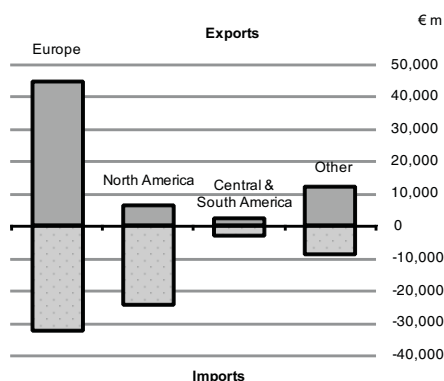




## Service Exports and Imports 2006 and 2007

Exports and Imports of Services by  
Region, 2007



€ million

	Services		
	Exports	Imports	Net Balance
<b>2007</b>	<b>65,650</b>	<b>68,519</b>	<b>-2,869</b>
<i>of which:</i>			
<b>UK</b>	14,466	11,733	2,733
<b>Germany</b>	6,507	3,804	2,703
<b>USA</b>	5,841	23,961	-18,120
<b>Italy</b>	4,202	2,107	2,095
<b>2006</b>	<b>57,069</b>	<b>63,867</b>	<b>-6,797</b>
<i>of which:</i>			
<b>UK</b>	12,853	10,045	2,808
<b>Germany</b>	5,795	2,978	2,817
<b>USA</b>	5,461	21,031	-15,570
<b>Italy</b>	3,836	1,680	2,156

### Increase in exports almost double that in imports

Between 2006 and 2007 service exports increased by almost €8.6bn, while service imports increased by €4.7bn. The increased exports were mainly to European and Asian countries. Exports to European countries accounted for almost 70% of the total, with exports to UK and France rising to €14,466m and €4,052m respectively. The increased exports to Asia were accounted for by China (€2,127m) and Taiwan (€482m). Imports from North America increased almost €3bn to €24,241m. Although imports from UK increased to €11,733m, imports from European countries fell marginally to €32,656m, with Germany (€3,804m), France (€3,300m), Netherlands (€2,649m) and Italy (€2,107m) featuring prominently. The results show that in 2007 the gap between the service exports and service imports, i.e. a deficit of €2,869m, closed considerably compared to 2006, when the deficit was €6,797m. This change can largely be traced to changes in the deficits for Netherlands and Belgium – see *Tables 2a, 2b* and 3. Other points of note are:

- ◆ Exports of computer services totalled €21,578m in 2007.
- ◆ Almost half of merchanting services were with European countries (mainly EU countries).

This Release updates for the year 2007 the additional category and geographical details on the annual exports and imports of services published for 2005 and 2006 on 21 December 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 2006 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*.

Published by the Central Statistics Office, Ireland.

Ardee Road Skehard Road  
Dublin 6 Cork  
Ireland Ireland

LoCall: 1890 313 414 (ROI)  
0870 8760256 (UK/NI)

Tel: +353 1 498 4000 Tel: +353 21 453 5000  
Fax: +353 1 498 4020 Fax: +353 21 453 5555

Both offices may be contacted through any of these telephone numbers.

CSO on the Web: [www.cso.ie](http://www.cso.ie)  
and go to  
Economy: Balance of Payments

Director General: Gerard O'Hanlon

Enquiries:

BOP Statistics BOP Section, 01 498 4055  
bop@cso.ie  
Queries and Sales Information Section, ext 5021  
information@cso.ie

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**Table 1 – Exports and Imports of Services by Category, 2006 and 2007**

€ million

Item	2006 <sup>1</sup>			2007		
	Exports	Imports	Net	Exports	Imports	Net
<b>Services</b>	<b>57,069</b>	<b>63,867</b>	<b>-6,797</b>	<b>65,650</b>	<b>68,519</b>	<b>-2,869</b>
Transport	2,334	2,027	307	2,566	2,048	518
Tourism and travel	4,258	5,446	-1,188	4,426	6,389	-1,963
Communications	432	772	-340	485	833	-348
Insurance	8,738	7,239	1,499	8,707	7,056	1,651
Financial services	6,214	3,906	2,308	7,413	4,685	2,728
Computer services	18,298	562	17,736	21,578	588	20,990
Royalties/Licences	737	17,534	-16,797	860	17,254	-16,394
Other business services	15,399	26,203	-10,804	18,904	29,492	-10,588
Merchanting	5,301	0	5,301	8,435	0	8,435
Other trade related services	514	8,391	-7,877	940	10,842	-9,902
Operational leasing	5,439	851	4,588	5,189	1,143	4,046
Legal, accounting and other professional services	333	639	-306	296	796	-500
Advertising and market research	*	*	-6,774	158	6,093	-5,935
Research and development	355	3,742	-3,387	257	4,450	-4,193
Architectural engineering and other technical services	582	316	266	469	248	221
Management services between affiliates	*	*	-855	754	2,035	-1,281
Other	1,872	3,634	-1,762	2,407	3,883	-1,476
Other services n.e.s.	662	176	486	710	174	536

<sup>1</sup> Revised

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

Table 2a - Exports and Imports of Services Classified by Geographic Location, 2007

€ million

Region/Country	Total Services		Transport		Tourism and Travel <sup>1</sup>		Communications		Insurance	
	Exports	Imports	Exports	Imports	Exports	Imports	Exports	Imports	Exports	Imports
<b>Europe</b>	<b>44,867</b>	<b>32,656</b>	<b>2,308</b>	<b>1,074</b>	<b>3,053</b>	<b>3,961</b>	<b>328</b>	<b>720</b>	<b>5,859</b>	<b>4,729</b>
<i>of which:</i>										
United Kingdom	14,466	11,733	1,776	608	1,482	723	220	553	1,937	2,274
France	4,052	3,300	97	64	216	573	22	24	419	416
Germany	6,507	3,804	101	119	244	120	29	36	554	621
Italy	4,202	2,107	93	43	160	445	4	10	1,773	716
Netherlands	2,565	2,649	7	50	91	50	9	12	195	239
Spain	1,878	1,887	93	38	146	1,261	6	29	212	118
Sweden	1,281	461	0	0	58	19	*	*	255	128
Belgium	1,180	1,574	28	24	48	39	*	*	116	77
Luxembourg	823	2,080	0	0	4	4	0	0	12	6
Switzerland	1,296	598	15	96	66	0	0	6	20	123
<b>EMU 13<sup>2</sup></b>	<b>22,949</b>	<b>18,362</b>	<b>515</b>	<b>372</b>	<b>985</b>	<b>2,987</b>	<b>86</b>	<b>130</b>	<b>3,356</b>	<b>2,188</b>
<b>EU 27<sup>3</sup></b>	<b>41,273</b>	<b>31,689</b>	<b>2,292</b>	<b>980</b>	<b>2,987</b>	<b>3,960</b>	<b>327</b>	<b>702</b>	<b>5,654</b>	<b>4,700</b>
<b>North America</b>	<b>6,417</b>	<b>24,241</b>	<b>175</b>	<b>353</b>	<b>854</b>	<b>1,054</b>	<b>21</b>	<b>24</b>	<b>2,080</b>	<b>1,489</b>
<i>of which:</i>										
Canada	574	278	8	17	61	0	0	0	177	166
United States	5,841	23,961	169	336	793	1,054	21	22	1,901	1,322
<b>Central America</b>	<b>1,886</b>	<b>2,837</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>131</b>	<b>274</b>
<i>of which:</i>										
Bermuda	898	2,492	0	0	0	0	0	0	76	214
<b>South America</b>	<b>229</b>	<b>26</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>21</b>	<b>5</b>
<i>of which:</i>										
Brazil	100	12	0	0	0	0	0	0	*	*
<b>Asia</b>	<b>6,024</b>	<b>1,380</b>	<b>4</b>	<b>58</b>	<b>170</b>	<b>17</b>	<b>4</b>	<b>7</b>	<b>*</b>	<b>*</b>
<i>of which:</i>										
China	2,127	126	0	0	136	0	0	0	40	30
Japan	888	569	4	58	34	17	*	*	20	18
Korea, Republic of (South Korea)	582	40	0	0	0	0	0	0	5	4
Taiwan, Province of China	482	51	0	0	0	0	0	0	*	*
<b>Africa</b>	<b>908</b>	<b>351</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>*</b>	<b>*</b>	<b>*</b>	<b>*</b>
<i>of which:</i>										
South Africa	582	253	0	0	0	0	1	4	*	*
<b>Oceania and Polar regions</b>	<b>671</b>	<b>500</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>44</b>	<b>*</b>	<b>*</b>	<b>*</b>	<b>*</b>
<i>of which:</i>										
Australia	597	475	0	0	0	43	*	*	*	*
<b>Not geographically allocated<sup>4</sup></b>	<b>4,648</b>	<b>6,528</b>	<b>79</b>	<b>563</b>	<b>349</b>	<b>1,313</b>	<b>125</b>	<b>71</b>	<b>42</b>	<b>104</b>
<b>Total</b>	<b>65,650</b>	<b>68,519</b>	<b>2,566</b>	<b>2,048</b>	<b>4,426</b>	<b>6,389</b>	<b>485</b>	<b>833</b>	<b>8,707</b>	<b>7,056</b>
<i>of which:</i>										
All offshore centres <sup>5</sup>	2,547	2,982	0	0	0	0	0	2	254	164

Table 2a - Exports and Imports of Services Classified by Geographic Location, 2007 - continued

€ million

Region/Country	Other Business Services									
	Financial services		Computer services <sup>6</sup>		Royalties/Licences		Merchanting		Other trade related services	
	Exports	Imports	Exports	Imports	Exports	Imports	Exports	Imports	Exports	Imports
<b>Europe</b>	<b>4,581</b>	<b>2,436</b>	<b>18,436</b>	<b>315</b>	<b>397</b>	<b>5,200</b>	<b>3,983</b>	<b>0</b>	*	*
<i>of which:</i>										
United Kingdom	1,892	1,657	4,412	187	162	961	785	0	446	1,947
France	200	91	1,928	22	*	*	533	0	*	*
Germany	244	301	3,603	40	*	*	913	0	4	1,332
Italy	493	86	1,137	13	*	*	194	0	0	445
Netherlands	257	28	1,154	9	11	1,673	213	0	*	*
Spain	116	36	785	1	*	*	208	0	0	245
Sweden	40	18	617	19	*	*	61	0	0	221
Belgium	75	27	452	7	*	*	277	0	0	191
Luxembourg	663	39	6	0	*	*	0	0	*	*
Switzerland	169	54	635	4	*	*	67	0	11	199
<b>EMU 13 <sup>2</sup></b>	<b>2,159</b>	<b>626</b>	<b>10,024</b>	<b>102</b>	<b>222</b>	<b>4,118</b>	<b>2,593</b>	<b>0</b>	*	*
<b>EU 27 <sup>3</sup></b>	<b>4,275</b>	<b>2,336</b>	<b>16,401</b>	<b>310</b>	<b>391</b>	<b>5,187</b>	<b>3,696</b>	<b>0</b>	<b>725</b>	<b>6,639</b>
<b>North America</b>	<b>1,009</b>	<b>1,705</b>	*	*	<b>233</b>	<b>9,723</b>	*	<b>0</b>	*	*
<i>of which:</i>										
Canada	47	4	*	*	12	2	*	0	*	*
United States	964	1,701	391	197	219	9,721	232	0	61	*
<b>Central America</b>	<b>806</b>	<b>60</b>	*	*	*	*	*	<b>0</b>	*	*
<i>of which:</i>										
Bermuda	197	18	*	*	*	*	*	0	*	*
<b>South America</b>	<b>92</b>	<b>8</b>	*	*	*	*	*	<b>0</b>	*	*
<i>of which:</i>										
Brazil	*	*	0	0	0	0	3	0	0	0
<b>Asia</b>	<b>612</b>	<b>311</b>	<b>1,643</b>	<b>20</b>	*	*	*	<b>0</b>	*	<b>576</b>
<i>of which:</i>										
China	*	*	*	*	*	*	*	0	0	*
Japan	225	99	*	*	*	*	*	0	*	245
Korea, Republic of (South Korea)	*	*	*	*	*	*	23	0	0	*
Taiwan, Province of China	85	11	*	*	0	0	*	0	0	*
<b>Africa</b>	<b>97</b>	<b>6</b>	<b>454</b>	<b>0</b>	*	*	<b>78</b>	<b>0</b>	<b>0</b>	*
<i>of which:</i>										
South Africa	30	2	296	0	*	*	58	0	0	86
<b>Oceania and Polar regions</b>	<b>42</b>	<b>6</b>	*	*	*	*	<b>89</b>	<b>0</b>	<b>0</b>	<b>206</b>
<i>of which:</i>										
Australia	31	5	*	*	*	*	79	0	0	202
<b>Not geographically allocated <sup>4</sup></b>	<b>174</b>	<b>153</b>	<b>381</b>	<b>40</b>	*	*	<b>2,487</b>	<b>0</b>	*	*
<b>Total</b>	<b>7,413</b>	<b>4,685</b>	<b>21,578</b>	<b>588</b>	<b>860</b>	<b>17,254</b>	<b>8,435</b>	<b>0</b>	<b>940</b>	<b>10,842</b>
<i>of which:</i>										
All offshore centres <sup>5</sup>	1,055	129	88	0	*	*	109	0	0	70

Table 2a - Exports and Imports of Services Classified by Geographic Location, 2007 - 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
<b>Europe</b>	<b>2,029</b>	<b>122</b>	*	*	<b>151</b>	<b>1,679</b>	*	*	<b>324</b>	<b>171</b>
<i>of which:</i>										
United Kingdom	347	28	114	310	100	415	*	*	75	105
France	*	*	30	60	*	*	*	*	24	14
Germany	*	*	*	*	*	*	0	19	137	16
Italy	177	0	0	17	0	86	0	4	7	2
Netherlands	*	*	0	22	*	*	0	23	16	4
Spain	207	0	0	19	0	113	0	0	5	0
Sweden	*	*	0	13	0	4	*	*	0	0
Belgium	54	0	0	8	*	*	*	*	*	*
Luxembourg	0	0	*	*	*	*	0	0	0	0
Switzerland	26	0	*	*	*	*	*	*	0	0
<b>EMU 13<sup>2</sup></b>	<b>1,094</b>	<b>79</b>	<b>41</b>	<b>202</b>	*	*	*	*	<b>207</b>	<b>51</b>
<b>EU 27<sup>3</sup></b>	<b>1,684</b>	<b>110</b>	<b>157</b>	<b>537</b>	*	*	*	*	<b>312</b>	<b>171</b>
<b>North America</b>	<b>610</b>	<b>420</b>	<b>71</b>	<b>104</b>	*	*	<b>81</b>	<b>3,159</b>	<b>43</b>	<b>21</b>
<i>of which:</i>										
Canada	*	*	0	2	*	*	0	0	*	*
United States	*	*	71	102	0	2,812	81	3,157	*	*
<b>Central America</b>	*	*	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	*	*	*	*
<i>of which:</i>										
Bermuda	*	*	*	*	*	*	*	*	*	*
<b>South America</b>	<b>97</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	*	*	<b>0</b>	<b>0</b>
<i>of which:</i>										
Brazil	*	*	0	0	0	0	0	0	0	0
<b>Asia</b>	*	*	<b>3</b>	<b>11</b>	*	*	*	*	*	*
<i>of which:</i>										
China	589	0	0	0	0	0	0	0	*	*
Japan	*	*	0	0	*	*	*	*	*	*
Korea, Republic of (South Korea)	*	*	0	0	0	0	0	0	*	*
Taiwan, Province of China	*	*	0	0	0	0	0	0	0	0
<b>Africa</b>	<b>99</b>	<b>0</b>	*	*	<b>0</b>	<b>10</b>	<b>0</b>	<b>0</b>	<b>8</b>	<b>0</b>
<i>of which:</i>										
South Africa	62	0	*	*	0	4	0	0	8	0
<b>Oceania and Polar regions</b>	*	*	<b>0</b>	<b>2</b>	*	*	<b>0</b>	<b>0</b>	*	*
<i>of which:</i>										
Australia	*	*	0	1	*	*	0	0	*	*
<b>Not geographically allocated<sup>4</sup></b>	*	*	<b>64</b>	<b>101</b>	<b>2</b>	<b>1,570</b>	<b>5</b>	<b>396</b>	*	*
<b>Total</b>	<b>5,189</b>	<b>1,143</b>	<b>296</b>	<b>796</b>	<b>158</b>	<b>6,093</b>	<b>257</b>	<b>4,450</b>	<b>469</b>	<b>248</b>
<i>of which:</i>										
All offshore centres <sup>5</sup>	*	*	1	3	0	1	*	*	*	*

Table 2a - Exports and Imports of Services Classified by Geographic Location, 2007 - 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
<b>Europe</b>	*	*	<b>1,345</b>	<b>2,502</b>	<b>9,381</b>	<b>14,122</b>	<b>524</b>	<b>97</b>
<i>of which:</i>								
United Kingdom	256	270	*	*	2,560	4,698	20	72
France	26	40	*	*	1,065	1,940	*	*
Germany	*	*	*	*	1,489	2,511	*	*
Italy	*	*	*	*	448	778	*	*
Netherlands	9	21	*	*	748	587	92	2
Spain	*	*	*	*	446	399	*	*
Sweden	*	*	1	8	292	266	0	0
Belgium	3	10	*	*	447	1,074	0	4
Luxembourg	*	*	23	30	62	144	*	*
Switzerland	*	*	*	*	380	304	*	*
<b>EMU 13</b> <sup>2</sup>	*	*	*	*	<b>5,128</b>	<b>7,821</b>	<b>472</b>	<b>15</b>
<b>EU 27</b> <sup>3</sup>	*	*	<b>1,142</b>	<b>2,422</b>	<b>8,425</b>	<b>13,421</b>	<b>522</b>	<b>93</b>
<b>North America</b>	*	*	*	*	<b>1,550</b>	<b>9,645</b>	*	*
<i>of which:</i>								
Canada	*	*	*	*	245	73	*	*
United States	151	*	248	629	1,306	9,574	76	35
<b>Central America</b>	*	*	<b>631</b>	<b>35</b>	<b>944</b>	<b>371</b>	*	*
<i>of which:</i>								
Bermuda	*	*	612	7	*	*	0	0
<b>South America</b>	<b>0</b>	*	<b>8</b>	<b>2</b>	<b>114</b>	<b>13</b>	*	*
<i>of which:</i>								
Brazil	*	*	*	*	48	*	0	0
<b>Asia</b>	<b>66</b>	<b>17</b>	*	*	<b>3,309</b>	<b>881</b>	<b>28</b>	<b>5</b>
<i>of which:</i>								
China	0	3	*	*	1,612	74	0	0
Japan	0	4	*	*	134	381	24	0
Korea, Republic of (South Korea)	0	*	2	2	531	*	0	0
Taiwan, Province of China	*	*	2	1	265	33	0	0
<b>Africa</b>	<b>3</b>	*	*	*	<b>210</b>	<b>188</b>	<b>1</b>	<b>0</b>
<i>of which:</i>								
South Africa	*	*	12	7	142	112	0	0
<b>Oceania and Polar regions</b>	<b>0</b>	<b>17</b>	<b>9</b>	<b>19</b>	<b>129</b>	<b>258</b>	<b>0</b>	<b>0</b>
<i>of which:</i>								
Australia	0	15	8	18	99	241	0	0
<b>Not geographically allocated</b> <sup>4</sup>	<b>36</b>	<b>185</b>	<b>98</b>	*	<b>3,267</b>	<b>4,014</b>	*	*
<b>Total</b>	<b>754</b>	<b>2,035</b>	<b>2,407</b>	<b>3,883</b>	<b>18,904</b>	<b>29,492</b>	<b>710</b>	<b>174</b>
<i>of which:</i>								
All offshore centres <sup>5</sup>	*	*	*	*	1,106	553	*	*

<sup>1</sup> Excluding passenger fare receipts<sup>2</sup> The relevant EMU countries are: Austria, Belgium, Finland, France, Germany, Greece, Italy, Luxembourg, Netherlands, Portugal, Slovenia and Spain<sup>3</sup> For analytical purposes, additional details are given of transactions between residents of Ireland and residents of the EU27 area. With the expansion of the EU on 1 January 2007, the EU27 area comprises the former EU25 area along with Bulgaria and Romania<sup>4</sup> This category covers data supplied by respondents without a geographical breakdown<sup>5</sup> 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, Vanuatu<sup>6</sup> 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, 2006<sup>1</sup>

€ million

Region/Country	Total Services		Transport		Tourism and Travel <sup>2</sup>		Communications		Insurance	
	Exports	Imports	Exports	Imports	Exports	Imports	Exports	Imports	Exports	Imports
<b>Europe</b>	<b>38,089</b>	<b>33,016</b>	<b>2,104</b>	<b>1,051</b>	<b>2,952</b>	<b>3,479</b>	<b>346</b>	<b>699</b>	<b>6,011</b>	<b>4,780</b>
<i>of which:</i>										
United Kingdom	12,853	10,045	1,638	581	1,465	688	220	524	1,907	2,045
France	2,982	2,570	87	60	214	449	*	*	385	313
Germany	5,795	2,978	89	112	254	107	*	*	767	801
Italy	3,836	1,680	84	40	145	339	*	*	1,767	581
Netherlands	1,876	4,630	5	47	89	66	12	12	193	206
Spain	1,613	1,644	84	35	115	1,106	*	*	164	77
Sweden	1,076	346	0	0	43	20	*	*	168	55
Belgium	965	3,483	20	22	54	31	*	*	100	63
Luxembourg	837	1,910	0	0	5	5	*	*	8	5
Switzerland	1,140	602	12	117	65	0	4	4	35	129
<b>EMU 13<sup>3</sup></b>	<b>19,279</b>	<b>19,828</b>	<b>454</b>	<b>353</b>	<b>948</b>	<b>2,554</b>	<b>94</b>	<b>143</b>	<b>3,467</b>	<b>2,090</b>
<b>EU 27<sup>4</sup></b>	<b>35,251</b>	<b>31,684</b>	<b>2,092</b>	<b>934</b>	<b>2,886</b>	<b>3,478</b>	<b>338</b>	<b>685</b>	<b>5,619</b>	<b>4,257</b>
<b>North America</b>	<b>6,000</b>	<b>21,300</b>	<b>158</b>	<b>348</b>	<b>850</b>	<b>865</b>	<b>31</b>	<b>29</b>	<b>1,949</b>	<b>1,621</b>
<i>of which:</i>										
Canada	536	269	6	19	67	0	1	1	115	184
United States	5,461	21,031	151	330	782	864	29	28	1,834	1,438
<b>Central America</b>	<b>1,687</b>	<b>2,927</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>183</b>	<b>314</b>
<i>of which:</i>										
Bermuda	834	2,615	0	0	0	0	0	0	84	213
<b>South America</b>	<b>255</b>	<b>30</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>22</b>	<b>6</b>
<i>of which:</i>										
Brazil	112	8	0	0	0	0	0	0	4	1
<b>Asia</b>	<b>4,223</b>	<b>1,201</b>	<b>4</b>	<b>66</b>	<b>170</b>	<b>19</b>	<b>5</b>	<b>9</b>	<b>199</b>	<b>109</b>
<i>of which:</i>										
China	947	265	0	0	136	0	0	0	34	16
Japan	881	300	4	66	34	19	0	0	21	20
Korea, Republic of (South Korea)	698	96	0	0	0	0	0	0	7	4
Taiwan, Province of China	273	48	0	0	0	0	0	0	12	9
<b>Africa</b>	<b>841</b>	<b>398</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>4</b>	<b>*</b>	<b>*</b>
<i>of which:</i>										
South Africa	556	291	0	0	0	0	0	4	*	*
<b>Oceania and Polar regions</b>	<b>484</b>	<b>328</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>49</b>	<b>4</b>	<b>4</b>	<b>158</b>	<b>116</b>
<i>of which:</i>										
Australia	416	306	0	0	0	46	4	4	153	114
<b>Not geographically allocated<sup>5</sup></b>	<b>5,490</b>	<b>4,667</b>	<b>68</b>	<b>562</b>	<b>286</b>	<b>1,034</b>	<b>46</b>	<b>27</b>	<b>*</b>	<b>*</b>
<b>Total</b>	<b>57,069</b>	<b>63,867</b>	<b>2,334</b>	<b>2,027</b>	<b>4,258</b>	<b>5,446</b>	<b>432</b>	<b>772</b>	<b>8,738</b>	<b>7,239</b>
<i>of which:</i>										
All offshore centres <sup>6</sup>	2,420	3,495	0	0	0	0	0	1	491	675

Table 2b - Exports and Imports of Services Classified by Geographic Location, 2006<sup>1</sup> - continued

€ million

Region/Country	Other Business Services									
	Financial services		Computer services <sup>7</sup>		Royalties/Licences		Merchanting		Other trade related services	
	Exports	Imports	Exports	Imports	Exports	Imports	Exports	Imports	Exports	Imports
<b>Europe</b>	*	*	<b>14,803</b>	<b>295</b>	*	*	<b>2,305</b>	<b>0</b>	<b>274</b>	<b>6,398</b>
<i>of which:</i>										
United Kingdom	1,634	1,140	3,598	167	178	707	451	0	213	1,816
France	183	138	1,499	23	*	*	*	0	13	1,005
Germany	197	236	3,175	21	*	*	*	0	4	1,084
Italy	394	106	924	4	*	*	*	0	2	350
Netherlands	177	15	925	15	4	3,626	191	0	0	364
Spain	111	42	618	0	*	*	*	0	0	236
Sweden	24	4	*	*	*	*	71	0	*	*
Belgium	79	24	348	4	*	*	*	0	0	167
Luxembourg	721	45	5	0	*	*	*	0	*	*
Switzerland	207	36	560	3	0	1	35	0	*	*
<b>EMU 13<sup>3</sup></b>	<b>1,955</b>	<b>614</b>	<b>8,228</b>	<b>74</b>	<b>148</b>	<b>5,877</b>	*	<b>0</b>	*	<b>3,504</b>
<b>EU 27<sup>4</sup></b>	<b>3,747</b>	<b>1,773</b>	<b>13,399</b>	<b>290</b>	<b>335</b>	<b>7,157</b>	*	<b>0</b>	*	<b>5,927</b>
<b>North America</b>	<b>810</b>	<b>1,716</b>	*	*	*	*	*	<b>0</b>	*	*
<i>of which:</i>										
Canada	47	3	*	*	*	*	*	0	*	*
United States	761	1,713	281	149	233	7,577	174	0	60	*
<b>Central America</b>	<b>577</b>	<b>41</b>	<b>4</b>	<b>0</b>	*	*	*	<b>0</b>	*	*
<i>of which:</i>										
Bermuda	*	*	*	*	*	*	*	0	*	*
<b>South America</b>	<b>59</b>	<b>6</b>	*	*	*	*	*	<b>0</b>	*	*
<i>of which:</i>										
Brazil	*	*	*	*	0	0	1	0	0	0
<b>Asia</b>	<b>477</b>	<b>246</b>	<b>1,143</b>	<b>22</b>	<b>84</b>	<b>49</b>	<b>225</b>	<b>0</b>	<b>1</b>	<b>338</b>
<i>of which:</i>										
China	*	*	*	*	0	0	71	0	0	*
Japan	235	77	326	0	19	38	59	0	0	98
Korea, Republic of (South Korea)	*	*	*	*	0	0	17	0	0	*
Taiwan, Province of China	*	*	*	*	0	0	*	0	0	22
<b>Africa</b>	<b>62</b>	<b>5</b>	<b>439</b>	<b>0</b>	<b>0</b>	<b>0</b>	*	<b>0</b>	<b>0</b>	*
<i>of which:</i>										
South Africa	31	5	302	0	0	0	15	0	0	79
<b>Oceania and Polar regions</b>	*	*	<b>175</b>	<b>0</b>	*	*	<b>25</b>	<b>0</b>	<b>0</b>	*
<i>of which:</i>										
Australia	*	*	156	0	*	*	18	0	0	*
<b>Not geographically allocated<sup>5</sup></b>	*	*	1,421	95	*	*	2,549	0	*	824
<b>Total</b>	<b>6,214</b>	<b>3,906</b>	<b>18,298</b>	<b>562</b>	<b>737</b>	<b>17,534</b>	<b>5,301</b>	<b>0</b>	<b>514</b>	<b>8,391</b>
<i>of which:</i>										
All offshore centres <sup>6</sup>	814	101	86	3	*	*	41	0	0	65

Table 2b - Exports and Imports of Services Classified by Geographic Location, 2006<sup>1</sup> - 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
<b>Europe</b>	<b>2,021</b>	<b>88</b>	<b>156</b>	<b>445</b>	*	<b>3,187</b>	<b>183</b>	<b>748</b>	<b>366</b>	<b>212</b>
<i>of which:</i>										
United Kingdom	379	17	126	249	*	*	54	510	125	130
France	*	*	10	31	*	*	*	*	14	20
Germany	*	*	4	31	*	*	*	*	116	24
Italy	263	0	0	12	*	*	*	*	*	*
Netherlands	130	0	0	20	*	*	0	14	*	*
Spain	230	0	*	*	*	*	*	*	*	*
Sweden	*	*	0	7	0	8	*	*	0	0
Belgium	78	0	0	13	*	*	*	*	*	*
Luxembourg	0	0	0	1	0	0	*	*	0	0
Switzerland	38	0	0	10	*	*	*	*	0	0
<b>EMU 13<sup>3</sup></b>	*	*	<b>28</b>	<b>163</b>	*	*	<b>2</b>	<b>227</b>	<b>196</b>	<b>72</b>
<b>EU 27<sup>4</sup></b>	<b>1,773</b>	<b>77</b>	<b>155</b>	<b>427</b>	*	*	<b>170</b>	<b>740</b>	<b>347</b>	<b>210</b>
<b>North America</b>	*	*	<b>62</b>	<b>74</b>	*	*	<b>135</b>	<b>2,572</b>	*	*
<i>of which:</i>										
Canada	*	*	0	1	*	*	0	0	*	*
United States	*	*	62	73	0	3,550	134	2,571	115	36
<b>Central America</b>	*	*	<b>2</b>	<b>1</b>	<b>0</b>	<b>0</b>	*	*	*	*
<i>of which:</i>										
Bermuda	*	*	*	*	*	*	*	*	*	*
<b>South America</b>	<b>156</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	*	*
<i>of which:</i>										
Brazil	*	*	0	0	0	0	0	0	0	0
<b>Asia</b>	*	*	*	*	*	*	<b>0</b>	<b>18</b>	*	*
<i>of which:</i>										
China	*	*	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	*	*
<b>Africa</b>	<b>136</b>	<b>0</b>	*	*	<b>0</b>	<b>14</b>	*	*	<b>3</b>	<b>0</b>
<i>of which:</i>										
South Africa	72	0	*	*	0	10	0	0	*	*
<b>Oceania and Polar regions</b>	<b>43</b>	<b>0</b>	*	*	*	*	<b>0</b>	<b>0</b>	*	*
<i>of which:</i>										
Australia	20	0	*	*	*	*	0	0	*	*
<b>Not geographically allocated<sup>5</sup></b>	*	*	<b>100</b>	<b>86</b>	<b>3</b>	<b>274</b>	*	*	*	*
<b>Total</b>	<b>5,439</b>	<b>851</b>	<b>333</b>	<b>639</b>	*	*	<b>355</b>	<b>3,742</b>	<b>582</b>	<b>316</b>
<i>of which:</i>										
All offshore centres <sup>6</sup>	*	*	2	5	0	0	*	*	*	*

Table 2b - Exports and Imports of Services Classified by Geographic Location, 2006<sup>1</sup> - 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
<b>Europe</b>	*	*	*	*	<b>6,960</b>	<b>13,626</b>	*	*
<i>of which:</i>								
United Kingdom	358	292	*	*	2,192	4,126	20	68
France	25	25	*	*	497	1,431	*	*
Germany	89	58	33	135	1,070	1,512	*	*
Italy	7	5	*	*	428	580	*	*
Netherlands	11	46	*	*	396	641	80	1
Spain	12	11	11	19	449	356	*	*
Sweden	0	5	9	5	322	237	0	0
Belgium	1	8	*	373	361	2,911	*	*
Luxembourg	*	*	*	213	60	299	*	*
Switzerland	4	11	*	*	255	311	0	0
<b>EMU 13<sup>3</sup></b>	<b>173</b>	<b>235</b>	<b>329</b>	<b>1,178</b>	<b>3,567</b>	<b>8,107</b>	<b>420</b>	<b>19</b>
<b>EU 27<sup>4</sup></b>	<b>*</b>	<b>*</b>	<b>727</b>	<b>1,935</b>	<b>6,368</b>	<b>13,014</b>	<b>468</b>	<b>93</b>
<b>North America</b>	*	*	<b>170</b>	<b>810</b>	*	*	*	*
<i>of which:</i>								
Canada	*	*	4	2	*	*	*	*
United States	*	*	169	808	1,308	8,900	80	35
<b>Central America</b>	*	*	*	*	<b>922</b>	<b>321</b>	*	*
<i>of which:</i>								
Bermuda	*	*	*	*	598	141	0	0
<b>South America</b>	*	*	*	*	<b>169</b>	<b>16</b>	*	*
<i>of which:</i>								
Brazil	0	0	*	*	*	*	0	0
<b>Asia</b>	<b>56</b>	<b>20</b>	*	*	<b>2,116</b>	<b>673</b>	<b>24</b>	<b>7</b>
<i>of which:</i>								
China	*	*	3	125	607	185	0	1
Japan	*	*	*	*	221	78	20	0
Korea, Republic of (South Korea)	0	*	*	*	660	51	0	0
Taiwan, Province of China	0	*	*	12	*	*	0	0
<b>Africa</b>	<b>4</b>	*	*	<b>48</b>	<b>178</b>	<b>192</b>	*	*
<i>of which:</i>								
South Africa	0	0	*	*	98	114	*	*
<b>Oceania and Polar regions</b>	*	*	*	*	<b>94</b>	<b>140</b>	<b>0</b>	<b>0</b>
<i>of which:</i>								
Australia	*	*	*	*	61	124	0	0
<b>Not geographically allocated<sup>5</sup></b>	<b>4</b>	<b>96</b>	*	*	*	*	<b>87</b>	<b>30</b>
<b>Total</b>	*	*	<b>1,872</b>	<b>3,634</b>	<b>15,399</b>	<b>26,203</b>	<b>662</b>	<b>176</b>
<i>of which:</i>								
All offshore centres <sup>6</sup>	56	12	*	*	950	457	*	*

<sup>1</sup> Revised<sup>2</sup> Excluding passenger fare receipts<sup>3</sup> The relevant EMU countries are: Austria, Belgium, Finland, France, Germany, Greece, Italy, Luxembourg, Netherlands, Portugal, Slovenia and Spain<sup>4</sup> For analytical purposes, additional details are given of transactions between residents of Ireland and residents of the EU27 area. With the expansion of the EU on 1 January 2007, the EU27 area comprises the former EU25 area along with Bulgaria and Romania<sup>5</sup> This category covers data supplied by respondents without a geographical breakdown<sup>6</sup> 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, Vanuatu<sup>7</sup> 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, 2006 and 2007**

€ million

Region/Country	2006 <sup>1</sup>			2007		
	Exports	Imports	Net	Exports	Imports	Net
Algeria	*	*	-21	15	6	9
Antigua and Barbuda	*	0	*	*	0	*
Argentina	38	3	35	35	3	32
Australia	416	306	110	597	475	122
Austria	379	281	98	423	266	157
Bahamas	45	0	45	37	0	37
Bahrain	20	0	20	22	0	22
Barbados	*	*	-17	22	58	-36
Belgium	965	3,483	-2,518	1,180	1,574	-394
Bermuda	834	2,615	-1,781	898	2,492	-1,594
Brazil	112	8	104	100	12	88
British Virgin Islands	*	*	-115	*	*	-154
Bulgaria	*	*	-21	*	*	-26
Canada	536	269	267	574	278	296
Cayman Islands	*	*	271	471	63	408
Chile	21	4	17	26	4	22
China	947	265	682	2,127	126	2,001
Colombia	39	9	30	32	1	31
Congo	*	0	*	10	0	10
Costa Rica	0	*	*	0	0	0
Côte d'Ivoire	*	*	*	*	*	*
Croatia	31	10	21	*	*	22
Cyprus	138	629	-491	*	*	-17
Czech Republic	248	104	144	333	125	208
Denmark	501	331	170	640	342	298
Egypt	67	17	50	91	21	70
El Salvador	*	*	*	*	0	*
Estonia	34	5	29	41	14	27
Ethiopia	*	0	*	*	0	*
Finland	387	162	225	435	141	294
France	2,982	2,570	412	4,052	3,300	752
Germany	5,795	2,978	2,817	6,507	3,804	2,703
Gibraltar	*	*	12	*	*	15
Greece	121	104	17	177	128	49
Guernsey	46	13	33	37	25	12
Hong Kong	146	105	41	181	132	49
Hungary	225	90	135	258	95	163
Iceland	42	2	40	*	*	123
India	242	89	153	359	89	270
Indonesia	60	11	49	50	9	41
Isle of Man	*	*	-6	26	*	*
Israel	153	52	101	187	66	121
Italy	3,836	1,680	2,156	4,202	2,107	2,095
Jamaica	*	*	*	17	8	9
Japan	881	300	581	888	569	319
Jersey	*	*	18	*	*	-9
Jordan	*	0	*	*	*	22
Kazakhstan	*	*	*	*	*	35
Kenya	*	*	36	*	*	32
Korea, Republic of (South Korea)	698	96	602	582	40	542
Kuwait	*	0	*	*	1	*
Latvia	*	*	*	*	*	62

**Table 3 - Exports and Imports of services classified by country, 2006 and 2007 - continued** € million

Region/Country	2006 <sup>1</sup>			2007		
	Exports	Imports	Net	Exports	Imports	Net
Lebanon	*	*	*	*	*	12
Liechtenstein	*	*	-3	*	*	*
Lithuania	*	*	*	*	*	*
Luxembourg	837	1,910	-1,073	823	2,080	-1,257
Malaysia	55	16	39	59	14	45
Malta	*	*	*	*	*	-9
Mexico	110	18	92	89	15	74
Morocco	*	*	*	*	*	22
Namibia	*	*	*	*	*	*
Netherlands	1,876	4,630	-2,754	2,565	2,649	-84
Netherlands Antilles	88	0	88	74	0	74
New Zealand	59	14	45	51	14	37
Nigeria	43	9	34	53	17	36
Norway	392	151	241	505	178	327
Pakistan	13	0	13	26	0	26
Panama	*	*	122	*	3	*
Philippines	55	7	48	49	5	44
Poland	573	171	402	725	251	474
Portugal	476	399	77	651	464	187
Qatar	40	0	40	37	0	37
Romania	66	15	51	105	30	75
Russian Federation	465	110	355	1,023	167	856
Saudi Arabia	101	22	79	158	27	131
Serbia and Montenegro <sup>2</sup>	*	*	24	*	*	*
Sierra Leone	*	0	*	0	0	0
Singapore	213	106	107	304	113	191
Slovakia	78	17	61	117	25	92
Slovenia	23	28	-5	45	23	22
South Africa	556	291	265	582	253	329
Spain	1,613	1,644	-31	1,878	1,887	-9
Sweden	1,076	346	730	1,281	461	820
Switzerland	1,140	602	538	1,296	598	698
Taiwan, Province of China	273	48	225	482	51	431
Thailand	16	7	9	21	7	14
Tokelau	*	0	*	*	*	*
Tunisia	*	*	10	*	*	13
Turkey	233	58	175	259	76	183
Ukraine	*	*	49	*	*	78
United Arab Emirates	169	45	124	300	76	224
United Kingdom	12,853	10,045	2,808	14,466	11,733	2,733
United States	5,461	21,031	-15,570	5,841	23,961	-18,120
Uruguay	13	0	13	8	0	8
Venezuela	27	3	24	18	2	16
International Organisations	31	0	31	39	1	38
Not geographically allocated <sup>3</sup>	5,490	4,667	823	4,648	6,528	-1,880
Marginal trade <sup>4</sup>	114	25	89	128	55	73
<b>World total</b>	<b>57,069</b>	<b>63,867</b>	<b>-6,797</b>	<b>65,650</b>	<b>68,519</b>	<b>-2,869</b>

<sup>1</sup> Revised<sup>2</sup> During 2006 Serbia and Montenegro became independent countries. For presentational purposes they are not shown separately in this table<sup>3</sup> This category covers data supplied by respondents without a geographical breakdown<sup>4</sup> 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 *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; '-' 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 *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. 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 provider<sup>1</sup>. 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.

<sup>1</sup>The 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.