

**MULTILATERAL TRADE
NEGOTIATIONS
THE URUGUAY ROUND**

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Group of Negotiations on Services

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COMMUNICATION FROM THE UNITED STATES

The attached communication is circulated at the request of the delegation of the United States to the members of the Group of Negotiations on Services.

STATUS REPORT ON EFFORTS TO IMPROVE

U.S. DATA ON TRADE IN SERVICES

The United States is continuing its efforts to improve data on international services transactions. Following are some of the recent steps taken to obtain more detailed and comprehensive data.

1. Benchmark Survey of Selected Services Transactions with Unaffiliated Foreign Persons (BE-20)

The Bureau of Economic Analysis of the Commerce Department (BEA) has developed a survey questionnaire (known as BE-20) to obtain information on the amount of services sold to, or purchased from, unaffiliated foreign persons. The proposed survey is pending review by the Office of Management and Budget (OMB). Two notices have been published in the Federal Register. One invites comments to OMB on the proposal for collection of information (FR:4794, 2/17/87); the other invites comments to BEA on proposed rulemaking (FR:5785, 2/26/87) by April 27, 1987.

The following services are included in the survey:

1. Advertising services
2. Computer and data processing services
3. Data base and other information services
4. Telecommunications services
5. Agricultural services
6. Research and development and commercial testing, laboratory services
7. Management, consulting, and public relations services
8. Management of health care facilities
9. Accounting, auditing, and bookkeeping services
10. Legal services
11. Educational and training services
12. Mailing, reproduction, and commercial art
13. Employment agencies and temporary help supply services
14. Industrial engineering services
15. Industrial-type maintenance and repair, installation, and training services
16. Performing arts, sports, and other live performances, presentations, and events
17. Direct insurance
18. Construction, engineering, architectural, and mining services.

2. Banking and Transportation Data Review

A work group review is underway of available data on banking and other financial services and transportation services (which are not included in the above BE-20 survey of selected service industries. The object of the review is to determine what information is available through other sources that might be used in compiling or estimating the total amount of sales and purchases of such services attributable to international transactions, and to determine whether additional surveys are needed to fill the gaps of information.

3. Sales of Services by U.S. Affiliates Abroad

Based on recently instituted annual surveys of U.S. Direct Investment Abroad (and the benchmark surveys conducted every 5 years), data are now available for sales of services in three calendar years. Data for 1984, the most recent year available, are published in the January 1987 issue of Survey of Current Business, published by the U.S. Department of Commerce.

4. Census of Service Industries

The Bureau of the Census is adding four service industries to the list of those that will be asked to report or to estimate their sales to non-residents in the next census of service industries, covering the year 1987. In addition to the four industries that reported such information in the 1982 census (computer and data processing services; management, consulting, and public relations services; equipment rental and leasing services; and engineering, architectural and surveying services), the following service industries will be asked to report: advertising agency services; accounting services; legal services; and research and development services.

5. Export Price Indexes

The Bureau of Labor Statistics, in January 1987, started publication of two series of price indexes for international air passenger fares, representing receipts of U.S. carriers from: (1) foreign residents on international flights; and (2) all passengers on international flights, regardless of nationality. Four regional subindexes are produced under each series: Atlantic, Pacific, Caribbean/Latin America, and Canada.

These are among the series of steps to improve the data available on U.S. international transactions in services. More detailed and complete data will enable Government and industry to assess more fully the role of services provided by American companies in foreign markets and will be useful in formulating policy and in preparing for trade negotiation

Previously, the following work was done:

1. Published two studies on measuring U.S. international trade in services (commissioned by the U.S. Government and completed in 1981):

-- The International Operation of U.S. Service Industries: Current Data Collection and Analysis, by Economic Consulting Services,, Inc.; and

-- International Services Transactions of the United States: Proposals for Improvement in Data Collection, by Evelyn Parris Lederer, Walther Lederer, and Robert L. Sammons.

2. Formed an Interagency Task Force on Services Trade Data in 1982, chaired by the Office of the U.S. Trade Representative.

3. Prepared a study entitled, U.S. International Trade and Investment in Services: Data Needs and Availability, by Obie Whichard, Bureau of Economic Analysis, U.S. Department of Commerce.

4. Secured legislation, contained in the Trade and Tariff Act of 1984, giving the President authority, subsequently delegated to the Secretary of Commerce, to require mandatory reporting of data on U.S. international trade in services.

5. In the Trade and Tariff Act of 1984, the Congress directed the Secretary of Commerce to develop a data base on services, to carry out a program to analyze various Government policies as they may affect U.S. international competitiveness in international trade in services, and to report biennially to Congress on the results of these activities.

6. Prepared the U.S. National Study on Trade in Services as the U.S. submission to the GATT in 1984 preliminary to securing the inclusion of services in the next major multilateral round of GATT trade negotiations. The Study included a section on data needs.

7. Promoted, and participated in, discussions in the OECD on international comparability and availability of services data.

8. Developed new, or improved existing, data sources as follows:

-- Revised the Benchmark Survey of U.S. Direct Investment

Abroad to secure additional data on services and to add 12 additional service industry codes.

-- Instituted an Annual Survey of U.S. Direct Investment Abroad to be conducted in non-benchmark years, with emphasis on services.

-- Revised the survey of foreign contract operations to secure additional data on gross receipts.

-- Instituted Tourism and Travel In-Flight Surveys by the U.S. Travel and Tourism Administration.

-- Expanded four service industry report forms to include questions concerning receipts from sales of services to non-residents in the 1982 Census of Service Industries.

-- Converted from voluntary to mandatory reporting on several balance of payments surveys.