**Overview of the trade in services methodology**

The Central Bank of Bosnia and Herzegovina (hereinafter the CBBH), according to the Law on the CBBH, BH Statistics Law and according to the Memorandum signed with BH Agency for Statistics, and in line with Statistical Programme of Bosnia and Herzegovina, is the institution in charge of compiling and disseminating External Sector Statistics for Bosnia and Herzegovina (BH). On annual basis, within that responsibility on the CBBH compiles and disseminates trade in services statistics. Regular revision of previously published data is done in accordance with the Eurostat revision policy that instructs revision of two years backward statistics together with compilation of statistics for the previous year. Additionally, data are also revised for even longer data series in the case new statistical standards and concepts are introduced or major changes in methodology are made.

Compilation and dissemination of services is done according to the Extended Balance of Payments Services Classification (EBOPS 2010), which provides a breakdown of the Balance of Payments Trade in Services item (debit and credit) as defined in Balance of Payments and International Investment Position Manual (BPM6), by types of services. The classification thereby meets a number of user requirements, including the provision of more detailed information on Trade in services as required in connection with the General Agreement on Trade in Services (GATS).

In the CBBH external statistics compilation, four primary ways of compiling data are used, and these are as follows:

* Direct surveys (survey on direct investments, survey on trade credits and advance payments, resident transport operator services, insurance and reinsurance services, postal and telecommunication services, manufacturing services on physical inputs owned by others.)
* Statistical and administrative sources of data: statistical institution on state level (Agency for Statistics of BH-BHAS) and Entities statistics institutes (Institute for Statistics of Federation of BH, Republika Srpska Institute of Statistics), various BH state ministries, Entities pension funds, statistical bureaus of the countries from the region, embassies and international organizations in BH, and publications of the ECB, the Bank for International Settlements (BIS), OECD, European Union Force (EUFOR) and MTOs.
* Statistics compiled in the CBBH (statistics of monetary and financial sector, government finance statistics and from departments for: banking, cash management, monitoring and analyses and accounting)
* ITRS (International Transactions Recording System) – reports of resident commercial banks on the payment and receipts transactions performed by banks for their clients towards non-residents. Resident deposit taking corporations (DTC) report as aggregated amounts on all operations (payment/receipts) which are carried out between residents and non–residents on behalf of their clients. The DTC report consists of aggregated monthly data by service categories, but not individual data of clients.

Conceptual Framework: The time of recording of service transaction entries is the time at which the service is delivered (for more details see the paragraph 3.47, BPM6). EBOPS 2010 is a primarily product-based classification of types of services, however, the classification also includes transactor-based criteria (for example, Travel, Construction and Government goods and services). The classifications cover cross-border services provided to other countries and services rendered from other countries categorised in twelve main service components as follows:

## Manufacturing services on physical inputs owned by others

Manufacturing services on physical inputs owned by others cover processing, assembly, labelling, packing, and so forth undertaken by enterprises that do not own the goods concerned.

Data are collected annually through surveys conducted on all enterprises. The list of companies engaged in the processing of goods owned by non-residents is provided by customs.

## Maintenance and repair services not included elsewhere (n.i.e.)

Maintenance and repair services, n.i.e., cover maintenance and repair work by residents on goods that are owned by non-residents (and vice versa). The repairs may be performed at the site of the repairer or elsewhere. Repairs and maintenance on ships, aircraft, and other transport equipment are included in this item.

Data on maintenance and repair services are obtained from the ITRS survey and from the annual survey of resident transport operators.

## Transport

Transportation services are classified based on mode of transportation (sea, air, or other, which is further broken down into rail, road, inland waterway, pipeline, and space transport as well as electricity transmission) and based on the type of transported goods (passenger, freight and other). Postal and courier services are included in this category, as well.

As the data for statistics of international trade in goods are provided by the Agency for Statistics of BH (BHAS), namely c.i.f. for import and f.o.b. parity for export of goods, for BoP purposes import data should be adjusted to f.o.b. parity and it is done in the CBBH.

* **Sea transport -** covers all international freight and passenger transport services undertaken by maritime vessels, except cruise fares (included in travel). The main data source is ITRS survey.
* **Air transport-** Air transport covers all international freight and passenger transport services provided by aircraft. It includes: fares and other expenditure related to the carriage of passengers by airplanes, including any taxes levied on passenger services, as well as, rental services of passenger and freight aircraft, transportation of letters and parcels by air, scheduled or non-scheduled, on behalf of postal and courier services, airport operation services, air traffic control services, salvage services and other supporting services related to air transport. For passenger component data sources are: foreign tourist arrivals by country of residence (BHAS) multiplied with average ticket price (taking into account only one domestic carrier) adding tax receivable and for debit side number of embarked resident passengers multiplied with average ticket price adding total tax payable. Data source for freight component of air transport is ITRS while other air transport consists of data on over flights above BH (BHANSA) and data collected from BH airports such as air traffic control services, salvage services and other supporting services related to air transport.
* **Other modes of transport-** Other modes of transport include space transport, rail, road and inland waterway, pipeline transport and electricity transmission, as well as other supporting and auxiliary transport services covers all other transport services that cannot be allocated to any of the components of transport services previously described. The values of these services are collected through survey on resident transport operators’ and ITRS except data on electricity transmission that are collected form Independent System Operator (NOS) and data on cargo handling which are collected from BH airports.

### Postal and courier services- covers the pickup, transport and delivery of letters, newspapers, periodicals, brochures, other printed matter, parcels and packages. It also includes post office counter services, such as sales of stamps, poste restante services and telegram services and mailbox rental services. Data are collected quarterly by direct survey of Postal and Telecommunications services. This survey covers entire concerned population.

## Travel

Travel represents income from goods and services delivered to foreign travellers and tourists, expenditures for goods and services of domestic travellers and tourists in foreign countries. The basic division of travel is by purpose of travel - business and private.

The data sources are: BHAS (data on foreign tourists’ arrivals and nights spent presented by country of residence and data on air cross-border traffic of domestics and foreign passengers), Institute for Statistics of Federation of BH (data on number of foreign tourist nights spent are presented separately as private and business travel), Ministry of Communications and Transport (total number of passengers transported, as well as total number of flights through domestic airports, and number of passengers transported by domestic and foreign aircrafts), Service for Foreign Affairs (foreign students in BH), web site of famous tourist destination Međugorje (number of visitors), and data available on other websites and publications relevant for this topic. For the debit side the main source of data is the ITRS, crosschecked with mirror statistics for BH tourists collected from publications and official websites of statistical institutions of neighbouring countries (Croatia, Serbia, Slovenia and Montenegro) and Turkey. An estimate of the average daily consumption of tourists is done within CBBH. Also, unregistered tourists arrivals and departures are estimated.

## Construction

Construction Services – include construction, reconstruction, repair or upgrade of fixed assets in the form of buildings, land improvement and other, such as building of roads, bridges, water-gates and similar. Data sources are: BHAS, ITRS and military and international organizations located in BH.

## Insurance and pension services

These services include services of providing life insurance and annuities, non-life insurance, reinsurance, freight insurance, pensions, standardized guarantees, and auxiliary services to insurance, pension schemes, and standardized insurance schemes. Values of insurance and pension services for credit are obtained by direct survey of all resident insurance and reinsurance companies, while the debit side is compiled using the ITRS survey with the exception of freight insurance. Data source for freight insurance which is component of direct insurance is the survey on trade credits and advanced payments (data primarily collected for c.i.f. – f.o.b. adjustment).

## Financial services

Financial services cover financial intermediary and auxiliary services provided by banks and other financial corporations. These include deposit taking and lending, letters of credit, credit card services, commissions and charges related to financial leasing, factoring, underwriting and clearing of payments. Financial services are divided into: explicitly charged and other financial services and financial intermediation service charges indirectly measured (FISIM). Data sources are: ITRS, DI survey, Monetary and Financial Statistics, BIS report, and CBBH data on external debt of Government Sector.

## Charges for the use of intellectual property, n.i.e.

Charges for the use of intellectual property, n.i.e., include charges for the use of property rights (such as patent, trademarks, copyrights, industrial processes and designs including business secrets, franchises). The ITRS is the main source of these data.

## Telecommunications, computer, and information services

Computer and telecommunication services are defined in terms of the nature of the service, not the method of delivery. Only amounts payable/receivable for transmission should be included and not the content of transmission. Telecommunications services covers the broadcast or transmission of sound, images, data, or other information by telephone, telex, telegram, radio and television cable transmission, radio and television satellite, electronic mail, facsimile, etc., and includes business network services, teleconferencing and support services. Also included are mobile telecommunications services, internet backbone services and online access services, including access to the internet. Data are collected by direct survey of postal and telecommunications operators. Computer services consists of hardware and software-related services and data processing services. Information services is divided into news agency services and other information services. The first includes the provision of news, photographs and feature articles to the media while other information services includes database services, such as database conception, data storage, and the dissemination of data and databases (including directories and mailing lists), etc. Computer services are collected from an administrative source while information services are collected through ITRS.

## Other business services

Other business services include Research and development services; Professional and management consulting services; Technical, trade-related and other business services. ITRS is the main data source for both credit and debit side as well as for geographical (GEO) presentation of the data.

## Personal, cultural and recreational services

Personal, cultural, and recreational services comprises two sub-components, audio-visual and related services and other personal, cultural, and recreational services. Audio-visual and related services cover services associated with audio-visual activities (movies, music, radio and television), as well as services relating to the performing arts. Other personal, cultural, and recreational services are divided into four components: health services, education services, heritage and recreational services and other personal services. Combination of sources is used, for the audio-visual service component data are collected by direct survey of postal and telecommunications operators while for the rest of the services ITRS is used.

## Government goods and services, n.i.e

Government goods and services, n.i.e, cover: goods and services supplied by and to enclaves, such as embassies and military bases; goods and services acquired from the host economy by diplomats, consular staff and military personnel located abroad as well as services supplied by and to governments and not included in other categories. EBOPS 2010 recommends further breakdown of these services into: embassies and consulates, military units and agencies and to other government goods and services, n.i.e. As already said, this breakdown is based on the transactor, that is, the government unit undertaking the transaction, rather than on the type of transaction. Data source for imports of government goods and services, n.i.e., is the BH Ministry of Foreign Affairs. Credit side of these services is estimated based on number of foreign governments (embassies and international civil and military units) present in BH territory and their expenditures in BH.