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
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

<table>
<thead>
<tr>
<th>Component</th>
<th>2010</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Merchandise (Net)</td>
<td>4,735.4</td>
<td>5,433.0</td>
</tr>
<tr>
<td>Services (Net)</td>
<td>487.6</td>
<td>506.3</td>
</tr>
</tbody>
</table>

*US – Mn*$
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

<table>
<thead>
<tr>
<th>Territorial presence of transactions</th>
<th>Mode of Supply</th>
<th>Major Statistical Areas</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consumer outside territory of residence</td>
<td>Mode 2. Consumption abroad</td>
<td>BPM6</td>
</tr>
</tbody>
</table>
| 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
- 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