

International trade in services – metadata update 03/2020

General

The international trade in services statistics (ITSS) are a detailed overview of the balance of payments' (BOP) services account¹. ITSS covers all service transactions of residents with non-residents.

Availability

ITSS is available from reference year 2015 onwards. It will be published on September 30th each year, with an annual frequency. A less detailed version will be published once a quarter, as part of the balance of payments, with a monthly breakdown.

Sources

The National Bank of Belgium (External Statistics Department) questions service transactions by means of several surveys aimed at residents.

For non-financial sector enterprises, the selection is based on a mix of capping and sampling techniques. There is an extensive survey for the most relevant enterprises (monthly or quarterly) and specific surveys for the remaining enterprises (monthly or quarterly)².

For the financial sector enterprise, three surveys have been defined, each covering a specific sub-sector: credit institutions, insurance and reinsurance companies and other financial institutions. The entire population of these sub-sectors is subject to reporting, but the frequency can be monthly, quarterly or annual.

In addition to direct reporting by means of surveys, payment card information³, administrative data and data from international institutions, such as the European Commission are also used.

The legal basis for the collection of statistical information by the National Bank of Belgium concerning the compilation of statistics on international trade in services includes national and European legal texts, as well as international treaties.⁴

Methodology

ITSS adheres the methodology defined in the sixth edition of the Balance of Payments Manual⁵ of the International Monetary Fund and the Manual on International Trade in Services⁶ of the United Nations. The resulting international standards have been translated into a [European regulation](#). These transactions are subdivided into thirteen different main headings, the subdivision being based on the type of service provided.

¹ The balance of payments, its various components and the relationship with other statistics are discussed in detail on the NBB's website: https://www.nbb.be/doc/dq/e_pdf_bb/bop_non-technical_en.pdf

² The extensive survey contains more types of services than the specific survey.

³ Payment card information is mainly used to estimate the travel expenses of private individuals.

⁴ The legal basis can be consulted here: <https://www.nbb.be/en/statistics/balance-payments/legal-basis>

⁵ [Balance of Payments and International Investment Position Manual](#) - BPM6

⁶ [Manual on Statistics of International Trade in Services](#) - MSITS 2010

Type of service provided⁷

1. Manufacturing services on inputs owned by others

Manufacturing services on physical inputs owned by others covers processing, assembly, labelling, packing, and so forth undertaken by enterprises that do not own the goods concerned. The manufacturing is undertaken by an entity that receives a fee from the owner. Since the ownership of the goods does not change, no merchandise transaction is recorded between the processor and the owner, only the service fee is taken into account.

2. Maintenance and repair

Maintenance and repair services cover maintenance and repair work by residents on goods that are owned by non-residents (and vice versa). The service provider does not become the owner of the goods. The repairs may be performed at the site of the repairer or elsewhere. The value is limited to the service and does not include the value of the goods before or after repair. The value of maintenance and repairs includes any parts or materials supplied by the repairer and included in the charges. Parts and materials charged separately are included in general merchandise, not in services. Cleaning of transport equipment is excluded as it is included in Transport services. Construction maintenance and repairs are excluded as they are included under Construction. Maintenance and repairs of computers are excluded as they are included under Computer services.

3. Transportation

Transport is the process of carriage of people and objects from one location to another as well as related supporting and auxiliary services. Transport also includes postal and courier services. Transport services are recorded in balance of payments when provided by residents of one economy for the benefit of those of another.

3.1. Sea transport

Covers all transportation services by sea, with a split between Passenger sea transport, Freight sea transport and Other sea transport.

3.2. Air transport

Covers all transportation services provided by air, with a split between Passenger air transport, Freight air transport and Other air transport.

3.3. Space transport

Space transport includes satellite launches undertaken by commercial enterprises for the owners of the satellites (such as telecommunication enterprises) and other operations performed by operators of space equipment, such as transport of goods and people for scientific experiments. Also included is space passenger transport and payments made by an economy in order to have its residents included on the space vehicles of another economy.

3.4. Rail transport

Rail transport covers transport by trains, with a split between Passenger rail, Freight rail and Other.

⁷ Commission regulation (EU) no 555/2012 of 22 June 2012

3.5. Road transport

Road transport covers transport by lorries, trucks, buses and coaches, with a split between Passenger road transport, Freight road transport and Other road transport is required.

3.6. Inland waterway transport

Inland waterway transport relates to international transportation on rivers, canals and lakes. Included are waterways that are internal to one country and those that are shared among two or more countries, with a split between Passenger inland waterway Transport, Freight inland waterway transport and Other inland waterway transport is required.

3.7. Pipeline transport

Pipeline transport covers international transport of goods in pipelines, such as the transport of petroleum and related products, water and gas. Excluded are distribution services, typically from substations to the consumer (included in Other business services) and the value of the products transported (included in General merchandise).

3.8. Electricity transmission

Electricity transmission comprises services for transmission of electric energy at high voltage over an interconnected group of lines and associated equipment between points of supply and the points at which it is transformed to low voltage for delivery to consumers or delivery to other electric systems. Included are charges for the transmission of electricity when this is separate from the production and distribution process. The provision of electricity itself is excluded. Also excluded are distribution services of electricity (included in Other business services).

3.9. Other supporting and auxiliary transport services

Other supporting and auxiliary transport services cover all other transportation services that cannot be allocated to any of the components of transportation services described above.

3.10. Postal and courier services

Postal and courier services cover the pick-up, transport, and delivery of letters, newspapers, periodicals, brochures, other printed matter, parcels, and packages, including post office counter and mailbox rental services.

4. Travel

Travel credits cover goods and services for own use or to give away, acquired from an economy by non-residents during visits to that economy. Travel debits cover goods and services for own use or to give away, acquired from other economies by residents during visits to these other economies. Travel includes local transport (i.e. transport within the economy being visited and provided by a resident of that economy), but excludes international transport (which is included in Passenger transport). Also excluded are goods purchased by a traveller for resale in the traveller's own economy or in any other economy. Travel is divided in two main sub-components: Business travel and Personal travel.

4.1. Business travel

Business travel covers the acquisition of goods and services by business travellers.

4.1.1. Acquisition of goods and services by border, seasonal, and other short-term workers

Acquisition of goods and services by border, seasonal, and other short-term workers includes the acquisition of goods and services for personal use by seasonal, border and other workers, who are not resident in the economy in which they are employed and whose employer is resident in that economy.

4.1.2. Other business travel

Other business travel covers all Business travel expenditure not made by border workers and seasonal or other short-term workers.

4.2. Personal travel

Personal travel covers goods and services acquired by travellers going abroad for purposes other than business, such as holidays, participation in recreational and cultural activities, visits with friends and relations, pilgrimage, and education- and health-related purposes.

4.2.1. Health-related expenditure

Health-related expenditure is defined as the total expenditure by those travelling for medical reasons.

4.2.2. Education-related expenditure

Education-related expenditure is defined as the total expenditure by students.

4.2.3. Other personal travel

Other personal travel covers all Personal travel not included in Health-related expenditure or Education-related expenditure.

5. Construction

Construction covers the creation, renovation, repair, or extension of fixed assets in the form of buildings, land improvements of an engineering nature, and other engineering constructions (including roads, bridges, dams, etc). It includes related installation and assembly work, site preparation and general construction, specialised services such as painting, plumbing, and demolition, and management of construction projects. The construction contracts covered in international trade in services are generally of a short-term nature. A large-scale construction project contracted by a non-resident enterprise that takes a year or more to be completed will usually give rise to a resident branch.

5.1. Construction abroad

Construction abroad comprises the construction services provided to non-residents by enterprises resident in the compiling economy (credit/exports) and the goods and services purchased in the host economy by these enterprises (debit/imports).

5.2. Construction in Belgium

Construction in the compiling economy comprises construction services provided to residents of the compiling economy by non-resident construction enterprises (debit) and the goods and services purchased in the compiling economy by these non-resident enterprises (credit).

6. Insurance and pension services

Insurance and pension services are estimated or valued at the cost included in the total premiums rather than at the total value of the premiums.

6.1. Direct insurance

6.1.1. Life insurance

Holders of life insurance policies make regular payments to an insurer (there may be just a single payment), in return for which the insurer guarantees to pay the policy holder an agreed minimum sum or an annuity, at a given date or at the death of the policy holder, if this occurs earlier. Term life insurance, where benefits are provided in the case of death but in no other circumstances, is excluded here and included in Other direct insurance.

6.1.2. Freight insurance

Freight insurance services relate to insurance provided on goods that are in the process of being exported or imported.

6.1.3. Other direct insurance

Other direct insurance covers all other forms of casualty insurance. Included are term life insurance; accident and health insurance (unless these are provided as part of government social security schemes); marine, aviation and other transport insurance; fire and other property damage; pecuniary loss insurance; general liability insurance; and other insurance, such as travel insurance and insurance related to loans and credit cards.

6.2. Reinsurance

Reinsurance is the process of subcontracting parts of the insurance risk, often to specialised operators, in return for a proportionate share of the premium income. Reinsurance transactions may relate to packages that mix several types of risks.

6.3. Auxiliary insurance services

Comprise transactions that are closely related to insurance and pension fund operations. Included are agents' commissions, insurance brokering and agency services, insurance and pension consultancy services, evaluation and adjustment services, actuarial services, salvage administration services, and regulatory and monitoring services on indemnities and recovery services.

6.4. Pension and standardized guarantee services

Pension services cover the services provided by funds established to provide income on retirement and benefits for death or disability, for specific groups of employees by the government or by insurance corporations on behalf of employees. Standardised guarantee services are services related to standardised guarantee schemes. They are arrangements where one party (the guarantor) undertakes to cover the losses of the lender in the event that the borrower defaults. Examples include export credit and student loan guarantees.

7. Financial services

Financial services cover intermediary and auxiliary services, except insurance and pension fund services, usually provided by banks or other financial corporations.

7.1. Explicitly charged and other financial services

Services are charged for by explicit charges in the case of many financial services and require no special calculation. They include fees for deposit-taking and lending, fees for one-off guarantees, early or late repayment fees or penalties, account charges, fees related to letters of credit, credit card services, commissions and charges related to financial leasing, factoring, underwriting, and clearing of payments. Also included are financial advisory services, custody of financial assets or bullion, financial asset management, monitoring services, liquidity provision services, risk assumption services other than insurance, merger and acquisition services, credit rating services, stock exchange services and trust services. Dealers in financial instruments may charge, in full or part, for their services by having a spread between their buying and selling prices. Margins on buying and selling transactions are included in explicitly charged and other financial services.

7.2. Financial intermediation services indirectly measured (FISIM)

Actual interest can be considered as including both an income element and a charge for a service. Lenders and deposit-takers operate by providing rates of interest to their depositors that are lower than the rates that they charge to their borrowers. The resulting interest margins are used by the financial corporations to defray their expenses and to provide an operating surplus.

8. Charges for the use of intellectual property

Charges for the use of intellectual property comprises:

- Charges for the use of proprietary rights (such as patents, trademarks, copyrights, industrial processes and designs including trade secrets and franchises). These rights can arise from research and development, as well as from marketing
- Charges for licences to reproduce or distribute intellectual property embodied in produced originals or prototypes (such as copyrights on books and manuscripts, computer software, cinematographic works and sound recordings) and related rights (such as for live performances and television, cable, or satellite broadcast).

9. Telecommunications, computer and information services

Computer and telecommunication services are defined in terms of the nature of the service, not the method of delivery.

9.1. Telecommunications services

Telecommunications services encompass the transmission of sound, images or other information by telephone, telex, telegram, radio and television cable and broadcasting, satellite, electronic mail, facsimile services etc., including business network services, teleconferencing and support services. They do not include the value of the information transported. Also included are mobile telecommunication services, Internet backbone services and on-line access services, including provision of access to the Internet. Excluded are installation services for telephone network equipment as they are included in Construction and database services (included in Information services).

9.2. Computer services

Consist of hardware and/or software-related services and data-processing services.

9.3. Information services

9.3.1. News agency services

News agency services include the provision of news, photographs, and feature articles to the media.

9.3.2. Other information services

Other information services include database services (database conception, data storage and the dissemination of data and databases, including directories and mailing lists), both online and through magnetic, optical or printed media; and web search portals.

10. Other business services

10.1. Research and development services

10.1.1. Provision of customized and non-customized research and development services

Consist of services that are associated with basic research, applied research, and experimental development of new products and processes.

10.1.2. Sale of proprietary rights arising from research and development

Comprises Patents, Copyrights arising from research and development, Industrial processes and designs (including trade secrets).

10.2. Professional and management consulting services

10.2.1. Legal, accounting, management consulting and public relations services

10.2.1.1. Legal services

Legal services cover legal advisory and representation services in any legal, judicial and statutory procedures; drafting services of legal documentation and instruments; certification consultancy; and escrow and settlement services.

10.2.1.2. Accounting, auditing, bookkeeping and tax consulting services

Accounting, auditing, bookkeeping and tax consultancy services covers the recording of commercial transactions for businesses and others; examination services of accounting records and financial statements; business tax planning and consulting; and preparation of tax documents.

10.2.1.3. Business and management consulting and public relations services

Covers advisory, guidance and operational assistance services provided to businesses for business policy and strategy and the overall planning, structuring and control of an organisation.

10.2.2. Advertising, market research and public opinion polling services

Covers the design, creation and marketing of advertisements by advertising agencies; media placement, including the purchase and sale of advertising space; exhibition services provided by trade fairs; the promotion of products abroad; market research; telemarketing; and public opinion polling on various issues.

10.3. Technical, trade-related and other business services

10.3.1. Architectural, engineering, scientific and other technical services

10.3.1.1. Architectural services

Architectural services include transactions related to the design of buildings.

10.3.1.2. Engineering services

Services of this type involve the provision of designs, plans and studies related to engineering projects.

10.3.1.3. Scientific and other technical services

Scientific and other technical services include surveying; cartography; product testing and certification; and technical inspection services.

10.3.1.4. Waste treatment and de-pollution, agricultural and mining services

10.3.1.4.1. Waste treatment and de-pollution

Waste treatment and de-pollution include waste collection and disposal, remediation, sanitation, and other environmental protection services. They also include environmental services, such as production of carbon offsets or carbon sequestration.

10.3.1.4.2. Agricultural and mining services

Services incidental to agriculture, forestry and fishing include agricultural services that are incidental to agriculture, such as the provision of agricultural machinery with crew, harvesting, treatment of crops, pest control, animal boarding, animal care, and breeding services. Services in hunting, trapping, forestry and logging, and fishing are also included here, as are veterinary services. Services incidental to mining, and oil and gas extraction include mining services provided at oil and gas fields, including drilling, derrick building, repair and dismantling services, and oil and gas well casing cementing.

10.3.2. Operating leasing services

Operating leasing is the activity of renting out produced assets under arrangements that provide use of a tangible asset to the lessee, but do not involve the transfer of the bulk of risks and rewards of ownership to the lessee. Operating leasing may be called rental in case of items such as buildings or equipment. Operating leasing services cover leasing (rental) and charters, without crew, of ships, aircraft, and transport equipment. Also included are operating lease payments relating to other types of equipment without an operator, including computers and telecommunications equipment.

10.3.3. Trade-related services

Trade-related services cover commissions on goods and service transactions payable to merchants, commodity brokers, dealers, auctioneers, and commission agents.

10.3.4. Other business services not included elsewhere

Other business services include distribution services related to water, steam, gas or other petroleum products, and air-conditioning supply, where these are identified separately from transmission services; placement of personnel, security, and investigative services; translation and interpretation; photographic services; publishing; building cleaning; and real estate services.

11. Personal, cultural and recreational services

11.1. Audiovisual and related services

Comprise services and associated fees related to the production of motion pictures (on film or videotape), radio and television programmes (live or on tape) and musical recordings. Included are rentals of audiovisual and related products and access to encrypted television channels (such as cable or satellite services); mass-produced audio-visual products purchased or sold for perpetual use that are delivered electronically (downloaded); fees received by performing artists (actors, musicians, dancers), authors, composers etc. Excluded are charges or licences to reproduce and/or distribute audiovisual products (included in Charges for the use of intellectual property).

11.2. Other personal, cultural and recreational services

11.2.1. Health services

Health services comprises 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).

11.2.2. Education services

Education services comprises 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.

11.2.3. Heritage and recreational services

Heritage and recreational services includes services associated with museums and other cultural, sporting, gambling and recreational activities, except those involving persons outside their economy of residence (included in Travel).

11.2.4. Other personal services

Other personal services includes social services, domestic services etc.

12. Government goods and services not included elsewhere

This is a residual category covering government transactions (including those of international organisations) in goods and services that it is not possible to classify under other items. Included are all transactions (in both goods and services) by enclaves such as embassies, consulates, military bases and international organisations with residents of economies in which the enclaves are located. Excluded are transactions of the enclaves with residents of the home economies. Depending on the government unit undertaking the transaction, this item can be further broken down into goods and services transacted by Embassies and consulates, Military units and agencies and Other government goods and services.

13. Services not allocated

This residual section includes services that cannot be allocated to the above categories.