bulk subscriptions to newspapers and periodicals, whether by mail, electronic transmission or other means.

8. Royalties and license fees

3.121. The present *Manual* recommends a disaggregation of the BPM5 component into *franchises and similar rights* and *other royalties and license fees*. *Franchises and similar rights* comprise international payments and receipts of franchising fees and the royalties paid for the use of registered trademarks. *Other royalties and license fees* includes international payments and receipts for the authorised use of intangible, non-produced, non-financial assets and proprietary rights (such as patents, copyrights and industrial processes and designs) and with the use, through licensing agreements, of produced originals or prototypes (such as manuscripts, computer programs, and cinematographic works and sound recordings). Payments and receipts for the outright purchase or sale of these assets and rights are excluded (following BPM5, these are recorded as capital account transactions, not as services). Excluded also are distributive rights for audiovisual products for a limited period or a limited area; these are included in *audiovisual and related services*.

9. Other business services

3.122. The coverage of *other business services* is identical to the coverage of the BPM5 component; however, the disaggregation proposed is more detailed than that of BPM5, although it corresponds broadly to the BPM5 supplementary breakdown.

3.123. *Merchandising* is defined as the purchase of a good by a resident of the compiling economy from a non-resident and the subsequent resale of the good to another non-resident; during the process, the good does not enter or leave the compiling economy (changes in stocks held abroad by merchants are excluded from the estimation of

merchandising services). The difference between the value of goods when acquired and the value when sold is recorded as the value of *merchandising services* provided. Although the goods flows associated with merchandising activity are not part of services statistics, separate data

recorded on a gross basis, including the value of the goods, are useful for analytical purposes, and a separate memorandum item, *merchandising gross flows*, is included in EBOPS for this purpose.

Box 6. Merchandising services

Merchandising is the process by which a good is purchased by a resident (of the compiling economy) from a non-resident and then subsequently resold to another non-resident; during the process, the good does not enter or leave the compiling economy. Merchandising transactions may include both commodity arbitrage, where goods may be bought and resold almost simultaneously, and wholesale trading, where the merchant may own the goods for a period of time and take responsibility for moving them from the country of the seller to the country of the ultimate buyer. In the latter case, the merchant may incur various costs, such as for transportation, insurance or interest, in connection with the movement and holding of the goods; where these represent transactions with residents of countries other than that of the merchant, they are to be separately recorded, rather than deducted from *merchandising services*, in consonance with the BPM5 principle, followed in the present *Manual*, of recording current account transactions on a gross basis.

The value of the *merchandising services* is the difference between the value of goods when acquired and the value of the goods when resold. If the purchase and sale take place within one accounting period, then this is the time at which the *merchandising services* are recorded. If the good is not resold by the merchant in the same accounting period as that in which it is purchased, then the merchandising transaction is recorded at the time of the sale of the good, in the later period. This treatment is as recommended in BPM5 and is consistent with the 1993 SNA.

It should be noted that the recording of merchandising transactions is asymmetrical—that is, *merchandising services* are recorded in the economy in which the merchant is resident. Neither the country exporting the good nor the country importing the good will record these services; however, the value of the goods will be reported differently in the merchandise trade and balance of payments statistics of the two countries. The difference is accounted for by the value of *merchandising services* supplied by a third country.

If the goods are resold for less than the original cost of purchase - that is, the merchant makes a loss on the sale - then a negative export of *merchandising services* would be recorded.

An example of *merchandising services*

Country A sells goods worth 100 units to a merchant in country C, who then resells the same goods to country B for 115 units. To demonstrate the situation, it is helpful to consider the recording of merchandise trade as well as that of services.

If all transactions take place in one accounting period, then country A will show merchandise exports of 100 units and country B will show merchandise imports of 115 units. Country C will record an export of *merchandising services* of 15 units. This asymmetry in the recommended treatment of such activity arises because of the pragmatic assumption that the importer in country B is not likely to know the value of the merchandising profit or loss realized by the merchant in country C.

If the goods are purchased by the merchant in country C in one accounting period and sold to country B in the next accounting period, then in the first accounting period country A would record the export of the goods and country C would record the import of the goods (which can be regarded as stocks held abroad), both valued at 100 units. In the next accounting period when the goods are resold, country C would record a negative merchandise import equal to the value of the import in the previous period (100 units), country B would record the import of goods at 115 units, and country C would record exports of *merchandising services* of 15 units.

3.124. **Other trade-related services** covers commissions on goods and service transactions between (a) resident merchants, commodity brokers, dealers, and commission agents and (b) non-residents. This component also includes transactions in ships, aircraft and sales of goods by auction. Excluded are franchising fees (included in franchises *and similar rights*), brokerage in financial services (included in *financial services*) and transport-related fees (included in the appropriate component of *transportation services*).

3.125. **Operational leasing services** covers resident/non-resident leasing (rental) and charters, without operators, of ships, aircraft and transportation equipment, such as railway cars, containers and rigs, without crew. Also included are the leasing payments relating to other types of goods. Excluded are financial leasing (sometimes called capital leasing), leasing of telecommunications lines or capacity (included in *telecommunications services*), rental of ships and aircraft with crew (included in *transportation services*) and rental of vehicles to foreign travellers (included in *travel*).

3.126. **Legal services** covers legal advisory and representation services in any legal, judicial and statutory procedures; drafting services of legal documentation and instruments; certification consultancy; and escrow and settlement services.

3.127. **Accounting, auditing, bookkeeping and tax consulting services** covers the recording of commercial transactions for businesses and others; examination services of accounting records and financial statements; business tax planning and consulting; and preparation of tax documents.

3.128. **Business and management consulting and public relations services** covers advisory, guidance and operational assistance services provided to businesses for business policy and strategy and the overall planning, structuring and control of an organization. Included are management auditing; market management, human resources, production management and project management consulting; and advisory, guidance and operational services related to improving the image of the clients and their relations with the general public and other institutions.

3.129. **Advertising, market research and public opinion polling** services transacted between residents and non-residents covers the design, creation and marketing of advertisements by advertising agencies; media placement, including the purchase and sale of

advertising space; exhibition services provided by trade fairs; the promotion of products abroad; market research; telemarketing; and public opinion polling on various issues.

3.130. **Research and development** services covers those services that are transacted between residents and non-residents and associated with basic research, applied research and experimental development of new products and processes. In principle, such activities in the physical sciences, social sciences and humanities are covered, including the development of operating systems that represent technological advances. Also included is commercial research related to electronics, pharmaceuticals and biotechnology. Excluded are technical studies and consultancy work (both included in *business and management consultancy, public relations services*).

3.131. **Architectural, engineering and other technical services** covers transactions between residents and non-residents related to architectural design of urban and other development projects; planning and project design and supervision of dams, bridges, airports, turnkey projects etc.; surveying; cartography; product testing and certification; and technical inspection services. Mining engineering is excluded and included in *mining services*.

3.132. **Waste treatment and de-pollution** services includes the treatment of radioactive and other waste; stripping of contaminated soil; cleaning up of pollution including oil spills; restoration of mining sites; and decontamination and sanitation services. Also included are all other services that relate to the cleaning or restoring of the environment.

3.133. **Agricultural, mining, and other on-site processing services** comprises:

(a) Agricultural services that are incidental to agriculture, such as the provision of agricultural machinery with crew, harvesting, treatment of crops, pest control, animal boarding, animal care, and breeding services. Services in hunting, trapping, forestry and logging, and fishing are also included here.

(b) Mining services provided at oil and gas fields, including drilling, derrick building, repair and dismantling services, and oil and gas well casing cementing. Services incidental to mineral prospecting and exploration, as well as mining engineering and geological surveying, are also included here.

(c) Other on-site processing services, which covers on-site processing of or work on goods that have been

imported without change of ownership, processed but not re-exported to the country from which the goods were consigned (but are instead either sold in the processing economy or sold to a third economy) or vice versa.

3.134. **Other business services** covers services transactions between residents and non-residents, such as the placement of personnel, security and investigative services, translation and interpretation, photographic services, building cleaning, real estate services to businesses and any other business services that cannot be classified to any of the business services listed above. Included are the distribution services of electricity, water, gas and other petroleum products, where these are identifiable separately from transmission services (included in *pipeline transport and electricity transmission*).

3.135. **Services between related enterprises, n.i.e.**, is a residual category. It covers payments between related enterprises for services that cannot be specifically classified to any other component of EBOPS. It includes payments from branches, subsidiaries and associates to their parent enterprise or other related enterprises that represent contributions to the general management costs of the branches, subsidiaries and associates (for planning, organizing and controlling) and also reimbursements of expenses settled directly by parent enterprises. Also included are transactions between parent enterprises and their branches, subsidiaries and associates to cover overhead expenses.

10. Personal, cultural and recreational services

3.136. This comprises two subcomponents, audiovisual and related services and other personal, cultural and recreational services.

3.137. **Audiovisual and related services** comprises services and associated fees related to the production of motion pictures (on film or videotape), radio and television programmes (live or on tape) and musical recordings. Included are receipts or payments for rentals; fees received by resident actors, producers etc. for productions abroad (or by non-residents for work carried out in the compiling economy); fees for distribution rights sold to the media for a limited number of showings in specified areas; and access to encrypted television channels (such as cable services). Fees to actors, directors and producers involved with theatrical and musical productions, sporting events, circuses and other similar events and fees for distribution rights (for television, radio, and film) for these activities are

included. Excluded are purchases and sales of films, television and radio programmes, recorded music, musical compositions and manuscripts, and the rights to these (because purchases and sales of merchandise and assets are not within the scope of EBOPS). Also excluded are the sale of rights for video editions of films and television programmes.⁵⁶ Purchases and sales of rights should be included in the memorandum item *audiovisual transactions*.

3.138. **Other personal, cultural and recreational services** include such services as those associated with museums, libraries, archives and other cultural, sporting and recreational activities. Two separate sub-components, beyond the detail recommended in BPM5, should be identified here for GATS purposes. These are the provision of *education services* and of *health services*. **Education services** comprise services supplied between residents and non-residents relating to education, such as correspondence courses and education via television or the Internet, as well as by teachers etc. who supply services directly in host economies. **Health services** comprise services provided by doctors, nurses and paramedical and similar personnel, as well as laboratory and similar services, whether rendered remotely or on-site. Excluded is all expenditure by travellers on education and health (included in *travel*).

11. Government services, not included elsewhere

3.139. **Government services, n.i.e.**, is a residual category covering government transactions (including those of international organizations) not contained in the other components of EBOPS as defined above. Included are all transactions (in both goods and services) by embassies, consulates, military units and defence agencies with residents of economies in which the embassies, consulates, military units and defence agencies are located and all transactions with other economies. Excluded are transactions with residents of the home economies represented by the embassies, consulates, military units and defence agencies, and transactions in the commissaries, post exchanges and these embassies and consulates.

3.140. A breakdown of this item into services transacted by **embassies and consulates**, services transacted by

⁵⁶ The classification of the provision of music and film by downloading through the Internet is under discussion at the time of preparation of the present *Manual*.

military units and agencies and all *other* transactors is recommended.⁵⁷

3.141. Transactions classified to this component comprise those for goods and services (such as office supplies, furnishings, utilities, official vehicles and operation and maintenance, and official entertainment) and personal expenditures incurred by diplomats and consular staff and military personnel, as well as their dependants in the economies in which they are located. Also included in this component are transactions, subject to the same considerations as those in the preceding item, by other official entities (such as aid missions and government tourist, information and promotion offices) located in economies abroad. Also included are transactions associated with general administrative expenditures etc. that are not classified elsewhere. In addition, this component includes transactions associated with aid services that are provided by non-military agencies, that do not give rise to any payments and that have offsets in transfers. Finally, transactions associated with the provision of joint military arrangements and peacekeeping forces, such as those of the United Nations, are included in *government services, n.i.e.*

3.142. Most transactions included in this EBOPS component are not covered by GATS. In particular, GATS excludes:

(a) Goods supplied to or by embassies, consulates, military units etc. because GATS applies only to services transactions;

(b) Services supplied by embassies, consulates, military units etc. because these services are supplied in the exercise of government authority (see annex V, part I, article 1);

(c) Supplies of services to embassies, consulates, military units etc. by government entities from other countries (including from the country of location).

3.143. GATS covers only the supply of services by non-government entities to government entities, foreign diplomats, and consular staff and their dependants, which are allocated to mode 2. These services are included in *government services, n.i.e* when they cannot be classified in other components. However, identification of these transactions would require the compilation of data on goods supply separately from the supply of services, as well as a further breakdown by

type of supplier of the service. This is not recommended in the present *Manual*.

I. Alternative aggregations of service and non-service transactions

3.144. For various analytical purposes, compilers may wish to aggregate service and non-service transactions to provide information on areas of particular interest or concern to users, such as all transactions relating to health care, environmental issues or audiovisual activities. As an example, the *Manual* provides a suggested aggregation of transactions, including services transactions, that relate to audiovisual activities. This aggregation, *audiovisual transactions*, is shown as a memorandum item to EBOPS. It is described below.

3.145. The coverage of *audiovisual transactions* is the same as that of *audiovisual services*, which is discussed in paragraph 3.137 above, except that it deviates from BPM5 and EBOPS principles in that all relevant balance of payments transactions between residents and non-residents, except for transactions in goods, should be included. *Audiovisual transactions* has been included as a memorandum item because one of the stated needs of GATS is for information on a range of transactions relating to audiovisual activities. In addition, it is sometimes difficult to isolate *audiovisual* services from other audiovisual transactions, not only because of the technical nature of these transactions but also because these transactions are often conducted between related enterprises. In audiovisual business networks, integration of production/distribution enterprises and co-production activities are more often the rule than the exception.

3.146. This memorandum item should be used to show the total value of such resident/non-resident transactions. Thus, this memorandum item covers transactions in services, including services included in both *audiovisual services* and *royalties and license fees*, and in addition includes the acquisition and disposal of non-produced, non-financial assets,⁵⁸ such as patents, copyrights, trademarks and franchises. Thus, it is a reorganization of a range of resident/non-resident transactions, including transactions that are outside the range of services covered in BPM5 and EBOPS, and it is recommended for its analytical usefulness.

⁵⁷ This breakdown is not required for GATS purposes.

⁵⁸ See BPM5, paras. 312 and 358.

3.147. Included are, for example:

(a) Distributive rights and fees of film and television programmes;

(b) Television retransmission rights for sport events;

(c) Distributive rights and fees of video games that are downloaded through television channels;

(d) Sale of rights for films and television programmes, for cinema release or for broadcasting;

(e) Sale of rights for video editions of films and television programmes, based either on the number of video cassettes or disks produced or on distribution in a particular territory;

(f) Subscription services provided for encrypted television channels, such as cable and over-the-air, or free-to-air, broadcasting;

(g) Music composers' rights that are linked to the sale of records paid through collecting societies;

(h) Performing rights related to live musical or theatrical performance;

(i) Rights for theatrical releases abroad by drama companies;

(j) Musical shows produced abroad.

3.148. Excluded are, for example, all goods, but the sale and purchase of video tapes, compact discs and video discs are included.

3.149. It should be noted that fees and rights may be paid on a number of different bases, including pay-per-view, number of video cassettes or disks produced, time period, territory or size of the audience reached.

3.150. For musical works and television and radio programmes, the management and collection of these fees is often carried out by "performing rights societies" or "collecting societies." The enterprises carrying out these transactions are mainly (a) producers of audiovisual services and goods that receive distributive rights (for example, when there is a television or radio transmission), author/composers' rights (for example, when records are sold), and performing rights (for example, when a theatrical company or an opera company is producing and performing abroad); (b) television and radio channels that pay rights for retransmission and encrypted television channels receive income (both receipts and payments should be recorded as audiovisual transactions); or (c) performing rights societies, such as

the Société des auteurs compositeurs éditeurs de musique or the Association for the Collective Management of Audio-visual Works, which act as intermediaries between producers and the media.

J. Data collection

3.151. Methods of collection can be described in terms of six main types of sources—international transactions reporting systems (ITRS); surveys of enterprises; surveys of households, administrative data; official data; and information obtained from partner countries and international organizations. Appropriate data may be obtained directly through one or more of these methods, or it may be that some type of modelling is used in order to obtain estimates of the balance of payments components.

3.152. An ITRS records transactions that take place between residents and non-residents. Such a system may be a product of present or past exchange controls, or it may exist separately from these. In many countries, commercial banks record all of the transactions that take place through their systems and report these (either all individual transactions or in aggregate form) to the balance of payments compiler. Where residents are able to conduct transactions outside of the domestic banking system, supplementary data must be collected. Typically, supplementary data are needed for transactions through bank accounts held abroad by residents and for transactions where no money changes hands (such as in barter trade or when trade credits are extended).

3.153. Surveys of enterprises collect information in aggregate form on the transactions of resident enterprises with non-residents. Such surveys may be full coverage or conducted on a sample basis. Surveys of enterprises may be conducted to collect information from enterprises engaged in specific activities (for example, airlines that are engaged primarily in carriage of passengers and freight, legal firms that supply only a small range of services, or hotels and restaurants that cater primarily to overseas visitors) or may be applied to a wide range of enterprises to collect information on all of their services transactions, or even on all of their balance of payments transactions. To be successful, such surveys require the use of an up-to-date register of enterprises and good survey techniques (such as appropriate follow-up, and verification and imputation techniques).

3.154. There are few household surveys conducted specifically for balance of payments purposes; the most usual such surveys are the periodic or ongoing surveys that are conducted to collect information on travel expenditure. It is common, however, to make use of existing household surveys to collect extra information for balance of payments purposes. Such sources include migration statistics and household income and expenditure surveys.

3.155. Official sector (government and monetary authorities) data include data available from the detailed accounting records of the monetary authorities and all levels of government. These may supplement other data sources or be used to validate data obtained from other sources.

3.156. Data on balance of payments services transactions may also be obtained as a by-product of administrative functions of the government. For services statistics, the most common of these are applications that may be needed for residents to export or import services and the records that may be kept relating to education and health services provided to or by non-residents.

3.157. Information obtained from partner countries is useful to provide data where it is not possible to collect these directly within a country as well as to validate other data collections and estimation methods. Data from international organizations are particularly useful for aid-recipient countries to compile data on technical assistance services.

3.158. Compilers must consider many things when choosing a method or methods for estimating the various services components, including the legislation that permits data collection, the data that are already available, the available resources, the needs of users and the appropriateness for the particular country of the various methods of data collection that might be used.

3.159. Information on some types of transaction may be obtained from more than one data source. If information can be collected from more than one source, data can be usefully cross-checked.

K. Summary of recommendations

3.160. The main recommendations of the present chapter for compiling statistics on transactions between residents and non-residents of an economy can be summarized as follows:

1. The BPM5 recommendations on the principles of recording (residence, valuation, time of recording, currency of recording and conversion) should be followed.
2. Data on services transactions between residents and non-residents of an economy should be compiled according to EBOPS. Of highest priority is the compilation of data at the level of BPM5; this should be followed by the introduction of the EBOPS level of detail, but taking into account the data requirements in individual compiling economies. Of less immediate priority is the compilation of data on EBOPS memorandum items.
3. Data should be compiled on an individual trading partner basis, at least at the level of the 11 major components of BPM5 (see para. 2.52 above).
4. Data for total services transactions should be compiled separately for transactions with related and with unrelated parties.
5. Each EBOPS component should be allocated either to one dominant mode or, where there is no single dominant mode, to the most significant modes of supply. This is accorded a low priority.

IV. Foreign affiliates trade in services statistics

A. Introduction

4.1. For both goods and services, international sales may be effected not only through the transactions between residents and non-residents that are recorded in balance of payments accounts as specified by BPM5 (and in the 1993 SNA's external account for goods and services), but also through direct investment enterprises or affiliates established in the countries of foreign customers.⁵⁹ For services, this method of serving foreign markets is particularly important because it is often the only method that permits the close and continuing contact between service providers and their customers necessary to compete effectively with indigenous firms.

4.2. In the present *Manual*, statistics describing the overall operations of affiliates are termed “foreign affiliates trade in services statistics”, or “FATS statistics”. Consonant with the *Manual's* theme and purpose, its recommendations for compiling these statistics have been designed and presented with services in mind. However, except for the particular activity and product breakdowns suggested, most of the recommendations are equally applicable to goods or services and may be considered in developing a generalized framework for statistics on affiliate operations.

4.3. The most pertinent information on the operations of affiliates may be considered to be that on their sales. Services delivered through transactions between residents and non-residents are measured in terms of

sales (apart from any services that may have been donated), and a comparable measure must be available for affiliates in order to measure services delivered through them on a parallel basis. Although, as discussed below, the present *Manual* recommends a broader programme of data collection, it recognizes that some countries may, at least initially, limit themselves to the collection of statistics on sales because these most directly support the monitoring of commitments under GATS.

4.4. While sales may thus be considered to be the most important information to collect for FATS, additional information is generally required for an adequate assessment of the economic effects of affiliate operations and of measures to liberalize the delivery of services through the commercial presence mode of supply. For example, information on value added allows output originating within the affiliate to be distinguished from output originating in the firms that supply it with intermediate inputs. Similarly, information on employment is required to assess the impact of affiliates on labour markets. Accordingly, the *Manual* recommends multiple indicators, or variables, for FATS, rather than only sales.

4.5. FATS statistics may be developed for both foreign-owned affiliates *in* the compiling economy (inward FATS) and foreign affiliates *of* the compiling economy (outward FATS). Because, under GATS, countries make commitments with respect to the supply of services in their own economies rather than services they supply abroad, the most directly related data with respect to commercial presence may be those on the activities of foreign-owned affiliates in the domestic economy. Nonetheless, the reason countries make these commitments is to secure commitments on the part of other countries, with a view to enhancing the ability of their firms to supply services in those countries. For commercial presence, this supply is tracked by data on outward FATS, which therefore must also be considered relevant.

4.6. In addition to being more directly related to the compiling country's own commitments under GATS, data on inward FATS are often easier to collect than data on outward FATS. The entities covered are located in

⁵⁹ Here, “affiliate” is used synonymously with “direct investment enterprise”, which, following BPM5, is an incorporated or unincorporated enterprise in which a direct investor who is resident in another economy owns 10 per cent or more of the ordinary shares or voting power (for an incorporated enterprise) or the equivalent (for an unincorporated enterprise). As will be explained below, most of the present chapter is concerned with only those affiliates in which the direct investor has a majority ownership interest. These may be termed “majority-owned affiliates”; however, in what follows, these affiliates may—for ease in exposition—also be referred to simply as “affiliates”, where the limitation to the majority-owned subset of affiliates is clear within the context of the discussion.

the compiling country, and data for them would ordinarily already be included in the country's domestic enterprise statistics. Thus, compiling data for them may involve only identifying the foreign-owned subset of domestically located firms and tabulating existing data for them. For outward FATS, in contrast, the entities covered are located outside the compiling economy and generally would not be covered by existing data. Furthermore, there may be legal or practical obstacles to surveying them directly; generally, the data would have to be collected from resident direct investors rather than from the foreign affiliates themselves. The present *Manual* recognizes that for these reasons, many countries may initially limit their FATS statistics to those related to inward investment. Nonetheless, it notes that some countries have successfully compiled data for outward FATS as well.

4.7. Because one country's inward FATS statistics provide information on the outward FATS of partner countries, exchanges of information among partner countries have the potential to provide countries that do not collect data on outward FATS with information on the overseas activities of their own multinational companies. For such data to be useful, it is important that they be compiled using standardized definitions and methodologies, and in this regard the *Manual* can play an important role in promoting comparability. In addition, international organizations can, by republishing member country data, serve as clearing houses for such information. The value of such clearing houses can be

considerable, inasmuch as they can help to achieve consistency in presentation and greatly reduce the number of contacts required to assemble the data.

4.8. Foreign direct investment financial transactions and related investment position (stock) and income measures are not, strictly speaking, FATS variables because they do not pertain to the overall operations of foreign affiliates but relate only to transactions between and positions with direct investors and their foreign affiliates. In addition, FDI measures are ordinarily compiled with respect to transactions and positions with all foreign affiliates, whereas FATS variables are, as discussed in paragraphs 4.17-4.24 below, to be compiled only with respect to affiliates in which the direct investor holds a majority interest.

4.9. Notwithstanding those differences, FDI statistics should be considered an important adjunct to FATS statistics. Countries that cannot implement the compilation of FATS statistics immediately may find that FDI statistics can provide an alternative interim indicator of commercial presence. In addition, FDI statistics can be used in conjunction with FATS statistics to indicate the extent to which the operations of affiliates were financed with funds from direct investors, as well as the extent to which the income generated by affiliates accrues to direct investors. The present *Manual* recommends that FDI statistics be compiled as specified by BPM5 and BD3. For convenience, those guidelines are summarized in box 7.

Box 7. Measuring foreign direct investment

Following BPM5 and BD3, *direct investment* is the category of international investment that reflects the objective, by a resident entity in one economy, of obtaining a lasting interest in an enterprise resident in another economy (the resident entity is the direct investor and the enterprise is the direct investment enterprise). The lasting interest implies the existence of a long-term relationship between the direct investor and the enterprise and a significant degree of influence on the management of the enterprise. Direct investment comprises not only the initial transaction between the investor and the enterprise but also all subsequent transactions between them and among affiliated enterprises.

For statistical purposes, a direct investment enterprise is defined as an incorporated or unincorporated enterprise in which a direct investor, who is resident in another economy, owns 10 per cent or more of the ordinary shares or voting power (for an incorporated enterprise) or the equivalent (for an unincorporated enterprise). Direct investment enterprises comprise those entities that are subsidiaries (a non-resident investor owns more than 50 per cent), associates (a non-resident investor owns from 10 to 50 per cent), and branches (wholly or jointly owned unincorporated enterprises) either directly or indirectly owned by the direct investor. By encompassing enterprises that are not majority owned by the direct investor, the concept of direct investment is broader than the concept of majority-owned affiliate used by the present *Manual* in defining the universe of firms covered by FATS statistics.

Direct investors may be individuals; incorporated or unincorporated private or public enterprises; associated groups of individuals or enterprises; Governments or government agencies; or other organizations that own

direct investment enterprises in economies other than those in which the direct investors reside. The members of an associated group of individuals or enterprises are, through their combined ownership of 10 per cent or more, deemed to have an influence on management that is similar to the influence of a single individual or enterprise with the same degree of ownership.

Compilation of statistics on direct investment will entail collection or estimation of three broad types of data - direct investment income, direct investment financial transactions and direct investment position (stock).

Direct investment *income* consists of income on equity and income on debt, and covers income accruing to a direct investor in one economy from the ownership of direct investment capital (see below) in an enterprise in another economy. Income on direct investment is presented on a net basis for both direct investment abroad and direct investment in the reporting economy (i.e., receipts of income on equity and income on debt less payments of income on equity and income on debt for each). Income on equity is subdivided into (a) distributed income (dividends and distributed branch profits) and (b) reinvested earnings and undistributed branch profits. Income on debt consists of interest payable (i.e., accrued) between direct investors and direct investment enterprises; both interest payable by the direct investor to the direct investment enterprise and interest payable by the direct investment enterprise to the direct investor are included.

Direct investment financial transactions consist of (a) capital provided (either directly or through other related enterprises) by a direct investor to a direct investment enterprise or (b) capital received from a direct investment enterprise by a direct investor. For the economy in which the investment is located, such capital includes funds provided directly by the direct investor and funds provided by other direct investment enterprises associated with the same direct investor. For the economy of the direct investor, such capital includes only funds provided by the resident investor. Direct investment financial transactions are recorded primarily on a directional basis—resident direct investment abroad and non-resident direct investment in the reporting economy—and are broken down into equity capital, reinvested earnings and other capital, the last category being associated with various inter-company debt transactions.

The *direct investment position* measures the value of the stock of direct investment. In principle, the position should be measured at current market prices as of the dates involved (that is, beginnings or ends of reference periods). In practice, however, there may be some departures from the market price principle. In many cases, book values from the balance sheets of direct investment enterprises (or of direct investors) will be used to determine the value of the stock of direct investments.

Following BD3, in both inward and outward direct investment statistics, the direct investment enterprise should, if feasible, be analyzed both by its own industrial activity and by the industrial activity of the direct investor. The minimum level of detail recommended by BD3 is that of nine major divisions of ISIC.^a For the purposes of consistency with FATS statistics compiled as recommended by the present *Manual*, a further breakdown to the level of the *Manual's* ISIC Categories for Foreign Affiliates (see paras. 4.41-4.43 below) would be desirable.

BPM5 and BD3 provide additional details on the treatment of direct investment, including special instructions for the treatment of intercompany transactions between affiliated banks (depository institutions) and between affiliated financial intermediaries (e.g., security dealers). Compilation hints can be found in the IMF *Balance of Payments Compilation Guide* (Washington, D.C., 1995).

^a See BD3, para. 49 and ISIC, Rev.3, para. 133.

4.10. Interest in FATS statistics has arisen from two primary sources. The first is GATS. By including commercial presence and presence of natural persons as modes of supply, it has created a new need for information describing the activities of foreign-owned or -controlled firms in host economies. The information will mainly relate to commercial presence. However, partial information on presence of natural persons may

also be available from this source, if employment by foreign affiliates is among the variables collected and if their foreign employees, who have moved temporarily to the country of location of the foreign affiliate, can be separately identified.

4.11. A second source of interest in FATS statistics has been the growing integration or *globalization* of the

world economy. For a variety of motivations—such as to achieve benefits from geographic diversification, circumvent trade barriers, increase proximity to markets, or reduce costs of labour, transportation, or other inputs—an increasing number of firms have expanded their operations beyond the countries of their owners. The need to understand this phenomenon of international operations, and to monitor the performance of the foreign affiliates through which they are conducted, exists quite separately and apart from any trade agreements, and in this regard FATS statistics are an important analytical tool.

4.12. For both of these purposes, FATS statistics are of interest in their own right, but it will often be possible to discern their full significance only when they are viewed in conjunction with other information, such as comparable information on total home- or host-country economic activity or on services supplied through modes other than commercial presence. For example, while the number of employees of foreign-owned affiliates in the domestic economy is useful information in and of itself, a fuller understanding of its significance could be obtained if the percentage of domestic employment accounted for by these affiliates could be computed. For such computations to be possible, compilers will have to devote attention to issues of comparability between FATS variables and statistics on the domestic economy covering the same items.

4.13. To promote such comparability, the present *Manual's* recommendations for FATS statistics draw to a very considerable extent on concepts and definitions found in the 1993 SNA—in terms of both the entities to be covered and the selection and definition of variables for measuring their operations and performance. This approach also allows FATS statistics to be related to or integrated with not only statistics for the domestic economy but also similar statistics on the activities of foreign affiliates in the production and distribution of goods. Concerning the latter, the concepts, definitions and recommendations of the present *Manual* are also, to the extent possible and appropriate, harmonized with those expected, at the time of writing, to be used in the forthcoming OECD manual of economic globalization indicators, which will deal with foreign affiliates as suppliers of both goods and services.

4.14. The present *Manual's* recommendations for FATS statistics centre around the answers to four questions. (a) What is the universe of firms to be covered? (b) How are the data to be grouped: by country, by industrial activity, or by product? (c) What

variables should be covered? (d) How might the statistics be developed?

Outline of recommendations

4.15. The four questions raised above are addressed in detail below. However, it will be helpful to outline the key statistical recommendations. As to firms covered, the *Manual* recommends that FATS statistics cover all firms that are majority-owned by a foreign direct investor. Data on such firms in the compiling economy should be grouped geographically, primarily on the basis of the country of ultimate beneficial owner but, if possible, with some data also being provided on the basis of the country of the immediate investor (first foreign parent). Data on foreign affiliates of the compiling economy should be grouped according to the country of location of the firm whose operations are being described. As to grouping by industry or product, the first priority is for a grouping by industry into categories - termed ISIC Categories for Foreign Affiliates - drawn from the ISIC, Rev. 3. Not all FATS variables lend themselves to a product breakdown, but for those that do the breakdown for services should be on a basis compatible with EBOPS. Several specific variables are suggested for collection, to include at least the following basic measures of foreign affiliate activity: (a) sales (turnover) and/or output, (b) employment, (c) value added, (d) exports and imports of goods and services, and (e) number of enterprises.

B. Universe to be covered

4.16. Methodological antecedents for FATS statistics are much less well developed than those for trade between residents and non-residents, where the transactions to be covered are clearly indicated by BPM5. The conventions with respect to residence found in BPM5 and the 1993 SNA can provide clear guidance on the residence of enterprises and the present *Manual* recommends that they be followed without exception, but no internationally agreed ownership concept exists that was designed specifically with FATS statistics in mind. Nor is there agreement on the types of firms to be covered and, specifically, on whether the statistics should cover all producers or only producers of services. These issues are addressed in turn below.

1. Ownership criteria

4.17. Although GATS does not provide statistical definitions, it does give some indication of the kind of

ownership criteria that would be useful in support of the agreement. The agreement refers to concepts of “ownership”, “control”, and “affiliation”. Under GATS, a juridical person (such as a business enterprise) is “owned” by persons of a WTO member country if more than 50 percent of the equity interest in it is beneficially owned by persons of that member country; “controlled” by persons of a member country if such persons have the power to name a majority of its directors or otherwise to legally direct its actions; and “affiliated” with another person when it controls or is controlled by that other person, or when it and the other person are both controlled by the same person (article XXVIII, section [n]). Thus, GATS would appear concerned with cases of majority ownership—where, by that very fact, control typically could be assumed to exist—as well as by cases in which control can be demonstrated to have been achieved with a smaller ownership share.

4.18. Among statistical guidelines, rules relating to ownership appear in BPM5, in BD3 and in the 1993 SNA. All of these use ownership of 10 per cent of the ordinary shares or voting power (for an incorporated enterprise) or the equivalent (for an unincorporated enterprise) as a lower threshold for direct investment, but they also provide rules that are more closely aligned with the ownership and control concepts found in GATS. All three of these harmonized standards define “subsidiaries” as enterprises in which the direct investor owns more than 50 per cent, “associates” as enterprises in which the direct investor owns between 10 and 50 per cent, and “branches” as wholly or jointly owned unincorporated enterprises. In the 1993 SNA, subsidiaries and branches are considered to be “foreign-controlled enterprises”; associates may be included in, or excluded from, this category by individual countries according to their qualitative assessment of foreign control.

4.19. The present *Manual* considers that it is relevant to consider criteria used or recommended at national and regional levels. Here majority ownership—that is, cases in which the direct investor owns more than 50 per cent of the ordinary shares or voting power in the direct investment enterprise—is seen to have played a key role in determining the subset of foreign affiliates that is covered. A report of a Eurostat task force on foreign affiliates trade indicated agreement by its members that the criterion of majority owned would be used because the concept is very clear and in this way very

operational.⁶⁰ While the report indicated other criteria that could be used in identifying foreign-controlled firms, actual collection of FATS statistics by Eurostat and OECD has been based on majority ownership; in particular, the Joint OECD-Eurostat survey on the activity of domestic firms and of foreign affiliates in the service sector requests that the data reported should relate to majority-owned affiliates. Among the few national presentations, the United States annual presentation of data on sales of services by affiliates covers data for only those affiliates that are majority-owned by direct investors.⁶¹

4.20. Although it may in some respects have been conceptually more appealing to categorize firms on the basis of the actual presence or absence of foreign control, majority ownership of the ordinary shares or voting power by a single direct investor or by an associated group of investors acting in concert has been selected as the recommended ownership criterion for FATS statistics in the present *Manual*.⁶² Unlike control,

⁶⁰ Statistical Office of the European Communities (Directorate B, Unit B-5), *FATS Task Force Report* (January 1997); the task force was formed to consider conceptual and practical issues involved in compilation of statistics on foreign affiliates trade and to design common OECD-Eurostat questionnaires that could be used to collect the data.

⁶¹ For inward FATS, data are also available for all affiliates, but they are not shown as a part of the annual presentation on services.

⁶² Majority ownership by an associated group of investors acting in concert is considered by the 1993 SNA as an unambiguous indication that the power to control a corporation exists, notwithstanding the diffusion of ownership among multiple institutional units. Specifically, the 1993 SNA notes (paragraph 4.27) that “a small, organised group of shareholders whose combined ownership of shares exceeds 50 per cent of the total is able to control the corporation by acting in concert.” BPM5 and BD3, in defining the “direct investor,” likewise treat the ownership interest held by the members of associated group as equivalent to the same interest held by a single person (see box 7). None of these guidelines offers operational guidance for identifying such an associated group. However, the definition of “associated group” used by the United States in its direct investment data collection system provides examples of criteria that could be considered. By this definition, an associated group consists of “two or more persons who, by the appearance of their actions, by agreement, or by an understanding, exercise or appear to exercise their voting privileges in a concerted manner to influence the management of a business enterprise.” The definition goes on to indicate that the following are *deemed* to be associated groups: members of the same family, a business enterprise and one or more of its officers or directors, members of a syndicate or joint venture, or a corporation and its domestic subsidiaries.

its implementation does not require the use of subjective criteria, nor does it require that compilers examine the nature of investments on a case-by-case basis. The absence of a subjective factor has the added benefit of eliminating a potential source of bilateral asymmetry - namely, the possibility that the issue of control will be assessed differently by home- and host-country compilers. Finally, majority-owned foreign affiliates do fall within the scope of GATS definitions of ownership and - all but the rarest instances, typically involving highly regulated economies - control.

4.21. Although the measure of majority ownership recommended by the present *Manual* differs from the 1993 SNA concept of a foreign-controlled enterprise, the two concepts are alike in that both refer to ownership by a single investor (or investor group). This approach is followed in the present *Manual* not only for consistency with the SNA (and with BPM5 and BD3, both of which use ownership by a single investor or investor group in defining direct investment), but also because it is only through a single investor or associated investor group that control can be systematically exercised. However, the relevance—both for GATS purposes and for globalization analysis—of other criteria for selection is acknowledged, and the *Manual* encourages countries that can do so to provide supplemental statistics covering cases in which foreign control may be deemed to be present, even if no single foreign direct investor holds a majority stake.

4.22. Examples of investments that might be covered on a supplemental basis are majority ownership by multiple foreign direct investors, ownership of exactly 50 per cent by a foreign direct investor, and cases in which a qualitative assessment has been made that effective control has been achieved through a minority stake in an enterprise.⁶³ These should be labelled in a way that indicates the nature of the investments in the firms covered by the statistics. Similarly, countries for which any of these groups are embedded in the basic statistics should provide explanatory notes indicating their coverage and, if possible, the aggregate amounts accounted for by them. Such supplemental statistics on affiliates that are not majority owned may be particularly relevant where majority ownership by foreigners is restricted.

⁶³ These and other special cases will be discussed in detail in the forthcoming OECD manual of economic globalisation indicators.

4.23. The present *Manual* is consistent with BPM5 and BD3 in including in FATS statistics all types of firms, including the so-called special purpose entities (SPEs), if they otherwise meet the criteria for selection. Whatever their structure (e.g., holding company, base company, regional headquarters) or purpose (e.g., administration, management of foreign exchange risk, facilitation of financing of investment), SPEs are an integral part of the structure of the direct investment network, and their activities and products should be included, as appropriate, in the compilation of FATS statistics.⁶⁴

4.24. Statistics on foreign affiliates owned by residents of the compiling economy should include all majority-owned foreign affiliates, irrespective of whether the affiliate is held directly or indirectly and irrespective of whether the direct investor in the compiling economy is the ultimate owner or is, instead, an intermediate owner in an ownership chain.⁶⁵ However, because the activities of an affiliate held through an ownership chain could be recorded in the outward FATS statistics of the countries of both the ultimate and intermediate owners, countries are encouraged to indicate the aggregate share of FATS variables accounted for by foreign affiliates for which the compiling country is an intermediate rather than final owner.

2. Types of producers

4.25. Because FATS as used in the present *Manual* stands for foreign affiliates trade in *services*, it might be expected that FATS statistics should cover producers of services only. However, the *Manual* recommends that producers of goods be covered as well. Some firms produce both goods and services, and it is only by coverage of all producers that the activities of producers for which provision of services is a secondary activity would be reflected in the statistics. In addition, coverage of all producers allows for the activities of services producers to be examined in the context of statistics covering all firms. As explained in paragraph 4.39 below, the method for attributing and presenting FATS variables by activity and, to the extent possible, selected

⁶⁴ For a detailed discussion of the SPE concept and for additional examples, see BD3, annex 3.

⁶⁵ For information on the concept of indirect ownership, ownership chains and company structure generally as they relate to direct investment, see paras. 12–19 of BD3 and paras. 685–692 of the IMF *Balance of Payments Compilation Guide*.

ones by product, rather than the limitation of the universe of producers to service producers alone, is the mechanism recommended for isolating services from goods.

C. Time of recording

4.26. Following BPM5 and the 1993 SNA, FATS variables should, in principle, be measured and recorded on an accrual basis. Flow variables, such as output and value added, should be for the reference year. Stock variables, such as assets and net worth, should be as of the end of the reference year. Reference years should be defined on a calendar year basis, if possible. Countries that can collect and compile data only on a fiscal year or accounting year basis should provide explanatory notes indicating this practice, as well as information on the extent to which fiscal and calendar years deviate in their FATS universe.

D. Statistical units

4.27. In principle, FATS statistics could be collected at either the enterprise (company) level or the level of individual business locations or establishments. Neither basis of collection is unequivocally superior to the other; rather, each has its own strengths and weaknesses. For example, some financial indicators, such as total assets, are more naturally collected from enterprises than from establishments. However, because enterprises are more likely than establishments to have activities in multiple industries, data that are classified on the basis of primary activity can sometimes be more difficult to interpret for enterprises than for establishments. Although there may thus be advantages and disadvantages associated with each basis of collection, the present *Manual* makes no recommendation as to statistical units. As discussed in paragraphs 4.69-4.75 below, FATS statistics often will be developed in the context of existing statistical systems, in which the statistical units are already defined, and in these cases there may be little choice in the units that are to be used for FATS.

4.28. Because the statistical units used can have an important bearing on how the statistics should be interpreted, the present *Manual* recommends that information on statistical units be disclosed in explanatory notes.

E. Attribution of FATS variables

4.29. FATS variables may be attributed or classified in a variety of ways. One way is geographic - that is, in what country did the production take place, and what

country is to be regarded as the country of the owner of the producing affiliate? Another way is on the basis of the primary industrial activity of the producer. Some variables may, in addition, be classified by product - according to the types of goods or services produced. Recommendations on each of these bases of attribution are provided below.

1. By country

4.30. The issues to be addressed in attributing variables by country differ as between inward FATS and outward FATS. For inward FATS, a choice must be made between attribution to the immediate investing country and attribution to the ultimate investing country. For outward FATS, the issue is whether to attribute variables to the immediate host country or to the ultimate host country. (As noted in para. 4.24 above, both directly and indirectly held affiliates are to be included in the FATS universe.)

4.31. For FATS statistics, the need to follow investments to their ultimate origins or destinations reflects both the nature and uses of the statistics. These issues are discussed below with respect to each type of investment, and recommended bases of attribution are given.

(a) Inward FATS

4.32. For foreign-owned affiliates in the compiling economy, the question is whether to attribute FATS variables to the country of the immediate investor (first foreign parent) or to that of the ultimate investor (ultimate beneficial owner (UBO)) (for a discussion of these two ownership concepts, see box 8). Commonly, the first foreign parent and the UBO are one and the same, but in many cases they differ. Thus, it is necessary to determine the primary principle to be applied. Some perspective on the matter may be gleaned from a review of relevant information concerning recommendations for FDI statistics, the Eurostat task force report mentioned above and an OECD-Eurostat questionnaire on the subject.

4.33. Both BPM5 and BD3 recommend that FDI balance of payments flows be compiled only in respect of the immediate investing country, a practice followed by virtually all countries. With respect to direct investment positions, BPM5 recommends that these should be allocated to the country of the immediate host or investing country. BD3 suggests that positions should also be compiled separately with respect to the ultimate host or controlling country.

4.34. The Eurostat FATS Task Force report (see footnote 60 above) recommended that the UBO be considered as the first priority to define the level of control because it is the most relevant. It observed that this principle can be very complex to follow in practice, and thus it proposed that initially the country of the first foreign parent could be used as a substitute, with the possibility of later obtaining data on the basis of UBO to be explored. However, in a pilot

study, conducted in the framework of structural business statistics, data were successfully collected on the UBO basis by most participants. Also, the United States has collected data on this basis for some time. In the light of this successful experience, the UBO basis is to be recommended in the proposed OECD manual of economic globalization indicators.

Box 8. Immediate and ultimate investors

Foreign-owned affiliates in the compiling economy may be grouped geographically based on the country of the immediate investor (first foreign parent) or the country of the ultimate investor (ultimate beneficial owner). The first foreign parent is the first foreign person in the chain of ownership of the affiliate. The UBO is the first person in the chain - beginning with and including the first foreign parent - that is not majority owned by another person. The following examples illustrate how these entities may be identified in particular cases. In each case, the chain of ownership runs from top to bottom, with the company at the bottom being the foreign-owned affiliate whose ownership is at issue.

I	II	III	IV	V	VI
Company A	Company C	Company F	Company I	Company L	Company O
100%	80%	70%	40%	100%	50%
Company B	Company D	Company G	Company J	Company M	Company P
	80%	60%	90%	40%	
	Company E	Company H	Company K	Company N	

- Case I. Company A is both the foreign parent and the UBO of company B.
- Case II. Company D is the foreign parent of company E. Because company D is, in turn, majority owned by company C, company C is the UBO of company E; its country would be considered the country of ownership of company E in FATS statistics.
- Case III. Following the same reasoning as in Case II, company G is the foreign parent of company H, while company F is its UBO. Note that company F's indirectly held ownership in company H is only 42 per cent—the product of its 70 per cent share of company G and company G's 60 per cent share in company H. Company H is nonetheless included in FATS statistics as a foreign-owned affiliate because the majority ownership criterion relates to the ownership interest of the first foreign parent (which is the direct investor), rather than to that of the UBO. Despite company F's lack of majority ownership, it can be presumed to control company H because each entity in a chain of majority ownerships can control the entity below it, including that entity's actions with respect to the entities that are, in turn, below it.
- Case IV. Company J is both the foreign parent and the UBO of company K. Company I is not the UBO because it is not the majority owner of company J.
- Case V. Company M is the foreign parent of company N. Because company M is, in turn, majority owned by company L, company L is the UBO of company N. However, company N is not covered by FATS statistics because it is not majority owned by its foreign parent.
- Case VI. Company O is both the foreign parent and the UBO of company P. Company P is not covered by FATS statistics because it is not majority owned by its foreign parent, but it nonetheless represents a case that may be deemed relevant for the purposes of GATS or globalization analysis. Thus, the compiling country may wish to show data for company P (and other cases of interest) on a supplemental basis (see paras. 4.21 and 4.22 above).

4.35. Abstracting from practical considerations, the country of ultimate beneficial ownership is conceptually preferable for the attribution of variables concerning industrial activity because that is the country that ultimately owns or controls - and therefore derives the benefits from owning or controlling - the direct investment enterprise. In the light of the relevance of the UBO basis and the demonstration by a number of countries that compilation on this basis is feasible, the present *Manual* recommends the UBO basis as the first priority for compilation of FATS statistics and the basis on which estimates should be prepared in the greatest detail. However, considering that information on first foreign parents may be available as a by-product of linkages to FDI data and to facilitate comparisons with these data, countries are encouraged to make available some data in which variables are attributed according to the country of the first foreign parent.

(b) Outward FATS

4.36. For affiliates owned by residents of the compiling economy, two options for attribution of FATS variables by country are possible. The variables could be attributed to the country of location of the affiliate or - if the ownership is through a directly held affiliate located in another country - to the country of that affiliate. The present *Manual* recommends that attribution be to the country of the affiliate whose operations are described by the variables, for that is the country in which the foreign direct investor's commercial presence exists, and it is the country where the various activities (sales, employment etc.) tracked by the statistics are carried out. This recommendation is consistent with the treatment of foreign-controlled enterprises in the 1993 SNA, in that the value added in production by the enterprise is attributed in both cases to (i.e., is included in the gross domestic product of) the economy of location of the enterprise. To the extent that the statistics may be used in conjunction with statistics on resident/non-resident foreign direct investment transactions recorded in balance of payments accounts, it should be noted that the latter are attributed, following BPM5 and BD3, to the immediate host country, as is appropriate for tracking financial flows and positions.⁶⁶

⁶⁶ BPM5 also recognizes that direct investment transactions (but not positions) involving parties located in third countries might, following the "transactor" basis of regional allocation, be attributed to those countries; an example of such a transaction would be the sale or purchase by a direct investor

(c) Note on the equal ownership of shares by residents of more than one country

4.37. Ordinarily, FATS variables for a given foreign affiliate are attributed in their entirety to a single country of owner. As descriptors of the operations of affiliates, they should not be factored down by ownership shares. Nor should the values of the variables be apportioned between the majority owner and any foreign minority owners. However, where supplemental statistics are provided covering cases in which foreign control has been achieved other than through majority ownership by a single investor, classification dilemmas may arise where direct investors of different countries have collectively achieved majority ownership through holdings of equal shares. Because the ownership is evenly split, the determination of the country of owner has to be made using criteria other than ownership percentages.

4.38. Although it is sometimes difficult to reach a decision in such cases, there is often some factor that would lead to the selection of one country rather than the other. For example, if one owner's interest in the affiliate is held directly and the other owner's interest is held indirectly, the affiliate generally would be classified in the country of the owner holding the direct interest. As another example, if one of the foreign owners is a government entity, then the country of that Government would probably be considered the country of owner. Finally, if one of the foreign owners is a holding company or is located or incorporated in a tax haven country, then the country of the other owner would probably be considered the country of owner. In the absence of any such factor that could be used as a basis of attribution, the value of FATS variables may be allocated evenly among the foreign countries of ownership. However, data so allocated may pose problems of interpretation, and efforts should first be made to determine a basis for allocation to a single country.

2. By activity and by product

4.39. Ideally, it would be possible to attribute all FATS variables on the basis of the industrial activities of producers and, in addition, particular variables, such as sales or output, exports and imports by the types of services products produced and sold. Data on a product basis would identify the specific types of services

in one country of an affiliate located in another country to or from an individual or firm resident in a third country.

delivered through the commercial presence mode of supply and could most readily be compared with data on services delivered through trade between residents and non-residents. However, some FATS variables, such as value added and employment (discussed below), do not lend themselves to a product classification. Also, for some countries, FATS statistics may be developed as a subset of domestic enterprise or other statistics that are classified only on an activity basis. On this basis, all of the data for a given enterprise are classified in the single activity—often termed the “primary” activity—that, based on some key variable (such as employment or sales), is the largest. Finally, for some purposes, the data may need to be viewed in conjunction with data on stocks and flows of foreign direct investment, which normally would be classified by activity but not by product.

4.40. Taking these factors into account, an activity basis is recommended as the first priority for FATS statistics. However, as a longer-term goal, countries are encouraged to work toward providing product detail for the items that can be classified on this basis. Countries that are building on existing data systems that already include product detail will probably wish to use this detail from the outset in their tabulation and presentation of FATS statistics, because it could help them in monitoring commitments under GATS that are specified in terms of services products. Similarly, countries that are building their FATS data systems from the ground up should consider the feasibility of providing for a product dimension.

(a) *By activity*

4.41. The present *Manual* recommends that, for reporting to international organizations, FATS variables be classified by activity according to ISIC, Rev.3 and grouped according to the ISIC Categories for Foreign Affiliates (ICFA), which have been derived from ISIC. These categories, shown in table 3, cover all activities, but with more detail provided for services than for goods.⁶⁷ This all-inclusive basis of presentation allows activities of services enterprises to be viewed in the context of the activities of all enterprises. In addition, it provides a framework for displaying services produced

⁶⁷ The OECD manual of economic globalisation indicators is also expected to recommend use of an ISIC-based classification of measures of foreign-affiliate operations and performance, but with categories representing goods and services in more even proportions.

as a secondary activity by enterprises classified as goods producers. Finally, this all-inclusive approach has been adopted by the countries and international organizations that are actively developing FATS statistics.⁶⁸

4.42. Primarily because the activities carried out by a given firm are usually not limited to its activity of classification, the data recorded against any given activity must be interpreted as an indication of total activity of firms for which the given activity is the most important, or primary, activity, rather than as a precise measure of the activity itself.⁶⁹ For the same reason, as well as because of differences in the classifications themselves, the extent to which data on resident/non-resident trade classified according to EBOPS can be aligned with data on FATS variables classified according to ICFA is inherently limited. Nonetheless, a correspondence between the two bases of classification may be useful for some purposes, mainly involving activities that tend to be carried out only by firms that are specialized in the activity and tend not to have significant secondary activities.⁷⁰ For such purposes, the EBOPS categories corresponding most closely to the ICFA categories for services activities have been indicated in annex IV, table A.IV.1. The reverse correspondence is shown in annex IV table A.IV.2.

4.43. The present *Manual* recognizes that data for particular ICFA categories may sometimes have to be

⁶⁸ The prototype questionnaire in the Eurostat FATS task force report, the Joint OECD/Eurostat survey on the activity of domestic firms and of foreign affiliates in the service sector, and the United States annual presentation on sales of services by foreign affiliates all are based on all-inclusive industry breakdowns, with a higher level of disaggregation for services than for goods.

⁶⁹ For example, computer services may be provided not only by firms classified in the computer services industry but also by firms classified in computer manufacturing and computer wholesale trading. Similarly (although this is less common in practice), computer services firms may engage in manufacturing or wholesale trade as secondary activities. Statistics shown for the activity “computer services” would misstate the value of the activity by excluding the computer services provided by manufacturers and wholesale traders and by including the manufacturing and wholesale trade activities of computer services firms.

⁷⁰ For example, if legal services were performed only by law firms and law firms tended to perform only legal services, sales recorded under the “legal services” activity would correspond closely to sales of legal services because they would be recorded in a product classification; this is unlike the example in the previous footnote involving computer services.

suppressed (that is, not separately shown) to preserve the confidentiality of data for individual companies. This will most often happen at the most detailed level of the classification, or in the case of smaller countries, or where the data are cross-classified by country or area.

(b) By product

4.44. As a longer-term goal, countries are encouraged to work toward disaggregating by product some or all of the variables—which include sales (turnover), output, exports and imports—that lend themselves to this basis of attribution. Product-based statistics are free of problems of interpretation related to secondary activities,

are consistent with the basis on which GATS commitments are made, and are consistent with the basis of classification used for trade between residents and non-residents.

4.45. To the extent possible, the breakdown should be on a basis compatible with EBOPS for services and according to the Harmonized System for trade in goods, to facilitate comparisons with resident/non-resident trade classified on this basis. If this level of specificity cannot be achieved, countries may wish to disaggregate sales in each industry as between sales of goods and sales of services as a first step toward a product basis (see paras. 4.52 and 4.53 below on the sales variable for a discussion of this option).

Table 3. ISIC Categories for Foreign Affiliates (ICFA)

ICFA headings / elements		ISIC code
1.	Agriculture, hunting, forestry, and fishing	01, 02, 05
1.1.	Agriculture, hunting, and related service activities	01
1.2.	Forestry, logging, and related service activities	02
1.3.	Fishing, operation of fish hatcheries and fish farms; services activities incidental to fishing	05
2.	Mining and quarrying	10, 11, 12, 13, 14
	Of which: Services activities incidental to oil and gas extraction excluding surveying	112
3.	Manufacturing	15 to 37
4.	Electricity, gas, and water supply	40, 41
5.	Construction	45
6.	Trade and repair	50, 51, 52
6.1.	Sale, maintenance, and repair of motor vehicles and motorcycles; retail sale of automotive fuel	50
6.2.	Wholesale trade and commission trade, except of motor vehicles and motorcycles	51
6.3.	Retail trade, except of motor vehicles and motorcycles; repair of personal and household goods	52
7.	Hotels and restaurants	55
8.	Transport, storage, and communications	60, 61, 62, 63, 64
8.1.	Transport and storage	60, 61, 62, 63
8.1.1.	Land transport; transport via pipelines	60
8.1.1.1.	Transport via railways	601
8.1.1.2.	Other land transport	602
8.1.1.3.	Transport via pipelines	603

8.1.2. Water transport	61
8.1.2.1. Sea and coastal water transport	611
8.1.2.2. Inland water transport	612
8.1.3. Air transport	62
8.1.3.1. Scheduled air transport	621
8.1.3.2. Non-scheduled air transport	622
8.1.4. Supporting and auxiliary transport activities; activities of travel agencies	63
8.1.4.1. Supporting and auxiliary transport activities	6301, 6302, 6303, 6309
8.1.4.2. Activities of travel agencies and tour operators; tourist assistance activities, not elsewhere classified (n.e.c).	6304
8.2. Post and telecommunications	64
8.2.1. Post and courier activities	641
8.2.2. Telecommunications	642
9. Financial intermediation	65, 66, 67
9.1. Financial intermediation, except insurance and pension funding	65
9.2. Insurance and pension funding, except compulsory social security	66
9.2.1. Life insurance	6601
9.2.2. Pension funding	6602
9.2.3. Non-life insurance	6603
9.3. Activities auxiliary to financial intermediation	67
9.3.1. Activities auxiliary to financial intermediation, except insurance and pension funding	671
9.3.2. Activities auxiliary to insurance and pension funding	672
10. Real estate activities	70
11. Renting of machinery and equipment without operator and of personal and household goods	71
12. Computer and related activities	72
13. Research and development	73
14. Other business activities	74
14.1. Legal, accounting, market research, and consultancy	741
14.1.1. Legal activities	7411
14.1.2. Accounting, bookkeeping, and auditing activities; tax consultancy	7412
14.1.3. Market research and public opinion polling	7413
14.1.4. Business and management consultancy activities	7414
14.2. Architectural, engineering, and other technical activities	742
14.3. Advertising	743
14.4. Business activities, n.e.c.	749
15. Education	80
16. Health and social work	85
17. Sewage and refuse disposal, sanitation, and similar activities	90
18. Activities of membership organisations, n.e.c.	91

19. Recreational, cultural, and sporting activities	92
19.1. Motion picture, radio, television, and other entertainment activities	921
19.1.1. Motion picture and video production and distribution; motion picture projection	9211, 9212
19.1.2. Radio and television activities	9213
19.1.3. Other arts and entertainment activities	9214, 9219
19.2. News agency activities	922
19.3. Library, archives, museums, and other cultural activities	923
19.4. Sporting and other recreational activities	924
20. Other service activities	93

Note: The following ISIC categories have been excluded from ICFA because they are not relevant to foreign direct investment or FATS: public administration and defence; compulsory social security (ISIC division 75), private households with employed persons (division 95); and extraterritorial organizations and bodies (division 99). All other ISIC categories are included.

F. Economic variables for FATS

4.46. A wide range of economic data or variables - operational and financial - in regard to FATS may be pertinent for analytical and policy purposes. The selection of the variables to be collected should be based primarily on their usefulness in implementing GATS and in analysing globalization phenomena. The practicalities of data availability also must be considered. With such considerations in mind, the present *Manual* recommends that the FATS variables to be collected include at least the following basic measures of foreign affiliate activity: (a) sales (turnover) and/or output, (b) employment, (c) value added, (d) exports and imports of goods and services, and (e) number of enterprises. Although these variables constitute a basic set that can provide answers to a variety of questions, additional measures of foreign affiliate activities may prove useful in addressing specific issues. The *Manual* suggests several measures that might be considered for collection by countries that are able to compile such additional information. Most of both the “basic” and the “additional” variables were drawn from the 1993 SNA, as were their definitions.

4.47. To provide a concrete illustration of how these variables might be presented, table 4 presents a sample table format in which the basic variables could be presented, classified by activity on the basis of ICFA. Additional tables might be constructed to view the variables from different perspectives. For example, time series or geographic detail could be shown for a single variable by placing time periods or country names, rather than the names of the variables, in the table heading.

1. Sales (turnover) and/or output

4.48. *Sales* and *turnover* are used here interchangeably to mean the same thing. Following the 1993 SNA (which may be consulted for additional details and examples), output differs from sales because it includes changes in stocks of finished goods and work in progress and because of differences in measurement applicable to activities involving trade or financial intermediation. Output is a superior and more refined measure of activity for most purposes and is recommended as the preferred variable for compilation. However, sales data are easier to collect and may present more options for disaggregation. Thus, there may be a continuing role in FATS statistics for both measures.

4.49. Services activities do not involve stocks of finished goods, and changes in work-in-progress will usually be impossible to measure. In practice, therefore, measured output will be identical to sales for most service activities. For wholesale and retail distribution, although the sales are of goods, the output is defined as a service, equal not to the total value of sales but to the trade margins realised on goods purchased for resale. For financial intermediaries, output is equal to service charges actually levied, plus *financial intermediation services indirectly measured*, the values of which are estimated from the difference between the property incomes received by financial intermediaries from the investment of borrowed funds, and the interest they themselves pay on such funds (see box 5). For insurance, output is measured not by total premiums earned but by a service charge that takes into account income on technical reserves and also the actual or expected value of claims. In all these cases, output will

generally be considerably lower than sales because it, unlike sales, excludes the amounts - which may constitute a large portion of total operating revenues -

that pass through the enterprise without being considered a part of its intermediate consumption.

Table 4. Sample format for FATS statistics

Industry of affiliate	Sales/ turnover or output	Employment	Value added	Exports of goods and services	Imports of goods and services	Number of enterprises
Total						
1. Agriculture, hunting, forestry, and fishing						
1.1. Agriculture, hunting, and related services						
1.2. Forestry, logging, and related services						
1.3. Fishing, operation of fish farms; services incidental to fishing						
2. Mining and quarrying Of which: Services activities incidental to oil and gas extraction, excluding surveying						
3. Et cetera						

4.50. *Sales* measures gross operating revenues, less rebates, discounts and returns. *Sales* should be measured exclusive of consumption and sales taxes on consumers and value-added taxes. Although lacking the duplication-free quality of value added, the sales variable generally presents fewer collection difficulties and thus is likely to be more widely available than value added. Also unlike value added, sales indicates the extent to which foreign affiliates are used to deliver outputs to customers, irrespective of the extent to which the output originated in the affiliates themselves or in other firms. Further, sales are more comparable than value added with regard to such variables as exports and imports, which are themselves measures of sales.

4.51. In addition to disaggregation by industry and by country (following the principles of attribution discussed earlier), other breakdowns of sales may be useful for particular purposes. One such breakdown is to distinguish among sales within the host country (local

sales), sales to the country of the parent enterprise (i.e., the immediate investor), and sales to third countries.⁷¹ All three types of sales result from a commercial presence by the home country in the host country. However, only the local sales represent the delivery of output within host economies and thus relate directly to the commitments made under the GATS Mode 3 by those economies. In addition, elimination of the sales to the parent country (which would already be included as imports in that country's balance of payments accounts) may be desired in an analysis of FATS variables in conjunction with data on the parent country's trade with non-residents, to avoid duplication.

⁷¹ In some cases, it might be possible to derive a close proxy for this breakdown by examining data on total sales in conjunction with data on exports; export data may indicate sales to the country of the parent separately from sales to third countries, and local sales may be derived by subtracting these export sales from total sales.

4.52. As a medium-term goal, countries might attempt to disaggregate sales within each industry as between sales of goods and sales of services so as to obtain a measure of sales of services. As mentioned in paragraph 4.45 above on the attribution of FATS variables, such a breakdown would represent a first step toward a product breakdown of sales. Sales of services would include both sales of services by enterprises that produce services as a primary activity and sales of services by enterprises that produce goods as a primary activity but have secondary operations in services.

4.53. The potential usefulness of this extension is considerable, and countries that are able to provide this data are encouraged to do so. It is likely that a significant share of sales of services by affiliates is accounted for by affiliates whose primary industry is manufacturing or another goods producing industry. For example, sales of computer services might, as noted earlier, be spread among manufacturing affiliates, wholesale trade affiliates and computer services affiliates. If only total sales were collected, then by default only the sales by the affiliates classified in computer services would be taken as a measure of sales of such services, resulting in a significant understatement.

4.54. As a longer-term goal, countries are encouraged to work toward developing product detail on sales, on a basis compatible with EBOPS.⁷²

2. Employment

4.55. In a FATS context, *employment* would normally be measured as the number of persons on the payrolls of foreign affiliates. Employment data are sometimes converted to a full-time equivalent (FTE) basis, in which part-time workers are counted according to the time worked (e.g., two workers on half-time schedules count the same as one full-time worker). Although FTE employment may provide a better measure of labour input, this measure is not as widely available as numbers of employees and may be difficult to implement consistently in the context of internationally varied employment practices. For those reasons, the recommendation of the present *Manual* is that the FATS employment variable be the number of persons employed. The number should be representative of the

period covered, but in the absence of strong seasonal or other fluctuations in employment, it may be measured as of a point in time, such as the end of the year, following national practices.

4.56. Data on employment by affiliates can be used in several ways in a FATS system. They can be used to determine the share of foreign affiliates in host country employment, or to help determine the extent to which employment by foreign affiliates complements or substitutes for domestic (home country) employment by parent companies or other domestic firms. An industry breakdown of affiliates' employment can yield further insights into the impact of foreign-owned enterprises on specific parts of the economy. Used in conjunction with data on compensation of employees—one of the “additional” variables suggested below—the employment variable may be used in examining compensation practices of affiliates relative to those of domestically owned firms.

Relation to presence of natural persons mode of supply

4.57. Although data would not, in general, appear to be available to identify separately the portion of employment by affiliates that is accounted for by employees from abroad, such information, if available, could be used for elaborating on the GATS presence of natural persons mode of supply. Annex I explores the issues that will arise in constructing a framework of statistics to use during negotiations on this mode of supply.

3. Value added

4.58. The 1993 SNA defines gross value added of an establishment, enterprise, industry or sector as the amount by which the value of the outputs produced exceeds the value of the intermediate inputs consumed. A related concept, “net value added”, is defined as gross value added less the consumption of fixed capital. Gross value added can provide information about the contribution of foreign affiliates to host country gross domestic product, both in the aggregate and in specific industries. For this reason and because it may often be easier to compute (because it does not require estimation of capital consumption) and is thus more widely available, the higher priority should be accorded to the gross measure of value added.

4.59. Although it is defined in terms of outputs and intermediate inputs, value added is also equal to the sum

⁷² Such detail would, of course, exclude the transactor-based EBOPS categories for travel and for government services, n.i.e.

of primary incomes generated in production (compensation of employees, profits etc.). In some cases, depending on the particular data that are available, this equivalence may be exploited in deriving estimates of value added. This alternative could be chosen, for example, if data on intermediate consumption were lacking but information on the various incomes generated in production were available.

4.60. Because it includes only the portion of the firm's output that originates within the firm itself, value added is a particularly useful measure from the perspectives of both GATS and globalization analysis. It is for this reason that it has been included among the "basic" FATS variables, even though, as a measure that may have to be estimated or derived from other variables, it may be among the more difficult variables to compile. For inward FATS, value added will often be available from regular industrial or enterprise surveys, but for outward FATS it may have to be derived from other variables.

4. Exports and imports of goods and services

4.61. International goods and services transactions of foreign affiliates is another basic indicator relevant to FATS. Both balance of payments data and data provided by parent enterprises and affiliates in separate questionnaires may be appropriate sources for such information. To a large extent, the possibilities for disaggregating total exports and total imports may depend on the sources used to obtain the data.

4.62. Where the data are obtained through linkages with primary data sources for balance of payments transactions, breakdowns by product and by origin or destination will often be possible. In this event, exports and imports of services may be disaggregated, not only by the primary activity of the affiliate according to ICFA but also by product on a basis compatible with the EBOPS.

4.63. Although linkages with balance of payments data may thus provide useful information, it often will be difficult or impossible to separately identify the transactions of foreign-owned firms in those data. Thus, it may be possible to develop the data on exports and imports only through the use of separate questionnaires. In that event, those same breakdowns would be useful, but it is unlikely that a large number of countries would be able to collect the necessary data with the same frequency or in the same detail as provided by balance of payments data. However, it may be possible to

disaggregate exports and imports into a few broad categories in which trade with related enterprises would be distinguished from trade with unrelated parties, thus providing information for one of the last of the elements for a phased approach to implementation of the *Manual*.⁷³ In addition, trade with the country of the parent enterprise could be distinguished from trade with other countries. If possible, those breakdowns should be obtained separately for goods and services. For inward FATS, for example, that would mean disaggregating the affiliate's exports of goods and exports of services into (a) exports to the parent enterprise, (b) other exports to the country of the parent, and (c) exports to third countries. Imports would be similarly disaggregated.

5. Number of enterprises

4.64. The number of enterprises (or establishments, where that is the statistical unit) meeting the criteria for coverage by FATS statistics is a basic indicator of the prevalence of majority ownership by foreigners in the host economy. That number may be compared with the total number of firms (or establishments) in the economy. It may also be assessed in relation to the other FATS variables because it allows the computation of ratios - such as value added or number of employees per enterprise - that may be compared with the same ratios for domestically owned firms, thus giving an indication of the behaviour of foreign affiliates.

4.65. It should be recognized that the number of firms alone may not give an accurate picture of the overall importance of foreign-owned firms, because of differences in size between these firms and those that are domestically owned. If the foreign-owned firms tend to be larger, for example, then their share in the total number of firms would be smaller than their share in the various measures of operations and would thus tend to understate the role and importance of these firms in host country economies.

4.66. Typically, information on numbers of enterprises will be a natural by-product of collection of data on other FATS variables, rather than a separate object of the data-collection effort. As such, the number is likely to be affected, often significantly, by the level of company consolidation and by thresholds for reporting on surveys. To assist users in interpreting counts of

⁷³ Trade with related enterprises is defined to include trade with all enterprises with which there is a direct investment relationship.

enterprises (or establishments), countries are encouraged to indicate in explanatory notes how the numbers were derived.

6. Other variables

4.67. Although not included as priority items, there are other FATS variables of significance, perhaps for certain countries of equal or greater importance than some of those previously discussed. As is the case for the priority items, comparisons with the total economy and with specific sectors can be effected and used for assessing the impact of foreign-controlled enterprises on home and host economies.

4.68. Among such variables are the following, which are already collected by some countries (definitions are drawn from the 1993 SNA, which may be consulted for additional details):

(a) *Assets*: entities over which ownership rights are enforced and from which economic benefits may be derived by their owners by holding or using them, including both financial assets and non-financial assets, whether produced or non-produced;

(b) *Compensation of employees*: the total remuneration, in cash or in kind, payable by an enterprise to an employee in return for work done by the employee during the accounting period;

(c) *Net worth*: the difference between the value of all assets—produced, non-produced, and financial—and all liabilities;

(d) *Net operating surplus*: measured as value added (gross), less compensation of employees, consumption of fixed capital and taxes on production, plus subsidies receivable;

(e) *Gross fixed capital formation*: measured by the total value of a producer's acquisitions, less disposals, of fixed assets during the accounting period, plus certain additions to the value of non-produced assets realized by productive activity (fixed assets are defined as produced assets that are themselves used repeatedly or continuously in processes of production for more than one year);

(f) *Taxes on income*: these consist of corporate income taxes, corporate profit taxes, corporate surtaxes etc. as well as taxes that accrue to owners of unincorporated enterprises as a result of the income of those enterprises. Taxes on income include only taxes in the host country of the affiliate and not any taxes paid by the parent in the home country as a result of income

earned or distributed by the affiliate. Taxes on income are usually assessed on the total income of corporations from all sources and not simply on profits generated by production;

(g) *Research and development expenditures*: expenditures for activities undertaken for the purpose of discovering or developing new products (goods and services), including improved versions or qualities of existing products, or discovering or developing new or more efficient processes of production.

G. Compilation issues

4.69. There are two basic approaches, which are not necessarily mutually exclusive, to developing FATS statistics. The first is to conduct surveys that directly request information on the operations of resident affiliates of foreign firms and foreign affiliates of domestic firms. The second, which can be used only for inward investment, identifies the subset of existing data on resident enterprises that is accounted for by foreign-owned firms.

4.70. Whichever of these approaches is taken, there are likely to be links to existing data on foreign direct investment. Where there are surveys for FATS statistics, registers used in collecting FDI data would typically be used to identify majority-owned affiliates for which FATS variables should be collected. Alternatively, key FATS variables might be added to existing FDI surveys. However, because FDI surveys may be conducted more frequently than FATS statistics are compiled (e.g., quarterly rather than annually) and require a quick turnaround, as well as because FATS statistics are needed for only the majority-owned portion of the FDI universe, separate surveys probably would offer a better solution in most cases. Where existing domestic statistics are used as the source of information on FATS, links to FDI data will often provide the means of determining which resident enterprises are majority owned and should be included, as well as the means of identifying the country of owner. In that approach, FATS statistics would be obtained as an aggregation of statistical variables across the foreign-owned statistical population.

4.71. Each approach has its own advantages and drawbacks and it is possible to outline some of the intrinsic differences. However, the criteria for deciding whether an enterprise is foreign owned would be the same in both cases.

4.72. The FDI framework, whether implemented through adding questions to existing surveys or through institution of new surveys covering the majority-owned subset of the FDI population, allows for the compilation of outward as well as inward statistics and provides more options for tailoring the data to specific FATS needs. However, the activity classification used in FDI statistics is generally rather aggregated, and it seems difficult to go beyond basic statistical variables, such as turnover and employment, without designing completely new surveys, which might raise concerns about resource availability and respondent burden. Also, if that approach is taken, special care will be necessary to ensure compatibility with the domestic statistics with which the FATS statistics may be compared.

4.73. The picture of FATS statistics as a subset of enterprise statistics is quite different. It is not possible to compile outward statistics within that framework. However, the activity classification used may be quite detailed and product detail may be available for sales or turnover. In addition, a comprehensive set of statistical variables can generally be provided.

4.74. In many cases, a mix of the two approaches may work best, with the “FDI context” being used for the compilation of outward FATS statistics and for the identification of foreign-owned companies, and the “enterprise statistics” context being used for the compilation of inward FATS statistics, with a more detailed activity breakdown and a more comprehensive set of variables. An extended business register might be a suitable means of maintaining such information. That approach has already been adopted in some countries that use them to maintain data on foreign ownership. The present *Manual* bases its recommendations on both approaches, recognizing the advantages and disadvantages of each and the need for countries to have flexibility in adapting the recommendations to their individual statistical infrastructures and maximizing the use of existing data.

4.75. One of the main challenges for the new statistical domain stems from the fact that the collection and definition of FATS statistics may draw on expertise and responsibilities that are scattered among multiple institutions, such as central banks, national statistical offices and various ministries. Thus, as statistics are developed, there will be a need for close cooperation among the different institutions involved.

H. Summary of recommendations

4.76. The main recommendations of the present chapter on the compiling of FATS statistics may be summarized as follows:

(a) FATS statistics should cover those affiliates in which the direct investor (or an associated group of investors acting in concert) holds a majority of the ordinary shares or voting power. However, countries are encouraged to provide supplemental statistics, covering cases in which foreign control may be deemed to be present, even though no single foreign direct investor holds a majority stake;

(b) FATS variables should be compiled for all foreign affiliates, not only those affiliates in services. However, the activity classification to be used for reporting to international organizations provides more detail for services than for goods;

(c) For statistics on foreign-owned affiliates in the compiling economy (inward FATS), the first priority for geographical attribution should be the country of ultimate beneficial owner. However, to facilitate linkages with FDI data, countries are also encouraged to provide some data in which attribution is based on the country of the first foreign parent. Statistics for foreign affiliates of the compiling economy (outward FATS) should be attributed based on the country of location of the affiliate whose operations are being described;

(d) Because it is the basis required for some variables as well as the basis on which data probably are, at present, most widely available, an activity basis is recommended as the initial priority for FATS statistics. However, data on a product basis is recognized as a longer-term goal, and countries are encouraged to work toward providing product detail for those variables that lend themselves to this basis of attribution (namely, sales (turnover) and/or output, exports and imports);

(e) For reporting to international organizations, FATS variables should be disaggregated according to the ISIC Categories for Foreign Affiliates (see table 3). Any product detail that is developed should be disaggregated on a basis compatible with EBOPS (see table 2);

(f) The *Manual* recommends that the FATS variables to be collected include at least the following basic measures of foreign affiliate activity:

- (i) Sales (turnover) and/or output;
- (ii) Employment;
- (iii) Value added;
- (iv) Exports and imports of goods and services;
- (v) Number of enterprises.

Additional measures are suggested for countries wishing to expand FATS data collection beyond this basic set;

(g) The *Manual* envisages that a variety of sources and methods may be used to collect and compile FATS statistics. Separate surveys may be conducted or links may be made with domestic enterprise statistics that are already collected. In either case, there are likely to be links with existing data on foreign direct investment.

Annex I. Movement of natural persons supplying services under GATS

1. Chapter II of the present *Manual* discusses, among other things, the ways in which modes of supply may be measured statistically. Table 1 shows, for each mode of supply, the existing statistical coverage through BPM5 and FATS statistics. For mode 4, *presence of natural persons*, partial coverage is provided through BPM5 trade in services (and hence through the statistics described in chap. III). Some further information on employment may be available through supplementary FATS statistics (described in chap. IV) and through information on labour-related flows in BPM5. These topics are discussed in chapter II. However, these sources do not provide complete coverage of mode 4, particularly in the area of employment, nor can the mode 4 related components be separately identified.

2. Ideally, statistics on mode 4, *delivery of services*, will be compiled at a level of detail that is compatible with the GATS sectoral classification of services. The present annex thus aims to:

(a) Present a detailed definition of mode 4 in the GATS framework;

(b) Identify the specific information necessary for discussing mode 4 in the GATS context;

(c) Set out the ways in which some of this information may be eventually derived from established statistical systems.

Finally, some examples are presented on how the presence of natural persons has been addressed in GATS negotiations.

3. The *Manual* has noted the difficulties in measuring the value of trade related to mode 4. Thus, the present annex explores the statistics that might be relevant for assessing mode 4 for the purposes of trade negotiations and policy-making, including statistics that will provide only indirect or supplementary information. It builds on the premise that trade in services through mode 4 as it is defined in GATS often takes place through employment and under conditions detailed in the national commitments.

GATS framework

4. The growth of trade in services and the internationalization of services production have led to an increase in the movement of natural persons as service providers across borders.^a Firms operating internationally need to transfer expertise through the temporary relocation of specialists and professionals.^b The development of faster, lower cost transport services and communication networks, as well as improvements in the dissemination of information generally, tend to make the temporary movement of natural persons an increasingly important mode or aspect of trade. Established statistical systems do not include this aspect of trade in services in the scope of trade. Nor can existing mechanisms for administrative reporting of the movement of natural persons across international borders or for direct collection of the necessary information by statistical agencies capture mode 4 activities in a satisfactory manner. As a result, available statistics are scarce and incomplete, and this makes it difficult to get internationally comparable statistics on trade in services according to this mode, in particular on the movement of natural persons across international borders.

5. Trade in services involving the **presence** of foreign nationals is defined in GATS as mode 4.^c Mode 4 is the supply of service by a supplier from one member country (say, country A) in the territory of any other member (country B) through the presence of natural persons of a member (citizen or resident of country A or

^a Some illustrative data for the Asia and Pacific region are provided in Philippe Garnier, "International trade in services: a growing trend among highly skilled migrants with special reference to Asia", *Asia and Pacific Migration Journal*, vol. 5, No. 4 (1996).

^b The importance of mode 4 for private business has been emphasized in the *Recommendations of the World Services Congress 99, 1-3 November 1999, Atlanta*.

^c Throughout the present annex, reference is made to the articles and provisions of the General Agreement on Trade in Services (World Trade Organization, *The Results of the Uruguay Round of Multilateral Trade Negotiations: The Legal Texts* (Geneva, 1995), annex 1B).

any other country except B).^d In other words, the definition states that mode 4 is the production, distribution, marketing, sale, or delivery of a service abroad by a natural or juridical person (to the extent a juridical person employs foreign nationals in the host country). The GATS annex on movement of natural persons supplying services under the Agreement describes the **movement** of natural persons as seeking *non-permanent* entry to supply services abroad. Thus, GATS refers to the “presence”, which is the stock of foreign service providers at any given period in time, while the GATS annex addresses their “movement”. The GATS annex extends to natural persons of all categories^e who could be engaged with a “temporary” or “non-permanent” status by any service supplier supplying the service—including one present in the host country. For the purposes of national commitments under GATS, “temporary” or “non-permanent” status may be interpreted by each member State and might also differ for different categories of persons.^f

6. This suggests that the Agreement covers natural persons:

(a) Who are independent service providers abroad. This is the case where a foreign natural person has the status of a juridical person - for example, as is the case with a number of persons providing professional services: he or she could sell services to the host country company under the agreement or to an individual consumer through mode 4 - for example, as an architect or an accountant. The sale of such services is covered by BPM5 trade in services (i.e., services transactions between residents and non-residents), although these sales are included with sales of such services through other modes of supply;

(b) Who are employed abroad by service companies:

^d This would imply nationals working for the foreign affiliate, which is not part of trade in GATS mode 4.

^e Natural persons performing particular services in any of the services sectors and of any skill level.

^f The GATS Annex is very clear that GATS does not apply to measures affecting natural persons seeking access to the employment market of a member, nor shall it apply to measures regarding citizenship, residence or employment on a permanent basis, nor shall it prevent a member from applying measures to regulate the entry of natural persons into, or their temporary stay in, its territory, including those measures necessary to protect the integrity of and to ensure the orderly movement of natural persons across its borders. In addition, the sole fact of requiring a visa for natural persons of certain members and not for those of others shall not be regarded as nullifying or impairing benefits under specific commitment.

(i) That are foreign (owned, controlled, or affiliated) companies with some presence in the host country;

(ii) That are domestically owned firms;

(iii) That have no lasting presence in the host country, e.g., if a foreign company as a service supplier obtains a contract or is subcontracted to supply services to the host country company and sends its employee(s) to provide the services. The foreign natural persons employed by a foreign-owned company with a service contract would be employees of a non-resident employer.

In effect, the case (b)(i) is related to trade through commercial establishment (mode 3). However, the GATS commitments allocate to mode 4 that part of a service that involves the presence of natural persons abroad. In either case, services could be supplied for final use as consumption or investment, or as an intermediary product, and could be supplied to an individual consumer or a company.

7. At present, the value of services provided through mode 4 may be recorded in a number of ways. Some services provided through mode 4 are recorded as part of resident/non-resident transactions in services as described in BPM5 and in chapter III of the present *Manual*, indistinguishably included with resident/non-resident transactions that take place through other modes of supply. This is discussed further in chapter II of the *Manual*, which describes some simplified rules of allocation for such services across the modes of supply. The compensation for the provision of labour across national economic boundaries is recorded in BPM5 as *compensation of employees* in the case where employment is for less than one year. In the case of employment that occurs for more than one year, partial information is available through the BPM5 component *workers' remittances*. *Compensation of employees and workers' remittances* has been discussed in the main body of the *Manual*. Some data on services provided through mode 4 may also be available as supplementary information for FATS statistics. Notwithstanding their limited applicability as aggregate measures, these data are often the best approximation available for identifying the relative importance of trade through mode 4, if the country does not have a large permanent resident population of foreign workers. Future development of these statistical measures that could allow the separate identification of the part arising from services activities and remittances by non-permanent workers would lead to a greater compatibility with mode 4.

8. When a natural person provides a service, it is the value of his or her service or product delivered that is the main variable to be identified and measured, to allow comparisons across the modes of supply and between countries. In the case of services transaction between residents and non-residents, a value of contract or income received may be seen as the best measure for quantifying this type of trade. However, employment does not lend itself to product classification. In addition, as has been noted, more than one mode of supply may be involved in the delivery of a service product, and the allocation of the value of trade according to the modes of supply may be difficult. Other types of statistics that may be used to demonstrate the importance of the movement of persons in the delivery of a service are (a) income of the foreign natural persons temporarily engaged for the delivery of services in all domestic companies or to natural persons directly, and/or (b) the number of these foreign persons.

9. As underlined above, GATS makes clear that in the GATS trade sense mode 4 does not represent international migration as commonly defined. The key differentiating factor is the GATS notion that the presence of natural persons is not for permanent employment in the receiving country - as self-employed or by an establishment located there - but for the purpose of temporarily supplying a service there. When the service product has been delivered, the presence is to be terminated and the natural person should leave the country. Hence the temporary nature of the movement as well as of the contact between the service provider and the consumer of the service is a key criterion for this mode of supply.

10. A one-year rule for residency for persons as well as establishments is used in BPM5, the 1993 SNA and the recommendations concerning international migration. Applying this rule of thumb means that whether and how foreign nationals' economic activities are attributed statistically to the economies of the sending and receiving countries will depend on the length of their stay in the host country. However, the one-year cut-off point adopted in the statistical frameworks does not correspond to the meaning of a "temporary stay" adopted in GATS. As a result, the available statistical information on economic activities of residents will contain elements related to the temporary (in the GATS sense) presence. Thus, from the point of view of trade policy, the one-year rule for residency and the related statistics are not very satisfactory.

11. It should be noted that although the GATS agreement covers all categories of persons who deliver a service while resident in another WTO member country, so far, for the majority of member countries, GATS commitments have been made only for business visitors and investment-related visits. These commitments include high-level managers as well as specialists with unique knowledge, normally not available locally. Foreign seasonal and short-term workers in, for example, agriculture, hotel and catering, or construction have not been included so far in a WTO member country's commitment under GATS, even if they do not obtain residence status in the country and thus satisfy the GATS criteria. This is because national legislation will tend to see them as "non-resident employees" of those engaging them, and their provision of labour services is not seen as being part of international trade. The interest of policy makers and trade negotiators would be to identify in the statistics all foreign nationals who are delivering service products of the type for which commitments are being made or that might be made in the future, as well as, and separately from, statistics on foreigners employed "directly" with a resident and non-resident status. Together, such statistics will provide good indicators of the extent to which the domestic economy is dependent on foreign workers as well as the participation of foreign expertise in delivering services. Such information could provide the basis for policy makers to adjust other regulatory measures if necessary - for example, to remove obstacles or facilitate employment conditions for certain categories of persons.

12. CPC provides the basis for classifying different services as products of economic activities, including those delivered by foreign natural persons supplying services in the compiling economy. To establish a link between the characteristics of those persons representing the movement of natural persons and the product classification is of particular relevance because CPC will serve as a guideline for the elaboration of the future classifications for specific aspects of the economy, including international trade in services.

13. In the absence of direct observations on the provision of services through mode 4, more than one statistical measure could be used to demonstrate to what extent the presence of natural persons is involved in the delivery of services. The statistical classification systems identified below will be considered in order to establish to what extent they could provide information related to services trade on the number of foreign persons who are employed on a non-permanent basis in the host economy's service industries in their respective

occupational groupings and their value added to the host economy.

ILO International Standard Classification of Occupations^g

14. As a first approximation, occupational groups may be used to distinguish between the different categories of services provided by foreign nationals. The *ILO International Standard Classification of Occupations* (ISCO-88) provides a sound basis for international comparability of statistics on the categories of foreign natural persons who are participating in the delivery of traded services. This framework may be used for conducting negotiations concerning mode 4 as well^h. The availability of statistical information on employment in all or the selected categories—for example, from the latest population census or a labour force survey—could allow negotiators to understand their significance and thus better focus the negotiations and advance liberalization of market access for those categories and groups of persons that are relatively more important for the international trade in services. Further work will have to be done, however, to identify the main occupational groups included or likely to be included in the commitments in the future rounds of negotiations - that is, to establish the most relevant links between ISCO-88 and CPC categories - and to investigate how to collect the necessary information reliably and effectively.

Classification according to industry

15. The lack of statistical information on the distribution of foreign employment according to occupation might necessitate the use of data on foreign employment on the basis of the economic activity of the importing or exporting units. The question of how to make the best use of the United Nations classification system for economic activity (ISIC) as a tool for this purpose needs to be investigated further.ⁱ

^g Geneva, 1990.

^h Some examples of CPC categories that correspond to the classification of ISCO-88 and are covered by the commitments are legal professionals (ISCO 242 and CPC 861), accountants (ISCO 2411 and CPC 862), engineering professionals (part of ISCO 214 and CPC 8672), architectural professionals (ISCO 2141 and CPC 8671) and medical professionals (ISCO 222 and 223a.o. and CPC 9312).

ⁱ This is also discussed in the *Manual*.

Classification according to status of employment

16. A number of WTO members have included “independent service providers” in their GATS-specific commitments. To identify foreign nationals as “independent service providers,” reference may be made to the criteria used in the 1993 SNA or *the International Classification of Status in Employment* (ICSE-93). ICSE-93 describes five substantive groups^j and outlines a number of subcategories, some of which may be relevant in the context of trade in services. The main criteria used to define the groups of this classification are the type of economic risk and authority between the person and the job and the type of authority over the establishment. In principle, the criteria correspond to those used in the 1993 SNA for the corresponding variable used to classify the household sector units according to main source of income (see para. 4.151 of the 1993 SNA).

Movement of persons and FATS statistics

17. A resident employer could be either a host country-owned or a foreign-owned establishment. The majority of GATS-specific commitments cover the movement of persons for intra-corporate transfers, especially in the senior management/executive positions. In some cases, this also involves specialists, the categories of which may be expanded in the future. The framework of FATS^k is best positioned to provide information that is particularly relevant for commitments made in this area. The data on foreign employees as the share of the total number of persons employed—and the associated compensation—are likely to throw light on the implementation and real impact of GATS commitments. In particular, it would be very useful if those foreign employees who are engaged on short- or fixed-term contracts and those who are border workers on any type of contract could be identified separately. The measure of compensation may provide a reasonably good approximation of the importance of foreign expertise in the delivery of services to the host economy, in particular if the concern is more with the changes taking place than with the overall levels. The availability of information on employment of foreign service-providers

^j The five substantive groups are (a) employees, among whom “employees with stable contracts” may be distinguished; (b) employers; (c) own-account workers; (d) members of producers’ cooperatives; and (e) contributing family workers. A sixth category is workers not classified by status.

^k For more detailed discussion of FATS, see the main text of the present *Manual*.

according to ISCO categories would be particularly relevant for negotiations.

18. In principle, this information is sought for all non-permanent employment, including seasonal and short-term, in all services sectors as established by GATS.¹ Residence status under mode 4 is not subject to negotiations and is outside the scope of GATS. However, residence status could be used to differentiate non-permanent from temporary employment. A common understanding could be adopted on this basis as in other statistical classification systems.

Movement of persons and BPM5

19. As described in paragraph 7 above, BPM5^m provides several measures related to the movement of natural persons. Although BPM5 recommends a breakdown of resident/non-resident trade in services by component (a breakdown that is further broken down in the present *Manual*), it does not recommend any breakdown of *compensation of employees or workers' remittances* according to the services components or activities. The definition of residency for data collection in the 1993 SNA and BPM5 stems from the need for consistent statistical practice throughout all statistics within a country and between countries. These and other international statistical frameworks, such as the *Recommendations on Statistics of International Migration, Revision 1*, specify one year as the threshold for determining "residency" for both natural and institutional persons. However, because GATS commitments made by member countries are generally based on criteria contained in national laws and regulations, both commitments and national statistics are normally derived from the same framework of definitions. As a result, when available from administrative sources, statistical data on the movement of persons in accordance with GATS can often be expected to be compatible with the national commitments made.

20. BPM5 labour-related payment flows do not distinguish between compensation of persons working in the service-producing activities and those working in other industries. BPM5 records the earnings of non-residents as compensation of *employees*, while their expenditure in the host economy is placed in the *travel* component. Compensation of employees comprises

wages, salaries and other compensation received by individuals - from employing enterprises resident in economies other than that in which the employee is resident - for work performed for residents of those economies. *Compensation of employees* is classified within income in BPM5, but it reflects mode 4-related trade in services. This measure tends to underestimate mode 4-related trade because it covers only persons employed by employers resident in the host economy. In addition, the specification of a one-year benchmark is not formally established in GATS and may lead to an over- or under-estimation relative to the national commitments. Compensation of employees broken down according to the services activities would be especially important in obtaining additional detail for mode 4-related statistics.

21. Individuals who stay abroad for one year or more, or who intend to do so, are regarded in the 1993 SNA and BPM5 as residents of the foreign economy, so their earnings and expenditures are not recorded in the balance of payments because these flows are domestic transactions within that foreign economy.ⁿ *Workers' remittances* in BPM5 are goods and financial instruments transferred by migrants living and working in new economies to residents of economies in which the migrant formerly resided.

22. *Workers' remittances* as information on mode 4 trade in services refers in principle to the residual of income earned in the migrants' new economies after allowance for expenditure and savings of the migrants in their new home economies. In that sense, *workers' remittances* underestimates the value of services supplied through mode 4. Though remittances record transfers by residents in the BPM5 sense, these are not necessarily residents in the GATS sense because GATS does not provide precise guidelines for the definition of temporary presence and most member countries' commitments refer to a several years of stay for a few categories of persons. However, including all resident workers leads to the overestimation of the mode 4-related trade flows. However, *workers' remittances* may serve as a useful complement to the information provided by *compensation of employees*. In addition, this measure may be used as a proxy not for identifying the mode 4-related trade as such but to establish in which

¹ See annex VI.

^m This is also discussed in the main text of the *Manual*.

ⁿ The one-year rule does not apply to students, medical patients and employees working in government enclaves, such as embassies and military bases, who remain residents of their economies of origin even if the length of stay in another economy is one year or more.

mode of supply a particular country holds comparative advantage.

Other relevant information

23. Some WTO members have referred to the regulations used to grant work permits in their GATS schedules of commitments, even though specific numbers of work permits have not been subjected to multilateral trade negotiations. Thus, statistics on the number and type of work permits granted and currently valid (e.g., by duration and occupation) would be of great interest to trade negotiators.

24. Some countries may be able to obtain relevant information from government-run social security systems and national health insurance schemes, although they normally only cover resident foreigners who are economically active. Statistics on arrivals and departures monitored by immigration or tourism authorities may provide information about foreign nationals concerning their origin/destination, length of stay, purpose of visit etc.

Population censuses and household surveys

25. Statistics from population censuses are of limited usefulness for obtaining information relevant to mode 4 because they are produced at long intervals and the results are available too late to help monitoring the current or recent developments with respect to the presence of foreign workers, in particular those present (or absent) only for a limited period. In addition, both the population census and household surveys are frequently limited to the resident population, and therefore do not cover short-term visitors involved in trade in services.

Elements of trade-related movement of persons in existing United Nations recommendations on statistics

26. No existing statistical system satisfactorily captures the temporary presence of natural persons abroad from the trade perspective. The United Nations framework for the characterization of different categories of international migration^o refers to categories of

international migrants and non-migrants, some of which may be relevant to GATS mode 4 if in each case the period of stay is restricted—that is, non-permanent and related to the supply of service product. A part of that framework is set out below.

Non-migrant categories

27. *Foreign border workers*: foreigners granted the permission to be employed on a continuous basis in the receiving country provided they depart at regular and short intervals (daily or weekly) from that country.

28. *Visitors (from abroad to the country)*: foreigners admitted for short stays for purposes of leisure, recreation, holidays; visits to friends and relatives; business or professional activities not remunerated from within the receiving country; health treatment; and religious pilgrimages.

29. *Foreign business travellers*: foreign persons on short visits related to business or professional activities not remunerated from within the country of arrival, whose length of stay is restricted and cannot surpass 12 months.

Foreigners admitted for employment

30. *Migrant workers*: persons admitted by a country other than their own for the explicit purpose of exercising an economic activity remunerated from within the receiving country. Some countries distinguish several categories of migrant workers, including (a) seasonal migrant workers, (b) contract workers, (c) project-tied workers and (d) temporary migrant workers.

31. *Migrants having the right to free establishment or movement*: foreigners who have the right to enter, stay and work within the territory of a state other than their own by virtue of an agreement or treaty concluded between their state of citizenship and the state they enter.

32. *Migrants for settlement*: foreigners who are granted permission to stay for a lengthy or unlimited period and who are subject to virtually no limitations regarding the exercise of an economic activity:

(a) *Employment-based*: foreigners who are selected for long-term settlement because of their qualifications and prospects in the receiving country's labour market but who are not admitted expressly to exercise a particular economic activity;

^o United Nations, *Recommendations on Statistics of International Migration, Revision I*

(b) Entrepreneurs and investors: foreigners who are granted the right to long-term settlement in a country on condition that they invest a minimum sum of money or create new productive activities in the receiving country.

Elements of mode 4 GATS commitments

33. The examples listed in box A.1 are not exhaustive but indicate the types of commitments that selected countries have made under mode 4 in their national schedules of commitments under GATS.

Box A.1 Examples of the types of GATS commitments in mode 4

Categories of persons

Temporary stay of a natural person who falls in one of the following categories:

Example 1: Intra-corporate transfers

For all legal purposes, senior and specialized personnel must establish residence in country A.

Senior personnel are those executives who come under the direct supervision of the board of directors of the enterprise established in country A and who:

- Direct the management of the organization or one of its departments or subdivisions;
- Supervise and control the work of other supervisory, professional or managerial employees;
- Are personally authorized to hire and fire or recommend hiring and firing or other personnel actions.

Example 2: Specialized personnel are those highly qualified persons who are indispensable to the supply of the service because of their professional knowledge or:

- Possession of qualifications for a particular type of work or activity requiring specialized technical expertise;
- Proprietary knowledge of the organization's services, research equipment, techniques or management;
- The non-availability of such specialized personnel in country A.

Providers of services are admitted temporarily, *for a period of two years, which can be extended for two more years*. Personnel admitted under these conditions will be subject to the provisions of the labour and social security legislation in force.

Example 3: Business visitors

A natural person who stays in country A without acquiring remuneration from within country A and without engaging in making direct sales to the general public or supplying services, for the purposes of participating in business meetings, business contacts, including negotiations for the sale of services and/or other similar activities, including those to prepare for establishing a commercial presence in country A. Entry and stay shall be for an initial period of *6 months and up to a maximum of 12 months*.

Type of employer

Example 1: Foreign specialized technicians and highly qualified professionals may work under a temporary contract with legal entities, whether of national or foreign capital, established in country A.

Example 2: The natural persons are engaged in the supply of a service on a temporary basis as employees of a juridical person, who has no commercial presence in country A.

Categories of occupations

Examples:

- Legal services supplied by a lawyer or attorney;
- Accounting, auditing and bookkeeping services supplied by an accountant;
- Auditor;

- Medical doctors and dentists;
- Fashion models and speciality occupations;
- Taxation services supplied by a tax accountant;
- Foreign legal consultant;
- Urban planner;
- Senior computer specialist;
- Computer scientists;
- Systems analysts;
- Programmers;
- Software document analysts;
- Field engineers;
- Travel tour managers.

Number of permits, annual

Example: Up to 65,000 persons annually on a worldwide basis in occupations consisting of (a) fashion models who are of distinguished merit and ability; and (b) persons engaged in a speciality occupation, requiring (i) theoretical and practical application of a body of highly specialized knowledge, and (ii) attainment of a bachelor's or higher degree in the speciality (or its equivalent) as a minimum for entry into the occupation in country A. Entry for persons named in this section is *limited to three years*.

Annex II. Extended Balance of Payments Services Classification

The present annex sets out the components of EBOPS and relates these to the components of BPM5 and the Joint Classification of the OECD and Eurostat. For each component:

- An X in the first column indicates that the component is a BPM5 standard component;
- An X in the second column indicates that the component is a BPM5 supplementary item;
- An X in the third column indicates that the component is a BPM5 memorandum item;
- An X in the fourth column indicates that the component is a component of the Joint Classification;
- The three digit number in the fifth column identifies the internationally accepted code for reporting balance of payments components.

**Extended Balance
of Payments Services Classification**

	BPM5 standard components	BPM5 supplementary items	BPM5 memorandum items	Joint Classification components	Internationally accepted codes
Component					
1 Transportation	X			X	205
1.1 Sea transport	X			X	206
1.1.1 Passenger	X			X	207
1.1.2 Freight	X			X	208
1.1.3 Other	X			X	209
1.2 Air transport	X			X	210
1.2.1 Passenger	X			X	211
1.2.2 Freight	X			X	212
1.2.3 Other	X			X	213
1.3 Other transport	X			X	214
1.3.1 Passenger	X			X	215
1.3.2 Freight	X			X	216
1.3.3 Other	X			X	217
Extended classification of other transport					
1.4 Space transport				X	218
1.5 Rail transport				X	219
1.5.1 Passenger				X	220
1.5.2 Freight				X	221
1.5.3 Other				X	222
1.6 Road transport				X	223
1.6.1 Passenger				X	224
1.6.2 Freight				X	225
1.6.3 Other				X	226
1.7 Inland waterway transport				X	227
1.7.1 Passenger				X	228
1.7.2 Freight				X	229
1.7.3 Other				X	230
1.8 Pipeline transport and electricity transmission				X	231
1.9 Other supporting and auxiliary transport services				X	232
2 Travel	X			X	236
2.1 Business travel	X			X	237
2.1.1 Expenditure by seasonal and border workers				X	238
2.1.2 Other				X	239
2.2 Personal travel	X			X	240
2.2.1 Health-related expenditure		X		X	241
2.2.2 Education-related expenditure		X		X	242
2.2.3 Other		X		X	243
3 Communications services	X			X	245
3.1 Postal and courier services				X	246
3.2 Telecommunications services				X	247
4 Construction services	X				249
4.1 Construction abroad				X	250
4.2 Construction in the compiling economy				X	251

	BPM5 standard components	BPM5 supplementary items	BPM5 memorandum items	Joint Classification components	Internationally accepted codes
5 Insurance services	X			X	253
5.1 Life insurance and pension funding				X	254
5.2 Freight insurance				X	255
5.3 Other direct insurance				X	256
5.4 Reinsurance				X	257
5.5 Auxiliary services				X	258
6 Financial services	X			X	260
7 Computer and information services	X			X	262
7.1 Computer services				X	263
7.2 Information services				X	264
7.2.1 News agency services					889
7.2.2 Other information provision services					890
8 Royalties and license fees	X			X	266
8.1 Franchises and similar rights					891
8.2 Other royalties and license fees					892
9 Other business services	X			X	268
9.1 Merchanting and other trade-related services	X			X	269
9.1.1 Merchanting				X	270
9.1.2 Other trade-related services				X	271
9.2 Operational leasing services	X			X	272
9.3 Miscellaneous business, professional, and technical services	X			X	273
9.3.1 Legal, accounting, management consulting, and public relations		X		X	274
9.3.1.1 Legal services				X	275
9.3.1.2 Accounting, auditing, bookkeeping, and tax consulting services				X	276
9.3.1.3 Business and management consulting and public relations services				X	277
9.3.2 Advertising, market research, and public opinion polling		X		X	278
9.3.3 Research and development		X		X	279
9.3.4 Architectural, engineering, and other technical services		X		X	280
9.3.5 Agricultural, mining, and on-site processing services		X		X	281
9.3.5.1 Waste treatment and depollution				X	282
9.3.5.2 Agricultural, mining, and other on-site processing services				X	283
9.3.6 Other business services		X		X	284
9.3.7 Services between related enterprises, n.i.e.				X	285
10 Personal, cultural, and recreational services	X			X	287
10.1 Audiovisual and related services	X			X	288
10.2 Other personal, cultural, and recreational services	X			X	289
10.2.1 Education services					895
10.2.2 Health services					896
10.2.3 Other					897
11 Government services, n.i.e.	X			X	291
11.1 Embassies and consulates				X	292
11.2 Military units and agencies				X	293
11.3 Other government services				X	294

Memorandum items					
	BPM5 standard components	BPM5 supplementary items	BPM5 memorandum items	Joint Classification components	Internationally accepted codes
1				X	950
1.1				X	951
1.2				X	952
1.3				X	858
1.4					862
1.5					863
1.6				X	953
1.7					865
1.8					868
2					
2.1					956
2.2				X	957
2.3					871
3			X	X	960
3.1					972
3.2					974
3.3					976
4			X	X	961
4.1					973
4.2					975
4.3					977
5					887
6					888
7				X	962
8 ^a					894

^a This item consists of a range of services and other transactions relating to audiovisual activities; included are services that may be included in either *audiovisual services* or *royalties and license fees*, and also the acquisition and disposal of non-produced, non-financial assets relating to audiovisual activities, such as patents, copyrights, trademarks and franchises.

Annex III. EBOPS – CPC, Version 1.0 - GNS/W/120 correspondence tables

1. The present Annex provides correspondence tables for two major international classifications, that is, EBOPS as described in the present *Manual* and CPC, Version 1.0. In addition, a link is provided to the GNS/W/120 classification. There are two correspondence tables: the first shows EBOPS as the primary classification, with links to CPC, Version 1.0 and thence to GNS/W/120, while the second shows GNS/W/120 as the primary classification, with links through CPC Version 1.0, to EBOPS.

2. The first of these correspondence tables is presented in the *Manual* in order to define more precisely the balance of payments services components recommended in EBOPS, through their detailed description using CPC, Version 1.0. It also provides a conceptual link between EBOPS components and specific services identified within the GATS through their common association with the CPC, Version 1.0.^a The inclusion of the second table allows users of the GNS/W/120 list to see how the various items from the list are described and classified statistically.

3. As EBOPS, CPC, Version 1.0 and GNS/W/120 each have slightly different coverage, a number of links in the table are marked as N/A, indicating that the particular service is not within the scope of that classification. Examples are the repairs of machinery, which are covered in CPC, Version 1.0 but are not, in general, included in EBOPS and government services, which are generally not covered in the GNS list but are included in CPC, Version 1.0 and EBOPS. A number of EBOPS

components cannot be corresponded in part or sometimes at all with CPC, Version 1.0; these are footnoted in the annex and further explanation may be found in chapter 3 of the *Manual*.

4. In table A.III.1, an asterisk (*) next to a CPC code indicates either that the code is allocated to more than one EBOPS component or that part of the CPC code is not covered by the EBOPS component. In the particular case of repairs and maintenance, CPC generally combines these within CPC codes; however, repair services are for the most part excluded from EBOPS, although maintenance services are included.

5. Similarly, in table A.III.2, an asterisk (*) next to a CPC code indicates either that the code is allocated to more than one GNS/W/120 component or that part of the CPC code is not covered by the GNS/W/120 component.

6. EBOPS and the GNS/W/120 list are more aggregated than CPC; thus, partial links as described above are not specially marked for EBOPS components or GNS components since such action would apply to most EBOPS or GNS components.

7. Further work is intended by IMF and the United Nations Statistics Division on increased convergence of EBOPS and CPC as a way to improve the harmonization of statistics compiled on services that are domestically produced with those that are internationally negotiated and traded.

^a The United Nations Statistics Division maintains a correspondence table between EBOPS, GNS/W/120, the Provisional CPC and CPC, Version 1.0, available at <http://unstats.un.org/unsd/class>; these correspondences may be useful for statistical monitoring of trade in services agreements.

Table A.III.1
EBOPS – CPC, Version 1.0 – GNS/W/120 correspondence

Table A.III.1. EBOPS - CPC, Version 1.0 - GNS/W/120 correspondence

EBOPS				
CPC, Version 1.0		GNS/W/120		
205	Transportation services	<i>Transportation services</i> comprises components 206: <i>Sea transport</i> , 210: <i>Air transport</i> , and 214: <i>Other transport</i>		
206	Sea transport	<i>Sea transport</i> comprises subcomponents 207: <i>Sea transport, passenger</i> , 208: <i>Sea transport, freight</i> , and 209: <i>Sea transport, other</i>		
207 Sea transport, passenger				
65111	Coastal and transoceanic water transport services of passengers by ferries	11. Transport Services	A. Maritime Transport Services	<i>a. Passenger transportation</i>
65119	Other coastal and transoceanic water transport services of passengers	11. Transport Services	A. Maritime Transport Services	<i>a. Passenger transportation</i>
65130 *	Rental services of vessels for coastal and transoceanic water transport with operator	11. Transport Services	A. Maritime Transport Services	<i>c. Rental of vessels with crew</i>
208 Sea transport, freight				
65121	Coastal and transoceanic water transport services of refrigerated freight by refrigerator vessels	11. Transport Services	A. Maritime Transport Services	<i>b. Freight transportation</i>
65122	Coastal and transoceanic water transport services of bulk liquid freight by tankers	11. Transport Services	A. Maritime Transport Services	<i>b. Freight transportation</i>
65123	Coastal and transoceanic water transport services of containerized freight by container ships	11. Transport Services	A. Maritime Transport Services	<i>b. Freight transportation</i>
65129	Other coastal and transoceanic water transport services of other freight	11. Transport Services	A. Maritime Transport Services	<i>b. Freight transportation</i>
65130 *	Rental services of vessels for coastal and transoceanic water transport with operator	11. Transport Services	A. Maritime Transport Services	<i>c. Rental of vessels with crew</i>
209 Sea transport, other				
65140	Towing and pushing services on coastal and transoceanic waters	11. Transport Services	A. Maritime Transport Services	<i>e. Pushing and towing services</i>
67610 *	Port and waterway operation services (excl. cargo handling)	11. Transport Services	A. Maritime Transport Services	<i>f. Supporting services for maritime transport</i>
67620 *	Pilotage and berthing services	11. Transport Services	A. Maritime Transport Services	<i>f. Supporting services for maritime transport</i>
67630 *	Vessel salvage and refloating services	11. Transport Services	A. Maritime Transport Services	<i>f. Supporting services for maritime transport</i>
67690 *	Other supporting services for water transport	11. Transport Services	A. Maritime Transport Services	<i>f. Supporting services for maritime transport</i>
87149 *	Maintenance and repair services of other transport equipment	11. Transport Services	A. Maritime Transport Services	<i>d. Maintenance and repair of vessels</i>
210	Air transport	<i>Air transport</i> comprises subcomponents 211: <i>Air transport, passenger</i> , 212: <i>Air transport, freight</i> , and 213: <i>Air transport, other</i>		
211 Air transport, passenger				

Table A.III.1. EBOPS - CPC, Version 1.0 - GNS/W/120 correspondence

EBOPS				
CPC, Version 1.0		GNS/W/120		
66110	Scheduled air transport services of passengers	11. Transport Services	C. Air Transport Services	a. Passenger transportation
66120	Non-scheduled air transport services of passengers	11. Transport Services	C. Air Transport Services	a. Passenger transportation
66400 *	Rental services of aircraft with operator	11. Transport Services	C. Air Transport Services	c. Rental of aircraft with crew
212 Air transport, freight				
66210	Air transport services of letters and parcels	11. Transport Services	C. Air Transport Services	b. Freight transportation
66290	Air transport services of other freight	11. Transport Services	C. Air Transport Services	b. Freight transportation
66400 *	Rental services of aircraft with operator	11. Transport Services	C. Air Transport Services	c. Rental of aircraft with crew
213 Air transport, other				
67710	Airport operation services (excl. cargo handling)	11. Transport Services	C. Air Transport Services	e. Supporting services for air transport
67720	Air traffic control services	11. Transport Services	C. Air Transport Services	e. Supporting services for air transport
67790 *	Other supporting services for air or space transport	11. Transport Services	C. Air Transport Services	e. Supporting services for air transport
87149 *	Maintenance and repair services of other transport equipment	11. Transport Services	C. Air Transport Services	d. Maintenance and repair of aircraft
214 Other transport	<i>Other transport</i> comprises subcomponents 215: <i>Other transport, passenger</i> , 216: <i>Other transport, freight</i> , and 217: <i>Other transport, other</i>			
215 Other transport, passenger	<i>Other transport, passenger</i> comprises subcomponents 220: <i>Rail transport, passenger</i> , 224: <i>Road transport, passenger</i> , and 228: <i>Inland waterway transport, passenger</i>			
216 Other transport, freight	<i>Other transport, freight</i> comprises subcomponents 221: <i>Rail transport, freight</i> , 225: <i>Road transport, freight</i> , and 229: <i>Inland waterway transport, freight</i>			
217 Other transport, other	<i>Other transport, other</i> comprises subcomponents 218: <i>Space transport</i> , 222: <i>Rail transport, other</i> , 226: <i>Road transport, other</i> , 230: <i>Inland waterway transport, other</i> , 231: <i>Pipeline transport and electricity transmission</i> , and 232: <i>Other supporting and auxiliary transport services</i>			
218 Space transport				
66300	Transport services via space	11. Transport Services	D. Space Transport	
67790 *	Other supporting services for air or space transport	N/A		
219 Rail transport	<i>Rail transport</i> comprises subcomponents 220: <i>Rail transport, passenger</i> , 221: <i>Rail transport, freight</i> , and 222: <i>Rail transport, other</i>			
220 Rail transport, passenger				
64111	Interurban railway transport services of passengers	11. Transport Services	E. Rail Transport Services	a. Passenger transportation
64112	Urban and suburban railway transport services of passengers	11. Transport Services	E. Rail Transport Services	a. Passenger transportation

Table A.III.1. EBOPS - CPC, Version 1.0 - GNS/W/120 correspondence

EBOPS				
CPC, Version 1.0		GNS/W/120		
221 Rail transport, freight				
64121	Railway transport services of freight by refrigerator cars	11. Transport Services	E. Rail Transport Services	<i>b. Freight transportation</i>
64122	Railway transport services of freight by tanker cars	11. Transport Services	E. Rail Transport Services	<i>b. Freight transportation</i>
64123	Railway transport services of containerized freight by flat cars	11. Transport Services	E. Rail Transport Services	<i>b. Freight transportation</i>
64124	Railway transport services of letters and parcels	11. Transport Services	E. Rail Transport Services	<i>b. Freight transportation</i>
64129	Other railway transport services of freight	11. Transport Services	E. Rail Transport Services	<i>b. Freight transportation</i>
222 Rail transport, other				
64130	Railway pushing or towing services	11. Transport Services	E. Rail Transport Services	<i>c. Pushing and towing services</i>
67400	Supporting services for railway transport	11. Transport Services	E. Rail Transport Services	<i>e. Supporting services for rail transport</i>
87149 *	Maintenance and repair services of other transport equipment	11. Transport Services	E. Rail Transport Services	<i>d. Maintenance and repair of rail transport equipment</i>
223 Road transport	<i>Road transport comprises subcomponents 224: Road transport, passenger, 225: Road transport, freight, and 226: Road transport, other</i>			
224 Road transport, passenger				
64211	Urban and suburban scheduled road transport services of passengers	11. Transport Services	F. Road Transport Services	<i>a. Passenger transportation</i>
64212	Urban and suburban special purpose scheduled road transport services of passengers	11. Transport Services	F. Road Transport Services	<i>a. Passenger transportation</i>
64213	Interurban scheduled road transport services of passengers	11. Transport Services	F. Road Transport Services	<i>a. Passenger transportation</i>
64214	Interurban special purpose scheduled road transport services of passengers	11. Transport Services	F. Road Transport Services	<i>a. Passenger transportation</i>
64219	Other scheduled road transport services of passengers n.e.c.	11. Transport Services	F. Road Transport Services	<i>a. Passenger transportation</i>
64221	Taxi services	11. Transport Services	F. Road Transport Services	<i>a. Passenger transportation</i>
64222	Rental services of passenger cars with operator	11. Transport Services	F. Road Transport Services	<i>a. Passenger transportation</i>
64223	Rental services of buses and coaches with operator	11. Transport Services	F. Road Transport Services	<i>a. Passenger transportation</i>
64224	Road transport services of passengers by man- or animal-drawn vehicles	11. Transport Services	F. Road Transport Services	<i>a. Passenger transportation</i>
64229	Other non-scheduled road transport services of passengers n.e.c.	11. Transport Services	F. Road Transport Services	<i>a. Passenger transportation</i>
64250 *	Rental services of trucks with operator	11. Transport Services	F. Road Transport Services	<i>c. Rental of commercial vehicles with operator</i>

Table A.III.1. EBOPS - CPC, Version 1.0 - GNS/W/120 correspondence

EBOPS				
CPC, Version 1.0		GNS/W/120		
225 Road transport, freight				
64231	Road transport services of freight by refrigerator vehicles	11. Transport Services	F. Road Transport Services	<i>b. Freight transportation</i>
64232	Road transport services of freight by tank trucks or semi-trailers	11. Transport Services	F. Road Transport Services	<i>b. Freight transportation</i>
64233	Road transport services of containerized freight by trucks equipped with a container chassis	11. Transport Services	F. Road Transport Services	<i>b. Freight transportation</i>
64234	Road transport services of freight by man- or animal-drawn vehicles	11. Transport Services	F. Road Transport Services	<i>b. Freight transportation</i>
64235	Moving services of household and office furniture and other goods	11. Transport Services	F. Road Transport Services	<i>b. Freight transportation</i>
64236	Road transport services of letters and parcels	11. Transport Services	F. Road Transport Services	<i>b. Freight transportation</i>
64239	Other road transport services of freight	11. Transport Services	F. Road Transport Services	<i>b. Freight transportation</i>
64250 *	Rental services of trucks with operator	11. Transport Services	F. Road Transport Services	<i>c. Rental of commercial vehicles with operator</i>
226 Road transport, other				
67510	Bus station services	11. Transport Services	F. Road Transport Services	<i>e. Supporting services for road transport services</i>
67520	Highway, bridge and tunnel operation services	11. Transport Services	F. Road Transport Services	<i>e. Supporting services for road transport services</i>
67530	Parking lot services	11. Transport Services	F. Road Transport Services	<i>e. Supporting services for road transport services</i>
67590	Other supporting services for road transport	11. Transport Services	F. Road Transport Services	<i>e. Supporting services for road transport services</i>
87141 *	Maintenance and repair services of motor vehicles	11. Transport Services	F. Road Transport Services	<i>d. Maintenance and repair of road transport equipment</i>
87142 *	Maintenance and repair services of motorcycles and snowmobiles	N/A		
87143 *	Maintenance and repair services of trailers, semi-trailers and other motor vehicles n.e.c.	11. Transport Services	F. Road Transport Services	<i>d. Maintenance and repair of road transport equipment</i>
227	Inland waterway transport	<i>Inland waterway transport comprises subcomponents 228: Inland waterway transport, passenger, 229: Inland waterway transport, freight, and 230: Inland waterway transport, other</i>		
228 Inland waterway transport, passenger				
65211	Inland water transport services of passengers by ferries	11. Transport Services	B. Internal Waterways Transport	<i>a. Passenger transportation</i>
65219	Other inland water transport services of passengers	11. Transport Services	B. Internal Waterways Transport	<i>a. Passenger transportation</i>
65230 *	Rental services of inland water vessels with operator	11. Transport Services	B. Internal Waterways Transport	<i>c. Rental of vessels with crew</i>
229 Inland waterway transport, freight				

Table A.III.1. EBOPS - CPC, Version 1.0 - GNS/W/120 correspondence

EBOPS				
CPC, Version 1.0		GNS/W/120		
65221	Inland water transport services of freight by refrigerator vessels	11. Transport Services	B. Internal Waterways Transport	<i>b. Freight transportation</i>
65222	Inland water transport services of freight by tankers	11. Transport Services	B. Internal Waterways Transport	<i>b. Freight transportation</i>
65229	Other inland water transport services of freight	11. Transport Services	B. Internal Waterways Transport	<i>b. Freight transportation</i>
65230 *	Rental services of inland water vessels with operator	11. Transport Services	B. Internal Waterways Transport	<i>c. Rental of vessels with crew</i>
230 Inland waterway transport, other				
65240	Towing and pushing services on inland waters	11. Transport Services	B. Internal Waterways Transport	<i>e. Pushing and towing services</i>
67610 *	Port and waterway operation services (excl. cargo handling)	11. Transport Services	B. Internal Waterways Transport	<i>f. Supporting services for internal waterway transport</i>
67620 *	Pilotage and berthing services	11. Transport Services	B. Internal Waterways Transport	<i>f. Supporting services for internal waterway transport</i>
67630 *	Vessel salvage and refloating services	11. Transport Services	B. Internal Waterways Transport	<i>f. Supporting services for internal waterway transport</i>
67690 *	Other supporting services for water transport	11. Transport Services	B. Internal Waterways Transport	<i>f. Supporting services for internal waterway transport</i>
231 Pipeline transport and electricity transmission				
64310	Transport services via pipeline of petroleum and natural gas	11. Transport Services	G. Pipeline Transport	<i>a. Transportation of fuels</i>
64390	Transport services via pipeline of other goods	11. Transport Services	G. Pipeline Transport	<i>b. Transportation of other goods</i>
69110 *	Electricity transmission and distribution services	N/A		
232 Other supporting and auxiliary transport services				
67110	Container handling services	11. Transport Services	H. Services auxiliary to all modes of transport	<i>a. Cargo-handling services</i>
67190	Other cargo handling services	11. Transport Services	H. Services auxiliary to all modes of transport	<i>a. Cargo-handling services</i>
67210	Refrigerated storage services	11. Transport Services	H. Services auxiliary to all modes of transport	<i>b. Storage and warehouse services</i>
67220	Bulk liquid or gas storage services	11. Transport Services	H. Services auxiliary to all modes of transport	<i>b. Storage and warehouse services</i>
67290	Other storage or warehousing services	11. Transport Services	H. Services auxiliary to all modes of transport	<i>b. Storage and warehouse services</i>
67300	Navigational aid services	11. Transport Services	A. Maritime Transport Services	<i>f. Supporting services for maritime transport</i>
		11. Transport Services	B. Internal Waterways Transport	<i>f. Supporting services for internal waterway transport</i>
67910	Freight transport agency services and other auxiliary freight transport services	11. Transport Services	H. Services auxiliary to all modes of transport	<i>c. Freight transport agency services</i>
		11. Transport Services	H. Services auxiliary to all modes of transport	<i>d. Other</i>
67990	Other supporting transport services n.e.c.	11. Transport Services	H. Services auxiliary to all modes of transport	<i>d. Other</i>
87149 *	Maintenance and repair services of other transport equipment	11. Transport Services	A. Maritime Transport Services	<i>d. Maintenance and repair of vessels</i>
		11. Transport Services	B. Internal Waterways Transport	<i>d. Maintenance and repair of vessels</i>

Table A.III.1. EBOPS - CPC, Version 1.0 - GNS/W/120 correspondence

EBOPS				
CPC, Version 1.0		GNS/W/120		
		11. Transport Services	C. Air Transport Services	<i>d. Maintenance and repair of aircraft</i>
		11. Transport Services	E. Rail Transport Services	<i>d. Maintenance and repair of rail transport equipment</i>
236 Travel^b				
245 Communications services		<i>Communications services comprises subcomponents 246: Postal and courier services, and 247: Telecommunication services</i>		
246 Postal and courier services				
64240	Miscellaneous local delivery services	2. Communication Services	B. Courier services	
68111	Postal services related to letters	2. Communication Services	A. Postal services	
68112	Postal services related to parcels	2. Communication Services	A. Postal services	
68113	Post office counter services	2. Communication Services	A. Postal services	
68119	Other postal services	2. Communication Services	A. Postal services	
68120	Courier services	2. Communication Services	B. Courier services	
247 Telecommunications services				
84110	Wired telecommunications services	2. Communication Services	C. Telecommunication services	<i>a. Voice telephone services</i>
		2. Communication Services	C. Telecommunication services	<i>b. Packet-switched data transmission services</i>
		2. Communication Services	C. Telecommunication services	<i>c. Circuit-switched data transmission services</i>
		2. Communication Services	C. Telecommunication services	<i>d. Telex services</i>
		2. Communication Services	C. Telecommunication services	<i>e. Telegraph services</i>
		2. Communication Services	C. Telecommunication services	<i>f. Facsimile services</i>
		2. Communication Services	C. Telecommunication services	<i>g. Private leased circuit services</i>
		2. Communication Services	C. Telecommunication services	<i>h. Electronic mail</i>
		2. Communication Services	C. Telecommunication services	<i>i. Voice mail</i>
		2. Communication Services	C. Telecommunication services	<i>j. On-line information and data retrieval</i>
		2. Communication Services	C. Telecommunication services	<i>k. Electronic data interchange (EDI)</i>
		2. Communication Services	C. Telecommunication services	<i>l. Enhanced/value added facsimile services, incl. store and forward, store and retrieve</i>

^b EBOPS component 236 *travel* (and its constituent parts) cannot be fully described in terms of CPC, Version 1.0 since travellers may consume a wide range of goods and services, as discussed in chapter 3 of the *Manual*; however, the memorandum item 957 *expenditure on accommodation and food and beverage serving services* is described in terms of CPC in this correspondence.

Table A.III.1. EBOPS - CPC, Version 1.0 - GNS/W/120 correspondence

EBOPS					
		CPC, Version 1.0	GNS/W/120		
84120	Wireless telecommunications services		2. Communication Services	D. Audiovisual services	<i>d. Radio and television transmission services</i>
			2. Communication Services	C. Telecommunication services	<i>a. Voice telephone services</i>
			2. Communication Services	C. Telecommunication services	<i>b. Packet-switched data transmission services</i>
			2. Communication Services	C. Telecommunication services	<i>c. Circuit-switched data transmission services</i>
			2. Communication Services	C. Telecommunication services	<i>d. Telex services</i>
			2. Communication Services	C. Telecommunication services	<i>e. Telegraph services</i>
			2. Communication Services	C. Telecommunication services	<i>f. Facsimile services</i>
			2. Communication Services	C. Telecommunication services	<i>g. Private leased circuit services</i>
			2. Communication Services	C. Telecommunication services	<i>h. Electronic mail</i>
			2. Communication Services	C. Telecommunication services	<i>i. Voice mail</i>
			2. Communication Services	C. Telecommunication services	<i>j. On-line information and data retrieval</i>
			2. Communication Services	C. Telecommunication services	<i>k. Electronic data interchange (EDI)</i>
			2. Communication Services	C. Telecommunication services	<i>l. Enhanced/value added facsimile services, incl. store and forward, store and retrieve</i>
		84130	Satellite telecommunications services		2. Communication Services
	2. Communication Services			C. Telecommunication services	<i>b. Packet-switched data transmission services</i>
	2. Communication Services			C. Telecommunication services	<i>c. Circuit-switched data transmission services</i>
	2. Communication Services			C. Telecommunication services	<i>d. Telex services</i>
	2. Communication Services			C. Telecommunication services	<i>f. Facsimile services</i>
	2. Communication Services			C. Telecommunication services	<i>g. Private leased circuit services</i>
	2. Communication Services			C. Telecommunication services	<i>h. Electronic mail</i>
	2. Communication Services			C. Telecommunication services	<i>i. Voice mail</i>
	2. Communication Services			C. Telecommunication services	<i>j. On-line information and data retrieval</i>
	2. Communication Services			C. Telecommunication services	<i>k. Electronic data interchange (EDI)</i>
84200	On-line access services		2. Communication Services	D. Audiovisual services	<i>d. Radio and television transmission services</i>
			2. Communication Services	C. Telecommunication services	<i>b. Packet-switched data transmission services</i>
			2. Communication Services	C. Telecommunication services	<i>c. Circuit-switched data transmission services</i>

Table A.III.1. EBOPS - CPC, Version 1.0 - GNS/W/120 correspondence

EBOPS			
CPC, Version 1.0		GNS/W/120	
		2. Communication Services	C. Telecommunication services
		2. Communication Services	C. Telecommunication services
		2. Communication Services	C. Telecommunication services
		2. Communication Services	C. Telecommunication services
		2. Communication Services	C. Telecommunication services
		2. Communication Services	C. Telecommunication services
		2. Communication Services	C. Telecommunication services
			<i>d. Telex services</i>
			<i>g. Private leased circuit services</i>
			<i>h. Electronic mail</i>
			<i>i. Voice mail</i>
			<i>j. On-line information and data retrieval</i>
			<i>k. Electronic data interchange (EDI)</i>
			<i>l. Enhanced/value added facsimile services, incl. store and forward, store and retrieve</i>
249	Construction services ^c		
250	Construction abroad		
251	Construction in the compiling economy		
54111	General construction services of one- and two-dwelling buildings	3. Construction and related engineering services	A. General construction work for buildings
54112	General construction services of multi-dwelling buildings	3. Construction and related engineering services	A. General construction work for buildings
54121	General construction services of industrial buildings	3. Construction and related engineering services	A. General construction work for buildings
54122	General construction services of commercial buildings	3. Construction and related engineering services	A. General construction work for buildings
54129	General construction services of other non-residential buildings	3. Construction and related engineering services	A. General construction work for buildings
		3. Construction and related engineering services	B. General construction work for civil engineering
54210	General construction services of highways (except elevated highways), streets, roads, railways and airfield runways	3. Construction and related engineering services	B. General construction work for civil engineering
		3. Construction and related engineering services	D. Building completion and finishing work
54220	General construction services of bridges, elevated highways, tunnels and subways	3. Construction and related engineering services	B. General construction work for civil engineering
54230	General construction services of harbours, waterways, dams, irrigation and other water works	3. Construction and related engineering services	B. General construction work for civil engineering

^c See chapter 3 of the *Manual* for a complete definition of *construction services*. If *construction services* is compiled following the recommendations in the present *Manual*, goods and services purchased by enterprises in the economy in which the construction services are provided are included in EBOPS components 250, *construction abroad*, and 251, *construction in the reporting economy*. However, if the alternative of compiling according to BPM5 principles is followed, these goods and services are included in EBOPS component 284, *other business services*.

Table A.III.1. EBOPS - CPC, Version 1.0 - GNS/W/120 correspondence

EBOPS			
	CPC, Version 1.0	GNS/W/120	
54241	General construction services of long distance pipelines	3. Construction and related engineering services	B. General construction work for civil engineering
54242	General construction services of long distance communication and power lines (cables)	3. Construction and related engineering services	B. General construction work for civil engineering
54251	General construction services of local pipelines	3. Construction and related engineering services	B. General construction work for civil engineering
54252	General construction services of local cables and related works	3. Construction and related engineering services	B. General construction work for civil engineering
54260	General construction services of mines and industrial plant	3. Construction and related engineering services	B. General construction work for civil engineering
54270	General construction services of outdoor sport and recreation facilities	3. Construction and related engineering services	B. General construction work for civil engineering
54290	General construction services of other engineering works n.e.c.	3. Construction and related engineering services	B. General construction work for civil engineering
54310	Demolition services	3. Construction and related engineering services	E. Other
54320	Site formation and clearance services	1. Business Services	F. Other Business Services
		3. Construction and related engineering services	E. Other
54330	Excavating and earthmoving services	3. Construction and related engineering services	E. Other
54341	Water well drilling services	3. Construction and related engineering services	E. Other
54342	Septic system installation services	3. Construction and related engineering services	C. Installation and assembly work
54400	Assembly and erection of prefabricated constructions	3. Construction and related engineering services	C. Installation and assembly work
54511	Pile driving services	3. Construction and related engineering services	E. Other
54512	Foundation services	3. Construction and related engineering services	E. Other
54521	Building framing services	3. Construction and related engineering services	E. Other
54522	Roof framing services	3. Construction and related engineering services	E. Other
54530	Roofing and water proofing services	3. Construction and related engineering services	E. Other
54540	Concrete services	3. Construction and related engineering services	E. Other

h. Services incidental to mining

Table A.III.1. EBOPS - CPC, Version 1.0 - GNS/W/120 correspondence

EBOPS			
	CPC, Version 1.0	GNS/W/120	
54550	Structural steel erection services	3. Construction and related engineering services	E. Other
54560	Masonry services	3. Construction and related engineering services	E. Other
54570	Scaffolding services	3. Construction and related engineering services	E. Other
54590	Other special trade construction services	3. Construction and related engineering services	E. Other
54611	Electrical wiring and fitting services	3. Construction and related engineering services	C. Installation and assembly work
54612	Fire alarm installation services	3. Construction and related engineering services	C. Installation and assembly work
54613	Burglar alarm system installation services	3. Construction and related engineering services	C. Installation and assembly work
54614	Residential antenna installation services	3. Construction and related engineering services	C. Installation and assembly work
54619	Other electrical installation services	3. Construction and related engineering services	C. Installation and assembly work
54621	Water plumbing services	3. Construction and related engineering services	C. Installation and assembly work
54622	Drain laying services	3. Construction and related engineering services	C. Installation and assembly work
54631	Heating installation services	3. Construction and related engineering services	C. Installation and assembly work
54632	Ventilation and air conditioning installation services	3. Construction and related engineering services	C. Installation and assembly work
54640	Gas fitting installation services	3. Construction and related engineering services	C. Installation and assembly work
54650	Insulation services	3. Construction and related engineering services	C. Installation and assembly work
54691	Lift and escalator installation services	3. Construction and related engineering services	C. Installation and assembly work
54699	Other installation services n.e.c.	3. Construction and related engineering services	C. Installation and assembly work
54710	Glazing services	3. Construction and related engineering services	D. Building completion and finishing work
54720	Plastering services	3. Construction and related engineering services	D. Building completion and finishing work
54730	Painting services	3. Construction and related engineering services	D. Building completion and finishing work

Table A.III.1. EBOPS - CPC, Version 1.0 - GNS/W/120 correspondence

EBOPS				
CPC, Version 1.0		GNS/W/120		
54740	Floor and wall tiling services	3. Construction and related engineering services	D. Building completion and finishing work	
54750	Other floor laying, wall covering and wall papering services	3. Construction and related engineering services	D. Building completion and finishing work	
54760	Wood and metal joinery and carpentry services	3. Construction and related engineering services	D. Building completion and finishing work	
54770	Fencing and railing services	3. Construction and related engineering services	C. Installation and assembly work	
54790	Other building completion and finishing services	3. Construction and related engineering services	D. Building completion and finishing work	
54800	Renting services related to equipment for construction or demolition of buildings or civil engineering works, with operator	3. Construction and related engineering services	E. Other	
253 Insurance services		<i>Insurance services comprises subcomponents 254: Life insurance and pension funding, 255: Freight insurance, 256: Other direct insurance, 257: Reinsurance, and 258: Insurance services, auxiliary services</i>		
254 Life insurance and pension funding				
71311	Life insurance and individual pension services	7. Financial services	A. All insurance and insurance-related services	<i>a. Life, accident and health insurance services</i>
71312	Group pension services	7. Financial services	A. All insurance and insurance-related services	<i>a. Life, accident and health insurance services</i>
71531 *	Portfolio management services	7. Financial services	B. Banking and other financial services	<i>g. Participation in issues of all kinds of securities, incl. under-writing and placement as agents (whether publicly or privately) and provision of service related to such issues</i>
		7. Financial services	B. Banking and other financial services	<i>i. Asset management, such as cash or portfolio management, all forms of collective investment management, pension fund management, custodial depository and trust services</i>
255 Freight insurance				
71333	Freight insurance services	7. Financial services	A. All insurance and insurance-related services	<i>b. Non-life insurance services</i>
256 Other direct insurance				
71320	Accident and health insurance services	7. Financial services	A. All insurance and insurance-related services	<i>b. Non-life insurance services</i>
71331	Motor vehicle insurance services	7. Financial services	A. All insurance and insurance-related services	<i>b. Non-life insurance services</i>
71332	Marine, aviation, and other transport insurance services	7. Financial services	A. All insurance and insurance-related services	<i>b. Non-life insurance services</i>

Table A.III.1. EBOPS - CPC, Version 1.0 - GNS/W/120 correspondence

EBOPS				
CPC, Version 1.0		GNS/W/120		
71334	Other property insurance services	7. Financial services	A. All insurance and insurance-related services	<i>b. Non-life insurance services</i>
71335	General liability insurance services	7. Financial services	A. All insurance and insurance-related services	<i>b. Non-life insurance services</i>
71336	Credit and surety insurance services	7. Financial services	A. All insurance and insurance-related services	<i>c. Reinsurance and retrocession</i>
71339	Other non-life insurance services	7. Financial services	A. All insurance and insurance-related services	<i>b. Non-life insurance services</i>
71531 *	Portfolio management services	7. Financial services	A. All insurance and insurance-related services	<i>c. Reinsurance and retrocession</i>
		7. Financial services	B. Banking and other financial services	<i>g. Participation in issues of all kinds of securities, incl. under-writing and placement as agents (whether publicly or privately) and provision of service related to such issues</i>
		7. Financial services	B. Banking and other financial services	<i>i. Asset management, such as cash or portfolio management, all forms of collective investment management, pension fund management, custodial depository and trust services</i>
257 Reinsurance				
71410	Life reinsurance services	7. Financial services	A. All insurance and insurance-related services	<i>a. Life, accident and health insurance services</i>
71420	Accident and health reinsurance services	7. Financial services	A. All insurance and insurance-related services	<i>b. Non-life insurance services</i>
71430	Other non-life reinsurance services	7. Financial services	A. All insurance and insurance-related services	<i>b. Non-life insurance services</i>
		7. Financial services	A. All insurance and insurance-related services	<i>c. Reinsurance and retrocession</i>
258 Insurance services, auxiliary services				
71610	Insurance brokerage and agency services	7. Financial services	A. All insurance and insurance-related services	<i>d. Services auxiliary to insurance (including broking and agency services)</i>
71620	Insurance claims adjustment services	7. Financial services	A. All insurance and insurance-related services	<i>d. Services auxiliary to insurance (including broking and agency services)</i>
71630	Actuarial services	7. Financial services	A. All insurance and insurance-related services	<i>d. Services auxiliary to insurance (including broking and agency services)</i>
71690	Other services auxiliary to insurance and pensions	7. Financial services	A. All insurance and insurance-related services	<i>d. Services auxiliary to insurance (including broking and agency services)</i>
260 Financial services ^d				
71100 *	Financial intermediation services, except investment banking, insurance services and pension services	7. Financial Services	B. Banking and other financial services	<i>a. Acceptance of deposits and other repayable funds from the public</i>

^d Excluded from this EBOPS component are *financial intermediation services indirectly measured* that may be imputed or derived from the differences between reference interest rates and rates actually applied to loans, debt securities or deposits.

Table A.III.1. EBOPS - CPC, Version 1.0 - GNS/W/120 correspondence

EBOPS				
CPC, Version 1.0		GNS/W/120		
		7. Financial Services	B. Banking and other financial services	<i>b. Lending of all types, incl., inter alia, consumer credit, mortgage credit, factoring and financing of commercial transaction</i>
		7. Financial Services	B. Banking and other financial services	<i>c. Financial leasing</i>
		7. Financial Services	B. Banking and other financial services	<i>e. Guarantees and commitments</i>
		7. Financial Services	B. Banking and other financial services	<i>i. Asset management, such as cash or portfolio management, all forms of collective investment management, pension fund management, custodial depository and trust services</i>
		7. Financial Services	B. Banking and other financial services	<i>k. Advisory and other auxiliary financial services on all the activities in article 1B of MTN.TNC/W/50, incl. credit reference and analysis, investment and portfolio research and advice, advice on acquisitions and on corporate restructuring and strategy</i>
		N/A		
71200	Investment banking services	7. Financial services	B. Banking and other financial services	<i>i. Asset management, such as cash or portfolio management, all forms of collective investment management, pension fund management, custodial depository and trust services</i>
71511	Mergers and acquisition services	7. Financial services	B. Banking and other financial services	<i>e. Guarantees and commitments</i>
		7. Financial services	B. Banking and other financial services	<i>i. Asset management, such as cash or portfolio management, all forms of collective investment management, pension fund management, custodial depository and trust services</i>
71512	Corporate finance and venture capital services	7. Financial services	B. Banking and other financial services	<i>e. Guarantees and commitments</i>
		7. Financial services	B. Banking and other financial services	<i>i. Asset management, such as cash or portfolio management, all forms of collective investment management, pension fund management, custodial depository and trust services</i>
71519	Other services related to investment banking	7. Financial services	B. Banking and other financial services	<i>e. Guarantees and commitments</i>

Table A.III.1. EBOPS - CPC, Version 1.0 - GNS/W/120 correspondence

EBOPS				
CPC, Version 1.0		GNS/W/120		
		7. Financial services	B. Banking and other financial services	<i>i. Asset management, such as cash or portfolio management, all forms of collective investment management, pension fund management, custodial depository and trust services</i>
71521	Securities brokerage services	7. Financial services	B. Banking and other financial services	<i>f. Trading for own account or for account of customers, whether on an exchange, in an over-the-counter market or otherwise, the following: transferable securities</i>
		7. Financial services	B. Banking and other financial services	<i>g. Participation in issues of all kinds of securities, incl. under-writing and placement as agents (whether publicly or privately) and provision of service related to such issues</i>
71522	Commodity brokerage services	7. Financial services	B. Banking and other financial services	<i>f. Trading for own account or for account of customers, whether on an exchange, in an over-the-counter market or otherwise, the following: transferable securities</i>
		7. Financial services	B. Banking and other financial services	<i>g. Participation in issues of all kinds of securities, incl. under-writing and placement as agents (whether publicly or privately) and provision of service related to such issues</i>
71523	Processing and clearing services of securities transactions	7. Financial services	B. Banking and other financial services	<i>g. Participation in issues of all kinds of securities, incl. under-writing and placement as agents (whether publicly or privately) and provision of service related to such issues</i>
71531 *	Portfolio management services	7. Financial services	B. Banking and other financial services	<i>g. Participation in issues of all kinds of securities, incl. under-writing and placement as agents (whether publicly or privately) and provision of service related to such issues</i>
		7. Financial services	B. Banking and other financial services	<i>i. Asset management, such as cash or portfolio management, all forms of collective investment management, pension fund management, custodial depository and trust services</i>

Table A.III.1. EBOPS - CPC, Version 1.0 - GNS/W/120 correspondence

EBOPS				
CPC, Version 1.0		GNS/W/120		
71532	Trust services	7. Financial services	B. Banking and other financial services	<i>i. Asset management, such as cash or portfolio management, all forms of collective investment management, pension fund management, custodial depository and trust services</i>
71533	Custody services	7. Financial services	B. Banking and other financial services	<i>k. Advisory and other auxiliary financial services on all the activities in article 1B of MTN.TNC/W/50, incl. credit reference and analysis, investment and portfolio research and advice, advice on acquisitions and on corporate restructuring and strategy</i>
		7. Financial services	B. Banking and other financial services	<i>l. Provision and transfer of financial information, and financial data processing and related software by providers of other financial services</i>
71541	Financial market operational services	7. Financial services	B. Banking and other financial services	<i>k. Advisory and other auxiliary financial services on all the activities in article 1B of MTN.TNC/W/50, incl. credit reference and analysis, investment and portfolio research and advice, advice on acquisitions and on corporate restructuring and strategy</i>
		7. Financial services	B. Banking and other financial services	<i>l. Provision and transfer of financial information, and financial data processing and related software by providers of other financial services</i>
71542	Financial market regulatory services	7. Financial services	B. Banking and other financial services	<i>k. Advisory and other auxiliary financial services on all the activities in article 1B of MTN.TNC/W/50, incl. credit reference and analysis, investment and portfolio research and advice, advice on acquisitions and on corporate restructuring and strategy</i>
		7. Financial services	B. Banking and other financial services	<i>l. Provision and transfer of financial information, and financial data processing and related software by providers of other financial services</i>

Table A.III.1. EBOPS - CPC, Version 1.0 - GNS/W/120 correspondence

EBOPS				
CPC, Version 1.0		GNS/W/120		
71549	Other financial market administration services	7. Financial services	B. Banking and other financial services	<i>k. Advisory and other auxiliary financial services on all the activities in article 1B of MTN.TNC/W/50, incl. credit reference and analysis, investment and portfolio research and advice, advice on acquisitions and on corporate restructuring and strategy</i>
71551	Financial consultancy services	7. Financial services	B. Banking and other financial services	<i>k. Advisory and other auxiliary financial services on all the activities in article 1B of MTN.TNC/W/50, incl. credit reference and analysis, investment and portfolio research and advice, advice on acquisitions and on corporate restructuring and strategy</i>
71552	Foreign exchange services	7. Financial services	B. Banking and other financial services	<i>f. Trading for own account or for account of customers, whether on an exchange, in an over-the-counter market or otherwise, the following: foreign exchange</i>
		7. Financial services	B. Banking and other financial services	<i>k. Advisory and other auxiliary financial services on all the activities in article 1B of MTN.TNC/W/50, incl. credit reference and analysis, investment and portfolio research and advice, advice on acquisitions and on corporate restructuring and strategy</i>
71553	Financial transactions processing and clearinghouse services	7. Financial services	B. Banking and other financial services	<i>d. All payment and money transmission services</i>
		7. Financial services	B. Banking and other financial services	<i>f. Trading for own account or for account of customers, whether on an exchange, in an over-the-counter market or otherwise, the following: - money market instruments (cheques, bills, certificate of deposits, etc.), - derivative products incl., but not limited to, futures and options, - exchange rate and interest rate instruments, including products such as swaps, forward rate agreements, etc., - other negotiable instruments and financial assets, incl. bullion</i>
		7. Financial services	B. Banking and other financial services	<i>h. Money broking</i>

Table A.III.1. EBOPS - CPC, Version 1.0 - GNS/W/120 correspondence

EBOPS				
CPC, Version 1.0		GNS/W/120		
		7. Financial services	B. Banking and other financial services	<i>j. Settlement and clearing services for financial assets, incl. securities, derivative products and other negotiable instruments</i>
		7. Financial services	B. Banking and other financial services	<i>k. Advisory and other auxiliary financial services on all the activities in article 1B of MTN.TNC/W/50, incl. credit reference and analysis, investment and portfolio research and advice, advice on acquisitions and on corporate restructuring and strategy</i>
71559	Other services auxiliary to financial intermediation n.e.c.	7. Financial Services	B. Banking and other financial services	<i>a. Acceptance of deposits and other repayable funds from the public</i>
		7. Financial Services	B. Banking and other financial services	<i>k. Advisory and other auxiliary financial services on all the activities in article 1B of MTN.TNC/W/50, incl. credit reference and analysis, investment and portfolio research and advice, advice on acquisitions and on corporate restructuring and strategy</i>
85400 *	Packaging services	7. Financial services	B. Banking and other financial services	<i>k. Advisory and other auxiliary financial services on all the activities in article 1B of MTN.TNC/W/50, incl. credit reference and analysis, investment and portfolio research and advice, advice on acquisitions and on corporate restructuring and strategy</i>
262	Computer and information services	<i>Computer and information services comprises subcomponents 263: Computer services, and 264: Information services</i>		
263 Computer services				
83141	Hardware consultancy services	1. Business Services	B. Computer and Related Services	<i>a. Consultancy services related to the installation of computer hardware</i>
83142	Software consultancy services	1. Business Services	B. Computer and Related Services	<i>b. Software implementation services</i>
83149	Other computer consultancy services	1. Business Services	B. Computer and Related Services	<i>b. Software implementation services</i>
		1. Business Services	B. Computer and Related Services	<i>e. Other</i>
83150	Computer facilities management services	1. Business Services	B. Computer and Related Services	<i>c. Data processing services</i>
		2. Communication Services	C. Telecommunication services	<i>n. On line information and/or data processing (including transaction processing)</i>

Table A.III.1. EBOPS - CPC, Version 1.0 - GNS/W/120 correspondence

EBOPS				
CPC, Version 1.0		GNS/W/120		
83160	Systems maintenance services	1. Business Services	B. Computer and Related Services	<i>b. Software implementation services</i>
85960	Data processing services	1. Business Services	B. Computer and Related Services	<i>c. Data processing services</i>
		2. Communication Services	C. Telecommunication services	<i>n. On line information and/or data processing (including transaction processing)</i>
87130	Computer hardware servicing, repair and maintenance	1. Business Services	B. Computer and Related Services	<i>e. Other</i>
		1. Business Services	F. Other Business Services	<i>n. Maintenance and repair of equipment (not including maritime vessels, aircraft or other transport equipment)</i>
92900 *	Other education and training services	1. Business Services	B. Computer and Related Services	<i>e. Other</i>
264 Information services		<i>Information services comprises subcomponents 889: News agency services, and 890: Other information provision services</i>		
889 News agency services				
84410	News agency services to newspapers and periodicals	10. Recreational, Cultural and Sporting Services	B. News Agency Services	
84420	News agency services to audio-visual media	10. Recreational, Cultural and Sporting Services	B. News Agency Services	
890 Other information provision services ^e				
84300	On-line information provision services	1. Business Services	B. Computer and Related Services	<i>d. Database services</i>
266 Royalties and license fees ^{f,9}				
51210 *	Patents	N/A		
51220 *	Trademarks	N/A		
51230 *	Copyrights	N/A		
51290 *	Other non-financial intangible assets	4. Distribution Services	D. Franchising	
268 Other business services		<i>Other business services comprises subcomponents 269: Merchanting and other trade-related services, 272: Operational leasing services, and 273: Miscellaneous business, professional, and technical services</i>		

^e Subscription sales of newspapers and periodicals (not described in terms of CPC, Version 1.0) are included in the EBOPS component *other information provision services*.

^f The EBOPS component royalties and license fees comprises payments for the right to use various non-financial, intangible assets. The original published CPC, Version 1.0 includes both the asset and the related payments for the right to use in a single category, division 51. In January 2000, a new group 733 was introduced into CPC to cover these payments for use, while the assets themselves remain in division 51. Payments for the right to use patents are covered in subclass 73310, payments for the use of trademarks in 73320, payments related to franchising activities (except for the purchase/sale of a franchise license) in 73330, payments for the use of copyrights in 73340 and payments for other intangible assets in 73390. The planned revision of CPC in 2002 will maintain a similar separation.

^g The breakdown of the EBOPS component royalties and license fees into franchises and similar rights (code 891) and other royalties and license fees (code 892) cannot be described in terms of the original CPC, Version 1.0, where franchising payments were included indistinguishably in subclass 51290. Since January 2000, payments related to franchising activities have been separately identified in CPC subclass 73330.

Table A.III.1. EBOPS - CPC, Version 1.0 - GNS/W/120 correspondence

EBOPS		
CPC, Version 1.0	GNS/W/120	
269 Merchating and other trade-related services	<i>Merchanting and other trade-related services</i> comprises subcomponents 270: <i>Merchanting</i> , and 271: <i>Other trade-related services</i>	
270 Merchanting^h		
N/A	4. Distribution Services	B. Wholesale trade services
N/A	4. Distribution Services	C. Retailing services
271 Other trade-related services		
6121 Wholesale trade services on a fee or contract basis, of agricultural raw materials and live animals	4. Distribution Services	A. Commission agents' services
6122 Wholesale trade services on a fee or contract basis, of food, beverages and tobacco	4. Distribution Services	A. Commission agents' services
6123 Wholesale trade services on a fee or contract basis, of textiles, clothing and footwear	4. Distribution Services	A. Commission agents' services
6124 Wholesale trade services on a fee or contract basis, of household appliances, articles and equipment	4. Distribution Services	A. Commission agents' services
6125 Wholesale trade services on a fee or contract basis, of miscellaneous consumer goods	4. Distribution Services	A. Commission agents' services
6126 Wholesale trade services on a fee or contract basis, of construction materials and hardware	4. Distribution Services	A. Commission agents' services
6127 Wholesale trade services on a fee or contract basis, of chemical and pharmaceutical products	4. Distribution Services	A. Commission agents' services
61281 Wholesale trade services on a fee or contract basis, of motor vehicles, motorcycles, snowmobiles and related parts and accessories	4. Distribution Services	C. Retailing services
61282 Wholesale trade services on a fee or contract basis, of other transport equipment, except bicycles	4. Distribution Services	A. Commission agents' services
61283 Wholesale trade services on a fee or contract basis, of office machinery and equipment including office furniture	4. Distribution Services	A. Commission agents' services
61284 Wholesale trade services on a fee or contract basis, of computers and packaged software	4. Distribution Services	A. Commission agents' services
61285 Wholesale trade services on a fee or contract basis, of agricultural, lawn and garden machinery and equipment including tractors	4. Distribution Services	A. Commission agents' services

^h Merchanting is discussed in chapter 3 of the *Manual*; it cannot be meaningfully described in terms of CPC, Version 1.0.

Table A.III.1. EBOPS - CPC, Version 1.0 - GNS/W/120 correspondence

EBOPS				
CPC, Version 1.0		GNS/W/120		
61286	Wholesale trade services on a fee or contract basis, of mining, construction and civil engineering machinery and equipment	4. Distribution Services	A. Commission agents' services	
61287	Wholesale trade services on a fee or contract basis, of other industry specific machinery and equipment and related operating supplies	4. Distribution Services	A. Commission agents' services	
61289	Wholesale trade services on a fee or contract basis, of other machinery and equipment n.e.c.	4. Distribution Services	A. Commission agents' services	
		N/A		
6129	Wholesale trade services on a fee or contract basis, of other products	4. Distribution Services	A. Commission agents' services	
272 Operational leasing services				
73111	Leasing or rental services concerning cars and light vans without operator	1. Business Services	E. Rental/Leasing Services without Operators	<i>c. Relating to other transport equipment</i>
73112	Leasing or rental services concerning goods transport motor vehicles without operator	1. Business Services	E. Rental/Leasing Services without Operators	<i>c. Relating to other transport equipment</i>
73113	Leasing or rental services concerning railroad vehicles without operator	1. Business Services	E. Rental/Leasing Services without Operators	<i>c. Relating to other transport equipment</i>
73114	Leasing or rental services concerning other land transport equipment without operator	1. Business Services	E. Rental/Leasing Services without Operators	<i>c. Relating to other transport equipment</i>
73115	Leasing or rental services concerning vessels without operator	1. Business Services	E. Rental/Leasing Services without Operators	<i>a. Relating to ships</i>
73116	Leasing or rental services concerning aircraft without operator	1. Business Services	E. Rental/Leasing Services without Operators	<i>b. Relating to aircraft</i>
73117	Leasing or rental services of containers	1. Business Services	E. Rental/Leasing Services without Operators	<i>c. Relating to other transport equipment</i>
73121	Leasing or rental services concerning agricultural machinery and equipment without operator	1. Business Services	E. Rental/Leasing Services without Operators	<i>d. Relating to other machinery and equipment</i>
73122	Leasing or rental services concerning construction machinery and equipment without operator	1. Business Services	E. Rental/Leasing Services without Operators	<i>d. Relating to other machinery and equipment</i>
73123	Leasing or rental services concerning office machinery and equipment (excl. computers) without operator	1. Business Services	E. Rental/Leasing Services without Operators	<i>d. Relating to other machinery and equipment</i>
73124	Leasing or rental services concerning computers without operator	1. Business Services	E. Rental/Leasing Services without Operators	<i>d. Relating to other machinery and equipment</i>
73125	Leasing or rental services concerning telecommunications equipment without operator	1. Business Services	E. Rental/Leasing Services without Operators	<i>d. Relating to other machinery and equipment</i>

Table A.III.1. EBOPS - CPC, Version 1.0 - GNS/W/120 correspondence

EBOPS				
CPC, Version 1.0		GNS/W/120		
73129	Leasing or rental services concerning other machinery and equipment without operator n.e.c.	1. Business Services	E. Rental/Leasing Services without Operators	<i>d. Relating to other machinery and equipment</i>
73210	Leasing or rental services concerning televisions, radios, video cassette recorders and related equipment and accessories	1. Business Services	E. Rental/Leasing Services without Operators	<i>e. Other</i>
73230	Leasing or rental services concerning furniture and other household appliances	1. Business Services	E. Rental/Leasing Services without Operators	<i>e. Other</i>
73240	Leasing or rental services concerning pleasure and leisure equipment	1. Business Services	E. Rental/Leasing Services without Operators	<i>e. Other</i>
73250	Leasing or rental services concerning household linen	1. Business Services	E. Rental/Leasing Services without Operators	<i>e. Other</i>
73260	Leasing or rental services concerning textiles, clothing and footwear	1. Business Services	E. Rental/Leasing Services without Operators	<i>e. Other</i>
73270	Leasing or rental services concerning do-it-yourself machinery and equipment	1. Business Services	E. Rental/Leasing Services without Operators	<i>e. Other</i>
73290	Leasing or rental services concerning other goods n.e.c.	1. Business Services	E. Rental/Leasing Services without Operators	<i>e. Other</i>

273	Miscellaneous business, professional, and technical services	<i>Miscellaneous business, professional, and technical services</i> comprises subcomponents 274: <i>Legal, accounting, management consulting and public relations</i> , 278: <i>Advertising, market research, and public opinion polling</i> , 279: <i>Research and development</i> , 280: <i>Architectural, engineering, and other technical services</i> , 281: <i>Agricultural, mining and on-site processing services</i> , 284: <i>Other business services</i> , and 285: <i>Services between affiliated enterprises n.i.e.</i>		
------------	---	--	--	--

274	Legal, accounting, management consulting and public relations	<i>Legal, accounting, management consulting and public relations</i> comprises subcomponents 275: <i>Legal services</i> , 276: <i>Accounting, auditing, book-keeping and tax consulting services</i> , and 277: <i>Business and management consultancy and public relations services</i>		
------------	--	--	--	--

275 Legal services

82111	Legal advisory and representation services concerning criminal law	1. Business Services	A. Professional Services	<i>a. Legal services</i>
82119	Legal advisory and representation services in judicial procedures concerning other fields of law	1. Business Services	A. Professional Services	<i>a. Legal services</i>
82120	Legal advisory and representation services in statutory procedures of quasi-judicial tribunals, boards, etc.	1. Business Services	A. Professional Services	<i>a. Legal services</i>
82130	Legal documentation and certification services	1. Business Services	A. Professional Services	<i>a. Legal services</i>
82191	Arbitration and conciliation services	1. Business Services	F. Other Business Services	<i>d. Services related to management consulting</i>
82199	Other legal services n.e.c.	1. Business Services	A. Professional Services	<i>a. Legal services</i>

276 Accounting, auditing, book-keeping and tax consulting services

82211	Financial auditing services	1. Business Services	A. Professional Services	<i>b. Accounting, auditing and bookkeeping services</i>
-------	-----------------------------	----------------------	--------------------------	---

Table A.III.1. EBOPS - CPC, Version 1.0 - GNS/W/120 correspondence

EBOPS				
CPC, Version 1.0		GNS/W/120		
82212	Accounting review services	1. Business Services	A. Professional Services	<i>b. Accounting, auditing and bookkeeping services</i>
82213	Compilation of financial statements services	1. Business Services	A. Professional Services	<i>b. Accounting, auditing and bookkeeping services</i>
82219	Other accounting services	1. Business Services	A. Professional Services	<i>b. Accounting, auditing and bookkeeping services</i>
82220	Book-keeping services, except tax returns	1. Business Services	A. Professional Services	<i>b. Accounting, auditing and bookkeeping services</i>
82310	Corporate tax planning and consulting services	1. Business Services	A. Professional Services	<i>c. Taxation services</i>
82320	Corporate tax preparation and review services	1. Business Services	A. Professional Services	<i>c. Taxation services</i>
82330	Individual tax preparation and planning services	1. Business Services	A. Professional Services	<i>c. Taxation services</i>
82400	Insolvency and receivership services	1. Business Services	A. Professional Services	<i>a. Legal services</i>
277 Business and management consulting and public relations services				
83111	General management consulting services	1. Business Services	F. Other Business Services	<i>c. Management consulting services</i>
83112	Financial management consulting services	1. Business Services	F. Other Business Services	<i>c. Management consulting services</i>
83113	Human resources management consulting services	1. Business Services	F. Other Business Services	<i>c. Management consulting services</i>
83114	Marketing management consulting services	1. Business Services	F. Other Business Services	<i>c. Management consulting services</i>
83115	Production management consulting services	1. Business Services	F. Other Business Services	<i>c. Management consulting services</i>
83119	Other management consulting services	1. Business Services	F. Other Business Services	<i>c. Management consulting services</i>
83121	Public relations services	1. Business Services	F. Other Business Services	<i>c. Management consulting services</i>
83129	Other business consulting services	1. Business Services	F. Other Business Services	<i>c. Management consulting services</i>
83190 *	Other management services, except construction project management services	1. Business Services	F. Other Business Services	<i>d. Services related to management consulting</i>
278 Advertising, market research, and public opinion polling				
83610	Planning, creating and placement services of advertising	1. Business Services	F. Other Business Services	<i>a. Advertising services</i>
83620	Purchase or sale of advertising space or time, on commission	1. Business Services	F. Other Business Services	<i>a. Advertising services</i>
83690	Other advertising services	1. Business Services	F. Other Business Services	<i>a. Advertising services</i>
83700	Market research and public opinion polling services	1. Business Services	F. Other Business Services	<i>b. Market research and public opinion polling services</i>
85970	Trade fair and exhibition organization services	1. Business Services	F. Other Business Services	<i>s. Convention services</i>
279 Research and development				
81110	Research and experimental development services in physical sciences	1. Business Services	C. Research and Development Services	<i>a. R&D services on natural sciences</i>

Table A.III.1. EBOPS - CPC, Version 1.0 - GNS/W/120 correspondence

EBOPS				
	CPC, Version 1.0	GNS/W/120		
81120	Research and experimental development services in chemistry and biology	1. Business Services	C. Research and Development Services	<i>a. R&D services on natural sciences</i>
81130	Research and experimental development services in engineering and technology	1. Business Services	C. Research and Development Services	<i>a. R&D services on natural sciences</i>
81140	Research and experimental development services in agricultural sciences	1. Business Services	C. Research and Development Services	<i>a. R&D services on natural sciences</i>
81150	Research and experimental development services in medical sciences and pharmacy	1. Business Services	C. Research and Development Services	<i>a. R&D services on natural sciences</i>
81190	Research and experimental development services in other natural sciences	1. Business Services	C. Research and Development Services	<i>a. R&D services on natural sciences</i>
81210	Research and experimental development services in cultural sciences, sociology and psychology	1. Business Services	C. Research and Development Services	<i>b. R&D services on social sciences and humanities</i>
81220	Research and experimental development services in economics	1. Business Services	C. Research and Development Services	<i>b. R&D services on social sciences and humanities</i>
81230	Research and experimental development services in law	1. Business Services	C. Research and Development Services	<i>b. R&D services on social sciences and humanities</i>
81240	Research and experimental development services in linguistics and languages	1. Business Services	C. Research and Development Services	<i>b. R&D services on social sciences and humanities</i>
81290	Research and experimental development services in other social sciences and humanities	1. Business Services	C. Research and Development Services	<i>b. R&D services on social sciences and humanities</i>
81300	Interdisciplinary research and experimental development services	1. Business Services	C. Research and Development Services	<i>c. Interdisciplinary R&D services</i>
280 Architectural, engineering, and other technical services				
83131	Environmental consulting services	1. Business Services	A. Professional Services	<i>e. Engineering services</i>
83211	Architectural advisory and pre-design services	1. Business Services	A. Professional Services	<i>d. Architectural services</i>
		3. Construction and related engineering services	E. Other	
83212	Architectural design and contract administration services	1. Business Services	A. Professional Services	<i>d. Architectural services</i>
83219	Other architectural services	1. Business Services	A. Professional Services	<i>d. Architectural services</i>
83221	Urban planning services	1. Business Services	A. Professional Services	<i>g. Urban planning and landscape architectural services</i>
83222	Landscape architectural services	1. Business Services	A. Professional Services	<i>g. Urban planning and landscape architectural services</i>
83311	Integrated engineering services for buildings	1. Business Services	A. Professional Services	<i>f. Integrated engineering services</i>
83312	Integrated engineering services for civil engineering works	1. Business Services	A. Professional Services	<i>f. Integrated engineering services</i>

Table A.III.1. EBOPS - CPC, Version 1.0 - GNS/W/120 correspondence

EBOPS				
	CPC, Version 1.0	GNS/W/120		
83313	Integrated engineering services for industrial plant and processes	1. Business Services	A. Professional Services	<i>f. Integrated engineering services</i>
83319	Integrated engineering services for other projects	1. Business Services	A. Professional Services	<i>f. Integrated engineering services</i>
83321	Project management services concerning construction of buildings	1. Business Services	A. Professional Services	<i>e. Engineering services</i>
83322	Project management services concerning construction of civil engineering works	1. Business Services	A. Professional Services	<i>e. Engineering services</i>
83323	Project management services concerning construction of industrial plant and processes	1. Business Services	A. Professional Services	<i>e. Engineering services</i>
83329	Project management services concerning construction of other projects	1. Business Services	A. Professional Services	<i>e. Engineering services</i>
83331	Engineering advisory and pre-design services for buildings	1. Business Services	A. Professional Services	<i>e. Engineering services</i>
		3. Construction and related engineering services	E. Other	
83332	Engineering advisory and pre-design services for civil engineering works	1. Business Services	A. Professional Services	<i>e. Engineering services</i>
		3. Construction and related engineering services	E. Other	
83333	Engineering advisory and pre-design services for industrial plant and processes	1. Business Services	A. Professional Services	<i>e. Engineering services</i>
		3. Construction and related engineering services	E. Other	
83339	Engineering advisory and pre-design services for other projects	1. Business Services	A. Professional Services	<i>e. Engineering services</i>
		3. Construction and related engineering services	E. Other	
83341	Engineering design services for buildings	1. Business Services	A. Professional Services	<i>e. Engineering services</i>
83342	Engineering design services for civil engineering works	1. Business Services	A. Professional Services	<i>e. Engineering services</i>
83343	Engineering design services for industrial plant and processes	1. Business Services	A. Professional Services	<i>e. Engineering services</i>
83349	Engineering design services for other projects	1. Business Services	A. Professional Services	<i>e. Engineering services</i>
83351	Engineering services for buildings during the construction and installation phase	1. Business Services	A. Professional Services	<i>e. Engineering services</i>
83352	Engineering services for civil engineering works during the construction and installation phase	1. Business Services	A. Professional Services	<i>e. Engineering services</i>
83353	Engineering services for industrial plant and processes during the construction and installation phase	1. Business Services	A. Professional Services	<i>e. Engineering services</i>

Table A.III.1. EBOPS - CPC, Version 1.0 - GNS/W/120 correspondence

EBOPS				
CPC, Version 1.0		GNS/W/120		
83359	Engineering services for other projects during the construction and installation phase	1. Business Services	A. Professional Services	<i>e. Engineering services</i>
83391	Other engineering services for buildings	1. Business Services	A. Professional Services	<i>e. Engineering services</i>
83392	Other engineering services for civil engineering works	1. Business Services	A. Professional Services	<i>e. Engineering services</i>
83393	Other engineering services for industrial plant and processes	1. Business Services	A. Professional Services	<i>e. Engineering services</i>
83399	Other engineering services for other projects	1. Business Services	A. Professional Services	<i>e. Engineering services</i>
83510	Geological, geophysical and other prospecting services	1. Business Services	F. Other Business Services	<i>m. Related scientific and technical consulting services</i>
83520	Subsurface surveying services	1. Business Services	F. Other Business Services	<i>m. Related scientific and technical consulting services</i>
83530	Surface surveying services	1. Business Services	F. Other Business Services	<i>m. Related scientific and technical consulting services</i>
83540	Map making services	1. Business Services	F. Other Business Services	<i>m. Related scientific and technical consulting services</i>
83550	Weather forecasting and meteorological services	1. Business Services	F. Other Business Services	<i>m. Related scientific and technical consulting services</i>
83561	Composition and purity testing and analysis services	1. Business Services	F. Other Business Services	<i>e. Technical testing and analysis services</i>
83562	Testing and analysis services of physical properties	1. Business Services	F. Other Business Services	<i>e. Technical testing and analysis services</i>
83563	Testing and analysis services of integrated mechanical and electrical systems	1. Business Services	F. Other Business Services	<i>e. Technical testing and analysis services</i>
83564	Technical inspection services of road transport vehicles	1. Business Services	F. Other Business Services	<i>e. Technical testing and analysis services</i>
83569	Other technical testing and analysis services	1. Business Services	F. Other Business Services	<i>e. Technical testing and analysis services</i>
83990	All other professional, scientific and technical services n.e.c.	1. Business Services	F. Other Business Services	<i>t. Other</i>
281	Agricultural, mining and on-site processing services	<i>Agricultural, mining and on-site processing services</i> comprises subcomponents 282: <i>Waste treatment and depollution</i> , and 283: <i>Agricultural, mining, and other on-site processing services</i>		

282 Waste treatment and depollution

86931	Metal waste and scrap recycling services, on a fee or contract basis	1. Business Services	F. Other Business Services	<i>i. Services incidental to manufacturing</i>
86932	Non-metal waste and scrap recycling services, on a fee or contract basis	1. Business Services	F. Other Business Services	<i>i. Services incidental to manufacturing</i>
94110	Sewage treatment services	6. Environmental Services	A. Sewage services	
94120	Tank emptying and cleaning services	6. Environmental Services	A. Sewage services	
94211	Non-hazardous waste collection services	6. Environmental Services	B. Refuse disposal services	

Table A.III.1. EBOPS - CPC, Version 1.0 - GNS/W/120 correspondence

EBOPS			
CPC, Version 1.0		GNS/W/120	
94212	Non-hazardous waste treatment and disposal services	6. Environmental Services	B. Refuse disposal services
94221	Hazardous waste collection services	6. Environmental Services	B. Refuse disposal services
94222	Hazardous waste treatment and disposal services	6. Environmental Services	B. Refuse disposal services
94310	Sweeping and snow removal services	6. Environmental Services	C. Sanitation and similar services
94390	Other sanitation services	6. Environmental Services	C. Sanitation and similar services
94900	Other environmental protection services n.e.c.	6. Environmental Services	D. Other
283 Agricultural, mining, and other on-site processing services			
86111	Agricultural services	1. Business Services	F. Other Business Services <i>f. Services incidental to agriculture, hunting and forestry</i>
86112	Gardening and landscaping services	1. Business Services	F. Other Business Services <i>f. Services incidental to agriculture, hunting and forestry</i>
86121	Farm animal husbandry services	1. Business Services	F. Other Business Services <i>f. Services incidental to agriculture, hunting and forestry</i>
86129	Other animal husbandry services	1. Business Services	F. Other Business Services <i>f. Services incidental to agriculture, hunting and forestry</i>
86130	Hunting services	1. Business Services	F. Other Business Services <i>f. Services incidental to agriculture, hunting and forestry</i>
86140	Forestry and logging services	1. Business Services	F. Other Business Services <i>f. Services incidental to agriculture, hunting and forestry</i>
86150	Fishing services	1. Business Services	F. Other Business Services <i>g. Services incidental to fishing</i>
86210	Mining services	1. Business Services	F. Other Business Services <i>h. Services incidental to mining</i>
86311	Food and beverage manufacturing services	1. Business Services	F. Other Business Services <i>i. Services incidental to manufacturing</i>
86312	Tobacco manufacturing services	1. Business Services	F. Other Business Services <i>i. Services incidental to manufacturing</i>
86321	Textile manufacturing services	1. Business Services	F. Other Business Services <i>i. Services incidental to manufacturing</i>
86322	Wearing apparel manufacturing services	1. Business Services	F. Other Business Services <i>i. Services incidental to manufacturing</i>
86323	Leather product manufacturing services	1. Business Services	F. Other Business Services <i>i. Services incidental to manufacturing</i>
86330	Wood and cork, except furniture, and straw and plaiting material manufacturing services	1. Business Services	F. Other Business Services <i>i. Services incidental to manufacturing</i>
86340	Paper and paper product manufacturing services	1. Business Services	F. Other Business Services <i>i. Services incidental to manufacturing</i>
86350	Coke, refined petroleum product and nuclear fuel manufacturing services	1. Business Services	F. Other Business Services <i>i. Services incidental to manufacturing</i>
86360	Chemical and chemical product manufacturing services	1. Business Services	F. Other Business Services <i>i. Services incidental to manufacturing</i>

Table A.III.1. EBOPS - CPC, Version 1.0 - GNS/W/120 correspondence

EBOPS				
CPC, Version 1.0		GNS/W/120		
86370	Rubber and plastic products manufacturing services	1. Business Services	F. Other Business Services	<i>i. Services incidental to manufacturing</i>
86380	Non-metallic mineral product manufacturing services	1. Business Services	F. Other Business Services	<i>i. Services incidental to manufacturing</i>
86390	Other manufacturing services, except of metal products, machinery and equipment	1. Business Services	F. Other Business Services	<i>i. Services incidental to manufacturing</i>
86411	Metal casting services	1. Business Services	F. Other Business Services	<i>i. Services incidental to manufacturing</i>
86419	Other basic metal manufacturing services	1. Business Services	F. Other Business Services	<i>i. Services incidental to manufacturing</i>
86421	Metal forging, pressing, stamping and roll forming services	1. Business Services	F. Other Business Services	<i>i. Services incidental to manufacturing</i>
86422	Metal treatment and coating services	1. Business Services	F. Other Business Services	<i>i. Services incidental to manufacturing</i>
86423	General mechanical engineering services	1. Business Services	F. Other Business Services	<i>i. Services incidental to manufacturing</i>
86429	Other fabricated metal product manufacturing services and metal working services	1. Business Services	F. Other Business Services	<i>i. Services incidental to manufacturing</i>
86431	Motor vehicle, trailer and semi-trailer manufacturing services	1. Business Services	F. Other Business Services	<i>i. Services incidental to manufacturing</i>
86439	Other transport equipment manufacturing services	1. Business Services	F. Other Business Services	<i>i. Services incidental to manufacturing</i>
86441	Office, accounting and computing machinery manufacturing services	1. Business Services	F. Other Business Services	<i>i. Services incidental to manufacturing</i>
86442	Electrical machinery and apparatus manufacturing services	1. Business Services	F. Other Business Services	<i>i. Services incidental to manufacturing</i>
86443	Radio, television and communication equipment and apparatus manufacturing services	1. Business Services	F. Other Business Services	<i>i. Services incidental to manufacturing</i>
86444	Medical precision and optical instrument, watch and clock manufacturing services	1. Business Services	F. Other Business Services	<i>i. Services incidental to manufacturing</i>
86449	Other machinery and equipment manufacturing services	1. Business Services	F. Other Business Services	<i>i. Services incidental to manufacturing</i>
93220	Veterinary services for livestock	1. Business Services	A. Professional Services	<i>i. Veterinary services</i>
93290	Other veterinary services	1. Business Services	A. Professional Services	<i>i. Veterinary services</i>
284 Other business services				
67811	Travel agency services ⁱ	9. Tourism and travel related services	B. Travel agencies and tour operators services	
67812	Tour operator services ⁱ	9. Tourism and travel related services	B. Travel agencies and tour operators services	
67813	Tourist information services ⁱ	9. Tourism and travel related services	B. Travel agencies and tour operators services	
67820	Tourist guide services ⁱ	9. Tourism and travel related services	C. Tourist guides services	

ⁱ Services related to travel and tourism may also be used by travellers and thus also included as part of EBOPS component 236, *travel*, which is not described in terms of CPC, Version 1.0. For these particular services, it is possible but unlikely to be common that such services might be provided by residents of one economy to residents of another economy who are not travellers.

Table A.III.1. EBOPS - CPC, Version 1.0 - GNS/W/120 correspondence

EBOPS				
CPC, Version 1.0		GNS/W/120		
69110 *	Electricity transmission and distribution services	N/A		
69120	Gas distribution services through mains	N/A		
69210	Water, except steam and hot water, distribution services through mains	N/A		
69220	Steam and hot water distribution services through mains	N/A		
72111	Renting or leasing services involving own or leased residential property	1. Business Services	D. Real Estate Services	<i>a. Involving own or leased property</i>
72112	Renting or leasing services involving own or leased non-residential property	1. Business Services	D. Real Estate Services	<i>a. Involving own or leased property</i>
72211	Residential property management services on a fee or contract basis	1. Business Services	D. Real Estate Services	<i>b. On a fee or contract basis</i>
72212	Non-residential property management services on a fee or contract basis	1. Business Services	D. Real Estate Services	<i>b. On a fee or contract basis</i>
83139	Other scientific and technical consulting services n.e.c.	1. Business Services	A. Professional Services	<i>e. Engineering services</i>
83410	Interior design services	1. Business Services	F. Other Business Services	<i>t. Other</i>
83490	Other specialty design services	1. Business Services	F. Other Business Services	<i>a. Advertising services</i>
		1. Business Services	F. Other Business Services	<i>t. Other</i>
83811	Portrait photography services	1. Business Services	F. Other Business Services	<i>p. Photographic services</i>
83812	Advertising and related photography services	1. Business Services	F. Other Business Services	<i>p. Photographic services</i>
83813	Action photography services	1. Business Services	F. Other Business Services	<i>p. Photographic services</i>
83814	Specialty photography services	1. Business Services	F. Other Business Services	<i>p. Photographic services</i>
83815	Restoration, copying and retouching services of photography	1. Business Services	F. Other Business Services	<i>p. Photographic services</i>
83819	Other photographic services	1. Business Services	F. Other Business Services	<i>p. Photographic services</i>
83820	Photography processing services	1. Business Services	F. Other Business Services	<i>p. Photographic services</i>
83910	Translation and interpretation services	1. Business Services	F. Other Business Services	<i>t. Other</i>
85111	Executive search services	1. Business Services	F. Other Business Services	<i>k. Placement and supply services of personnel</i>
85112	Employment agency services	1. Business Services	F. Other Business Services	<i>k. Placement and supply services of personnel</i>
85121	Supply of office support personnel services	1. Business Services	F. Other Business Services	<i>k. Placement and supply services of personnel</i>
85122	Supply of domestic help personnel services	1. Business Services	F. Other Business Services	<i>k. Placement and supply services of personnel</i>
85123	Supply of other commercial or industrial workers services	1. Business Services	F. Other Business Services	<i>k. Placement and supply services of personnel</i>
85124	Supply of medical personnel services	1. Business Services	F. Other Business Services	<i>k. Placement and supply services of personnel</i>
85129	Supply of other personnel services	1. Business Services	F. Other Business Services	<i>k. Placement and supply services of personnel</i>
85210	Investigation services	1. Business Services	F. Other Business Services	<i>l. Investigation and security</i>
85220	Security consultation services	1. Business Services	F. Other Business Services	<i>l. Investigation and security</i>

Table A.III.1. EBOPS - CPC, Version 1.0 - GNS/W/120 correspondence

EBOPS				
CPC, Version 1.0		GNS/W/120		
85230	Alarm monitoring services	1. Business Services	F. Other Business Services	<i>l. Investigation and security</i>
85240	Armoured car services	1. Business Services	F. Other Business Services	<i>l. Investigation and security</i>
85250	Guard services	1. Business Services	F. Other Business Services	<i>l. Investigation and security</i>
85290	Other security services	1. Business Services	F. Other Business Services	<i>l. Investigation and security</i>
85310	Disinfecting and exterminating services	1. Business Services	F. Other Business Services	<i>o. Building-cleaning services</i>
		11. Transport Services	A. Maritime Transport Services	<i>f. Supporting services for maritime transport</i>
		11. Transport Services	C. Air Transport Services	<i>e. Supporting services for air transport</i>
85320	Window cleaning services	1. Business Services	F. Other Business Services	<i>o. Building-cleaning services</i>
85330	General cleaning services	1. Business Services	F. Other Business Services	<i>o. Building-cleaning services</i>
85340	Specialized cleaning services	1. Business Services	F. Other Business Services	<i>o. Building-cleaning services</i>
85400 *	Packaging services	1. Business Services	F. Other Business Services	<i>q. Packaging services</i>
85910	Credit reporting services	1. Business Services	F. Other Business Services	<i>t. Other</i>
85920	Collection agency services	1. Business Services	F. Other Business Services	<i>t. Other</i>
85930	Telephone answering services	1. Business Services	F. Other Business Services	<i>t. Other</i>
85940	Duplicating services	1. Business Services	F. Other Business Services	<i>t. Other</i>
85950	Mailing list compilation and mailing services	1. Business Services	F. Other Business Services	<i>t. Other</i>
85990	Other support services n.e.c.	1. Business Services	B. Computer and Related Services	<i>e. Other</i>
		1. Business Services	F. Other Business Services	<i>t. Other</i>
		10. Recreational, Cultural and Sporting Services	D. Sporting and other recreational services	
86221	Electricity transmission and distribution services (on a fee or contract basis)	1. Business Services	F. Other Business Services	<i>j. Services incidental to energy distribution</i>
86222	Gas distribution services through mains (on a fee or contract basis)	1. Business Services	F. Other Business Services	<i>j. Services incidental to energy distribution</i>
86223	Water distribution services through mains (on a fee or contract basis)	1. Business Services	F. Other Business Services	<i>j. Services incidental to energy distribution</i>
86224	Steam and hot water distribution services through mains (on a fee or contract basis)	1. Business Services	F. Other Business Services	<i>j. Services incidental to energy distribution</i>
86510	Installation services of turnkey projects	1. Business Services	F. Other Business Services	<i>i. Services incidental to manufacturing</i>
86520	Installation services of fabricated metal products, except machinery and equipment	1. Business Services	F. Other Business Services	<i>i. Services incidental to manufacturing</i>
86530	Installation services of machinery and equipment n.e.c.	1. Business Services	F. Other Business Services	<i>i. Services incidental to manufacturing</i>
86540	Installation services of office and computing machinery	1. Business Services	F. Other Business Services	<i>i. Services incidental to manufacturing</i>
86550	Installation services of electrical machinery and apparatus n.e.c.	1. Business Services	F. Other Business Services	<i>i. Services incidental to manufacturing</i>

Table A.III.1. EBOPS - CPC, Version 1.0 - GNS/W/120 correspondence

EBOPS				
CPC, Version 1.0		GNS/W/120		
86560	Installation services of radio, television and communications equipment and apparatus	1. Business Services	F. Other Business Services	<i>i. Services incidental to manufacturing</i>
86570	Installation services of professional medical, precision and optical instruments	1. Business Services	F. Other Business Services	<i>i. Services incidental to manufacturing</i>
86590	Installation services of other goods n.e.c.	1. Business Services	F. Other Business Services	<i>i. Services incidental to manufacturing</i>
86910	Publishing, on a fee or contract basis	1. Business Services	F. Other Business Services	<i>r. Printing, publishing</i>
86921	Printing services and services related to printing, on a fee or contract basis	1. Business Services	F. Other Business Services	<i>r. Printing, publishing</i>
86922	Reproduction services of recorded media, on a fee or contract basis	1. Business Services	F. Other Business Services	<i>r. Printing, publishing</i>
87110 *	Maintenance and repair services of fabricated metal products, except machinery and equipment	1. Business Services	F. Other Business Services	<i>n. Maintenance and repair of equipment (not including maritime vessels, aircraft or other transport equipment)</i>
87120 *	Maintenance and repair services of office and accounting machinery	1. Business Services	B. Computer and Related Services	<i>e. Other</i>
		1. Business Services	F. Other Business Services	<i>n. Maintenance and repair of equipment (not including maritime vessels, aircraft or other transport equipment)</i>
87152 *	Repair services of electrical machinery and apparatus n.e.c.	1. Business Services	F. Other Business Services	<i>n. Maintenance and repair of equipment (not including maritime vessels, aircraft or other transport equipment)</i>
87153 *	Repair services of telecommunication equipment and apparatus	1. Business Services	F. Other Business Services	<i>n. Maintenance and repair of equipment (not including maritime vessels, aircraft or other transport equipment)</i>
87154 *	Repair services of medical, precision and optical instruments	1. Business Services	F. Other Business Services	<i>n. Maintenance and repair of equipment (not including maritime vessels, aircraft or other transport equipment)</i>
87159 *	Maintenance and repair services of machinery and equipment n.e.c.	1. Business Services	F. Other Business Services	<i>n. Maintenance and repair of equipment (not including maritime vessels, aircraft or other transport equipment)</i>
		3. Construction and related engineering services	E. Other	
87290 *	Maintenance and repair services of other goods n.e.c.	1. Business Services	F. Other Business Services	<i>n. Maintenance and repair of equipment (not including maritime vessels, aircraft or other transport equipment)</i>
285 Services between affiliated enterprises n.i.e. ^j				
83190 *	Other management services, except construction project management services	1. Business Services	F. Other Business Services	<i>d. Services related to management consulting</i>

^j The CPC subclass does not completely describe EBOPS component 285; see chapter 3 of the *Manual* for further details.

Table A.III.1. EBOPS - CPC, Version 1.0 - GNS/W/120 correspondence

EBOPS				
CPC, Version 1.0		GNS/W/120		
287	Personal, cultural, and recreational services	<i>Personal, cultural, and recreational services</i> comprises subcomponents 288: <i>Audio-visual and related services</i> , and 289: <i>Other personal, cultural, and recreational services</i>		
288 Audio-visual and related services				
73220	Leasing or rental services concerning video tape	1. Business Services	E. Rental/Leasing Services without Operators	e. <i>Other</i>
96111	Sound recording services	2. Communication Services	D. Audiovisual services	e. <i>Sound recording</i>
96112	Audio post-production services	2. Communication Services	D. Audiovisual services	a. <i>Motion picture and video tape production and distribution services</i>
96121	Motion picture, video tape and television programme production services	2. Communication Services	D. Audiovisual services	a. <i>Motion picture and video tape production and distribution services</i>
		2. Communication Services	D. Audiovisual services	c. <i>Radio and television services</i>
96122	Radio programme production services	2. Communication Services	D. Audiovisual services	c. <i>Radio and television services</i>
96130	Audiovisual production support services	2. Communication Services	D. Audiovisual services	a. <i>Motion picture and video tape production and distribution services</i>
96141	Motion picture, video tape and television programme distribution services	2. Communication Services	D. Audiovisual services	a. <i>Motion picture and video tape production and distribution services</i>
96142	Film and video post-production services	2. Communication Services	D. Audiovisual services	a. <i>Motion picture and video tape production and distribution services</i>
96149	Other services related to the production of motion pictures, video tapes and television and radio programmes	2. Communication Services	D. Audiovisual services	a. <i>Motion picture and video tape production and distribution services</i>
96151	Motion picture projection services	2. Communication Services	D. Audiovisual services	b. <i>Motion picture projection services</i>
96152	Video tape projection services	2. Communication Services	D. Audiovisual services	b. <i>Motion picture projection services</i>
96160	Broadcasting (programming and scheduling) services	2. Communication Services	D. Audiovisual services	c. <i>Radio and television services</i>
96310 *	Services of performing artists	10. Recreational, Cultural and Sporting Services	A. Entertainment Services (incl. theatre, live bands and circus services)	
96320 *	Services of authors, composers, sculptors and other artists, except performing artists	10. Recreational, Cultural and Sporting Services	A. Entertainment Services (incl. theatre, live bands and circus services)	
289	Other personal, cultural, and recreational services	<i>Other personal, cultural, and recreational services</i> comprises subcomponents 895: <i>Education services</i> , 896: <i>Health services</i> , and 897: <i>Other personal, cultural, and recreational services</i>		
895 Education services				
92110 *	Preschool education services	5. Educational Services	A. Primary education services	
92190 *	Other primary education services	5. Educational Services	A. Primary education services	
92210 *	General secondary education services	5. Educational Services	B. Secondary education services	

Table A.III.1. EBOPS - CPC, Version 1.0 - GNS/W/120 correspondence

EBOPS				
CPC, Version 1.0		GNS/W/120		
92220 *	Higher secondary education services	5. Educational Services	B. Secondary education services	
92230 *	Technical and vocational secondary education services	5. Educational Services	B. Secondary education services	
92310 *	Post-secondary technical and vocational education services	5. Educational Services	C. Higher education services	
92390 *	University and other higher education services	5. Educational Services	C. Higher education services	
92900 *	Other education and training services	5. Educational Services	D. Adult education	
		5. Educational Services	E. Other education services	
896 Health services				
93110 *	Hospital services	8. Health related and social services	A. Hospital services	
93121 *	General medical services	1. Business Services	A. Professional Services	<i>h. Medical and dental services</i>
93122 *	Specialized medical services	1. Business Services	A. Professional Services	<i>h. Medical and dental services</i>
93123 *	Dental services	1. Business Services	A. Professional Services	<i>h. Medical and dental services</i>
93191 *	Deliveries and related services, nursing services, physiotherapeutic and para-medical services	1. Business Services	A. Professional Services	<i>j. Services provided by midwives, nurses, physiotherapists and para-medical personnel</i>
93192 *	Ambulance services	8. Health related and social services	B. Other human health services	
93193 *	Residential health facilities services other than hospital services	8. Health related and social services	B. Other human health services	
93199 *	Other human health services n.e.c.	8. Health related and social services	B. Other human health services	
897 Other personal, cultural, and recreational services				
63230	Caterer services, providing meals to outside	9. Tourism and travel related services	A. Hotels and restaurants (incl. catering)	
63290 *	Other food serving services	9. Tourism and travel related services	A. Hotels and restaurants (incl. catering)	
84510	Library services	10. Recreational, Cultural and Sporting Services	C. Libraries, Archives, Museums and Other Cultural Services	
84520	Archive services	10. Recreational, Cultural and Sporting Services	C. Libraries, Archives, Museums and Other Cultural Services	
93210	Veterinary services for pet animals	1. Business Services	A. Professional Services	<i>i. Veterinary services</i>
93311	Welfare services delivered through residential institutions to elderly persons and persons with disabilities	8. Health related and social services	C. Social services	
93319	Other social services with accommodation	8. Health related and social services	C. Social services	
93321	Child day-care services	8. Health related and social services	C. Social services	
93322	Guidance and counselling services n.e.c. related to children	8. Health related and social services	C. Social services	

Table A.III.1. EBOPS - CPC, Version 1.0 - GNS/W/120 correspondence

EBOPS			
	CPC, Version 1.0	GNS/W/120	
93323	Welfare services without accommodation	8. Health related and social services	C. Social services
93324	Vocational rehabilitation services	8. Health related and social services	C. Social services
93329	Other social services without accommodation	8. Health related and social services	C. Social services
95110	Services furnished by business and employers organizations	12. Other services not included elsewhere	
95120	Services furnished by professional organizations	12. Other services not included elsewhere	
95200	Services furnished by trade unions	12. Other services not included elsewhere	
95910	Religious services	12. Other services not included elsewhere	
95920	Services furnished by political organizations	12. Other services not included elsewhere	
95991	Civic betterment and community facility support services	12. Other services not included elsewhere	
95992	Special group advocacy services	12. Other services not included elsewhere	
95993	Services provided by youth associations	12. Other services not included elsewhere	
95999	Other services provided by membership organizations n.e.c.	12. Other services not included elsewhere	
96210	Performing arts event promotion and organization services	10. Recreational, Cultural and Sporting Services	A. Entertainment Services (incl. theatre, live bands and circus services)
96220	Performing arts event production and presentation services	10. Recreational, Cultural and Sporting Services	A. Entertainment Services (incl. theatre, live bands and circus services)
96230	Performing arts facility operation services	10. Recreational, Cultural and Sporting Services	A. Entertainment Services (incl. theatre, live bands and circus services)
96290	Other performing arts and live entertainment services	10. Recreational, Cultural and Sporting Services	A. Entertainment Services (incl. theatre, live bands and circus services)
96310 *	Services of performing artists	10. Recreational, Cultural and Sporting Services	A. Entertainment Services (incl. theatre, live bands and circus services)
96320 *	Services of authors, composers, sculptors and other artists, except performing artists	10. Recreational, Cultural and Sporting Services	A. Entertainment Services (incl. theatre, live bands and circus services)
96411	Museum services except for historical sites and buildings	10. Recreational, Cultural and Sporting Services	C. Libraries, Archives, Museums and Other Cultural Services
96412	Preservation services of historical sites and buildings	10. Recreational, Cultural and Sporting Services	C. Libraries, Archives, Museums and Other Cultural Services
96421	Botanical and zoological garden services	10. Recreational, Cultural and Sporting Services	C. Libraries, Archives, Museums and Other Cultural Services
96422	Nature reserve services including wildlife preservation services	10. Recreational, Cultural and Sporting Services	C. Libraries, Archives, Museums and Other Cultural Services

Table A.III.1. EBOPS - CPC, Version 1.0 - GNS/W/120 correspondence

EBOPS			
	CPC, Version 1.0	GNS/W/120	
96510	Sports and recreational sports event promotion and organization services	10. Recreational, Cultural and Sporting Services	D. Sporting and other recreational services
96520	Sports and recreational sports facility operation services	10. Recreational, Cultural and Sporting Services	D. Sporting and other recreational services
96590	Other sports and recreational sports services	10. Recreational, Cultural and Sporting Services	D. Sporting and Other Recreational Services
96610	Services of athletes	10. Recreational, Cultural and Sporting Services	D. Sporting and other recreational services
96620	Support services related to sports and recreation	10. Recreational, Cultural and Sporting Services	A. Entertainment Services (incl. theatre, live bands and circus services)
		10. Recreational, Cultural and Sporting Services	D. Sporting and other recreational services
96910	Amusement park and similar attraction services	10. Recreational, Cultural and Sporting Services	A. Entertainment Services (incl. theatre, live bands and circus services)
96920	Gambling and betting services	10. Recreational, Cultural and Sporting Services	D. Sporting and other recreational services
96930	Coin-operated amusement machine services	10. Recreational, Cultural and Sporting Services	D. Sporting and other recreational services
96990	Other recreation and amusement services n.e.c.	10. Recreational, Cultural and Sporting Services	D. Sporting and other recreational services
97110	Coin-operated laundry services	12. Other services not included elsewhere	
97120	Dry cleaning services (including fur product cleaning services)	12. Other services not included elsewhere	
97130	Other textile cleaning services	12. Other services not included elsewhere	
97140	Pressing services	12. Other services not included elsewhere	
97150	Dyeing and colouring services	12. Other services not included elsewhere	
97210	Hairdressing and barbers' services	12. Other services not included elsewhere	
97220	Cosmetic treatment, manicuring and pedicuring services	12. Other services not included elsewhere	
97230	Physical well-being services	12. Other services not included elsewhere	
97290	Other beauty treatment services n.e.c.	12. Other services not included elsewhere	
97310	Cemeteries and cremation services	12. Other services not included elsewhere	
97320	Undertaking services	12. Other services not included elsewhere	
97910	Escort services	12. Other services not included elsewhere	
97990	Other miscellaneous services n.e.c.	12. Other services not included elsewhere	

Table A.III.1. EBOPS - CPC, Version 1.0 - GNS/W/120 correspondence

EBOPS		
CPC, Version 1.0		GNS/W/120
98000	Domestic services	12. Other services not included elsewhere
291	Government services n.i.e.	<i>Government services n.i.e. comprises subcomponents 292: Embassies and consulates, 293: Military units and agencies, and 294: Other government services n.i.e.^k</i>
292 Embassies and consulates		
99000 *	Services provided by extraterritorial organizations and bodies	12. Other services not included elsewhere
293 Military units and agencies		
99000 *	Services provided by extraterritorial organizations and bodies	12. Other services not included elsewhere
294 Other government services n.i.e.		
91111	Executive and legislative services	N/A
91112	Financial and fiscal services	N/A
91113	Over-all economic and social planning and statistical services	N/A
91114	Government services to fundamental research	N/A
91119	Other administrative services of the government n.e.c.	N/A
91121	Administrative educational services	N/A
91122	Administrative health care services	N/A
91123	Administrative housing and community amenity services	N/A
91124	Administrative recreational, cultural and religious services	N/A
91131	Administrative agriculture, forestry, fishing and hunting related services	N/A
91132	Administrative fuel and energy related services	N/A
91133	Administrative mining and mineral resources, manufacturing and construction related services	N/A
91134	Administrative transport and communications related services	N/A
91135	Administrative services related to the distributive and catering trades, hotels and restaurants	N/A
91136	Administrative services related to tourism affairs	N/A

^k For these three subcomponents of EBOPS, the CPC subclasses identified here are those that relate only or mostly to government activity; goods and other services may also be included in this EBOPS component; see chapter 3 of the *Manual* for more information; many of these services are unlikely to be transacted between residents and non-residents.

Table A.III.1. EBOPS - CPC, Version 1.0 - GNS/W/120 correspondence

EBOPS		
	CPC, Version 1.0	GNS/W/120
91137	Administrative multipurpose development project services	N/A
91138	General administrative economic, commercial and labour affairs related services	N/A
91141	General personnel services for the government	N/A
91149	Other general services for the government n.e.c.	N/A
91210	Administrative external affairs related services, diplomatic and consular services abroad	N/A
91220	Foreign economic aid related services	N/A
91230	Foreign military aid related services	N/A
91240	Military defence services	N/A
91250	Civil defence services	N/A
91260	Police and fire protection services	N/A
91270	Law courts related administrative services	N/A
91280	Administrative services related to detention or rehabilitation of criminals	N/A
91290	Other public order and safety affairs related services	N/A
91310	Administrative services of sickness, maternity or temporary disablement benefit schemes	N/A
91320	Administrative services of government employee pension schemes; old-age disability or survivors' benefit schemes, other than for government employees	N/A
91330	Administrative services of unemployment compensation benefit schemes	N/A
91340	Administrative services of family and child allowance programs	N/A
92110 *	Preschool education services	N/A
92190 *	Other primary education services	N/A
92210 *	General secondary education services	N/A
92220 *	Higher secondary education services	N/A
92230 *	Technical and vocational secondary education services	N/A
92310 *	Post-secondary technical and vocational education services	N/A
92390 *	University and other higher education services	N/A
92900 *	Other education and training services	N/A

Table A.III.1. EBOPS - CPC, Version 1.0 - GNS/W/120 correspondence

EBOPS		
	CPC, Version 1.0	GNS/W/120
93110 *	Hospital services	N/A
93121 *	General medical services	N/A
93122 *	Specialized medical services	N/A
93123 *	Dental services	N/A
93191 *	Deliveries and related services, nursing services, physiotherapeutic and para-medical services	N/A
93192 *	Ambulance services	N/A
93193 *	Residential health facilities services other than hospital services	N/A
93199 *	Other human health services n.e.c.	N/A
99000 *	Services provided by extraterritorial organizations and bodies	N/A

957 Memorandum item: Expenditure on accommodation and restaurant services ¹

63110	Hotel and motel lodging services	9. Tourism and travel related services	A. Hotels and restaurants (incl. catering)
63191	Holiday centre and holiday home services	9. Tourism and travel related services	A. Hotels and restaurants (incl. catering)
63192	Letting services of furnished accommodation	9. Tourism and travel related services	A. Hotels and restaurants (incl. catering)
63193	Youth hostel services	9. Tourism and travel related services	A. Hotels and restaurants (incl. catering)
63194	Children's training and holiday camp services	9. Tourism and travel related services	A. Hotels and restaurants (incl. catering)
63195	Camping and caravanning site services	9. Tourism and travel related services	A. Hotels and restaurants (incl. catering)
63199	Other lodging services n.e.c.	9. Tourism and travel related services	A. Hotels and restaurants (incl. catering)
63210	Meal serving services with full restaurant services	9. Tourism and travel related services	A. Hotels and restaurants (incl. catering)
63220	Meal serving services in self-service facilities	9. Tourism and travel related services	A. Hotels and restaurants (incl. catering)
63290 *	Other food serving services	9. Tourism and travel related services	A. Hotels and restaurants (incl. catering)
63300	Beverage serving services for consumption on the premises	9. Tourism and travel related services	A. Hotels and restaurants (incl. catering)

¹ In general, the *travel* component of the EBOPS classification cannot be fully described in terms of CPC, Version 1.0. However, the memorandum item 957, *expenditure on accommodation and food and beverage serving services*, can be so described. CPC items included here may also be included elsewhere in the correspondence.

Table A.III.2
GNS/W/120 – CPC, Version 1.0 – EBOPS correspondence

Table A.III.2. GNS/W/120 - CPC, Version 1.0 - EBOPS correspondence

GNS/W/120		CPC, Version 1.0		EBOPS	
1. Business Services					
<u>A. Professional Services</u>					
<i>a. Legal services</i>		82111	Legal advisory and representation services concerning criminal law	275	Legal services
		82119	Legal advisory and representation services in judicial procedures concerning other fields of law	275	Legal services
		82120	Legal advisory and representation services in statutory procedures of quasi-judicial tribunals, boards, etc.	275	Legal services
		82130	Legal documentation and certification services	275	Legal services
		82199	Other legal services n.e.c.	275	Legal services
		82400	Insolvency and receivership services	276	Accounting, auditing, book-keeping and tax consulting services
<i>b. Accounting, auditing and bookkeeping services</i>		82211	Financial auditing services	276	Accounting, auditing, book-keeping and tax consulting services
		82212	Accounting review services	276	Accounting, auditing, book-keeping and tax consulting services
		82213	Compilation of financial statements services	276	Accounting, auditing, book-keeping and tax consulting services
		82219	Other accounting services	276	Accounting, auditing, book-keeping and tax consulting services
		82220	Book-keeping services, except tax returns	276	Accounting, auditing, book-keeping and tax consulting services
<i>c. Taxation services</i>		82310	Corporate tax planning and consulting services	276	Accounting, auditing, book-keeping and tax consulting services
		82320	Corporate tax preparation and review services	276	Accounting, auditing, book-keeping and tax consulting services
		82330	Individual tax preparation and planning services	276	Accounting, auditing, book-keeping and tax consulting services
<i>d. Architectural services</i>		83211 *	Architectural advisory and pre-design services	280	Architectural, engineering, and other technical services
		83212	Architectural design and contract administration services	280	Architectural, engineering, and other technical services
		83219	Other architectural services	280	Architectural, engineering, and other technical services
<i>e. Engineering services</i>		83131	Environmental consulting services	280	Architectural, engineering, and other technical services
		83139	Other scientific and technical consulting services n.e.c.	284	Other business services
		83321	Project management services concerning construction of buildings	280	Architectural, engineering, and other technical services
		83322	Project management services concerning construction of civil engineering works	280	Architectural, engineering, and other technical services
		83323	Project management services concerning construction of industrial plant and processes	280	Architectural, engineering, and other technical services
		83329	Project management services concerning construction of other projects	280	Architectural, engineering, and other technical services
		83331 *	Engineering advisory and pre-design services for buildings	280	Architectural, engineering, and other technical services
		83332 *	Engineering advisory and pre-design services for civil engineering works	280	Architectural, engineering, and other technical services

Table A.III.2. GNS/W/120 - CPC, Version 1.0 - EBOPS correspondence

GNS/W/120	CPC, Version 1.0	EBOPS
	83333 * Engineering advisory and pre-design services for industrial plant and processes	280 Architectural, engineering, and other technical services
	83339 * Engineering advisory and pre-design services for other projects	280 Architectural, engineering, and other technical services
	83341 Engineering design services for buildings	280 Architectural, engineering, and other technical services
	83342 Engineering design services for civil engineering works	280 Architectural, engineering, and other technical services
	83343 Engineering design services for industrial plant and processes	280 Architectural, engineering, and other technical services
	83349 Engineering design services for other projects	280 Architectural, engineering, and other technical services
	83351 Engineering services for buildings during the construction and installation phase	280 Architectural, engineering, and other technical services
	83352 Engineering services for civil engineering works during the construction and installation phase	280 Architectural, engineering, and other technical services
	83353 Engineering services for industrial plant and processes during the construction and installation phase	280 Architectural, engineering, and other technical services
	83359 Engineering services for other projects during the construction and installation phase	280 Architectural, engineering, and other technical services
	83391 Other engineering services for buildings	280 Architectural, engineering, and other technical services
	83392 Other engineering services for civil engineering works	280 Architectural, engineering, and other technical services
	83393 Other engineering services for industrial plant and processes	280 Architectural, engineering, and other technical services
	83399 Other engineering services for other projects	280 Architectural, engineering, and other technical services
<i>f. Integrated engineering services</i>	83311 Integrated engineering services for buildings	280 Architectural, engineering, and other technical services
	83312 Integrated engineering services for civil engineering works	280 Architectural, engineering, and other technical services
	83313 Integrated engineering services for industrial plant and processes	280 Architectural, engineering, and other technical services
	83319 Integrated engineering services for other projects	280 Architectural, engineering, and other technical services
<i>g. Urban planning and landscape architectural services</i>	83221 Urban planning services	280 Architectural, engineering, and other technical services
	83222 Landscape architectural services	280 Architectural, engineering, and other technical services
<i>h. Medical and dental services</i>	93121 General medical services	896 Health services
	93122 Specialized medical services	896 Health services
	93123 Dental services	896 Health services
<i>i. Veterinary services</i>	93210 Veterinary services for pet animals	897 Other personal, cultural, and recreational services
	93220 Veterinary services for livestock	283 Agricultural, mining, and other on-site processing services
	93290 Other veterinary services	283 Agricultural, mining, and other on-site processing services
<i>j. Services provided by midwives, nurses, physiotherapists and para-medical personnel</i>	93191 Deliveries and related services, nursing services, physiotherapeutic and para-medical services	896 Health services
<i>k. Other</i>	N/A	N/A

Table A.III.2. GNS/W/120 - CPC, Version 1.0 - EBOPS correspondence

GNS/W/120		CPC, Version 1.0		EBOPS	
<u>B. Computer and Related Services</u>					
<i>a. Consultancy services related to the installation of computer hardware</i>	83141	Hardware consultancy services	263	263	Computer services
<i>b. Software implementation services</i>	83142	Software consultancy services	263	263	Computer services
		83149 * Other computer consultancy services	263	263	Computer services
		83160 Systems maintenance services	263	263	Computer services
<i>c. Data processing services</i>	83150 *	Computer facilities management services	263	263	Computer services
		85960 * Data processing services	263	263	Computer services
<i>d. Database services</i>	84300	On-line information provision services	890	890	Other information provision services
<i>e. Other</i>		83149 * Other computer consultancy services	263	263	Computer services
		85990 * Other support services n.e.c.	284	284	Other business services
		87120 * Maintenance and repair services of office and accounting machinery	284	284	Other business services
		87130 * Computer hardware servicing, repair and maintenance	263	263	Computer services
		92900 * Other education and training services	263	263	Computer services
<u>C. Research and Development Services</u>					
<i>a. R&D services on natural sciences</i>	81110	Research and experimental development services in physical sciences	279	279	Research and development
		81120 Research and experimental development services in chemistry and biology	279	279	Research and development
		81130 Research and experimental development services in engineering and technology	279	279	Research and development
		81140 Research and experimental development services in agricultural sciences	279	279	Research and development
		81150 Research and experimental development services in medical sciences and pharmacy	279	279	Research and development
		81190 Research and experimental development services in other natural sciences	279	279	Research and development
<i>b. R&D services on social sciences and humanities</i>	81210	Research and experimental development services in cultural sciences, sociology and psychology	279	279	Research and development
		81220 Research and experimental development services in economics	279	279	Research and development
		81230 Research and experimental development services in law	279	279	Research and development
		81240 Research and experimental development services in linguistics and languages	279	279	Research and development
		81290 Research and experimental development services in other social sciences and humanities	279	279	Research and development
<i>c. Interdisciplinary R&D services</i>	81300	Interdisciplinary research and experimental development services	279	279	Research and development
<u>D. Real Estate Services</u>					
<i>a. Involving own or leased property</i>	72111	Renting or leasing services involving own or leased residential property	284	284	Other business services

Table A.III.2. GNS/W/120 - CPC, Version 1.0 - EBOPS correspondence

GNS/W/120		CPC, Version 1.0		EBOPS	
		72112	Renting or leasing services involving own or leased non-residential property	284	Other business services
		72121	Trade services of residential buildings and associated land	N/A	
		72122	Trade services of non-residential buildings and associated land	N/A	
		72130	Trade services of vacant and subdivided land	N/A	
	<i>b. On a fee or contract basis</i>	72211	Residential property management services on a fee or contract basis	284	Other business services
		72212	Non-residential property management services on a fee or contract basis	284	Other business services
		72221	Residential buildings and associated land sales on a fee or contract basis	N/A	
		72222	Non-residential buildings and associated land sales on a fee or contract basis	N/A	
		72230	Land sales on a fee or contract basis	N/A	
<u>E. Rental/Leasing Services without Operators</u>					
	<i>a. Relating to ships</i>	73115	Leasing or rental services concerning vessels without operator	272	Operational leasing services
	<i>b. Relating to aircraft</i>	73116	Leasing or rental services concerning aircraft without operator	272	Operational leasing services
	<i>c. Relating to other transport equipment</i>	73111	Leasing or rental services concerning cars and light vans without operator	272	Operational leasing services
		73112	Leasing or rental services concerning goods transport motor vehicles without operator	272	Operational leasing services
		73113	Leasing or rental services concerning railroad vehicles without operator	272	Operational leasing services
		73114	Leasing or rental services concerning other land transport equipment without operator	272	Operational leasing services
		73117	Leasing or rental services of containers	272	Operational leasing services
	<i>d. Relating to other machinery and equipment</i>	73121	Leasing or rental services concerning agricultural machinery and equipment without operator	272	Operational leasing services
		73122	Leasing or rental services concerning construction machinery and equipment without operator	272	Operational leasing services
		73123	Leasing or rental services concerning office machinery and equipment (excl. computers) without operator	272	Operational leasing services
		73124	Leasing or rental services concerning computers without operator	272	Operational leasing services
		73125	Leasing or rental services concerning telecommunications equipment without operator	272	Operational leasing services
		73129	Leasing or rental services concerning other machinery and equipment without operator n.e.c.	272	Operational leasing services

Table A.III.2. GNS/W/120 - CPC, Version 1.0 - EBOPS correspondence

GNS/W/120	CPC, Version 1.0		EBOPS	
<i>e. Other</i>	73210	Leasing or rental services concerning televisions, radios, video cassette recorders and related equipment and accessories	272	Operational leasing services
	73220	Leasing or rental services concerning video tape	288	Audio-visual and related services
	73230	Leasing or rental services concerning furniture and other household appliances	272	Operational leasing services
	73240	Leasing or rental services concerning pleasure and leisure equipment	272	Operational leasing services
	73250	Leasing or rental services concerning household linen	272	Operational leasing services
	73260	Leasing or rental services concerning textiles, clothing and footwear	272	Operational leasing services
	73270	Leasing or rental services concerning do-it-yourself machinery and equipment	272	Operational leasing services
	73290	Leasing or rental services concerning other goods n.e.c.	272	Operational leasing services
F. Other Business Services				
<i>a. Advertising services</i>	83490 *	Other specialty design services	284	Other business services
	83610	Planning, creating and placement services of advertising	278	Advertising, market research, and public opinion polling
	83620	Purchase or sale of advertising space or time, on commission	278	Advertising, market research, and public opinion polling
	83690	Other advertising services	278	Advertising, market research, and public opinion polling
<i>b. Market research and public opinion polling services</i>	83700	Market research and public opinion polling services	278	Advertising, market research, and public opinion polling
<i>c. Management consulting services</i>	83111	General management consulting services	277	Business and management consulting and public relations services
	83112	Financial management consulting services	277	Business and management consulting and public relations services
	83113	Human resources management consulting services	277	Business and management consulting and public relations services
	83114	Marketing management consulting services	277	Business and management consulting and public relations services
	83115	Production management consulting services	277	Business and management consulting and public relations services
	83119	Other management consulting services	277	Business and management consulting and public relations services
	83121	Public relations services	277	Business and management consulting and public relations services
	83129	Other business consulting services	277	Business and management consulting and public relations services
<i>d. Services related to management consulting</i>	82191	Arbitration and conciliation services	275	Legal services

Table A.III.2. GNS/W/120 - CPC, Version 1.0 - EBOPS correspondence

GNS/W/120	CPC, Version 1.0		EBOPS	
	83190	Other management services, except construction project management services	277	Business and management consulting and public relations services
			285	Services between affiliated enterprises n.i.e.
<i>e. Technical testing and analysis services</i>	83561	Composition and purity testing and analysis services	280	Architectural, engineering, and other technical services
	83562	Testing and analysis services of physical properties	280	Architectural, engineering, and other technical services
	83563	Testing and analysis services of integrated mechanical and electrical systems	280	Architectural, engineering, and other technical services
	83564	Technical inspection services of road transport vehicles	280	Architectural, engineering, and other technical services
	83569	Other technical testing and analysis services	280	Architectural, engineering, and other technical services
<i>f. Services incidental to agriculture, hunting and forestry</i>	86111	Agricultural services	283	Agricultural, mining, and other on-site processing services
	86112	Gardening and landscaping services	283	Agricultural, mining, and other on-site processing services
	86121	Farm animal husbandry services	283	Agricultural, mining, and other on-site processing services
	86129	Other animal husbandry services	283	Agricultural, mining, and other on-site processing services
	86130	Hunting services	283	Agricultural, mining, and other on-site processing services
	86140	Forestry and logging services	283	Agricultural, mining, and other on-site processing services
<i>g. Services incidental to fishing</i>	86150	Fishing services	283	Agricultural, mining, and other on-site processing services
<i>h. Services incidental to mining</i>	54320 *	Site formation and clearance services	249	Construction services
	86210	Mining services	283	Agricultural, mining, and other on-site processing services
<i>i. Services incidental to manufacturing</i>	86311	Food and beverage manufacturing services	283	Agricultural, mining, and other on-site processing services
	86312	Tobacco manufacturing services	283	Agricultural, mining, and other on-site processing services
	86321	Textile manufacturing services	283	Agricultural, mining, and other on-site processing services
	86322	Wearing apparel manufacturing services	283	Agricultural, mining, and other on-site processing services
	86323	Leather product manufacturing services	283	Agricultural, mining, and other on-site processing services
	86330	Wood and cork, except furniture, and straw and plaiting material manufacturing services	283	Agricultural, mining, and other on-site processing services
	86340	Paper and paper product manufacturing services	283	Agricultural, mining, and other on-site processing services
	86350	Coke, refined petroleum product and nuclear fuel manufacturing services	283	Agricultural, mining, and other on-site processing services
	86360	Chemical and chemical product manufacturing services	283	Agricultural, mining, and other on-site processing services
	86370	Rubber and plastic products manufacturing services	283	Agricultural, mining, and other on-site processing services
	86380	Non-metallic mineral product manufacturing services	283	Agricultural, mining, and other on-site processing services

Table A.III.2. GNS/W/120 - CPC, Version 1.0 - EBOPS correspondence

GNS/W/120	CPC, Version 1.0	EBOPS
	86390 Other manufacturing services, except of metal products, machinery and equipment	283 Agricultural, mining, and other on-site processing services
	86411 Metal casting services	283 Agricultural, mining, and other on-site processing services
	86419 Other basic metal manufacturing services	283 Agricultural, mining, and other on-site processing services
	86421 Metal forging, pressing, stamping and roll forming services	283 Agricultural, mining, and other on-site processing services
	86422 Metal treatment and coating services	283 Agricultural, mining, and other on-site processing services
	86423 General mechanical engineering services	283 Agricultural, mining, and other on-site processing services
	86429 Other fabricated metal product manufacturing services and metal working services	283 Agricultural, mining, and other on-site processing services
	86431 Motor vehicle, trailer and semi-trailer manufacturing services	283 Agricultural, mining, and other on-site processing services
	86439 Other transport equipment manufacturing services	283 Agricultural, mining, and other on-site processing services
	86441 Office, accounting and computing machinery manufacturing services	283 Agricultural, mining, and other on-site processing services
	86442 Electrical machinery and apparatus manufacturing services	283 Agricultural, mining, and other on-site processing services
	86443 Radio, television and communication equipment and apparatus manufacturing services	283 Agricultural, mining, and other on-site processing services
	86444 Medical precision and optical instrument, watch and clock manufacturing services	283 Agricultural, mining, and other on-site processing services
	86449 Other machinery and equipment manufacturing services	283 Agricultural, mining, and other on-site processing services
	86510 Installation services of turnkey projects	284 Other business services
	86520 Installation services of fabricated metal products, except machinery and equipment	284 Other business services
	86530 Installation services of machinery and equipment n.e.c.	284 Other business services
	86540 Installation services of office and computing machinery	284 Other business services
	86550 Installation services of electrical machinery and apparatus n.e.c.	284 Other business services
	86560 Installation services of radio, television and communications equipment and apparatus	284 Other business services
	86570 Installation services of professional medical, precision and optical instruments	284 Other business services
	86590 Installation services of other goods n.e.c.	284 Other business services
	86931 Metal waste and scrap recycling services, on a fee or contract basis	282 Waste treatment and depollution
	86932 Non-metal waste and scrap recycling services, on a fee or contract basis	282 Waste treatment and depollution
<i>j. Services incidental to energy distribution</i>	86221 Electricity transmission and distribution services (on a fee or contract basis)	284 Other business services

Table A.III.2. GNS/W/120 - CPC, Version 1.0 - EBOPS correspondence

GNS/W/120	CPC, Version 1.0	EBOPS
	86222 Gas distribution services through mains (on a fee or contract basis)	284 Other business services
	86223 Water distribution services through mains (on a fee or contract basis)	284 Other business services
	86224 Steam and hot water distribution services through mains (on a fee or contract basis)	284 Other business services
<i>k. Placement and supply services of personnel</i>	85111 Executive search services	284 Other business services
	85112 Employment agency services	284 Other business services
	85121 Supply of office support personnel services	284 Other business services
	85122 Supply of domestic help personnel services	284 Other business services
	85123 Supply of other commercial or industrial workers services	284 Other business services
	85124 Supply of medical personnel services	284 Other business services
	85129 Supply of other personnel services	284 Other business services
<i>l. Investigation and security</i>	85210 Investigation services	284 Other business services
	85220 Security consultation services	284 Other business services
	85230 Alarm monitoring services	284 Other business services
	85240 Armoured car services	284 Other business services
	85250 Guard services	284 Other business services
	85290 Other security services	284 Other business services
<i>m. Related scientific and technical consulting services</i>	83510 Geological, geophysical and other prospecting services	280 Architectural, engineering, and other technical services
	83520 Subsurface surveying services	280 Architectural, engineering, and other technical services
	83530 Surface surveying services	280 Architectural, engineering, and other technical services
	83540 Map making services	280 Architectural, engineering, and other technical services
	83550 Weather forecasting and meteorological services	280 Architectural, engineering, and other technical services
<i>n. Maintenance and repair of equipment (not including maritime vessels, aircraft or other transport equipment)</i>	87110 Maintenance and repair services of fabricated metal products, except machinery and equipment	284 Other business services
	87120 * Maintenance and repair services of office and accounting machinery	284 Other business services
	87130 * Computer hardware servicing, repair and maintenance	263 Computer services
	87151 Repair services of electrical household appliances	N/A
	87152 Repair services of electrical machinery and apparatus n.e.c.	284 Other business services
	87153 Repair services of telecommunication equipment and apparatus	284 Other business services
	87154 Repair services of medical, precision and optical instruments	284 Other business services
	87159 * Maintenance and repair services of machinery and equipment n.e.c.	284 Other business services
	87210 Footwear and leather goods repair services	N/A

Table A.III.2. GNS/W/120 - CPC, Version 1.0 - EBOPS correspondence

GNS/W/120		CPC, Version 1.0		EBOPS	
		87220	Watches, clocks and jewellery repair services	N/A	
		87230	Garment and household textile repair services	N/A	
		87240	Furniture repair services	N/A	
		87290	Maintenance and repair services of other goods n.e.c.	284	Other business services
	<i>o. Building-cleaning services</i>	85310 *	Disinfecting and exterminating services	284	Other business services
		85320	Window cleaning services	284	Other business services
		85330	General cleaning services	284	Other business services
		85340	Specialized cleaning services	284	Other business services
	<i>p. Photographic services</i>	83811	Portrait photography services	284	Other business services
		83812	Advertising and related photography services	284	Other business services
		83813	Action photography services	284	Other business services
		83814	Specialty photography services	284	Other business services
		83815	Restoration, copying and retouching services of photography	284	Other business services
		83819	Other photographic services	284	Other business services
		83820	Photography processing services	284	Other business services
	<i>q. Packaging services</i>	85400 *	Packaging services	284	Other business services
	<i>r. Printing, publishing</i>	86910	Publishing, on a fee or contract basis	284	Other business services
		86921	Printing services and services related to printing, on a fee or contract basis	284	Other business services
		86922	Reproduction services of recorded media, on a fee or contract basis	284	Other business services
	<i>s. Convention services</i>	85970	Trade fair and exhibition organization services	278	Advertising, market research, and public opinion polling
	<i>t. Other</i>	83410	Interior design services	284	Other business services
		83490 *	Other specialty design services	284	Other business services
		83910	Translation and interpretation services	284	Other business services
		83990	All other professional, scientific and technical services n.e.c.	280	Architectural, engineering, and other technical services
		85910	Credit reporting services	284	Other business services
		85920	Collection agency services	284	Other business services
		85930	Telephone answering services	284	Other business services
		85940	Duplicating services	284	Other business services
		85950	Mailing list compilation and mailing services	284	Other business services
		85990 *	Other support services n.e.c.	284	Other business services
2. Communication Services					
<u>A. Postal services</u>					
		68111	Postal services related to letters	246	Postal and courier services
		68112	Postal services related to parcels	246	Postal and courier services
		68113	Post office counter services	246	Postal and courier services
		68119	Other postal services	246	Postal and courier services
<u>B. Courier services</u>					
		64240	Miscellaneous local delivery services	246	Postal and courier services
		68120	Courier services	246	Postal and courier services
<u>C. Telecommunication services</u>					
	<i>a. Voice telephone services</i>	84110 *	Wired telecommunications services	247	Telecommunications services

Table A.III.2. GNS/W/120 - CPC, Version 1.0 - EBOPS correspondence

GNS/W/120	CPC, Version 1.0	EBOPS
	84120 * Wireless telecommunications services	247 Telecommunications services
<i>b. Packet-switched data transmission services</i>	84110 * Wired telecommunications services	247 Telecommunications services
	84120 * Wireless telecommunications services	247 Telecommunications services
	84130 * Satellite telecommunications services	247 Telecommunications services
	84200 * On-line access services	247 Telecommunications services
<i>c. Circuit-switched data transmission services</i>	84110 * Wired telecommunications services	247 Telecommunications services
	84120 * Wireless telecommunications services	247 Telecommunications services
	84130 * Satellite telecommunications services	247 Telecommunications services
	84200 * On-line access services	247 Telecommunications services
<i>d. Telex services</i>	84110 * Wired telecommunications services	247 Telecommunications services
	84120 * Wireless telecommunications services	247 Telecommunications services
	84130 * Satellite telecommunications services	247 Telecommunications services
	84200 * On-line access services	247 Telecommunications services
<i>e. Telegraph services</i>	84110 * Wired telecommunications services	247 Telecommunications services
	84120 * Wireless telecommunications services	247 Telecommunications services
	84130 * Satellite telecommunications services	247 Telecommunications services
<i>f. Facsimile services</i>	84110 * Wired telecommunications services	247 Telecommunications services
	84120 * Wireless telecommunications services	247 Telecommunications services
	84130 * Satellite telecommunications services	247 Telecommunications services
<i>g. Private leased circuit services</i>	84110 * Wired telecommunications services	247 Telecommunications services
	84120 * Wireless telecommunications services	247 Telecommunications services
	84130 * Satellite telecommunications services	247 Telecommunications services
	84200 * On-line access services	247 Telecommunications services
<i>h. Electronic mail</i>	84110 * Wired telecommunications services	247 Telecommunications services
	84120 * Wireless telecommunications services	247 Telecommunications services
	84130 * Satellite telecommunications services	247 Telecommunications services
	84200 * On-line access services	247 Telecommunications services
<i>i. Voice mail</i>	84110 * Wired telecommunications services	247 Telecommunications services
	84120 * Wireless telecommunications services	247 Telecommunications services
	84130 * Satellite telecommunications services	247 Telecommunications services
	84200 * On-line access services	247 Telecommunications services
<i>j. On-line information and data retrieval</i>	84110 * Wired telecommunications services	247 Telecommunications services
	84120 * Wireless telecommunications services	247 Telecommunications services
	84130 * Satellite telecommunications services	247 Telecommunications services
	84200 * On-line access services	247 Telecommunications services

Table A.III.2. GNS/W/120 - CPC, Version 1.0 - EBOPS correspondence

GNS/W/120	CPC, Version 1.0		EBOPS	
<i>k. Electronic data interchange (EDI)</i>	84110 *	Wired telecommunications services	247	Telecommunications services
	84120 *	Wireless telecommunications services	247	Telecommunications services
	84130 *	Satellite telecommunications services	247	Telecommunications services
	84200 *	On-line access services	247	Telecommunications services
<i>l. Enhanced/value added facsimile services, incl. store and forward, store and retrieve</i>	84110 *	Wired telecommunications services	247	Telecommunications services
	84120 *	Wireless telecommunications services	247	Telecommunications services
	84130 *	Satellite telecommunications services	247	Telecommunications services
	84200 *	On-line access services	247	Telecommunications services
<i>m. Code and protocol conversion</i>	N/A		N/A	
<i>n. On line information and/or data processing (including transaction processing)</i>	83150 *	Computer facilities management services	263	Computer services
	85960 *	Data processing services	263	Computer services
<i>o. Other</i>	N/A		N/A	
<u>D. Audiovisual services</u>				
<i>a. Motion picture and video tape production and distribution services</i>	96112	Audio post-production services	288	Audio-visual and related services
	96121 *	Motion picture, video tape and television programme production services	288	Audio-visual and related services
	96130	Audiovisual production support services	288	Audio-visual and related services
	96141	Motion picture, video tape and television programme distribution services	288	Audio-visual and related services
	96142	Film and video post-production services	288	Audio-visual and related services
	96149	Other services related to the production of motion pictures, video tapes and television and radio programmes	288	Audio-visual and related services
	<i>b. Motion picture projection services</i>	96151	Motion picture projection services	288
96152		Video tape projection services	288	Audio-visual and related services
<i>c. Radio and television services</i>	96121 *	Motion picture, video tape and television programme production services	288	Audio-visual and related services
	96122	Radio programme production services	288	Audio-visual and related services
	96160	Broadcasting (programming and scheduling) services	288	Audio-visual and related services
<i>d. Radio and television transmission services</i>	84110 *	Wired telecommunications services	247	Telecommunications services
	84120 *	Wireless telecommunications services	247	Telecommunications services
	84130 *	Satellite telecommunications services	247	Telecommunications services
<i>e. Sound recording</i>	96111	Sound recording services	288	Audio-visual and related services
<i>f. Other</i>	N/A		N/A	
<u>E. Other</u>				

Table A.III.2. GNS/W/120 - CPC, Version 1.0 - EBOPS correspondence

GNS/W/120		CPC, Version 1.0	EBOPS
	N/A		N/A
3. Construction and related engineering services			
<u>A. General construction work for buildings</u>			
	54111	General construction services of one- and two-dwelling buildings	249 Construction services
	54112	General construction services of multi-dwelling buildings	249 Construction services
	54121	General construction services of industrial buildings	249 Construction services
	54122	General construction services of commercial buildings	249 Construction services
	54129 *	General construction services of other non-residential buildings	249 Construction services
<u>B. General construction work for civil engineering</u>			
	54129 *	General construction services of other non-residential buildings	249 Construction services
	54210 *	General construction services of highways (except elevated highways), streets, roads, railways and airfield runways	249 Construction services
	54220	General construction services of bridges, elevated highways, tunnels and subways	249 Construction services
	54230	General construction services of harbours, waterways, dams, irrigation and other water works	249 Construction services
	54241	General construction services of long distance pipelines	249 Construction services
	54242	General construction services of long distance communication and power lines (cables)	249 Construction services
	54251	General construction services of local pipelines	249 Construction services
	54252	General construction services of local cables and related works	249 Construction services
	54260	General construction services of mines and industrial plant	249 Construction services
	54270	General construction services of outdoor sport and recreation facilities	249 Construction services
	54290	General construction services of other engineering works n.e.c.	249 Construction services
<u>C. Installation and assembly work</u>			
	54342	Septic system installation services	249 Construction services
	54400	Assembly and erection of prefabricated constructions	249 Construction services
	54611	Electrical wiring and fitting services	249 Construction services
	54612	Fire alarm installation services	249 Construction services
	54613	Burglar alarm system installation services	249 Construction services
	54614	Residential antenna installation services	249 Construction services
	54619	Other electrical installation services	249 Construction services
	54621	Water plumbing services	249 Construction services
	54622	Drain laying services	249 Construction services
	54631	Heating installation services	249 Construction services
	54632	Ventilation and air conditioning installation services	249 Construction services

Table A.III.2. GNS/W/120 - CPC, Version 1.0 - EBOPS correspondence

GNS/W/120		CPC, Version 1.0		EBOPS	
		54640	Gas fitting installation services	249	Construction services
		54650	Insulation services	249	Construction services
		54691	Lift and escalator installation services	249	Construction services
		54699	Other installation services n.e.c.	249	Construction services
		54770	Fencing and railing services	249	Construction services
	<u>D. Building completion and finishing work</u>				
		54210 *	General construction services of highways (except elevated highways), streets, roads, railways and airfield runways	249	Construction services
		54710	Glazing services	249	Construction services
		54720	Plastering services	249	Construction services
		54730	Painting services	249	Construction services
		54740	Floor and wall tiling services	249	Construction services
		54750	Other floor laying, wall covering and wall papering services	249	Construction services
		54760	Wood and metal joinery and carpentry services	249	Construction services
		54790	Other building completion and finishing services	249	Construction services
	<u>E. Other</u>				
		54310	Demolition services	249	Construction services
		54320 *	Site formation and clearance services	249	Construction services
		54330	Excavating and earthmoving services	249	Construction services
		54341	Water well drilling services	249	Construction services
		54511	Pile driving services	249	Construction services
		54512	Foundation services	249	Construction services
		54521	Building framing services	249	Construction services
		54522	Roof framing services	249	Construction services
		54530	Roofing and water proofing services	249	Construction services
		54540	Concrete services	249	Construction services
		54550	Structural steel erection services	249	Construction services
		54560	Masonry services	249	Construction services
		54570	Scaffolding services	249	Construction services
		54590	Other special trade construction services	249	Construction services
		54800	Renting services related to equipment for construction or demolition of buildings or civil engineering works, with operator	249	Construction services
		83211 *	Architectural advisory and pre-design services	280	Architectural, engineering, and other technical services
		83331 *	Engineering advisory and pre-design services for buildings	280	Architectural, engineering, and other technical services
		83332 *	Engineering advisory and pre-design services for civil engineering works	280	Architectural, engineering, and other technical services
		83333 *	Engineering advisory and pre-design services for industrial plant and processes	280	Architectural, engineering, and other technical services
		83339 *	Engineering advisory and pre-design services for other projects	280	Architectural, engineering, and other technical services
		87159 *	Maintenance and repair services of machinery and equipment n.e.c.	284	Other business services

Table A.III.2. GNS/W/120 - CPC, Version 1.0 - EBOPS correspondence

GNS/W/120		CPC, Version 1.0		EBOPS	
4. Distribution Services					
<u>A. Commission agents' services</u>					
	6121	Wholesale trade services on a fee or contract basis, of agricultural raw materials and live animals	271	Other trade-related services	
	6122	Wholesale trade services on a fee or contract basis, of food, beverages and tobacco	271	Other trade-related services	
	6123	Wholesale trade services on a fee or contract basis, of textiles, clothing and footwear	271	Other trade-related services	
	6124	Wholesale trade services on a fee or contract basis, of household appliances, articles and equipment	271	Other trade-related services	
	6125	Wholesale trade services on a fee or contract basis, of miscellaneous consumer goods	271	Other trade-related services	
	6126	Wholesale trade services on a fee or contract basis, of construction materials and hardware	271	Other trade-related services	
	6127	Wholesale trade services on a fee or contract basis, of chemical and pharmaceutical products	271	Other trade-related services	
	61282	Wholesale trade services on a fee or contract basis, of other transport equipment, except bicycles	271	Other trade-related services	
	61283	Wholesale trade services on a fee or contract basis, of office machinery and equipment including office furniture	271	Other trade-related services	
	61284	Wholesale trade services on a fee or contract basis, of computers and packaged software	271	Other trade-related services	
	61285	Wholesale trade services on a fee or contract basis, of agricultural, lawn and garden machinery and equipment including tractors	271	Other trade-related services	
	61286	Wholesale trade services on a fee or contract basis, of mining, construction and civil engineering machinery and equipment	271	Other trade-related services	
	61287	Wholesale trade services on a fee or contract basis, of other industry specific machinery and equipment and related operating supplies	271	Other trade-related services	
	61289 *	Wholesale trade services on a fee or contract basis, of other machinery and equipment n.e.c.	271	Other trade-related services	
	6129	Wholesale trade services on a fee or contract basis, of other products	271	Other trade-related services	
<u>B. Wholesale trade services</u>					
	6111	Wholesale trade services, except on a fee or contract basis, of agricultural raw materials and live animals	N/A		
	N/A		270	Merchanting	
<u>C. Retailing services</u>					
	61181	Wholesale trade services, except on a fee or contract basis, of motor vehicles, motorcycles, snowmobiles and related parts and accessories	N/A		

Table A.III.2. GNS/W/120 - CPC, Version 1.0 - EBOPS correspondence

GNS/W/120		CPC, Version 1.0		EBOPS	
		61281	Wholesale trade services on a fee or contract basis, of motor vehicles, motorcycles, snowmobiles and related parts and accessories	271	Other trade-related services
		621 *	Non-specialized store retail trade services	N/A	
		622 *	Specialized store retail trade services	N/A	
		623 *	Mail order retail trade services	N/A	
		624 *	Other non-store retail trade services	N/A	
		625 *	Retail trade services on a fee or contract basis	N/A	
		N/A		270	Merchandising
	<u>D. Franchising</u>				
		51290 *	Other non-financial intangible assets	266	Royalties and license fees
	<u>E. Other</u>				
		N/A		N/A	
	5. Educational Services				
	<u>A. Primary education services</u>				
		92110	Preschool education services	895	Education services
		92190	Other primary education services	895	Education services
	<u>B. Secondary education services</u>				
		92210	General secondary education services	895	Education services
		92220	Higher secondary education services	895	Education services
		92230	Technical and vocational secondary education services	895	Education services
	<u>C. Higher education services</u>				
		92310	Post-secondary technical and vocational education services	895	Education services
		92390	University and other higher education services	895	Education services
	<u>D. Adult education</u>				
		92900 *	Other education and training services	895	Education services
	<u>E. Other education services</u>				
		92900 *	Other education and training services	895	Education services
	6. Environmental Services				
	<u>A. Sewage services</u>				
		94110	Sewage treatment services	282	Waste treatment and depollution
		94120	Tank emptying and cleaning services	282	Waste treatment and depollution
	<u>B. Refuse disposal services</u>				
		94211	Non-hazardous waste collection services	282	Waste treatment and depollution
		94212	Non-hazardous waste treatment and disposal services	282	Waste treatment and depollution
		94221	Hazardous waste collection services	282	Waste treatment and depollution
		94222	Hazardous waste treatment and disposal services	282	Waste treatment and depollution
	<u>C. Sanitation and similar services</u>				
		94310	Sweeping and snow removal services	282	Waste treatment and depollution

Table A.III.2. GNS/W/120 - CPC, Version 1.0 - EBOPS correspondence

GNS/W/120		CPC, Version 1.0		EBOPS	
		94390	Other sanitation services	282	Waste treatment and depollution
<u>D. Other</u>					
		94900	Other environmental protection services n.e.c.	282	Waste treatment and depollution
7. Financial services					
<u>A. All insurance and insurance-related services</u>					
<i>a. Life, accident and health insurance services</i>		71311	Life insurance and individual pension services	254	Life insurance and pension funding
		71312	Group pension services	254	Life insurance and pension funding
		71410	Life reinsurance services	257	Reinsurance
<i>b. Non-life insurance services</i>		71320	Accident and health insurance services	256	Other direct insurance
		71331	Motor vehicle insurance services	256	Other direct insurance
		71332	Marine, aviation, and other transport insurance services	256	Other direct insurance
		71333	Freight insurance services	255	Freight insurance
		71334	Other property insurance services	256	Other direct insurance
		71335	General liability insurance services	256	Other direct insurance
		71339 *	Other non-life insurance services	256	Other direct insurance
		71420	Accident and health reinsurance services	257	Reinsurance
		71430 *	Other non-life reinsurance services	257	Reinsurance
<i>c. Reinsurance and retrocession</i>		71336	Credit and surety insurance services	256	Other direct insurance
		71339 *	Other non-life insurance services	256	Other direct insurance
		71430 *	Other non-life reinsurance services	257	Reinsurance
<i>d. Services auxiliary to insurance (including broking and agency services)</i>		71610	Insurance brokerage and agency services	258	Insurance services, auxiliary services
		71620	Insurance claims adjustment services	258	Insurance services, auxiliary services
		71630	Actuarial services	258	Insurance services, auxiliary services
		71690	Other services auxiliary to insurance and pensions	258	Insurance services, auxiliary services
<u>B. Banking and other financial services</u>					
<i>a. Acceptance of deposits and other repayable funds from the public</i>		71100 *	Financial intermediation services, except investment banking, insurance services and pension services	260	Financial services
		71559 *	Other services auxiliary to financial intermediation n.e.c.	260	Financial services
<i>b. Lending of all types, incl., inter alia, consumer credit, mortgage credit, factoring and financing of commercial transaction</i>		71100 *	Financial intermediation services, except investment banking, insurance services and pension services	260	Financial services
<i>c. Financial leasing</i>		71100 *	Financial intermediation services, except investment banking, insurance services and pension services	260	Financial services
<i>d. All payment and money transmission services</i>		71553 *	Financial transactions processing and clearinghouse services	260	Financial services
<i>e. Guarantees and commitments</i>		71100 *	Financial intermediation services, except investment banking, insurance services and pension services	260	Financial services
		71511 *	Mergers and acquisition services	260	Financial services

Table A.III.2. GNS/W/120 - CPC, Version 1.0 - EBOPS correspondence

GNS/W/120	CPC, Version 1.0	EBOPS
	71512 * Corporate finance and venture capital services	260 Financial services
	71519 * Other services related to investment banking	260 Financial services
<i>f. Trading for own account or for account of customers, whether on an exchange, in an over-the-counter market or otherwise, the following:</i>	71521 * Securities brokerage services	260 Financial services
<i>- money market instruments (cheques, bills, certificate of deposits, etc.),</i>		
<i>- foreign exchange,</i>		
<i>- derivative products incl., but not limited to, futures and options,</i>		
<i>- exchange rate and interest rate instruments, including products such as swaps, forward rate agreements, etc.,</i>		
<i>- transferable securities,</i>		
<i>- other negotiable instruments and financial assets, incl. bullion</i>		
	71522 * Commodity brokerage services	260 Financial services
	71552 * Foreign exchange services	260 Financial services
	71553 * Financial transactions processing and clearinghouse services	260 Financial services
<i>g. Participation in issues of all kinds of securities, incl. underwriting and placement as agents (whether publicly or privately) and provision of service related to such issues</i>	71521 * Securities brokerage services	260 Financial services
	71522 * Commodity brokerage services	260 Financial services
	71523 Processing and clearing services of securities transactions	260 Financial services
	71531 * Portfolio management services	254 Life insurance and pension funding 256 Other direct insurance 260 Financial services
<i>h. Money broking</i>	71553 * Financial transactions processing and clearinghouse services	260 Financial services
<i>i. Asset management, such as cash or portfolio management, all forms of collective investment management, pension fund management, custodial depository and trust services</i>	71100 * Financial intermediation services, except investment banking, insurance services and pension services	260 Financial services
	71200 Investment banking services	260 Financial services
	71511 * Mergers and acquisition services	260 Financial services
	71512 * Corporate finance and venture capital services	260 Financial services
	71519 * Other services related to investment banking	260 Financial services
	71531 * Portfolio management services	254 Life insurance and pension funding 256 Other direct insurance 260 Financial services
	71532 Trust services	260 Financial services
<i>j. Settlement and clearing services for financial assets, incl. securities, derivative products and other negotiable instruments</i>	71553 * Financial transactions processing and clearinghouse services	260 Financial services

Table A.III.2. GNS/W/120 - CPC, Version 1.0 - EBOPS correspondence

GNS/W/120	CPC, Version 1.0	EBOPS			
<i>k. Advisory and other auxiliary financial services on all the activities in article 1B of MTN.TNC/W/50, incl. credit reference and analysis, investment and portfolio research and advice, advice on acquisitions and on corporate restructuring and strategy</i>	71100 *	Financial intermediation services, except investment banking, insurance services and pension services	260	Financial services	
	71533 *	Custody services	260	Financial services	
	71541 *	Financial market operational services	260	Financial services	
	71542 *	Financial market regulatory services	260	Financial services	
	71549 *	Other financial market administration services	260	Financial services	
	71551	Financial consultancy services	260	Financial services	
	71552 *	Foreign exchange services	260	Financial services	
	71553 *	Financial transactions processing and clearinghouse services	260	Financial services	
	71559 *	Other services auxiliary to financial intermediation n.e.c.	260	Financial services	
	85400 *	Packaging services	260	Financial services	
	<i>l. Provision and transfer of financial information, and financial data processing and related software by providers of other financial services</i>	71533 *	Custody services	260	Financial services
		71541 *	Financial market operational services	260	Financial services
		71542 *	Financial market regulatory services	260	Financial services
	<u>C. Other</u>	N/A	N/A		
	8. Health related and social services				
<u>A. Hospital services</u>	93110	Hospital services	896	Health services	
<u>B. Other human health services</u>	93192	Ambulance services	896	Health services	
	93193	Residential health facilities services other than hospital services	896	Health services	
	93199	Other human health services n.e.c.	896	Health services	
<u>C. Social services</u>	93311	Welfare services delivered through residential institutions to elderly persons and persons with disabilities	897	Other personal, cultural, and recreational services	
	93319	Other social services with accommodation	897	Other personal, cultural, and recreational services	
	93321	Child day-care services	897	Other personal, cultural, and recreational services	
	93322	Guidance and counselling services n.e.c. related to children	897	Other personal, cultural, and recreational services	
	93323	Welfare services without accommodation	897	Other personal, cultural, and recreational services	
	93324	Vocational rehabilitation services	897	Other personal, cultural, and recreational services	
	93329	Other social services without accommodation	897	Other personal, cultural, and recreational services	
<u>D. Other</u>					

Table A.III.2. GNS/W/120 - CPC, Version 1.0 - EBOPS correspondence

GNS/W/120		CPC, Version 1.0		EBOPS	
		N/A		N/A	
9. Tourism and travel related services					
<u>A. Hotels and restaurants (incl. catering)</u>					
	63110	Hotel and motel lodging services	957	Expenditure on accommodation and restaurant services	
	63191	Holiday centre and holiday home services	957	Expenditure on accommodation and restaurant services	
	63192	Letting services of furnished accommodation	957	Expenditure on accommodation and restaurant services	
	63193	Youth hostel services	957	Expenditure on accommodation and restaurant services	
	63194	Children's training and holiday camp services	957	Expenditure on accommodation and restaurant services	
	63195	Camping and caravanning site services	957	Expenditure on accommodation and restaurant services	
	63199	Other lodging services n.e.c.	957	Expenditure on accommodation and restaurant services	
	63210	Meal serving services with full restaurant services	957	Expenditure on accommodation and restaurant services	
	63220	Meal serving services in self-service facilities	957	Expenditure on accommodation and restaurant services	
	63230	Caterer services, providing meals to outside	897	Other personal, cultural, and recreational services	
	63290	Other food serving services	897	Other personal, cultural, and recreational services	
			957	Expenditure on accommodation and restaurant services	
	63300	Beverage serving services for consumption on the premises	957	Expenditure on accommodation and restaurant services	
<u>B. Travel agencies and tour operators services</u>					
	67811	Travel agency services	284	Other business services	
	67812	Tour operator services	284	Other business services	
	67813	Tourist information services	284	Other business services	
<u>C. Tourist guides services</u>					
	67820	Tourist guide services	284	Other business services	
<u>D. Other</u>					
			N/A		N/A
10. Recreational, Cultural and Sporting Services					
<u>A. Entertainment Services (incl. theatre, live bands and circus services)</u>					
	96210	Performing arts event promotion and organization services	897	Other personal, cultural, and recreational services	
	96220	Performing arts event production and presentation services	897	Other personal, cultural, and recreational services	
	96230	Performing arts facility operation services	897	Other personal, cultural, and recreational services	
	96290	Other performing arts and live entertainment services	897	Other personal, cultural, and recreational services	
	96310	Services of performing artists	288	Audio-visual and related services	
			897	Other personal, cultural, and recreational services	
	96320	Services of authors, composers, sculptors and other artists, except performing artists	288	Audio-visual and related services	

Table A.III.2. GNS/W/120 - CPC, Version 1.0 - EBOPS correspondence

GNS/W/120	CPC, Version 1.0	EBOPS
		897 Other personal, cultural, and recreational services
	96620 * Support services related to sports and recreation	897 Other personal, cultural, and recreational services
	96910 Amusement park and similar attraction services	897 Other personal, cultural, and recreational services
<u>B. News Agency Services</u>		
	84410 News agency services to newspapers and periodicals	889 News agency services
	84420 News agency services to audio-visual media	889 News agency services
<u>C. Libraries, Archives, Museums and Other Cultural Services</u>		
	84510 Library services	897 Other personal, cultural, and recreational services
	84520 Archive services	897 Other personal, cultural, and recreational services
	96411 Museum services except for historical sites and buildings	897 Other personal, cultural, and recreational services
	96412 Preservation services of historical sites and buildings	897 Other personal, cultural, and recreational services
	96421 Botanical and zoological garden services	897 Other personal, cultural, and recreational services
	96422 Nature reserve services including wildlife preservation services	897 Other personal, cultural, and recreational services
<u>D. Sporting and other recreational services</u>		
	85990 * Other support services n.e.c.	284 Other business services
	96510 Sports and recreational sports event promotion and organization services	897 Other personal, cultural, and recreational services
	96520 Sports and recreational sports facility operation services	897 Other personal, cultural, and recreational services
	96590 Other sports and recreational sports services	897 Other personal, cultural, and recreational services
	96610 Services of athletes	897 Other personal, cultural, and recreational services
	96620 * Support services related to sports and recreation	897 Other personal, cultural, and recreational services
	96920 Gambling and betting services	897 Other personal, cultural, and recreational services
	96930 Coin-operated amusement machine services	897 Other personal, cultural, and recreational services
	96990 Other recreation and amusement services n.e.c.	897 Other personal, cultural, and recreational services
<u>E. Other</u>		
	N/A	N/A
11. Transport Services		
<u>A. Maritime Transport Services</u>		
<i>a. Passenger transportation</i>		
	65111 Coastal and transoceanic water transport services of passengers by ferries	207 Sea transport, passenger
	65119 Other coastal and transoceanic water transport services of passengers	207 Sea transport, passenger
<i>b. Freight transportation</i>		
	65121 Coastal and transoceanic water transport services of refrigerated freight by refrigerator vessels	208 Sea transport, freight

Table A.III.2. GNS/W/120 - CPC, Version 1.0 - EBOPS correspondence

GNS/W/120		CPC, Version 1.0		EBOPS	
		65122	Coastal and transoceanic water transport services of bulk liquid freight by tankers	208	Sea transport, freight
		65123	Coastal and transoceanic water transport services of containerized freight by container ships	208	Sea transport, freight
		65129	Other coastal and transoceanic water transport services of other freight	208	Sea transport, freight
	<i>c. Rental of vessels with crew</i>	65130	Rental services of vessels for coastal and transoceanic water transport with operator	207	Sea transport, passenger
				208	Sea transport, freight
	<i>d. Maintenance and repair of vessels</i>	87149 *	Maintenance and repair services of other transport equipment	209	Sea transport, other
				232	Other supporting and auxiliary transport services
	<i>e. Pushing and towing services</i>	65140	Towing and pushing services on coastal and transoceanic waters	209	Sea transport, other
	<i>f. Supporting services for maritime transport</i>	67300 *	Navigational aid services	232	Other supporting and auxiliary transport services
		67610 *	Port and waterway operation services (excl. cargo handling)	209	Sea transport, other
		67620 *	Pilotage and berthing services	209	Sea transport, other
		67630 *	Vessel salvage and refloating services	209	Sea transport, other
		67690 *	Other supporting services for water transport	209	Sea transport, other
		85310 *	Disinfecting and exterminating services	284	Other business services
<u>B. Internal Waterways Transport</u>					
	<i>a. Passenger transportation</i>	65211	Inland water transport services of passengers by ferries	228	Inland waterway transport, passenger
		65219	Other inland water transport services of passengers	228	Inland waterway transport, passenger
	<i>b. Freight transportation</i>	65221	Inland water transport services of freight by refrigerator vessels	229	Inland waterway transport, freight
		65222	Inland water transport services of freight by tankers	229	Inland waterway transport, freight
		65229	Other inland water transport services of freight	229	Inland waterway transport, freight
	<i>c. Rental of vessels with crew</i>	65230	Rental services of inland water vessels with operator	228	Inland waterway transport, passenger
				229	Inland waterway transport, freight
	<i>d. Maintenance and repair of vessels</i>	87149 *	Maintenance and repair services of other transport equipment	232	Other supporting and auxiliary transport services
	<i>e. Pushing and towing services</i>	65240	Towing and pushing services on inland waters	230	Inland waterway transport, other
	<i>f. Supporting services for internal waterway transport</i>	67300 *	Navigational aid services	232	Other supporting and auxiliary transport services
		67610 *	Port and waterway operation services (excl. cargo handling)	230	Inland waterway transport, other
		67620 *	Pilotage and berthing services	230	Inland waterway transport, other
		67630 *	Vessel salvage and refloating services	230	Inland waterway transport, other
		67690 *	Other supporting services for water transport	230	Inland waterway transport, other
<u>C. Air Transport Services</u>					

Table A.III.2. GNS/W/120 - CPC, Version 1.0 - EBOPS correspondence

GNS/W/120	CPC, Version 1.0		EBOPS	
<i>a. Passenger transportation</i>	66110	Scheduled air transport services of passengers	211	Air transport, passenger
	66120	Non-scheduled air transport services of passengers	211	Air transport, passenger
<i>b. Freight transportation</i>	66210	Air transport services of letters and parcels	212	Air transport, freight
	66290	Air transport services of other freight	212	Air transport, freight
<i>c. Rental of aircraft with crew</i>	66400	Rental services of aircraft with operator	211	Air transport, passenger
			212	Air transport, freight
<i>d. Maintenance and repair of aircraft</i>	87149 *	Maintenance and repair services of other transport equipment	213	Air transport, other
			232	Other supporting and auxiliary transport services
<i>e. Supporting services for air transport</i>	67710	Airport operation services (excl. cargo handling)	213	Air transport, other
	67720	Air traffic control services	213	Air transport, other
	67790	Other supporting services for air or space transport	213	Air transport, other
	85310 *	Disinfecting and exterminating services	284	Other business services
<u>D. Space Transport</u>				
	66300	Transport services via space	218	Space transport
<u>E. Rail Transport Services</u>				
<i>a. Passenger transportation</i>	64111	Interurban railway transport services of passengers	220	Rail transport, passenger
	64112	Urban and suburban railway transport services of passengers	220	Rail transport, passenger
<i>b. Freight transportation</i>	64121	Railway transport services of freight by refrigerator cars	221	Rail transport, freight
	64122	Railway transport services of freight by tanker cars	221	Rail transport, freight
	64123	Railway transport services of containerized freight by flat cars	221	Rail transport, freight
	64124	Railway transport services of letters and parcels	221	Rail transport, freight
	64129	Other railway transport services of freight	221	Rail transport, freight
<i>c. Pushing and towing services</i>	64130	Railway pushing or towing services	222	Rail transport, other
<i>d. Maintenance and repair of rail transport equipment</i>	87149 *	Maintenance and repair services of other transport equipment	222	Rail transport, other
			232	Other supporting and auxiliary transport services
<i>e. Supporting services for rail transport</i>	67400	Supporting services for railway transport	222	Rail transport, other
<u>F. Road Transport Services</u>				
<i>a. Passenger transportation</i>	64211	Urban and suburban scheduled road transport services of passengers	224	Road transport, passenger
	64212	Urban and suburban special purpose scheduled road transport services of passengers	224	Road transport, passenger
	64213	Interurban scheduled road transport services of passengers	224	Road transport, passenger
	64214	Interurban special purpose scheduled road transport services of passengers	224	Road transport, passenger

Table A.III.2. GNS/W/120 - CPC, Version 1.0 - EBOPS correspondence

GNS/W/120		CPC, Version 1.0		EBOPS	
		64219	Other scheduled road transport services of passengers n.e.c.	224	Road transport, passenger
		64221	Taxi services	224	Road transport, passenger
		64222	Rental services of passenger cars with operator	224	Road transport, passenger
		64223	Rental services of buses and coaches with operator	224	Road transport, passenger
		64224	Road transport services of passengers by man- or animal-drawn vehicles	224	Road transport, passenger
		64229	Other non-scheduled road transport services of passengers n.e.c.	224	Road transport, passenger
	<i>b. Freight transportation</i>	64231	Road transport services of freight by refrigerator vehicles	225	Road transport, freight
		64232	Road transport services of freight by tank trucks or semi-trailers	225	Road transport, freight
		64233	Road transport services of containerized freight by trucks equipped with a container chassis	225	Road transport, freight
		64234	Road transport services of freight by man- or animal-drawn vehicles	225	Road transport, freight
		64235	Moving services of household and office furniture and other goods	225	Road transport, freight
		64236	Road transport services of letters and parcels	225	Road transport, freight
		64239	Other road transport services of freight	225	Road transport, freight
	<i>c. Rental of commercial vehicles with operator</i>	64250	Rental services of trucks with operator	224	Road transport, passenger
				225	Road transport, freight
	<i>d. Maintenance and repair of road transport equipment</i>	87141	Maintenance and repair services of motor vehicles	226	Road transport, other
		87143	Maintenance and repair services of trailers, semi-trailers and other motor vehicles n.e.c.	226	Road transport, other
	<i>e. Supporting services for road transport services</i>	67510	Bus station services	226	Road transport, other
		67520	Highway, bridge and tunnel operation services	226	Road transport, other
		67530	Parking lot services	226	Road transport, other
		67590	Other supporting services for road transport	226	Road transport, other
<u>G. Pipeline Transport</u>					
	<i>a. Transportation of fuels</i>	64310	Transport services via pipeline of petroleum and natural gas	231	Pipeline transport and electricity transmission
	<i>b. Transportation of other goods</i>	64390	Transport services via pipeline of other goods	231	Pipeline transport and electricity transmission
<u>H. Services auxiliary to all modes of transport</u>					
	<i>a. Cargo-handling services</i>	67110	Container handling services	232	Other supporting and auxiliary transport services
		67190	Other cargo handling services	232	Other supporting and auxiliary transport services
	<i>b. Storage and warehouse services</i>	67210	Refrigerated storage services	232	Other supporting and auxiliary transport services
		67220	Bulk liquid or gas storage services	232	Other supporting and auxiliary transport services
		67290	Other storage or warehousing services	232	Other supporting and auxiliary transport services

Table A.III.2. GNS/W/120 - CPC, Version 1.0 - EBOPS correspondence

GNS/W/120	CPC, Version 1.0	EBOPS
<i>c. Freight transport agency services</i>	67910 * Freight transport agency services and other auxiliary freight transport services	232 Other supporting and auxiliary transport services
<i>d. Other</i>	67910 * Freight transport agency services and other auxiliary freight transport services	232 Other supporting and auxiliary transport services
	67990 Other supporting transport services n.e.c.	232 Other supporting and auxiliary transport services
<u>I. Other transport services</u>	N/A	N/A
12. Other services not included elsewhere		
	95110 Services furnished by business and employers organizations	897 Other personal, cultural, and recreational services
	95120 Services furnished by professional organizations	897 Other personal, cultural, and recreational services
	95200 Services furnished by trade unions	897 Other personal, cultural, and recreational services
	95910 Religious services	897 Other personal, cultural, and recreational services
	95920 Services furnished by political organizations	897 Other personal, cultural, and recreational services
	95991 Civic betterment and community facility support services	897 Other personal, cultural, and recreational services
	95992 Special group advocacy services	897 Other personal, cultural, and recreational services
	95993 Services provided by youth associations	897 Other personal, cultural, and recreational services
	95999 Other services provided by membership organizations n.e.c.	897 Other personal, cultural, and recreational services
	97110 Coin-operated laundry services	897 Other personal, cultural, and recreational services
	97120 Dry cleaning services (including fur product cleaning services)	897 Other personal, cultural, and recreational services
	97130 Other textile cleaning services	897 Other personal, cultural, and recreational services
	97140 Pressing services	897 Other personal, cultural, and recreational services
	97150 Dyeing and colouring services	897 Other personal, cultural, and recreational services
	97210 Hairdressing and barbers' services	897 Other personal, cultural, and recreational services
	97220 Cosmetic treatment, manicuring and pedicuring services	897 Other personal, cultural, and recreational services
	97230 Physical well-being services	897 Other personal, cultural, and recreational services
	97290 Other beauty treatment services n.e.c.	897 Other personal, cultural, and recreational services
	97310 Cemeteries and cremation services	897 Other personal, cultural, and recreational services
	97320 Undertaking services	897 Other personal, cultural, and recreational services
	97910 Escort services	897 Other personal, cultural, and recreational services
	97990 Other miscellaneous services n.e.c.	897 Other personal, cultural, and recreational services
	98000 Domestic services	897 Other personal, cultural, and recreational services

Table A.III.2. GNS/W/120 - CPC, Version 1.0 - EBOPS correspondence

GNS/W/120	CPC, Version 1.0	EBOPS
	99000 Services provided by extraterritorial organizations and bodies	292 Embassies and consulates
		293 Military units and agencies

Annex IV. ICFA-EBOPS Correspondence Tables

Correspondence between ISIC Categories for Foreign Affiliates (ICFA) and Extended Balance of Payments Services Classification (EBOPS)

1. Correspondences between classifications of industry and classifications of products are by their nature approximate. This is because each product (whether a good or a service) is not necessarily produced by only one industry. As noted in the System of National Accounts 1993, paragraph 5.4, “The same goods or services may be produced using different methods of production so that there can be no one-to-one correspondence between activities and the goods or services they produce. Certain types of goods may be produced from quite different industries; for example, sugar may be produced from sugar cane or from sugar beet, or electricity from coal, oil or nuclear power stations or from hydroelectric plants. Many production processes also produce joint products, such as meat and hides, whose uses are quite different”.

2. In tables A.IV.1 and A.IV.2 below, aggregated categories of ISIC, Rev.3 (ICFA) are aligned with EBOPS categories. There is no intention of establishing a one-to-one correspondence between ISIC and EBOPS. This is considered neither practical nor desirable since it might lead to an inadequate description of EBOPS categories, especially at the higher levels, because such a one-to-one correspondence might overlook important areas of secondary production by industries. The extent to which data on resident/non-resident trade classified according to EBOPS can be corresponded with data on FATS variables, classified according to aggregated categories of ISIC, Rev.3, is inherently limited.

Nonetheless, a correspondence between the two bases of classification may be useful for some purposes, mainly involving activities that tend to be carried out only by firms that are specialized in the activity and tend not to have significant secondary activities.

3. It should be noted that except for specific activity and product breakdowns suggested in the text of chapter IV of the *Manual*, most of the recommendations in the *Manual* are as applicable to goods as to services, and might be considered in developing a generalized framework for statistics on affiliate operations. Since foreign affiliates of trade in services may produce both goods and services and in order to maintain harmonization with other international frameworks, such as the 1993 SNA and BPM5, agreement has been maintained in the correspondences of tables A.IV.1 and A.IV.2 (ICFA and EBOPS) with the published correspondences between ISIC, Rev.3 (activities) and CPC, Version 1.0 (goods and services).

4. Table A.IV.1 presents the correspondence ICFA/EBOPS and Table A.IV.2 presents the correspondence EBOPS/ICFA, which shows approximate links between some EBOPS components and economic activities and will allow comparisons between EBOPS and FATS statistics.

5. Analysts are advised to use these correspondences and any resulting comparisons with appropriate caution.

Table A.IV.1. Correspondence between ICFA and EBOPS

ICFA ^a codes	ISIC codes	ICFA / ISIC labels	EBOPS codes	EBOPS labels
1.	01, 02, 05	AGRICULTURE, HUNTING, FORESTRY AND FISHING		
1.1.	01	AGRICULTURE, HUNTING AND RELATED SERVICE ACTIVITIES		
	011	Growing of crops; market gardening; horticulture		
	012	Farming of animals		
	013	Growing of crops combined with farming animals		
	014	Agricultural and animal husbandry service activities, except veterinary activities	283 *	Agricultural, mining and other on-site processing services
	015	Hunting, trapping and game propagation including related service activities	283 *	Agricultural, mining and other on-site processing services
1.2.	02	FORESTRY, LOGGING AND RELATED SERVICE ACTIVITIES	283 *	Agricultural, mining and other on-site processing services (<i>only for forestry, logging related service activities</i>)
1.3.	05	FISHING, OPERATION OF FISH HATCHERIES AND FISH FARMS; SERVICES ACTIVITIES INCIDENTAL TO FISHING	283 *	Agricultural, mining and other on-site processing services (<i>only for service activities incidental to fishing</i>)
2.	10, 11, 12, 13, 14	MINING AND QUARRYING		
	112	<i>of which:</i> Services activities incidental to oil and gas extraction excluding surveying	283 *	Agricultural, mining and other on-site processing services
3.	15 to 37	MANUFACTURING		
4.	40, 41	ELECTRICITY, GAS AND WATER SUPPLY		
5.	45	CONSTRUCTION	249	Construction services
6.	50, 51, 52	TRADE AND REPAIR		
6.1.	50	SALE, MAINTENANCE AND REPAIR OF MOTOR VEHICLES AND MOTORCYCLES; RETAIL SALE OF AUTOMOTIVE FUEL	269 *	Merchandising and other trade-related services (only for sale and retail sale) <u>Remarks:</u> <i>The EBOPS code excludes maintenance and repair (ISIC 502 and part of 504). For maintenance of ships, aircrafts and trains in ports, airports and stations: EBOPS code 217 other supporting and auxiliary transport services For repair: 160, repairs on goods</i>
6.2.	51	WHOLESALE TRADE AND COMMISSION TRADE, EXCEPT OF MOTOR VEHICLES AND MOTORCYCLES	269 *	Merchandising and other trade-related services
6.3.	52	RETAIL TRADE, EXCEPT OF MOTOR VEHICLES AND MOTORCYCLES; REPAIR OF PERSONAL AND HOUSEHOLD GOODS	269 *	Merchandising and other trade-related services <u>Remarks:</u> <i>The EBOPS code excludes repair on goods, which is covered by EBOPS code 160, repairs on goods.</i>
7.	55	HOTELS AND RESTAURANTS	236 *	Travel

^a See main text of the *Manual*, table 3.

Table A.IV.1. Correspondence between ICFA and EBOPS

ICFA codes	ISIC codes	ICFA / ISIC labels	EBOPS codes	EBOPS labels
8.	60, 61, 62, 63, 64	TRANSPORT, STORAGE AND COMMUNICATIONS		
8.1.	60, 61, 62, 63	TRANSPORT AND STORAGE		
8.1.1.	60	Land transport; transport via pipelines	205 *	Transportation
8.1.1.1.	601	Transport via railways	220 221	Rail transport - passenger Rail transport - freight
8.1.1.2.	602	Other land transport	224 225	Road transport - passenger Road transport - freight
8.1.1.3.	603	Transport via pipelines	231	Pipeline transport and electricity transmission
8.1.2.	61	Water transport	205 *	Transportation
8.1.2.1.	611	Sea and coastal water transport	207 208	Sea transport - passenger Sea transport - freight
8.1.2.2.	612	Inland water transport	228 229	Inland waterway transport - passenger Inland waterway transport - freight
8.1.3.	62	Air transport	205 *	Transportation
8.1.3.1.	621	Scheduled air transport	211 212	Air transport - passenger Air transport - freight
8.1.3.2.	622	Non scheduled air transport	211 212 218	Air transport - passenger Air transport - freight Space transport
8.1.4.	63	Supporting and auxiliary transport activities, activities of travel agencies		
8.1.4.1.	6301 6302 6303 6309	Cargo handling Storage and warehousing Other supporting transport activities Activities of other transport agencies	205 * or 209 213 222 226 230 232 or 209 213 217	Transportation or Sea transport - other Air transport - other Rail transport - other Road transport - other Inland waterway transport - other Other supporting and auxiliary transport services or Sea transport - other Air transport - other Other transport - other
8.1.4.2.	6304	Activities of travel agencies and tour operators; tourist assistance activities n.e.c.	236 *	Travel
8.2.	64	POST AND TELECOMMUNICATIONS	245	Communications services
8.2.1.	641	Post and courier activities	246	Postal and courier services
8.2.2.	642	Telecommunications	247	Telecommunication services
9.	65, 66, 67	FINANCIAL INTERMEDIATION		
9.1.	65	FINANCIAL INTERMEDIATION, EXCEPT INSURANCE AND PENSION FUNDING	260 *	Financial services
9.2.	66	INSURANCE AND PENSION FUNDING, EXCEPT COMPULSORY SOCIAL SECURITY	253* - 257	Insurance services
9.2.1.	6601	Life insurance	254 *	Life insurance and pension funding
9.2.2.	6602	Pension funds	254 *	Life insurance and pension funding

Table A.IV.1. Correspondence between ICFA and EBOPS

ICFA codes	ISIC codes	ICFA / ISIC labels	EBOPS codes	EBOPS labels
9.2.3.	6603	Non-life insurance	255 256 257	Freight insurance Other direct insurance Reinsurance
9.3.	67	ACTIVITIES AUXILIARY TO FINANCIAL INTERMEDIATION		
9.3.1.	671	Activities auxiliary to financial intermediation, except insurance and pension funding	260 *	Financial services
9.3.2.	672	Activities auxiliary to insurance and pension funding	253 * or 258	Insurance services or Auxiliary (insurance) services
10.	70	REAL ESTATE ACTIVITIES	284 *	Miscellaneous business, professional and technical services - other business services
11.	71	RENTING OF MACHINERY AND EQUIPMENT WITHOUT OPERATOR AND OF PERSONAL AND HOUSEHOLD GOODS	272	Operational leasing services
12.	72	COMPUTER AND RELATED ACTIVITIES	263	Computer services
13.	73	RESEARCH AND DEVELOPMENT	279	Research and development
14.	74	OTHER BUSINESS ACTIVITIES		
14.1.	741	Legal, accounting, book-keeping and auditing activities; tax consultancy; market research and public opinion polling; business and management consultancy; holdings		
14.1.1.	7411	Legal activities	275	Legal services
14.1.2.	7412	Accounting, book-keeping and auditing activities; tax consultancy	276	Accounting, auditing, bookkeeping and tax consulting services
14.1.3.	7413	Market research and public opinion polling	278 *	Advertising, market research and public opinion polling
14.1.4.	7414	Business and management consultancy activities	277	Business and management consulting and public relations services
14.2.	742	Architectural and engineering activities and related technical consultancy	280	Architectural, engineering and other technical services
14.3.	743	Advertising	278 *	Advertising, market research and public opinion polling
14.4.	749	Business activities n.e.c.	284 *	Miscellaneous business, professional and technical services - other business services
15.	80	EDUCATION	289 *	Other personal, cultural and recreational services
16.	85	HEALTH AND SOCIAL WORK	289 *	Other personal, cultural and recreational services
17.	90	SEWAGE AND REFUSE DISPOSAL, SANITATION AND SIMILAR ACTIVITIES	284 * 282	Miscellaneous business, professional and technical services - other business services (<i>for sewage and refusal disposal</i>) Waste treatment and depollution (<i>for sanitation and similar activities</i>)
18.	91	ACTIVITIES OF MEMBERSHIP ORGANIZATIONS N.E.C.	289 *	Other personal, cultural and recreational services

Table A.IV.1. Correspondence between ICFA and EBOPS

ICFA codes	ISIC codes	ICFA / ISIC labels	EBOPS codes	EBOPS labels
19.	92	RECREATIONAL, CULTURAL AND SPORTING ACTIVITIES		
19.1.	921	Motion picture, radio, television and other entertainment activities		
19.1.1.	9211 9212	Motion picture and video production and distribution Motion picture projection	288 *	Audiovisual and related services
19.1.2.	9213	Radio and television activities	288 *	Audiovisual and related services
19.1.3.	9214 9219	Dramatic arts, music and other arts activities Other entertainment activities n.e.c.	289 *	Other personal, cultural and recreational services
19.2.	922	News agency activities	264	Information services
19.3.	923	Library and archives, museums and other cultural activities	289 *	Other personal, cultural and recreational services
19.4.	924	Sporting and other recreational activities	289 *	Other personal, cultural and recreational services
20.	93	OTHER SERVICE ACTIVITIES	289 *	Other personal, cultural and recreational services

Note: The following ISIC categories have been excluded from ICFA since they are not relevant for foreign direct investment or for FATS: (a) public administration and defence; compulsory social security (ISIC division 75); (b) private households with employed persons (division 95); and (c) extraterritorial organizations and bodies (division 99). Otherwise, all ISIC categories are included.

An asterisk (*) indicates that more than one economic activity corresponds to that EBOPS code.

Table A.IV.2. Correspondence between EBOPS and ICFA

EBOPS codes	EBOPS labels	ICFA^b codes	ISIC codes	ICFA/ISIC labels
205 *	Transportation	8.1.1.	60	Land transport; transport via pipelines
205 *	Transportation	8.1.2.	61	Water transport
205 *	Transportation	8.1.3.	62	Air transport
205 * or 209 213 222 226 230 232 or 209 213 217	Transportation or Sea transport - other Air transport - other Rail transport - other Road transport - other Inland waterway transport - other Other supporting and auxiliary transport services or Sea transport - other Air transport - other Other transport - other	8.1.4.1.	6301 6302 6303 6309	Cargo handling Storage and warehousing Other supporting transport activities Activities of other transport agencies
207 208	Sea transport - passenger Sea transport - freight	8.1.2.1.	611	Sea and coastal water transport
211 212	Air transport - passenger Air transport - freight	8.1.3.1.	621	Scheduled air transport
211 212 218	Air transport - passenger Air transport - freight Space transport	8.1.3.2.	622	Non scheduled air transport
220 221	Rail transport - passenger Rail transport - freight	8.1.1.1.	601	Transport via railways
224 225	Passenger on road transport Freight on road transport	8.1.1.2.	602	Other land transport
228 229	Inland waterway transport -passenger Inland waterway transport - freight	8.1.2.2.	612	Inland water transport
231	Pipeline transport	8.1.1.3.	603	Transport via pipelines
236 *	Travel	7.	55	HOTELS AND RESTAURANTS
236 *	Travel	8.1.4.2.	6304	Activities of travel agencies and tour operators; tourist assistance activities n.e.c.
245	Communications services	8.2.	64	POST AND TELECOMMUNICATIONS
246	Postal and courier services	8.2.1.	641	Post and courier activities
247	Telecommunication services	8.2.2.	642	Telecommunications
249	Construction services	5.	45	CONSTRUCTION
253 *	Insurance services	9.2.	66	INSURANCE AND PENSION FUNDING, EXCEPT COMPULSORY SOCIAL SECURITY
253 * or 258	Insurance services or Auxiliary (insurance) services	9.3.2.	672	Activities auxiliary to insurance and pension funding
254 *	Life insurance and pension funding	9.2.1.	6601	Life insurance
254 *	Life insurance and pension funding	9.2.2.	6602	Pension funds
255 256 257	Freight insurance Other direct insurance Reinsurance	9.2.3.	6603	Non-life insurance

^b See main text of the *Manual*, table 3.

Table A.IV.2. Correspondence between EBOPS and ICFA

EBOPS codes	EBOPS labels	ICFA codes	ISIC codes	ICFA/ISIC labels
260 *	Financial services	9.1.	65	FINANCIAL INTERMEDIATION, EXCEPT INSURANCE AND PENSION FUNDING
260 *	Financial services	9.3.1.	671	Activities auxiliary to financial intermediation, except insurance and pension funding
263	Computer services	12.	72	COMPUTER AND RELATED ACTIVITIES
264	Information services	19.2.	922	News agency activities
269 *	Merchanting and other trade-related services (only for sale and retail sale of ISIC 50) <u>Remarks:</u> <i>The EBOPS code excludes maintenance and repair (ISIC 502 and part of 504). For maintenance of ships, aircrafts and trains in ports, airports and stations:EBOPS code 217 other supporting and auxiliary transport services For repair: 160, repairs on goods</i>	6.1.	50	SALE, MAINTENANCE AND REPAIR OF MOTOR VEHICLES AND MOTORCYCLES; RETAIL SALE OF AUTOMOTIVE FUEL
269 *	Merchanting and other trade-related services	6.2.	51	WHOLESALE TRADE AND COMMISSION TRADE, EXCEPT OF MOTOR VEHICLES AND MOTORCYCLES
269 *	Merchanting and other trade-related services <u>Remarks:</u> <i>The EBOPS code excludes repair on goods, which is covered by EBOPS code 160, repairs on goods.</i>	6.3.	52	RETAIL TRADE, EXCEPT OF MOTOR VEHICLES AND MOTORCYCLES; REPAIR OF PERSONAL AND HOUSEHOLD GOODS
272	Operational leasing	11.	71	RENTING OF MACHINERY AND EQUIPMENT WITHOUT OPERATOR AND OF PERSONAL AND HOUSEHOLD GOODS
275	Legal services	14.1.1.	7411	Legal activities
276	Accounting, auditing, book-keeping and tax consulting services	14.1.2.	7412	Accounting, book-keeping and auditing activities; tax consultancy
277	Business and management consulting and public relations services	14.1.4.	7414	Business and management consultancy activities
278 *	Advertising, market research and public opinion polling	14.1.3.	7413	Market research and public opinion polling
278 *	Advertising, market research and public opinion polling	14.3.	743	Advertising
279	Research and development	13.	73	RESEARCH AND DEVELOPMENT
280	Architectural, engineering and other technical services	14.2.	742	Architectural and engineering activities and related technical consultancy
283 *	Agricultural, mining and other on-site processing services		014	Agricultural and animal husbandry service activities, except veterinary activities
283 *	Agricultural, mining and other on-site processing services		015	Hunting, trapping and game propagation including related service activities
283 *	Agricultural, mining and other on-site processing services (only for forestry, logging related service activities)	1.2.	02	FORESTRY, LOGGING AND RELATED SERVICE ACTIVITIES
283 *	Agricultural, mining and on-site processing services (only for service activities incidental to fishing)	1.3.	05	FISHING, OPERATION OF FISH HATCHERIES AND FISH FARMS; SERVICES ACTIVITIES INCIDENTAL TO FISHING

Table A.V.2. Correspondence between EBOPS and ICFA

EBOPS codes	EBOPS labels	ICFA codes	ISIC codes	ICFA/ISIC labels
283 *	Agricultural, mining and other on-site processing services		112	Service activities incidental to oil and gas extraction excluding surveying
284	Miscellaneous business, professional and technical services – other business services	10.	70	REAL ESTATE ACTIVITIES
284 *	Miscellaneous business, professional and technical services – other business services	14.4.	749	Business activities n.e.c.
284 *	Miscellaneous business, professional and technical services - other business services(<i>for sewage and refusal disposal</i>)	17.	90	SEWAGE AND REFUSE DISPOSAL, SANITATION AND SIMILAR ACTIVITIES
282	Waste treatment and depollution (<i>for sanitation and similar activities</i>)			
288 *	Audiovisual and related services	19.1.1.	9211 9212	Motion picture and video production and distribution Motion picture projection
288 *	Audiovisual and related services	19.1.2.	9213	Radio and television activities
289 *	Other personal, cultural and recreational services	15.	80	EDUCATION
		16.	85	HEALTH AND SOCIAL WORK
		18.	91	ACTIVITIES OF MEMBERSHIP ORGANIZATIONS N.E.C.
		19.1.3.	9214 9219	Dramatic arts, music and other arts activities Other entertainment activities n.e.c.
		19.3.	923	Library and archives, museums and other cultural activities
		19.4.	924	Sporting and other recreational activities
		20.	93	OTHER SERVICE ACTIVITIES

An asterisk (*) indicates that more than one economic activity corresponds to that EBOPS code.

Explanatory notes to correspondence tables A.IV.1 and A.IV.2

The following explanatory notes attempt to clarify borderline cases in the correspondences.

Division 01: Agriculture, hunting and related service activities

Only the service activities are concerned with the correspondence.

Inclusions: Sections 014 and part of 015 related to services activities.

Exclusions: Sections 011, 012, 013 and part of 015 not related to services but considered as production of goods.

Division 02: Forestry, logging and related service activities

Only the service activities part is concerned with the correspondence, the other part is considered as production of goods.

Remark: No distinction in ISIC, Rev.3 of the service activities.

Division 05: Fishing, operation of fish hatcheries and fish farms; services activities incidental to fishing

Only the service activities part is concerned with the correspondence, the other part is considered as production of goods.

Remark: No distinction in ISIC, Rev.3 of the service activities.

Divisions 10 + 11 + 12 + 13 + 14: Mining and Quarrying

Considered as production of goods except for section 112: Services.

- Inclusions: section 112: Services activities incidental to oil and gas extraction.
- Exclusions: divisions 10, 11 except 112, 12, 13, 14 not related to services but considered as production of goods.

Divisions 15 to 37: Manufacturing

Considered as production of goods.

Divisions 50: Sale, maintenance and repair of motor vehicles and motorcycles; retail sale of automotive fuel

Only the part of sale and retail sale is registered in EBOPS as “269: Merchanting and other trade-related services”.

For the other part “maintenance and repairs”:

- “Section 502: the maintenance of ships, aircrafts and trains in ports, airports and stations” is registered in EBOPS as “217: Other supporting and auxiliary transport services”.
- Part of “section 504: Repairs” are not considered as services and are registered in EBOPS as “160: repairs on goods”.

Division 52: Retail trade, except of motor vehicles and motorcycles; repair of personal and household goods

Section “526: the repair of personal and household goods” is registered in EBOPS as “160: repairs on goods”.

Divisions 60-63 (60: Land transport; transport via pipelines; 61: Water transport; 62: Air transport; 63: Supporting and auxiliary transport activities; activities of travel agencies)

These divisions correspond to the aggregate “205: Transportation”. The sections or sub-sections of these divisions have been detailed to cover the most disaggregated items of transport services.

Division 62: Air transport

Section 622: Non-scheduled air transport. There is no distinction in ISIC, Rev.3 between air transport (EBOPS: 210) and space transport (EBOPS: 218).

Division 63: Supporting and auxiliary transport activities; activities of travel agencies

These divisions correspond to the aggregate “205: Transportation”. The sections or subsections of these divisions have been detailed to cover the most disaggregated items of transport services.

Subsections 6301, 6302, 6303, 6309 correspond in EBOPS to “Supporting, auxiliary and other services” of all modes of transport (209 + 213 + 222 + 226+ 230 + 232).

“Subsection 6304: Activities of travel agencies and tour operators; tourist assistance activities n.e.c.” corresponds in EBOPS to “236: Travel”.

Division 75: Public administration and defence; compulsory social security

This division is not relevant for FATS.

Division 90: Sewage and refuse disposal, sanitation and similar activities

Remark: No distinction exists in ISIC, Rev.3 between “Sewage and refuse disposal” (EBOPS: “284: Miscellaneous business, professional and technical services – other”) and “Sanitation and similar activities” (EBOPS: “282: Other business services – waste treatment and depollution”).

Division 95: Private households with employed persons

This division is not relevant for FATS.

Division 99: Extra-territorial organizations and bodies

This division is not relevant for FATS.

Other divisions:

No major problems have been found in linking the nomenclatures.

Annex V. Extract from the General Agreement on Trade in Services

Reproduced below are the preamble and part I of the text of the General Agreement on Trade in Services,^a which defines the scope of the agreement as concerns trade in services.

General Agreement on Trade in Services

Members,

Recognizing the growing importance of trade in services for the growth and development of the world economy;

Wishing to establish a multilateral framework of principles and rules for trade in services with a view to the expansion of such trade under conditions of transparency and progressive liberalisation and as a means of promoting the economic growth of all trading partners and the development of developing countries;

Desiring the early achievement of progressively higher levels of liberalisation of trade in services through successive rounds of multilateral negotiations aimed at promoting the interests of all participants on a mutually advantageous basis and at securing an overall balance of rights and obligations, while giving due respect to national policy objectives;

Recognizing the right of Members to regulate, and to introduce new regulations, on the supply of services within their territories in order to meet national policy objectives and, given asymmetries existing with respect to the degree of development of services regulations in different countries, the particular need of developing countries to exercise this right;

Desiring to facilitate the increasing participation of developing countries in trade in services and the expansion of their service exports including, inter alia, through the strengthening of their domestic services capacity and its efficiency and competitiveness;

Taking particular account of the serious difficulty of the least-developed countries in view of their special economic situation and their development, trade and financial needs;

Hereby *agree* as follows:

Part I: Scope and Definition

Article I: Scope and Definition

1. This Agreement applies to measures by Members affecting trade in services
2. For the purposes of this Agreement, trade in services is defined as the supply of a service:
 - (a) from the territory of one Member into the territory of any other Member;
 - (b) in the territory of one Member to the service consumer of any other Member;
 - (c) by a service supplier of one Member, through commercial presence in the territory of any other Member;
 - (d) by a service supplier of one Member, through presence of natural persons of a Member in the territory of any other Member.
3. For the purposes of this Agreement:
 - (a) “measures by Members” means measures taken by:
 - (i) central, regional or local governments and authorities; and
 - (ii) non-governmental bodies in the exercise of powers delegated by central, regional or local governments or authorities;In fulfilling its obligations and commitments under the Agreement, each Member shall take such reasonable measures as may be available to it to ensure their observance by regional and local governments and authorities and non-governmental bodies within its territory;
 - (b) “services” includes any service in any sector except services supplied in the exercise of governmental authority;
 - (c) “a service supplied in the exercise of governmental authority” means any service which is supplied neither on a commercial basis, nor in competition with one or more service suppliers.

^a World Trade Organization, *Results of the Uruguay Round of Multilateral Trade Negotiations: The Legal Texts* (Geneva, 1995), annex 1B.

Annex VI. Services Sectoral Classification List - GNS/W/120

<i>Sectors and sub-sectors</i>	<i>Corresponding provisional CPC^a</i>
1. Business services	
A. Professional services	
a. Legal services	861
b. Accounting, auditing and book keeping services	862
c. Taxation services	863
d. Architectural services	8671
e. Engineering services	8672
f. Integrated engineering services	8673
g. Urban planning and landscape architectural services	8674
h. Medical and dental services	9312
i. Veterinary services	932
j. Services provided by midwives, nurses, physiotherapists and para-medical personnel	93191
k. Other	
B. Computer and related services	
a. Consultancy services related to the installation of computer hardware	841
b. Software implementation services	842
c. Data processing services	843
d. Data base services	844
e. Other	845+849
C. Research and development services	
a. R&D services on natural sciences	851
b. R&D services on social sciences and humanities	852
c. Interdisciplinary R&D services	853
D. Real estate services	
a. Involving own or leased property	821
b. On a fee or contract basis	822
E. Rental/leasing services without operators	
a. Relating to ships	83103
b. Relating to aircraft	83104
c. Relating to other transport equipment	83101+83102+83105
d. Relating to other machinery and equipment	83106-83109
e. Other	832

^a The United Nations Statistics Division maintains a draft correspondence table between GNS/W/120, the Provisional CPC, and CPC, Version 1.0, available at <http://unstats.un.org/unsd/class>. These correspondences may be useful for statistical monitoring of trade in services agreements.

F. Other business services

a. Advertising services	871
b. Market research and public opinion polling services	864
c. Management consulting services	865
d. Services related to man. consulting	866
e. Technical testing and analysis services	8676
f. Services incidental to agriculture, hunting and forestry	881
g. Services incidental to fishing	882
h. Services incidental to mining	883+5115
i. Services incidental to manufacturing	884+885 (except for 88442)
j. Services incidental to energy distribution	887
k. Placement and supply services of Personnel	872
l. Investigation and security	873
m. Related scientific and technical consulting services	8675
n. Maintenance and repair of equipment (not including maritime vessels, aircraft or other transport equipment)	633+8861-8866
o. Building-cleaning services	874
p. Photographic services	875
q. Packaging services	876
r. Printing, publishing	88442
s. Convention services	87909*
t. Other	8790

2. *Communication services*

A. Postal services 7511

B. Courier services 7512

C. Telecommunication services

a. Voice telephone services	7521
b. Packet-switched data transmission services	7523**
c. Circuit-switched data transmission services	7523**
d. Telex services	7523**
e. Telegraph services	7522
f. Facsimile services	7521**+7529**
g. Private leased circuit services	7522**+7523**
h. Electronic mail	7523**
i. Voice mail	7523**
j. On-line information and data base retrieval	7523**
k. Electronic data interchange (EDI)	7523**
l. Enhanced/value added facsimile services, incl. store and forward, store and retrieve	7523**
m. Code and protocol conversion	n.a.
n. On-line information and/or data processing (including transaction processing)	843**
o. Other	

D. Audiovisual services

a. Motion picture and video tape production and distribution services	9611
b. Motion picture projection services	9612
c. Radio and television services	9613
d. Radio and television transmission services	7524
e. Sound recording	n.a.

f. Other	
E. Other	
3. Construction and related engineering services	
A. General construction work for buildings	512
B. General construction work for civil engineering	513
C. Installation and assembly work	514+516
D. Building completion and finishing work	517
E. Other	511+515+518
4. Distribution services	
A. Commission agents' services	621
B. Wholesale trade services	622
C. Retailing services	631+632+6111+6113+6121
D. Franchising	8929
E. Other	
5. Educational services	
A. Primary education services	921
B. Secondary education services	922
C. Higher education services	923
D. Adult education	924
E. Other education services	929
6. Environmental services	
A. Sewage services	9401
B. Refuse disposal services	9402
C. Sanitation and similar services	9403
D. Other	
7. Financial services	
A. All insurance and insurance-related services	812**
a. Life, accident and health insurance services	8121
b. Non-life insurance services	8129

- c. Reinsurance and retrocession 81299*
- d. Services auxiliary to insurance (including broking and agency services) 8140

B. Banking and other financial services
(excluding insurance)

- a. Acceptance of deposits and other repayable funds from the public 81115-81119
- b. Lending of all types, incl., *inter alia*, consumer credit, mortgage credit, factoring and financing of commercial transaction 8113
- c. Financial leasing 8112
- d. All payment and money transmission services 81339**
- e. Guarantees and commitments 81199**
- f. Trading for own account or for account of customers, whether on an exchange, in an over-the-counter market or otherwise, the following:
 - money market instruments (cheques, bills, certificate of deposits, etc.) 81339**
 - foreign exchange 81333
 - derivative products incl., but not limited to, futures and options 81339**
 - exchange rate and interest rate instruments, including products such as swaps, forward rate agreements, etc. 81339**
 - transferable securities 81321*
 - other negotiable instruments and financial assets, incl. bullion 81339**
- g. Participation in issues of all kinds of securities, incl. under-writing and placement as agent (whether publicly or privately) and provision of service related to such issues 8132
- h. Money broking 81339**
- i. Asset management, such as cash or portfolio management, all forms of collective investment management, pension fund management, custodial depository and trust services 8119+**
81323*
- j. Settlement and clearing services for financial assets, incl. securities, derivative products, and other negotiable instruments 81339**
or 81319**
- k. Advisory and other auxiliary financial services on all the activities listed in Article 1B of MTN.TNC/W/50, incl. credit reference and analysis, investment and portfolio research and advice, advice on acquisitions and on corporate restructuring and strategy 8131
or 8133
- l. Provision and transfer of financial information, and financial data processing and related software by providers of other financial services 8131

C. Other

8. Health related and social services
(other than those listed under 1.A.h-j.)

- A. Hospital services 9311
- B. Other human health services 9319 (other than 93191)
- C. Social services 933
- D. Other

9. Tourism and travel related services

- A. Hotels and restaurants (incl. catering) 641-643
- B. Travel agencies and tour operators services 7471

	<i>C. Tourist guides services</i>	7472
	<i>D. Other</i>	
10.	<i>Recreational, cultural and sporting services</i> (other than audiovisual services)	
	<i>A. Entertainment services</i> (including theatre, live bands and circus services)	9619
	<i>B. News agency services</i>	962
	<i>C. Libraries, archives, museums and other cultural services</i>	963
	<i>D. Sporting and other recreational services</i>	964
	<i>E. Other</i>	
11.	<i>Transport services</i>	
	<i>A. Maritime transport services</i>	
	a. Passenger transportation	7211
	b. Freight transportation	7212
	c. Rental of vessels with crew	7213
	d. Maintenance and repair of vessels	8868**
	e. Pushing and towing services	7214
	f. Supporting services for maritime transport	745**
	<i>B. Internal waterways transport</i>	
	a. Passenger transportation	7221
	b. Freight transportation	7222
	c. Rental of vessels with crew	7223
	d. Maintenance and repair of vessels	8868**
	e. Pushing and towing services	7224
	f. Supporting services for internal waterway transport	745**
	<i>C. Air transport services</i>	
	a. Passenger transportation	731
	b. Freight transportation	732
	c. Rental of aircraft with crew	734
	d. Maintenance and repair of aircraft	8868**
	e. Supporting services for air transport	746
	<i>D. Space transport</i>	733
	<i>E. Rail transport services</i>	
	a. Passenger transportation	7111
	b. Freight transportation	7112
	c. Pushing and towing services	7113
	d. Maintenance and repair of rail transport equipment	8868**
	e. Supporting services for rail transport services	743
	<i>F. Road transport services</i>	

a. Passenger transportation	7121+7122
b. Freight transportation	7123
c. Rental of commercial vehicles with operator	7124
d. Maintenance and repair of road transport equipment	6112+8867
e. Supporting services for road transport services	744

G. Pipeline transport

a. Transportation of fuels	7131
b. Transportation of other goods	7139

H. Services auxiliary to all modes of transport

a. Cargo-handling services	741
b. Storage and warehouse services	742
c. Freight transport agency services	748
d. Other	749

I. Other transport services

12. Other services not included elsewhere	95+97+98+99
--	--------------------

Note: An asterisk (*) indicates that the service specified is a component of a more aggregated CPC item specified elsewhere in the present classification list; two asterisks (**) indicate that the service specified constitutes only a part of the total range of activities covered by the CPC concordance (e.g., voice mail is only a component of CPC item 7523).

Annex VII. The *Manual* and tourism satellite accounts

1. The present annex briefly outlines the nature and purpose of the tourism satellite account, as referred to in the publication *Tourism Satellite Account: Recommended Methodological Framework*^a (TSA), which has been jointly developed by Eurostat, OECD, the United Nations and the World Tourism Organization and describes the relationship between the travel component of EBOPS as defined in the present *Manual* and the concept of tourism as included in TSA. It also discusses breakdowns of tourism expenditure and their potential relevance to trade agreements. In the context of the present *Manual*, the tourism satellite account provides an alternative potential source of data that might be used to estimate a more detailed breakdown of travel services as defined in chapter III of the *Manual*.

The tourism satellite account: an overview

2. The present section, which draws from the introduction to TSA, provides a brief overview of the nature and purpose of a tourism satellite account, which is much broader than any measurement of international tourism that may be derived from the balance of payments or from the present *Manual*.

3. Tourism has grown substantially over the last quarter of a century as an economic and social phenomenon. However, statistical information on the nature, progress and consequences of tourism has often been based on arrivals and overnight stay statistics as well as other balance of payments data that do not fully capture the whole economic phenomenon of tourism. Consequently, Governments, businesses and citizens may not receive the most accurate information necessary for effective public policies and efficient business operations. TSA states that information on the role tourism plays in national economies throughout the world is deficient, and more credible data concerning the scale and significance of tourism are needed.

4. In the past, the description of tourism focused on the characteristics of visitors, the conditions in which they travelled and stayed, the purpose of visit etc. Now, there is an increasing awareness of the role that tourism is

playing and can play, directly, indirectly or through induced effects, in the economy in terms of generation of value added, employment, personal income and government income. That awareness has led to the development of techniques for measuring tourism's economic impact. Those developments have now been pulled together in the internationally comparable framework of TSA.

5. The 1993 SNA provides concepts, definitions, classifications, accounting rules, accounts and tables to present a comprehensive, integrated framework for the estimation of production, consumption, capital investment, income, stocks, flows of financial and non-financial capital, and other related economic variables. Within that framework, a detailed analysis of a specific type of demand such as that related to tourism can be presented in an interface with the supply of these goods and services within an economy.

6. TSA focuses on the concept of the *visitor* and on measuring his or her demand for goods and services. However, *visitor* consumption is not restricted to a set of predefined goods and services produced by a predefined set of industries. What makes tourism special is not so much what is acquired but the temporary situation in which the consumer finds him- or herself: the *visitor* is outside his or her usual environment, and this is the characteristic that identifies a visitor as different from any other consumer. This characteristic of the visitor cannot be found within the central framework of national accounts, where the transactors are classified according to (relatively) permanent characteristics, one of them being the country or place of residence.

7. To deal with such situations, the 1993 SNA^b suggests the use of a satellite account that is annexed to the core of the System of National Accounts and that to a greater or lesser extent shares with this core system its basic concepts, definitions, and classifications.

8. As a consequence, the fundamental structure of the tourism satellite account is based on the general balance existing within an economy between demand of goods and services generated by tourism and their supply. The

^a United Nations publication, Sales No. E.01.XVII.9.

^b See SNA 1993, chap. XXI.

demand generated by tourism encompasses a great variety of goods and services, where transportation, accommodation, and food and beverage services play a major role. The idea behind the construction of a tourism satellite account is to analyse in detail all the aspects of demand for goods and services that might be associated with tourism within the economy, to observe the operational interface with the supply of such goods and services within the same economy of reference, and to describe how this supply interacts with other economic activities.

9. A complete tourism satellite account for a country will provide:

(a) Macroeconomic aggregates to describe the size and the economic importance of tourism, such as tourism value added and tourism GDP, consistent with similar aggregates for the total economy and for other productive activities and functional areas of interest;

(b) Detailed data on visitor consumption and how this consumption is met by domestic supply and imports, integrated within tables derived from general supply and use tables of the national accounts, at both current and constant prices;

(c) Detailed production accounts of the tourism industries, including data on employment, linkages with other productive economic activities and capital formation;

(d) Basic information required for the development of models of the economic impact of tourism (at the national and supranational levels), for the preparation, for example, of tourism market-oriented analysis;

(e) A link between economic data and other non-monetary information on tourism, such as number of trips, duration of the stay, purpose of the trip or modes of transport.

10. TSA should be seen from two different perspectives:

(a) As a new statistical tool, including concepts, definitions, aggregates, classifications and tables compatible with international national accounting guidelines, which will allow for valid comparisons between regions, countries or groups of countries, and also make these estimates comparable with other internationally recognized macroeconomic aggregates and compilations;

(b) As a building process to guide countries in the development of their own system of tourism statistics, the main objective being the completion of a national

tourism satellite account, which could be viewed as a synthesis of such a system.

Relationship between travel in EBOPS and tourism in TSA

11. In the present *Manual* (and in BPM5), the *travel* component covers most transactions that take place between residents and non-residents of an economy in relation to travel. Other transactions related to travel activities are included in *transportation, passenger services*. A *traveller* is a person who stays for less than one year in an economy of which he or she is not a resident for any purpose other than (a) being stationed on a military base or being an employee (including diplomats and other embassy and consulate personnel) of an agency of his or her government; (b) being an accompanying dependent of an individual mentioned under (a); or (c) undertaking a productive activity directly for an entity that is a resident of that economy. This one-year guideline does not apply to students or to patients receiving health care abroad, who remain residents of their economies of origin even if the length of stay in another economy is greater than one year. *Travel* comprises the expenditures (with the exception of those transportation services described below) of travellers in economies of which they are not resident, as well as the expenditures of those (including border and seasonal workers) described in category (c) above, in the economies in which they undertake productive activity.

12. The EBOPS components of *transportation, passenger services* include international transportation services provided by resident transport operators to non-resident travellers and those provided by non-resident transport operators to resident travellers, as well as transportation services provided to travellers within the economies they are visiting, where such services are provided by carriers non-resident in those economies.

13. TSA identifies *tourism* as “the activities of persons travelling to and staying in places outside their usual environment for not more than one consecutive year for leisure, business, and other purposes not related to the exercise of an activity remunerated from within the place visited”, where *usual environment* generally “corresponds to the geographical boundaries within which an individual displaces himself/herself within his/her regular routine of life, except for leisure and recreation”. Similarly, a *visitor* is “any person travelling to a place other than of his/her usual environment for less than twelve months and whose main purpose of trip is other than the exercise of an activity remunerated

from within the place visited". Visitors are further classified in two ways:

(a) Either *tourists*, who stay for at least one night in the place visited, or *same-day visitors*, who visit a place for less than one day;

(b) Either international visitors, whose country of residence is different from the country visited, or domestic visitors, whose country of residence is the country visited.

14. For comparison with the concepts of *travel* and *traveller* as used in the present *Manual*, the focus is on international visitors. TSA definitions exclude military personnel on active duty and diplomats and their entourages in the same way as does the present *Manual*. The areas where the present *Manual* differs from TSA definitions are the following:

(a) TSA regards students and medical patients in the same way as other visitors. In contrast, BPM5 and the present *Manual* regard them as residents of their home economies, even when they are situated in another country for one year or more;

(b) TSA excludes from the definition of visitors all individuals who move to another economy primarily for the purpose of earning income and thus does not include their expenditure in tourism expenditure. On the other hand, the present *Manual* includes in *travel* the acquisition of goods and services for personal use by seasonal, border and other workers who are not resident in the economy in which they are employed and whose employer is resident in that economy. However, EBOPS component 238, *expenditure by seasonal and border workers*, separately identifies that expenditure.

15. The present *Manual* excludes migrants from its definition of travellers and TSA similarly excludes migrants from its definition of visitors. However, following the "one year guideline", refugees may be either travellers or migrants (discussed in further detail in chap. III of the *Manual*), whereas TSA excludes refugees from its coverage.

Tourism characteristic products and EBOPS components

16. An information need of trade negotiators and trade policy makers concerns the identification and quantification of product breakdowns of trade in services. TSA identifies a product breakdown of visitor consumption in terms of a list of seven groups of tourism characteristic products produced by a set of tourism industries, designed to ensure the international comparability of TSA data. For the most part, in the present *Manual* those products are included indistinguishably in EBOPS component 236 *travel*. However, two of the tourism characteristic products (those relating to the purchase by visitors of accommodation and the serving of prepared food and beverages), which together comprise a substantial proportion of visitor consumption, are jointly described by the EBOPS memorandum item *expenditure on accommodation and food and beverage serving services*. If compilers of statistics on international trade in services are able to identify expenditure on accommodation separately from expenditure on the products of food and beverage serving industries, that would be of assistance to compilers of tourism statistics; however, such a breakdown is not specifically recommended in the present *Manual*.

17. All of the tourism characteristic products that are identified in TSA are linked to CPC, Version 1.0 and may be identified in the present *Manual*, although in some cases the relationships are only partial.^c For example, the tourism characteristic product relating to passenger transport is partly described by EBOPS components 207, 211, and 215 relating to passenger transportation (see chap. III of the *Manual* for the definition of *transportation, passenger services*).

18. If statistics compiled on trade in services are to be used for compiling the tourism satellite account, or vice versa, adjustments will be needed for these differences in coverage. However, the data sources used for compiling balance of payments statistics are also likely to be relevant for compiling the tourism satellite account.

^c See annex III of the *Manual* and annex II of *Tourism Satellite Account: Recommended Methodological Framework*.

Glossary

Foreign affiliate	<i>A foreign affiliate</i> is synonymous with a foreign direct investment enterprise. The present <i>Manual</i> makes recommendations on the collection of statistics which focus on the activity of foreign affiliates that are <i>majority owned</i> by a direct investor.
Foreign direct investment	<i>Foreign direct investment</i> is the category of international investment that reflects the objective of a resident entity in one economy to obtain a lasting interest in an enterprise resident in another economy.
Foreign direct investment enterprise	A <i>foreign direct investment enterprise</i> is an incorporated or unincorporated enterprise in which a direct investor resident in another economy owns 10 per cent or more of the ordinary shares or voting power (for an incorporated enterprise) or the equivalent (for an unincorporated enterprise).
Globalization	The term <i>globalization</i> is generally used to describe an increasing internationalization of markets for goods and services, the means of production, financial systems, competition, corporations, technology and industries. Among other things, this gives rise to increased mobility of capital, faster propagation of technological innovations and an increasing interdependency and uniformity of national markets.
Goods	The 1993 SNA defines <i>goods</i> as physical objects for which a demand exists, over which ownership rights can be established and whose ownership can be transferred from one institutional unit to another by engaging in transactions on markets; they are in demand because they may be used to satisfy the needs or wants of households or the community or used to produce other goods or services.
Juridical person	A <i>juridical person</i> , in GATS, means any legal entity duly constituted or otherwise organized under applicable law, whether for profit or otherwise, and whether privately owned or governmentally owned, including any corporation, trust, partnership, joint venture, sole proprietorship or association.
Natural person	A <i>natural person</i> , in GATS, is an individual. A foreign natural person in a country means an individual who does not reside in the country and who is a national of or has the right of permanent residence in a foreign country.
Output	<i>Output</i> consists of those goods or services that are produced within an establishment that become available for use outside that establishment, plus any goods and services produced for own final use.
Related enterprises	<i>Related enterprises</i> are those where there exists a direct investment relationship. BPM5 defines the direct investment relationship as ownership, by a direct investor resident in one economy, of 10 per cent or more of the ordinary shares or voting power (for an incorporated enterprise) or the equivalent (for an unincorporated enterprise) of an enterprise resident of another economy. Further, direct investment enterprises comprise those entities that are either directly or indirectly owned by the direct investor.

Resident	Institutional units or individuals are <i>resident</i> in a country when they have a centre of economic interest in the economic territory of that country. Individuals and institutional units changing countries are normally only considered resident in the new country after one year, although the one year guideline may be interpreted flexibly.
Sales	<i>Sales</i> measures gross operating revenues less rebates, discounts and returns. <i>Sales</i> should be measured exclusive of consumption and sales taxes on consumers, as well as value added taxes.
Services	<p>In the 1993 SNA, <i>Services</i> are defined as outputs produced to order and which cannot be traded separately from their production; ownership rights cannot be established over services and by the time their production is completed they must have been provided to the consumers; however, as an exception to this rule there is a group of industries, generally classified as service industries, some of whose outputs have characteristics of goods, i.e., those concerned with the provision, storage, communication and dissemination of information, advice and entertainment in the broadest sense of those terms; the products of these industries, where ownership rights can be established, may be classified either as goods or services, depending on the medium by which these outputs are supplied.</p> <p>In practice, service industries (or activities) are taken to be those in sections G to Q, inclusive, of ISIC, Rev 3.</p> <p>In BPM5, the concept of services is, in principle, essentially that of the 1993 SNA but for practical measurement reasons international trade in services includes some trade in goods between residents and non-residents, such as those bought by travellers and similarly goods purchased by embassies. On the other hand, payments for international trade in goods may under certain circumstances indistinguishably include service charges, such as insurance, maintenance contracts, transport charges, royalty payments, packaging and software.</p>
Value added (gross)	<i>Gross value added</i> is the value of output less the value of intermediate consumption; it is a measure of the contribution to GDP made by an individual producer, industry or sector. The 1993 SNA recommends that value added be valued at basic prices and offers a more detailed discussion of the concept.

Bibliography

- Bilsborrow, R.E., G. Hugo, A.S. Oberai and H. Zlotnik. *International Migration Statistics: Guidelines for Improving Data Collection Systems*. Geneva, International Labour Organization, 1997.
- Commission of the European Communities, International Monetary Fund, Organisation for Economic Co-operation and Development, United Nations and World Bank. *System of National Accounts, 1993*. United Nations publication, Sales No. E.94.XVII.4. Brussels/Luxembourg, New York, Paris, Washington, D.C., 1993.
- Customs Cooperation Council. *Harmonized Commodity Description and Coding System*. Brussels, 1984.
- Garnier, P. International trade in services: a growing trend among highly skilled migrants, with special reference to Asia. *Asia and Pacific Migration Journal*, vol. 5, No. 4 (1996)
- Hoffmann, E., and S. Lawrence. *Statistics on International Labour migration: A Review of Sources and Methodological Issues*. International Labour Organization Working Paper. Geneva, 1996.
- International Labour Organization. *International Standard Classification of Occupations (ISCO-88)*. Geneva, 1990.
- International Monetary Fund. *Balance of Payments Manual*. Fifth edition. Washington, D.C., 1993.
- _____. *Balance of Payments Compilation Guide*. Washington, D.C., 1995.
- _____. *Balance of Payments Textbook*. Washington, D.C. 1996.
- _____. *Financial Derivatives: A Supplement to the Fifth Edition (1993) of the Balance of Payments Manual*. Washington, D.C., 2000.
- Organisation for Economic Co-operation and Development. *OECD Benchmark Definition of Foreign Direct Investment*. Third edition. Paris, 1996.
- Statistical Office of the European Communities and Organisation for Economic Co-operation and Development. OECD-Eurostat Trade in Services Classification, Revision 2 (21 October 1996). *OECD statistics in International Trade in Services Classification*, appendix 1. Brussels/Luxembourg and Paris, 2001.
- Statistical Office of the European Communities, Organisation for Economic Co-operation and Development, World Tourism Organization and United Nations. *Tourism Satellite Account: Recommended Methodological Framework*. United Nations publications, Sales No. E.01.XVII.9. Luxembourg, Madrid, New York, Paris, 2001.
- United Nations. *Central Product Classification, Version 1.0*. Sales No. E.98.XVII.5.
- _____. *International Merchandise Trade Statistics; Concepts and Definitions, Revision 2*. Sales No. E.98.XVII.16.
- _____. *International Standard Industrial classification of All Economic Activities, Revision 3*. Sales No. E.90.XVII.11.
- _____. *Recommendations on Statistics of International Migration, Revision 1*. Sales No. E.98.XVII.14.

_____. *Standard Country or Area Codes for Statistical Use, Revision 4*. Sales No. M.98.XVII.9.

World Trade Organization. General Agreement on Trade in Services. *The Results of the Uruguay Round of Multilateral Trade Negotiations: The Legal Texts*, appendix IB. Geneva, 1995.

Index

- Accommodation, expenditure on by travellers, 3.85
Accounting services, 3.127
Accrual 3.19, 4.26
Advertising services, 3.129
Agents 3.11
Agricultural services, 3.133
Air transport, 3.56
Alternative aggregations, 3.144
Architectural services, 3.131
Assets, 4.68
Associates, 2.70-2.71
Audiovisual and related services, 3.121, 3.137
Audiovisual transactions, 3.145-3.150
Auditing services, 3.127
Auxiliary insurance services, 3.107
Auxiliary services to transport, 3.63
- Balance of Payments Compilation Guide*, 3.2
Balance of Payments Manual, fifth edition (BPM5),
2.31-2.34
Balance of Payments Textbook, 3.2
Bookkeeping services, 3.127
Border workers, 3.83, annex I, para. 27
BPM5, see *Balance of Payments Manual*, fifth edition
Branches, 1.7, 2.70
Business consulting services, 3.128
Business travel, 3.81-3.83
- Central product classification* (CPC), 2.35, table A.III.1,
table A.III.2, annex VI
Coding system, 3.26
Commercial presence, see Modes of supply
Communications services, 3.87-3.91
and modes of supply, 3.42
Compensation of employees, 2.55-2.56, 3.47, 4.68
Compilation issues, 4.69-4.75
Computer and information services, 3.116-3.120
and modes of supply, 3.45
Computer services, 3.117-3.118
Construction services, 3.7, 3.92-3.98, box 3
and modes of supply, 3.44
Consumption abroad, see Modes of supply
Conversion of currencies, 3.21
Core elements (recommended), 1.16, 1.18-1.22
Courier services, 3.90
CPC, see *Central Product Classification*
Cross border, see Modes of supply
Cultural services, 3.136-3.138
and modes of supply, 3.45
- Currency of transactions, 3.21
- Data sources (also data collection), 3.2, 3.151-3.159, 4.3
Diplomatic enclaves, 3.4, 3.48
Direct insurance, other, 3.105
Distribution services, 3.29
- Education services, 3.84, 3.138
Education-related expenditure, 3.84
Electricity transmission, 3.62, 3.134
Electronic commerce, 2.3
Embassies and consulates, 3.13, 3.140-3.142
Employment, 4.55-4.56
Engineering services, 3.131
Equal ownership of shares, 4.37-4.38
Exchange rate, 3.22
Expenditure on accommodation and food and beverage
serving services by travellers, 3.85
Expenditure on goods by travellers, 3.85
Extended Balance of Payments Services (EBOPS)
classification, 3.24 –3.35, table 2, annex II
correspondence with CPC, Ver.1.0, 3.1, annex III
allocation to modes of supply, 3.41-3.48, 3.49
memorandum items, 3.24, table 2, annex II
- FATS, see Foreign affiliates trade in services
FDI, see Foreign direct investment
Financial leases, 3.66
Financial services, 3.108-3.115
and modes of supply, 3.42
Financial intermediation services indirectly measured
(FISIM), 3.24, 3.108, 3.110, box 5
FISIM, see financial intermediation services indirectly
measured
Food and beverage serving services, expenditure on by
travellers, 3.85
Foreign affiliates trade in services (FATS) para. 1.3,
1.21, 1.24-1.25, 2.28-2.29, chap. IV
Foreign controlled corporations, 2.28-2.29
Foreign direct investment (FDI), 1.20, box 7
Franchise fees, 2.53, 3.121
Freight services, 3.67-3.70
Freight insurance, 3.103
Freight transport, 3.67-3.70
Freight transportation on merchandise, valued on a
transaction basis, 3.72
- GATS, see General Agreement on Trade in Services

- General Agreement on Trade in Services (GATS), 2.8-2.21, annex V
 GATS commitments, annex I, para 3,5 and 11 and box A.1
- Geographical allocation, 3.38
- Globalization, 1.2, 2.3
- GNS/W/120, see *Services Sectoral Classification* list
- Goods, expenditure on by travellers, 3.85
- Goods procured in ports, 3.53
- Government services, n.i.e., 3.48, 3.139-3.143
 and modes of supply, 3.48
- Gross fixed capital formation, 4.68
- Health services, 3.84, 3.138
- Health-related expenditure, 3.84
- Immediate investor, box 8
- Industry, 4.15, 4.45
- Industrial classification, 2.36
- Inland waterway transport, 3.61
- Insurance claims, 3.100
- Insurance premiums, 3.100
- Insurance services, 3.99-3.107, box 4
 and modes of supply, 3.42
- International organizations
 transactions with, 3.20
- International Standard Industrial Classification of All Economic Activities (ISIC)*, 2.36, table 3, annex IV, tables A.IV.1 and A.IV.2
- International trade in services, box 2
- Internet, 1.10, 2.3, 2.16, 3.117, 3.120, 3.138
- Inward FATS, see Foreign affiliates trade in services
- ISIC, see *International Standard Industrial Classification of All Economic Activities*
- Joint Classification (of OECD and Eurostat), 2.40, 3.24
- Legal services, 3.126
- License fees, 3.121
- Life insurance, 3.101
- Maintenance services, 3.51
- Management consulting services, 3.128
- Market price, 3.16, 3.31
- Market research, 3.129
- Medical patients
 residence, 3.13
 excluded from tourism satellite account, annex vii, para. 14
- Memorandum items, 3.24
- Merchandise trade, 2.37
- Merchanting, 3.29, 3.123, box 6
- Migrants, 2.57, 3.13, annex I, paras. 22 and 30-32, annex VII, para. 15
- Migration, 2.38
- Military units and agencies, 3.13, 3.140- 3.142
- Mining services, 3.133
- Mobile equipment, 3.9
- Modalities, see Modes of supply
- Modes of supply, 1.6, 2.14-2.20
 statistical treatment of, 2.72-2.97
 and EBOPS, 3.41-3.48, 3.49
- Most-favoured-nation (MFN) treatment, 2.10
- Natural person, see Modes of supply
- Net operating surplus, 4.68
- Net worth, 4.68
- News agency services, 3.119
- Non-permanent employment, 2.20
- On-site processing, 3.133
- Operational leasing services, 3.125
- Other business services, 3.122-3.135, 3.134
 and modes of supply, 3.45
- Other information provision services, 3.120
- Other personal, cultural, and recreational services, 3.138
- Outward FATS, see Foreign affiliates trade in services
- Partner country, 1.22, 3.38-3.40
 see also Trading partner
- Passenger transport, 3.65-3.66, 3.86
 related to tourism, annex VII, para. 12
- Pension funds, 3.102
- Personal, cultural, and recreational services, 3.136-3.138
 and modes of supply, 3.45
- Personal services, 3.136-3.138
 and modes of supply, 3.45
- Personal travel, 3.84-3.86
- Pipeline transport, 3.62, 3.134, table 3
- Postal services, 3.89
- Presence of natural persons, see Modes of supply
- Principles of recording, 3.2-3.23
- Processing services, on-site, 3.133
- Product basis, 2.67, 2.100, 4.44-4.45
- Product classification, 2.35
- Public opinion polling, 3.129
- Public relations services, 3.128
- Purchaser's price, 3.30
- Rail transport, 3.59
- Recreational services, 3.136-3.138
 and modes of supply, 3.45
- Refugees
 defined, 3.14
 residence, 3.14

- in tourism satellite account, annex VII, para. 15
- Reinsurance, 3.106
- Related enterprises
 - defined, 3.17
 - transactions between, 1.27, 3.17, 3.36, 3.135, 4.63, box 7 (FDI)
- Repairs on goods, 3.50
- Research and development, 3.130, 4.68
- Residence
 - defined, 3.3–3.15
 - center of economic interest, 3.3
 - economic territory, 3.3, 3.4
 - enterprises, 3.5
 - households and individuals, 3.12
 - students, 3.13
 - patients, 3.13
 - embassies and consulates, 3.13
 - refugees, 3.14
- Retailing, 3.29
- Road transport, 3.60
- Royalties and license fees, 3.121
 - and modes of supply, 3.42
- Sales, 1.8, 1.21
 - definition, 4.48-4.54
 - domestic, sales 2.64, 2.91
- Sea transport, 3.55
- Seasonal workers, 3.83
- Services, box 1
- Services between related enterprises, n.i.e., 3.135
- Services Sectoral Classification* list (GNS/W/120), 2.22-2.24
- Ships flying flags of convenience, 3.10
- Short-term employment, 2.21
- SNA, see *System of National Accounts*
- Software, 3.117-3.118
- Space transport, 3.58
- Special purpose entities, 4.23
- Students
 - residence, 3.13
 - excluded from tourism satellite account, annex VII, para. 14
- Supporting services to transport, 3.63
- System of National Accounts*, 2.27-2.30
- Tax consulting services, 3.127
- Taxes on income, 4.68
- Technical services, other, 3.131
- Telecommunications services, 3.91
- Time of recording, 3.19
- Tourism, annex VII,
 - compared to coverage of the present manual, annex VII, para. 14
 - defined, annex VII, para. 13
 - related to *travel services*, annex VII, para. 11
 - related to *transportation services*, annex VII, para. 12
- Tourism characteristic products, annex VII, paras. 16-18
- Tourism expenditure, annex VII, para. 14
- Tourism satellite account, 2.39, 3.77, annex VII
- Tourist, annex VII, para. 13
- Trade in goods, 1.13, box 2, 2.3
 - see also merchandise trade
- Trade-related services, other, 3.124
- Trading partner, statistics by, 3.38-3.40
- Transfer prices 3.17
- Transaction, 2.31
- Transactions between related enterprises, 3.17, 3.36-3.37
- Transparency, 2.10
- Transportation services, 3.53-3.76
 - air transport, 3.56
 - and modes of supply, 3.42, 3.43
 - auxiliary services to transport, 3.43, 3.71
 - electricity transmission, 3.62
 - freight transport, 3.67-3.70
 - freight transportation on merchandise, valued on a transaction basis, 3.72
 - inland waterway transport, 3.61
 - passenger transport, 3.65-3.66, 3.86
 - pipeline transport, 3.62
 - rail transport, 3.59
 - relationship to tourism, annex VII, para. 12
 - road transport, 3.60
 - sea transport, 3.55
 - space transport, 3.58
 - supporting services to transport, 3.43, 3.62, 3.71
- Traveller, 3.77, 3.79
- Travel services, 3.43, 3.77-3.86,
 - business travel, 3.81-3.83
 - personal travel, 3.84-3.86
 - related to tourism, annex VII, paras. 1 and 11
- Turnover, 4.48-4.54
- Ultimate beneficial owner (UBO), see Ultimate investor
- Ultimate investor, 4.32-4.35, box 8
- Unit of account, 3.21
- Unrelated enterprises (unrelated parties), see Related enterprises
- Valuation of transactions 3.16 – 3.18
- Value added, 4.58-4.60
- Visitor, 2.39, 3.77, annex VII, paras. 6 and 13
- Waste treatment and depollution, 3.132
- Wholesale trade, 3.29
- Workers remittances, 2.57-2.58

كيفية الحصول على منشورات الأمم المتحدة

يمكن الحصول على منشورات الأمم المتحدة من المكتبات ودور التوزيع في جميع أنحاء العالم. استعلم عنها من المكتبة التي تتعامل معها أو اكتب إلى : الأمم المتحدة ، قسم البيع في نيويورك أو في جنيف .

如何购取联合国出版物

联合国出版物在全世界各地的书店和经售处均有发售。请向书店询问或写信到纽约或日内瓦的联合国销售组。

HOW TO OBTAIN UNITED NATIONS PUBLICATIONS

United Nations publications may be obtained from bookstores and distributors throughout the world. Consult your bookstore or write to: United Nations, Sales Section, New York or Geneva.

COMMENT SE PROCURER LES PUBLICATIONS DES NATIONS UNIES

Les publications des Nations Unies sont en vente dans les librairies et les agences dépositaires du monde entier. Informez-vous auprès de votre libraire ou adressez-vous à : Nations Unies, Section des ventes, New York ou Genève.

КАК ПОЛУЧИТЬ ИЗДАНИЯ ОРГАНИЗАЦИИ ОБЪЕДИНЕННЫХ НАЦИЙ

Издания Организации Объединенных Наций можно купить в книжных магазинах и агентствах во всех районах мира. Наводите справки об изданиях в вашем книжном магазине или пишите по адресу: Организация Объединенных Наций, Секция по продаже изданий, Нью-Йорк или Женева.

COMO CONSEGUIR PUBLICACIONES DE LAS NACIONES UNIDAS

Las publicaciones de las Naciones Unidas están en venta en librerías y casas distribuidoras en todas partes del mundo. Consulte a su librero o diríjase a: Naciones Unidas, Sección de Ventas, Nueva York o Ginebra.
