



Central Statistics Office
An Phríomh-Oifig Staidrimh

21 December 2007

Service Exports and Imports 2005 and 2006

**Exports and Imports of Services by
Region, 2006**



€ million

	Services		
	Exports	Imports	Net Balance
2006	55,051	62,471	-7,420
<i>of which:</i>			
UK	9,601	10,225	-624
Germany	5,797	2,865	2,932
USA	8,308	21,307	-12,999
Italy	2,697	1,661	1,036
2005	48,219	57,521	-9,302
<i>of which:</i>			
UK	12,257	8,717	3,540
Germany	6,032	3,033	2,999
USA	4,133	19,883	-15,750
Italy	2,565	1,469	1,096

Continued growth in service trade between Ireland and US

Latest figures show, that in 2006, service exports to the United States accounted for €8,308m (twice the €4,133m in 2005) or 15% of total service exports of €55,051m. European exports of €33,431m accounted for a further 60% of service exports. UK continued to feature prominently at €9,601m with significant amounts for Germany (€5,797m), France (€3,011m) and Italy (€2,697m). Total service imports in 2006 amounted to €62,471m with €21,307m or one third of the total being sourced in the US. European countries accounted for €31,155m or half of total imports, the following countries featuring prominently: UK (€10,225m); Netherlands (€3,116m); Belgium (€3,453m); Germany (€2,865m) and France (€2,381m) – see *Tables 2a, 2b* and 3. Other points of note are:

- ◆ There was a fall-off in exports to the UK from €12,257m in 2005 to €9,601m in 2006, largely due to insurance services.
- ◆ Service imports from China increased from €91m in 2005 to €249m in 2006.
- ◆ Financial service exports to Central America and Asia were both up approximately 50%.

This Release updates for the year 2006 the additional category and geographical details on the annual exports and imports of services published for 2004 and 2005 on 28 February 2007. The results presented are consistent with those published in the quarterly *Balance of International Payments* Release. As such, they reflect some revisions to the 2005 data arising from improved information as well as a more correct reallocation of transactions between certain service components. The figures have been compiled on the basis of the internationally recommended balance of payments related statistical methodology - see *Background Notes*.

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Table 1 – Exports and Imports of Services by Category, 2005 and 2006

€ million

Item	2005 ¹			2006		
	Exports	Imports	Net	Exports	Imports	Net
Services	48,219	57,521	-9,302	55,051	62,471	-7,420
Transport	2,131	1,982	149	2,334	2,024	310
Tourism and travel	3,863	4,898	-1,035	4,258	5,446	-1,188
Communications	432	709	-277	417	765	-348
Insurance	6,909	5,976	933	8,790	7,167	1,623
Financial services	4,850	2,654	2,196	6,188	3,750	2,438
Computer services	15,755	352	15,403	16,747	531	16,216
Royalties/Licences	623	15,482	-14,859	818	16,564	-15,746
Other business services	13,072	25,313	-12,241	14,897	26,048	-11,151
Merchanting	4,018	0	4,018	3,585	0	3,585
Other trade related services	329	7,609	-7,280	352	8,128	-7,776
Operational leasing	4,076	813	3,263	5,398	927	4,471
Legal, accounting and other professional services	350	581	-231	331	618	-287
Advertising and market research	*	*	-6,160	*	*	-5,176
Research and development	330	3,831	-3,501	236	3,743	-3,507
Architectural engineering and other technical services	595	259	336	632	330	302
Management services between affiliates	*	*	-997	*	*	-874
Other	1,877	3,564	-1,687	1,796	3,684	-1,888
Other services n.e.s.	581	156	425	607	176	431

¹ Revised

* Suppressed for confidentiality reasons but included in 'Other business services' total

Table 2a - Exports and Imports of Services Classified by Geographic Location, 2006

€ million

Region/Country	Total Services		Transport		Tourism and Travel ¹		Communications		Insurance	
	Exports	Imports	Exports	Imports	Exports	Imports	Exports	Imports	Exports	Imports
Europe	33,431	31,155	2,104	1,047	3,009	3,512	330	696	2,548	5,045
<i>of which:</i>										
United Kingdom	9,601	10,225	1,638	579	1,511	794	*	*	*	*
France	3,011	2,381	*	*	213	524	*	*	587	310
Germany	5,797	2,865	*	70	281	125	*	*	1,075	803
Italy	2,697	1,661	*	*	135	285	5	11	714	603
Netherlands	2,021	3,116	0	0	110	72	*	*	203	228
Spain	1,544	1,671	90	*	119	1,067	*	23	162	81
Sweden	987	362	0	0	42	32	*	*	115	74
Belgium	860	3,453	0	0	61	41	*	*	260	59
Luxembourg	862	1,903	0	0	6	4	*	*	20	2
Switzerland	1,254	579	12	117	65	0	8	4	26	129
EMU countries ²	18,121	17,955	454	351	983	2,523	98	140	3,104	2,136
EU countries 25 ³	30,300	29,958	2,092	929	2,942	3,510	322	681	2,138	4,626
North America	9,055	21,579	158	348	801	898	30	29	4,835	1,278
<i>of which:</i>										
Canada	746	270	6	19	67	0	1	1	331	187
United States	8,308	21,307	151	330	734	898	29	26	4,503	1,092
Central America	1,636	3,206	0	0	0	0	0	0	*	*
<i>of which:</i>										
Bermuda	760	2,881	0	0	0	0	0	0	*	*
South America	883	32	0	0	0	0	0	0	*	*
<i>of which:</i>										
Brazil	116	10	0	0	0	0	0	0	9	4
Asia	4,049	1,164	4	66	171	21	5	9	219	111
<i>of which:</i>										
China	746	249	0	0	136	0	0	0	27	16
Japan	1,029	304	4	66	35	21	0	0	36	22
Korea, Republic of (South Korea)	686	93	0	0	0	0	0	0	8	4
Taiwan, Province of China	209	35	0	0	0	0	0	0	15	9
Africa	877	396	0	0	0	0	0	4	204	199
<i>of which:</i>										
South Africa	585	291	0	0	0	0	0	4	*	*
Oceania and Polar regions	418	316	0	0	0	49	4	4	180	115
<i>of which:</i>										
Australia	356	295	0	0	0	46	4	4	175	112
Not geographically allocated ⁴	4,702	4,623	68	563	277	966	48	23	67	83
Total	55,051	62,471	2,334	2,024	4,258	5,446	417	765	8,790	7,167
<i>of which:</i>										
All offshore centres ⁵	2,307	3,643	0	0	0	0	0	0	355	574

Table 2a - Exports and Imports of Services Classified by Geographic Location, 2006 - continued

€ million

Region/Country	Other Business Services									
	Financial services		Computer services ⁶		Royalties/Licences		Merchanting		Other trade related services	
	Exports	Imports	Exports	Imports	Exports	Imports	Exports	Imports	Exports	Imports
Europe	4,031	1,708	13,429	280	342	5,323	1,482	0	302	6,237
<i>of which:</i>										
United Kingdom	1,678	1,057	2,923	163	177	677	487	0	211	1,680
France	182	98	1,354	15	18	28	-35	0	22	944
Germany	194	236	2,615	17	*	*	577	0	9	992
Italy	394	106	864	4	*	*	89	0	*	*
Netherlands	176	15	1,156	17	*	*	-144	0	0	626
Spain	98	42	565	0	*	*	157	0	*	*
Sweden	24	4	*	*	*	*	74	0	*	*
Belgium	78	24	343	4	*	*	-52	0	0	163
Luxembourg	736	45	4	0	*	*	0	0	*	*
Switzerland	208	36	477	2	0	-1	*	0	*	*
EMU countries ²	1,949	573	7,608	61	145	4,033	745	0	68	3,547
EU countries 25 ³	3,680	1,649	11,944	276	329	5,329	1,377	0	284	5,787
North America	870	1,694	479	139	325	8,159	196	0	*	*
<i>of which:</i>										
Canada	47	3	28	0	*	*	*	0	*	*
United States	823	1,691	451	138	*	*	*	0	*	*
Central America	565	40	*	*	*	*	*	0	*	*
<i>of which:</i>										
Bermuda	*	*	*	*	*	*	0	0	*	*
South America	*	*	*	*	*	*	*	0	*	*
<i>of which:</i>										
Brazil	*	*	*	*	0	0	0	0	0	0
Asia	475	236	699	22	88	49	72	0	1	266
<i>of which:</i>										
China	*	*	7	0	0	0	41	0	*	*
Japan	234	73	237	0	19	38	61	0	*	*
Korea, Republic of (South Korea)	*	*	*	*	0	0	12	0	*	*
Taiwan, Province of China	*	*	12	0	0	0	*	0	*	*
Africa	58	2	439	0	0	0	20	0	*	*
<i>of which:</i>										
South Africa	31	5	302	0	0	0	14	0	0	76
Oceania and Polar regions	*	*	91	0	*	*	25	0	*	*
<i>of which:</i>										
Australia	*	*	80	0	*	*	19	0	*	*
Not geographically allocated ⁴	93	53	1,524	90	51	506	1,824	0	9	812
Total	6,188	3,750	16,747	531	818	16,564	3,585	0	352	8,128
<i>of which:</i>										
All offshore centres ⁵	802	98	143	3	*	*	23	0	0	61

Table 2a - Exports and Imports of Services Classified by Geographic Location, 2006 - continued

€ million

Region/Country	Other Business Services - continued									
	Operational Leasing		Legal, accounting and other professional services		Advertising and market research		Research and development		Architectural engineering and other technical services	
	Exports	Imports	Exports	Imports	Exports	Imports	Exports	Imports	Exports	Imports
Europe	1,993	63	156	437	*	*	*	*	309	176
of which:										
United Kingdom	379	9	126	244	*	*	*	*	121	126
France	*	*	10	30	*	*	0	10	*	*
Germany	*	*	4	31	*	*	0	40	86	17
Italy	*	*	0	12	0	32	0	3	*	*
Netherlands	130	0	0	20	*	*	0	14	*	*
Spain	231	0	*	*	0	42	*	*	*	*
Sweden	109	0	0	7	0	8	*	*	0	0
Belgium	73	0	0	12	*	*	*	*	0	0
Luxembourg	0	0	0	1	0	0	0	0	0	0
Switzerland	38	0	0	10	*	*	*	*	0	0
EMU countries ²	*	*	28	160	*	*	0	223	157	45
EU countries 25 ³	1,743	61	155	420	*	*	*	*	290	175
North America	*	*	61	72	0	3,588	85	2,593	164	63
of which:										
Canada	*	*	0	1	*	*	0	0	*	*
United States	*	*	61	71	*	*	85	2,592	*	*
Central America	*	*	2	1	0	0	*	*	*	*
of which:										
Bermuda	*	*	*	*	0	0	*	*	0	0
South America	156	0	0	0	0	0	*	*	*	*
of which:										
Brazil	*	*	0	0	0	0	0	0	0	0
Asia	*	*	*	*	*	*	0	18	*	*
of which:										
China	*	*	0	0	0	0	0	0	*	*
Japan	*	*	*	*	*	*	0	18	*	*
Korea, Republic of (South Korea)	632	0	0	0	0	0	0	0	*	*
Taiwan, Province of China	*	*	0	0	0	0	0	0	*	*
Africa	133	0	*	*	0	14	0	0	3	0
of which:										
South Africa	71	0	*	*	0	10	0	0	*	*
Oceania and Polar regions	43	0	*	*	*	*	0	0	*	*
of which:										
Australia	20	0	*	*	*	*	0	0	*	*
Not geographically allocated ⁴	373	190	103	76	17	275	18	403	75	26
Total	5,398	927	331	618	*	*	236	3,743	632	330
of which:										
All offshore centres ⁵	*	*	2	5	0	0	*	*	*	*

Table 2a - Exports and Imports of Services Classified by Geographic Location, 2006 - continued

€ million

Region/Country	Other Business Services - continued							
	Management services between affiliates		Other		Total other business services		Other services n.e.s.	
	Exports	Imports	Exports	Imports	Exports	Imports	Exports	Imports
Europe	473	457	885	2,130	7,219	13,446	420	98
of which:								
United Kingdom	272	212	*	*	2,459	4,014	20	68
France	29	15	*	*	467	1,305	60	4
Germany	87	54	34	153	1,319	1,427	112	0
Italy	7	5	*	*	421	564	72	0
Netherlands	11	46	*	*	299	933	72	1
Spain	12	11	*	*	445	337	52	0
Sweden	0	5	9	6	311	224	0	0
Belgium	1	4	*	*	113	2,901	0	5
Luxembourg	*	*	26	213	58	299	0	0
Switzerland	16	8	*	*	459	289	0	0
EMU countries ²	173	216	343	1,174	3,409	8,123	372	16
EU countries 25 ³	450	446	727	2,072	6,432	12,866	419	93
North America	*	*	*	*	1,475	8,993	80	39
of which:								
Canada	*	*	3	3	256	54	*	*
United States	*	*	*	*	1,219	8,939	*	*
Central America	*	*	*	*	900	313	0	0
of which:								
Bermuda	0	0	581	8	593	132	0	0
South America	*	*	*	*	171	16	0	1
of which:								
Brazil	0	0	*	*	*	*	0	0
Asia	56	20	*	*	2,360	640	24	7
of which:								
China	*	*	*	*	567	170	*	*
Japan	*	*	*	*	441	81	20	0
Korea, Republic of (South Korea)	0	0	*	*	653	50	0	0
Taiwan, Province of China	0	0	7	13	*	*	0	0
Africa	4	0	*	*	171	187	2	1
of which:								
South Africa	0	0	*	*	*	*	0	0
Oceania and Polar regions	*	*	1	14	90	130	0	0
of which:								
Australia	*	*	1	14	57	115	0	0
Not geographically allocated ⁴	5	92	89	456	2,511	2,323	81	30
Total	*	*	1,796	3,684	14,897	26,048	607	176
of which:								
All offshore centres ⁵	56	12	*	*	*	*	0	0

¹ Excluding passenger fare receipts² The relevant EMU countries are: Austria, Belgium, Finland, France, Germany, Greece, Italy, Luxembourg, Netherlands, Portugal and Spain³ For analytical purposes, additional details are given of transactions between residents of Ireland and residents of the EU25 area. With the expansion of the EU on 1 May 2004, the EU25 area comprises the former EU15 area along with Cyprus, Czech Republic, Estonia, Hungary, Lithuania, Latvia, Malta, Poland, Slovakia and Slovenia⁴ This category covers data supplied by respondents without a geographical breakdown⁵ This category overlaps with the regions referred to above and covers Andorra, Anguilla, Antigua and Barbuda, Bahamas, Bahrain, Barbados, Belize, Bermuda, British Virgin Islands, Cayman Islands, Cook Islands, Dominica, Gibraltar, Grenada, Guernsey, Hong Kong, Isle of Man, Jamaica, Jersey, Lebanon, Liberia, Liechtenstein, Maldives, Marshall Islands, Montserrat, Nauru, Netherlands Antilles, Niue, Panama, Philippines, Saint Lucia, Saint Vincent and the Grenadines, Samoa, Singapore, St. Kitts and Nevis, Turks and Caicos Islands, US Virgin Islands, Vanuatu⁶ Covers exports and imports of software that was not incorporated as part of computer hardware or physical media but separately transmitted by electronic means. The value of sales and purchases of additional software licences is also included

* Suppressed for confidentiality reasons but included in the higher level aggregates

Table 2b - Exports and Imports of Services Classified by Geographic Location, 2005¹

€ million

Region/Country	Total Services		Transport		Tourism and Travel ²		Communications		Insurance	
	Exports	Imports	Exports	Imports	Exports	Imports	Exports	Imports	Exports	Imports
Europe	35,006	29,107	1,900	976	2,738	3,154	339	603	5,360	4,296
of which:										
United Kingdom	12,257	8,717	1,437	559	1,382	711	207	485	2,569	1,793
France	3,201	2,455	*	*	195	471	44	20	460	273
Germany	6,032	3,033	*	65	257	111	*	16	1,063	867
Italy	2,565	1,469	*	*	122	257	*	*	586	446
Netherlands	2,117	4,094	0	0	99	64	7	19	281	343
Spain	1,372	1,537	*	*	108	959	*	*	94	47
Sweden	870	399	0	0	37	31	*	*	18	81
Belgium	891	3,775	0	0	54	37	4	8	191	38
Luxembourg	760	610	0	0	5	4	0	0	134	1
Switzerland	1,161	563	14	99	75	0	*	*	41	124
EMU countries ³	18,140	17,753	449	318	897	2,267	103	103	2,769	2,020
EU countries 25 ⁴	32,765	28,026	1,887	877	2,661	3,153	331	597	5,404	3,940
North America	4,743	20,192	161	408	734	806	30	67	600	642
of which:										
Canada	610	308	6	15	66	0	0	1	245	224
United States	4,133	19,883	154	393	671	806	28	66	353	418
Central America	1,953	3,228	0	0	0	0	0	0	373	530
of which:										
Bermuda	1,241	3,019	0	0	0	0	0	0	283	441
South America	198	25	0	0	0	0	0	0	*	*
of which:										
Brazil	*	*	0	0	0	0	0	0	6	3
Asia	4,012	1,516	4	91	162	25	6	9	75	92
of which:										
China	1,095	91	0	0	124	6	0	0	4	3
Japan	1,010	742	4	91	38	19	0	0	36	27
Korea, Republic of (South Korea)	669	75	0	0	0	0	0	0	-6	1
Taiwan, Province of China	378	30	0	0	0	0	0	0	9	3
Africa	751	307	0	0	0	0	*	*	149	163
of which:										
South Africa	538	259	0	0	0	0	2	0	*	*
Oceania and Polar regions	400	331	0	0	0	45	*	*	*	*
of which:										
Australia	300	281	0	0	0	44	*	*	*	*
Not geographically allocated ⁵	1,156	2,815	66	507	229	868	48	26	158	89
Total	48,219	57,521	2,131	1,982	3,863	4,898	432	709	6,909	5,976
of which:										
All offshore centres ⁶	2,075	3,798	0	0	0	0	0	2	241	771

Table 2b - Exports and Imports of Services Classified by Geographic Location, 2005¹ - continued

€ million

Region/Country	Other Business Services									
	Financial services		Computer services ⁷		Royalties/Licences		Merchanting		Other trade related services	
	Exports	Imports	Exports	Imports	Exports	Imports	Exports	Imports	Exports	Imports
Europe	2,999	1,193	14,068	253	244	4,593	2,367	0	251	6,350
of which:										
United Kingdom	1,175	446	3,337	164	126	767	378	0	182	1,648
France	135	111	1,470	13	*	*	290	0	*	*
Germany	192	290	2,961	14	8	62	815	0	8	1,030
Italy	339	102	919	9	0	5	126	0	*	*
Netherlands	106	32	1,157	18	0	2,821	111	0	0	560
Spain	90	44	559	0	0	0	131	0	*	*
Sweden	*	*	*	*	*	*	87	0	0	226
Belgium	51	22	342	3	*	*	58	0	0	217
Luxembourg	*	*	5	0	*	*	0	0	*	*
Switzerland	121	37	489	0	*	*	*	0	*	*
EMU countries³	1,528	675	8,168	58	57	3,316	1,712	0	57	3,720
EU countries 25⁴	2,760	1,140	12,802	251	209	4,581	2,257	0	239	5,924
North America	1,007	1,207	*	*	*	*	370	0	55	536
of which:										
Canada	54	2	*	*	*	*	*	0	*	*
United States	953	1,205	532	71	276	8,234	*	0	*	*
Central America	384	18	*	*	*	*	*	0	*	*
of which:										
Bermuda	*	*	0	0	*	*	*	0	*	*
South America	30	2	*	*	*	*	*	0	*	*
of which:										
Brazil	2	0	*	*	0	0	*	0	*	*
Asia	313	181	716	17	72	150	*	0	*	*
of which:										
China	*	*	10	0	0	0	*	0	*	*
Japan	168	69	*	*	45	150	*	0	0	142
Korea, Republic of (South Korea)	*	*	*	*	0	0	*	0	*	*
Taiwan, Province of China	*	*	*	*	0	0	*	0	0	10
Africa	41	0	*	*	0	0	*	0	0	101
of which:										
South Africa	30	4	238	0	0	0	*	0	0	72
Oceania and Polar regions	21	7	*	*	*	*	34	0	0	86
of which:										
Australia	19	6	*	*	*	*	29	0	*	*
Not geographically allocated⁵	55	46	-82	10	12	45	288	0	18	172
Total	4,850	2,654	15,755	352	623	15,482	4,018	0	329	7,609
of which:										
All offshore centres ⁶	546	47	63	1	*	*	58	0	4	80

Table 2b - Exports and Imports of Services Classified by Geographic Location, 2005¹ - continued

€ million

Region/Country	Other Business Services - continued									
	Operational Leasing		Legal, accounting and other professional services		Advertising and market research		Research and development		Architectural engineering and other technical services	
	Exports	Imports	Exports	Imports	Exports	Imports	Exports	Imports	Exports	Imports
Europe	1,478	53	163	458	*	*	196	702	337	130
of which:										
United Kingdom	333	12	118	218	396	441	*	*	114	85
France	*	*	28	29	*	*	0	154	31	5
Germany	171	0	4	34	*	*	0	59	*	*
Italy	224	0	0	12	0	30	*	*	*	*
Netherlands	49	0	0	24	*	*	0	39	*	*
Spain	183	0	*	*	0	30	0	0	*	*
Sweden	63	0	*	*	0	11	*	*	0	0
Belgium	49	0	0	31	*	*	*	*	*	*
Luxembourg	0	0	0	0	0	0	0	0	0	0
Switzerland	24	0	0	26	*	*	0	0	0	0
EMU countries ³	*	*	42	181	*	*	5	419	212	45
EU countries 25 ⁴	*	*	161	424	876	3,711	196	702	329	130
North America	*	*	55	57	*	*	87	2,886	134	70
of which:										
Canada	*	*	0	0	*	*	0	0	*	*
United States	*	*	55	56	0	2,864	87	2,885	*	*
Central America	*	*	0	0	0	0	*	*	*	*
of which:										
Bermuda	*	*	0	0	0	0	*	*	*	*
South America	114	0	0	0	*	*	*	*	*	*
of which:										
Brazil	68	0	0	0	0	0	0	0	0	0
Asia	1,319	0	*	*	*	*	0	196	*	*
of which:										
China	431	0	0	0	0	0	0	0	0	0
Japan	*	*	*	*	*	*	0	195	*	*
Korea, Republic of (South Korea)	617	0	0	0	0	0	0	0	*	*
Taiwan, Province of China	*	*	0	0	0	0	0	0	0	0
Africa	128	0	*	*	0	6	0	0	*	*
of which:										
South Africa	76	0	*	*	0	1	0	0	3	0
Oceania and Polar regions	38	0	0	1	*	*	0	0	*	*
of which:										
Australia	*	*	*	*	*	*	0	0	*	*
Not geographically allocated ⁵	145	-2	122	52	2	661	23	47	18	6
Total	4,076	813	350	581	*	*	330	3,831	595	259
of which:										
All offshore centres ⁶	*	*	*	*	0	1	*	*	*	*

Table 2b - Exports and Imports of Services Classified by Geographic Location, 2005¹ - continued

€ million

Region/Country	Other Business Services - continued							
	Management services between affiliates		Other		Total other business services		Other services n.e.s.	
	Exports	Imports	Exports	Imports	Exports	Imports	Exports	Imports
Europe	*	*	926	2,034	6,945	13,953	414	81
of which:								
United Kingdom	108	223	*	*	2,005	3,728	20	63
France	32	11	*	*	730	1,478	60	0
Germany	23	53	27	178	1,322	1,609	112	0
Italy	8	4	*	*	422	575	72	0
Netherlands	13	43	17	54	393	794	68	0
Spain	*	*	9	55	369	399	52	0
Sweden	*	*	10	10	303	262	0	0
Belgium	1	4	*	*	*	*	0	3
Luxembourg	*	*	36	170	43	271	0	0
Switzerland	4	13	*	*	413	284	0	0
EMU countries ³	96	228	351	1,145	3,797	8,986	371	11
EU countries 25 ⁴	*	*	694	1,999	6,297	13,407	413	76
North America	*	*	107	938	*	*	72	40
of which:								
Canada	*	*	3	5	*	*	0	4
United States	57	739	106	933	1,095	8,656	72	35
Central America	*	*	681	12	*	*	0	0
of which:								
Bermuda	0	0	649	9	841	129	0	0
South America	*	*	9	5	*	*	0	0
of which:								
Brazil	0	0	*	*	79	4	0	0
Asia	5	14	*	*	2,641	942	21	8
of which:								
China	*	*	*	*	*	*	0	0
Japan	*	*	*	*	*	*	20	1
Korea, Republic of (South Korea)	0	0	*	*	649	42	0	0
Taiwan, Province of China	0	0	*	*	318	24	0	0
Africa	*	*	*	*	*	*	0	0
of which:								
South Africa	0	0	*	*	*	*	0	0
Oceania and Polar regions	*	*	*	*	89	118	0	0
of which:								
Australia	*	*	*	*	60	111	0	0
Not geographically allocated ⁵	-14	29	12	247	603	1,213	74	27
Total	*	*	1,877	3,564	13,072	25,313	581	156
of which:								
All offshore centres ⁶	*	*	*	*	*	*	0	0

¹ Revised² Excluding passenger fare receipts³ The relevant EMU countries are: Austria, Belgium, Finland, France, Germany, Greece, Italy, Luxembourg, Netherlands, Portugal and Spain⁴ For analytical purposes, additional details are given of transactions between residents of Ireland and residents of the EU25 area. With the expansion of the EU on 1 May 2004, the EU25 area comprises the former EU15 area along with Cyprus, Czech Republic, Estonia, Hungary, Lithuania, Latvia, Malta, Poland, Slovakia and Slovenia⁵ This category covers data supplied by respondents without a geographical breakdown⁶ This category overlaps with the regions referred to above and covers Andorra, Anguilla, Antigua and Barbuda, Bahamas, Bahrain, Barbados, Belize, Bermuda, British Virgin Islands, Cayman Islands, Cook Islands, Dominica, Gibraltar, Grenada, Guernsey, Hong Kong, Isle of Man, Jamaica, Jersey, Lebanon, Liberia, Liechtenstein, Maldives, Marshall Islands, Montserrat, Nauru, Netherlands Antilles, Niue, Panama, Philippines, Saint Lucia, Saint Vincent and the Grenadines, Samoa, Singapore, St. Kitts and Nevis, Turks and Caicos Islands, US Virgin Islands, Vanuatu⁷ Covers exports and imports of software that was not incorporated as part of computer hardware or physical media but separately transmitted by electronic means. The value of sales and purchases of additional software licences is also included

* Suppressed for confidentiality reasons but included in the higher level aggregates

Table 3 - Exports and Imports of services classified by country, 2005 and 2006

€ million

Region/Country	2005 ¹			2006		
	Exports	Imports	Net	Exports	Imports	Net
Algeria	7	0	7	*	*	-19
Angola	*	*	2	*	2	*
Argentina	35	7	28	*	*	*
Australia	300	281	19	356	295	61
Austria	386	219	167	373	234	139
Bahamas	27	0	27	47	0	47
Bahrain	18	0	18	21	0	21
Barbados	*	77	*	*	*	-41
Belgium	891	3,775	-2,884	860	3,453	-2,593
Bermuda	1,241	3,019	-1,778	760	2,881	-2,121
Brazil	*	*	87	116	10	106
British Virgin Islands	*	*	-55	*	*	-118
Bulgaria	*	*	13	25	6	19
Canada	610	308	302	746	270	476
Cayman Islands	324	10	314	304	31	273
Chile	19	*	*	*	*	*
China	1,095	91	1,004	746	249	497
Colombia	23	1	22	41	10	31
Costa Rica	*	*	*	0	*	*
Côte d' Ivoire	*	*	14	*	*	-1
Croatia	*	*	*	32	9	23
Cyprus	34	*	*	40	*	*
Czech Republic	215	88	127	243	104	139
Denmark	470	316	154	463	316	147
Egypt	54	14	40	63	16	47
El Salvador	*	*	13	*	*	*
Estonia	37	5	32	39	6	33
Ethiopia	6	0	6	*	0	*
Finland	274	133	141	364	165	199
France	3,201	2,455	746	3,011	2,381	630
Germany	6,032	3,033	2,999	5,797	2,865	2,932
Gibraltar	12	1	11	*	*	*
Greece	94	108	-14	124	125	-1
Guernsey	79	16	63	47	19	28
Hong Kong	90	72	18	129	101	28
Hungary	142	53	89	175	79	96
Iceland	32	*	*	*	*	40
India	156	44	112	240	77	163
Indonesia	38	4	34	55	11	44
Isle of Man	-269	13	-282	*	*	24
Israel	63	48	15	*	*	66
Italy	2,565	1,469	1,096	2,697	1,661	1,036
Jamaica	19	1	18	*	*	9
Japan	1,010	742	268	1,029	304	725
Jersey	*	*	31	*	*	164
Jordan	15	0	15	*	0	*
Kazakhstan	*	*	8	*	*	*
Kenya	*	*	27	*	*	35
Korea, Republic of (South Korea)	669	75	594	686	93	593
Kuwait	*	0	*	*	0	*
Latvia	*	*	33	*	*	45
Lebanon	*	*	11	*	*	11

Table 3 - Exports and Imports of services classified by country, 2005 and 2006 - continued € million

Region/Country	2005 ¹			2006		
	Exports	Imports	Net	Exports	Imports	Net
Liechtenstein	*	*	*	*	*	-66
Lithuania	*	*	*	*	*	*
Luxembourg	760	610	150	862	1,903	-1,041
Macedonia, The Former Yugoslav Republic of	*	0	*	*	0	*
Malaysia	35	18	17	53	15	38
Malta	*	*	*	*	*	*
Mexico	*	*	*	*	*	96
Morocco	*	*	16	27	9	18
Namibia	*	*	*	9	*	*
Netherlands	2,117	4,094	-1,977	2,021	3,116	-1,095
Netherlands Antilles	*	0	*	88	0	88
New Zealand	100	49	51	59	14	45
Nigeria	39	5	34	35	8	27
Norway	*	*	218	396	149	247
Pakistan	26	1	25	12	0	12
Panama	68	0	68	*	*	124
Philippines	*	*	12	*	*	32
Poland	387	100	287	513	144	369
Portugal	*	*	130	468	383	85
Qatar	28	0	28	41	-1	42
Romania	79	17	62	82	15	67
Russian Federation	322	60	262	*	*	418
Saudi Arabia	68	41	27	98	22	76
Serbia and Montenegro	*	*	11	*	*	24
Sierra Leone	0	0	0	*	0	*
Singapore	*	*	-132	209	105	104
Slovakia	58	13	45	73	16	57
Slovenia	35	19	16	25	23	2
South Africa	538	259	279	585	291	294
Spain	1,372	1,537	-165	1,544	1,671	-127
Sweden	870	399	471	987	362	625
Switzerland	1,161	563	598	1,254	579	675
Taiwan, Province of China	378	30	348	209	35	174
Thailand	13	12	1	41	8	33
Trinidad & Tobago	4	0	4	*	*	*
Tunisia	7	0	7	15	3	12
Turkey	*	*	103	*	*	180
Ukraine	*	*	56	*	*	50
United Arab Emirates	90	26	64	168	43	125
United Kingdom	12,257	8,717	3,540	9,601	10,225	-624
United States	4,133	19,883	-15,750	8,308	21,307	-12,999
Uruguay	13	0	13	*	*	12
Venezuela	*	*	9	*	*	27
Viet Nam	1	17	-16	6	3	3
Zimbabwe	*	0	*	0	0	0
International Organisations	29	0	29	-118	0	-118
Not geographically allocated ²	1,156	2,815	-1,659	4,702	4,623	79
Marginal trade ³	61	17	44	118	29	89
World total	48,219	57,521	-9,302	55,051	62,471	-7,420

¹ Revised

² This category covers data supplied by respondents without a geographical breakdown

³ Subtotal for countries for which exports and imports are less than €10m

* Suppressed for confidentiality reasons but included in world total

Background Notes *(May 2006)*

Introduction

The quarterly balance of payments (BOP) statistics compiled and published for Ireland provide some detail on exports and imports of services along with some regional geographical detail for total services. This new release provides on an annual basis greater analysis of the service components and significantly more geographical detail including a cross-classification of service components according to counterpart country/region. The data are collected and compiled within the BOP framework and as such are designed to comply in so far as possible with the stipulated international methodological standards. They also conform closely with international presentation formats taking materiality and relevance into account as well as data confidentiality constraints. The results published in this release are generally compatible with the information supplied to and published by Eurostat and the European Central Bank (ECB) concerning the economic activities of EU and EMU residents with non-residents of these areas. The figures are also compatible with those supplied to other international organisations such as IMF and OECD.

A summary description of the methodology is given below. It follows as far as possible the recommendations of the IMF's *Balance of Payments Manual - 5th Edition (BPM5)* published in 1993 and its supplement *Financial Derivatives: A Supplement to the 5th Edition (1993) of the Balance of Payments Manual* published in 2000. It also largely complies with the principles described in the *Manual on Statistics of International Trade in Services* (2002) prepared and published jointly by the UN, European Commission, IMF, OECD, UN Conference on Trade and Development and the WTO. Any significant deviations from the international recommendations are highlighted below.

Data collection

The information on service exports and imports is obtained as part of the overall process of collecting BOP-relevant data. Statutory surveys and other data collection arrangements are conducted under the Statistics (Balance of Payments and Financial Accounts) Order, 2005 (S.I. No. 124 of 2005) made under the Statistics Act, 1993.

Surveys of financial enterprises aim at exhaustive coverage and are conducted generally on a quarterly basis. However, in order to reduce reporting burden, companies with low activity volumes may, on approval from the CSO, provide annual data. Overall, about 4,500 financial entities are currently surveyed. The surveys cover banking, insurance, asset financing, treasury, institutional investment, activities of collective investment institutions (e.g. mutual funds, unit trusts and similar collective investment operations), broking and other financial service provision. Quarterly detailed returns are provided by about 3,500 entities while about 1,000 smaller activity entities provide the same level of detailed data annually. Quarterly estimates are made by the CSO from the annual returns for a specific year and these are used as preliminary quarterly estimates for the following year.

Surveys of manufacturing and non-financial service enterprises are conducted on a quarterly basis also with smaller activity entities reporting annually. Coverage for these entities is on a sample selection basis, those surveyed being selected on the basis of statistical register information concerning their transactions with non-residents. About 500 companies make quarterly or annual returns. Some of the enterprises are Irish owned; others are foreign-owned companies or branches. Both types have trading or investment transactions with non-resident affiliates or with third parties.

In making the overall estimates of imports and exports of services by manufacturing and non-financial enterprises, the survey results are grossed (or scaled) up to allow for non-coverage of enterprises and for some survey non-response. The grossing factors used take into account comparisons of data collected from the BOP surveys with data obtained from other CSO sources such as the Annual Services Inquiry and the Census of Industrial Production.

Apart from survey data, administrative sources also provide information on non-resident service transactions (e.g. the Department of Defence, concerning Ireland's UN military peace-keeping activity; the Department of Foreign Affairs, on expenditure incurred in maintaining Ireland's embassies and consulates abroad). In addition, information on tourism expenditure and receipts is obtained from other CSO inquiries and the freight and insurance service components of merchandise imports are estimated from the official merchandise imports statistics published by the CSO.

Sign convention and symbols

Service exports and imports are both shown with a positive sign and the net balance for any component or for the overall aggregate is calculated as exports *less* imports. Occasionally, the *merchanted* component of service exports may have a negative sign as a consequence of a merchanted loss being generated by a resident entity.

Amounts are shown in millions of Euro; '0' means amounts of less than €500,000; '-' means 'not relevant'. Cell entries may not add to totals due to rounding.

Definition of services The *Manual on Statistics of International Trade in Services* states that

“the term *services* covers a heterogeneous range of intangible products and activities that are difficult to encapsulate within a simple definition. Services are also often difficult to separate from goods with which they may be associated in varying degrees.”

The *Manual* generally respects the 1993 UN *System of National Accounts* usage and definition of the term *services* as follows:

“Services are not separate entities over which ownership rights can be established. They cannot be traded separately from their production. Services are heterogeneous outputs produced to order and typically consist of changes in the condition of the consuming units realised by the activities of the producers at the demand of the customers. By the time their production is completed they must have been provided to the customers”.

Services, unlike goods, are (generally) non-transportable. They differ from goods most notably in the immediacy of the relationship between supplier and consumer. Service supply, depending on the type of service, can involve the supplier travelling to the customer or vice versa, or the use of other means of delivery (e.g. using postal or internet services).

Valuation Service transactions, like all BOP transactions, should be recorded on an accruals basis using market valuation, and the collection system is designed to adhere to this approach. In practice, the information supplied to the CSO is based on company accounts data and may include information supplied on a ‘best estimate’ basis.

Residence Exports and imports of services occur between residents of Ireland and non-residents. For BOP, the term ‘resident’ covers: (a) individuals, including foreign nationals, living in Ireland for at least one year as well as Irish embassy staff and military staff located abroad, (b) Irish government enclaves located abroad (embassies, consulates, etc.), and (c) corporate bodies who have a centre of economic interest located here, including branches of foreign-registered companies. A ‘non-resident’ is any individual or entity which is not categorised as a ‘resident’ for BOP purposes.

Geographical allocation principle Service transactions are allocated to the country of residence of the counterpart i.e. in the case of exports, to the country of residence of the purchaser of the service; in the case of imports, to the country of residence of the entity from which the service was purchased. The country allocation is based on the ISO 3166 classification.

Description of individual service components *Services* exports and imports are presented to show nine main categories of service types: *transport, tourism and travel, communications, insurance, financial services, computer services, royalties/licences, other business services and other services not elsewhere specified*. The *other business services* category is further subdivided into *merchandise; other trade related services; operational leasing; legal, accounting and other professional services; advertising and market research; research and development; architectural, engineering and other technical services; management services between affiliates; and other*. In all, a total of seventeen individual service components are identified. The various components are described as follows.

(i) **Transport**

Transport services cover the carriage of passengers, the movement of freight, oil and gas pipeline transport and electricity transmission, along with the chartering of carriers and associated crew. Supporting and auxiliary services (e.g. cargo handling and storage, cleaning in ferry ports and airports, salvage operations) are also included. Export sales data for passenger transport are obtained from resident airline and ferry operators in terms of their receipts from non-residents for travel to and from Ireland. Direct data on receipts for other types of resident transport companies are not available – such expenditure by non-resident visitors to Ireland being captured indistinguishably in the *travel and tourism* receipts (exports). Respondents may provide their ‘best estimates’ in respect of the geographical breakdown required because of the difficulty of knowing in all cases the precise country of residence of their customers. Payments by Irish residents to non-resident transport enterprises in general cannot be directly distinguished at present. Such payments (imports) are included in the *travel and tourism* expenditure data. Receipts by resident airline and shipping companies for freight services provided (exports) to non-residents are obtained from these enterprises, the geographical breakdown being provided on a ‘best estimates’ basis where necessary. Imports of freight services are estimated from the official merchandise imports figures in calculating the necessary deduction to transform the imports valuation from a c.i.f (cost, insurance, freight) to a f.o.b. (free on board) basis as required for BOP purposes. The overall c.i.f. to f.o.b. adjustment factors are 2% for intra-EU imports and 4.8% for extra-EU freight. In each case, the freight element is estimated to account for 90% of this overall adjustment while the remaining 10% is allocated to the insurance element. Within the *transport* category three service components are shown: *passenger, freight and auxiliary services*.

(ii) ***Tourism and travel***

The category *tourism and travel* essentially covers the goods and services acquired in one economy by a resident of another economy during visits of less than one year. The results shown for *tourism and travel* are derived from the tourism statistics collected and compiled by the CSO primarily from its quarterly Passenger Card Inquiry (PCI) and from its monthly Country of Residence Survey (CRS) but supplemented by information obtained from its Household Travel Survey. The PCI and the CRS surveys are conducted independently at airports and ferry ports to meet the requirements of EU Council Directive 95/57/EC and Commission Decision 95/57/EC, each inquiry obtaining information for about half a million travellers over the course of a year. The PCI is a continuous sample survey of incoming and departing passengers at airports and seaports. It collects details of purpose of journey, country of residence, expenditure and fare costs, length of stay (for passengers travelling into and out of Ireland), and type of accommodation used (for visitors to Ireland). In the CRS, a sample of sailings and flights is selected and a one-in-five systematic sample of passengers for both modes of travel is surveyed. The data collected provide country of residence analyses of arriving and departing overseas travellers into/out of Ireland as well as information on route taken and mode of transport. The sample results are grossed up to total passenger numbers provided by resident airline and ferry companies. The PCI results are combined with the overall visit estimates from the CRS to provide the official overseas tourism and travel estimates published by the CSO.

(iii) ***Communications***

This covers postal and courier services and telecommunications services. Postal and courier services include the pick-up, transport and delivery of letters, postcards, printed matter, parcels and packages. Telecommunications services include the transmission of sound, images and other information by telephone, radio and television broadcasting, electronic mail, facsimile services and by satellite delivery. Also included are cellular telephone services and internet access services. Details of expenditures by resident enterprises on services purchased from non-residents are obtained from the BOP surveys of these enterprises. Information on receipts from non-residents in respect of their purchases of Irish-produced communications services are obtained from resident service providers.

(iv) ***Insurance***

The value of *insurance* services provided to non-residents by resident insurers (exports) is compiled from survey returns. It is estimated according to the international standards as the value of direct and supplementary premiums earned less the value of claims payable less increases in the actuarial element of insurance technical reserves. Supplementary premiums consist of investment income earned on investing the insurance technical reserves. This income is attributed to the policy holders and is also treated as being paid back to the insurance company by them. Capital and exchange gains and losses are excluded from the calculation of the output of resident insurance providers and data suppliers are requested to provide the relevant details to ensure that any impact of such gains/losses is removed. The value of insurance services purchased by residents from non-resident insurers (imports) is currently estimated primarily as insurance premiums paid less claims received. Reinsurance transactions in premiums and claims are currently treated on a gross basis and are incorporated in the results presented. Auxiliary insurance services (e.g. broking) are treated as part of insurance and receipts and payments for such services are included. In relation to merchandise imports, as described already for *transport* services, the insurance element of the c.i.f. to f.o.b. adjustment made for merchandise imports is estimated as 0.2% of the c.i.f. value for Intra-EU imports; for Extra-EU imports, the insurance element is estimated as 0.48% of the import value. These amounts are recorded under *insurance* imports. Given the complex nature of the insurance (and reinsurance) business in Ireland, the estimation procedures for both exports and imports of insurance services are currently being reviewed.

(v) ***Financial services***

This item covers financial intermediation and auxiliary services, except those of life insurance and pension funding and non-life insurance. Included are:

- (1) Specific types of financial service which generate explicit or implicit fees and commissions associated with financial transactions such as, for example, deposit taking and lending, financial leasing, factoring, etc.
- (2) Provision of services in the areas of, for example, financial advice, financial security custody and trustee services, management of financial assets, company mergers and acquisitions.

The following are excluded from *financial services*:

1. Interest earned on deposits, loans, financial leases and debt securities (this is investment income, not included in services);
2. Life insurance and pension intermediation services;
3. Other insurance services;
4. Non-financial advisory services provided by banks (such as management advisory services, which are included under the appropriate category);
5. Gains and losses made on purchase and sales of securities and financial derivatives on own account;
6. Financial intermediation services indirectly measured (FISIM). Some financial intermediaries are able to provide services for which they do not charge explicitly. FISIM is the measure of the value of these services. Financial intermediaries do this by paying to lenders (those from whom they borrow funds in the form of deposits and/or loans) rates of interest lower than the rates that they charge to those to whom they lend through loans (and to different categories of these lenders and borrowers). The IMF's 1993 BPM5 does not recommend the inclusion of FISIM in financial services but the UN's 1993 System of National Accounts (SNA) does make such a recommendation. Also the 1995 EU European System of Accounts (ESA) regulation (Council Regulation (EC) No 2223/96) as amended by Council Regulation (EC) No 448/98 and Commission Regulation (EC) No 1889/2002 require the inclusion of the FISIM element under services and, hence, as part of GDP. There is therefore a difference in treatment of FISIM currently by CSO between the approach adopted for BOP purposes and that used for the national accounts. It is possible, however, under the current international review of the BOP standards that the present BOP treatment of FISIM will be aligned with that of the national accounts standards.

In addition to explicit fees that may be charged for the conversion of foreign exchange, implicit service fees for foreign exchange transactions are valued as the spread between the mid-point rate and the buying or selling rate. Therefore all financial service fees may not be invoiced separately; they may be included indistinguishably with the financial transactions to which they relate. An example is the invoiced price of a security that includes a charge for the brokerage service provided, as well as charges for the international transfer of foreign currency. Such services are difficult to record and reporters may include them indistinguishably with the values of related financial transactions.

(vi) ***Computer services***

The *computer services* component consists of hardware and software-related services and data-processing services. Included are hardware and software consultancy and implementation services; maintenance and repair of computers and peripheral equipment; disaster recovery services; provision of advice and assistance on matters related to the management of computer resources; analysis, design and programming of systems ready to use (including web page development and design), and technical consultancy related to software; development, production, supply and documentation of customised software, including operating systems made to order for specific users; translation and localisation services; systems maintenance and other support services, such as training provided as part of consultancy; data-processing services, such as data entry, tabulation and processing on a time-sharing basis; web page hosting services; and computer facilities management. Sales and purchases of software transmitted electronically are recorded under *computer services*. Excluded from *computer services* are the export/import of packaged (non-customised) software which is embedded in hardware or carried on other physical media. This software is classified as *merchandise* in the official foreign trade statistics.

The relevant information on computer services is obtained from the usual BOP survey sources. In valuing these services reporters are asked to include the value of software licence fees received (exports) or paid (imports). This is a conscious CSO departure from the international standards which require that such licence fees be included under the service item *royalties/licence fees*. The treatment described was adopted in order to facilitate users in analysing the contribution of computer software producers to the economy.

(vii) ***Royalties/licences***

This item covers franchises and similar rights as well as other royalties and licence fees. Franchises and similar rights comprise international payments and receipts of franchising fees and the royalties paid for the use of registered trademarks. Other royalties and licence fees includes international payments and receipts for the authorised *use* of intangible, non-produced, non-financial assets and proprietary rights (such as patents, copyrights and industrial processes and designs) and with the use, through licensing agreements, of produced originals or prototypes (such as manuscripts, and cinematographic works and sound

recordings). In line with the IMF's BPM5 recommendation, payments and receipts for the outright purchase or sale of these assets and rights are excluded from this service component. Instead, such transactions are recorded as capital account transactions in the Balance of Payments statement. As described above under item (vi) *computer services* and as a conscious CSO departure from the international recommendations, receipts and payments in respect of computer software licence fees are not included under *royalties and licence fees* but are instead included under *computer services*. A further deviation from the international standards is that royalty receivables and payables in connection with the entertainment industry (mainly concerning film distribution and musical recordings and performances) are currently excluded from *royalties and licence fees* and included under *other services not elsewhere specified*.

(viii) **Other business services**

This item covers receivables and payables for the following services, the data for which are obtained from survey returns: (a) *merchandising*; (b) *other trade-related services*; (c) *operational leasing*; (d) *legal, accounting and other professional services*; (e) *advertising and market research*; (f) *research and development*; (g) *architectural, engineering and other technical services*; (h) *management services between affiliates*; and (i) *other services*. The various service sub-categories are described as follows.

- a. *Merchandising* consists of the sales net of purchases by Irish resident enterprises of foreign goods bought from and sold to non-residents without the goods entering or leaving Ireland. The net profit resulting from these transactions is recorded as a (positive) service export value under *merchandising services*; any net loss from this activity is recorded as a negative export value. As an interpretation of the philosophy of the current international standards, the CSO also includes under merchandising the value on a net basis of services delivered by Irish residents to foreign customers through a contracted foreign service provider¹. These services may or may not be associated with the supply of goods or equipment. The amount recorded under *merchandising* is the amount received by the Irish resident from the foreign customer less the amount paid by the former to the foreign contracted service provider.
- b. *Other trade-related services* consist of commissions earned by resident entities acting as agents for non-residents or paid to non-resident entities acting as agents for residents in connection with imports or exports of goods or services. Excluded are financial brokerage fees (included in *financial services*) and transport related fees (included in the appropriate component of *transport*).
- c. *Operational leasing* covers rental receivables and payables between residents and non-residents in respect of leasing (other than financial leasing) and chartering, without operators, of aircraft, ships and other transport or other equipment and plant.
- d. *Legal, accounting and other professional services* covers: legal consultancy, advisory and representation services, drafting services of legal documentation and instruments; accounting, auditing, bookkeeping, tax consulting and tax planning and document preparation services; business and management consulting and other professional services.
- e. *Advertising and market research* services include the design and creation 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.
- f. *Research and development* services cover those services that are associated with basic research, applied research and experimental development of new products and processes. Activities in the physical sciences, social sciences and humanities are covered, including the development of operating systems that represent technological advances. Also included is commercial research related to electronics, pharmaceuticals and biotechnology.
- g. *Architectural, engineering and other technical services* covers services related to architectural design of development projects; planning, design and supervision of the construction of civil and other engineering projects; surveying; cartography; product testing and certification; and other technical services.

¹The international standards limit merchandising activity to the international purchase and sale of goods which neither enter or leave the compiling economy. These standards require that services outsourced outside the compiling economy by a resident supplier and associated with the supply of merchanted goods should be treated and recorded on a gross basis in both the BOP and the international trade in services statistics. The CSO has not adopted this approach for reasons of possible consequential statistical distortion, particularly in the context of potentially large transactions in imports and exports of outsourced services having little impact on domestic employment levels.

- h. *Management services between affiliates* covers payments between related enterprises for management (or other overhead) services that cannot be specifically classified to any other component of *services*.
- i. *Other services* covers any other business services that cannot be classified to any of the business services listed above.

(ix) ***Other services not elsewhere specified***

This includes government services, personal, cultural and recreational services, construction services and any other services transacted between residents and non-residents. These services are described as follows.

1. *Government services* covers government transactions with non-residents (e.g. welfare and pension payments) and includes transactions with international organisations (e.g. receipts by the Government from the EU Commission to cover the cost of collection of Ireland's budgetary contributions to the EU). Also included under government services are the value of expenditure abroad (i.e. imports) by Irish embassies, consulates, and military units (e.g. associated with UN peace-keeping engagements) with residents of economies in which the embassies, consulates and military units are located; receipts by Irish residents from foreign embassies and consulates located in Ireland are correspondingly included (as exports). As a general exclusion under the international standards, transactions by embassies, consulates and the like, and their staff, with residents of the home economies of the embassies, consulates, etc. are not recorded in international service transactions (or in balance of payments) statistics. The data are obtained from Government departments and from embassies and consulates located in Ireland.
2. *Personal, cultural and recreational services* covers audiovisual and related services and other personal, cultural and recreational services. Included are services and associated fees related to the production of motion pictures, radio and television programmes (live or recorded) and musical recordings and performances. Fees for distribution rights (for television, radio and film) are also included. Excluded are purchases and sales of films, television and radio programmes, recorded music, musical compositions and manuscripts, and the rights to these. The estimates included are based on information obtained from a number of sources including data provided by representative and industry bodies as well as media reports and articles. As described above under the *royalties and licence fees* heading, the current treatment for royalty receivables and payables mainly in connection with film distribution and musical recordings and performances deviates from the international standards. These amounts are excluded from *royalties and licence fees* and included under *personal, cultural and recreational services*.
3. *Construction services* cover work performed on construction projects and installation by employees of an enterprise in locations outside the economic territory of the enterprise. The work may be performed for a short period of time e.g. for less than one year for smaller projects. Some of the construction work undertaken in Ireland can be considered to fall within the ambit of construction services as enterprises from Northern Ireland provide the service on a cross-border basis. However, for larger projects the work may extend over a number of years. In such cases, it is likely that the enterprise undertaking such a project will either set up a long-term site office in the country in which the project is being undertaken, or more probably it will establish a subsidiary or branch in that location. Where a long-term (over one year) site office or a subsidiary/branch are established, the construction work undertaken is deemed to be a direct investment operation (see the definition of *direct investment* in any of the other CSO Releases: *Balance of International Payments*, *International Investment Position* or *Foreign Direct Investment*). Because of current difficulties in collecting the relevant data directly from the required number of construction companies, the construction service estimates are based on data collected from local authorities and from the Department of the Environment, Heritage and Local Government. These estimates attempt to reflect the net construction service inflows (exports) and outflows (imports) vis-a-vis non-residents in the year. Further work is ongoing on this item and it is intended to compile and publish specific data for construction services when circumstances permit.
4. Any other services not specified above are included under this residual heading.