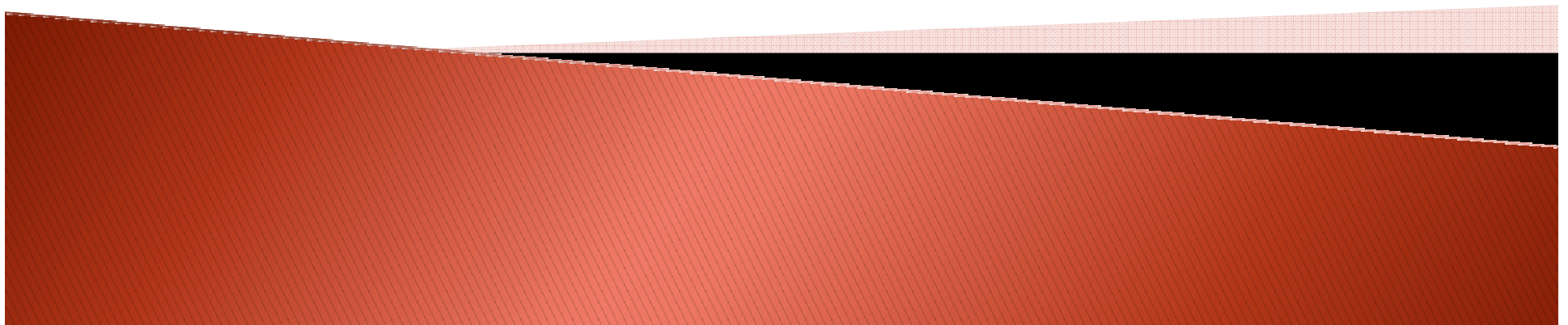


Estimating Resident/Non-Resident Flows in Trade in Services

Central Statistical Office
Trinidad & Tobago

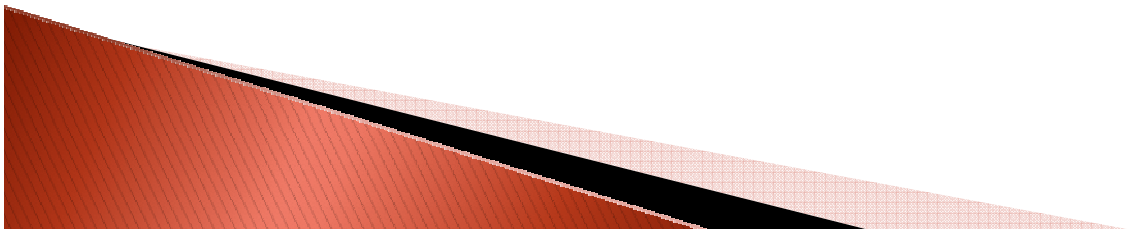


Service Industries

- ▶ Relevance of the service sector to National Accounting

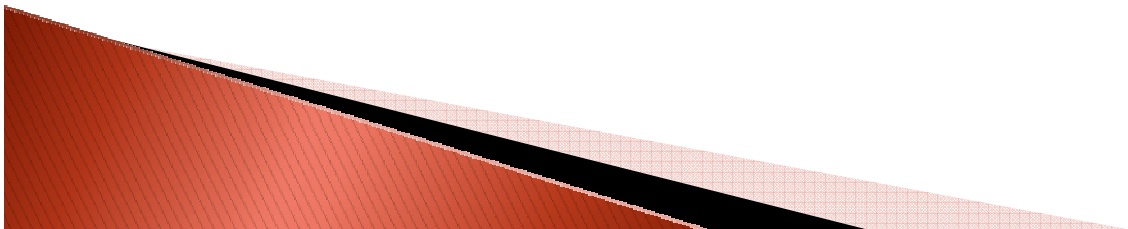
Contribution to G.D.P. @ Constant prices

- 2012 50.2%
- 2011 49.7%
- 2010 48.6%
- 2009 50.6%
- 2008 51.3%



Service Industries

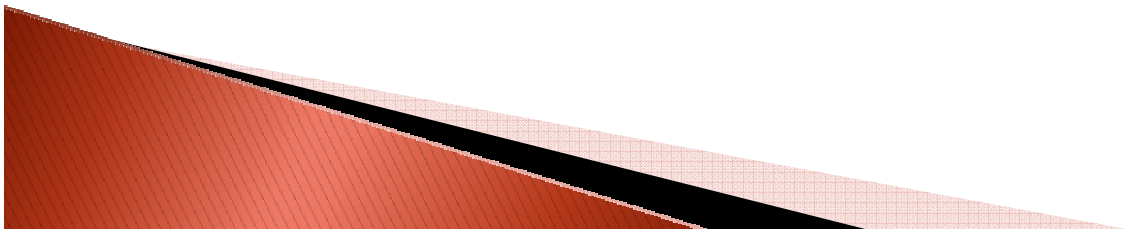
- ▶ Electricity and Water
- ▶ Construction and Quarrying
- ▶ Distribution and restaurants
- ▶ Hotels and Guest houses
- ▶ Transport Storage and Communication
- ▶ Finance, Insurance, Real Estate, etc
- ▶ Government
- ▶ Education and Cultural services
- ▶ Personal services



Services

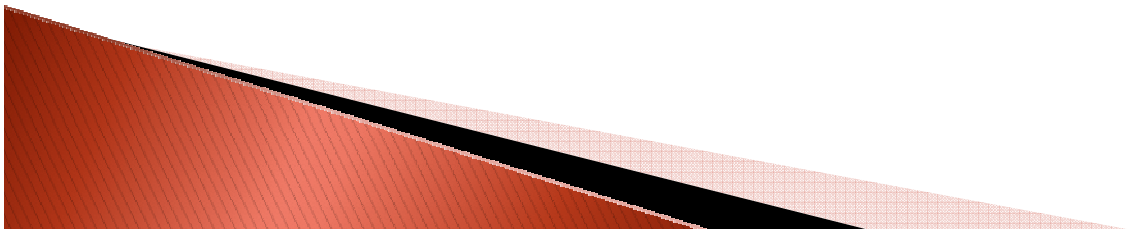
- ▶ The Manual generally respects the 2008 SNA use of the term *services*, which is defined as follows: “Services are the result of a production activity that changes the conditions of the consuming units, or facilitate the exchange of products or financial assets.”

- ▶ Scope of resident/non-resident trade in services (BPM6):
 - *Manufacturing services on physical inputs owned by others*
 - *Maintenance and repair services n.i.e.*
 - *Transport*
 - *Travel*
 - *Construction*
 - *Insurance and pension services*
 - *Financial services*
 - *Charges for the use of intellectual property n.i.e.*
 - *Telecommunications, computer and information services*
 - *Other business services*
 - *Personal, cultural and recreational services*
 - *Government goods and services n.i.e.*



Definition

- ▶ Trade in Services refers to the transactions between residents and non-residents
- ▶ It is extended to cover services delivered through foreign controlled but locally established enterprises known as *Foreign Affiliates trade in Services (F.A.T.S)*



Balance of Payments

US - Mn\$

Merchandise (Net)

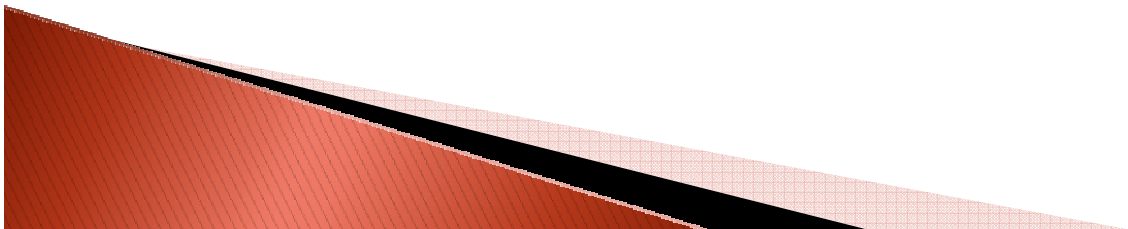
2010 - 4,735.4

2011 - 5,433.0

Services (Net)

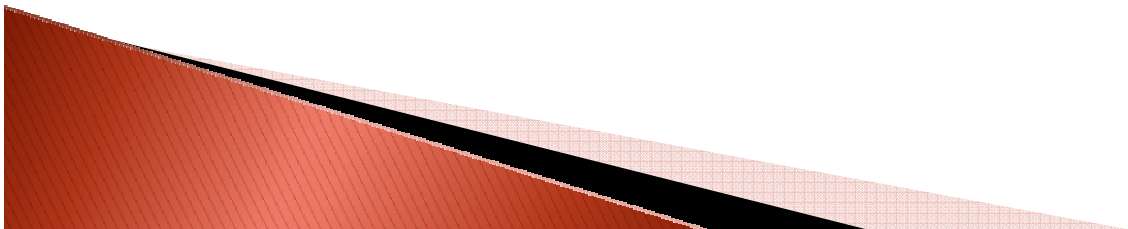
2010 - 487.6

2011 - 506.3



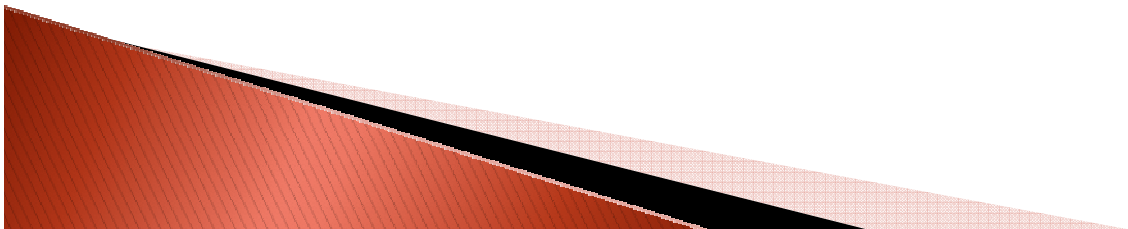
Modes of Supply of Services

- ▶ Cross border
- ▶ Consumption abroad
- ▶ Commercial presence
- ▶ Presence of natural persons



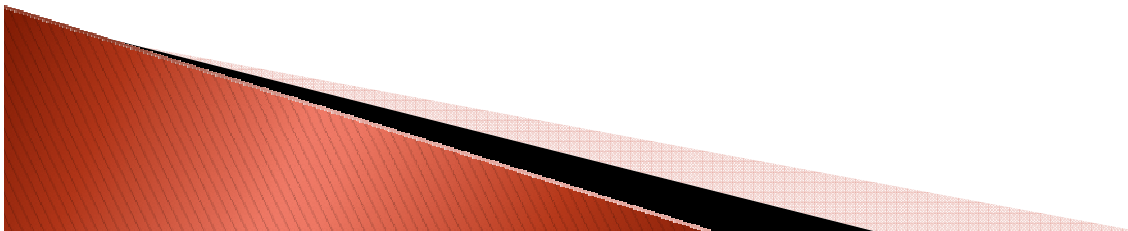
Cross Border Supply

- ▶ Consumer remains in home territory while service crosses national borders
- ▶ Some examples include: communication services, telephone, internet, television, insurance and financial services, freight transport services and correspondence courses. Also royalties and license fees



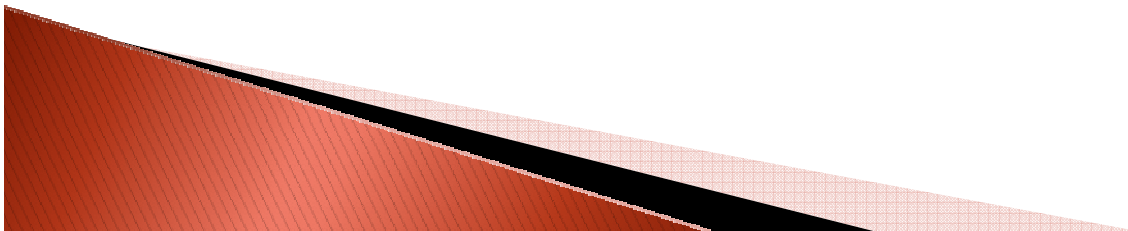
Consumption Abroad

- ▶ The consumer moves outside home territory and consumes services in another country
- ▶ Examples include: Travel and tourism, Medical treatment, and Language courses



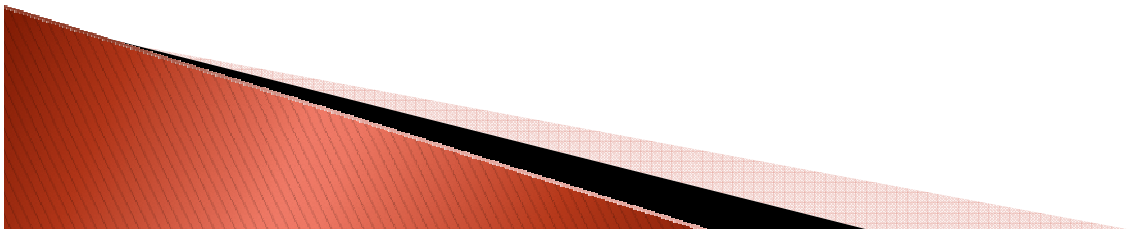
Commercial Presence

- ▶ This refers to the production, distribution, marketing, sale and delivery of services by foreign owned firms in another territory
- ▶ Direct Foreign Investment (D.F.I) ranges from $> 10\%$ to F.A.T.S $> 50\%$



Presence of Natural Persons

- ▶ Occurs when an individual has moved into the territory of the consumer to provide a service
 - Contractual service suppliers, whether employees of a foreign service supplier or self-employed
 - Intra-corporate transferees and foreign employees directly recruited by foreign established companies
 - Service sellers / persons responsible for setting up commercial presence. There is initially no actual service supply for this category of persons.



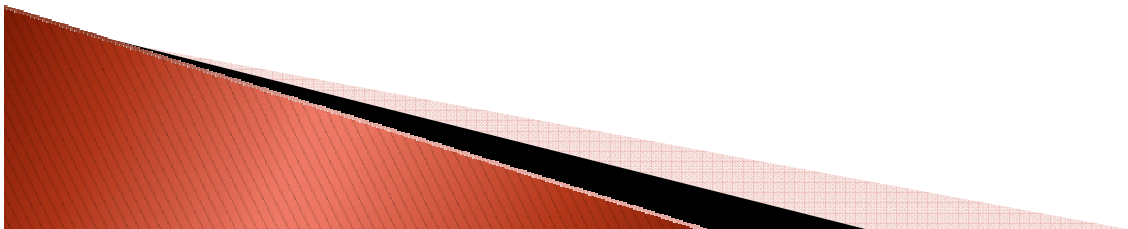
Statistical Criteria

<i>Territorial presence of transactions</i>	<i>Mode of Supply</i>	<i>Major Statistical Areas</i>
Consumer outside territory of residence	Mode 2. Consumption abroad	BPM6
Consumer in his/her territory of residence: Supplier outside the territory of the consumer Supplier in the territory of the consumer (a) Through commercial presence (b) Through the presence of natural persons	Mode 1. Cross-border supply Mode 3. Commercial presence Mode 4. Presence of natural persons	BPM6 FATS BPM6/Other e.g. migration, employment statistics

Balance of Payments

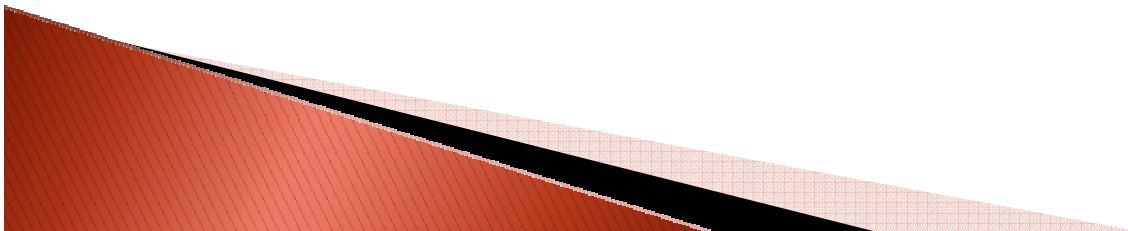
Services

- ▶ Transportation
- ▶ Travel
- ▶ Communication
- ▶ Insurance
- ▶ Other Government
- ▶ Other Services



Transportation

- ▶ Caribbean Airlines
- ▶ Survey of Foreign Airlines
- ▶ Survey of Shipping Agents
- ▶ Port and Airports Authority



Travel

- ▶ **Surveys of Foreign Visitors by the CSO**

Estimates of expenditure of non-resident travellers surveyed applied to the total no. of departing travellers

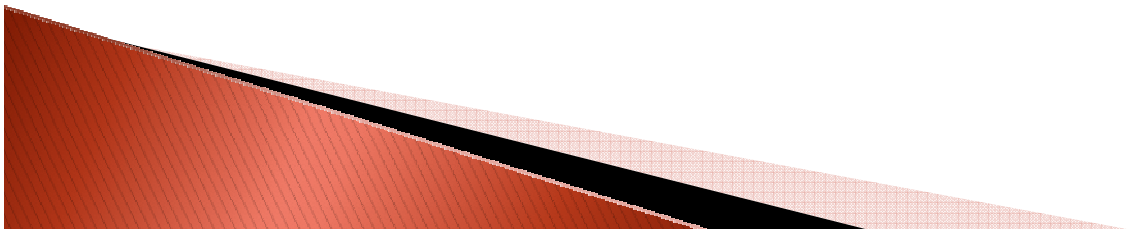
Students

- ▶ U.W.I.

- ▶ COSTAATT

- ▶ University of the Southern Caribbean

Similar method used as for estimating travellers' exp.



Travel

Advances to crew

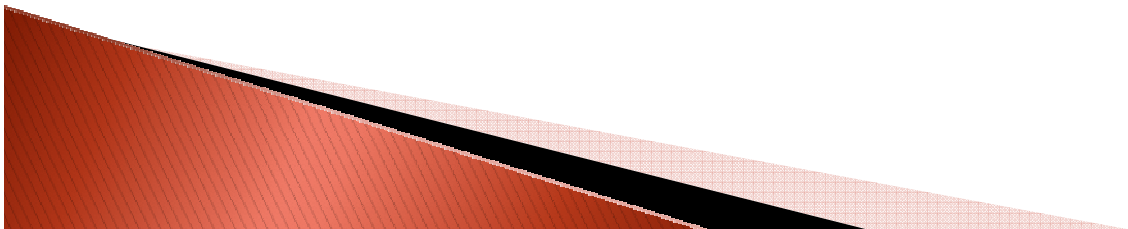
- ▶ Surveys of Shipping Agents and Foreign Airlines

Business Travellers

- ▶ Returns from Commercial Banks

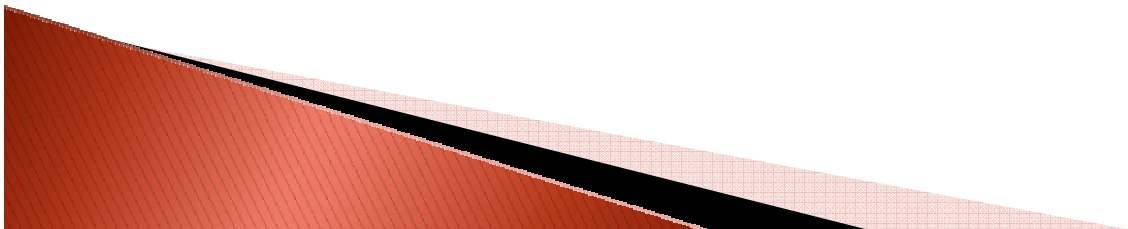
Government Officials

- ▶ Comptroller of Accounts



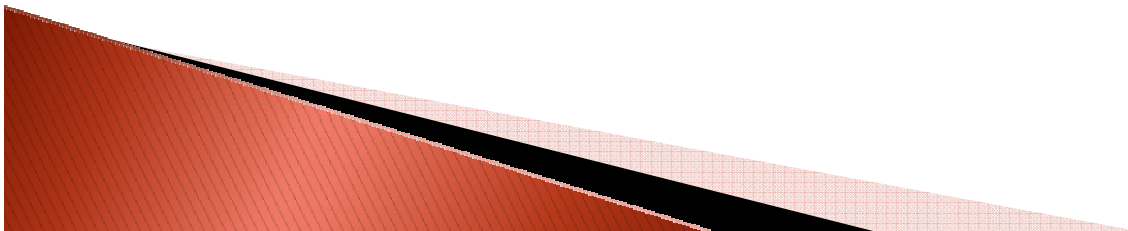
Other Services

- ▶ Advertising
- ▶ Agent's Fees
- ▶ Oil Processing Fees
- ▶ Charter Hire
- ▶ Other (obtained from Survey of DFI)



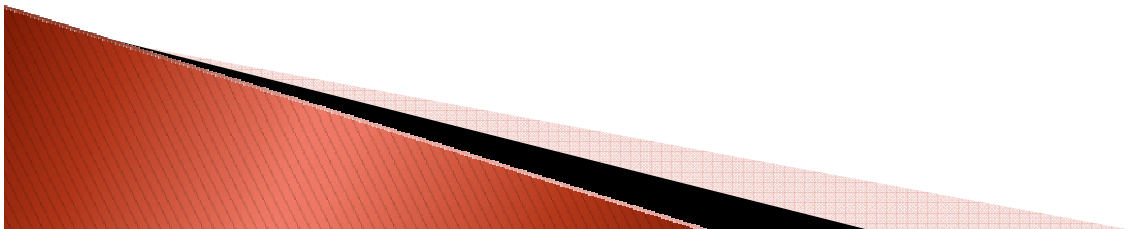
Movement to BPM6

- ▶ Survey of International Trade in Services
- ▶ Survey of Private Investment



F.A.T.S

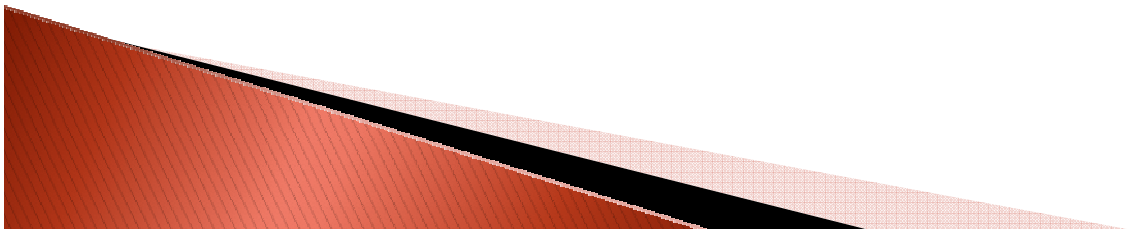
- ▶ Measures the commercial presence abroad of service suppliers through affiliates in foreign markets
- ▶ Inward F.A.T.S vs. Outward F.A.T.S
- ▶ F.A.T.S statistics cover
 - Sales and/or output
 - Employment
 - Value added
 - Exports and Imports of goods and services
 - Number of Enterprises
 - Other variables such as assets, operating surplus, G.F.C.F, and compensation of employees



F.A.T.S. Variables

Can be attributed or classified according to

- Geographic area (by country)
- Activity (ISIC Rev 4)
- Product type (long term goal)



The End

