

Case study 4:

Communications services, Computer and Information Services Royalties and license fees

1. Results of the questionnaire (a first analysis)

- ❖ out of 20 countries 16 sent questionnaires
- ❖ a total of 18 questionnaires were received

2. Coverage according to EBOPS

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By Matthias Reister (UNSD)

Replies to question 33: Major service transactions included in Communications services

- ❖ In general, payments for all telecommunication services
 - consisting of the transmission of sound, images or other information
 - by telephone, radio, television cable, broadcasting, electronic mail etc.
- ❖ For example payments between telephone companies

- ❖ Postal and courier services

Replies to question 34: Main data sources for Communications services

- ❖ Business surveys, mainly of specialized telecommunication, postal and courier enterprises
- ❖ Foreign exchange records

Replies to question 46: Major transactions included in Computer and information services

- ❖ Computer services such as *data processing services, * design and programming of systems ready to use, * hardware and software consultancy and implementation services, * maintenance and repair of hardware, * computer facilities management, etc.
- ❖ Press/ news services, direct newspaper and magazine subscriptions, database services

Replies to question 47: Main data sources for Computer and information services

- ❖ Surveys of enterprises which produce or use such services
- ❖ Foreign exchange records and taxation records
- ❖ Estimates based on indicators and specialized publications

Replies to question 48: Major transactions included in Royalties and license fees

- ❖ Payments for authorized use of assets and proprietary rights such as patents, copyrights, industrial processes and designs
- ❖ Payments for authorized use of produced originals such as manuscripts, sound recordings, films etc.
- ❖ Franchising fees e.g. in the case of fast-food chains, fees for use of registered trademarks

Replies to question 49: Main data sources for Royalties and license fees

- ❖ Surveys of enterprises which produce or use such services, such as companies for movie and video production
- ❖ Foreign exchange records and taxation records
- ❖ Estimates based on indicators and specialized publications
- ❖ Professional associations of writers and composers
- ❖ Business associations

Replies to question 50:

Do you exclude distributive rights for audiovisual products for a limited period or limited area? (Included in “Personal, cultural and recreational services”?)

- ❖ 4 countries replied with YES and 6 countries replied with NO

Communication services: Coverage

- 1. Postal and courier services** = pickup transportation and delivery of letters, newspapers, parcels and packages
- 2. Telecommunication services** = transmission of sound, images or other information by telephone, radio, television cable, broadcasting, electronic mail etc.

Communication services: includes/ excludes

Postal and courier services include/ exclude		
	Post office counter and mailbox rental services	
	Telegram services, money orders	
	Financial services such as postal giro, banking and savings account services	Financial service
	Mail preparation services	Other business services, other
	Mail carried by air transportation enterprises	Transportation
	Storage of goods	Transportation, other

Communication services: includes/ excludes

Telecommunication services include/ exclude		
	- Business network services, teleconferencing and support services	
	- Cellular telephone services, Internet backbone services and on-line access services	
	- Installation services for telephone networks equipment	Construction services
	- Database services and related computer services to access and manipulate data provided by database servers	Computer services

Computer and information services

- ❖ The present *Manual* recommends that more disaggregated information be produced than is recommended in BPM5. Thus, three sub-components are recommended
 1. **Computer services,**
 2. **Information services:**
 - 2.1 **News agency services,**
 - 2.2 **Other information provision services.**

Computer and information services

- ❖ **Computer services** consists of hardware and software-related services and data-processing services includes/ excludes:
 - ❖ hardware and software consultancy and implementation services;
 - ❖ maintenance and repair of computers and peripheral equipment;
 - ❖ provision of advice and assistance on the management of computer resources
 - ❖ analysis, design and programming of systems ready to use
 - ❖ systems maintenance and other support services
 - ❖ computer facilities management
 - ❖ data-processing services, such as data entry, tabulation and processing on a time-sharing basis
 - ❖ web page hosting services
 - provision of packaged (non-customised) software (classified as goods)
 - non-specific computer training courses (included in *other personal, cultural, and recreational services*)

Computer and information services

- ❖ **News agency services** includes
 - the provision of news, photographs, and feature articles to the media.
 - in the GNS/W/120 list of services these services are a part of “recreational, cultural and sporting services”
- ❖ **Other information provision services** includes
 - database services (database conception, data storage and the dissemination of data and databases)
 - web search portals (search engine service)
 - direct, non-bulk subscriptions to newspapers and periodicals, whether by mail, electronic transmission or other means.

Royalties and license fees

- ❖ The *Manual* recommends a disaggregation into
 1. **Franchises and similar rights**
 2. **Other royalties and license fees**

- ❖ Franchises and similar rights = international payments and receipts of franchising fees and the royalties paid for the use of registered trademarks.
- ❖ Other royalties and license fees includes/ excludes international payments and receipts for the authorised use of
 - ❖ assets and proprietary rights such as patents, copyrights and industrial processes and designs and
 - ❖ produced originals or prototypes such as manuscripts, computer programs, and cinematographic works and sound recordings through licensing agreements.
 - outright purchase or sale of these assets and rights (capital account)
 - distributive rights for audiovisual products for a limited period or a limited area (audiovisual and related services).

Personal, cultural and recreational services

- ❖ Two subcomponents:
 1. **Audiovisual and related services**
 2. **Other personal, cultural and recreational services.**

Personal, cultural and recreational services

- ❖ **Audiovisual and related services** comprises services and associated fees related to the production of motion pictures, radio and television programmes and musical recordings.

→ Includes / excludes

- ❖ Receipts or payments for rentals
- ❖ Fees received by resident actors, producers etc. for productions abroad (or vice versa)
- ❖ Fees for distribution rights sold to the media for a limited number of showings in specified areas;
- ❖ Access to encrypted television channels (such as cable services).
- Purchases and sales of films, television and radio programmes, recorded music, musical compositions and manuscripts, and the rights to these (purchases and sales of merchandise and assets)
- sale of rights for video editions of films and television programmes.
→ Purchases and sales of rights should be included in the memorandum item *audiovisual transactions*.

Personal, cultural and recreational services

- ❖ **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 subcomponents, beyond the detail recommended in BPM5, should be identified here for GATS purposes:
 1. **Education services** = 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.
 2. **Health services** = 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).

Thank you