



Trade in Services

Everything You May Not Know You
Need to Know!

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Overview

- Who is BEA?
- Why are we here?
- What are services?
- Why are services important?
- What do you need to know?
- What does BEA have to offer?

U.S. Bureau of Economic Analysis

- Part of the Department of Commerce
- Compiles key economic statistics
 - Gross domestic product (GDP)
 - Personal income
 - Trade in goods and services
 - Balance of payments
 - Regional statistics
 - Industry statistics



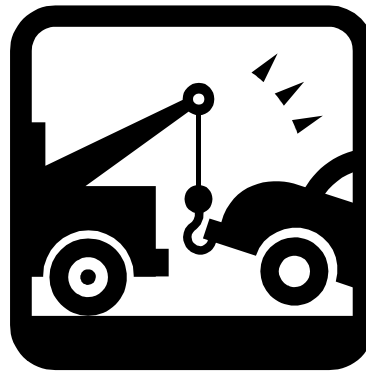
Why We Are Here

- Increase awareness of BEA and our data products
- Increase awareness and understanding of reporting requirements for trade in services

Vocabulary of Trade

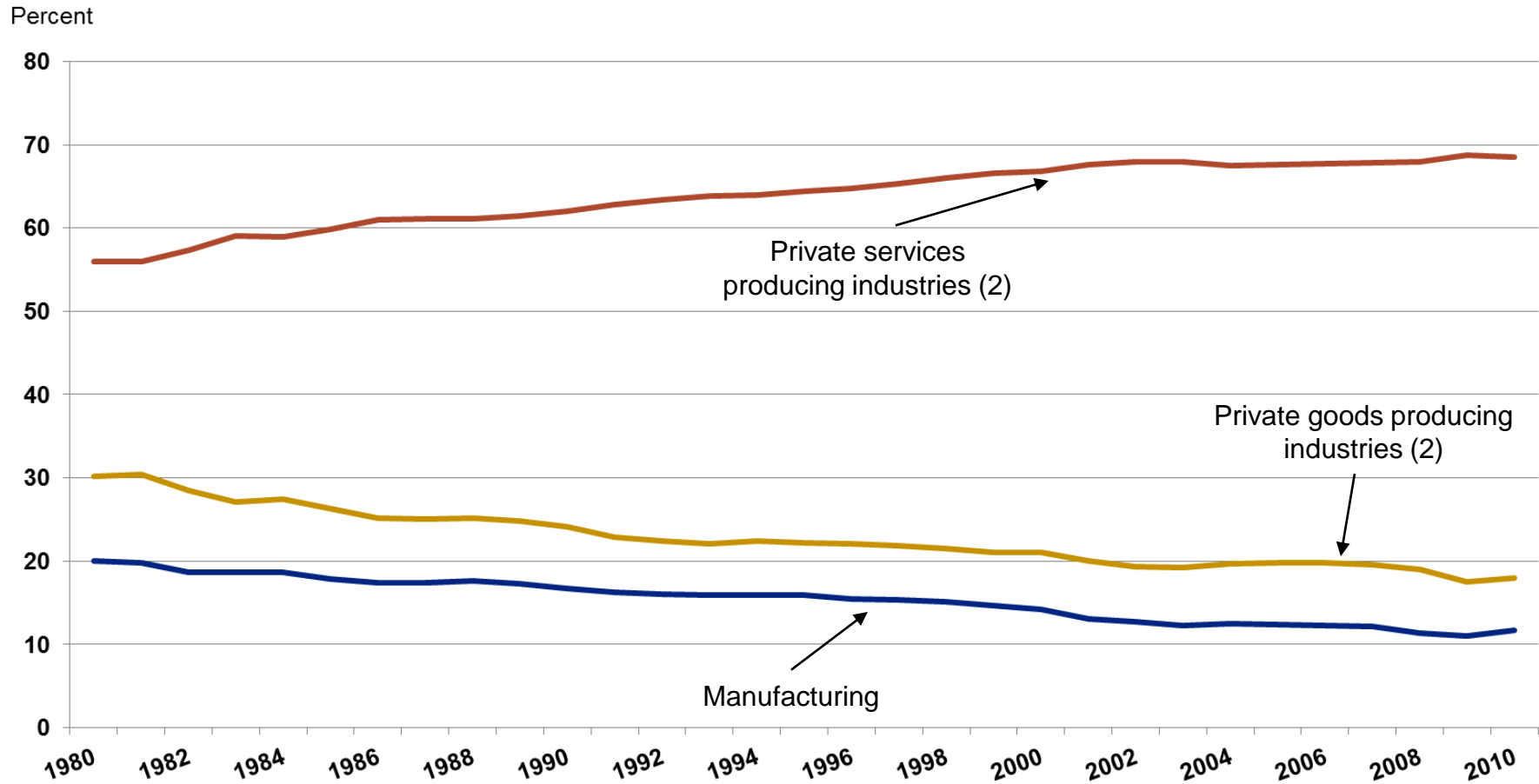
- Goods
- Services
- International transaction
- Export
- Import
- Trade

What are Services Transactions?



Services Make up about 70% of the U.S. Economy

Value Added by Industry as a Share of GDP



1. Consists of agriculture, forestry, fishing, and hunting; mining; construction; and manufacturing.

2. Consists of utilities; wholesale trade; retail trade; transportation and warehousing; information; finance, insurance, real estate, rental, and leasing; professional and business services; educational services, health care, and social assistance; arts, entertainment, recreation, accommodation, and food services; and other services, except government.

What is Trade in Services?

- Traditional cross-border trade
 - Service is often delivered via phone/internet
 - IT support services
- Other modes of delivery
 - Consumer travels to the service-provider
 - Tourism and travel-related services
 - Service provider travels to the consumer
 - Consultant travels to visit client
 - Architect travels to oversee a construction project

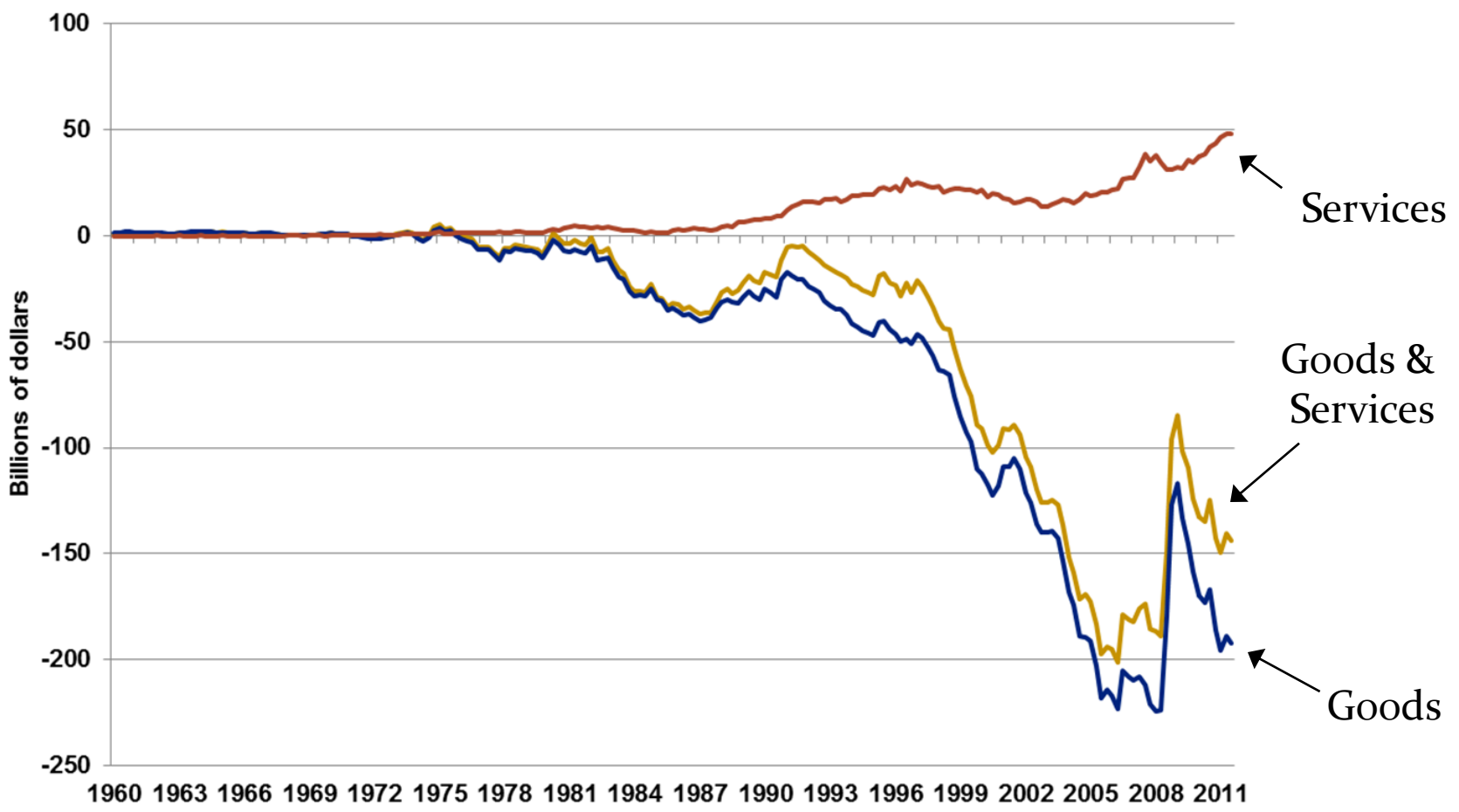


Trade in Services is...

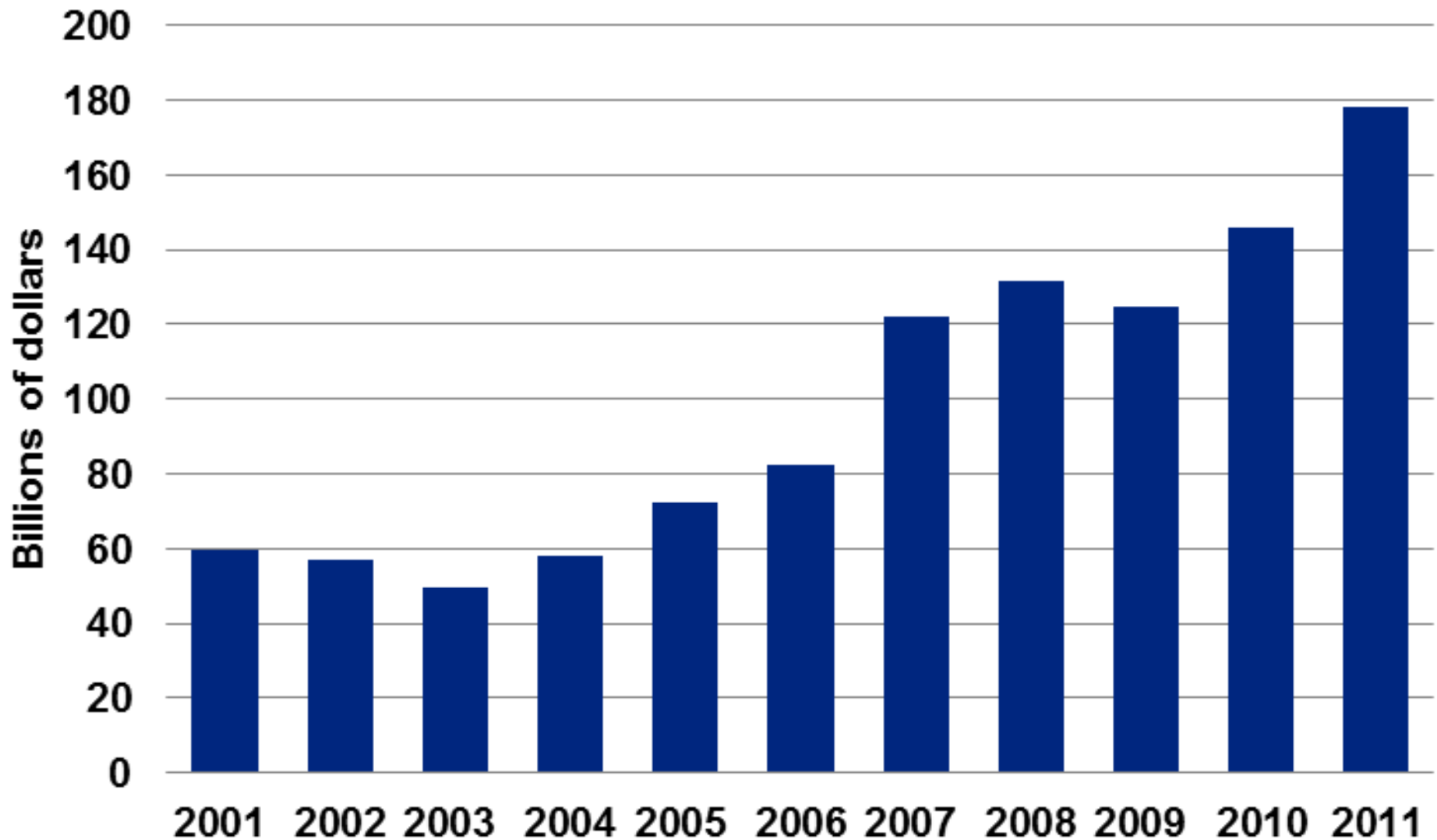
- Distinguished from services provided through commercial presence
 - Multinational company establishes a local presence in another country to provide services to that market
 - Example: McDonald's opens a new location in China
 - BEA also compiles a statistical series on these kinds of transactions

The U.S. Has a Surplus on Services Trade

Balance on Goods and Services Trade, 1960-2011



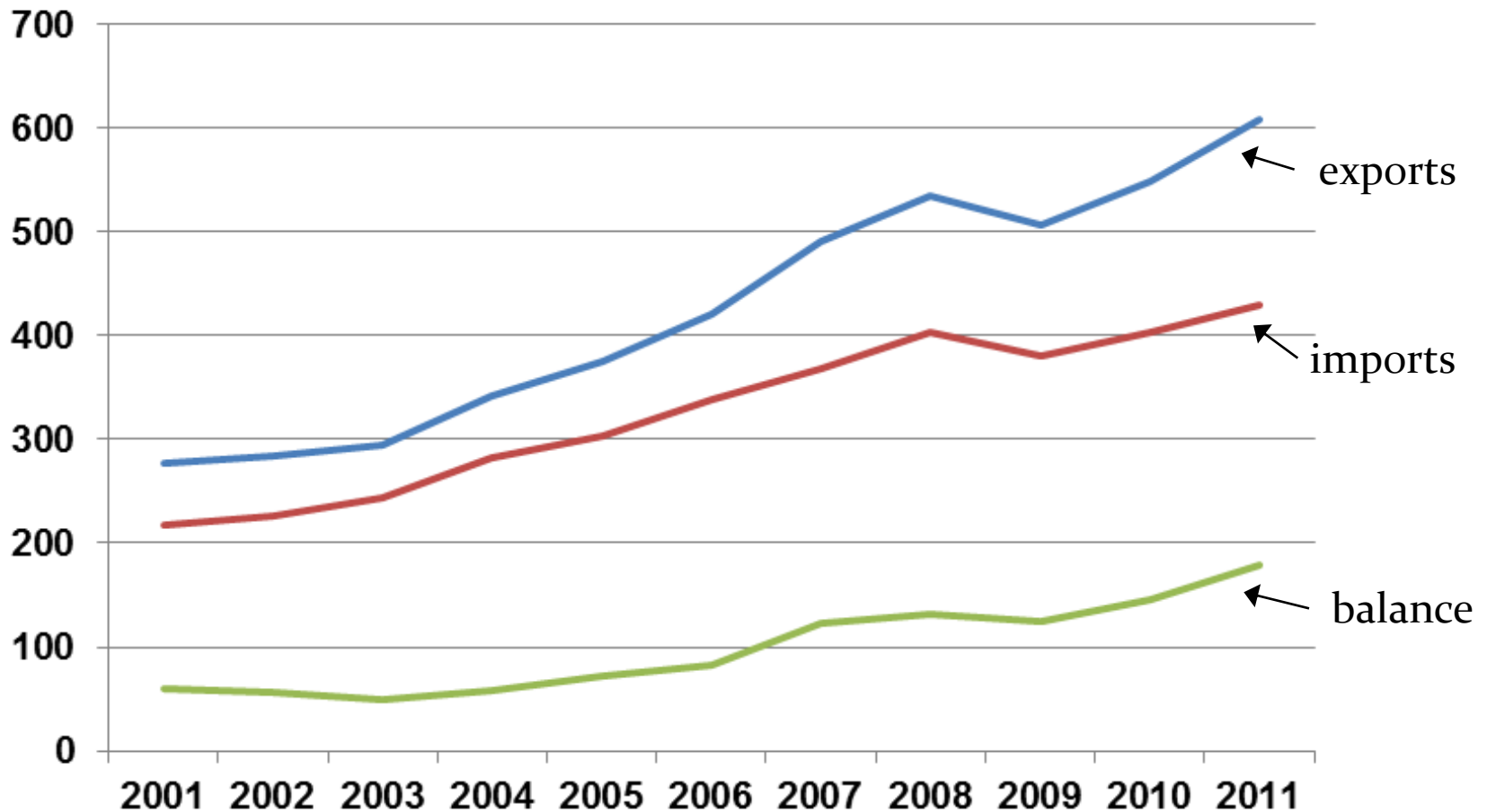
...and it is Growing



Export Growth is Outpacing Imports

U.S. Trade in Services

Billions of dollars



Authority for Collecting Trade-in-Services Data

- International Investment and Trade in Services Survey Act
 - 22 U.S.C. 3101-3108, as amended
- Guarantee of confidentiality
 - For statistical and analytical purposes only
 - Prohibited from granting access to data for tax, investigative, or regulatory purposes
- Subject to Paperwork Reduction Act
- Mandates reporting of statistics on international investment and trade in services

Data Confidentiality

- Data collected from individual reporters cannot be published in any form that would enable a reporter or a reporter's data to be identified
- Data are aggregated and then evaluated before publication to determine if they can be disclosed

How the Data are Collected

- Surveys collect trade in major types of services
 - Financial services
 - Transportation
 - Insurance
 - Selected services and intellectual property

Survey Coverage

- **Benchmark Surveys (every 5 years)**
 - Census-type surveys
 - Required for all companies who meet the reporting requirements
- **Annual and Quarterly Surveys**
 - Sample surveys
 - Exemption levels for reporting based on minimum dollar value of transactions

Who is Required to Report?

- U.S. persons (mainly companies) that engage in transactions with foreign residents
- U.S. agents or intermediaries may report transactions of their clients

Reporting Periods and Due Dates

- Quarterly transportation surveys
 - 50 days from the end of each calendar quarter
- Quarterly survey of insurance transactions
 - 60 days from the end of each calendar quarter
 - 90 days from the end of the final quarter of the calendar year
- Other quarterly services surveys
 - 45 days from the end of each fiscal quarter
 - 90 days from the end of the final quarter of the fiscal year
- Annual transportation survey
 - 90 days from the end of the calendar year
- Benchmark services surveys
 - Required every 5 years shortly after the end of the prior year

How to Report

- eFile
 - <http://www.bea.gov/efile>
 - No expensive software needed
 - Requires only a web browser and internet access
 - State-of-the-art encryption security features
- File on paper
 - Forms available at:
<http://www.bea.gov/surveys/iussurv.htm>

BEA Statistics on Trade in Services

- U.S. International Trade in Goods and Services
 - Monthly and annual data for 7 broad categories of services
 - Released approximately 40 days after reference month
- U.S. International Transactions
 - Quarterly and annual data for same 7 broad categories with limited sub-detail by service type and by country
 - Released about 75 days after reference quarter in March, June, September, and December
- International Services
 - Annual data for 5 broad categories with expanded sub-detail by type and by country
 - Released in mid-October

Availability of Detailed BEA Data on Trade in Services

	Annually	Quarterly	Monthly
Total services	geo	geo	total
Total private services	geo	total	
Travel	geo	geo	total
Passenger fares	geo	geo	total
Other transportation	geo	geo	total
Freight services	geo	total	
Ocean	geo		
Air	geo		
Other	geo		
Port services	geo	total	
Ocean	geo		
Air	geo		
Other	geo		
Royalties and license fees	geo	geo	total
Industrial processes	geo	total	
Books, records, and tapes	geo		
Broadcasting and recording of live events	geo		
Franchise fees	geo		
Trademarks	geo		
General use computer software	geo		
Other intangibles	geo		
Other private services	geo	geo	total
Education	geo	total	
Financial services	geo	total	
Securities transactions	total		
Management and advisory	total		
Credit card and other credit-related	total		
Other	total		

	Annually	Quarterly	Monthly
Insurance services	geo	total	
Reinsurance	geo		
Primary and other insurance	geo		
Telecommunications	geo	total	
Business, professional, and technical services	total		
Computer and information services	geo		
Computer and data processing services	geo		
Database and other information services	geo		
Management and consulting services	geo		
Research, development, and testing services	geo		
Operational leasing	geo		
Advertising	geo		
Legal services	geo		
Construction, architectural, and engineering services	geo		
Architectural, engineering, and other technical services	total		
Construction	total		
Industrial engineering	geo		
Installation, maintenance, and repair of equipment	geo		
Accounting, auditing, and bookkeeping services	total		
Mining	total		
Medical services	total		
Sports and performing arts	total		
Trade-related services	total		
Training services	total		
Other business, professional and technical services	total		
Other services	total		
U.S. Government services	geo	geo	total

Proposed Improvements to Availability of BEA Data on Trade in Services

Total services
Maintenance and repair services
Transport
Sea transport
Passenger
Freight
Port
Air transport
Passenger
Freight
Port
Other modes of transport
Postal and courier services
Travel
Business
Personal
Health-related
Education-related
Other personal travel
Construction
Construction abroad
Construction in the United States
Insurance and pension services
Direct insurance
Reinsurance
Auxiliary insurance services
Pension and standardized guarantee services
Financial services
Explicitly charged and other financial services
Securities brokerage, underwriting, and related services
Financial management, financial advisory, and custody services
Credit card and other credit-related services

Securities lending, electronic funds transfer, and other services
Financial intermediation services indirectly measured (FISIM)
Charges for the use of intellectual property (royalties & license fees)
Industrial processes
Software licensing fees
Other charges for the use of intellectual property
Books, records, and tapes
Broadcasting and recording of live events
Franchise fees
Trademarks
Telecommunications, computer, and information services
Telecommunications services
Computer services
Information services
Other business services
Research and development services
Professional and management consulting services
Legal services
Accounting, auditing and bookkeeping services
Management and consulting services
Advertising
Technical, trade-related and other business services
Architectural, engineering, and other technical services
Industrial engineering
Mining
Operational leasing
Personal, cultural, and recreational services
Audiovisual and related services
Sports and performing arts
Training services
U.S. Government goods and services, n.i.e.

Key:

New category

Accelerate to quarterly

Uses of the Data

- Together with merchandise trade, a key component of U.S. GDP
- Used by businesses to make investment decisions, analyze market size and share
- Used by policymakers when negotiating trade agreements
- Used by researchers/academia to assess the impact of globalization

Web Site Demo

www.bea.gov

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THANKS!