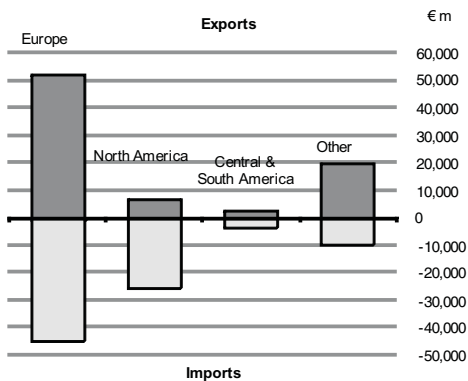




International Trade in Services 2011

**Exports and Imports of Services by
Region, 2011**



€ million

	Services		
	Exports	Imports	Net Balance
2011	81,448	83,258	-1,810
<i>of which:</i>			
UK	15,052	10,108	4,944
Germany	7,658	2,840	4,818
USA	5,837	24,856	-19,019
France	4,797	3,065	1,732
2010	74,311	80,951	-6,639
<i>of which:</i>			
UK	14,632	10,639	3,993
Germany	7,750	3,495	4,255
USA	5,484	24,704	-19,220
France	4,834	3,217	1,617

Published by the Central Statistics Office, Ireland.

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Print ISSN 2009-5007
On-line ISSN 2009-5015

Service deficit of €1.8bn lowest since 2007

Total service exports increased by €7.1bn from €74.3bn in 2010 to €81.4bn in 2011. Service imports also increased over the same period. However the €2.3bn increase in service imports from €81.0bn in 2010 to €83.3bn in 2011 was not as significant as the rise in service exports. As a result, the service deficit decreased from €6.6bn to €1.8bn in 2011 – the lowest since 2007 when the recorded service deficit was €1.1bn.

Computer services at €31.8bn was the largest export category and accounted for 39 per cent of total service exports in 2011. The residual category Other Business services (€34.6bn) was the largest category of service imports. Combined with Royalties/Licences (€29.2bn) both categories together accounted for 77 per cent of service imports in 2011 (*see Table 1*).

Service exports to Switzerland increased by €2bn between 2010 and 2011, mainly in the Other Business services category (*see Tables 2a & 2b*). Exports to Sweden and Italy were each up €0.5bn, mainly in Computer services (+€0.4bn) for Sweden and across a number of categories for Italy, including Insurance (+€0.2bn), Financial services (+€0.1bn) and Computer services (+€0.1bn).

Service imports from Netherlands and Belgium increased by €1.4bn and €0.7bn respectively between 2010 and 2011, while imports from Bermuda fell by €1bn. Imports from the US at €24.9bn are almost unchanged compared with 2010, with decreases for Advertising and Market Research (down €2.3bn) offset by increases for Management services between affiliates (up €2.2bn) and Research and Development (up €0.3bn).

For more information contact Stephen McDonagh at 01 498 4364 or Stephen Treacy at 01 498 4076.

Table 1 – Exports and Imports of Services by Category, 2010 and 2011

€ million

Item	2010 ¹			2011		
	Exports	Imports	Net	Exports	Imports	Net
Services	74,311	80,951	-6,639	81,448	83,258	-1,810
Transport	3,657	1,630	2,027	4,155	1,643	2,512
Tourism and travel	3,106	5,358	-2,252	3,281	5,031	-1,750
Communications	386	1,119	-733	455	1,076	-621
Insurance	7,965	6,272	1,693	8,138	5,997	2,141
Financial services	6,326	4,513	1,813	6,595	4,773	1,822
Computer services	27,889	659	27,230	31,819	680	31,139
Royalties/Licences	2,192	28,260	-26,068	3,636	29,221	-25,585
Other business services	22,151	32,946	-10,795	22,774	34,646	-11,872
Merchanting	7,126	n.a.	7,126	6,247	n.a.	6,247
Other trade related services	1,624	9,752	-8,128	1,491	10,224	-8,733
Operational leasing	6,699	1,571	5,128	6,699	1,459	5,240
Legal, accounting and other professional services	402	735	-333	408	773	-365
Advertising and market research	367	5,990	-5,623	*	3,748	*
Research and development	420	4,541	-4,121	*	4,973	*
Architectural engineering and other technical services	364	197	167	370	151	219
Management services between affiliates	980	4,570	-3,590	1,226	6,888	-5,662
Other	4,169	5,591	-1,422	4,682	6,429	-1,747
Other services n.e.s.	640	192	448	594	193	401

n.a. Not applicable - see Background Notes.

¹ Revised

Table 2a - Exports and Imports of Services Classified by Geographic Location, 2011

€ million

Region/Country	Total Services		Transport		Tourism and Travel ¹		Communications		Insurance	
	Exports	Imports	Exports	Imports	Exports	Imports	Exports	Imports	Exports	Imports
Europe	51,985	44,730	3,900	905	2,028	3,362	294	768	6,187	3,633
<i>of which:</i>										
Belgium	1,442	1,819	24	20	22	36	4	4	64	36
France	4,797	3,065	99	51	208	392	*	31	674	734
Germany	7,658	2,840	316	96	251	145	*	*	558	436
Italy	4,666	2,315	348	34	98	315	*	*	1,663	691
Luxembourg	975	5,112	0	0	3	2	0	0	*	4
Netherlands	3,377	11,548	8	41	56	57	*	*	203	171
Spain	2,442	1,576	495	28	213	865	*	*	159	91
Sweden	1,811	452	0	0	30	14	*	4	210	73
Switzerland	3,726	1,878	16	*	0	0	*	2	54	62
United Kingdom	15,052	10,108	2,506	520	912	897	220	639	1,999	987
EMU 17 ²	28,530	30,400	1,379	294	921	2,229	51	117	3,469	2,243
EU 27 ³	48,116	42,048	3,884	814	2,012	3,243	290	764	5,934	3,493
North America	6,954	25,301	180	304	735	773	*	17	1,233	1,354
<i>of which:</i>										
Canada	1,115	444	8	13	59	119	1	0	137	*
United States	5,837	24,856	171	290	674	654	*	15	1,095	*
Central America	1,890	3,306	0	0	0	0	*	0	226	637
<i>of which:</i>										
Bermuda	1,292	2,162	0	0	0	0	*	0	114	270
South America	571	125	0	0	0	0	0	0	59	*
<i>of which:</i>										
Brazil	257	56	0	0	0	0	0	0	16	*
Asia	8,576	1,994	4	32	118	2	*	*	255	166
<i>of which:</i>										
China	2,214	214	0	0	112	0	0	*	12	6
Japan	1,515	684	4	32	6	2	0	0	33	21
Korea, Republic of (South Korea)	336	35	0	0	0	0	0	0	8	*
Taiwan, Province of China	460	92	0	0	0	0	0	0	20	*
Africa	*	*	0	0	0	0	0	*	*	*
<i>of which:</i>										
South Africa	621	168	0	0	0	0	0	0	28	*
Oceania and Polar regions	1,581	419	0	0	0	56	1	*	34	13
<i>of which:</i>										
Australia	1,249	380	0	0	0	52	0	*	29	8
Not geographically allocated ⁴	8,582	6,861	71	402	400	838	*	249	*	114
International Organisations	*	*	0	0	0	0	0	0	0	0
Total	81,448	83,258	4,155	1,643	3,281	5,031	455	1,076	8,138	5,997
<i>of which:</i>										
All offshore centres ⁵	3,055	3,662	0	0	0	0	*	0	366	681

Table 2a - Exports and Imports of Services Classified by Geographic Location, 2011 - 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	4,602	1,681	23,011	347	1,663	18,681	1,722	n.a.	1,095	7,004
<i>of which:</i>										
Belgium	272	*	551	*	11	*	131	n.a.	*	288
France	152	161	2,547	49	*	215	313	n.a.	*	1,058
Germany	183	190	4,940	*	*	25	303	n.a.	*	1,250
Italy	594	324	997	7	*	*	124	n.a.	*	387
Luxembourg	579	16	26	0	*	*	*	n.a.	0	22
Netherlands	200	16	2,016	12	*	*	156	n.a.	*	296
Spain	96	27	870	0	*	*	149	n.a.	*	272
Sweden	96	7	1,074	*	*	*	82	n.a.	*	269
Switzerland	183	108	1,152	*	*	*	*	n.a.	*	308
United Kingdom	1,816	543	4,093	217	484	1,358	447	n.a.	391	1,696
EMU 17²	2,209	888	13,188	108	1,074	16,614	1,996	n.a.	*	3,896
EU 27³	4,167	1,472	20,162	344	1,610	18,039	2,629	n.a.	1,013	6,320
North America	591	2,694	*	154	*	6,852	1,072	n.a.	*	*
<i>of which:</i>										
Canada	*	35	*	*	*	0	*	n.a.	*	*
United States	*	2,657	305	*	1,126	6,852	*	n.a.	*	1,414
Central America	418	27	*	0	*	2,308	-221	n.a.	*	*
<i>of which:</i>										
Bermuda	79	*	*	0	*	*	*	n.a.	*	*
South America	*	*	*	0	*	0	14	n.a.	0	0
<i>of which:</i>										
Brazil	*	*	*	0	0	0	*	n.a.	0	0
Asia	550	222	3,578	*	*	14	1,086	n.a.	*	773
<i>of which:</i>										
China	*	*	*	0	0	*	235	n.a.	*	*
Japan	153	54	815	0	124	112	202	n.a.	*	289
Korea, Republic of (South Korea)	17	*	*	0	*	0	*	n.a.	0	*
Taiwan, Province of China	92	*	*	0	*	0	*	n.a.	0	*
Africa	*	*	612	0	*	*	113	n.a.	*	*
<i>of which:</i>										
South Africa	*	*	390	0	*	0	53	n.a.	*	*
Oceania and Polar regions	38	*	*	*	*	*	535	n.a.	*	*
<i>of which:</i>										
Australia	22	*	*	*	*	*	430	n.a.	*	*
Not geographically allocated⁴	97	46	3,618	120	23	1,358	1,926	n.a.	189	646
International Organisations	0	*	0	0	0	0	0	n.a.	*	0
Total	6,595	4,773	31,819	680	3,636	29,221	6,247	n.a.	1,491	10,224
<i>of which:</i>										
All offshore centres ⁵	698	86	242	8	*	2,284	-66	n.a.	*	*

Table 2a - Exports and Imports of Services Classified by Geographic Location, 2011 - 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	2,805	204	264	393	*	750	*	1,057	260	100
<i>of which:</i>										
Belgium	75	*	*	14	*	11	0	*	*	*
France	215	*	*	21	*	44	*	*	4	0
Germany	346	*	*	*	14	55	*	62	*	*
Italy	370	*	*	24	*	27	0	*	0	0
Luxembourg	*	0	0	*	0	0	0	0	0	0
Netherlands	201	*	*	*	*	*	0	*	4	*
Spain	151	0	*	17	*	38	0	*	*	0
Sweden	88	0	*	12	*	0	*	*	0	0
Switzerland	55	0	*	*	*	29	*	*	0	0
United Kingdom	509	83	90	165	68	461	*	316	50	52
EMU 17²	1,495	*	104	182	61	217	*	429	178	*
EU 27³	2,254	201	202	371	*	715	*	748	255	98
North America	407	*	*	*	39	2,277	177	*	24	*
<i>of which:</i>										
Canada	145	0	*	*	*	21	0	*	0	0
United States	262	*	*	117	*	2,254	176	3,289	24	*
Central America	215	232	*	*	0	*	0	0	0	0
<i>of which:</i>										
Bermuda	*	*	*	0	0	0	0	0	0	0
South America	307	0	0	1	*	*	0	*	0	0
<i>of which:</i>										
Brazil	134	0	0	0	0	0	0	*	0	0
Asia	2,253	*	*	16	*	59	0	*	*	*
<i>of which:</i>										
China	1,023	*	*	4	0	0	0	*	*	0
Japan	22	*	*	*	0	*	0	13	0	0
Korea, Republic of (South Korea)	*	0	0	0	0	2	0	0	0	0
Taiwan, Province of China	*	0	0	0	0	0	0	0	0	0
Africa	147	34	*	21	0	7	*	*	*	*
<i>of which:</i>										
South Africa	49	*	0	*	0	7	0	*	*	0
Oceania and Polar regions	81	0	*	11	*	17	0	24	0	1
<i>of which:</i>										
Australia	*	0	*	3	*	*	0	24	0	1
Not geographically allocated⁴	484	*	*	208	*	628	59	436	54	*
International Organisations	0	0	0	0	0	0	0	0	0	0
Total	6,699	1,459	408	773	*	3,748	*	4,973	370	151
<i>of which:</i>										
All offshore centres ⁵	327	242	*	3	*	5	0	*	14	*

Table 2a - Exports and Imports of Services Classified by Geographic Location, 2011 - continued

€ million

Region/Country	Other Business Services - continued						Other services n.e.s.	
	Management services between affiliates		Other		Total other business services		Exports	Imports
	Exports	Imports	Exports	Imports	Exports	Imports		
Europe	860	1,698	2,689	4,064	9,963	15,268	337	84
<i>of which:</i>								
<i>Belgium</i>	8	*	190	*	494	1,498	0	5
<i>France</i>	21	18	*	201	937	1,429	8	0
<i>Germany</i>	102	40	*	402	1,319	1,868	8	0
<i>Italy</i>	11	5	*	462	867	931	0	0
<i>Luxembourg</i>	266	*	110	10	22	*	0	0
<i>Netherlands</i>	24	685	92	79	570	1,197	0	0
<i>Spain</i>	22	*	100	192	552	551	0	0
<i>Sweden</i>	7	5	57	*	372	326	0	0
<i>Switzerland</i>	136	*	*	*	2,287	1,014	0	0
<i>United Kingdom</i>	238	323	*	1,790	2,735	4,881	288	64
EMU 17²	464	993	1,351	2,032	6,215	7,893	24	14
EU 27³	720	1,396	2,393	3,949	9,722	13,795	337	83
North America	133	4,397	*	*	2,513	13,111	120	44
<i>of which:</i>								
<i>Canada</i>	0	15	8	*	757	115	0	4
<i>United States</i>	131	4,382	*	*	1,756	12,996	120	40
Central America	21	*	*	*	911	331	0	0
<i>of which:</i>								
<i>Bermuda</i>	8	*	*	15	771	142	0	0
South America	0	4	*	*	331	69	0	0
<i>of which:</i>								
<i>Brazil</i>	0	0	*	*	132	34	0	0
Asia	*	97	*	301	3,833	1,490	24	6
<i>of which:</i>								
<i>China</i>	0	*	3	*	1,331	177	0	1
<i>Japan</i>	4	8	*	*	355	462	24	1
<i>Korea, Republic of (South Korea)</i>	0	*	0	*	280	8	0	0
<i>Taiwan, Province of China</i>	0	0	5	*	17	50	0	0
Africa	0	*	*	*	*	397	0	0
<i>of which:</i>								
<i>South Africa</i>	0	0	10	*	122	126	0	0
Oceania and Polar regions	*	34	17	*	668	298	0	0
<i>of which:</i>								
<i>Australia</i>	*	34	15	*	538	268	0	0
Not geographically allocated⁴	50	643	253	981	4,143	3,682	106	59
International Organisations	0	0	0	0	*	0	8	0
Total	1,226	6,888	4,682	6,429	22,774	34,646	594	193
<i>of which:</i>								
<i>All offshore centres⁵</i>	*	57	*	*	1,400	600	0	0

¹ Passenger fare receipts of resident carriers from foreign visitors are excluded from tourism and travel exports; such receipts are included under transport exports - see *Background Notes*.

² The relevant EMU countries are: Austria, Belgium, Cyprus, Estonia, Finland, France, Germany, Greece, Italy, Luxembourg, Malta, Netherlands, Portugal, Slovakia, Slovenia and Spain.

³ For analytical purposes, additional details are given of transactions between residents of Ireland and residents of the EU27 area.

⁴ This category covers data supplied by respondents without a geographical breakdown.

⁵ This category overlaps with the regions referred to above and covers Andorra, Anguilla, Antigua and Barbuda, Aruba, Bahamas, Bahrain, Barbados, Belize, Bermuda, British Virgin Islands, Cayman Islands, Cook Islands, Curacao, Dominica, Gibraltar, Grenada, Guernsey, Hong Kong, Isle of Man, Jersey, Lebanon, Liberia, Liechtenstein, Marshall Islands, Mauritius, Montserrat, Nauru, Niue, Panama, Philippines, Saint Lucia, Saint Vincent and the Grenadines, Samoa, Sechelles, Singapore, St. Kitts and Nevis, St Maarten, Turks and Caicos Islands, US Virgin Islands, Vanuatu.

⁶ 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

n.a. Not applicable - see *Background Notes*.

Table 2b - Exports and Imports of Services Classified by Geographic Location, 2010¹

€ million

Region/Country	Total Services		Transport		Tourism and Travel ²		Communications		Insurance	
	Exports	Imports	Exports	Imports	Exports	Imports	Exports	Imports	Exports	Imports
Europe	49,683	43,817	3,417	879	1,916	3,617	272	982	5,804	4,177
<i>of which:</i>										
Belgium	1,186	1,077	23	20	21	37	*	*	61	44
France	4,834	3,217	93	49	196	431	23	*	656	601
Germany	7,750	3,495	300	92	235	148	24	*	470	422
Italy	4,157	2,360	336	33	95	341	*	*	1,455	840
Luxembourg	1,073	5,709	0	0	4	2	*	*	10	7
Netherlands	3,355	10,129	7	39	53	63	*	10	245	199
Spain	2,503	1,642	471	29	201	939	*	*	193	109
Sweden	1,267	366	0	0	30	17	*	*	152	63
Switzerland	1,693	1,571	15	104	0	0	4	*	49	68
United Kingdom	14,632	10,639	2,088	492	859	948	166	679	2,067	1,554
EMU 17³	26,652	29,552	1,316	283	870	2,418	*	279	3,211	2,295
EU 27⁴	45,073	41,442	3,404	775	1,902	3,491	266	971	5,548	4,023
North America	6,077	25,326	169	341	696	805	*	32	1,429	*
<i>of which:</i>										
Canada	592	624	8	12	56	116	*	1	151	*
United States	5,484	24,704	162	328	641	690	22	29	1,279	1,328
Central America	2,412	3,780	0	0	0	0	*	*	256	*
<i>of which:</i>										
Bermuda	1,430	3,107	0	0	0	0	*	0	146	244
South America	401	89	0	0	0	0	0	0	43	*
<i>of which:</i>										
Brazil	175	50	0	0	0	0	0	0	8	*
Asia	7,154	1,894	4	33	112	2	7	8	236	135
<i>of which:</i>										
China	1,803	299	0	0	106	0	0	0	12	4
Japan	1,437	596	4	33	6	2	0	0	49	36
Korea, Republic of (South Korea)	209	40	0	0	0	0	0	0	8	*
Taiwan, Province of China	322	62	0	0	0	0	0	0	9	4
Africa	1,308	393	0	0	0	0	*	*	75	58
<i>of which:</i>										
South Africa	654	209	0	0	0	0	0	0	37	*
Oceania and Polar regions	1,093	426	0	0	0	56	4	4	59	14
<i>of which:</i>										
Australia	964	404	0	0	0	52	4	4	57	13
Not geographically allocated⁵	6,165	5,226	67	377	382	878	*	85	63	88
International Organisations	18	0	0	0	0	0	0	0	0	0
Total	74,311	80,951	3,657	1,630	3,106	5,358	386	1,119	7,965	6,272
<i>of which:</i>										
All offshore centres ⁶	3,360	4,145	0	0	0	0	*	1	415	412

Table 2b - Exports and Imports of Services Classified by Geographic Location, 2010¹ - continued

Region/Country	€ million									
	Other Business Services									
	Financial services		Computer services ⁷		Royalties/Licences		Merchandising		Other trade related services	
	Exports	Imports	Exports	Imports	Exports	Imports	Exports	Imports	Exports	Imports
Europe	4,298	1,780	20,741	329	822	17,286	4,256	n.a.	1,140	7,087
<i>of which:</i>										
<i>Belgium</i>	120	12	493	3	*	*	122	<i>n.a.</i>	*	232
<i>France</i>	169	52	2,333	*	41	209	731	<i>n.a.</i>	*	1,074
<i>Germany</i>	164	486	4,606	*	12	29	909	<i>n.a.</i>	*	1,338
<i>Italy</i>	496	276	907	12	*	*	223	<i>n.a.</i>	*	458
<i>Luxembourg</i>	546	*	31	*	*	5,417	*	<i>n.a.</i>	*	0
<i>Netherlands</i>	317	12	1,775	22	*	8,798	264	<i>n.a.</i>	*	327
<i>Spain</i>	88	16	798	2	*	*	228	<i>n.a.</i>	*	308
<i>Sweden</i>	45	4	653	18	*	*	123	<i>n.a.</i>	*	193
<i>Switzerland</i>	138	101	991	7	2	*	141	<i>n.a.</i>	*	309
<i>United Kingdom</i>	1,731	600	3,874	127	142	1,288	1,122	<i>n.a.</i>	428	1,775
EMU 17³	2,066	956	12,078	171	646	15,369	*	n.a.	*	4,034
EU 27⁴	3,891	1,565	18,244	320	806	16,699	3,913	n.a.	1,097	6,400
North America	809	2,495	*	*	588	*	889	n.a.	*	1,046
<i>of which:</i>										
<i>Canada</i>	73	7	*	*	17	*	110	<i>n.a.</i>	*	*
<i>United States</i>	737	2,488	381	153	571	7,352	781	<i>n.a.</i>	*	*
Central America	*	*	*	0	*	*	35	n.a.	*	*
<i>of which:</i>										
<i>Bermuda</i>	99	*	*	0	*	*	*	<i>n.a.</i>	*	*
South America	*	*	*	0	*	0	6	n.a.	0	0
<i>of which:</i>										
<i>Brazil</i>	*	*	*	0	0	0	-3	<i>n.a.</i>	0	0
Asia	477	122	3,084	37	123	76	564	n.a.	*	814
<i>of which:</i>										
<i>China</i>	*	*	*	*	0	0	48	<i>n.a.</i>	*	76
<i>Japan</i>	197	34	684	0	84	184	252	<i>n.a.</i>	*	*
<i>Korea, Republic of (South Korea)</i>	15	*	*	0	*	0	-14	<i>n.a.</i>	*	*
<i>Taiwan, Province of China</i>	43	*	*	0	*	*	-10	<i>n.a.</i>	0	*
Africa	*	*	715	0	*	0	138	n.a.	*	*
<i>of which:</i>										
<i>South Africa</i>	*	*	438	0	*	0	83	<i>n.a.</i>	*	117
Oceania and Polar regions	32	9	*	*	*	*	304	n.a.	*	237
<i>of which:</i>										
<i>Australia</i>	24	9	*	*	*	*	275	<i>n.a.</i>	*	*
Not geographically allocated⁵	159	60	*	*	285	*	934	n.a.	275	311
International Organisations	0	0	*	0	0	0	0	n.a.	0	0
Total	6,326	4,513	27,889	659	2,192	28,260	7,126	n.a.	1,624	9,752
<i>of which:</i>										
<i>All offshore centres⁶</i>	676	96	247	6	*	2,682	52	<i>n.a.</i>	*	172

Table 2b - Exports and Imports of Services Classified by Geographic Location, 2010¹ - 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	2,728	84	252	399	*	795	*	1,075	293	150
<i>of which:</i>										
Belgium	87	*	*	8	0	*	0	*	*	*
France	223	*	*	36	*	66	*	61	*	*
Germany	316	11	*	44	16	91	*	46	*	20
Italy	309	*	*	18	*	26	0	*	0	*
Luxembourg	*	0	0	0	0	*	0	0	0	0
Netherlands	*	*	*	*	*	38	0	*	*	0
Spain	150	*	*	10	0	74	0	*	0	*
Sweden	80	0	*	16	0	*	*	*	0	0
Switzerland	42	0	*	9	*	*	*	*	0	0
United Kingdom	441	28	105	196	35	349	*	480	55	100
EMU 17³	1,449	46	81	151	*	382	*	333	200	45
EU 27⁴	2,132	*	195	375	77	777	*	*	271	149
North America	275	*	58	133	*	4,581	226	*	17	*
<i>of which:</i>										
Canada	134	*	0	0	0	27	0	*	0	0
United States	140	*	56	133	*	4,554	226	2,991	16	*
Central America	486	*	*	1	0	0	*	0	0	0
<i>of which:</i>										
Bermuda	*	*	*	1	0	0	*	0	0	0
South America	245	*	0	0	0	2	0	*	0	0
<i>of which:</i>										
Brazil	111	*	0	0	0	0	0	*	0	0
Asia	2,030	*	13	18	*	*	0	*	16	*
<i>of which:</i>										
China	945	*	0	4	0	0	0	5	0	0
Japan	22	0	*	*	*	10	0	18	*	0
Korea, Republic of (South Korea)	149	0	0	0	0	0	0	0	0	0
Taiwan, Province of China	*	0	0	0	0	0	0	0	0	0
Africa	*	*	*	*	*	6	0	0	2	0
<i>of which:</i>										
South Africa	50	*	0	*	0	3	0	0	0	0
Oceania and Polar regions	60	0	*	*	0	*	0	11	0	0
<i>of which:</i>										
Australia	37	0	*	*	0	*	0	10	0	0
Not geographically allocated⁵	*	*	62	163	*	581	62	404	36	*
International Organisations	0	0	0	0	0	0	0	0	0	0
Total	6,699	1,571	402	735	367	5,990	420	4,541	364	197
<i>of which:</i>										
All offshore centres ⁶	494	*	*	4	*	0	*	*	10	*

Table 2b - Exports and Imports of Services Classified by Geographic Location, 2010¹ - continued

€ million

Region/Country	Other Business Services - continued						Other services n.e.s.	
	Management services between affiliates		Other		Total other business services		Exports	Imports
	Exports	Imports	Exports	Imports	Exports	Imports		
Europe	624	1,677	2,546	3,412	12,026	14,679	387	86
<i>of which:</i>								
Belgium	*	*	127	34	408	873	0	5
France	22	*	*	*	1,313	1,683	8	0
Germany	70	64	*	622	1,931	2,237	8	0
Italy	11	*	*	302	844	827	0	0
Luxembourg	128	*	*	*	216	107	0	0
Netherlands	41	*	*	117	716	986	0	0
Spain	38	*	73	54	725	518	0	0
Sweden	8	*	54	*	369	251	0	0
Switzerland	72	58	*	*	493	700	0	0
United Kingdom	213	359	*	1,603	3,367	4,888	340	64
EMU 17³	310	1,201	*	1,578	6,361	7,770	*	14
EU 27⁴	547	1,608	*	3,278	10,627	13,513	387	82
North America	78	*	*	*	1,839	12,638	120	44
<i>of which:</i>								
Canada	0	*	*	*	264	343	0	4
United States	76	2,212	*	677	1,575	12,295	120	40
Central America	*	*	*	*	1,398	610	0	0
<i>of which:</i>								
Bermuda	*	*	*	6	819	247	0	0
South America	0	*	4	*	256	58	0	0
<i>of which:</i>								
Brazil	0	0	2	*	110	36	0	0
Asia	*	57	175	492	3,089	1,470	24	6
<i>of which:</i>								
China	0	*	*	*	1,081	266	0	1
Japan	0	*	94	*	390	306	24	0
Korea, Republic of (South Korea)	0	0	*	*	156	22	0	0
Taiwan, Province of China	0	0	*	*	0	47	0	0
Africa	*	*	*	*	*	310	0	0
<i>of which:</i>								
South Africa	0	*	*	*	145	156	0	0
Oceania and Polar regions	0	*	34	*	416	316	0	0
<i>of which:</i>								
Australia	0	*	31	*	361	301	0	0
Not geographically allocated⁵	31	326	*	778	2,695	2,865	101	56
International Organisations	0	0	*	0	*	0	8	0
Total	980	4,570	4,169	5,591	22,151	32,946	640	192
<i>of which:</i>								
All offshore centres ⁶	231	54	*	*	1,659	944	0	0

¹ Revised

² Passenger fare receipts of resident carriers from foreign visitors are excluded from tourism and travel exports; such receipts are included under transport exports - see *Background Notes*.

³ The relevant EMU countries are: Austria, Belgium, Cyprus, Estonia, Finland, France, Germany, Greece, Italy, Luxembourg, Malta, Netherlands, Portugal, Slovakia, Slovenia and Spain.

⁴ For analytical purposes, additional details are given of transactions between residents of Ireland and residents of the EU27 area.

⁵ This category covers data supplied by respondents without a geographical breakdown.

⁶ 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, Curacao, Dominica, Gibraltar, Grenada, Guernsey, Hong Kong, Isle of Man, Jamaica, Jersey, Lebanon, Liberia, Liechtenstein, Maldives, Marshall Islands, Montserrat, Nauru, Niue, Panama, Philippines, Saint Lucia, Saint Vincent and the Grenadines, Samoa, Singapore, St. Kitts and Nevis, St Maarten, Turks and Caicos Islands, US Virgin Islands, Vanuatu.

⁷ 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.

 n.a. Not applicable - see *Background Notes*.

Table 3 - Exports and Imports of services classified by country, 2010 and 2011

€ million

Region/Country	2010 ¹			2011		
	Exports	Imports	Net	Exports	Imports	Net
Afghanistan	*	*	4	*	*	*
Algeria	*	*	*	*	*	*
Argentina	38	15	23	69	20	49
Armenia	13	0	13	13	0	13
Australia	964	404	560	1,249	380	869
Austria	505	258	247	550	209	341
Bahamas	8	0	8	15	0	15
Bahrain	37	5	32	44	3	41
Bangladesh	13	*	*	12	0	12
Barbados	73	*	*	*	343	*
Belgium	1,186	1,077	109	1,442	1,819	-377
Belize	*	0	*	*	0	*
Bermuda	1,430	3,107	-1,677	1,292	2,162	-870
Brazil	175	50	125	257	56	201
British Virgin Islands	20	*	*	21	*	*
Bulgaria	83	30	53	73	28	45
Canada	592	624	-32	1,115	444	671
Cayman Islands	628	*	*	472	*	*
Central African Republic	*	0	*	*	0	*
Chile	72	9	63	*	*	*
China	1,803	299	1,504	2,214	214	2,000
Colombia	78	6	72	109	22	87
Costa Rica	*	0	*	2	0	2
Croatia	47	34	13	47	32	15
Curacao	n.a.	n.a.	n.a.	19	*	*
Cyprus	*	103	*	*	*	*
Czech Republic	280	127	153	268	106	162
Denmark	807	304	503	1,063	488	575
Egypt	312	53	259	339	68	271
El Salvador	22	*	*	23	0	23
Estonia	16	16	0	17	7	10
Ethiopia	18	0	18	17	1	16
Finland	677	165	512	670	142	528
France	4,834	3,217	1,617	4,797	3,065	1,732
Georgia	*	*	*	5	*	*
Germany	7,750	3,495	4,255	7,658	2,840	4,818
Gibraltar	10	*	*	11	*	*
Greece	194	91	103	188	93	95
Guernsey	12	27	-15	55	41	14
Hong Kong	140	112	28	230	111	119
Hungary	478	86	392	552	76	476
Iceland	*	*	*	49	7	42
India	789	135	654	1,039	236	803
Indonesia	130	11	119	179	25	154
Isle of Man	*	14	*	170	*	*
Israel	360	95	265	417	109	308
Italy	4,157	2,360	1,797	4,666	2,315	2,351
Jamaica	27	*	*	22	*	*
Japan	1,437	596	841	1,515	684	831
Jersey	148	32	116	54	10	44
Jordan	*	*	*	27	11	16
Kazakhstan	60	*	*	58	10	48
Kenya	79	13	66	80	12	68

Table 3 - Exports and Imports of services classified by country, 2010 and 2011 - continued

€ million

Region/Country	2010 ¹			2011		
	Exports	Imports	Net	Exports	Imports	Net
Korea, Republic of (South Korea)	209	40	169	336	35	301
Kuwait	*	*	*	61	2	59
Latvia	51	10	41	36	9	27
Lebanon	*	*	*	23	*	*
Libya	13	0	13	13	6	7
Liechtenstein	*	*	*	13	7	6
Lithuania	33	14	19	39	15	24
Luxembourg	1,073	5,709	-4,636	975	5,112	-4,137
Malaysia	111	75	36	112	73	39
Maldives	*	*	*	*	*	*
Malta	15	*	*	*	*	*
Mexico	167	26	141	162	40	122
Morocco	*	*	*	30	12	18
Netherlands	3,355	10,129	-6,774	3,377	11,548	-8,171
New Zealand	90	19	71	248	15	233
Nigeria	71	20	51	66	31	35
Norway	731	215	516	988	222	766
Pakistan	34	2	32	50	4	46
Philippines	89	16	73	64	11	53
Poland	629	279	350	585	300	285
Portugal	558	479	79	532	444	88
Qatar	49	1	48	59	5	54
Romania	136	35	101	90	42	48
Russian Federation	1,248	196	1,052	-1,728	183	-1,911
Rwanda	1	0	1	*	0	*
Saudi Arabia	238	*	*	303	45	258
Serbia	38	*	*	39	11	28
Singapore	522	148	374	708	155	553
Slovakia	66	33	33	83	36	47
Slovenia	*	*	*	38	12	26
South Africa	654	209	445	621	168	453
Spain	2,503	1,642	861	2,442	1,576	866
Sri Lanka	1	0	1	*	0	*
Sweden	1,267	366	901	1,811	452	1,359
Switzerland	1,693	1,571	122	3,726	1,878	1,848
Taiwan, Province of China	322	62	260	460	92	368
Thailand	17	22	-5	46	9	37
Tokelau	*	*	*	*	0	*
Tunisia	27	13	14	23	8	15
Turkey	367	206	161	349	206	143
Ukraine	75	22	53	67	23	44
United Arab Emirates	532	190	342	483	99	384
United Kingdom	14,632	10,639	3,993	15,052	10,108	4,944
United States	5,484	24,704	-19,220	5,837	24,856	-19,019
Uruguay	*	*	*	*	0	*
Venezuela	7	4	3	18	6	12
Viet Nam	29	4	25	35	5	30
Virgin Islands, US	0	*	*	0	*	*
Yemen	*	0	*	*	*	*
International Organisations	18	0	18	*	*	*
Not geographically allocated ²	6,165	5,226	939	8,582	6,861	1,721
Marginal trade ³	151	40	111	185	76	109
World total	74,311	80,951	-6,639	81,448	83,258	-1,810

¹ Revised² 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 (September 2012)

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 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.

Note: With the release of September 2012 the name of this series was changed from "Services Exports and Imports" to "International Trade in Services" in order to be more consistent with similarly published statistics internationally.

Data collection The information on service exports and imports is obtained as part of the overall process of collecting BOP-relevant data. Statutory surveys are conducted by the CSO and by the Central Bank of Ireland (CBI). Other data obtained from administrative sources are also used. Following the introduction of a redesigned BOP data collection system in 1998 and up to 2007, the CSO undertook all the necessary survey collection and compilation required. However, following a joint initiative involving the CSO and the CBI to rationalise statistical data collection and compilation for the financial sector and also to reduce the burden on data providers, the data collection arrangements changed. As a consequence, since 2008 the data required from licensed banks (credit institutions) and from investment funds (including money market funds) to meet BOP-related data requirements (as well as other statistical demands on both organisations) are being collected quarterly by the CBI under its legislation as well as European legislation¹. The data are supplied by the CBI to CSO for statistical compilation purposes. The CSO has therefore discontinued its surveys of credit institutions and investment funds but continues to collect the required data from other financial enterprises as well as non-financial enterprises using its ongoing quarterly statutory surveys. These are conducted under the Statistics (Balance of Payments and Financial Accounts) Order, 2010 (S.I. No. 206 of 2010) made under the Statistics Act, 1993.

CSO surveys of financial enterprises aim at exhaustive coverage and are conducted 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. The relevant CBI surveys of credit institutions and investment funds are conducted quarterly and are directed at all such entities. Overall, both organisations survey about 4,500 financial entities. The surveys cover banking, insurance and pension funding, asset financing, treasury, institutional investment, investment funds (e.g. mutual funds, unit trusts and similar collective investment operations), broking and other financial service provision. Financial enterprises, including those engaged in internationally-traded financial service activities and collectively labelled as IFSC (International Financial Services Centre) enterprises, are required to make returns.

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.

CSO 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 order to facilitate compilation of the wider national accounts statistics, the surveys conducted by both the CSO and the CBI also collect data on transactions of reporting enterprises with residents of Ireland. The returns are predominantly supplied in electronic form.

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 *merchandising* component of service exports may have a negative sign as a consequence of a merchandising loss being generated by a resident entity.

Amounts are shown in millions of Euro; '0' means amounts of less than €500,000; 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 *merchandising; 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.

(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). 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, with information obtained for about 240,000 and 400,000 travellers respectively 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 airports 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. It should be noted that the *tourism/travel* exports item represents receipts of residents from non-resident visitors other than passenger fare receipts of Irish passenger carriers from non-residents; the latter are included under *transport* exports. The *tourism/travel* imports item represents foreign expenditure by Irish residents on foreign travel. Because of the difficulty of separately distinguishing passenger fares paid to non-resident carriers, this element of expenditure is generally included in *tourism/travel* imports (rather than being more appropriately categorised as an import of transport services). Payments made to Irish passenger carriers by Irish residents are excluded.

(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 kept under review.

(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. 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. Under the new international BOP standards which will come into operation in 2014 FISIM will be included under Financial services.

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) *merchanting*; (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. *Merchanting* consists of 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 *merchanting 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 merchanting the value on a net basis of services delivered by Irish residents to foreign customers through a contracted foreign service provider¹¹. These services may or may not be associated with the supply of goods or equipment. The amount recorded under *merchanting* 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.
- 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* includes 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 is 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.

ⁱ ECB Regulation on the Assets and Liabilities of Investment Funds (ECB/2007/8) of 27 July 2007, the ECB Balance of Payments and International Investment Statistics Guideline (ECB/2004/15) of 16 July 2004, as amended by (ECB/2007/3) of 31 May 2007, and the ECB Guideline on Monetary, Financial Institutions and Markets Statistics (ECB/2007/9) of 1 August 2007

ⁱⁱ The international standards limit merchanting 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 merchant 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.