



External trade in services

0. Registration entry for subjects

0.1 Name

External trade in services

0.2 Subject area

External trade

0.3 Responsible authority; office, division, person etc.

Hagstofa Íslands/Statistics Iceland

Efnahagsmál/Business Statistics

0.4 Purpose and history

The External Trade department is in charge of detailed information on import of services to Iceland and export of services from Iceland. From 2009 and onwards this information is the responsibility of Statistics Iceland. Before 2009, the Central Bank of Iceland was responsible for the publication of external trade in services.

0.5 Users and application

Users are the public sector, international organizations, private companies, embassies, the media and the public, who use the data for various purposes, including economic and market research. The difference between import and export of services shows the balance of trade in services, which is a good indicator of the nation's economic situation. Figures on external trade are used in the calculation of current account, balance of payment and national accounts, as well as giving information on domestic demand and demand from abroad.

0.6 Sources

Information on external trade in services is based on surveying enterprises, municipalities and government agencies yearly and quarterly. All companies that are defined as large enterprises in the sampling frame, about 100, are surveyed quarterly about their trade in services to and from abroad in the current year. Sample of about 700 small and medium sized enterprises are sampled from the population of small and medium sized enterprises. Small and medium sized enterprises, municipalities and government agencies are surveyed about the external trade in services to and from abroad during last year and the information are used to estimate for their activities in the current year.

The sampling frame is based on information from the Settlement system of the Central Bank and on information from VAT reports and survey data.

Other sources of information are retrieved from credit card transactions. Assessment of student expenses and medical trips are based on information from the Icelandic Student Loan Fund, Icelandic Health Insurance and the number of foreign exchange students in local universities. Information on travel services are based on credit card transactions and information about buying and selling of banknotes from the Central bank and information from the enterprises. Import and export of FISIM is provided by National accounts and public finance department of Statistics Iceland. Foreign and domestic expenditure of embassies in Iceland and abroad are estimated from data on the number of employees obtained from the Ministry of Foreign Affairs and information from the house hold survey of Statistics Iceland.



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0.7 Legal basis for official statistics

Act on Statistics Iceland and official statistics, no. 163/2007, Act on the Protection of Privacy as regards the Processing of Personal Data, No. 77/2000, Fundamental Principles of Official Statistics (UN).

0.8 Response burden

According to Statistics Iceland's law, all enterprises in the sample are obligated to give information about their trade in services. The enterprises need to give information yearly or quarterly on:

- what type of services was bought from abroad or sold to abroad
- business country
- value of the trade
- value of the trade between related enterprises

The data is obtain through a web survey

0.9 EEA and EU obligations

Regulation 555/2012 with later amendments and appendices.

1. Contents

1.1 Description of content

Trade in services show import of services to Iceland and exports of services from Iceland in general, Statistics Iceland followed the guidelines given in the "Manual on Statistics of International Trade in Services published by the United Nations in cooperation with the EU, IMF, OECD and WTO in 2002 until 2012. A new manual was implemented in 2013. This manual, like the former, defines the standard of external trade in services and what should be included in the trade, how the trade should be valued and the classification of the services.

Due to the new standards for trade in services financial intermediation services indirectly measured (FISIM) and manufacturing services are added to trade in services. Merchanting services are no longer included in trade in services but have been added to trade in goods in the balance of payments.

Further information about the new standards can be found on Statistics Iceland website. In 2013 purchases of fuel abroad by national vessels and aircraft were included in trade in services. Due to new standards on trade in goods, adopted at the same time as the new standard on trade in services, these purchases have been added to trade in goods.

Data on trade in services are both published by partner country and

The classification system is called EBOPS (Extended balance of payments services classification) and is classified now into 12 aggregated groups quarterly instead of 3 before. Data are published both by detailed EBOPS classification and partner country annually.

The aggregated groups are:

1. Manufacturing services on physical inputs owned by others
2. Maintenance and repair services n.i.e.
3. Transport
4. Travel
5. Construction



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6. Insurance and pension services
7. Financial services
 - 7.1. Explicitly charged and other financial services
 - 7.2. Financial intermediation services indirectly measured (FISIM)
8. Charges for the use of intellectual property n.ie.
9. Telecommunications, computer and information services
10. Other business services
11. Personal, cultural and recreational services
12. Government goods and services n.i.e.

The value of imported and exported services is converted into ISK according to the midrate of the foreign currency at the time when the service was bought or sold. If such information is not available, midrate of the period of the payment is used as estimate. Information on partner country is published yearly. The data is not seasonally adjusted.

1.2 Statistical concepts

Information of concepts of external trade in services can be found in the manual of external trade in services published by the United Nations.

Balance of trade in services = Exports of services imports of services. If the exports are higher than the imports, there is a trade surplus, but if the imports are higher than the exports, there is a trade deficit. The current account, calculated by the Central Bank of Iceland, equals the balance of trade in goods, balance of trade in services, balance of income and current transfer. Balance of income and current transfer is calculated by the Central Bank of Iceland.

2. Time

2.1 Reference periods

Quarterly figures are processed each time and the data relates to the quarter of the year in which the service was bought or sold. If such information is not available, the period of the payment is used as estimate.

The reference time for figures of trade in services is quarterly.

2.2 Process time

The enterprises for quarterly figures are surveyed approximately three weeks after the end of the reference quarter and the data is published within two months from the end of the reference period. Annual figures from small and medium-sized enterprises, municipalities and government agencies, are surveyed by end of February each year. Data collection time is 2-3 months. Annual figures are published in the end of August, after the end of the reference year.

2.3 Punctuality

The publication of figures for external trade in services will be according to Advance Release Calendar for each year which is published in October the year before the reference year on Statistics Iceland website.

The release time is 9 am.

2.4 Frequency of releases

Data is published five times per year; quarterly figures and annual data which are published by the end of August.

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3. Reliability and security

3.1 Accuracy and reliability

Data for small and medium enterprises (SMEs) for the quarter are estimated from the data in the previous year. Statistics Iceland also uses other data sources, such as the VAT register, to strengthen the estimated data on trade in services for SMEs. The method Statistics Iceland has used to estimate quarterly data comes very close to the reality. This fact strengthens the quality of the methodology used to evaluate the data of SMEs.

The reliability of the data is affected when an enterprise does not respond, errors are in the data or potential under coverage. However, action has been taken to try to minimize that by contacting the enterprises frequently to encourage them to respond, by auditing the data thoroughly and compare the sampling frame with other data.

Response of large companies that accounted for most of the balance of payments is typically at or above 90%. Such response greatly improves the reliability of the data. Response SMEs is over 70%.

3.2 Sources of errors

The main causes of errors in the data are:

- incorrect EBOPS classification code is chosen for the service in question
- the value is incorrect
- the country is incorrect
- non-response
- the sampling frame is based on last year's data which can cause error in the data
- if there is an under coverage in the sampling frame

3.3 Measures on confidence limits/accuracy

No figures for confidence limits or accuracy have been calculated.

4. Comparison

4.1 Comparison between periods

Statistics Iceland took over the responsibilities of the data collection and publishing of the external trade in services in 2009 from the Central Bank of Iceland. As there is a difference in the methodology between the calculation of Statistics Iceland and the Central Bank, figures from 2009 and onwards are not fully comparable with the figures on external trade in services published by the Central Bank before 2009. Due to the new standards for trade in services in 2013, figures are not comparable between 2009-2012 and 2013 -2014.

4.2 Comparison with other statistics

To some extent, it is possible to perform mirror analyses on external trade in services, i.e. a comparison of what Iceland exports of certain services to a certain country and what that country reports as import of services from Iceland and vice versa. As Statistics Iceland has only recently taken over the responsibility of the project, such an analysis has not been performed, but is planned in the future.

4.3 Coherence between preliminary and final statistics

Quarterly figures on external trade in services are perceived as preliminary figures until final early figures are published. Figures for the year are reviewed after the end of each year and therefore quarterly figures published in the end of the year can be different from the figures published for

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individual quarter during that year. Also as all quarters of the reference year are subject to changes during each quarter's processing, quarterly figures of previous quarters of the reference year might change during the year.

5. Access to information

5.1 Forms of dissemination

Press releases are published quarterly on Statistics Iceland website, after conclusion of each quarter's processing, in Icelandic and in English. The press releases are sent to subscribers and the media.

Tables of external trade in services are published on Statistics Iceland website.

Data on external trade in services is included in Statistics Yearbook of Iceland.

5.2 Basic data; storage and usability

Numerous files include data on external trade in services, i.e. quarterly data and their supporting files.

Data on external trade in services are stored in Statistics Iceland database. For users it is possible to get restricted access to the data.

5.3 Reports

United Nations guidelines for external trade in services can be found in Manual on Statistics of International Trade in Services 2010 (MSITS 2010), UN.

The guidelines are only available online <http://unstats.un.org/unsd/tradeserv/default.htm>

5.4 Other information

Further information about the Business Statistics department of Statistics Iceland