

**MULTILATERAL TRADE
NEGOTIATIONS
THE URUGUAY ROUND**

RESTRICTED

MTN.GNS/W/23*
30 October 1987
Special Distribution

Group of Negotiations on Services

COMMUNICATION FROM THE EUROPEAN COMMUNITIES

The European Community's External Trade in Services

The attached communication is circulated at the request of the delegation of the Commission of the European Communities to the members of the Group of Negotiations on Services.

*English only/anglais seulement/inglés solamente

TABLE OF CONTENTS

1.	Introductory notes	4
1.1.	General	4
1.2.	Delimitation of the study	4
1.3.	Description of the data-base	6
1.4.	The asymmetry discomfort	7
2.	Trade in services of the Community with the rest of the world.	8
2.1.	Total "market" services	8
2.1.1.	Overall trends	8
2.1.2.	Geographical breakdown	11
2.1.3.	Sectoral composition	13
2.2.	Individual services items	15
2.2.1.	Transport	15
	a/ General	15
	b/ Individual sub-items	16
2.2.2.	Insurance on transport	19
2.2.3.	Travel (Tourist trade)	20
2.2.4.	Other services	21
	a/ General	21
	b/ Individual sub-items	22
	c/ Other Services - Other	26
3.	Simulation of extra-EUR 12 trade in services	29
4.	Other services (n.i.e.) and income items	31
4.1.	Labour income	31
4.2.	Investment income	31
4.3.	Government services not included elsewhere	33
5.	Conclusions	34
5.1.	Main findings	34
5.2.	Preliminary outlook for 1985-1990	37

Appendix 1 : Balance of payments tables

- Balance of payments of EUR 9 with geographical zones :	
for the year 1972	41
for the year 1975	42
- Balance of payments of EUR 10 with geographical zones :	
for the year 1979	43
for the year 1980	44
for the year 1981	45
for the year 1982	46
for the year 1983	47
for the year 1984	48
- Balance of payments of EUR 10 for the years 1979 to 1984 :	
with Third Countries (EUR 10)	49
with U.S.A.	50
with Japan	51
with Canada	52
with Australia - New Zealand	53
with other OECD countries	54
with Other Countries	55
not allocated	56

<u>Appendix 2</u> : Description of data weaknesses	57
--	----

Appendix 3 : Asymmetries in EUR 10's balance of payments

- Intra Community flows - the Current Account	58
- Impact of the asymmetry discomfort on study outcomes	60
- EUROSTAT's on-going work with respect to asymmetries	64

<u>Appendix 4</u> : Simulated EUR 12's international trade in services . . .	66
--	----

<u>Appendix 5</u> : Other Services Other : synopsis of replies to survey . .	67
--	----

1. INTRODUCTORY NOTES

1.1. GENERAL

This document is intended primarily to provide annual information on international trade in services for the Community as a whole (EUR 10) for the period 1979-1984. In order to obtain a longer term view, figures for 1972 and 1975 covering EUR 9 are added. EUR 9 figures are fairly well consistent with EUR 10 figures as on the one hand the structure of Greece's current account is similar to that of the other Member States and on the other hand Greece's transactions have no significant impact on EUR 10 totals.

More particularly, the report attempts to assess

- the development of the growth and the importance of international trade in services of EUR 10;
- its geographical and sectoral composition.

No analysis of the material will be presented, as this goes far beyond the intention of this report.

Data are presented according to a scheme derived from that recommended in the fourth edition of the International Monetary Fund's Balance of Payments Manual, supplemented by additional details which are collected on a regular basis. Data contained in the present document have been provided by the national authorities according to a standardized questionnaire. Data in national currencies have been converted by EUROSTAT into millions of ECU.

Differences may arise between similar data published in other EUROSTAT publications and those in this document owing to revisions included in the latter, not being carried out as revisions in the complete geographical breakdown data-base.

1.2. DELIMITATION OF THE STUDY

The aggregate "International Trade in Services" has been defined as the sum of the following services transactions:

- * Transport
 - consisting of :
 - Sea-freight
 - Sea-passengers
 - Air-freight
 - Air-passengers
 - Other transport
- * Insurance on Transport
- * Travel
- * Other services
 - consisting of :

Property Income
Banking
Non-merchandise Insurance
Construction/Engineering
Films/Broadcasting
Other services - other

These items are generally regarded as "market" services items, that is, items the exchange of which is subject to normal market forces. This definition diverges from the standard EUROSTAT presentation as non-market services and income items are not included, viz. "Labour Income", "Investment Income" and "Government Services n.i.e.". The last of these for, example, includes expenditures for embassies and military forces abroad, the purchases of which are not determined by normal market conditions. Investment income, on the other hand, includes income from direct and portfolio investment. Direct investment income reflects the gains from the setting up of firms abroad, which under certain conditions could be of interest in the context of international trade in services. Portfolio investments are made for purely financial reasons and are unrelated to trade in services. As a clear distinction between the two is not possible within the EUROSTAT scheme at present, the item comprising both has been excluded from the services aggregate analysed. Labour income transactions are clearly not trade in services as it covers exclusively all kind of remunerations earned by workers.

Nevertheless, in order to enable appropriate comparisons to be made, data are also provided for these items (see appendix) and briefly discussed, separately, in part3.

As was requested, global figures have been broken down geographically, focusing in particular on EUR 10 trade in services with its major OECD partners. The following partner countries or areas are distinguished:

- * the United States (US)
- * Japan
- * Canada
- * Australia + New Zealand (Aust/NZ)
- * Other OECD countries (OECD - other)
- * Other Countries
- * Sums Not Allocated (Not All)

The residual component of the geographical breakdown, Other Countries, accounts sometimes for a very substantial part of extra-EUR 10 trade in services. Where appropriate, therefore, the commentary will provide information on the major contributory zones of this area.

The sectoral analysis examines the relative importance of different services transactions in total trade in services. An attempt has been made to throw more light upon the contents of "Other Services - Other" by integrating in this report the results of a specific questionnaire covering this item.

1.3. DESCRIPTION OF THE DATA-BASE

The services data are derived from those which the authorities in the various countries compile for their own balance of payments according to definitions and methods which are not always completely standardized. In order to fill gaps in the data available for certain Member States, some rough estimates have been made by EUROSTAT to make possible the estimation of data for the Community as a whole. Despite the efforts made to harmonize or to estimate the data, some reservations have to be expressed concerning the quality of the information provided.

However, taking into consideration the data deficiencies and the necessary reservations in interpreting the results, the present document, by providing an overall picture of the international trade in services of the European Community with its major partner countries or zones, goes a long way towards improving our knowledge of the magnitude and the structure of the Community's external services transactions.

For the sake of completeness, the major data flaws and corresponding "remedies" are briefly enumerated in appendix 2.

Finally, it should be noted that data for the United States as a partner country may be overestimated, since countries may tend to allocate some of their international transactions denominated in US-\$ to the United States and because in some Member States U.S.-figures include Canada. On the other hand, trade with Japan, Canada and Australia/New Zealand appears to be underestimated as some Member States record those transactions in OECD - other, overestimating the latter consequently.

Regarding the sectoral breakdown, data deficiencies seem to exaggerate the importance of the items Other Transport and Other Services Other at the expense of the other detailed transactions. The contents of the latter item, an amalgam of very heterogeneous transactions, will be analysed more closely in paragraph 3., on the basis of the replies to a questionnaire aiming at a careful examination of Other Services Other.

1.4. THE ASYMMETRY DISCOMFORT

A recurrent discomfort in the analysis of developments in international trade (be it commodities, services or other transactions) is the discrepancy in payments statistics, (the degree of which varies widely among items, however). This particular problem has also been encountered in the present study; especially in distinguishing between intra and extra-EUR 10 trade the discrepancy has come to light. The totals of transactions that the European Community countries carry out among themselves should present identical values for credits (exports) and debits (imports). Consequently, all the balances of the Intra-Community balance of payments items should total zero.

Unfortunately, in practice, the data in the intra-Community balance regularly deviate from the figures that would correspond to this principle, as may be seen in appendix 3. The current account of intra-EUR 10 shows a smoothly increasing positive surplus, in nominal terms, representing on average 2.4 % of the recorded transactions. This surplus reflects either over-recorded receipts or under-recorded expenditures, or some combination of the two.

As the statistical discrepancy reveals a stable pattern over time, these errors do not seriously distort a time series analysis of developments in international trade in services, of extra-EUR 10. The danger of biased conclusions is further limited since the study primarily concerns the trends in flows (credits and debits) and not the nets. A more complete explanation of the trivial impact of asymmetries on the present data and derived conclusions may be found in appendix 3.

2. TRADE IN SERVICES OF EUR 10 WITH THE REST OF THE WORLD**2.1. TOTAL "MARKET" SERVICES**

This part is intended to give an overall view of the European Community's situation in international trade in services. The role of the Community with regard to the overall exchange in services as well as the geographical and sectoral structure are described here, while the next part (2.2) analyses each services item in detail. Only the transactions of the Community with the rest of the world are considered.

2.1.1. Overall trends

From 1972 to 1982 the credit and debit flows on "International Trade in Services" between the European Community (EUR 10) and the rest of the world have increased by a multiplier of by five and a half. Services exports increased from ECU 20.7 to 111.8 billion, while imports increased from ECU 19.8 to 103.2 billion. This implies annual growth rates of 16.6 % and 16.2 % respectively over the intervening period, as is shown in the summary table below (derived from the figures in appendix 1).

GROWTH OF INTERNATIONAL TRADE IN SERVICES OF EUR 10
(annual growth rates in percentages)

		1979-1984		1972-1984	
		CREDITS	DEBITS	CREDITS	DEBITS
WORLD	M + S + I	13.91	13.67	17.66	18.10
	M	12.03	11.32	16.62	17.09
	S + I	18.10	19.25	20.01	20.41
	S	11.53	11.79	16.46	15.93
INTRA	M + S + I	11.77	11.64	17.09	16.83
	M	10.77	10.43	16.38	16.12
	S + I	14.95	15.49	19.42	19.12
	S	9.96	10.01	16.30	15.46
EXTRA	M + S + I	15.80	15.45	18.14	19.23
	M	13.38	12.24	16.86	18.12
	S + I	19.89	21.57	20.32	21.16
	S	12.73	13.00	16.55	16.24
	transport	10.31	11.99	14.58	14.52
	insurance	16.15	16.17	15.63	17.98
	travel	14.56	10.49	16.11	14.66
	other ser	13.80	15.67	18.63	19.46

M = Merchandise; S = Services; I = Income.

From this long term perspective it emerges, moreover, that extra-EUR 10 trade performance was less good in the more recent period 1979-1984, than over the entire period. Between 1972 and 1979 trade figures -both for merchandise and services- tripled, whilst they only doubled between 1979 and 1984, implying average annual growth rates for the latter period of 12.7 % and 13.0 % for extra-EUR 10 services exports and imports respectively. This finding is not so surprising, given the well known deceleration of the international trade of most industrial countries during the first half of the eighties. More startling, perhaps, is the parallel development of credits and debits; they seemingly follow an identical growth path.

These period growth rates mask, however, some marked fluctuations in the year to year variations, as is shown below.

YEAR TO YEAR VARIATIONS IN EXTRA-EUR 10 TRADE IN SERVICES

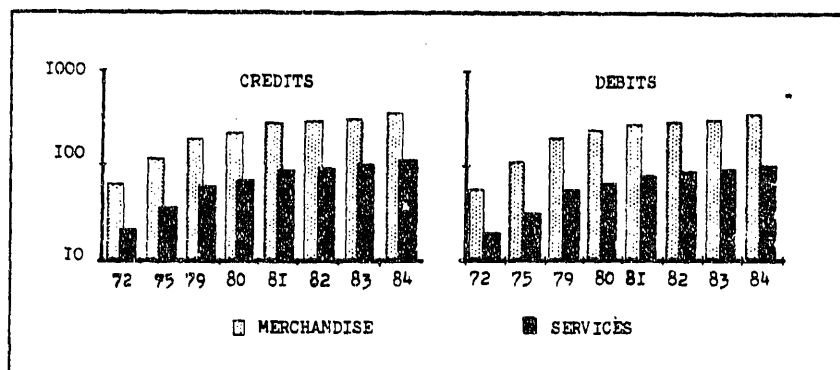
	1979	1980	1981	1982	1983	1984
exports	(13.6)	15.6	21.3	5.3	9.7	12.2
imports	(16.1)	18.0	23.7	8.0	3.9	12.3

() = estimates

Exports and imports showed accelerating increases up to 1981, their growth rates fell sharply in 1982-1983 and they regained their strength in 1984. Whilst exports suffered for only one year, the slow down was spread over two year in the case of imports. The rupture in the growth pattern, most acute in 1982 and less dramatic in 1983, is an essential feature of extra-EUR 10 trade in services; its is encountered in all related time series.

Another interesting feature of the table is the divergent growth pattern of different transactions. Generally, extra-EUR 10 trade in services has developed in a similar way to trade in merchandise, as is shown in graph 1. Services exports rose from ECU 20.7 billion in 1972 to ECU 111.8 billion in 1984, services imports from ECU 19.7 billion to ECU 103.2. The corresponding figures for merchandise were ECU 64.2 billion to 356.4 billion and ECU 57.2 billion to 357.4 billion. But from 1979 to 1984 growth rates of services exports decelerated a little faster than those of merchandise; the contrary is true for imports. Income transactions held firm during the last period, as emerges from the higher rates for Services + Income (S + I). This fact is essentially due to the sharp increase in "Investment income", caused by rapidly surging volumes of international capital movements and by sky-rocketing interest rates.

**GRAPH 1 : Extra-EUR 10 trade in services and merchandise
(in ECU billion, log. scale)**



Thirdly, the table provides some insights into the sectors contributing to the growth of services trade. The most dynamic sectors seem to be "Travel" and "Other services", with annual growth rates of 14.6 % and 13.8 % over the period 1979-1984, followed by "Transport" with 10.3 %. The order is reversed for the period 1972-1984, indicating on the one hand an acceleration of travel exports and on the other, perhaps a more accurate recording of transactions, reducing the importance of the residual item. "Insurance" has a higher growth rate, 13.3 %, but its weight in total services is significantly under-stated, owing to recording of net figures for "Insurance", whilst other are in general gross figures. For "Other Services" the growth rate of imports is higher than that of exports.

Finally, and maybe astonishing, EUR 10 trade in services has developed much faster outside than inside the European Community between 1979 and 1984. Whilst both growth rates were nearly identical in 1972-1984, they diverged considerably during the most recent years; viz. extra-EUR 10 services exports grew at 12.7 % and imports at 13.0 %, against 10.0 % and 10.0 % for trade in services between the European Member States. Consequently, the share of extra-EUR 10 in total EUR 10 services trade has grown steadily from 1979 to 1984, except for a temporary fall in 1982, both on the export and the import-side, as is shown below.

SHARE OF EXTRA-EUR 10 IN TOTAL EUR-10 SERVICES TRADE (%)

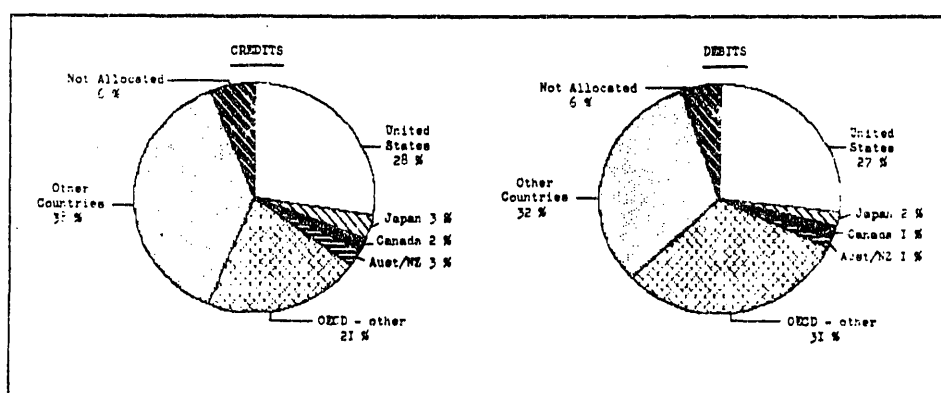
	<u>Exports</u>	<u>Imports</u>
1979	59.6	58.2
1980	59.7	58.6
1981	61.2	61.1
1982	59.4	61.2
1983	62.7	61.1
1984	62.9	61.5

Although it was stated in paragraph 1.4 that the net position of extra-EUR 10 trade in services is not a primary concern in this report, nevertheless a brief allusion to it has to be made. Over the whole period concerned EUR 10 reports a surplus in its external trade in services. In 1984 the surplus peaked at ECU 8.6 billion, representing about 8 % of services exports. Traditional deficits appear for "Insurance" (ECU -0.4 billion in 1984) and "Travel" (ECU -0.7 billion), although the deficit in the latter is narrowing significantly. "Other Services" accounted almost entirely for the surplus, ECU 10 billion in 1984, whilst "Transport", in surplus until 1983, turned slightly negative in 1984 (ECU -0.4 billion). The distribution of the surplus in "Other Services" will be analysed further on.

2.1.2. Geographical breakdown

The overall figure on external trade in services disguises, however, some major variations between partner countries or zones. Graph 2 shows the share of partner countries; the table gives absolute figures.

**GRAPH 2 : Geographical breakdown of extra-EUR 10 services
(average 1979-1984, %)**

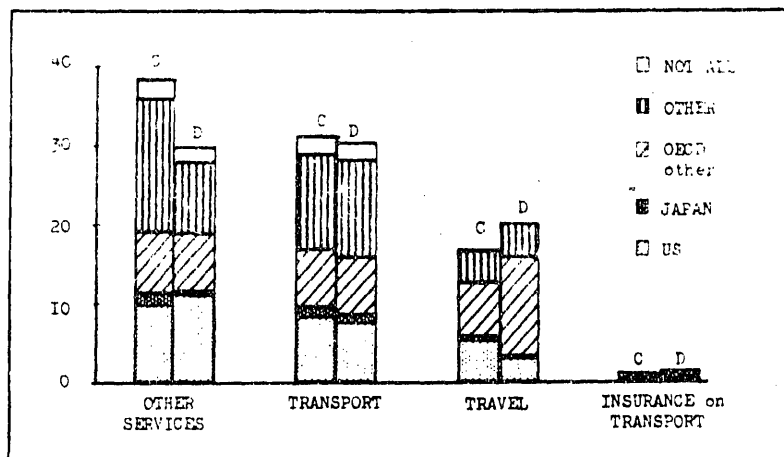


INTERNATIONAL TRADE IN SERVICES (1979-1984) average								
EUR - 10 with:								W/o ECU
	U S. A	JAPAN	CANADA	AUSTR. NZ.	OTHER OECD	OTHER COUNTRIES	UN- ALLOCATED	EXTRA EUR 10
+	23888	2881	1594	2141	18351	32866	5090	86812
-	21904	1645	1305	1238	24938	25578	4467	81260
=	1984	1236	289	903	-6587	7288	603	5552

The geographical structure seems to be virtually stable over time, so that in this commentary only the six-year averages are presented and discussed. It is shown that about 60 % of extra-EUR 10 services transactions have been carried out with other OECD countries. Among these, the US was by large the most important partner, accounting for 28 % of exports and 27 % of imports. With the four individually mentioned OECD-partners (the US, Japan, Canada and Aust/NZ) EUR 10 has recorded a small surplus, which was offset by a more than corresponding deficit with OECD-other (ECU - 6.6 billion). Traditionally, EUR 10 reported a discernible trade surplus with the non-OECD countries, a surplus which amounted to ECU 7.8 billion in 1984. Given the important, but declining, share of Other Countries in extra-EUR 10 trade in services a further breakdown is perhaps desirable. From the extended data-base it emerges that the most important sub-zones, OPEC, ACP and State-trading Countries (STC), accounted respectively for 17 %, 10 % and 12 % on average (i.e. over the six years and imports + exports).

A geographical breakdown by service transactions is outlined in graph 3. For reasons of visual clarity Canada and Australia/New Zealand are aggregated with OECD-other. It can be seen that the overall services presentation masks some variations between the items. As such it is clear that the US is the most important single partner for the four sectors, except "Travel". Whilst the share of Japan, Canada and Aust/NZ varied little among sectors, those of the other areas did, as will be discussed in more detail later on. Finally, the graph indicates the magnitude of the different sectors. Once again the predominant position of "Other Services" appears; next important are "Transport" and "Travel".

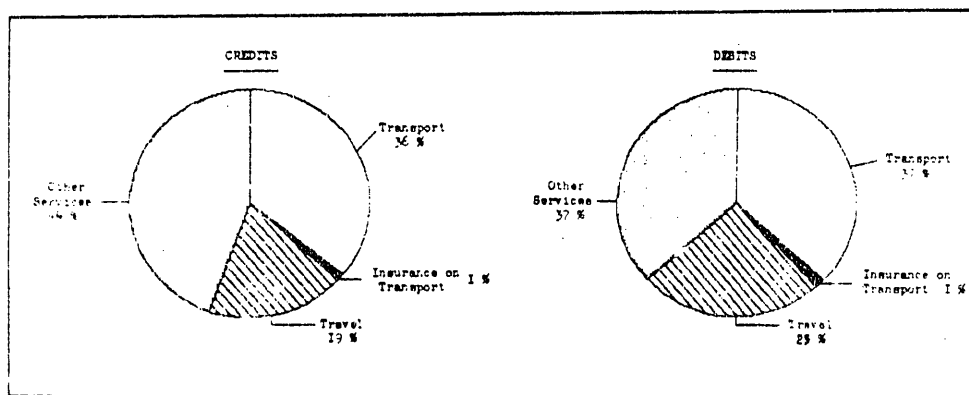
GRAPH 3 : Geographical breakdown by service item (ECU billion)
(average 1979-1984)



2.1.3. Sectoral composition

The sectoral structure of extra-EUR 10 services trade is presented in graphs 4 and 5. The most important items within the services transactions were : "Transport" with about 36 % of the overall credit and debit flows, "Travel" (about 22 %) and "Other Services" with about 41 % of the aggregate flows. "Insurance on Transport" accounted only for 1 % of services trade. The global percentages of graph 4 are split up in graph 5 among major trading partners.

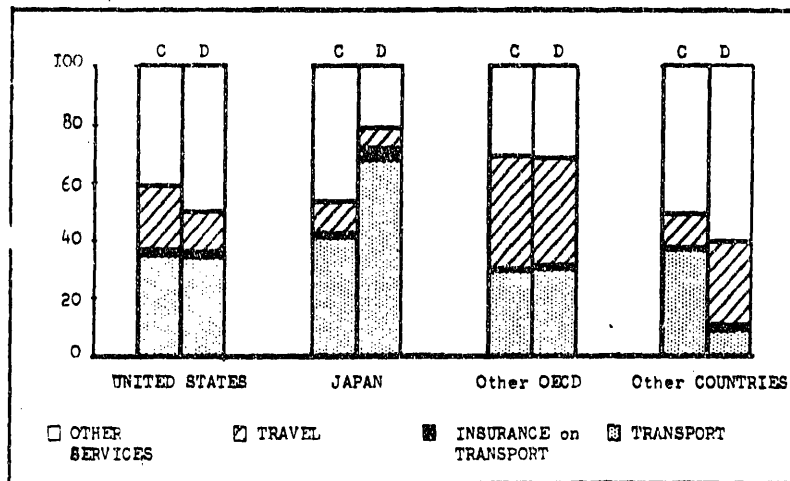
**GRAPH 4 :Sectoral structure of extra-EUR 10 services
(average 1979-1984, %)**



It can be seen that for EUR 10 "Other Services" is the most important services sector in its trade with the US and Other Countries. The shares of "Transport" and "Travel" showed marked variations among partners; with Japan "Transport" is the most important imported service (on average 68 %), whilst for OECD-other "Travel" represented the highest proportion (49 %). The share of "Insurance" hardly changed and was of some interest only in EUR 10 trade with Japan.

The analysis hitherto carried out was based on very general services sectors; viz. "Travel", "Transport" and the very heterogeneous "Other Services". Consequently, the importance of "Insurance" was perhaps somewhat biased as it is really the only which refers to a single service sector. Therefore, in the remainder of this report more attention will be paid to the individual sub-items, with in particular a closer examination of the contents of the latter two sectors. A breakdown of "Travel" in sub-items is not yet feasible. To conclude this first part, the simulated results for extra-EUR 12 trade in services are analysed in the next paragraph.

GRAPH 5 :Sectoral breakdown by partner country (%)



2.2. INDIVIDUAL SERVICES ITEMS

2.2.1. Transport

a/ General

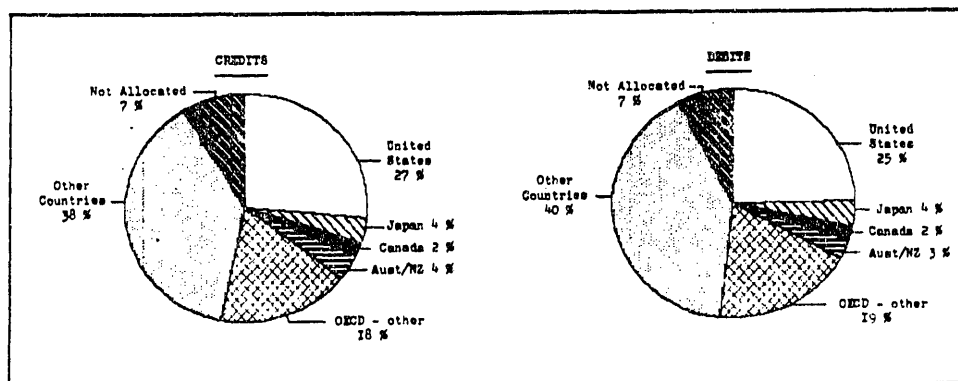
The item "Transport" covers freighting and other distribution services relating to merchandise, as well as services of the same type performed for most other goods. The heading "Transport" includes services performed by carriers, principally under the heading "Travel", together with goods and services acquired by carriers and consumed in their operations. The main flows recorded under this heading for the period 1979-1984 were as follows.

	TRANSPORT (1979-1984) average						Mio ECU	
EUR - 10 with:	U. S. A	JAPAN	CANADA	AUSTR. NZ.	OTHER OECD	OTHER COUNTRIES	UN- ALLOCATED	EXTRA EUR 10
+	8345	1178	636	1017	5466	12003	2555	31260
-	7449	1114	650	790	5657	12292	2259	30209
=	896	64	-14	287	-191	-289	296	1051

The item as an aggregate has been reported by all Member States. The percentage error of intra-EUR 10 flows varies between 2.7 % and 6.4 % (see appendix 3). The extra-EUR 10 surplus fluctuated around an average of ECU 1051 mio, with a peak in 1980 of ECU 2588 mio and a low of ECU -371 mio in 1984.

The geographical breakdown of the "Rest of the World" shows that about 26 % of the Community's trade in transport with other countries was accounted for by the United States. The OECD as a whole accounted for about 54 % of the Community's credits and debits on transport.

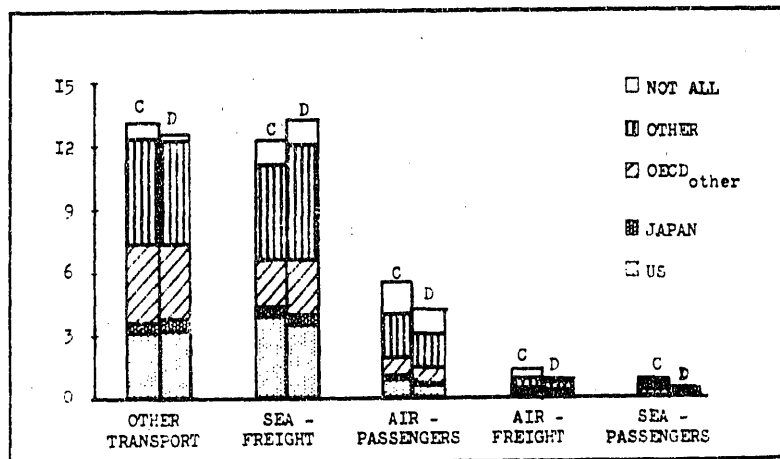
**GRAPH 6 : Geographical breakdown of extra-EUR 10 Transports
(average 1979-1984)**



b/ Individual sub-items

The data on additional details on transport should be interpreted with the reservation that some countries did not give a complete breakdown of the additional items. Estimates were made by EUROSTAT to calculate the EUR 10 aggregate. The sectoral and geographical breakdown are presented in the combined graph 7.

**GRAPH 7 : Geographical breakdown by transport item (ECU billion)
(average 1979-1984)**



Sea Transport

These items are equivalent to the NACE-CLIO groups 741 and 742, which include units exclusively or primarily engaged in the transportation of passengers and goods in sea-going and coastal vessels. Also to be classified under this heading are units exclusively or primarily engaged in the operation of sea-going tugs.

Sea Transport - Freight

The definition of this item corresponds to the IMF Balance of payments Manual, fourth edition, paragraph 261. (see appendix 5).

Sea-freight was on average the most important sub-item of the aggregate "Transport". Normally it recorded a fast growing deficit, except in 1980, attaining a record deficit of ECU -2466 mio in 1984. The credit and debit figures for Sea - freight represented about 41 % of aggregate transport figures.

EUR - 10 with: SEA TRANSPORT-FREIGHT (1979-1984) average Mio ECU

	U.S.A	JAPAN	CANADA	AUSTR. NZ.	OTHER OECD	OTHER COUNTRIES	UN- ALLOCATED	EXTRA EUR 10
+	3835	464	156	637	1507	4467	1163	12227
-	3479	498	275	224	2084	5454	1151	13164
=	356	-34	-119	413	-577	-987	12	-937

Transport - Passenger Services

The definition of this item corresponds to the IMF Balance of Payments Manual, fourth edition, paragraph 265. (See appendix 5)

This sub-item was of least importance for transport services. However, credits and nets showed a regular upward trend over the period.

EUR - 10 with: SEA TRANSPORT-PASSENGER SERVICES (1979-1984) average Mio ECU

	U.S.A	JAPAN	CANADA	AUSTR. NZ.	OTHER OECD	OTHER COUNTRIES	UN- ALLOCATED	EXTRA EUR 10
+	307	17	26	98	58	117	219	843
-	36	8	2	0	85	37	167	334
=	271	9	24	98	-27	80	52	509

Air transport

These items are equivalent to the NACE-CLIO group 750, which includes units exclusively or primarily engaged in the transport of passengers and goods by air on scheduled or chartered services. Also to be classified under this heading are helicopter and air taxi services, local pleasure flight operators etc. Also to be included are city offices of airline companies. Not included, however, are units exclusively or primarily engaged in aerial advertising aerial spraying or aerial photography and not transporting passengers or goods.

Air transport - Freight

The definition of this item corresponds to the IMF Balance of Payments Manual, fourth edition, paragraph 261. (See appendix 5).

EUR - 10 with: AIR TRANSPORT-FREIGHT (1979-1984) average Mio ECU

	U.S.A	JAPAN	CANADA	AUSTR. NZ.	OTHER OECD	OTHER COUNTRIES	UN- ALLOCATED	EXTRA EUR 10
+	207	48	26	16	116	414	467	1294
-	122	15	23	16	105	367	167	751
=	85	33	3	0	11	47	300	543

Air Transport - Passenger Services

The definition of this item corresponds to the IMF Balance of Payments Manual, fourth edition, paragraph 265. (See appendix 5).

Both sub-items Air-freight and Air passenger services showed surpluses for the entire period. Passenger services were on average four times as high as Air-freight. Trade in both sub-items was largely concentrated in the categories Other Countries and Not Allocated.

BUR - 10 with:		AIR TRANSPORT-PASSENGER SERVICES (1979-1984) average						Mio ECU
	U.S.A	JAPAN	CANADA	AUSTR. NZ.	OTHER OECD	OTHER COUNTRIES	UN- ALLOCATED	EXTRA EUR 10
+	876	196	141	86	581	2061	1616	5557
-	585	76	124	93	511	1596	1207	4192
=	291	120	17	-7	70	465	409	1365

Other Transport

"Other Transport" is a residual item that includes other shipment services (IMF, Balance of Payments Manual, fourth edition, paragraph 265), port services etc. (BPM, paragraph 270 to 277), (see appendix 5). This item includes not only known services (port services, airport services, etc.) but also transactions which cannot be classified in the other transport items. The credit and debit figures for this item made up about 37 % of the aggregate transport figures.

BUR - 10 with:		OTHER TRANSPORT (1979-1984) average						Mio ECU
	U.S.A	JAPAN	CANADA	AUSTR. NZ.	OTHER OECD	OTHER COUNTRIES	UN- ALLOCATED	EXTRA EUR 10
+	3119	454	286	240	3204	4945	-909	11339
-	3228	516	226	457	2872	4839	-370	11768
=	-109	-62	60	-217	332	106	-539	-429

The balance on this item has steadily declined from 1981 onward. From small surpluses in 1979 (ECU 62 mio) and 1980 (ECU 171 mio) it turned negative, with a record deficit of ECU -1327 mio in 1984.

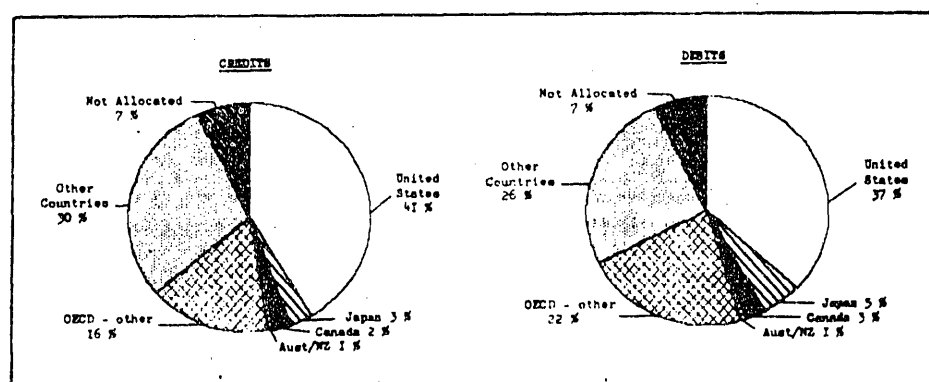
2.2.2. Insurance on transport

This item covers the insurance of movable property while it is in transit. "Insurance on Transport" was not reported separately by the United Kingdom and Ireland. For the UK the figures on this item are included in the item "Non-merchandise insurance" (see below). Thus, if the overall sum of the two insurance items for EUR 10 is analysed the net situation might differ. The figures below represent in fact EUR 8.

EUR - 10 with:		INSURANCE ON TRANSPORT (1979-1984) average						Mio ECU
	U.S.A	JAPAN	CANADA	AUSTR. NZ.	OTHER OECD	OTHER COUNTRIES	UN- ALLOCATED	EXTRA EUR 10
+	377	29	21	6	147	268	62	910
-	431	60	28	10	254	297	80	1160
=	-54	-31	-7	-4	-107	-29	-18	-250

A permanent deficit towards the rest of the world is apparent, attaining ECU -348 mio in 1984. The lion's share of transactions in "Insurance on Transport" seems to be performed with the US, but there is probably some positive bias caused by the denomination of transactions in US\$. They accounted for about 41 % of the Community's exports and for about 37 % of its imports. Both these percentages have risen during the six years under review, except in 1983 when a marked drop was recorded.

GRAPH 8 : Geographical breakdown of "Insurances"
(averages 1979-1984)



2.2.3. Travel (tourist trade)

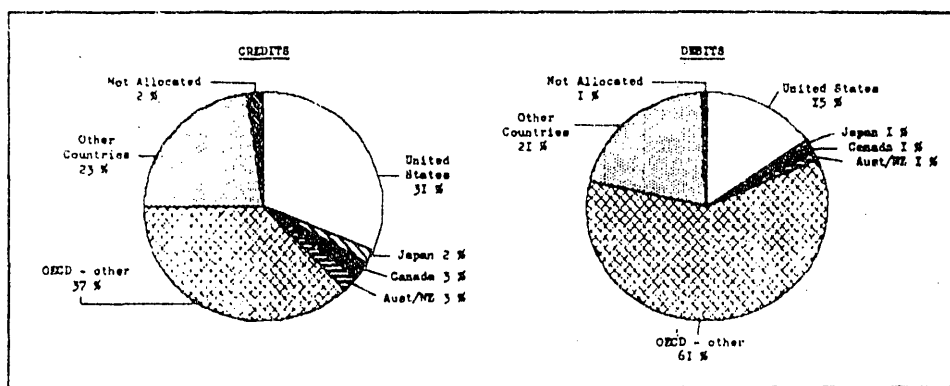
Travel exports cover all goods and services acquired from an economy by non-resident travellers during their stay on the territory of that economy and for their own use; imports cover all goods and services purchased by residents of the declaring country during their stay abroad. It thus reflects international tourism and business travel and corresponds to the IMF Manual and World Tourist Organisation definitions of international "Tourism".

EUR - 10 with:		TRAVEL (1979-1984) average					Mio ECU	
	U.S.A	JAPAN	CANADA	AUSTR. NZ.	OTHER OECD	OTHER COUNTRIES	UN- ALLOCATED	EXTRA EUR 10
+	5322	323	393	452	8120	3637	-366	16082
-	3017	110	307	196	12109	4123	113	19977
=	2305	213	86	256	-5989	-286	-479	-3895

The deficit of EUR 10 with the rest of the world grew steadily from 1979 to 1982, peaking at ECU - 7738 mio. From then on the deficit declined very quickly, probably reaching equilibrium in 1985. The deficit was nearly completely attributable to net travel outflows toward OECD -other.

The geographical breakdown of the travel expenditures and receipts reveals that the European Community earned most from OECD - other (37 %) and the US (31 %), while Community tourists spent predominantly in OECD - other (61 %), followed next by Other Countries and the US. The high share of OECD-other is in particular accounted for by travel spending in Spain and Portugal.

GRAPH 9 :Geographical breakdown of travel (average 1979-1984)



2.2.4. Other Services

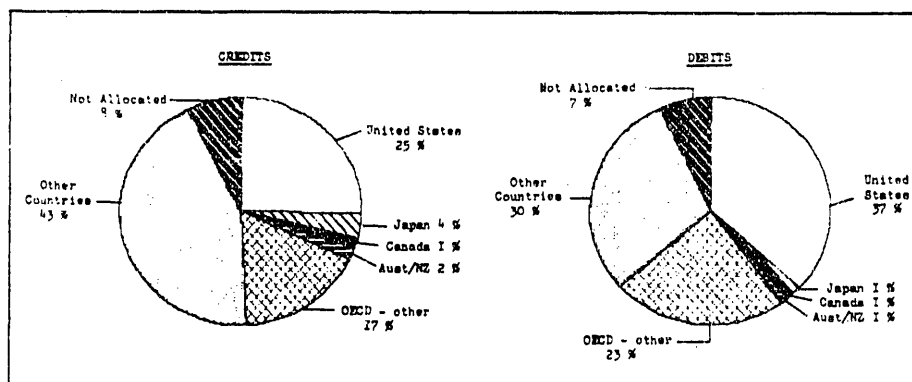
a/ General

This item comprises a variety of services transactions, in particular those transactions which are difficult to classify. The asymmetries on intra-EUR 10 trade (see appendix 3) are particularly large, but with a downward trend, both in absolute and in relative values (ECU 1660 mio in 1984, equal to 6.6 % of the arithmetic mean of credit and debit flows). For this reason, inter alia, the Extra-EUR 10 figures should be interpreted with care.

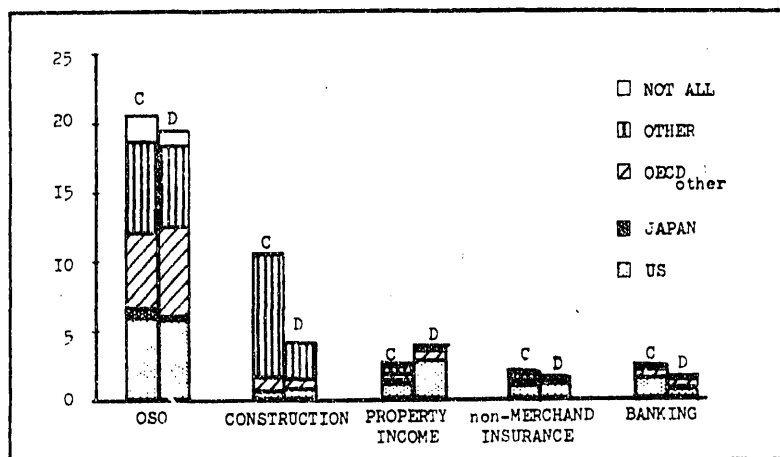
Compared with the previous GATT-contribution (covering 1979-1982) EUROSTAT has substantially changed the data included in "Other Services - other" (OSO). In the earlier document the Merchanting trade (an important component part of OSO) of France was estimated on a gross basis, including not only commissions but also the values of the merchandise concerned, considerably inflating the size of OSO. This compilation method is inconsistent with the procedure of the other Member States, which report Merchanting trade on a purely net basis. Therefore, EUROSTAT has estimated net figures for France in order to enhance the consistency of the data. EUROSTAT is also endeavouring to harmonize the different national compilation methods with respect to Merchanting trade.

The available data show a continuously rising surplus of EUR 10 towards the rest of the world (except in 1982) amounting to ECU 10 billion in 1984. Credits and debits seem to have risen at a very regular pace. The geographical distribution of "Other Services" is presented below in graphs 10 and 11 and in the corresponding table.

GRAPH 10 : Geographical breakdown of "Other Services"
(average 1979-1984)



GRAPH 11 : Geographical breakdown of sub-items of "Other Services" (average 1979-1984)



OTHER SERVICES (1979-1984) average								Mio ECU
EUR - 10 with:	U.S.A	JAPAN	CANADA	AUSTR. NZ.	OTHER OECD	OTHER COUNTRIES	UN- ALLOCATED	EXTRA EUR 10
+	9844	1351	544	606	6618	16758	2839	38560
-	11007	361	320	242	6918	8866	2035	29914
=	-1163	990	224	364	-300	7892	804	8646

b/ Individual sub-items

Property Income

The definition of this item corresponds to the IMF Balance of Payments Manual, fourth edition, paragraphs 321 to 324 (see appendix 5).

PROPERTY INCOME (1979-1984) average								Mio ECU
EUR - 10 with:	U.S.A	JAPAN	CANADA	AUSTR. NZ.	OTHER OECD	OTHER COUNTRIES	UN- ALLOCATED	EXTRA EUR 10
+	995	313	38	62	312	465	348	2593
-	2661	53	41	6	654	113	384	3911
=	-1666	260	-3	56	-262	352	-36	-1318

The transactions under "Property Income" accounted on average for 6.7 % and 13.1 % of OSO's credits and debits. They rose significantly faster than the aggregate OSO, viz. 16.96 % and 15.31 % for credits and

debits against 13.80 % and 15.67 %. As usual, EUR 10 showed a rising negative balance, attaining ECU - 1715 mio in 1984.

Banking

This item covers financial services performed by the banking sector as measured by the amount of their charges. It does not include figures on the main sources of bank income in the differential between borrowing and lending rates. This item was not reported separately by Germany, Ireland and Greece.

Earnings from "Banking" increased more quickly than the average, while payments declined in 1983 and 1984, both leading to a relatively high surplus in the last two years (ECU 1213 mio in 1984). As can be observed, here too the US seems to be the European Community's major trading partner.

EUR - 10 with:	BANKING (1979-1984) average							B10 ECU
	U. S. A	JAPAN	CANADA	AUSTR. NZ.	OTHER OECD	OTHER COUNTRIES	UN- ALLOCATED	
+	800	239	24	40	147	440	315	2007
-	977	24	10	1	142	79	279	1511
:	-177	215	14	39	5	361	36	496

Non-merchandise Insurance

The definition of this item corresponds to the IMF Balance of Payments Manual, fourth edition, paragraphs 326 and 327 (see appendix 5). To a considerable extent the data may correspond to net rather than gross flows, thus understating the overall importance of trade flows in this sector. For the United Kingdom the figures include "Insurance on transport", which was not reported separately (see above).

EUR - 10 with:	NON-MERCHANDISE INSURANCE (1979-1984) average							B10 ECU
	U. S. A	JAPAN	CANADA	AUSTR. NZ.	OTHER OECD	OTHER COUNTRIES	UN- ALLOCATED	
+	1386	57	38	77	400	334	149	2441
-	647	33	32	27	540	231	143	1653
:	739	24	6	50	-140	103	6	788

Credits and debits showed a rather irregular upward trend, with a surplus fluctuating around the average. In 1984 exports reached ECU 3144 mio and imports ECU 2451 mio.

Construction / Engineering

This item has two components :

- Earnings of general building and civil engineering work on projects that wholly or partially take place on the territory of a foreign country.
- Technical services : fees for services provided to non-residents by units exclusively or primarily engaged in engineering, consulting engineering and architects' offices as well as independent engineers, consulting engineers, architects and surveyors.

Also to be classified in this group are construction site supervision offices, technical design offices and technical test centres and laboratories (technical services is one of the components of NACE-CLIO branch 71 "Business services provided to enterprises").

CONSTRUCTION/ENGINEERING (1979-1984) average								Mio ECU
BUR - 10 with:	U.S.A	JAPAN	CANADA	AUSTR. NZ.	OTHER OECD	OTHER COUNTRIES	UN- ALLOCATED	EXTRA EUR 10
+	579	41	98	167	674	8922	55	10537
-	710	51	28	30	617	2669	33	4140
:	-131	-10	70	137	57	6253	22	6397

Construction/Engineering, apart from the residue OSO, is by far the most important component part of "Other Services", representing on average 27.3 % and 13.8 % of its credits and debits. In contrast to all other services items, it has shown both for exports and imports a (structural ?) downward trend since the peak year 1983. In the last two years exports declined by ECU 1351 mio and imports by ECU 1153 mio, to reach ECU 11850 mio and ECU 4677 mio respectively in 1984. In nominal terms, the surplus on Construction/Engineering stagnated around ECU 7000 mio, equivalent to 105 % of the total surplus on services on average. Since 1983 this share has declined below 100 %.

This item differed from other transactions in another way too. For these transactions EUR 10 is not principally oriented towards the US (share of 8.7 % on average), but to Other Countries (84.7 % of credits and 64.4 % of debits). A further breakdown highlights the following shares (in %) for the major sub-areas:

	1982		1984	
	Credits	Debits	Credits	Debits
OPEC	42.5	35.8	47.0	43.7
ACP	13.4	8.2	16.5	7.5
STC	2.3	2.2	2.7	2.4

The predominant position of OPEC in this field (and to a lesser extent also of the ACP countries) is further accentuated by the fact that the decline was almost entirely accounted for by those areas. E.g. exports to OPEC declined by ECU 1158 mio between 1982 and 1984 and by ECU 589 mio to ACP. This deterioration is basically imputable to the worsening financial position of both areas.

Films, Broadcasting

This item includes transactions with the rest of the world in respect of production costs, royalties, rentals and purchases of cinematograph films and television material. Cinematograph films exposed and developed are recorded under exports and imports of goods, and therefore not included here. So also are transactions related exclusively or primarily to advertising films.

The Community showed a permanent deficit which reached its highest level in 1981 with ECU -127 mio, narrowing from then on to almost equilibrium in 1984.. The regional breakdown shows that the Community deficit with third countries stemmed from its even larger deficit with the United States. Only in 1982 was this deficit smaller than the overall EUR 10 deficit with all third countries. The figures thus reflect the dominant role of the United States film industry on EUR 10 markets.

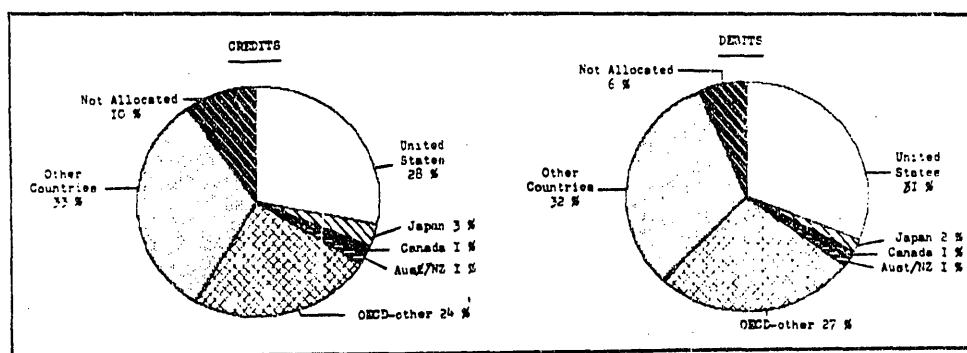
EUR - 10 with:	FILMS, BROADCASTING (1979-1984) average							Mio ECU
	U.S.A	JAPAN	CANADA	AUSTR. NZ.	OTHER OECD	OTHER COUNTRIES	UN- ALLOCATED	EXTRA EUR 10
+	238	9	24	14	37	48	15	384
-	305	5	7	3	58	27	31	436
:	-67	4	17	11	-21	21	-16	-52

c/ Other Services - Other

For Other Services - Other Community transactions with the rest of the world showed a continuous surplus, which fluctuated around average of ECU 2333 mio. A more detailed geographical breakdown shows that the Community surpluses towards OECD partners were relatively small; only with Other Countries was the surplus of any importance. Transactions covered by Other Services - Other were fairly equally spread over the US (29.7 %), OECD - other (25.3 %) and Other Countries (31.5 %), whilst Japan, Canada and Aust/NZ are in this respect not significant trade partners.

EUR - 10 with:	OTHER SERVICES - OTHER (1979-1984) average							Mio ECU
	U.S.A	JAPAN	CANADA	AUSTR. NZ.	OTHER OECD	OTHER COUNTRIES	UN- ALLOCATED	
+	5846	691	322	246	4987	6549	1957	20597
-	5707	361	203	175	4907	5746	1165	18264
=	139	330	119	71	80	803	792	2333

**GRAPH 12: Geographical breakdown of Other Services -other
(average 1979-1984)**



Other Services - Other comprises a variety of heterogeneous transactions, in particular those which are difficult to classify. A pilot questionnaire bearing upon a sectoral breakdown of the item Other Services Other (OSO) was presented and distributed during the 1985 meeting of the Balance of Payments Working Party, on behalf of the 113 Committee needs. Indeed, the huge share of OSO in trade in services -

about 56 % of the aggregate "Other Services" and 22 % or so of total services- necessitates an attempt to identify the contents of this black box. The information collected in this way for EUR 8 - replies by Denmark and Greece are missing - makes it possible to gain supplementary insights into OSO. The main findings are reproduced in the table below; methodological explications are summarized in appendix 4.

From the table above emerges first of all that, unfortunately, a substantial part of information remains concentrated -i.e. hidden- in the residu "other"; viz. OSO0 represented on average 48 % of credits and 30 % of debits. Setting aside OSO0, four categories of transactions seems to be of major importance; Commissions, Services Related to Trade (includes merchanting, net), Services Related to Technological Transfers and Services between Related Companies.

These four sub-items occupied a relatively important position in extra-EUR 10 trade in services as their average magnitude (see column 2) was of equal and/or greater significance than several sub-items of "Transport" or "Other Services" and twice the size of "Insurance on transport".

From the wide variations in growth rates (see column 3) can be derived that the presented sectoral configuration will in all likelihood undergo major changes in the future. Communication and Services between Related Companies (and to a lesser extent Cultural Activities) had the highest growth rates of ALL services items. Their shares, at present rather small, should therefore increase substantially. The other sub-items were among the group of slow growers.

SOME PROPERTIES OF THE SUB-ITEMS OF OTHER SERVICES OTHER
(averages for the period 1979-1983)

	SHARE (%)		ABS. VALUE (mio ECU)		GROWTH RATES (%)	
	Credits	Debits	Credits	Debits	Credits	Debits
COMMISSIONS	10.1	23.1	1813	3237	11.73	11.00
SERVICES RELATED TO TRADE	11.1	12.1	1988	1688	10.95	8.15
SERVICES RELATED TO TECHNOLOGICAL TRANSFERS	10.0	10.7	1733	1499	13.38	11.19
COMMUNICATION	4.5	8.2	805	1142	20.78	21.77
CULTURAL ACTIVITIES	3.9	0.3	698	47	15.38	14.88
SERVICES BETWEEN RELATED COMPANIES	9.2	13.5	1642	1893	22.99	19.06
OTHER SERVICES, MISCELLANEOUS	51.2	32.1	9158	4491	9.16	13.05
---- Other services other	(48.5)	(30.2)	(8682)	(4262)	(9.43)	(11.23)
TOTAL (: Other services other)	100	100	17863	13997	12.01	12.70

3. SIMULATION OF EXTRA-EUR 12 TRADE IN SERVICES

At present Spain and Portugal do not provide EUROSTAT with a geographical breakdown of their balance of payments. Therefore, EUROSTAT was obliged to estimate figures in order to gain any understanding of EUR 12 trade in services and the way the latter is likely to develop in the coming years. The procedure of this static simulation is based on the assumption that both countries joined the Community in 1979 and that the integration had no effects on balance of payments. As no detailed figures were available for trade between Spain and Portugal, these transactions are considered as external, inflating extra-EUR 12 figures to some extent. The results of this exercise are set out in the table below (see also appendix 4).

EUR 12 INTERNATIONAL TRADE IN SERVICES
(average 1979-1984, mto ECU)

	EUR 12			EUR 12 - EUR 10		
	+	-	=	+	-	=
Merchandise	277387	297014	-19627	5036	15754	-10718
Services	92140	80007	12133	5328	-1253	6581
Transport	33012	31311	1701	1752	1102	650
Insurance on transport	910	1280	-370	0	120	-120
Travel	20259	17633	2626	4177	-2344	6521
Other services	37960	29783	8177	-600	-131	-469

The performance of EUR 12 in external trade in services seems on several points to diverge markedly from that of EUR 10. First, the extended European Community should report a surplus that is twice as large as that of EUR 10, viz. ECU 12.0 billion against ECU 5.6 billion on average over 1979-1984. This finding implies that on balance Spain + Portugal's trade in services is more important with third countries than with EUR 10. It should be kept in mind, however, that the figures for EUR 12 are positively biased towards external trade, since trade between Spain and Portugal is included.

Second, EUR 12 would have a larger share in world exports as its exports were on average 6.1 % higher than those of EUR 10, implying that exports of Spain + Portugal to countries outside EUR 10 are more important than services exports to EUR 10. Imports, on the otherhand, seem to decline by 1 %, indicating that the new Member States import more services from EUR 10 than from third countries.

Third, the aggregated services performance conceals wide variations

among the individual services items. The difference between EUR 12 and EUR 10 is attributable in large measure to effects on the "Travel" account. Since the two new Member States, and especially Spain, are very important earners of net travel expenditure from EUR 10, EUR 12 would record lower "Travel" imports. On the export side, the second enlargement would produce even larger (positive) effects given the substantial net earner position of Spain + Portugal in tourist trade with third countries. The other services sectors would be less affected: "Transport" would increase, whilst "Other Services" would diminish.

Fourth, given the divergent sectoral impact, the sectoral structure would be rather varied, as is outlined below. With regard to growth rates, the simulation projects rather minor impacts, except on "Travel" credits. It is remarkable that the second enlargement would have a larger impact on services exports, except "Other Services", than on imports.

SECTORAL PROPERTIES OF EUR 12 TRADE IN SERVICES : AVERAGE PERCENTAGE
CHANGES IN SHARES (1) AND GROWTH RATES (2)

	(1)		(2)	
	Exports	Imports	Exports	Imports
Services			0.59	0.38
Transport	-0.3	1.9	0.56	0.37
Insurance	0.0	0.2	0.29	0.27
Travel	3.4	-2.6	1.46	0.49
Oth. Serv.	-3.1	0.5	0.16	0.22

4. OTHER SERVICES (N.I.E.) AND INCOME ITEMS

Figures are given here for "Labour Income", "Investment Income" and "Government Transactions n.i.e." for ease of comparison with standard balance of payments data. They are not included in the definition of "trade in services" employed in this report.

4.1. LABOUR INCOME

This item covers wages, salaries and other remuneration (whether in cash or in kind) earned by workers from the work they perform for an economic unit whose place of residence is different from their own (frontier workers, seasonal workers, etc.).

EUR - 10 with:	LABOUR INCOME (1979-1984) average							Mio ECU
	U.S.A	JAPAN	CANADA	AUSTR. NZ.	OTHER OECD	OTHER COUNTRIES	UN- ALLOCATED	
+	635	35	24	15	1007	1383	378	3477
-	785	49	33	13	1044	1048	108	3080
:	-150	-14	-9	2	-37	335	270	397

The available data indicate a steadily declining surplus for the Community with the rest of the world, turning negative for the first time in 1984 (ECU -296 mio in 1984). Besides, it has to be born in mind that the asymmetries on intra-EUR 10 trade are quite large, representing about 32 % of the arithmetic mean of recorded credit and debit flows. This development was due to a slackening of labour earnings, while payments rose smoothly throughout the period, with even an acceleration in 1984, to attain ECU 4285 mio.

4.2. INVESTMENT INCOME

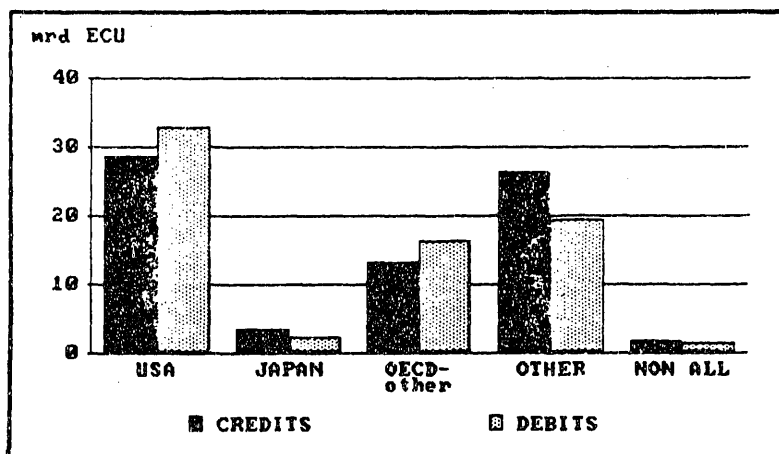
This item covers income of non-residents from their financial assets invested in the compiling economy (debit) and income of residents from their financial assets invested abroad (credit). It includes interests from manufacturing and services investments as well as from portfolio investment. It does not include undistributed earnings. Thus, only part of the flows registered represents transactions connected with international services activities.

EUR - 10 with:		INVESTMENT INCOME (1979-1984) average						Bio ECU
	U.S.A	JAPAN	CANADA	AUSTR. NZ.	OTHER OECD	OTHER COUNTRIES	UN- ALLOCATED	EXTRA EUR 10
+	28504	3280	2018	1542	8345	26229	1453	71370
-	33007	2045	1311	204	14585	19312	1439	71903
:	-4503	1235	707	1338	-6240	6917	14	-533

"Investment Income" was the fastest rising of all items. Its annual growth rate over 1979-1984 reached the phenomenal levels of 30.85 % for receipts and 34.20 % for payments. Sky-rocketing interest rates and increasing volumes of international capital movements were conducive to the fact that "Investment Income" surpassed the size of total services from 1983 on. Whilst at the beginning of the period EUR 10 still recorded a surplus, from 1982 on payments exceeded receipts by ECU 3.5 billion (receipts were ECU 123.5 billion).

The United States is EUR 10's privileged partner with on average 39.9 % of EUR 10's "Investment Income" receipts and 45.9 % of its payments. The US share in both the Community's Investment Income credit and debit flows has steadily decreased (credits from 45 % to 36 %, debits from around 63 % to about 42 %), in favour of Other Countries and Japan.

GRAPH 13 : Geographical breakdown of "Investment income"
(average 1979-1984)



4.3. GOVERNMENT TRANSACTIONS (N.I.E.)

This item covers transactions by the resident public sector, or other resident sectors, with non-resident public sectors. The main transactions are carried out by embassies and consulates abroad, military organizations and other bodies abroad, common military organizations, etc. Other goods and services provided or received by the government are also included under this heading.

EUR - 10 with:		GOVERNMENT TRANSACTIONS (N.I.E.) (1979-1984) average						B10 ECU
	U.S.A	JAPAN	CANADA	AUSTR. NZ.	OTHER OECD	OTHER COUNTRIES	UN- ALLOCATED	EXTRA EUR 10
+	5070	36	170	39	182	1837	65	7398
-	973	38	42	23	260	1786	24	3146
=	4097	-2	128	16	-78	51	41	4252

The transactions with non-EUR 10 countries showed a steadily growing surplus (from 2.1 billion ECU in 1979 to 6.9 billion ECU in 1984). The Community's receipts on this item were highly concentrated on one partner : the United States. Their surging share accounted for nearly 74 % (7.8 billion ECU in 1984) of total credits. Compared with this amount, the other OECD countries only played a minor role. The non-OECD countries have a share of about 25 %. From the geographical breakdown of expenditure emerges a different picture : the United States accounted for about 31 % of the EUR 10's debits and the non-OECD countries for nearly 57 %. The high share of the latter is a reflection of the European Community's development policy; the ACP countries received 12.3 % of EUR 10's transfer payments abroad and the Other Developing Countries 21.2 %.

5. CONCLUSIONS

This report focuses on some aspects of EUR 10's trade in services with third countries over the years 1979 to 1984. First, some methodological and statistical peculiarities are dealt with. Subsequently, developments in total services and in individual component parts are discussed. The data permit geographical and sectoral breakdowns, although detailed figures should be interpreted with care, given some annoying data flaws. The main findings are summarized below, followed by a tentative outlook for developments in the second part of the eighties.

5.1. MAIN FINDINGS

1. Establishing the economic significance of a sector requires an adequate statistical basis. With respect to international trade in services any detailed analysis runs up against data deficiencies. First of all, there exists a manifest conceptual problem. In the field of international trade, the concept of services refers generally to very heterogeneous transactions (products, remunerations, transfers, financial operations), subject to different rules and trends. In this report services are limited to what can be called "tradable product services", as e.g. Transport, Travel, Insurance, Construction, Film, ect.

Second, some methodological particularities raise some doubts about the accuracy of the data. As regards the method of measurement, a lot of transactions are valued on a net basis, undermining on the one hand the consistency of the data base and on the other hand the relative importance of international trade in services. Categories supposed to suffer heavily from recording in net are Insurance, Travel, Merchanting, Communication, Construction and Services between Related Companies.

On a more general level, the discrepancy in payment statistics owing to divergences in compiling methods, a recurrent discomfort in the analysis of developments in international trade, is also encountered in the present study. Although the alleged asymmetries may lead to biased outcomes in various analyses, it is not unreasonable to assume that their impact on the main conclusions of this report is rather negligible. Indeed, given the small magnitude of revealed intra-EUR 10 asymmetries, the reliability of e.g. absolute levels and growth rates of credit and debit flows could not seriously be biased. Balance figures should more cautiously be interpreted, instead.

Finally, the study of international trade in services of the European Community is seriously hindered by the non-availability of essential information in several Member States. Therefore, despite all efforts to overcome data flaws, some reservations have to be expressed concerning the quality of the information provided in this report.

2. Viewed within the total of the European Community's external current transactions, services are of major importance. According to the figures, extra-EUR 10 trade in services amounted in 1984 to ECU 111.8 billion for exports and to ECU 103.2 billion for imports. Over the whole intervening period EUR 10 recorded a surplus. It peaked in 1984 at ECU 8.6 billion, representing about 8 % of services exports.

For the period 1979-1984 trade in services grew, perhaps unexpectedly, at a very similar pace to that in merchandise, viz. annual growth rates of 12.73 % and 13.00 % for exports and imports respectively. There were some marked fluctuations in year to year variations. An essential feature of extra-EUR 10 trade in services was the rupture in the growth pattern, most acute in 1982 and less dramatic in 1983. The abrupt slackening is encountered in all related time series, sometimes even resulting in negative growth rates (e.g. for "Sea-freight" and "Construction/Engineering"). The divergent growth pattern of different transactions is another interesting feature.

Perhaps astonishingly, EUR 10 trade in services has developed much faster outside than inside the European Community between 1979 and 1984. This finding does not seem to be jeopardized by the existence of asymmetries in balances of payments statistics. From a concise quantitative analysis it emerges that the asymmetries discovered in intra-EUR 10 trade (1.6 % on average) do not significantly distort the results.

A simulation of the extended European Community's external trade in services shows marked differences between EUR 12 and EUR 10. First, EUR 12 would report a surplus that is twice as large as that of EUR 10, stemming from higher exports (+ 6 %) and somewhat lower imports (- 1 %). The divergence between EUR 12 and EUR 10 is largely attributable to effects on the "Travel" account; changes are minor for the other services sectors, but not negligible.

3. The overall services performance is the result of widely varying performances between individual items. The following table attempts to give a synopsis of the different results. Services are ranked in descending order, taking into account for each item average growth rates and shares. The column containing the balance provides additional valuable information.

The upper part of the table contains what can be called the good performers, to which the European Community should pay special attention, whilst the lower part presents the more troublesome services. Items marked with an asterix were elucidated through an supplementary exercise aiming at disclosing the contents of the black box "Other Services - other" (22 % of total services). Given that not all countries report separate figures for these items, their performance is likely to be underestimated. For the same reason that of "Travel" is rather over-stated, as it is the only non-disaggregated major sector. Finally, values of some items may be negatively biased, owing to recording in net (e.g. "Insurance" and "Services related to trade").

CLASSIFICATION OF SERVICES ITEMS ACCORDING TO RELATIVE SIGNIFICANCE

	PERFORMANCE ^a INDEX	GROWTH RATE ^b (%)	SHARE ^b (%)	BALANCE ^b (mln ECU)
1. TRAVEL	137.28	14.56	19.0	-3895
2. OTHER TRANSPORT	126.56	9.99	13.1	-429
3. SEA - FREIGHT	125.48	7.80	14.1	-937
4. SERVICES BETWEEN RELATED COMPANIES *	123.74	22.99	2.2	-251
5. COMMUNICATION *	123.22	20.78	1.3	-337
6. AIR - PASSENGER	122.77	16.13	6.4	1365
7. CONSTRUCTION/ENGINEERING	122.03	10.79	12.1	6397
8. OTHER SERVICES OTHER, MISCELLANEOUS *	120.94	9.16	11.1	4667
9. PROPERTY INCOME	120.70	16.96	3.0	-1318
10. NON-MERCHANDISE INSURANCE	120.08	13.31	2.8	788
TOTAL SERVICES	119.82 ^c	12.73	100.0	7103
11. INSURANCE	117.44	16.15	1.0	-250
12. CULTURAL ACTIVITIES *	116.11	15.38	1.1	547
13. SEA - PASSENGER	115.86	13.94	0.6	509
14. COMMISSIONS *	115.65	11.73	2.7	-1424
15. BANKING	115.39	17.21	2.3	496
16. SERVICES RELATED TO TECHNOLOGICAL TRANSFERS *	115.22	13.38	2.5	284
17. AIR - FREIGHT	114.16	12.34	1.5	543
18. SERVICES RELATED TO TRADE *	112.78	10.95	2.8	300
19. FILM, BROADCASTING	111.25	5.57	0.4	-52

a. The performance index is calculated by multiplying for each item the average of the growth rates with the average of the shares.

b. Average value for 1979-1984; for items with * the period is 1979-1983.
The balance of total services (7103) does not correspond with figure mentioned on page 10 (5552) due to the different coverage of the items with a *.

c. Mean value of the 19 items.

For the European Community it is disturbing that its services sectors of major interest (1 to 5) all recorded a negative balance. For EUR 12, however, the situation would partially be different; "Travel" would show a considerable surplus, whilst for the other items no substantial modifications are expected. Two other developments are disquieting too; namely the deficit on "Property Income" and the relative low growth rate of "Construction/Engineering" exports, a very significant services sector with substantial surpluses. The worsening financial position of OPEC and ACP were conducive to the drastic deterioration of these exports in 1983 and 1984.

Otherwise, it is fairly promising that for rather new services, characterized by low shares (e.g. "Services between Related Companies" and "Communication") high growth rates appear.

"Investment Income" not considered as belonging to services, albeit undoubtedly comprising some services-like parts, is of great significance in the European Community's external current transactions. Due to phenomenally high growth rates its size exceeded that of the sum of all services in 1983 and in 1984. Since 1982, payments have surpassed receipts, reaching a deficit of ECU -3.5 billion in 1984.

4. Geographically the European Community's external trade is basically and increasingly oriented towards the other OECD countries. Almost 60 % of extra-EUR 10 transactions in services have been carried out with OECD members. The upward trend is highly attributable to developments in "Travel" earnings. Among the OECD members, the US was by far the largest individual trade partner. The importance of US shares even increased slightly, both for European exports and imports, with present shares equivalent to 29.6 % and 27.9 % respectively. The other individually reported OECD countries had shares of similar size; Japan (almost 3 %), Australia/New-Zealand (more than 2 %) and Canada (almost 2%).

Again, the average figures are seen to mask wide differences. Generally, however, shares remained fairly stable throughout the period. For one particular services item, "Construction/Engineering" the European Community's transactions were not centred on the US, but on Other Countries (85 % of credits and 64 % of debits). The deteriorating financial position of OPEC and the Developing Countries led to a marked contraction of flows, especially of EUR 10 exports.

5.2. PRELIMINARY OUTLOOK FOR 1985-1990

The second part of the eighties may probably be expected to see a general continuation of the expansion of the European Community's external trade in services. The rupture in most series in 1982-1983 hampers medium term projections, however. Nevertheless, on the basis of the perhaps quixotic assumption of unchanged medium term growth rates the following table reproduces the simulated situation for 1990.

CLASSIFICATION OF SERVICES ITEMS ACCORDING TO RELATIVE SIGNIFICANCE IN 1990

	PERFORMANCE ^a INDEX	ABS. VALUE (MIO ECU) CREDITS DEBITS	SHARE (%)	BALANCE (mio ECU)
1. TRAVEL	138.36	46119	23.6	6480
2. SERVICES BETWEEN RELATED COMPANIES *	125.93	8061	4.1	974
3. OTHER TRANSPORT	125.42	21238	10.9	-4858
4. AIR - PASSENGER	124.70	15938	8.2	4097
5. COMMUNICATION *	124.07	3052	1.6	-2360
6. SEA - FREIGHT	122.58	19900	10.2	-6579
7. PROPERTY INCOME	122.04	7855	4.0	-2986
8. NON-MERCHANDISE INSURANCE	121.15	5873	3.0	-545
9. CONSTRUCTION/ENGINEERING	120.90	19780	10.1	10794
TOTAL SERVICES	119.85	190892	100.0	17045
10. OTHER SERVICES OTHER, MISCELLANEOUS	118.98	16615	8.5	6555
11. INSURANCE	118.09	2704	1.4	-739
12. SEA - PASSENGER	116.14	2132	1.1	1256
13. CULTURAL ACTIVITIES *	115.74	1928	1.0	1803
14. BANKING	115.57	6055	3.1	3716
15. COMMISSIONS *	114.86	4342	2.2	-2859
16. SERVICES RELATED TO TECHNOLOGICAL TRANSFERS *	114.79	4960	2.5	1540
17. AIR - FREIGHT	114.28	3131	1.6	1353
18. SERVICES RELATED TO TRADE *	112.40	4992	2.6	273
19. FILM, BROADCASTING	111.25	387	0.2	-672

a. The performance index is calculated by multiplying for each item the average of the growth rates with the average of the shares.

b. Mean value of the 19 items.

According to the results of this exercise, some modifications would appear in the classification of the services in 1990:

- four of them would develop quickly and consequently improve their performance:
 - Services between Related Companies (2th instead of 6th)
 - Air - passenger (4th instead of 6th)
 - Property Income (7th instead of 9th)
 - Non-merchandise Insurance (8th instead of 10th)but, the composition of the first group would hardly be altered.
- three items would regress:
 - Sea - freight (would lose 3 places to 6)
 - Construction/Engineering (9th instead of 7th)
 - Other Services Other, miscellaneous (would fall 2 places to 10).

The other items would keep more or less the same position. This is particularly true for "Travel", which would strenghten its first place, and for the last four items.

APPENDIX 1 : BALANCE OF PAYMENTS STATISTICS ON SERVICES

TABLE OF REVENUES - GEOGRAPHICAL BREAKDOWN OF REVENUES TABLE

BLR-9	1972	1972										OTHER COUNTRIES
		MO EU					OTHER CND					
		USA		CANADA		OTHER CND		OTHER CND		OTHER CND		
		+	-	+	-	+	-	+	-	+	-	
A	Goods services and income	6088	6088	1217	3113	258	1146	2512	2819	2512	3875	5999
1	Merchandise	6029	6029	1031	637	180	1179	1901	1874	1901	27516	2708
2	Services	3867	3867	1102	2816	786	571	916	701	916	11210	3291
2.1	Transport	871	8628	233	205	399	435	187	181	187	375	33
2.1.1	Sea - freight											
2.1.2	Sea - passenger services											
2.1.3	Air - freight											
2.1.4	Air - passenger services											
2.1.9	Other transport											
2.2	Insurance on transport											
2.3	Taxes	239	234	92	77	3	7	4	15	4	67	-2
2.4	Other services	4821	5295	1077	102	25	15	105	1578	1077	1107	1830
2.4.1	Property income	7008	5925	1974	2199	242	13	191	102	191	4175	2229
2.4.2	Banking											
2.4.3	Insurance income											
2.4.4	Construction/engineering											
2.4.5	Film, broadcasting											
2.4.9	Other services - other											
3	Income	11913	9006	5316	3633	117	50	348	121	100	394	1790
3.1	Investment income	697	706	344	346	105	44	392	57	670	1419	2078
3.2	Labour income	675	391	17	17	5	7	4	7	381	274	25
3.3	Government trans (net)	2581	1477	164	22	7	9	42	24	69	803	1033
B	Unrequited transfers	300	895	636	702	25	12	163	244	338	1035	1727
1	Private transfers	1778	4212	592	319	25	9	164	172	258	992	711
2	Official transfers	1722	4633	54	259	1	3	1	3	90	103	-15
C	Current account (A+B)	10036	9712	2756	10579	242	322	2774	277	2563	23674	1782

GEORGRAPHICAL BALANCE OF PAYMENTS - GEORGRAPHICAL BREAKDOWN OF SERVICES TRADE

BIR-9

MTO EUJ

1975

	EURO COUNTRIES (BIR-9)		USA		JAPAN		CANADA		OTHER OECD		OTHER COUNTRIES	
	+	-	=		+	-	=		+	-	=	
A. Goods services and income	171627	159923	11504		2929	3319	-3300		3621	9995	-1093	3970
1. Merchandise	116993	111316	7275		12933	17939	-5006		2122	4892	-2470	2820
2. Services	34185	32784	1391		6034	7080	54		1102	634	263	763
2.1 Transport	13676	12827	751		2995	2796	199		636	646	-13	269
2.1.1 Sea - freight												
2.1.2 Sea - passenger services												
2.1.3 Air - freight												
2.1.4 Air - passenger services												
2.1.9 Other transport												
2.2 Insurance on transport												
2.3 Travel	303	343	-40		103	142	-34		7	11	-4	6
2.4 Other services	6405	6723	-2317		1627	924	902		79	26	53	266
2.4.1 Property income	13959	10661	2998		3104	4116	-1013		381	149	231	280
2.4.2 Banking												
2.4.3 Non merchandise insurance												
2.4.4 Construction/engineering												
2.4.5 Film, broadcasting												
2.4.9 Other services - other												
3. Income	19039	15661	3237		8082	6600	1581		399	160	239	507
3.1 Investment income	16267	13094	1973		5970	5924	16		373	134	239	423
3.2 Labour income	1110	1026	84		205	216	-12		13	14	-1	7
3.3 Government trans. (nle)	3322	1741	1560		1667	330	1567		13	12	1	77
B. Unrequited transfers	4693	1367	-6874		516	766	-236		23	16	7	134
1. Private transfers	2047	8712	-3665		468	399	129		20	12	8	131
2. Official transfers	2546	7365	-4009		80	417	-367		3	4	-1	3
C. Current account (A+B)	170480	172990	3430		25947	33175	-3636		3646	9002	-1986	3534

GEOGRAPHICAL BREAKDOWN BY REPORTING COUNTRY - VENTILATION GEOGRAPHIQUE PAR PAYS DECLARANT

1979

		EXTRA EUR-10			USA			JAPAR			CANADA		
		+	-	=	+	-	=	+	-	=	+	-	=
A	Goods services and income	291174	290339	835	59285	62794	-3509	7223	10946	-3725	4915	5621	-706
1.	Merchandise	190257	200640	-10383	25611	32436	-6825	4628	9423	-4795	2920	4094	-1174
2.	Services	61438	56025	5413	15937	13902	2035	1879	1097	782	1077	917	160
2.1	Transport	22891	21436	1455	6075	4666	1187	792	711	61	443	487	-44
2.1.1	Sea - freight	9567	9987	-420	2730	2446	284	318	308	10	132	259	-127
2.1.2	Sea - passenger services	578	190	388	217	22	195	12	5	7	16	0	16
2.1.3	Air - freight	978	511	467	159	84	75	28	9	19	19	13	6
2.1.4	Air - passenger services	3572	2670	902	592	363	229	111	42	69	98	68	30
2.1.9	Other transport	8196	8078	118	2377	1973	404	323	347	-24	178	187	31
2.2	Insurance on transport	605	769	-164	203	237	-34	18	32	-14	12	22	-10
2.3	Travel	11847	14616	-2769	3169	1998	1171	215	77	138	262	212	50
2.4	Other services	26095	19204	6891	6490	6779	-289	854	277	577	380	196	164
2.4.1	Property income	1640	2595	-955	583	1872	-1089	210	25	185	21	32	-11
2.4.2	Banking	1237	993	244	391	597	-206	48	5	43	9	4	5
2.4.3	Non merchandise insurance	1683	936	747	937	262	675	43	17	26	68	9	59
2.4.4	Construction/engineering	7099	2434	4665	386	382	4	30	24	6	61	15	46
2.4.5	Films, broadcasting	225	287	-62	116	189	-73	5	3	2	17	5	12
2.4.9	Other services - other	18211	11959	2252	4077	3877	400	518	203	315	184	131	53
	Income	39479	33674	5805	17737	16456	1281	716	422	286	918	610	308
3.1	Investment income	32204	29184	3020	14396	15447	-1051	671	373	298	810	581	249
3.2	Labour income	2637	1919	718	419	371	48	22	33	-11	14	18	-4
3.3	Government trans. (nle)	4638	2571	2067	2922	636	2284	23	22	1	94	31	63
B	Unrequited transfers	5536	17801	-12265	1117	1250	-133	62	39	23	123	506	-383
1.	Private transfers	3389	7913	-4524	1004	656	348	57	32	25	119	407	-288
2.	Official transfers	2147	9888	-7741	113	594	-481	5	7	-2	4	99	-95
C	Current account (A+B)	296710	308140	-11430	60402	64044	-3642	7285	10987	-3702	5035	6127	-1089
		AUSTRALIA, NZ-NEW ZEALAND			OTHER OECD COUNTRIES			-- OTHER COUNTRIES			SURF NOT ALLOCATED		
		+	-	=	+	-	=	+	-	=	+	-	=
A	Goods services and income	5939	3202	2737	71299	72714	-1415	131875	125458	6417	10536	9801	1035
1.	Merchandise	3389	2241	1148	53442	47168	6276	94209	99409	-5200	6088	5870	168
2.	Services	1525	826	699	13409	18407	-4998	24050	17990	6060	3559	2885	674
2.1	Transport	885	611	274	3813	4124	-311	9147	9048	99	1737	1567	170
2.1.1	Sea - freight	580	161	419	1206	1798	-592	3891	4260	-369	711	785	-44
2.1.2	Sea - passenger services	60	0	60	30	28	2	84	22	62	159	113	46
2.1.3	Air - freight	12	8	4	143	111	32	311	224	87	306	62	244
2.1.4	Air - passenger services	59	49	10	557	427	130	1308	905	401	849	816	33
2.1.9	Other transport	174	393	-219	1877	1760	117	3555	3837	-62	-288	-179	-109
2.2	Insurance on transport	2	7	-5	106	191	-85	219	220	-1	45	60	-15
2.3	Travel	348	98	250	4858	9214	-4356	2888	2925	-34	106	95	11
2.4	Other services	290	110	180	4632	4878	-246	11796	5800	5996	1671	1183	508
2.4.1	Property income	43	3	40	230	532	-302	312	66	246	241	266	-24
2.4.2	Banking	1	0	1	60	116	-56	434	24	410	294	287	47
2.4.3	Non merchandise insurance	29	0	29	219	335	-116	209	115	94	177	198	-21
2.4.4	Construction/engineering	84	4	80	507	433	74	5892	1489	4433	138	116	22
2.4.5	Films, broadcasting	9	0	9	28	50	-22	37	17	20	13	24	-11
2.4.9	Other services - other	124	103	21	3588	3412	176	4912	8119	793	808	313	495
3.	Income	1025	135	890	4448	7141	-2693	13816	8099	5867	1019	846	173
3.1	Investment income	986	105	881	3865	6205	-2540	10955	5705	5250	721	788	-67
3.2	Labour income	5	8	-3	638	714	-76	1258	738	520	281	37	244
3.3	Government trans. (nle)	34	22	12	145	222	-77	1603	1618	-213	17	21	-4
B	Unrequited transfers	187	575	-408	856	4181	-3325	3075	10870	-7495	136	680	-544
1.	Private transfers	164	478	-314	586	3421	-2835	1325	2662	-1337	133	258	-125
2.	Official transfers	3	97	-94	270	760	-490	1750	7908	-6158	3	422	-419
C	Current account (A+B)	6106	3777	2329	72155	75895	-4740	134950	138028	-1078	10772	10281	491

BALANCE OF PAYMENTS - BALANCE DES PAIEMENTS
GEOGRAPHICAL BREAKDOWN BY REPORTING COUNTRY - VENTILATION GEOGRAPHIQUE PAR PAYS DECLARANT

EUR-10

MIO ECU

1980

	EUR-10			USA			JAPAN			CANADA		
	+	-	=	+	-	=	+	-	=	+	-	=
A. Goods services and income	349708	357449	-7743	66958	78958	-12000	7622	14013	-6391	5259	6646	-1387
1. Merchandise	218335	248776	-28441	28938	41380	-14444	4524	12000	-7476	2928	4916	-1988
2. Services	71019	66128	4891	17632	16917	915	2167	1299	868	1185	1098	87
2.1 Transport	27762	25174	2588	7187	6023	1164	935	837	98	537	579	-42
2.1.1 Sea - freight	11506	11253	253	3301	2900	401	420	354	66	152	278	-126
2.1.2 Sea - passenger services	761	332	429	252	36	216	12	3	9	19	0	19
2.1.3 Air - freight	987	587	400	177	108	71	28	7	21	21	21	0
2.1.4 Air - passenger services	4228	2893	1335	734	404	330	116	34	84	107	89	18
2.1.9 Other transport	10280	10109	171	2723	2577	146	387	439	-52	236	191	47
2.2 Insurance on transport	678	918	-240	241	307	-66	19	43	-24	13	23	-10
2.3 Travel	12732	17204	-4472	3405	2495	910	233	72	161	253	257	-4
2.4 Other services	29847	22832	7015	6999	8092	-1093	980	347	633	382	239	143
2.4.1 Property income	1910	3099	-1189	719	1980	-1261	224	30	194	23	34	-11
2.4.2 Banking	1504	1189	315	507	700	-193	171	9	162	14	5	9
2.4.3 Non merchandise insurance	1585	1048	537	850	294	556	42	17	25	36	18	18
2.4.4 Construction/engineering	8269	2797	5472	448	456	-8	39	46	-7	76	20	56
2.4.5 Films, broadcasting	306	339	-33	176	234	-58	6	4	2	23	6	17
2.4.9 Other services - other	16273	14350	1913	4299	4420	-129	498	241	257	208	158	52
3. Income	50710	44545	6165	22190	20661	1529	931	714	217	1146	632	514
3.1 Investment income	42215	39464	2751	18435	19527	-1092	879	654	225	977	579	398
3.2 Labour income	2890	2311	579	488	490	-5	25	31	-6	15	19	-4
3.3 Government trans. (nle)	5605	2750	2855	3270	644	2626	27	29	-2	154	34	120
B. Unrequited transfers	6616	20241	-13625	1141	1406	-265	69	40	29	133	592	-459
1. Private transfers	3699	9130	-5431	1071	784	287	61	32	29	126	474	-348
2. Official transfers	2917	11131	-8214	70	622	-552	8	8	0	7	118	-111
C. Current account (A+B)	356322	377690	-21368	68099	80364	-12265	7691	14063	-6362	5391	7238	-1846
	AUSTRALIA, NZ-NEW ZEALAND			OTHER OECD COUNTRIES			OTHER COUNTRIES			SUME NOT ALLOCATED		
	+	-	=	+	-	=	+	-	=	+	-	=
A. Goods services and income	6290	3320	2970	85258	86149	-891	157590	159242	-1692	11066	9080	2006
1. Merchandise	3401	2193	1208	63864	55235	8629	111407	126374	-14967	5275	4678	597
2. Services	1781	929	852	15429	21080	-5631	28091	21184	6907	4533	3640	893
2.1 Transport	975	637	338	4663	4789	-126	11073	10391	682	2391	1918	473
2.1.1 Sea - freight	621	153	468	1330	1934	-604	4523	4626	-103	1156	1008	151
2.1.2 Sea - passenger services	77	0	77	31	77	-46	108	27	81	262	189	73
2.1.3 Air - freight	14	12	2	64	68	-4	325	304	21	357	69	288
2.1.4 Air - passenger services	67	87	10	364	275	89	1626	1069	557	1212	965	247
2.1.9 Other transport	196	415	-219	2874	2435	439	4491	4365	126	-509	-313	-266
2.2 Insurance on transport	4	7	-3	116	203	-87	234	269	-35	51	66	-15
2.3 Travel	371	138	233	4921	10479	-5558	3506	3725	-219	43	37	6
2.4 Other services	431	147	284	5729	5589	140	13278	6799	6479	2048	1619	429
2.4.1 Property income	44	6	38	253	613	-360	308	96	290	261	340	-79
2.4.2 Banking	58	0	58	216	104	112	239	42	197	299	330	-31
2.4.3 Non merchandise insurance	37	5	32	264	412	-148	223	159	64	132	143	-11
2.4.4 Construction/engineering	109	14	95	468	450	18	7101	1760	5341	26	50	-24
2.4.5 Films, broadcasting	12	2	10	30	58	-28	49	18	31	11	17	-6
2.4.9 Other services - other	171	120	51	4496	3952	546	5280	4724	556	1319	739	580
3. Income	1108	196	910	5965	9854	-3889	18092	11724	6368	1273	762	516
3.1 Investment income	1080	185	895	4985	8815	-3830	15068	9036	6032	811	708	103
3.2 Labour income	7	10	-3	696	818	-122	1352	899	453	310	44	266
3.3 Government trans. (nle)	41	23	18	284	221	63	1672	1789	-117	157	10	147
B. Unrequited transfers	153	704	-551	921	4728	-3807	4042	12283	-8241	157	488	-331
1. Private transfers	151	598	-447	634	3854	-3220	1514	2936	-1422	142	432	-290
2. Official transfers	2	106	-104	287	874	-587	2528	9347	-6819	15	56	-41
C. Current account (A+B)	6443	4024	2419	86179	90877	-4698	161632	171565	-9933	11243	9568	1675

BALANCE OF PAYMENTS - BALANCE DES PAIEMENTS
GEOGRAPHICAL BREAKDOWN BY REPORTING COUNTRY - VENTILATION GEOGRAPHIQUE PAR PAYS DECLARANT

EJR-10

MIO ECU

198

	EXTRA EUR-10			USA			JAPAN			CANADA		
	+	-	=	+	-	=	+	-	=	+	-	=
A. Goods services and income	426906	429743	-837	94031	101874	-7843	10194	18271	-8077	6786	7545	-759
1. Merchandise	271073	281610	-10537	38206	47762	-9556	5550	15217	-9667	3747	5235	-1488
2. Services	86169	81834	4335	23192	22693	499	2791	1871	920	1468	1330	138
2.1 Transport	32124	31159	965	8795	8420	375	1265	1204	61	626	632	-6
2.1.1 Sea - freight	13008	13668	-860	4257	4166	91	537	536	1	166	254	-88
2.1.2 Sea - passenger services	755	364	391	292	38	254	16	8	8	20	3	17
2.1.3 Air - freight	1279	847	432	190	160	30	52	17	35	25	25	0
2.1.4 Air - passenger services	5176	4107	1069	740	614	126	179	65	114	126	117	9
2.1.9 Other transport	11906	11973	-67	3316	3442	-126	481	578	-97	289	233	56
2.2 Insurance on transport	857	1089	-232	350	376	-26	22	55	-33	17	27	-10
2.3 Travel	15006	20547	-5541	4365	3203	1162	324	101	223	354	346	8
2.4 Other services	38182	29039	9143	9682	10694	-1012	1180	511	669	471	325	146
2.4.1 Property income	2562	3646	-1084	1008	2422	-1414	303	47	256	37	36	1
2.4.2 Banking	1929	1725	204	961	1126	-165	106	13	93	24	10	14
2.4.3 Non merchandise insurance	2631	1641	990	1609	769	840	61	29	32	14	26	-12
2.4.4 Construction/engineering	10749	3771	6978	527	748	-221	44	81	-37	108	38	70
2.4.5 Films, broadcasting	274	401	-127	141	281	-140	9	3	6	21	6	15
2.4.9 Other services - other	20037	17855	2182	5436	5348	88	657	338	319	267	209	58
3. Income	71664	66299	5365	32633	31419	1214	1853	1183	670	1571	980	591
3.1 Investment income	61726	60564	1162	27754	29702	-1948	1790	1104	686	1348	912	436
3.2 Labour income	3323	2895	428	655	714	-59	28	39	-11	36	28	8
3.3 Government trans. (nle)	5615	2840	3775	4224	1003	3221	35	40	-5	167	40	147
B. Unrequited transfers	7608	22968	-15360	1454	1647	-193	92	50	42	138	679	-541
1. Private transfers	4520	10136	-5616	1366	939	427	78	33	45	132	544	-412
2. Official transfers	3088	12832	-9744	88	708	-620	14	17	-3	6	135	-129
C. Current account (A+B)	436514	452711	-16197	95485	103521	-8036	10286	18321	-8035	6924	8224	-1300
	AUSTRALIA, NW-ZEALAND			OTHER OECD COUNTRIES			OTHER COUNTRIES			SUMS NOT ALLOCATED		
	+	-	=	+	-	=	+	-	=	+	-	=
A. Goods services and income	7586	4059	3527	95593	101086	-5493	200698	185996	14702	14018	10912	3106
1. Merchandise	4125	2645	1479	69279	62056	7223	143174	143288	-114	6992	5406	1586
2. Services	2085	1230	855	17348	24331	-6983	33935	26322	7613	5350	4056	1294
2.1 Transport	1100	792	308	5216	5177	39	12611	12781	-170	2512	2154	358
2.1.1 Sea - freight	680	201	479	1509	1898	-389	4752	5654	-902	1108	1159	-51
2.1.2 Sea - passenger services	87	0	87	27	82	-55	97	33	64	215	201	14
2.1.3 Air - freight	15	16	-1	118	114	4	465	417	48	415	98	317
2.1.4 Air - passenger services	78	73	5	508	470	38	2034	1519	515	1511	1249	262
2.1.9 Other transport	240	502	-262	3054	2613	441	5263	5158	105	-737	-553	-184
2.2 Insurance on transport	7	10	-3	140	249	-109	265	294	-29	56	78	-22
2.3 Travel	423	193	230	5302	12168	-6866	4045	4448	-403	193	68	105
2.4 Other services	555	235	320	6690	6737	-47	17014	8799	8215	2569	1736	853
2.4.1 Property income	63	5	58	351	644	-293	467	129	338	333	363	-30
2.4.2 Banking	21	1	20	245	171	74	309	110	199	263	293	-30
2.4.3 Non merchandise insurance	85	29	56	368	457	-89	319	191	128	174	140	34
2.4.4 Construction/engineering	130	36	94	596	622	-26	9308	2205	7103	36	41	-5
2.4.5 Films, broadcasting	16	2	14	30	50	-20	43	24	19	14	34	-20
2.4.9 Other services - other	240	162	78	5100	4793	307	6568	6140	428	1769	865	904
3. Income	1376	183	1193	8966	14699	-5733	23589	16386	7203	1676	1450	226
3.1 Investment income	1307	150	1157	7880	13442	-5557	20352	13876	6476	1290	1378	-88
3.2 Labour income	22	12	10	914	938	-24	1325	1110	215	343	54	289
3.3 Government trans. (nle)	47	21	26	167	319	-152	1912	1400	512	43	18	25
B. Unrequited transfers	189	898	-709	1055	5096	-4041	4483	14144	-9661	196	454	-258
1. Private transfers	187	727	-540	747	4183	-3436	1830	3317	-1487	180	393	-213
2. Official transfers	2	171	-169	308	913	-605	2653	10827	-8174	16	61	-45
C. Current account (A+B)	7775	4957	2818	96648	106182	-9534	205181	200140	5041	14214	11366	2848

BALANCE OF PAYMENTS - BALANCE DES PAIEMENTS
GEOGRAPHICAL BREAKDOWN BY REPORTING COUNTRY - VENTILATION GEOGRAPHIQUE PAR PAYS DECLARANT

25-10

MIO BCU

1982

	EXTRA EUR-10			USA			JAPAN			CANADA		
	+	-	=	+	-	=	+	-	=	+	-	=
A. Goods services and income	469427	457951	11466	105949	110994	-5045	11434	20422	-8988	7316	7745	-429
1. Merchandise	289734	294410	-4676	44477	51320	-6843	6360	17064	-10704	3765	5319	-1554
2. Services	90723	80429	2294	25091	24056	1035	3016	1930	1086	1653	1424	229
2.1 Transport	33731	32436	1295	9154	8389	765	1281	1209	72	656	661	-5
2.1.1 Sea - freight	12982	13602	-620	4328	3846	482	510	510	0	150	262	-112
2.1.2 Sea - passenger services	830	377	453	285	43	242	17	7	10	22	2	20
2.1.3 Air - freight	1372	839	533	227	140	87	53	21	32	27	24	3
2.1.4 Air - passenger services	6078	4737	1341	959	706	253	214	103	111	147	137	10
2.1.9 Other transport	12469	12681	-412	3355	3654	-299	487	568	-81	310	236	74
2.2 Insurance on transport	985	1215	-230	420	462	-42	24	55	-31	28	37	-9
2.3 Travel	13812	21550	-7738	5276	3373	1903	336	118	218	414	387	47
2.4 Other services	42195	33228	8967	10241	11832	-1591	1375	548	827	555	359	196
2.4.1 Property income	2682	4170	-1488	1051	2772	-1721	313	57	256	40	46	-6
2.4.2 Banking	2290	2181	109	945	1521	-576	332	34	298	26	9	17
2.4.3 Non merchandise insurance	2761	1814	947	1519	660	859	56	35	21	29	52	-23
2.4.4 Construction/engineering	13201	5830	7371	693	850	-157	48	61	-13	103	38	65
2.4.5 Films, broadcasting	373	436	-63	252	297	-45	8	4	4	18	7	11
2.4.9 Other services - other	20888	18797	2091	5781	5732	49	618	357	261	339	207	132
3. Income	78707	75122	3585	36381	35618	763	2058	1422	630	1898	1002	896
3.1 Investment income	66852	68341	-1489	30129	33587	-3458	1973	1338	635	1717	928	789
3.2 Labour income	4000	3385	615	728	953	-225	46	51	-5	27	37	-10
3.3 Government trans. (nle)	7855	336	4459	5524	1078	4446	39	39	0	154	37	117
B. Unrequited transfers	8804	24849	-16045	1701	1833	-132	131	64	67	187	701	-514
1. Private transfers	5083	10589	-5506	1592	1033	559	107	42	55	179	550	-371
2. Official transfers	3721	14260	-10539	109	800	-691	24	22	2	8	151	-143
C. Current account (A+B)	478231	482810	-4579	107650	112827	-5177	11565	20456	-8921	7503	8446	-943
	AUSTRALIA, NW-ZEALAND			OTHER OECD COUNTRIES			OTHER COUNTRIES			SUMS NOT ALLOCATED		
	+	-	=	+	-	=	+	-	=	+	-	=
A. Goods services and income	8798	4663	4135	105287	110623	-5336	207145	189748	17397	13234	13765	-531
1. Merchandise	5055	3103	1952	76561	67386	9175	145422	142874	2548	8094	7343	751
2. Services	2344	1349	995	19369	26852	-7483	35999	28228	7771	3250	4590	-1340
2.1 Transport	1147	813	334	6278	6117	161	12405	12845	-440	2808	2403	405
2.1.1 Sea - freight	689	222	467	1587	2075	-488	4444	5490	-1046	1274	1197	77
2.1.2 Sea - passenger services	85	0	85	86	106	-20	96	33	63	239	166	53
2.1.3 Air - freight	17	16	1	114	111	3	436	412	24	497	116	381
2.1.4 Air - passenger services	93	95	-2	625	586	39	2262	1867	395	1777	1244	533
2.1.9 Other transport	263	480	-217	3866	3239	627	5167	5043	124	-979	-340	-639
2.2 Insurance on transport	6	8	-2	154	252	-98	296	323	-27	58	78	-20
2.3 Travel	452	247	205	6182	12982	-6800	4108	4353	-255	-2956	100	-3056
2.4 Other services	739	281	458	6755	7501	-746	19190	10697	8493	3340	2009	1331
2.4.1 Property income	64	6	58	365	716	-351	451	115	336	398	459	-61
2.4.2 Banking	48	1	47	104	200	-96	498	90	408	337	326	11
2.4.3 Non merchandise insurance	107	22	85	477	640	-163	415	248	167	158	157	1
2.4.4 Construction/engineering	222	58	164	707	726	-19	11370	4111	7259	58	-15	73
2.4.5 Films, broadcasting	11	3	8	33	58	-25	39	24	15	12	42	-30
2.4.9 Other services - other	287	191	96	5069	5161	-92	6417	6109	308	2377	1040	1337
3. Income	1399	211	1188	9357	16385	-7028	25724	18646	7078	1890	1832	58
3.1 Investment income	1335	174	1161	8084	15009	-6925	22268	15630	6638	1346	1675	-329
3.2 Labour income	22	14	8	1103	1095	8	1547	1163	384	527	72	455
3.3 Government trans. (nle)	42	23	19	170	281	-111	1909	1853	56	17	85	-68
B. Unrequited transfers	251	981	-730	1160	5261	-4101	5115	14670	-9555	258	1339	-1081
1. Private transfers	249	788	-539	808	4213	-3405	1923	3535	-1616	225	424	-199
2. Official transfers	2	193	-191	352	1048	-696	3192	11131	-7939	33	915	-882
C. Current account (A+B)	9049	5844	3405	106447	115804	-9437	212260	204418	7842	13492	15104	-1612

BALANCE OF PAYMENTS - BALANCE DES PAIEMENTS
GEOGRAPHICAL BREAKDOWN BY REPORTING COUNTRY - VENTILATION GEOGRAPHIQUE PAR PAYS DECLARANT

CUS-10

MIO ECU

1983

	EXTRA EUR-10			USA			JAPAN			CANADA		
	+	-	=	+	-	=	+	-	=	+	-	=
A Goods services and income	522752	512854	9898	122836	123649	-1013	16696	25507	-8811	10031	8774	1257
1 Merchandise	308274	306744	1530	51813	51119	694	7006	19650	-12644	4438	5030	-592
2 Services	99670	91920	7750	28195	25063	3132	3516	2117	1399	1916	1439	477
2.1 Transport	33657	33282	375	9005	8076	929	1300	1258	42	718	715	3
2.1.1 Sea - freight	12503	14014	-1511	4043	3595	448	447	578	-131	151	267	-116
2.1.2 Sea - passenger services	1024	332	692	304	37	347	20	9	11	37	5	32
2.1.3 Air - freight	1396	768	628	202	112	90	55	16	39	27	23	4
2.1.4 Air - passenger services	6744	5123	1621	1068	703	365	272	102	170	174	151	23
2.1.9 Other transport	11990	13045	-1055	3308	3629	-321	506	553	-47	329	269	60
2.2 Insurance on transport	1054	1342	-288	444	541	-97	30	68	-38	24	26	-2
2.3 Travel	19719	21873	-2154	6913	3281	3632	356	129	227	492	321	171
2.4 Other services	45240	35423	9817	11833	13165	-1332	1830	662	1168	682	377	305
2.4.1 Property income	3177	4652	-1475	1193	3303	-2110	363	73	290	45	43	2
2.4.2 Banking	2343	1453	890	902	926	-24	358	43	315	30	13	17
2.4.3 Non merchandise insurance	2845	2027	818	1603	777	826	64	56	8	40	38	2
2.4.4 Construction/engineering	12053	5330	6723	689	848	-159	44	51	-7	119	28	91
2.4.5 Films, broadcasting	532	551	-19	356	392	-36	13	8	5	35	8	27
2.4.9 Other services - other	24290	21410	2880	7090	6919	171	988	431	557	413	247	166
3 Income	114808	114190	618	42828	47567	-4639	6174	3740	2434	3677	2305	1372
3.1 Investment income	101673	106831	-5158	35400	45350	-9950	6093	3639	2454	3478	2211	1267
3.2 Labour income	4027	3686	341	786	1137	-351	39	58	-19	26	45	-19
3.3 Government trans. (nle)	9108	3673	5435	6642	1180	5462	42	43	-1	173	49	124
B Unrequited transfers	10366	26165	-15799	1853	1994	-141	135	68	67	162	756	-594
1 Private transfers	5730	11261	-5531	1762	1167	595	109	43	66	156	600	-444
2 Official transfers	4636	14904	-10268	91	827	-736	26	25	1	6	156	-150
C Current account (A+B)	533118	539019	-5901	124689	125843	-1154	16831	25575	-8744	10193	9530	663
	AUSTRALIA, NZ-NEW ZEALAND			OTHER OECD COUNTRIES			OTHER COUNTRIES			SUMS NOT ALLOCATED		
	+	-	=	+	-	=	+	-	=	+	-	=
A Goods services and income	9234	5053	4181	116054	125772	-9718	228207	207973	20234	19691	15926	3765
1 Merchandise	4757	3293	1464	82078	76375	5703	147538	142421	5115	10546	8856	1790
2 Services	2410	1846	964	20594	27784	-7190	36323	28745	7578	6114	5325	1389
2.1 Transport	1090	858	232	5950	6260	-310	12841	13520	-679	2753	2596	158
2.1.1 Sea - freight	590	236	354	1539	2141	-602	4462	5882	-1420	1271	1315	-44
2.1.2 Sea - passenger services	132	0	132	90	90	0	143	43	100	218	148	70
2.1.3 Air - freight	16	20	-4	117	103	14	423	372	51	556	122	434
2.1.4 Air - passenger services	102	138	-36	676	641	35	2873	2001	472	1979	1387	592
2.1.9 Other transport	250	464	-214	3528	3285	243	5340	5222	118	-1271	-377	-894
2.2 Insurance on transport	8	10	-2	178	273	-95	295	336	-41	75	88	-13
2.3 Travel	490	232	258	7212	13331	-6119	4154	4469	-315	101	110	-9
2.4 Other services	822	346	476	7254	7920	-666	19033	10420	8613	3785	2532	1253
2.4.1 Property income	69	6	63	546	677	-131	530	126	404	431	424	7
2.4.2 Banking	51	2	49	117	137	-20	529	96	433	356	236	120
2.4.3 Non merchandise insurance	113	48	65	500	647	-147	419	356	63	105	106	0
2.4.4 Construction/engineering	260	54	206	836	748	88	10054	3594	6460	51	6	45
2.4.5 Films, broadcasting	16	5	11	44	63	-19	60	36	24	8	39	-31
2.4.9 Other services - other	313	231	82	5211	5648	-437	7441	6212	1229	2834	1722	1112
3 Income	2067	314	1753	13382	21613	-8231	44348	36807	7541	2331	1745	586
3.1 Investment income	2011	271	1740	11977	20189	-8212	40889	33554	7335	1824	1617	207
3.2 Labour income	18	16	2	1237	1180	57	1518	1127	391	403	123	280
3.3 Government trans. (nle)	38	27	11	168	244	-76	1941	2126	-185	104	5	99
B Unrequited transfers	316	1066	-750	1375	5381	-4006	6279	16168	-9889	247	732	-485
1 Private transfers	313	870	-557	1019	4266	-3247	2133	3923	-1790	239	392	-153
2 Official transfers	3	196	-193	356	1115	-759	4146	12245	-8099	8	340	-332
C Current account (A+B)	9550	6119	3431	117429	131153	-13724	234486	224141	10345	19938	16658	3280

BALANCE OF PAYMENTS - BALANCE DES PAIEMENTS
GEOGRAPHICAL BREAKDOWN BY REPORTING COUNTRY - VENTILATION GEOGRAPHIQUE PAR PAYS DECLARANT

E/P-10

MIO ECU

1984

		EXTRA EUR-10			USA			JAPAN			CANADA		
		+	-	=	+	-	=	+	-	=	+	-	=
A	Goods services and income	606386	595545	10841	156491	143580	12911	20896	31843	-10947	12384	10315	2069
1	Merchandise	356431	357378	-947	69921	58018	11903	8610	23997	-15387	6059	5909	150
2	Services	111846	103223	8623	33086	28793	4293	3915	2545	1370	2266	1617	649
2.1	Transport	37396	37767	-371	9852	8897	955	1497	1463	34	836	821	15
2.1.1	Sea - freight	13797	16263	-2466	4348	3919	429	553	704	-151	166	331	-145
2.1.2	Sea - passenger services	1110	408	702	414	38	376	23	14	9	42	2	40
2.1.3	Air - freight	1750	953	797	288	129	159	72	20	52	39	31	8
2.1.4	Air - passenger services	7546	5623	1923	1165	721	444	279	112	166	195	180	15
2.1.9	Other transport	13193	14520	-1327	3637	4090	-453	570	612	-42	374	277	97
2.2	Insurance on transport	1279	1627	-348	606	664	-58	59	106	-47	32	35	-3
2.3	Travel	23373	24072	-699	8807	3753	5054	472	166	306	585	340	245
2.4	Other services	49798	39757	10041	13621	15479	-1658	1687	810	1077	813	421	392
2.4.1	Property income	3589	5304	-1715	1415	3815	-2400	467	84	383	63	52	11
2.4.2	Banking	2737	1524	1213	1096	990	106	420	39	381	41	17	24
2.4.3	Non merchandise insurance	3144	2451	693	1798	1120	678	79	41	38	41	47	-6
2.4.4	Construction/engineering	11850	4677	7173	733	978	-245	43	41	2	116	30	86
2.4.5	Films, broadcasting	595	601	-6	365	437	-52	14	9	5	31	9	22
2.4.9	Other services - other	27883	25200	2683	8394	8139	255	864	596	268	521	286	235
3	Income	138109	134944	3165	53484	56769	-3285	8371	5301	3070	4059	2789	1270
3.1	Investment income	123553	127014	-3461	44908	54430	-9522	8272	5164	3108	3776	2678	1098
3.2	Labour income	3987	4265	-298	738	1045	-307	51	82	-31	27	50	-23
3.3	Government trans. (nle)	10569	3645	6924	7838	1294	6544	46	55	-7	256	61	195
B	Unrequited transfers	12295	28955	-16670	1649	2083	-234	142	86	56	194	789	-595
1	Private transfers	5875	11623	-4748	1737	1172	565	135	52	83	184	621	-437
2	Official transfers	5420	17342	-11922	112	911	-799	7	34	-27	10	168	-158
C	Current account (A+B)	618681	624510	-5829	158340	145663	12677	21038	31929	-10691	12578	11104	1474
		AUSTRALIA, NW-ZEALAND			OTHER OECD COUNTRIES			OTHER COUNTRIES			SUMS NOT ALLOCATED		
		+	-	=	+	-	=	+	-	=	+	-	=
A	Goods services and income	11410	6047	5363	133467	149518	-16051	249202	234926	14274	22536	19318	3218
1	Merchandise	6108	3998	2110	94435	92680	1755	159074	162670	-3596	12224	10107	2117
2	Services	2699	1647	1052	23948	31197	-7249	38801	31002	7799	7131	6425	706
2.1	Transport	1263	1027	236	6873	7476	-603	13943	15168	-1225	3131	2916	215
2.1.1	Sea - freight	659	368	291	1870	2658	-788	4727	6809	-2082	1454	1474	-20
2.1.2	Sea - passenger services	149	0	149	86	127	-41	175	62	113	220	166	54
2.1.3	Air - freight	22	25	-3	138	122	16	521	473	48	670	153	517
2.1.4	Air - passenger services	116	147	-31	757	666	91	2664	2217	447	2370	1579	791
2.1.9	Other transport	317	487	-170	4022	3903	119	5856	5607	249	-1583	-456	-1127
2.2	Insurance on transport	10	17	-7	186	356	-172	299	339	-40	86	108	-22
2.3	Travel	628	270	358	6243	14482	-6239	4323	4812	-489	316	249	67
2.4	Other services	798	333	465	8646	8881	-235	20236	10683	9553	3598	3152	446
2.4.1	Property income	89	10	79	485	742	-257	645	150	495	425	451	-26
2.4.2	Banking	62	2	60	143	126	17	633	109	524	342	241	101
2.4.3	Non merchandise insurance	91	60	31	574	749	-175	416	320	96	146	114	32
2.4.4	Construction/engineering	197	16	181	932	723	209	9807	2888	6919	22	2	20
2.4.5	Films, broadcasting	18	4	14	57	67	-10	61	45	16	29	31	-2
2.4.9	Other services - other	341	241	100	6455	6474	-19	8674	7171	1503	2634	2313	321
3	Income	2603	402	2201	15084	25641	-10557	51327	41256	10071	3181	2786	395
3.1	Investment income	2552	357	2195	13474	23847	-10373	47845	38073	9772	2726	2466	260
3.2	Labour income	17	20	-3	1453	1521	-68	1296	1249	47	405	317	88
3.3	Government trans. (nle)	34	25	9	157	273	-116	2186	1934	252	50	3	47
B	Unrequited transfers	357	1113	-756	1951	6530	-4579	7238	17395	-10157	565	968	-403
1	Private transfers	355	910	-555	1626	4350	-2724	2381	3959	-1578	458	558	-100
2	Official transfers	2	203	-201	325	2180	-1855	4857	13436	-8579	107	410	-303
C	Current account (A+B)	11767	7160	4607	135418	156048	-20630	256440	252323	4117	23101	20286	2815

DELEGATING COUNTRY : ELR-10
 DELEGATING COUNTRY : EXTRA ELR-10
 PLACE OF FRANCHISES - GEORGIA, GEORGIA
 . . .
 PLACE OF FRANCHISES - VENTILATION GEORGIA
 PMS DELEGANT : ELR-10
 PMS PATENTURE : EXTRA ELR-10

	1979		1980		1981		1982		1983		1984							
	+	-	+	-	+	-	+	-	+	-	+	-						
A Goods services and income	29174	20339	835	39705	37749	-7743	42805	427943	-437	49327	477581	11865	52752	512354	908	61335	595946	10841
1 Merchandise	193297	20390	-10383	216335	246776	-28441	271073	281610	-10537	269734	294410	-4676	308274	307744	1530	376431	373778	-947
2 Services	64435	59325	5913	71019	66128	4691	65169	81634	4335	90723	89429	2294	99870	91880	7750	111465	103223	8623
2.1 Transport	23891	24535	1465	27762	25174	2369	32174	31199	995	37371	32435	1235	33887	33262	375	37345	37787	-371
2.1.1 Sea - freight	9567	9567	-420	11535	11253	253	13313	13976	-850	12362	13322	-453	12303	14074	682	13797	16353	-2465
2.1.2 Sea - passenger services	978	150	336	761	332	429	795	394	391	63	377	63	1034	32	982	1110	408	702
2.1.3 Air - freight	978	511	487	937	597	420	1279	867	432	1372	1363	533	1365	769	636	1790	953	797
2.1.4 Air - passenger services	3072	2070	932	4228	2653	1135	5176	4107	1079	6078	4737	1341	6744	5123	1621	7546	9523	1923
2.1.9 Other transport	8195	8078	116	10380	10109	171	11935	11973	-97	12469	12681	-442	11990	13045	-1005	13933	9620	-1327
2.2 Insurance on transport	605	769	-168	678	916	-280	697	1099	-232	1215	1215	-230	1054	1382	-288	1279	1627	-346
2.3 Travel	11687	14216	-2769	12732	17324	-4472	15305	27347	-854	13612	21500	-7733	19719	21673	-2154	2373	24072	-699
2.4 Other services	28035	19374	6691	23687	22832	7015	30182	20359	9143	42195	33238	6887	46240	36223	9817	49798	37957	10041
2.4.1 Property income	1980	2965	-935	1910	3099	-1169	2382	3965	-1024	2682	4170	-1465	3177	4662	-1495	3559	5324	-1715
2.4.2 Banking	1237	938	244	1574	1169	1125	1929	1725	204	2350	2041	109	2343	3173	690	2737	1524	1213
2.4.3 Non merchandise insurance	1683	935	747	1595	1078	537	2531	1681	970	2761	1844	947	2665	2027	816	3144	2461	695
2.4.4 Copyrights/entertainment	7099	2824	4005	6359	2797	5462	10742	3771	6978	13314	9303	7371	12553	5300	6723	11880	4777	7173
2.4.5 Films, broadcasting	225	267	-62	335	339	-33	274	401	-127	373	455	-63	532	551	-19	955	601	-6
2.7.9 Other services - other	14211	11959	2232	16273	14380	1913	20337	17885	2147	20662	18797	2071	24520	24140	2690	27683	25300	2553
3 Income	39479	33074	5805	50710	44846	6165	71054	66599	5365	76077	75122	3565	114908	114190	616	135109	134944	3176
3.1 Investment income	33274	29164	330	42215	37891	2731	61725	67694	1182	66757	65341	-1497	101673	102631	-5195	123653	127014	-3361
3.2 Labour income	2537	1919	716	2690	2311	579	3323	2625	428	4000	3365	615	4227	3695	341	3907	4735	-238
3.3 Government trans (inc)	4635	2371	207	5805	2750	2685	6615	2680	3775	7695	3308	4469	9105	3973	5835	10359	3946	6924
B Unrequited transfers	5535	17001	-12385	6516	21281	-13525	7609	22386	-15300	6924	24949	-10396	10395	25165	-19799	12256	26565	-16360
1 Private transfers	3389	7613	-4624	3699	9180	-5941	4620	10135	-4916	9033	10389	-3603	9730	11261	-4531	6975	11923	-4945
2 Official transfers	2147	9388	7741	2817	11131	-6214	3389	12252	-9784	3771	14970	-10059	4636	14824	-10356	5420	17742	-11982
C Current account (A+B)	259710	30840	-11430	35532	37760	-21358	436544	427211	-16197	47251	423310	-4579	53918	53910	-5901	616581	624510	-5689

BALANCE OF PAYMENTS - CURRENT ACCOUNT		1979		1980		1981		1982		1983		1984	
COUNTRY : UNITED STATES	COUNTRY : UNITED STATES	+	-	+	-	+	-	+	-	+	-	+	-
		52885	62794	3009	68858	78358	12000	94081	101674	78143	109749	110594	7016
A	Goods services and income												
1	Merchandise	25811	32435	6025	28835	41300	14444	38305	47782	9836	44477	51330	6943
2	Services	19587	13902	2355	17832	16917	915	25192	22893	469	25091	24055	1035
2.1	Transport	8075	4888	1187	7187	8023	1164	6785	8420	375	9154	8339	785
2.1.1	Sea - freight	2730	2446	304	3304	2000	401	4237	4178	91	4338	3946	442
2.1.2	Sea - passenger services	212	22	195	232	35	216	232	35	234	285	346	242
2.1.3	Air - freight	159	64	75	177	105	71	150	100	30	227	140	87
2.1.4	Air - passenger services	92	353	220	734	404	330	740	614	126	989	708	253
2.1.9	Other transport	2377	1973	404	2723	2377	146	3316	3442	138	3375	3394	259
2.2	Insurance on transport	203	237	34	241	307	45	330	375	25	430	462	42
2.3	Travel	3169	1948	1171	305	2445	910	4335	3343	1182	5276	3713	103
2.4	Other services	6460	6779	289	6999	8382	1033	9582	10344	1041	10341	11832	1591
2.4.1	Private income	583	1812	1089	719	1900	1261	2422	14144	14144	1051	2712	1721
2.4.2	Barings	371	577	235	507	700	193	961	1123	105	946	1521	92
2.4.3	Non merchandise insurance	937	362	675	680	234	555	1609	769	840	1519	680	689
2.4.4	Construction/equipment	385	32	4	446	445	-4	527	748	-21	653	880	-157
2.4.5	Film broadcasting	116	109	-73	176	234	-58	141	242	-140	252	237	-46
2.7.9	Other services - other	4077	3977	400	4299	4426	129	5835	5346	68	5781	5732	49
3	Income	17737	16885	1281	22450	20551	1529	33533	31419	1214	33331	33516	763
3.1	Investment income	14376	15487	1021	16435	19227	1032	27754	27782	1940	30129	33667	3625
3.2	Labor income	419	371	48	465	440	-5	685	714	-59	728	953	-25
3.3	Government trans (net)	2822	638	2284	3270	684	2656	4234	1003	3321	5524	1078	4446
B	Unrequited transfers	1117	1200	-13	1141	1405	-25	1484	1647	-183	1701	1833	-132
1	Private transfers	1024	685	340	1071	784	287	1385	939	427	1592	1033	399
2	Official transfers	113	514	-481	70	622	-352	68	707	-630	109	600	-631
C	Current account (A+B)	60402	68044	-392	66099	80854	-12385	99485	103521	-6356	107680	112827	-5177

EVALUATION OF PATIENTS - GERIATRIC FORUM

PROS DOCUMENT : BR-10

NOT : ATTACHED TO THIS PAGE

MEMO

DECLARING COUNTRY : BR-10

PRINTER COUNTRY : JAPAN

	1979			1980			1981			1982			1983			1984		
	+	-	=	+	-	=	+	-	=	+	-	=	+	-	=	+	-	=
A Goods services and income	7223	10946	-3725	7622	14013	-6391	10194	16271	-6077	11434	20422	-8693	10936	23307	-12811	20936	31683	-10947
1 Merchandise	4636	9423	-4786	4624	12100	-7476	5580	15217	-9587	6380	17064	-10704	7036	19650	-12644	6610	23937	-15337
2 Services	1679	1037	762	2167	1299	869	2791	1671	930	3016	1930	1095	3516	2117	1339	3915	2346	1370
2.1 Transport	792	711	81	936	837	99	1266	1204	61	1281	1209	72	1300	1236	42	1497	1463	34
2.1.1 Sea - freight	316	318	10	430	394	36	537	538	1	510	510	0	447	978	-131	553	704	-151
2.1.2 Sea - passenger services	12	5	7	12	3	3	16	8	8	17	7	10	20	9	11	23	14	9
2.1.3 Air - freight	26	9	19	28	7	21	52	17	35	53	21	32	56	16	39	72	20	52
2.1.4 Air - passenger services	111	42	69	116	34	84	179	66	114	214	103	111	272	102	170	279	113	165
2.1.9 Other transport	323	347	-24	337	433	-92	481	96	-33	467	556	-81	536	553	-47	570	612	-42
2.2 Insurance on transport	16	32	-14	19	43	-24	22	56	-33	24	55	-31	30	66	-36	59	105	-47
2.3 Travel	215	71	139	233	72	161	324	101	223	335	116	216	356	129	227	472	166	305
2.4 Other services	684	277	977	980	347	633	1180	511	682	1375	546	827	1630	662	1169	1687	810	1077
2.4.1 Property income	210	25	186	224	30	194	318	318	47	236	313	57	236	303	73	250	64	333
2.4.2 Banking	46	5	43	171	17	156	105	13	93	332	34	268	338	43	315	420	39	381
2.4.3 Non merchandise insurance	43	17	26	42	17	25	61	29	32	56	36	21	64	56	6	79	41	36
2.4.4 Construction/engineering	30	24	6	39	46	-7	44	61	-37	48	61	-13	44	51	-7	43	41	2
2.4.5 Film broadcasting	5	3	2	6	4	2	9	3	6	8	4	4	13	6	5	14	9	5
2.7.9 Other services - other	516	203	315	468	241	227	687	318	319	616	337	281	988	431	597	694	596	266
3 Income	716	428	288	931	714	217	1653	1163	670	2058	1426	630	6174	3740	2434	6371	5321	3070
3.1 Investment income	671	373	298	679	694	225	1790	1104	686	1973	1336	636	6098	3639	2464	6272	5164	3103
3.2 Labour income	22	33	-11	25	31	-6	28	39	-11	46	51	-5	39	58	-19	51	62	-31
3.3 Government trans (tax)	23	22	1	27	29	-2	36	40	-5	39	39	0	42	63	-1	46	56	-7
B Unrequited transfers	62	39	23	69	40	29	92	50	42	131	64	67	136	68	67	142	86	56
1 Private transfers	57	32	25	61	32	29	76	33	46	107	42	66	109	43	66	136	52	83
2 Official transfers	5	7	-2	8	8	0	14	17	-3	24	22	2	26	25	1	7	34	-27
C Current account (A+B)	726	10987	-3702	7691	14053	-6382	10266	16321	-6066	11595	20496	-8921	10931	23575	-12744	21038	31629	-10991

		1979				1980				1981				1982				1983				1984			
		+	-	=		+	-	=		+	-	=		+	-	=		+	-	=		+	-	=	
EXPORTER COUNTRY : AUSTRALIA N.ZEALAND		MID 801																							
A	Goods services and income	959	332	277	620	330	290	755	409	327	676	483	415	924	503	4181	11410	6047	5333						
1	Merchandise	359	234	1146	301	2153	1205	4125	2846	1479	3055	3103	1952	4957	3253	1464	6108	3098	2110						
2	Services	1925	655	693	1781	929	682	2386	1250	655	2394	1349	935	2810	1486	984	2599	1687	1052						
2.1	Transport	865	611	274	975	637	338	1100	722	305	1147	613	334	1030	650	222	1253	1027	235						
2.1.1	Sea - freight	580	151	419	621	153	468	660	201	479	689	222	467	950	235	374	659	355	251						
2.1.2	Sea - passenger services	12	0	4	14	12	2	15	16	-1	17	16	1	15	20	-4	132	149	0						
2.1.3	Air - freight	59	49	10	67	57	10	76	73	5	93	95	-2	102	138	-36	116	147	-31						
2.1.4	Air - passenger services	174	393	-219	195	415	-219	290	92	-32	263	480	-217	230	464	-214	317	497	-170						
2.1.9	Other transport	2	7	-5	4	7	-3	7	10	-3	6	6	-2	6	10	-2	10	17	-7						
2.2	Insurance on transport	398	95	280	371	138	233	423	193	233	482	237	235	480	232	256	638	270	368						
2.3	Trevel	250	110	160	431	147	284	555	256	330	739	281	483	622	385	476	798	333	465						
2.4	Other services	43	3	40	44	6	38	63	5	59	64	6	58	69	6	63	89	10	79						
2.4.1	Property income	1	0	1	58	0	58	21	1	20	46	1	47	51	2	49	62	2	60						
2.4.2	Banking	29	0	29	37	5	32	65	29	55	107	22	85	113	48	65	91	60	31						
2.4.3	Nonmerchandise insurance	86	4	60	109	14	95	130	36	94	222	58	183	280	94	205	197	16	101						
2.4.4	Construction/engineering	9	0	9	12	2	10	16	2	14	11	3	8	16	5	11	16	4	14						
2.4.5	Film, broadcasting	124	238	21	171	120	51	240	162	76	237	191	95	313	231	82	341	241	100						
2.7.9	Other services - other																								
3	Income	1225	135	680	1405	196	910	1376	165	1159	1399	211	1185	2087	314	1753	2858	402	2201						
3.1	Investment income	955	105	681	1000	165	855	1307	150	1157	1335	174	1161	2311	271	1780	2582	397	2195						
3.2	Labour income	5	6	-3	7	10	-3	22	12	10	22	14	8	36	16	2	17	20	-3						
3.3	Government trans (net)	34	22	12	41	23	18	47	21	26	42	23	19	35	27	11	34	25	9						
B	Unrequited transfers	187	975	-433	153	701	-451	169	856	-709	251	981	-730	316	1026	-750	337	1113	-755						
1	Private transfers	184	478	-344	151	528	-447	167	727	-540	249	783	-539	313	870	-587	355	910	-585						
2	Official transfers	3	97	-94	2	103	-104	2	171	-109	2	193	-191	3	196	-193	2	238	-301						
C	Current account (A+B)	6405	3777	2339	6943	4034	2819	7775	4887	2816	9049	5984	3805	9580	6119	3451	11767	7160	4507						

DECLARING COUNTRY : BUR-10

PRIMER COUNTRY : AUSTRALIA NZ-25440

BRANCH OF BUSINESS - COMMERCIAL SERVICES

BRANCH OF BUSINESS - TRANSPORTATION

PRIS DELARANT : BUR-10

PRIS PRIMAIRE : AUSTRALIE NZ-25440

180 811

[illegible]

[illegible]

APPENDIX 2 : DATA WEAKNESSES

Country	Nature of data deficiency	Solution
Germany	No data compiled for Banking	-
France	Incomplete sectoral decomposition of Transport and Other Services in geographical breakdown. Merchanting: gross figures, including merchandise values.	Estimates pro rata of sectoral decomposition for intra and extra-EUR 10. Estimates of net figures for merchanting
Italy	No data available for trade with Canada and Aust/NZ. No separate data available for Construction/Engineering. Imperfect sectoral decomposition of Transport and Other Services in geographical breakdown. Investment income: no geographical breakdown for 1981-1984.	Estimates pro rata of sectoral decomposition for intra and extra-EUR 10. Estimates based on assumption of unchanged regional composition.
Netherlands	No figures for Non-merchandise insurance.	
BLEU	No data for air transport.	
U.K.	No data for Insurance on Transport.	
Denmark		
Ireland	No data are available with Japan, Canada and Aust/NZ. No figures for Insurance on transport, Property income, Banking, Non-merchandise insurance and Construction/Engineering.	
Greece	No additional details for Transport and Other Services	
Eur. Inst.		

APPENDIX 3: ASYMMETRIES IN EUR 10 BALANCES OF PAYMENTS

Here some aspect of asymmetries are dealt with. Firstly, their magnitude is assessed. Subsequently, their possible impact on present outcomes is analysed, whilst the third part summarizes EUROSTAT's on-going work in this field.

Intra Community flows - The current account

All transactions between countries concerning the exchange of goods, services and income and unrequited transfers are in principle recorded by both countries involved. An expenditure of one country should be equal to a receipt by the partner country within the same balance of payments item (in the same period). Consequently, when EUR 10 trade is broken down by area, the net balance of payments of intra-EUR, covering all transactions between Member States, should total to zero in all items.

At present, this intra-EUR 10 balance of payments is calculated by adding up the individual country's recordings. It showed considerable deviations from zero over the period 1979-1984, as outlined in table 3.1 in absolute terms (ECU) and in percent. The percentage represents the ratio between the net figures and the arithmetic mean of the corresponding credit and debit figures and is thus an indicator of the relative magnitude of the deviation.

During these six years EUR 10 recorded an increasing surplus on its intra-EUR 10 current transactions; as percentage of global trade flows it fluctuated around an average of 1.6 %. This discrepancy was mainly due to merchandise, with very small figures for services, income and transfers. However, important asymmetries are revealed in services items, both in absolute and in relative terms. Disaggregating items lead to higher discrepancies, as could be expected. Regarding services, the highest absolute discrepancies are shown in "Other Services -other", whilst "Films" and "Insurance on transport" presented the largest relative asymmetries.

Table 3.1

REDS OF THE INTRA COUNTRY BALANCE OF PAYMENTS FLOWS (MIO MDJ)
(% RATIO BETWEEN THE REDS AND THE ARITHMETIC MEAN OF THE CORRESPONDING CREDIT AND DEBIT FIGURES)

	1979		1980		1981		1982		1983		1984	
	NET	%	NET	%	NET	%	NET	%	NET	%	NET	%
A. Goods services and income	4716	1.72	4039	1.64	5404	1.94	7234	1.85	10715	2.54	10317	2.27
1. Merchandise	3358	1.58	4343	1.83	5086	1.96	6242	2.17	8875	2.86	10987	3.12
2. Services	1416	2.20	1902	4.00	2744	5.14	5882	9.97	749	1.27	1211	1.86
2.1 Transport	357	2.70	994	6.40	882	4.71	595	3.07	-874	-3.86	-986	-4.86
2.1.1 Sea - freight	99	1.95	366	6.66	599	6.70	463	6.74	-359	-5.81	-559	-6.06
2.1.2 Sea - passenger services	78	32.50	35	13.38	117	37.44	135	42.62	96	28.57	91	24.59
2.1.3 Air - freight	59	35.67	77	46.16	101	33.61	92	33.09	130	48.33	147	43.43
2.1.4 Air - passenger services	78	6.70	262	26.32	294	20.16	267	16.70	374	22.79	400	20.81
2.1.9 Other transport	43	0.63	234	2.64	-248	-2.06	-385	-3.54	-914	-9.37	-1005	-9.41
2.2 Insurance on transport	-211	-49.71	-276	-57.60	-323	-57.42	-335	-56.91	-319	-46.34	-446	-55.51
2.3 Travel	-730	-6.77	-849	-5.61	-125	-0.82	3185	17.63	692	3.95	965	5.18
2.4 Other services	2000	13.78	2033	11.99	2330	12.00	2436	11.05	1050	4.72	1650	6.84
2.4.1 Property income	-249	-30.61	-287	-29.16	-276	-26.74	-388	-35.02	-287	-21.30	-367	-28.85
2.4.2 Banking	60	11.55	49	9.79	120	19.08	72	9.26	236	33.71	274	34.29
2.4.3 Non merchandise insurance	69	7.90	-114	-11.32	-72	-6.00	-96	-6.34	-65	-3.95	-263	-13.27
2.4.4 Construction/engineering	-147	-10.72	-183	-11.67	-370	-19.10	-270	-13.33	-50	-2.82	117	6.18
2.4.5 Films, broadcasting	-33	-40.00	-53	-56.66	-50	-51.02	-53	-47.11	-201	-96.77	-182	-81.61
2.4.9 Other services - other	2310	21.06	2601	20.22	2976	20.05	3170	20.68	1797	8.52	2101	11.43
3. Income	-86	-0.28	-1405	-4.88	-2428	-6.23	-4690	-11.16	1091	2.08	-1381	-2.30
3.1 Investment income	170	1.07	-990	-4.27	-2073	-6.31	-4694	-12.72	1295	2.77	-1336	-2.85
3.2 Labour income	-807	-29.93	-994	-33.27	-1195	-37.38	-1102	-30.03	-1312	-33.48	-1497	-35.16
3.3 Government trans. (nle)	579	24.53	576	22.07	942	28.63	906	28.00	1136	34.75	1484	43.39
B. Unrequited transfers	443	1.63	-366	-1.16	-56	-0.16	-28	-0.07	-920	-2.00	-2030	-4.03
1. Private transfers	111	5.70	184	7.34	143	6.36	314	12.91	409	15.07	652	23.69
2. Official transfers	572	1.36	-622	-1.79	-204	-0.92	-342	-0.90	-1329	-3.06	-2882	-5.63
C. Current account (A+B)	5199	1.71	4471	1.29	5343	1.38	7208	1.87	9796	2.09	8767	1.86

Impact of the asymmetry discomfort on study outcomes

Trying to assess the impact of the existence of asymmetries in balances of payments statistics is a very complex task. Not only because it is hardly possible to isolate the real cause of a particular discrepancy, but also by the random nature of some asymmetries, ruling out any standardized, clear-cut solution. The matter is even more complicated if aggregated trade flows are considered (c.q. EUR 10) since they enable possible compensation between asymmetries of the component parts.

In the context of a concise appendix some broad considerations may suffice to justify the previous statement in the commentary, namely that the asymmetry discomfort does not jeopardize the main study outcomes.

Discrepancies may lead to biased outcomes in three fields:

- the assessment of the importance of trade in services;
- sectoral structure
- geographical distribution.

The first corresponds to wrongly estimated values for trade figures, leading implicitly to a biased sectoral structure, when the relative size of the discrepancy is different among services items. The third possible impact is related to difficulties encountered in the geographical breakdown of global trade flows.

Although all three effects may distort the results, it is not unreasonable to assume that their extent is negligible with regard to the main conclusions. The following arguments support this view. Firstly, the revealed intra-EUR 10 asymmetry (see table 3.1) is rather small and constant over time; viz. 1.6 % on average for all current transactions. Consequently, the global levels and growth rates of the services items should be very reliable. Secondly, the relative asymmetries do vary noticeably among items, however, with the special feature that their size is inversely proportional to the significance of the trade flows: e.g. compare "Films" and "Air-freight" with "Travel" and "Sea-freight"). This finding is not so surprising; the more one tries to refine the information system, the more likely are inaccurate recordings. Therefore, too detailed analyses may lead to perverse results, whose overall impact should not be maximalized. As table 3.1 seems to indicate, the most serious doubts should be cast on the validity of statistics on item level; a quantitative attempt was undertaken to estimate the impact on sectoral distribution. Two extreme hypotheses were analysed: credits are correct (complete adjustment on debits) and debits are correct (complete adjustment on credits). The results are reported in tables 3.2 and 3.3. The impact on sectoral configuration is then outlined.

SECTORAL STRUCTURE OF TRADE IN SERVICES

	(1)		(2)		(3)	
	Credits	Debits	Credits	Debits	Credits	Debits
Transport	36	37	36	38	35	37
Insurance	1	1	1	2	1	1
Travel	19	25	19	25	19	25
Other Serv.	44	37	44	35	45	37
Serv/Merch	32	29	32	29	32	29

(1) = original data

(2) = debits adjusted with net intra asymmetries

(3) = credits adjusted with net intra asymmetries

These results present a striking evidence of the virtual irrelevance of revealed asymmetries for the study of the sectoral structure of trade in services.

Thirdly, the on-going research activities of EUROSTAT outlines rather small asymmetries in the bilateral balances of EUR 10 with the US and Japan (for the other partners there are no bilateral balances available). Generally, the significance of the US seemed to be slightly over-estimated, whilst that of Japan appears to be somewhat underestimated. Once again, figures free from asymmetries should not reverse present results.

Finally, one should never forget that statistics always are an approximate reproduction of reality. Therefore, and certainly in the case of statistics on trade in services, one should attach major importance to global levels and ratios, and treat refined figures and details only as welcome additional information.

Table 3.2

CREDITS / EXTRA EUR-10		1979	1980	1981	1982	1983	1984
1.	Merchandise	190257	218335	271073	289734	308274	356431
2.	Services	61438	71019	86169	90723	99670	111846
2.1	Transport	22891	27762	32124	33731	33657	37396
2.1.1	Sea - freight	9567	11506	13008	12982	12503	13797
2.1.2	Sea - passenger services	578	761	755	830	1024	1110
2.1.3	Air - freight	978	987	1279	1372	1396	1750
2.1.4	Air - passenger services	3572	4228	5176	6078	6744	7546
2.1.9	Other transport	8196	10280	11906	12469	11990	13193
2.2	Insurance on transport	605	678	857	985	1054	1279
2.3	Travel	11847	12732	15006	13812	19719	23373
2.7	Other services	26095	29847	38182	42195	45240	49798
2.7.1	Property income	1640	1910	2562	2682	3177	3589
2.7.2	Banking	1237	1504	1929	2290	2343	2737
2.7.3	Non merchandise insurance	1683	1585	2631	2761	2645	3144
2.7.4	Construction/engineering	7099	8269	10749	13201	12053	11850
2.7.5	Films, broadcasting	225	306	274	373	532	595
2.7.9	Other services - other	14211	16273	20037	20888	24290	27883
DEBITS - NETS / EXTRA EUR-10		1979	1980	1981	1982	1983	1984
1.	Merchandise	197282	242433	276524	288167	297869	346391
2.	Services	54609	64228	79092	82546	91172	102012
2.1	Transport	21079	24181	30298	31841	33956	38733
2.1.1	Sea - freight	9888	10868	13270	13136	14373	16862
2.1.2	Sea - passenger services	112	297	248	241	237	318
2.1.3	Air - freight	452	510	745	748	638	805
2.1.4	Air - passenger services	2592	2631	3813	4470	4749	5223
2.1.9	Other transport	8035	9875	12222	13246	13959	15525
2.2	Insurance on transport	980	1194	1412	1551	1661	2075
2.3	Travel	15346	18053	20672	18365	21182	23107
2.7	Other services	17204	20800	26710	30789	34373	38097
2.7.1	Property income	2844	3367	3922	4558	4919	5691
2.7.2	Banking	943	1140	1605	2109	1217	1251
2.7.3	Non merchandise insurance	867	1162	1713	1912	2092	2713
2.7.4	Construction/engineering	2581	2980	4142	6099	5380	4560
2.7.5	Films, broadcasting	320	392	451	489	752	783
2.7.9	Other services - other	9649	11759	14877	15622	20013	23099
NETS / EXTRA EUR-10		1979	1980	1981	1982	1983	1984
1.	Merchandise	-7025	-24098	-5451	1567	10405	10040
2.	Services	6829	6791	7077	8177	6498	9834
2.1	Transport	1812	3581	1826	1890	-299	-1337
2.1.1	Sea - freight	-321	638	-262	-154	-1870	-3065
2.1.2	Sea - passenger services	466	464	507	589	787	792
2.1.3	Air - freight	526	477	534	624	758	945
2.1.4	Air - passenger services	980	1597	1363	1608	1995	2323
2.1.9	Other transport	161	405	-316	-777	-1969	-2332
2.2	Insurance on transport	-375	-516	-555	-566	-607	-796
2.3	Travel	-3499	-5321	-5666	-4553	-1463	266
2.7	Other services	8891	9047	11472	11406	10867	11701
2.7.1	Property income	-1204	-1457	-1360	-1876	-1742	-2102
2.7.2	Banking	294	364	324	181	1126	1486
2.7.3	Non merchandise insurance	816	423	918	849	753	431
2.7.4	Construction/engineering	4518	5289	6607	7102	6673	7290
2.7.5	Films, broadcasting	-95	-86	-177	-116	-220	-188
2.7.9	Other services - other	4562	4514	5160	5266	4277	4784

Table 3.3

CREDITS + NETS / EXTRA EUR-10		1979	1980	1981	1982	1983	1984
1.	Merchandise	193615	222678	276159	295977	317149	367418
2.	Services	62854	72919	88911	96606	100418	113057
2.1	Transport	23248	28755	32985	34326	32983	36430
2.1.1	Sea - freight	9666	11891	13606	13448	12144	13198
2.1.2	Sea - passenger services	656	796	871	966	1119	1200
2.1.3	Air - freight	1037	1064	1381	1463	1526	1898
2.1.4	Air - passenger services	3650	4490	5470	6345	7118	7946
2.1.9	Other transport	8239	10514	11657	12104	11076	12188
2.2	Insurance on transport	394	402	534	649	735	831
2.3	Travel	11117	11883	14881	16997	20410	24338
2.7	Other services	28095	31879	40511	44634	46290	51458
2.7.1	Property income	1391	1642	2286	2294	2910	3202
2.7.2	Banking	1287	1553	2049	2362	2579	3010
2.7.3	Non merchandise insurance	1752	1471	2559	2663	2780	2882
2.7.4	Construction/engineering	6952	8086	10378	12932	12003	11967
2.7.5	Films, broadcasting	192	253	224	320	331	413
2.7.9	Other services - other	16521	18874	23015	24063	25687	29984
DEBITS / EXTRA EUR-10		1979	1980	1981	1982	1983	1984
1.	Merchandise	200640	246776	281610	294410	306744	357378
2.	Services	56025	66128	81834	88429	91920	103223
2.1	Transport	21436	25174	31159	32436	33282	37767
2.1.1	Sea - freight	9987	11253	13868	13602	14014	16263
2.1.2	Sea - passenger services	190	332	364	377	332	408
2.1.3	Air - freight	511	587	847	839	768	953
2.1.4	Air - passenger services	2670	2893	4107	4737	5123	5623
2.1.9	Other transport	8078	10109	11973	12881	13045	14520
2.2	Insurance on transport	769	918	1089	1215	1342	1627
2.3	Travel	14616	17204	20547	21550	21873	24072
2.7	Other services	19204	22832	29039	33228	35423	39757
2.7.1	Property income	2595	3099	3646	4170	4652	5304
2.7.2	Banking	993	1189	1725	2181	1453	1524
2.7.3	Non merchandise insurance	936	1048	1641	1814	2027	2451
2.7.4	Construction/engineering	2434	2797	3771	5830	5330	4677
2.7.5	Films, broadcasting	287	339	401	436	551	601
2.7.9	Other services - other	11959	14360	17855	18797	21410	25200
NETS / EXTRA EUR-10		1979	1980	1981	1982	1983	1984
1.	Merchandise	-7025	-24098	-5451	1567	10405	10040
2.	Services	6829	6791	7077	8177	8498	9834
2.1	Transport	1812	3581	1826	1890	-299	-1337
2.1.1	Sea - freight	-321	638	-262	-154	-1870	-3065
2.1.2	Sea - passenger services	466	464	507	589	787	792
2.1.3	Air - freight	526	477	534	624	758	945
2.1.4	Air - passenger services	980	1597	1363	1608	1995	2323
2.1.9	Other transport	161	405	-316	-777	-1969	-2332
2.2	Insurance on transport	-375	-516	-555	-566	-607	-796
2.3	Travel	-3499	-5321	-5666	-4553	-1463	266
2.7	Other services	8891	9047	11472	11406	10867	11701
2.7.1	Property income	-1204	-1457	-1360	-1876	-1742	-2102
2.7.2	Banking	294	364	324	181	1126	1486
2.7.3	Non merchandise insurance	816	423	918	849	753	431
2.7.4	Construction/engineering	4518	5289	6607	7102	6673	7290
2.7.5	Films, broadcasting	-95	-86	-177	-116	-220	-188
2.7.9	Other services - other	4562	4514	5160	5266	4277	4784

EUROSTAT's on-going work with respect to asymmetries

In the "European Communities' Study on International Trade in Services", submitted to the Director-General of the General Agreement on Tariffs and Trade on 20th September 1984, it was stated in the Introduction that work is continuing on estimating the major underrecording of world receipts from services exports. While such enquiries were to be pursued by the IMF and the OECD, it was also stated in a subsequent paragraph of the Study that "the European Community and its Member States have been engaged in far-reaching studies in this field" of invisible transactions and the possible underestimation thereof. It may be useful to recapitulate at this stages the preliminary results of EUROSTAT's current enquiries into the possibility of underrecording within the matrix of balance of payments transactions between individual Member States of the European Community (EUR 10). Also included in this matrix are the United States and Japan. Data for Portugal and Spain have not yet been incorporated.

An important line of enquiry at present being followed in EUROSTAT's examination of the matrix of balance of payments transactions concerns the bilateral asymmetries that consistently reappear throughout the five years covered (at present 1979 - 1983). If one country's estimates of a particular category of transactions are always lower than those of its partner country, EUROSTAT has proceeded on the assumption that the lower estimates require, as far as it is practicable, to be brought into line with the higher estimates declared by the partner country.

While bilateral asymmetries may result from many types of difference in the methods of compilation adopted by the statisticians in the various Member States, including differences in timing and in geographical attribution, the initial line of enquiry has concentrated on possibilities of underestimation by one or the other of the bilateral partner countries. Although the only satisfactory solution to any such problems of asymmetry is a thoroughgoing comparison of methodologies and the correction of either or both partner's deviations from the internationally accepted standard, those correctional measures almost always require years rather than months to undertake and complete. The process of correction would also be further delayed by the size of the matrix which EUROSTAT has been working. With 12 categories of transaction and 12 countries covered by the matrix, and with bilateral asymmetries the rule rather than the exception, a tremendous number of individual asymmetries require discussion, solution and finally implementation of agreed solutions at the national level.

Computer printouts from EUROSTAT's Data Bank have been used to summarize the bilateral asymmetries in the balance of payments matrix in a comprehensive manner that has already pointed the way to ascertain possible interim solutions. One solution, available without delay, that has been considered and rejected, depended on the assumption that the recording of debits in the balance of payments is normally more reliable than the recording of credits. Thus, the matrix might have been reprinted using only the debit figures declared by countries for each category. The associated credit figures would have been ignored, and no conflicting versions (asymmetries) would have appeared. Two objections to such a course appeared insuperable. First, there are actually many

cases in which a partner's declared credit figures are known to be more reliable than the corresponding debit figures declared by the other partner. It would be foolish to abandon superior statistics for inferior statistics. Second, there are at present certain categories for which some Member States do not provide any data (notably Insurance on shipment and Labour income). In some of those cases the data may be obtainable only from the credit side.

A more promising method of reducing asymmetries in the matrix is the algorithmic approach, that is, the use of arithmetical formulae first to identify then to correct existing asymmetries. This approach has so far been systematically applied only in the area of suspected statistical underestimation by one of each pair of declaring countries. Asymmetries are examined category by category and year by year for each pair of countries. A persistent bias towards underestimation by one partner in a given category is first established by the application of the "Student's" test, which provides an objective criterion to establish the existence of such bias. On the assumption that the underrecording by the one country is the result of a partial netting out between credits and debits (which in many cases has been established empirically as the cause of underestimation), the underestimated figures are then grossed up by algorithm. For a few categories in certain countries, there exists a different problem of estimates that are believed to be too high, so that the country with the lower estimates has the more correct figures. Where such cases have been identified, they are being excluded from the algorithmic procedure.

Algorithmic correction has two immediate advantages. First, there is no long delay, which would result from having national statisticians try bilaterally to reconcile conflicting estimates and then struggle to be allowed to correct their national balance of payments statistics. (National authorities are never in haste to reissue statistics that have already been accepted as valid in their uncorrected version). Second, whether the corrected matrix is for use within EUROSTAT or for circulation to Member States, the grossing-up procedure will not have changed the net result of any given national balance of payments. EUROSTAT itself may be seeking to achieve fuller gross statistics, but most national policy makers look only at the net result of their balance of payments and will therefore be less disconcerted by revisions that do not change the net totals.

It remains to be seen whether or not the algorithmic corrections to the balance of payments matrix will quickly make it possible to use bilateral figures with more confidence. At present the asymmetries within the matrix cast serious doubt on the validity of statistics that can be so self-contradictory. Regional and global totals tend to be less asymmetrical, implying that one algorithm that is still required would have to redistribute the geographical allocation of national balance of payments estimates. Nevertheless considerable asymmetries exist between many of the regional totals in the matrix. EUROSTAT regards as urgent the need to continue these studies which attempt to reduce the asymmetries in the balance of payments matrix until it can be presented to users as a system of figures that support rather than contradict one another.

Appendix 4 : Simulated RFR 12's external trade in Services

	1979			1980			1981			1982		
	+	-	=	+	-	=	+	-	=	+	-	=
A. Goods services and income	236949	298431	-1482	345942	371450	-25506	432257	449909	-11652	460360	480136	-10776
1. Merchandise	193076	209521	-16445	220836	260596	-37760	275821	299917	-24096	294558	313672	-19114
2. Services	64380	54102	10278	74387	64706	9681	90877	80724	10153	96352	87904	8448
2.1 Transport	23936	21897	2041	29116	26040	3028	33816	32358	1458	35188	33607	1581
2.2 Insurance on transport	605	839	-234	664	1012	-348	854	1199	-345	071	1345	-374
2.3 Travel	14315	12527	1788	15615	15364	251	18714	18387	327	18276	19092	-816
2.4 Other services	25522	18839	6683	28990	22240	6750	37493	28780	8713	41917	33860	8057
3. Income	39493	34908	4685	50719	46148	4571	71559	69268	2291	74450	78560	-110
3.1 Investment income	32186	30265	1922	42207	40965	1221	61599	63392	-1793	66681	71787	-5106
3.2 Labour income	2557	1758	799	2795	2122	573	3153	2575	578	3840	3058	782
3.3 Government trans. (nle)	4746	2785	1963	5717	3740	2677	6807	3301	3506	7929	3715	4214
Average												
A. Goods services and income	534496	532433	2065	625013	616022	8991	451671	459064	-6393			
1. Merchandise	313793	323562	-9769	366236	374813	-8577	277387	297014	-19627			
2. Services	106194	90923	15271	120644	101684	18960	92140	90007	12133			
2.1 Transport	35911	34703	1208	40101	39213	888	33012	31311	1701			
2.2 Insurance on transport	1066	1490	-422	1295	1736	-501	910	1280	-370			
2.3 Travel	24530	19333	5197	30098	21092	9006	20258	17633	2625			
2.4 Other services	44985	35397	9288	49150	39583	9567	37969	20783	8177			
3. Income	114511	117948	-3437	136133	139525	-3392	82144	81043	1101			
3.1 Investment income	101438	110551	-9113	127587	121025	-8038	71283	74768	-3485			
3.2 Labour income	7453	3356	4097	7849	3739	-40	1343	2301	542			
3.3 Government trans. (nle)	6210	4041	5169	10697	3961	6736	7511	1474	4044			

APPENDIX 5: OTHER SERVICES-OTHER : SYNOPSIS OF REPLIES TO SURVEY

The questionnaire aimed at analysing in more detail the contents of OSO in order perhaps to classify some new transactions into sub-items and to determine the sectors which make the most important contributions to OSO.

In the light of recent proceedings at EUROSTAT, viz. the proposal for a new classification of exchange of invisibles (CEI), and on the basis of the replies to the questionnaire, EUROSTAT has somewhat modified the structure of the questionnaire. Basically, these are minor modifications, which enhance the comparability of the survey with the draft CEI and with the replies received.

The questionnaire has been returned to EUROSTAT by eight Member States; replies from Denmark and Greece are missing. A qualitative synopsis of the replies is presented hereafter, enabling a quick overview of the quality and reliability of the reported figures. As may be seen the availability of data varies widely among sub-items and among reporting countries. Generally, there are more "-" (no figures) than "x" (figures recorded). Nevertheless, on the aggregated heading level most Member States do report figures.

OTHER SERVICES - OTHER : synopsis of replies to survey

ITEM \ COUNTRY	BRD	F	I*	NL	BLEU	UK	IRL	DK	H
OTHER SERVICES-OTHER									
COMMISSIONS									
-COMMISSIONS RELATED TO TRADE	X	-	-	X	X	X	X	-	-
-OTHER COMMISSIONS	-	-	-	-	-	X	-	-	-
MISCELLANEOUS SERVICES RELATED TO TRADE									
-MERCHANTING TRADE, NET	X	X	X	X	-	X	-	-	-
-OTHER PAYMENTS ANCILLARY TO TRADE	X	X	-	X	X	-	-	-	-
SERVICES RELATED TO TECHNOLOGICAL TRANSFERS									
-TECHNOLOGICAL	-	-	-	-	-	-	-	-	-
-PROCESSING	X	X	X	X	-	-	-	-	-
-OTHER	-	-	-	X	X	X	-	-	-
COMMUNICATION									
-NEWSPAPERS, ABONNEMENTS	-	-	-	-	X	-	-	-	-
-OTHER COMMUNICATION(INCL. POSTAL SERVICES)	X	-	X	-	X	X	X	-	-
-ADVERTISING, TRADE FAIRS	X	-	-	-	-	X	-	-	-
-OTHER	-	-	-	-	-	-	-	-	-
CULTURAL ACTIVITIES									
-REMUNERATION OF ARTISTS, AUTHORS	-	-	-	-	-	-	-	-	-
-EDUCATION N.I.E.	-	-	-	-	-	X	-	-	-
-OTHER	-	-	-	X	-	X	-	-	-
SERVICES BETWEEN RELATED COMPANIES N.I.E.	X	X	-	-	-	X	-	-	-
OTHER SERVICES, MISCELLANEOUS									
-EMPLOYMENT N.I.E. (E.G. INTERIM SERVICES)	-	-	-	-	-	-	-	-	-
-MEDICAL SERVICES N.I.E.	-	-	-	-	-	-	-	-	-
-LEASING	-	X	-	-	-	-	-	-	-
-ESTIMATED AMOUNTS FOR MISSING REPORTS	X	-	-	-	-	-	-	-	-
-LOSS/DAMAGE TO UK IMPORTS	-	-	-	-	-	X	-	-	-
-OTHER	X	X	X	-	X	X	X	-	-

* Only figures available for WORLD