

Balance of Payments Revised Draft Classification of Services

Note by OECD Statistics Directorate

The following table represents the current state of progress, at least from the perception of OECD, regarding the proposed Balance of Payments Classification of Services following the BOPCOM October 2004, and the AEG and BOPTEG December 2004. There appear to be a number of outstanding issues:

- i) Is “goods for processing” to be categorised as trade in goods or a trade in services?
- ii) Should “post and courier” be re-classified as the last category of Transport. Should this main category “transport” be renamed?
- iii) Information Technology Services (Is this an appropriate name for this grouping including telecommunications, computer and information services?)
- iv) Should “Insurance” be split in BOPS into “direct insurance” and “reinsurance”?
- v) Franchise fees and payments for the use of similar rights? (There is a question of name and coverage? Will software license fees for reproduction be included and if not where will they go?)
- vi) There is a general question of the classification of trade in digital products, and originals?
- vii) Will merchandising go to trade in goods? If so what will 10.1 become?

These issues are indicated by a question mark in the table, which is developed from that shown in BOPTEG Issue Paper 17. Are there any other issues that should be discussed regarding the BOPS?

| Proposed Revised BPM5 Services Classification | BPM5 Services Classification |
|---|------------------------------|
| 1. Goods for processing? | (included in goods) |
| 2. Repairs on goods | (included in goods) |
| 3. Transport, Post and Courier? | 1. Transportation |
| <i>Transport of which: Passenger+ Freight+ Other+</i> | |
| 3.1 Sea transport | 1.1 Sea transport |
| 3.1.1 Passenger | 1.1.1 Passenger |
| 3.1.2 Freight | 1.1.2 Freight |
| 3.1.3 Other | 1.1.3 Other |
| 3.2 Air transport | 1.2 Air transport |
| 3.2.1 Passenger | 1.2.1 Passenger |
| 3.2.2 Freight | 1.2.2 Freight |
| 3.2.3 Other | 1.2.3 Other |
| 3.3 Other transport | 1.3 Other transport |
| 3.3.1 Passenger | 1.3.1 Passenger |
| 3.3.2 Freight | 1.3.2 Freight |
| 3.3.3 Other | 1.3.3 Other |
| 3.4 Post and Courier Services ? | |
| 4. Travel | 2. Travel |
| 4.1 Business | 2.1 Business |

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|---|--|
| 4.1.1 Expenditure by seasonal and border workers+ | |
| 4.1.2 Other+ | |
| 4.2 Personal | 2.2 Personal |
| 4.2.1 Health-related+ | 2.2.1 Health-related* |
| 4.2.2 Education-related+ | 2.2.2 Education-related* |
| 4.2.3 Other+ | 2.2.3 Other* |
| 5. Information Technology Services (Is this the right name ?) | 3. Communications services |
| 5.1 Telecommunications services | 7. Computer and Information Services |
| 5.2 Computer services | |
| 5.3 Other information provision services | |
| 6. Construction services | 4. Construction services |
| | |
| 6.1 Construction abroad | |
| 6.2 Construction in the compiling economy | |
| 7. Insurance services (new definition) | 5. Insurance services |
| 7.1 Direct Insurance? | Gross premiums ** |
| 7.2 Reinsurance? | Gross claims ** |
| 8. Financial services (to include FISIM) | 6. Financial services |
| 9. Franchise fees and payments for the use of similar rights? (Question of name and coverage ?) | 8. Royalties and license fees |
| 10. Other business services | 9. Other business services |
| | |
| 10.1 Merchanting? and other trade-related services? | 9.1 Merchanting and other trade-related services |
| 10.2 Operational leasing services | 9.2 Operational leasing services |
| 10.3 Miscellaneous business, professional, and technical services | 9.3 Miscellaneous business, professional, and technical services |
| 10.3.1 Legal, accounting, management consulting, and public relations+ | Legal, accounting, management consulting, and public relations* |
| 10.3.2 Advertising, market research, and public opinion polling+ | Advertising, market research, and public opinion polling* |
| 10.3.3 Research and development+ | Research and development* |
| 10.3.4 Architectural, engineering and other technical services+ | Architectural, engineering and other technical services* |
| 10.3.5 Agricultural, mining and on-site processing services+ | Agricultural, mining and on-site processing services* |
| 10.3.6 Other business services+ | Other* |
| 11. Personal, cultural, and recreational services | 10. Personal, cultural, and recreational services |
| | |
| 11.1 Audiovisual and related services | 10.1 Audiovisual and related services |
| 11.2 Other personal, cultural and recreational services | 10.2 Other personal, cultural and recreational services |
| | |
| 11.2.1 Health services+ | |
| 11.2.2 Education services+ | |
| 11.2.3 Other+ | |
| 12. Government services, n.i.e. | 11. Government services, n.i.e. |
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| <i>Alternative breakdown for travel</i> | |
| Expenditure on goods+ | |
| Expenditure on transport services+ | |
| Expenditure on accommodation services+ | |
| Expenditure on food and beverage serving services + | |
| Other services + | |

Note: + indicates supplementary information

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 ** indicates memorandum items