

Trade in services statistics – the Australian experience

This paper is an extract of a Department of Foreign Affairs and Trade presentation to the 2007 China Trade in Services Congress and 2nd International Seminar on Trade in Services held in Shanghai on 27 November 2007. It focuses on the collection and needs for Australia’s trade in services statistics against a background of services trade becoming increasingly important to Australia’s trade with the rest of the world.

Over the past 40 years, Australia’s services trade has developed from being dominated by the provision and purchase of transportation-related services to carry goods between Australia and the world to a more sophisticated services sector, where trade in tourism, education, business and personal services along, with transportation services, is an important part of Australia’s trading relationship with the world.

As Australia’s trade in services has increased, so have the demands from users for more information. In particular, more details are demanded about the modes of delivery of services traded and details of our trade with different economies.

Overview

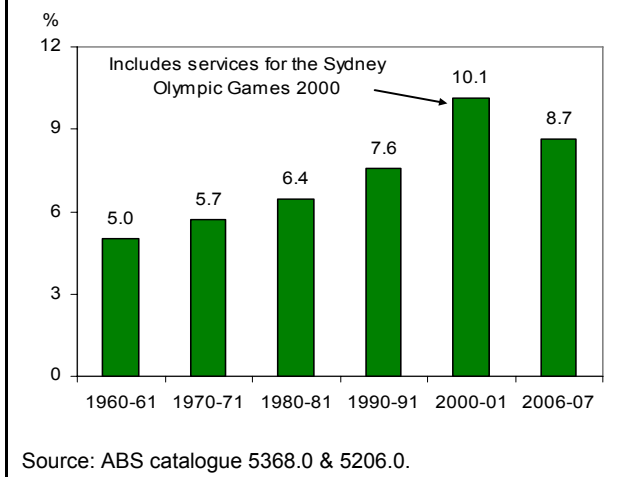
In 2006-07, Australia’s two-way trade in services was valued at \$90.6 billion.¹ Exports of services were valued at \$46.2 billion and accounted for 21 per cent of Australia’s total exports, while imports of services were valued at \$43.4 billion and accounted for 19 per cent of total Australian imports.

Australia’s ratio of services trade to total trade is close to the OECD average of 21.1 per cent, and ahead of many prominent countries such as France, Germany, Japan and Korea (**Chart 1**).

Australia’s services trade has grown and diversified greatly in recent times. As a ratio to GDP it has risen from 5.0 per cent in 1960-61 to 8.7 per cent in 2006-07. Note that in 2000-01, services transactions

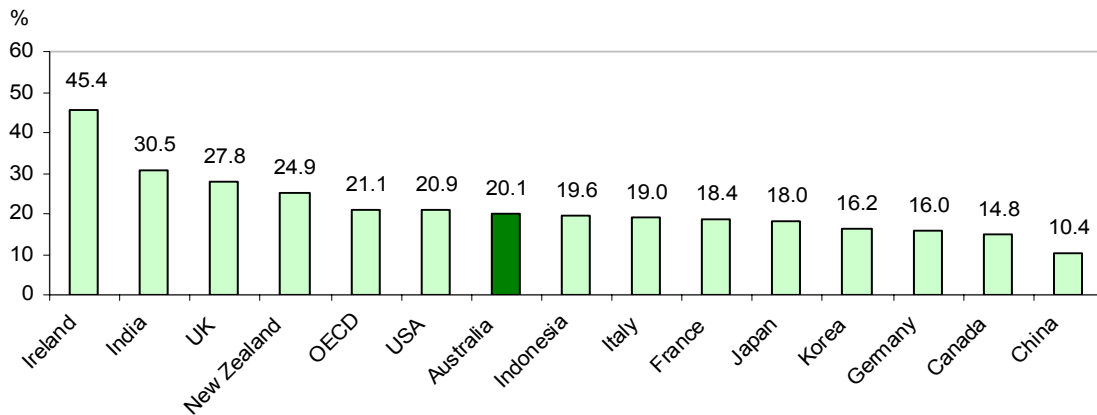
related to the Sydney Olympic Games provided a one-off significant boost to services exports (**Chart 2**).

Chart 2: Australia’s services trade ratio to GDP



¹ All figures are in Australian dollars, unless otherwise specified.

Chart 1: Ratio of services trade to total trade selected countries, 2006 (a)



(a) 2005 for India, Indonesia and OECD.

Source: IMF IFS Statistics and OECD.

In the 1960s, Australia's services exports and imports were dominated by transportation services, especially services relating to the transportation of Australia's merchandise trade – in particular imports of freight and exports of transportation services such as cargo handling services. In 1960-61, transportation services accounted for 70 per cent of exports and 66 per cent of imports of total services.

The growth in services exports since 1980 has been driven by growth in tourism, education and business services. In 2006-07, travel services accounted for 55 per cent of total services exports (of which education-related travel accounted for 25 per cent) and business and other services accounted for 27 per cent (**Chart 3**). By 2006-07, transportation services amounted to just 19 per cent of Australia's services exports (with airline passenger services dominating).

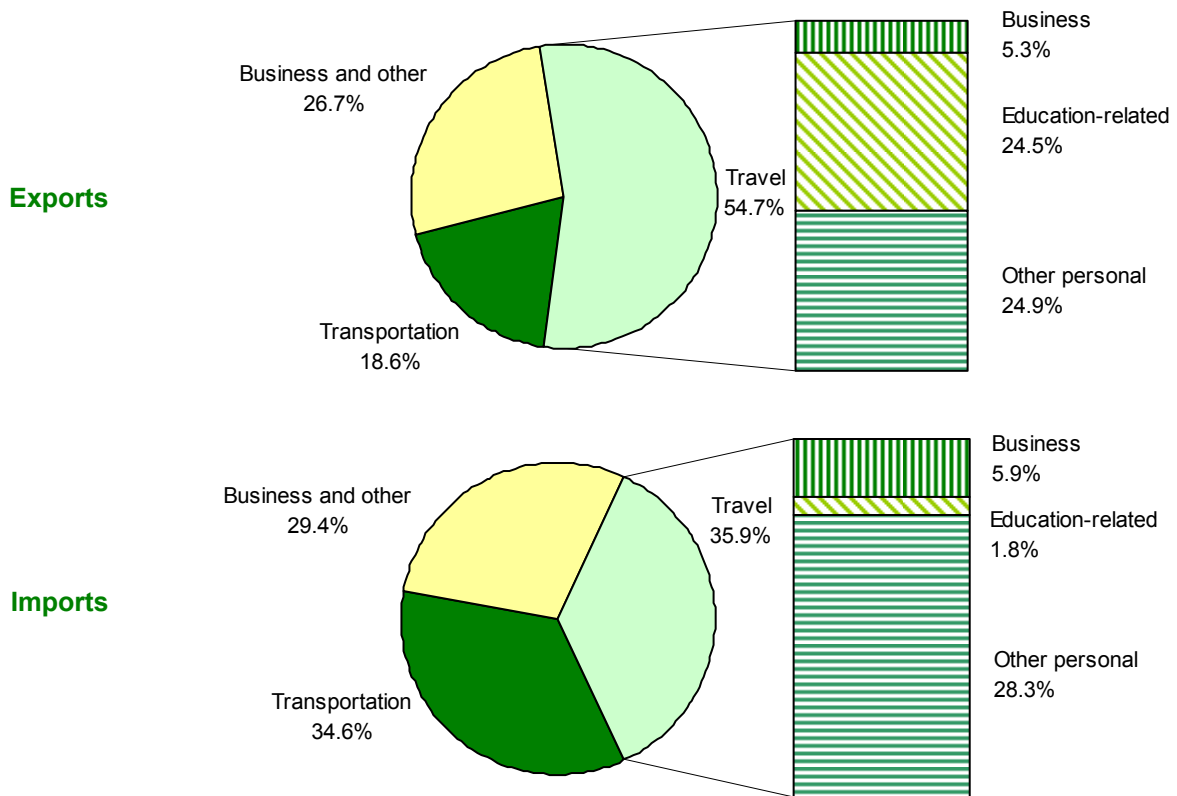
Education and other personal travel services are now Australia's third and fourth largest exports after coal and iron ore. Exports of education services have grown rapidly, from \$950 million in 1990-01 to \$11.7 billion in 2006-07, representing an average annual growth of 17 per cent. Other personal travel services (mainly recreational travel) exports grew, by an average annual rate of 21 per cent and 11 per cent in the 1980s and the 1990s respectively.

Significant exports of Australian business services in 2006-07 include: financial and insurance services (\$1.7 billion); professional services (\$1.6 billion); computer and information services (\$1.5 billion); and technical services (\$1.4 billion)—with very strong growth in engineering services in recent years.

In 2006-07, the composition of services imports was spread more evenly than exports among transportation, travel and business and other services. Imports of transportation services (especially freight services) were still relatively important, accounting for 35 per cent of total services imports; travel services accounted for 36 per cent in 2006-07 (with growth dominated by an increasing number of Australians travelling abroad for recreational purposes); and business and other services accounted for 29 per cent.

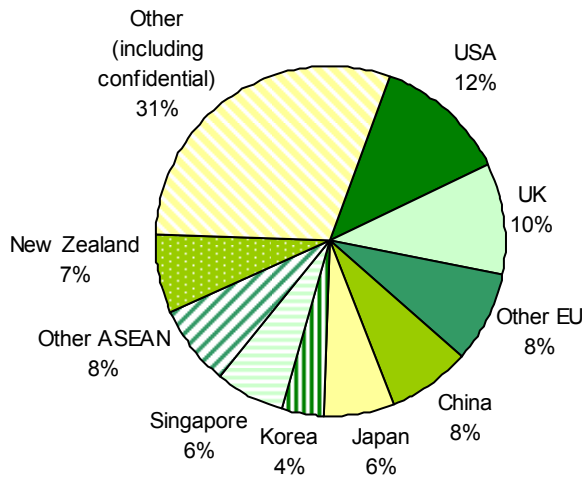
Significant imports of business services by Australia in 2006-07 include: royalties and licence fees (\$3.3 billion); financial and insurance services (\$1.5 billion); computer and information services (\$1.4 billion); and personal, cultural and recreational technical services (\$1.1 billion)—dominated by payments for royalties on film, television, video and multimedia (\$0.9 billion).

Chart 3: Australia's services trade by broad sector, 2006-07



Source: ABS catalogue 5368.0.

Chart 4: Australia's exports of services by major markets – 2006-07



Source: ABS catalogue 5368.0.

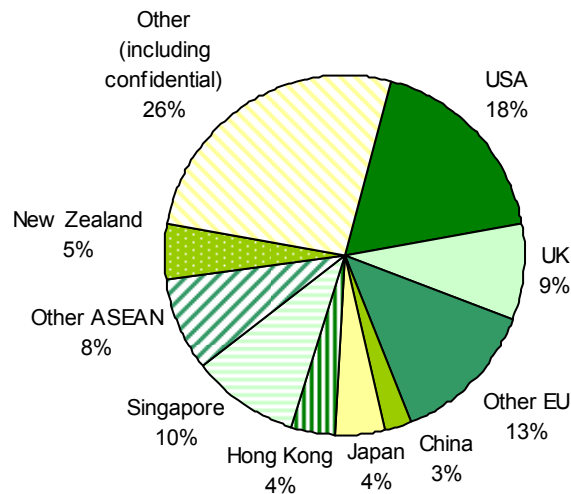
The major markets for Australia's services exports in 2006-07 were the United States (\$5.7 billion), the United Kingdom (\$4.8 billion) and China (\$3.6 billion). As a single entity the EU27 was Australia's largest export market (\$8.6 billion) (**Chart 4**).

Australia's major sources of services imports in 2006-07 were the United States (\$8.0 billion), Singapore (\$4.3 billion), and the United Kingdom (\$3.8 billion). The EU27 was our largest source (\$9.6 billion) as with exports, when taken as a single entity (**Chart 5**).

The Australian Bureau of Statistics (ABS) does not yet measure services provided by Australian commercial presence (Mode 3), according to the General Agreement on Trade in Services (GATS) definition (see **Box A**). However, available

information about this mode of supply indicates it has a key role in Australia's international provision and purchases of services. A pilot study of Australia's outward foreign affiliates trade conducted by the ABS estimated that in 2002-03, 65 per cent of Australia's services provided abroad were delivered by commercial presence. The latest ABS international investment position statistics for 2005 also show that levels of Australian direct investment abroad in services industries are significant and accounted for 49 per cent (or \$119 billion) of total Australian direct investment assets abroad in 2005. Foreign direct investment in Australia is also predominantly in service industries. In 2005, 55 per cent (or \$154 billion) of total foreign direct investment assets in Australia were in the services sector.

Chart 5: Australia's imports of services by major sources – 2006-07



Source: ABS catalogue 5368.0.

Statistical framework for Australian trade in services statistics

For over 15 years, Australia has been compiling trade in services statistics for around 60 services activities and country detail for over 30 of Australia's major trading partners. Australia's trade in services statistics are collected and compiled by the ABS.

History of collecting trade in services statistics

Trade in services statistics were first collected by the ABS for use in compiling Australia's Balance of Payments (BoP) and National Accounts aggregates. The data were sourced from statistics collected by Australia's central bank (the Reserve Bank of Australia) as by-products of the regulations applied to the banking system until the end of the 1970s.

In the 1980s, Australian financial institutions, including banks, were deregulated substantially, and appropriate statistical by-products, including data relating to trade in services, became less readily available.

This coincided in the mid-1980s with a push by users of trade in services statistics for data that were more detailed than just the broad aggregates published by the ABS in BoP statistics. The ABS responded by developing the Survey of International Trade in Services (SITS).

A more recent push by users over the past five years sought to expand trade in services statistics further and to widen the definition of services trade from the BoP framework definition to include the four GATS modes of supply. Such statistics would be used for more detailed analysis of the delivery of services, including in the context of supporting trade negotiations, both for the WTO Doha round and for Australia's Free Trade Agreement (FTA) agenda.

International standards

Trade in services is a core component of Australia's BoP statistics, which are compiled according to the International Monetary Fund (IMF) standards.

Within these standards, services can be provided by three modes within the BoP framework between residents and non-residents of an economy:

- cross-border (as with goods trade);
- consumption in the host economy (such as travel services); and
- provision abroad, by the movement of natural persons.

This framework does not factor in the provision of services by Australian subsidiaries abroad, which are considered non-resident to non-resident transactions. Income (profit) earned by Australian subsidiaries is included in the Income account in Australia's BoP (refer to **Box A**).

Classifications

The classifications used in Australia's trade in services statistics are based on the UN *Manual on Statistics of International Trade in Services, 2002*. This is an extended services classification that is fully compatible with the IMF standards. Services commodities are broken down into eleven major groups and around 60 detailed services activities (refer to Tables 1 and 2 in **Appendix A**). Country-level data are published for 34 countries (based on Australia's major trading partners) and four country groups (APEC, ASEAN, EU and OECD), broken down to the 11 major services groups, with some additional details for travel services (refer to Table 3 in **Appendix A**).

Data on services exports and imports by Australian States and Territories are also collected and published.

Estimates of real (volumes) services trade (based on chain volume measures) are also produced for the main services aggregates.²

Data sources

A wide range of data sources are accessed to compile Australia's trade in services statistics, including business surveys and government administrative data.

Government administrative data are used mainly to compile government, travel and education services, as well as parts of transportation, financial and insurance services.

The ABS SITS is used to collect the remaining services activity. The SITS is a quarterly business survey based on a stratified sample of around 1,500 businesses out of a population of around 4,500 businesses that trade in services.

Compilation methodology

A combination of direct collection from the SITS and modelled estimates are used to compile Australia's trade in services statistics. The major aggregates that use modelled estimates include:

- freight services (including insurance) on imports by non-resident carriers derived from merchandise imports data;

² The ABS also collects trade in services by industry based on the Australian New Zealand Standard Industry Classification (ANZSIC). Data is not disseminated but is only used for the SITS sampling methodology.

- travel services exports and imports derived from foreign and Australian travellers (including students) and data on per capita expenditures;³ and
- components of financial services (including the calculation of Financial Intermediation Services Indirectly Measured (FISIM⁴) and foreign exchange fees) and insurance and government services (foreign embassies and consulates).

The remaining services components are collected directly by the SITS.

Foreign affiliates trade (Mode 3)

For the 2002-03 reference year, the ABS conducted a pilot Survey of Outward Foreign Affiliates Trade (SOFAT), which covered both merchandise and services trade. The survey concluded that Australia had around 4,000 affiliates abroad. These affiliates sold services valued at \$65 billion and purchased services valued at \$40.6 billion in 2002-03. It indicated that 65 per cent of Australian services provided abroad were through Australian foreign affiliates.

The ABS did not conduct a similar survey for Australia's inwards foreign affiliates trade, but did publish some broad indicators on foreign-owned businesses in Australia for the reference period 2000-01, which found there were over 7,800 foreign owned business operating in Australia (excluding agriculture, forestry and fishing), of which around 6,900 were classified to services industries.⁵

Other sources for details on Australia's trade in services

The ABS and other Australian Government Departments also publish services related data that can be used to provide a fuller picture on certain sectors of Australia's trade in services with the world. Some of the major sources include:

- Australia's international tourism services – **Tourism Research Australia (TRA)** collects a detailed survey on the expenditure of International Visitors in Australia. This survey

samples around 30,000 short-term foreign travellers;

- Australia's international education services – **Australian Education International** publish monthly data on international student enrolments in Australia and a survey of international student expenditure in Australia (conducted every five years) surveying the expenditure details of around 3,000 international students;
- **International Legal Services Advisory Council (ILSAC)**⁶ – Survey of Australian Export Market for Legal Services in the financial year 2004-05. This survey provided the first picture of international Australian legal services activities by all modes of supply (including commercial presence). It is planned to re-conduct this survey for the 2006-07 reference year;
- **ABS Tourism Satellite Accounts** – compile data based on national accounts methodology on Australia's tourism sector, including international travel; and
- the **ABS's domestic services survey program** – collects some additional international trade in services data, including surveys of television, film and video production; the performing arts; and accommodation, cafes, restaurants and catering services. The ABS is examining options to see if additional details on Australia's international legal services can be collected in the 2007-08 Legal Services survey.

Unmet user needs for Australian trade in services statistics

One of the major unmet user needs is for detailed trade in services data by mode of supply by country to support Australian trade negotiators. Detailed services trade data by mode of supply provide the basis for analysis and development of negotiating priorities and for support of our market access positions.

The General Agreement on Trade in Services (GATS) identifies four "modes of supply" for determining a country's delivery of services to the world to facilitate classification and analysis of barriers to services trade (**Box A**).

This is a wider definition of international services trade than used in ABS and other countries BoP statistics, which only includes Modes 1 and 2 and part of Mode 4. There are, however, no data that separate

³ Per capita expenditure data for business and other personal travel are collected quarterly from the International Visitor Survey and the National Visitor Survey conducted by Tourism Research Australia. For education-related travel, per capita expenditure estimates are collected from benchmark student expenditure surveys conducted every five years by the Australian Education International. Between benchmark surveys the ABS models student per capita expenditure using a variety of economic indicators.

⁴ The broad concept of FISIM is that, whenever financial intermediaries take deposits or make loans, a service is provided, and that interest rates on deposits and loans include an implicit services element.

⁵ *Economic Activity of Foreign Owned Businesses in Australia, 2000-01* (ABS catalogue no. 5494.0) compiled from the ABS Economic Activity Survey and the ABS Survey of International Investment.

⁶ The International Legal Services Advisory Council (ILSAC) was established by the Australian Government in 1990 with the objective of coordinating and improving Australia's international performance in the legal and related services area.

Box A – Defining services trade

Until recently, services trade has routinely been defined within a Balance of Payments (BoP) framework and covered only transactions in services between residents and non-residents. Services trade, when defined in this way, can be broken down by the type of activity to include transportation, travel, communications, construction, insurance, financial, computer and information, royalties and licence fees, business, personal, cultural and recreational, and government services. The Australian Bureau of Statistics reports services trade on this basis as part of its BoP statistics. In practice, services trade defined in this way can involve some transactions in goods (for example, where an international visitor purchases goods in the country to which he or she travels).

Wider definitions encompassing international services trade are also in use and are being reflected increasingly in analyses of international delivery of services. The framework, used in the WTO General Agreement on Trade in Services (GATS) thus identifies, for negotiating purposes, four modes of supply through which services can be traded. These are:

Mode 1 – cross-border supply.

Services are delivered from the territory of one WTO Member into the territory of another WTO Member. The service supplier and consumer generally do not meet. For example: a consultant located in country A provides advice to a client in country B by email, fax or phone.

Mode 2 – consumption abroad.

Services are delivered in the territory of one Member to the consumer of any other Member. It is the consumer who travels abroad to consume the service. For example, nationals of country A travel abroad as tourists, students or patients to consume services overseas.

Mode 3 – commercial presence.

Services are delivered by a service supplier of one Member, through commercial presence in the territory of another Member. For example, an insurance company in country A establishes a branch or office in country B.

Mode 4 – movement of natural persons.

Movement of natural persons by the service supplier of one Member, through the presence of natural persons in the territory of another Member. In this mode, it is the individual service supplier who travels abroad to deliver the service. Mode 4 covers only temporary entry and stay of service providers. For example, an IT consultant from country A travels to country B to fulfil a contract.

Modes 1 and 2, and parts of mode 4, are captured as services exports and imports in BoP statistics. Mode 3, however, is not recorded in this way. However, profits from affiliates operating abroad are recorded in the income account of the BoP. Parts of Mode 4, relating to some compensation of employees providing services abroad, are also included in the income account.⁷

A number of statistical agencies, including the ABS, are increasingly seeking to identify and measure transactions arising from commercial presence abroad, as well as other transactions within the GATS framework.

⁷ In Australia's BoP statistics, if a person remains an Australian resident while overseas, services can be provided either (1) as an employee of an Australian business that is providing a service overseas, or (2) an employee of a non-resident business.

- In case (1), the receipts of the business would be captured by the ABS and appear as a credit under trade in services in the BoP. (The wage or salary cost component of the service paid to a person providing the service is a resident to resident transaction and out of scope of BoP. This includes the case where the individual is a consultant providing the service as a business.)
- If the employee is working for a non-resident business (case 2), the salary paid to the person is captured as an income credit under 'compensation of employees' in the current account (and nothing is recorded under trade in services).

If, however, a person is overseas for more than a year, he/she becomes a non-resident. Case (1) would appear as a debit under compensation of employees in the current account (as well as the credit for trade in services) while case (2) would be out of scope of BoP statistics.

out services according to the mode of provision, i.e. through Mode 1, 2 or 4.

As a result, trade negotiators often work with limited statistical information in areas of services trade negotiations, in particular in relation to modes of service supply such as commercial presence (Mode 3) and movement of natural persons (Mode 4). Such information would greatly assist negotiators, since trade barriers for services are usually in the form of regulatory requirements within the host economy, such as limitations on the entry of foreign personnel and the establishment of commercial presence.

The lack of data, in particular by mode of delivery also impedes services negotiators in accurately gauging requests and offers made and received in the case of trade negotiations.

While trade negotiators look to industry to assist them to identify key markets and priority sectors, independent and robust advice about services trade flows is important. For example, ABS statistics show only a subset of total legal income earned from international sources. However, ILSAC's 2004-05 survey of the legal profession indicated that legal services income from international sources by all modes was over double the level of officially recorded legal services exports as recorded in ABS statistics.⁸

Importantly for Australian trade negotiators, ILSAC's survey showed that Mode 1 supply accounted for almost 60 per cent of its income earned internationally, Mode 3 around 15 per cent and Mode 4 supply about 25 per cent.⁹

Trade in services data by modes of supply are also a valuable tool for monitoring the impact of trade agreements after they come into force. For instance, if a FTA removes restrictions to Mode 3 (commercial presence), it is possible that exporters may switch from one of the other modes of supply to Mode 3. Trade in services exports as recorded by the ABS (covering Modes 1, 2 and 4) could then show a fall in trade in these items (suggesting that the agreement did not open up trade), while in fact the mode of delivery of the services provided had simply changed.

In Australia's FTA negotiations, the Government has promoted the '*negative list approach*' to scheduling of services commitments in FTAs. Under a negative list schedule, trade negotiators must identify the service sectors that are not bound by the operative provisions of an FTA, such that any sectors not expressly

excluded are covered by the FTA. By contrast, under a '*positive list approach*', governments adopt a GATS-style voluntary method. They choose the sectors or activities they wish to have covered by the agreement. They specify, for example, only those sectors and modes of supply in which they are willing to make binding commitments.

Negative listing typically results in broader sectoral coverage, thereby producing a more liberal outcome than a positive list approach. This is because a negative list results in service sectors being automatically liberalised if they are not explicitly listed in a country's schedule of non-conforming measures. Whichever approach is adopted, but especially where a positive list approach is used, FTA services negotiators will be better placed to assess the value of non-conforming measures where accurate statistical information is available.

Other Australian government departments, academics, industry bodies and private sector users also have a need for more data on trade in services. In particular, Australian industry bodies, which represent the businesses in the services sector, such as the Australian Services Round Table (ASR) and the Australian Chamber of Commerce and Industry (ACCI) are seeking more detailed information on business services. Their aim is to promote growth in exports in these areas and to understand the barriers to services trade faced by Australian businesses. As with trade negotiators, the industry bodies see trade in services as covering all modes of supply, including Mode 3 (commercial presence abroad).

Other unmet requirements by users include the need for more detailed data on Australian trade in services by Australian State and Territory and more detailed trade in services data to support economic modelling and forecasting, by both private and public sector users.

The ABS has been working closely with users to look at ways of expanding the range of trade in services statistics. The main forum for users of international trade in services statistics in Australia is the International Trade in Services User Group (ITSUG), chaired by the ABS. This forum provides an opportunity for government agencies, including the Department of Foreign Affairs and Trade, and other key users to assist the ABS with investigating methodologies and data sources to improve trade in services statistics. An example of this includes the use of non-survey based methodologies using modelling to compile components of Australia's trade in insurance and financial services.

The ITSUG also assists the ABS in maintaining the coverage for the SITS business collection (industry body representation can be important in providing information on which businesses are trading in services) and in providing expertise in particular services activities.

⁸ It should be noted that ILSAC's legal services survey included some resident to resident transactions (legal services provided to an Australian company but had originated from an overseas based project), that would not be included as an export of a service under either BOP statistics or the GATS modes of supply.

⁹ Please note that the definitions used by ILSAC's to define the modes of supply do not exactly match the definitions used by WTO GATS modes of supply for modes 1 and 4.

Current and future directions for Australia's trade in services statistics

Demands for more detailed trade in services statistics, by type of service and the direction of trade are likely to continue to rise in coming years, in Australia and elsewhere. The rising complexities and innovation associated with international services trade are already posing new challenges for statisticians. In Australia, they need to maintain coverage of not just the Australian business population engaged in trade in services for the SITS, but also of individuals trading in services, especially with the expansion in opportunities for international delivery of services made possible by the internet.

The ABS is focusing increasingly on improving the quality of its trade in services statistics. In recent years, it has completed detailed reviews on the compilation methodology and data sources used to compile travel and education services. The ABS has also undertaken a major coverage survey for the SITS. Significant revisions to published statistics were applied as a result of these reviews in 2005 and 2006.

The ABS is currently reviewing the collection methodology for financial, insurance and government

trade in services statistics. These reviews are due for completion in 2008.

Other ABS initiatives for trade in services statistics include:

- a review of the impact of confidentiality on published trade in services statistics and ways to lessen the impact on published trade in services data within current ABS legislation; and
- adoption of the latest international standards, including the revised standards for BoP statistics to be set out by the IMF in its sixth edition of its BoP manual in the September quarter 2009.

A key challenge will be to develop trade in services statistics based on the GATS modes of supply. The ABS has started to consider how to collect this data. The challenge involves the collection of appropriate data from residents and also the collection and modelling of information covering the activities of non-residents, especially for commercial presence abroad.

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References and further information

1. Australian Bureau of Statistics – www.abs.gov.au

Relevant publications and papers:

- *International Trade in Goods and Services, Australia* (ABS catalogue 5368.0) – published monthly
- *Balance of Payments and International Investment Position, Australia* (ABS catalogue 5302.0) – published quarterly
- *International Trade in Services by Country, by State and by Detailed Services Category* (ABS catalogue 5368.0.55.003) – published on a calendar and a financial year basis
- *Balance of Payments and International Investment Position, Australia: Concepts Sources and Methods 1998* (ABS catalogue 5302.0)
- *International Investment Position, Australia: Supplementary Statistics* (ABS catalogue 5352.0) – published on a calendar year basis
- *Australian Outward Foreign Affiliates Trade, 2002-03* (ABS catalogue 5495.0)
- *Economic Activity of Foreign Owned Businesses in Australia, 2000-01* (ABS catalogue 5494.0)
- *Overseas Arrivals and Departures, Australia* (ABS catalogue 3401.0) published monthly
- *Australian National Accounts - Tourism Satellite Account* (ABS catalogue 5249.0) – published on a financial year
- Feature article: *Changes to International Trade in Services Travel Statistics* (published August 2005)
- Feature article: *Changes to International Trade in Services Statistics* (published August 2006)
- Feature article: *The Sydney Olympic Games* (published September 1999)
- Feature article: *The Sydney Olympic Games Update* (published July 2000)
- ABS Corporate Plan.

2. Department of Foreign Affairs and Trade – www.dfat.gov.au

Relevant publications:

- *Trade in Services Australia* – published on a calendar and a financial year basis
www.dfat.gov.au/publications/stats-pubs/tradein_services.html
- *Trade Topics* Spring Issue 2006 – Article on *Australia's services industries exports*
www.dfat.gov.au/publications/stats-pubs/trade_topics.html.

3. International Monetary Fund (IMF) – www.imf.org

Relevant publications:

- Balance of Payments manuals, version 5 and 6
- International Financial Statistics
- Balance of Payment Statistics.

4. Organisation for Economic Cooperation and Development (OECD) - www.oecd.org

Relevant publication:

- OECD Statistics on International Trade in Services, Volume 1 and 2.

5. United Nations - unstats.un.org

Relevant publications:

- Manual on Statistics of International Trade in Services, 2002
- UN ServiceTrade, the United Nations database with Statistics on International Trade in Services.

6. Tourism Research Australia - www.tra.australia.com

Relevant publications:

- International Visitors Survey (published quarterly)
- National Visitors Survey (published quarterly).

7. Australian Education International – www.aei.dest.gov.au

Relevant publications:

- International Student Enrolments (published monthly)
- Survey of International Student Spending in Australia (conducted every five years).

8. International Legal Services Advisory Council – www.ag.gov.au

Relevant publication:

- Survey of Australian Export Market for Legal Services in the financial year 2004-05.

Appendix A

**Table 1: Australia's exports of services
by type of activity
(A\$ million)**

Type of activity	2004-05	2005-06	2006-07	% change 2005-06 to 2006-07
Services				
Transportation services	8,002	8,208	8,615	5.0
Passenger (a)	4,149	4,104	4,237	3.2
Freight	776	608	607	-0.2
Other (a) (f)	3,077	3,496	3,771	7.9
Travel services	21,440	22,624	25,280	11.7
Business	1,725	2,085	2,460	18.0
Personal	19,715	20,539	22,820	11.1
Education-related	8,767	9,745	11,312	16.1
Other	10,948	10,794	11,508	6.6
Communications services (b)	831	834	812	-2.6
Postal and courier services (c)	np	np	437	..
Telecommunication services	np	np	375	..
Construction services	106	134	132	-1.5
Insurance services	684	704	704	0.0
Life insurance and pension funding	0	0	0	..
Freight insurance	12	12	12	0.0
Other direct insurance	20	20	20	0.0
Reinsurance	540	556	556	0.0
Auxiliary services	112	116	116	0.0
Financial services	998	1,002	1,004	0.2
Computer and information services	1,251	1,198	1,480	23.5
<i>Computer services</i>	<i>1,239</i>	<i>1,177</i>	<i>1,453</i>	<i>23.4</i>
Hardware and software consultancy and implementation	1,112	1,070	1,325	23.8
Other computer services	127	107	128	19.6
Data processing	0	0	0	..
<i>Information services</i>	<i>12</i>	<i>21</i>	<i>27</i>	<i>28.6</i>
Database services (d)	12	21	27	28.6
News agency, subscription and other information services (d)	np	np	np	..
Royalties and licence fees	706	772	868	12.4
<i>Industrial processes</i>	<i>224</i>	<i>247</i>	<i>193</i>	<i>-21.9</i>
<i>Franchise and similar rights</i>	<i>18</i>	<i>27</i>	<i>53</i>	<i>96.3</i>
<i>Other</i>	<i>464</i>	<i>498</i>	<i>622</i>	<i>24.9</i>
Music	48	41	52	26.8
Other	416	457	570	24.7
Computer software	207	247	288	16.6
Education (e)	4	np	8	..
Other (e)	205	210	274	30.4
Other business services	4,263	4,840	5,889	21.7
<i>Merchanting and other trade-related services</i>	<i>653</i>	<i>729</i>	<i>782</i>	<i>7.3</i>
Merchanting	171	156	176	12.8
Other	482	573	606	5.8
<i>Operational leasing services (f)</i>	<i>19</i>	<i>35</i>	<i>42</i>	<i>20.0</i>
<i>Miscellaneous business, professional & technical</i>	<i>3,591</i>	<i>4,076</i>	<i>5,065</i>	<i>24.3</i>
Legal, accounting, management consulting and public relations	517	642	891	38.8
Legal services	256	240	278	15.8
Accounting, auditing, bookkeeping & tax consulting	185	192	366	90.6

**Table 1: Australia's exports of services
by type of activity (cont'd)
(A\$ million)**

Type of activity	2004-05	2005-06	2006-07	% change
				2005-06 to 2006-07
Business and management consultancy & public relations	76	210	247	17.6
Advertising, market research and public opinion polling	176	214	239	11.7
Research and development	421	410	518	26.3
Architectural, engineering and other technical services	803	1,149	1,352	17.7
Architectural	43	74	82	10.8
Engineering	551	893	1,079	20.8
Surveying (g)	np	13	36	176.9
Other (g)	209	169	155	-8.3
Agricultural, mining and on-site processing	160	218	349	60.1
Waste treatment and depollution services (h)	np	np	np	..
Other	160	218	349	60.1
Agricultural (h)	np	np	np	..
Mining (h)	160	218	349	60.1
Other (h)	np	np	np	..
Other	404	386	522	35.2
Manufacturing	24	12	16	33.3
Other	380	374	506	35.3
Other professional services	380	374	506	35.3
Other services nie (b)	np	np	np	..
Services between affiliated enterprises nie	1,110	1,057	1,194	13.0
Personal, cultural and recreational services	547	659	613	-7.0
<i>Audiovisual and related services</i>	149	214	169	-21.0
Royalties on film, TV programs, video and multimedia	149	214	169	-21.0
Theatrical films (cinema)	3	6	5	-16.7
Television programmes	94	129	87	-32.6
Video tapes	3	1	3	200.0
Multimedia and other	49	78	73	-6.4
<i>Other personal, cultural and recreational services</i>	398	445	444	-0.2
Education	335	330	367	11.2
Consultancy	101	74	118	59.5
Correspondence courses	25	32	24	-25.0
Services through educational institutions	106	101	93	-7.9
Other education services	103	123	132	7.3
Health & medical (i)	7	np	7	..
Other	56	115	70	-39.1
Government services nie	867	874	848	-3.0
Total Services	39,695	41,849	46,245	10.5
Memorandum items:				
Gross inward insurance premiums receivable	1,678	1,720	1,720	0.0
Gross inward insurance claims payable	1,266	1,296	1,296	0.0

(a) *Air transport agency fees & commissions* are included in *Passenger services*, rather than *Other transportation services*. This series is not published by the ABS in its monthly trade publication 5368.0. In that publication, the ABS combines *Passenger services* exports with *Other transportation services* exports. (b) *Communication services* includes *Other services nie*. (c) *Postal & courier services* includes *Other services nie* in 2006-07. (d) *Database services* includes *New agency and subscription services*. (e) *Other royalties* includes *education royalties* for 2005-06. (f) *Transportation operational leasing services* are included in *Other transportation services*. (g) *Surveying services* included in *Other Architectural, engineering & other technical services* for 2004-05. (h) *Mining services* include *Waste treatment and depollution services* for all years and *Other agricultural, mining & onsite processing* from 2005-06 to 2006-07. (i) *Other personal, cultural and recreational services* includes *Health and medical* for 2005-06.

Source: ABS catalogues 5302.0 and 5368.0.

**Table 2: Australia's imports of services
by type of activity
(A\$ million)**

Type of activity	2004-05	2005-06	2006-07	% change
				2005-06 to 2006-07
Services				
Transportation services	13,796	14,508	15,368	5.9
Passenger	5,420	5,939	6,523	9.8
Freight	7,500	7,776	8,044	3.4
Other	876	793	801	1.0
Travel services	14,507	15,090	15,968	5.8
Business	2,472	2,512	2,635	4.9
Personal	12,035	12,578	13,333	6.0
Education -related	702	741	780	5.3
Other	11,333	11,837	12,553	6.0
Communications services (a)	842	829	845	1.9
Postal and courier services (b)	np	np	337	..
Telecommunication services	np	np	508	..
Construction services	0	0	0	..
Insurance services	872	900	900	0.0
Life insurance and pension funding	0	0	0	..
Freight insurance	24	24	24	0.0
Other direct insurance	232	240	240	0.0
Reinsurance	408	420	420	0.0
Auxiliary services	208	216	216	0.0
Financial services	527	581	600	3.3
Computer and information services	1,095	1,067	1,426	33.6
<i>Computer services</i>	<i>1,075</i>	<i>1,042</i>	<i>1,405</i>	<i>34.8</i>
Hardware and software consultancy and implementation	991	938	1,262	34.5
Other computer and information services	84	104	143	37.5
Data processing	0	0	0	..
<i>Information services</i>	<i>20</i>	<i>25</i>	<i>21</i>	<i>-16.0</i>
Database services	9	13	9	-30.8
News agency, subscription and other information services	11	12	12	0.0
Royalties and licence fees	2,482	2,734	3,257	19.1
<i>Industrial processes</i>	<i>657</i>	<i>792</i>	<i>855</i>	<i>8.0</i>
<i>Franchise and similar rights</i>	<i>478</i>	<i>509</i>	<i>659</i>	<i>29.5</i>
<i>Other</i>	<i>1,347</i>	<i>1,433</i>	<i>1,743</i>	<i>21.6</i>
Music	255	213	209	-1.9
Other	1,092	1,220	1,534	25.7
Computer software	744	756	875	15.7
Education (c)	np	np	6	..
Other (c)	348	464	654	41.0
Other business services	3,314	3,488	4,058	16.3
<i>Merchanting and other trade-related services</i>	<i>200</i>	<i>188</i>	<i>209</i>	<i>11.2</i>
Merchanting	0	0	0	..
Other	200	188	209	11.2
<i>Operational leasing services</i>	<i>698</i>	<i>769</i>	<i>836</i>	<i>8.7</i>
<i>Miscellaneous business, professional & technical</i>	<i>2,416</i>	<i>2,531</i>	<i>3,013</i>	<i>19.0</i>
Legal, accounting, management consulting and public relations	280	301	456	51.5
Legal services	130	96	77	-19.8
Accounting, auditing, bookkeeping & tax consulting	102	149	258	73.2

**Table 2: Australia's imports of services
by type of activity (cont'd)
(A\$ million)**

Type of activity	2004-05	2005-06	2006-07	% change
				2005-06 to 2006-07
Business and management consultancy and public relations	48	56	121	116.1
Advertising, market research and public opinion polling	158	191	168	-12.0
Research and development	168	189	129	-31.7
Architectural, engineering and other technical services	530	498	547	9.8
Architectural	4	9	10	11.1
Engineering	339	300	292	-2.7
Surveying (d)	12	np	np	..
Other (d)	175	189	245	29.6
Agricultural, mining and on-site processing	89	162	228	40.7
Waste treatment and depollution (f)	np	np	np	..
Other	89	162	228	40.7
Agricultural (e)	np	np	np	..
Mining (e) (f)	89	162	228	40.7
Other (e)	np	np	np	..
Other	339	398	572	43.7
Manufacturing	11	10	22	120.0
Other	328	388	550	41.8
Other professional services	328	388	550	41.8
Other services nie (a)	np	np	np	..
Services between affiliated enterprises nie	852	792	913	15.3
Personal, cultural and recreational services	1,120	1,080	1,097	1.6
<i>Audiovisual and related services</i>	<i>867</i>	<i>869</i>	<i>918</i>	<i>5.6</i>
Royalties on film, TV programs, video and multimedia (e)	<i>867</i>	<i>869</i>	<i>918</i>	<i>5.6</i>
Theatrical films (cinema)	<i>78</i>	<i>85</i>	<i>96</i>	<i>12.9</i>
Television programmes	<i>610</i>	<i>539</i>	<i>538</i>	<i>-0.2</i>
Video tapes	<i>170</i>	<i>225</i>	<i>235</i>	<i>4.4</i>
Multimedia and other	<i>9</i>	<i>20</i>	<i>48</i>	<i>140.0</i>
<i>Other personal, cultural and recreational services</i>	<i>253</i>	<i>211</i>	<i>179</i>	<i>-15.2</i>
Education	<i>70</i>	<i>89</i>	<i>85</i>	<i>-4.5</i>
Consultancy	<i>8</i>	<i>7</i>	<i>9</i>	<i>28.6</i>
Correspondence courses	<i>0</i>	<i>0</i>	<i>0</i>	<i>..</i>
Services through educational institutions	<i>31</i>	<i>13</i>	<i>8</i>	<i>-38.5</i>
Other education services	<i>31</i>	<i>69</i>	<i>66</i>	<i>-4.3</i>
Health and medical (g)	<i>41</i>	<i>np</i>	<i>np</i>	<i>..</i>
Other	<i>142</i>	<i>122</i>	<i>94</i>	<i>-23.0</i>
Government services nie	760	801	848	5.9
Total Services	39,315	41,078	44,367	8.0
Memorandum items:				
Gross outward insurance premiums payable	1,180	1,216	1,216	0.0
Gross outward insurance claims receivable	694	712	712	0.0

(a) *Communication services* include *Other services nie* for all years. (b) *Postal & courier services* includes *Other services nie* for 2006-07. (c) Education royalties included in *Other royalties* for 2004-05 & 2005-06. (d) *Surveying services* included in *Other Architectural, engineering & other technical services* for 2005-06 & 2006-07 (e) *Agricultural* and *Other Other agricultural, mining & onsite processing* are included in *Mining services* for all years. (f) *Waste treatment and depollution services* are included in *Mining services* for all years. (g) *Other personal, cultural & recreational services* includes *Health and medical* for 2005-06 & 2006-07
np -not published

Source: ABS catalogues 5302.0 and 5368.0.

Table 3: Australia's services trade with China
(A\$ million)

	2004-05	2005-06	2006-07
Total services exports	2,797	3,154	3,604
Total services imports	1,249	1,127	1,162
Balance on services trade	1,548	2,027	2,442
Services exports			
Transportation services	180	212	204
Travel services	2,404	2,745	3,157
Business	200	187	193
Personal	2,204	2,559	2,964
<i>Education-related</i>	1,911	2,234	2,541
<i>Other</i>	292	324	423
Communication services	43	29	31
Construction services	1	np	0
Insurance services	0	0	0
Financial services	0	0	0
Computer & information services	11	np	27
Royalties & licence fees	21	28	26
Other business services	84	63	92
Personal, cultural & recreational services	26	35	39
Government services	28	28	27
Services imports			
Transportation services	491	382	318
Travel services	576	609	704
Business	198	225	241
Personal	378	384	463
<i>Education-related</i>	51	42	55
<i>Other</i>	327	342	408
Communication services	np	19	27
Construction services	0	0	0
Insurance services	0	0	0
Financial services	0	0	0
Computer & information services	np	np	17
Royalties & licence fees	0	np	3
Other business services	99	70	58
Personal, cultural & recreational services	np	25	19
Government services	15	16	17

np - Not published

Source: ABS catalogues 5302.0 and 5368.0.