

NORTHERN IRELAND INTERNATIONAL TRADE IN SERVICES – NEW PERSPECTIVES

Amanda Alexander, Analytical Services, Department for the Economy

November 2018

Summary

In the context of establishing trade agreements post EU Exit, further information was needed on the flow of Northern Ireland services exports and imports to facilitate estimates of potential impacts, the identification of opportunities and to add to the understanding of the characteristics of those businesses currently affected.

Currently information on NI services is collected by two surveys.

- The International Trade in Services (ITIS) survey is the main source of UK services trade data, although it is important to note that it does not cover the whole of the UK services economy. The travel, transport and banking industries are not covered by the ITIS survey, as these data are obtained from other sources. ITIS is a trade-specific survey aimed at producing detailed UK-level estimates for the industries it covers. ITIS data contains services export and import estimates by individual country and the nature of the service, however details of the characteristics of the businesses involved are limited.
- The Northern Ireland Annual Business Inquiry (ABI) which covers all industry sectors (apart from the financial sector and farm businesses), samples a larger number of NI companies than ITIS. It includes a “Broad Economy Sales and Exports (BESES)” measure which provides a single comprehensive measure of business exports and external sales (including to Great Britain) of both goods and services. Although a considerable amount of information is collected on the ABI, the information on services collected is total sales at a broad country level (Ireland, EU, rest of the world) and no information is collected on the types of service products exported or imported.

In the context of Northern Ireland, individually, the ITIS or BESES alone are limited in looking at the import and export of services products and the characteristics of associated businesses. It was hoped that linking businesses between both sources would work to maximise the analytical utility of both and, on that basis, a subsample of the 2015 ITIS for Northern Ireland and BESES data were compared, linked and analysed. It is important to note that the subsample of ITIS is unweighted data (i.e. a set of returns), whereas the BESES data is weighted to represent the whole NI economy.

In comparing the BESES and the NI subsample of ITIS services data, it was readily apparent that differences in the sampling methodologies of the BESES and ITIS and the offset in timing impacted on the quality and coherence of the two sources. The subsample of ITIS contains 378 businesses that exported services, representing one tenth of the BESES figure and accounting for 59.0% of the value of services exported on BESES. Similarly, 255 businesses were reported as importing services in the ITIS subsample, 8.9% of the BESES figure, with the value of services imported 53.8% of the BESES figure. The differential between services outcomes in the ITIS subsample and BESES is largely accounted for by fewer micro/small (0-49) and large (250+) businesses in the ITIS subsample and fewer businesses exporting to Ireland for both imports and exports of services in the ITIS subsample. In short, the differences between the two sources meant that it was not possible to fully merge the two. The most appropriate way to proceed in attempting to maximise the value of both data sources, was to treat the ITIS subsample data as the universe on a 'known services' basis. It is important to note that this analysis is using an unweighted subsample of data from ITIS, and therefore it is not representative of the whole economy. BESES data by contrast is weighted to reflect the whole economy. Linkage to the BESES data was used to provide missing and further business characteristics from BESES with the Inter Departmental Business Register (IDBR) data used to fill any further gaps. On that basis, a fuller and more detailed analytical picture of services exports and imports, albeit firmly based on the coverage of the ITIS subsample for NI, was made possible.

That analysis indicated that:

- In 2015 services exports to the rest of the World represented 61.7% of the total value of service exports, with 20.6% to Ireland and 17.7% to rest of the EU. The largest proportion of services imports originated from countries outside of the EU (52.7%).
- The largest value of services exports by broad category was Telecommunications, Computer and Information Services (£223.6m) with that largely being exported to the rest of the World. The largest value of service exports to Ireland by broad category was Construction services (£62.6m), however in ITIS this includes any goods and services that are purchased in order to complete construction. Telecommunications, Computer and Information Services (£36.7m) were the largest broad service category exported to the rest of the EU.
- Large businesses with 250 or more employees accounted for the single highest value of service exports (£448.1m).
- In terms of the industrial sectors in which businesses worked, businesses in the Information and communication sector had the highest value of service exports (£405.9m) followed by the Professional, scientific and technical activities sector (£239.5m) which also imported the highest value of services (£81.7m).

Background

In the context of establishing trade agreements post EU Exit, further information was needed on the flow of NI services exports and imports to facilitate estimates of the potential impact and characteristics of those businesses affected.

Currently information on NI services is collected by two surveys:

1. The International Trade in Services (ITIS) survey is the main source of UK services trade data, however it is important to note that the survey does not cover the whole of the UK services economy. The travel, transport and banking sectors of the economy are not covered by the ITIS survey, as these data are obtained from other sources. ITIS is a trade-specific survey aimed at producing detailed UK-level estimates for the industries it covers. Based on the 2015 estimates, the ITIS data contributed approximately 55% and 43% respectively to the total trade in services export and import estimates for the whole of the UK. ITIS data contains services export and import estimates by individual country and the nature of the service, however details of the characteristics of the businesses involved are limited.
2. The Northern Ireland Annual Business Inquiry (ABI) which covers all industry sectors (apart from the financial sector and farm businesses) includes a “Broad Economy Sales and Exports (BESES)” measure which provides a single comprehensive measure of business exports and external sales (including to Great Britain) of both goods and services. NISRA subsequently published initial estimates of ‘broad economy’ sales and exports by industry sector in March 2015 (BESES). Although a considerable amount of information regarding businesses is collected, the information on services collected from BESES is at a broad country level (Ireland, EU, rest of the world) and is not disaggregated by the type of service product.

For this specific analysis using either ITIS or BESES alone to look at the import and export of services products and the characteristics of associated businesses has its limitations. However linking the databases might fill in the gaps. On this basis, the linkage of the Northern Ireland subsample of the 2015 ITIS and BESES was carried out.

Whilst both survey samples are designed from the Inter-Departmental Business Register (IDBR), there are differences in the sampling methodologies of the ABI and ITIS, they also differ with an offset in the sampling time frames which potentially has an impact on the quality and coherence of the linkage in terms of differences potentially driven by information collected at different times (further details can be found in Annex A).

This summary work condenses the outcome of an exploratory project linking a subsample of ITIS for NI and BESES to uncover if it enables the provision of additional detailed economic information within the wider context of the EU Exit and its impact for the province.

Comparing the Characteristics of businesses in the NI subsample of International Trade in Services survey data to the Broad Economy Sales and Exports Statistics

It is important to note in these comparisons that the subsample of ITIS is unweighted data (i.e. a set of returns), whereas the BESES data is weighted to represent the whole NI economy.

The first stage was to compare the broad outcomes reported by both the subsample of ITIS and BESES. The 2015 achieved ITIS subsample for NI consisted of 413 businesses. Of those 413 businesses, 378 exported services, 9.7% of the BESES figure, however the value of services exported reported in the ITIS subsample equates to 59.0% of the value of exports on BESES. Similarly, 255 businesses were reported as importing services in the IT IS subsample, 8.9% of the BESES figure, with the value of services imported reported as £333.1m, 53.8% of the BESES figure (Table 1).

The coverage of the ITIS subsample in NI (59% Exports, 53.8% Imports) is higher than the estimated figures for the whole of the UK (55% Exports, 43% Imports). On that basis, the IT IS subsample captures more overall NI trade in services compared to the UK.

Table 1: Number and value of 2015 Services exports and imports

	ITIS		BESES		ITIS/BESES	
	Count	(£m's)	Count	(£m's)	% of Count	% of Value
Exports of Services	378	937.8	3,901	1,588.5	9.7%	59.0%
Imports of Services	255	333.1	2,851	618.7	8.9%	53.8%

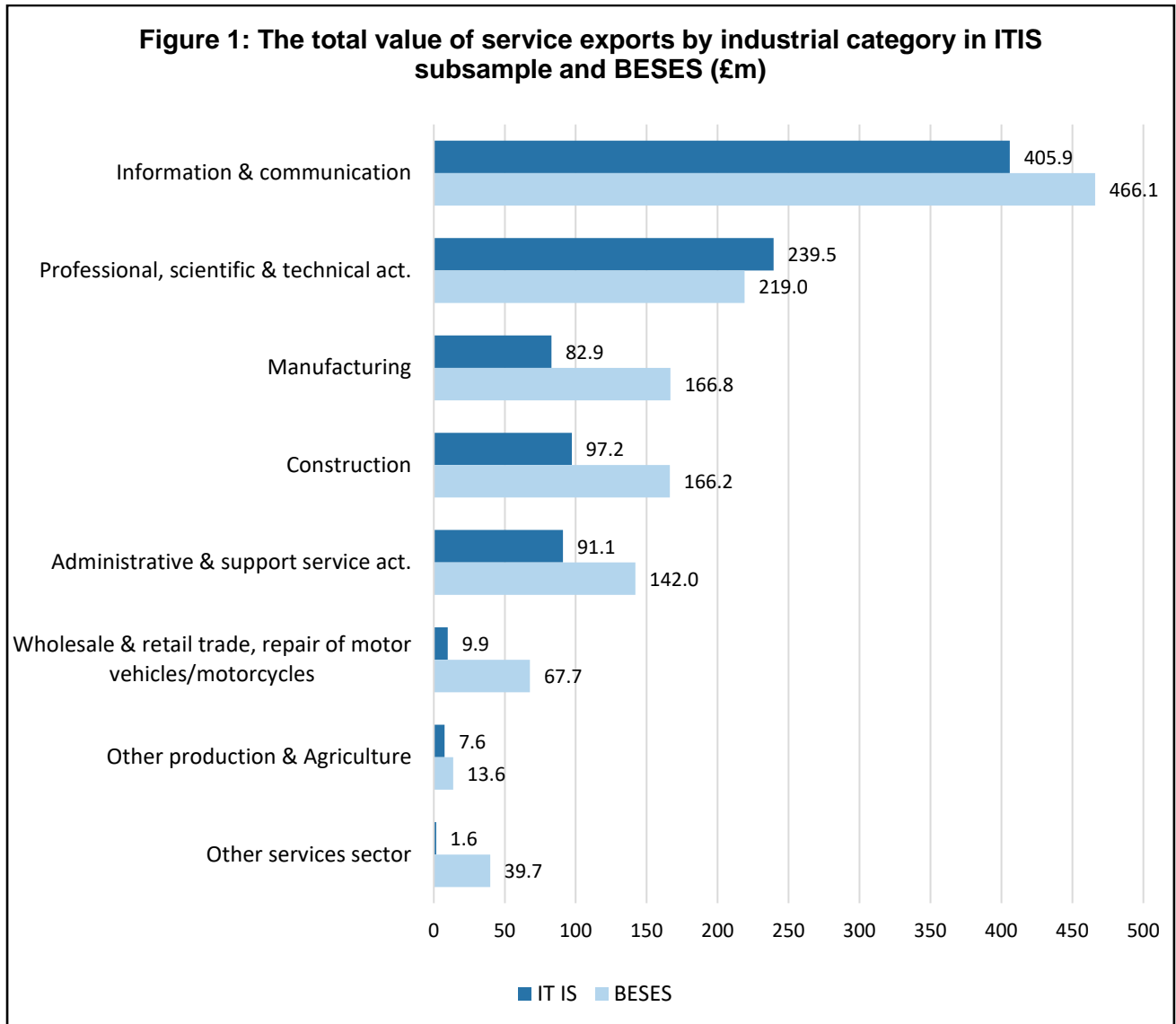
ITIS is not grossed to population/BESES is grossed to the population.

Due to the differences in the coverage of ITIS and BESES the following comparison sections only include Industrial sectors covered by both surveys. In terms of sectoral coverage, BESES excludes the financial services sector and Public Administration and Defence, while within Agriculture, Forestry and Fishing sector farming is excluded. Local authority and central Government bodies in Education and Human Health and Social Work Activities have also been excluded, as has Medical and Dental Practice Activities.

The ITIS survey excludes banking and other financial institutions, travel, transport, higher education, charities and most activities within the legal profession.

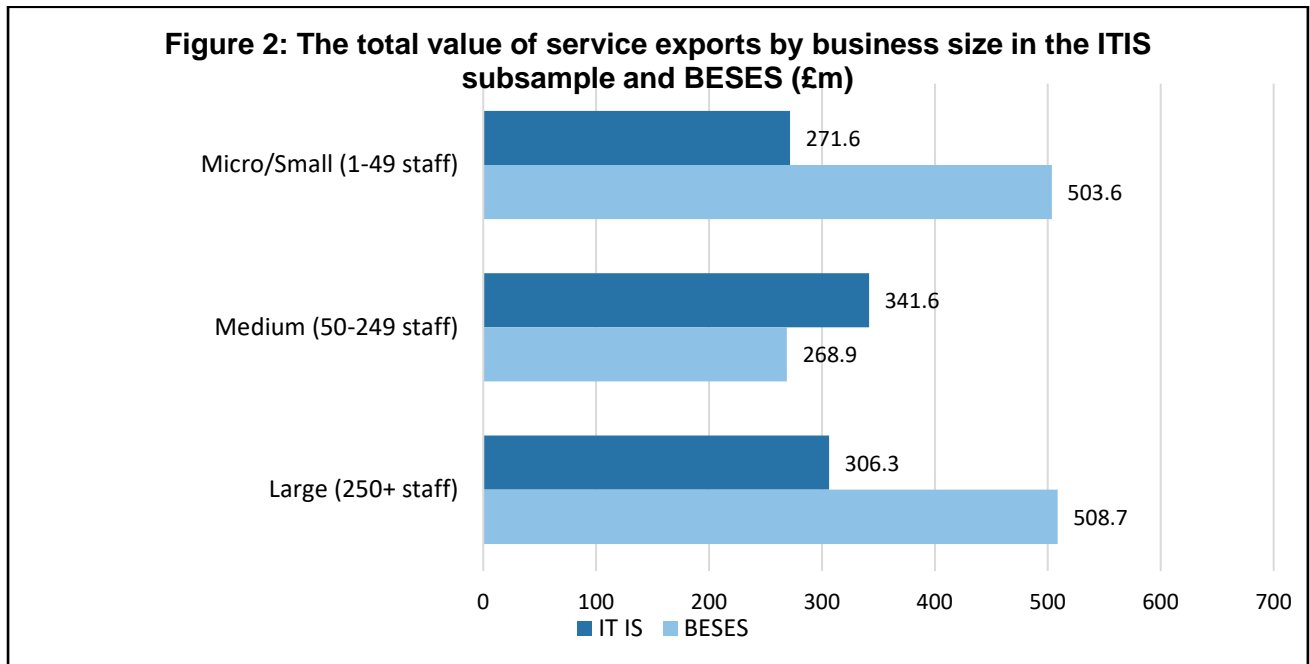
Comparing Exports of Services

In 2015 on BESES and in the ITIS subsample, businesses in the Information and Communication sector made up the largest proportion of the total value of service exports, however in BESES this only accounts for 36.2% of the value of service exports compared to 43.4% of ITIS subsample (Figure 1, Annex B Table B1). Businesses in the Professional, scientific and technical activities sector had the second highest value of service exports.

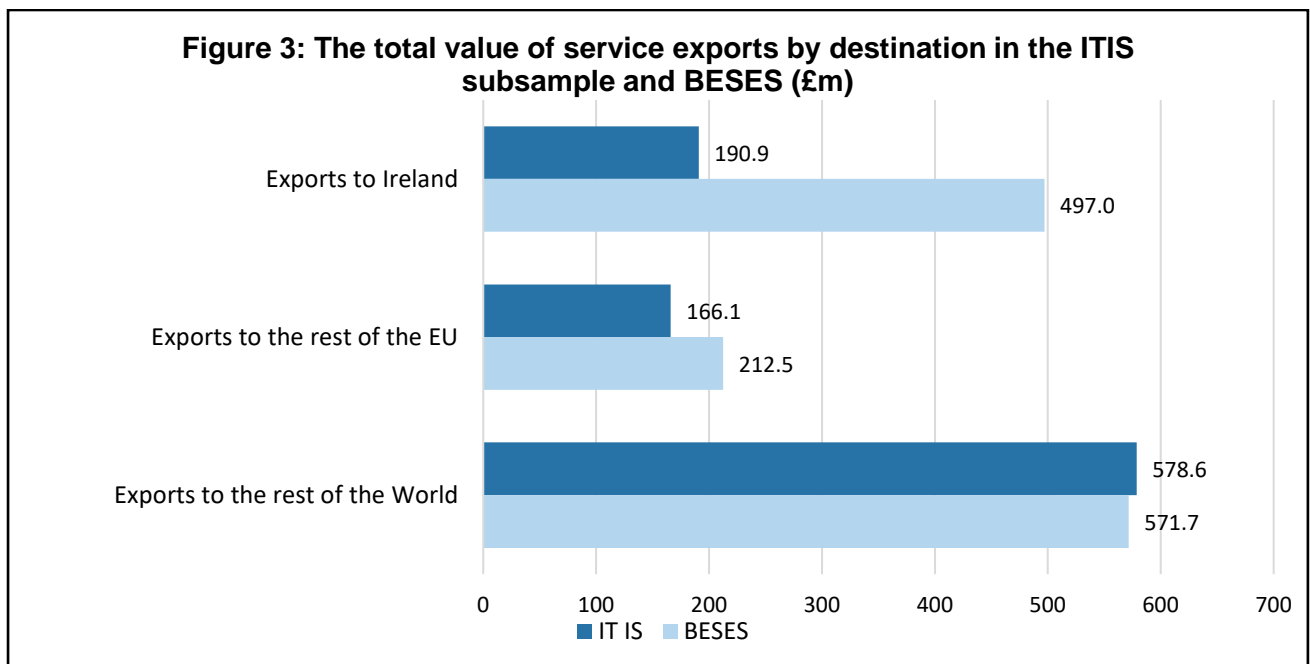


ITIS data is a subsample of the UK data and is not grossed to population/BESES is grossed to the population. Industrial categories are derived from the Standard Industrial Classification of Economic Activities (SIC) – Other production & Agriculture is made up of sections A, B, D, E; Other services sector is the aggregate of sections H, I, K, L, P, Q, R, S.

Figure 2 and 3 show the breakdown in business size and the broad country destination of service exports. The differential between the ITIS subsample and BESES is largely accounted for by micro/small (1-49) and large (250+) businesses and businesses exporting to Ireland, this is consistent with additional analyses that shows that BESES micro-exporters sell almost exclusively to ROI. These micro-businesses are large in number but with small values of trade. (Annex B Table B2 and B3)



ITIS data is a subsample of the UK data and is not grossed to population/BESES is grossed to the population.

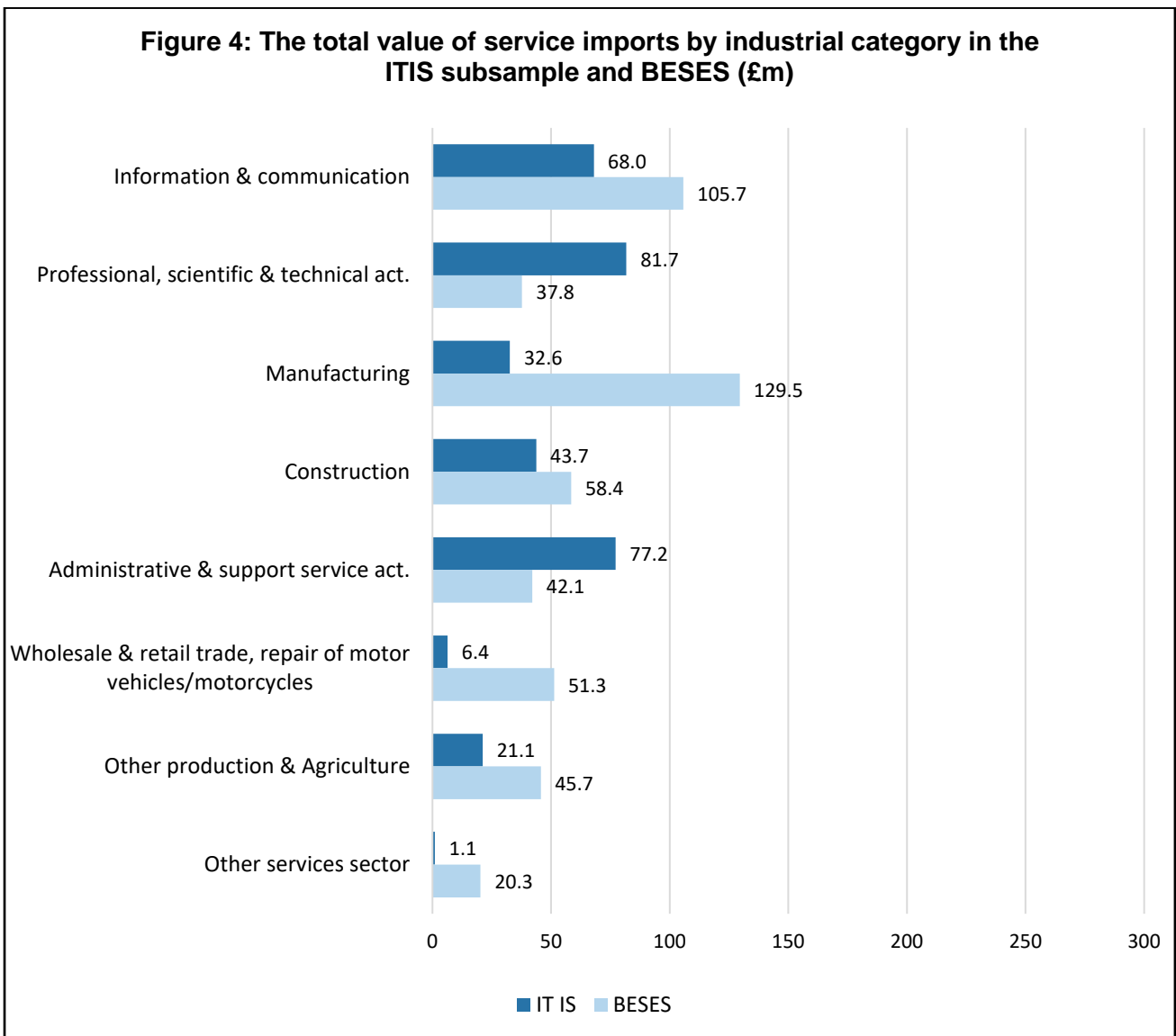


ITIS data is a subsample of the UK data and is not grossed to population/BESES is grossed to the population.

Comparing Imports of Services

255 businesses were reported as importing services in the ITIS subsample in 2015, 8.9% of the BESES figure (2,851), with the value of services imported reported as £333.1m, 53.8% of the BESES figure (Table 1).

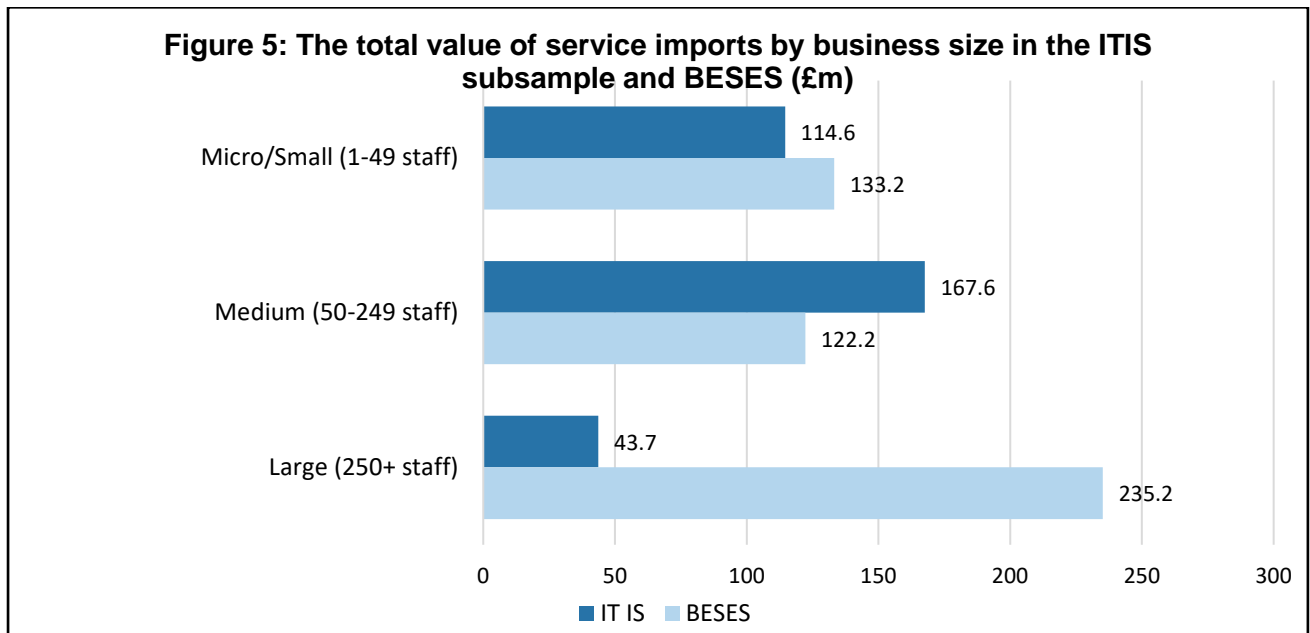
In the ITIS subsample, businesses in the Professional, scientific and technical activities and Administrative and support service activities had the highest value of service imports, however on BESES, the Manufacturing and Information and Communication industrial sector had the highest value of service imports. (Figure 4; Annex B Table B4).



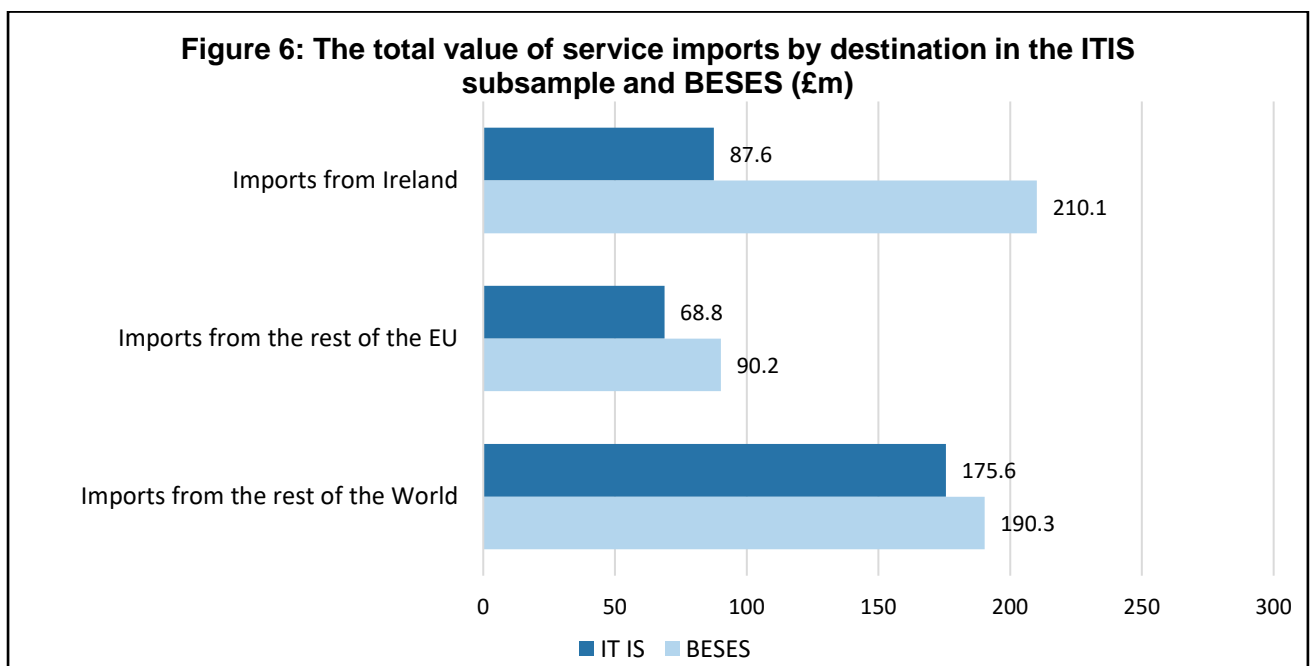
ITIS data is a subsample of the UK data and is not grossed to population/BESES is grossed to the population.

Figure 5 and 6 show the breakdown in business size and broad country of origin of service imports. Corresponding to service exports the differential between the ITIS subsample and BESES is largely accounted for by large (250+) businesses and to a lesser extent businesses importing from Ireland.

Medium sized businesses with 50-249 staff are over represented in the ITIS subsample (Annex B Table B5 and B6).



ITIS data is a subsample of the UK data and is not grossed to population/BESES is grossed to the population.



ITIS data is a subsample of the UK data and is not grossed to population/BESES is grossed to the population.

Linking ITIS to BESES

The 2015 achieved ITIS subsample for NI consisted of 413 businesses, 362 of these linked to BESES when using the Reporting Unit Reference number, a linkage rate of 87.7%. Non linkage can be attributed to differences in sampling and the offset in the time that the samples were drawn.

Four in five of the businesses in the ITIS subsample had export data on both ITIS and BESES, however only 50 of these business reported exactly the same value of service exports on both, with a total difference of £131.9m for the remaining 290 businesses.

Over half of businesses had import data on both databases. Only 14 businesses reported the same value of imports of services in the ITIS subsample and BESES. For the remaining 241 businesses there is a difference of £100.2m between the total value reported in ITIS subsample and BESES.

Conclusions of the data comparison and linkage exercises

- The differential in values reported between the ITIS subsample and BESES for both services exports and imports is largely accounted for by micro/small (1-49) and large (250+) businesses and to a lesser extent businesses importing from Ireland.
- The differential in micro/small (1-49) businesses is accounted for by differences in the sampling methodologies. ITIS samples businesses with 10 or more employees in NI and so its coverage of micro businesses is very limited. BESES does sample micro-businesses and likely provides a more complete picture. Additional analyses has shown that BESES micro-exporters sell almost exclusively to ROI. These micro-businesses are large in number but with small values of trade.
- Exports to more distant destinations tend to be by the bigger businesses and thus are captured by both surveys – hence the better alignment of estimates.
- Businesses with the largest differences in values reported were identified and examined however there did not appear to be a consistent explanation, rather, the largest differences tended to reflect methodological differences inherent in either the ITIS or BESES methodologies.
- From this analysis we can infer that the coverage of importers in the ITIS subsample is likely to underestimate the value of service import for NI.
- The differences between the ITIS subsample and BESES in terms of export and import values and business numbers are so significant that, effectively, the ability to use one source to apportion the values or to provide a basis for modelling or imputing the estimates of another is not a viable option.

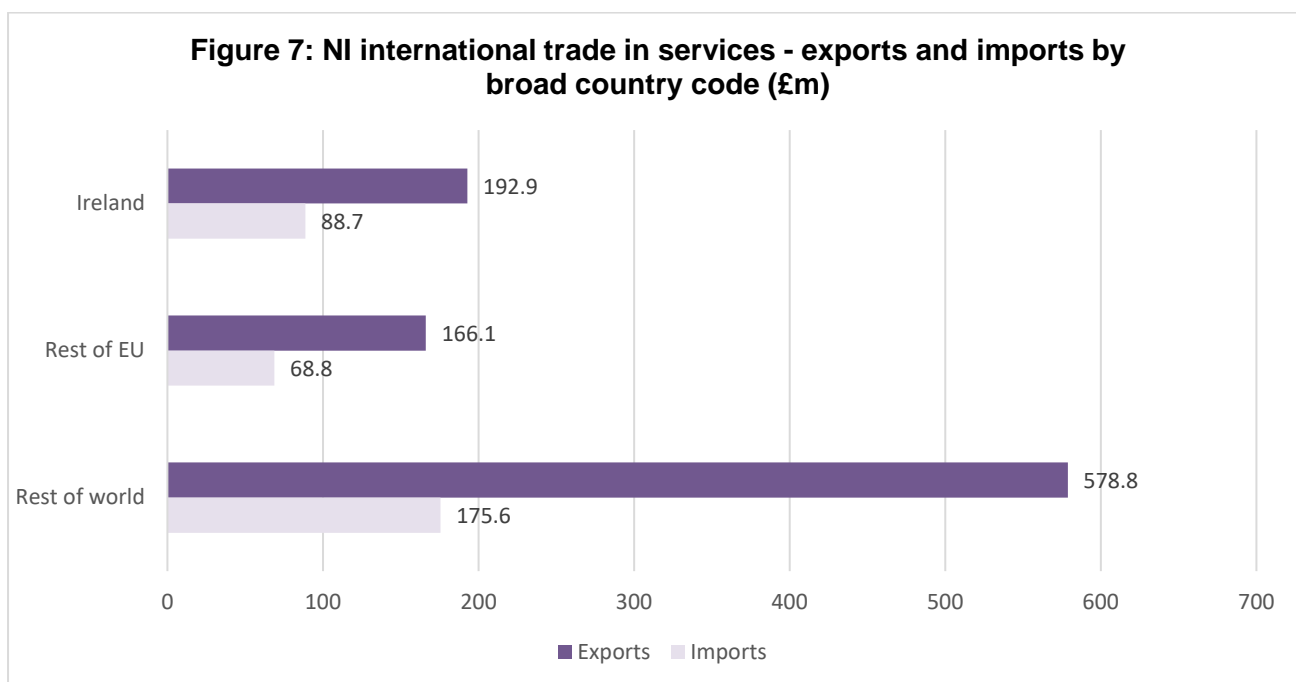
The way forward

Methodology

Given the discrepancies between the ITIS subsample and BESES in terms of values reported and business numbers covered, the most appropriate way to proceed is to treat the ITIS subsample data for NI as the universe, linking business characteristics from BESES, with IDBR data used to fill missing gaps in the business demographic details. The figures are unweighted.

Destination of exports and origin of imports of services

Figure 7, shows the value of service¹ exports and imports to Ireland, the rest of the EU and the rest of the World in 2015. For these businesses there is a trade surplus in services to all areas. In 2015 the service exports to the rest of the world represented 61.7% of the total value of service exports, with 20.6% to Ireland, which is larger than the export of services to the rest of the EU combined (17.7%). The largest proportion of service imports originated from countries outside of the EU (52.7%) (Figure 7, Annex B Table B7).

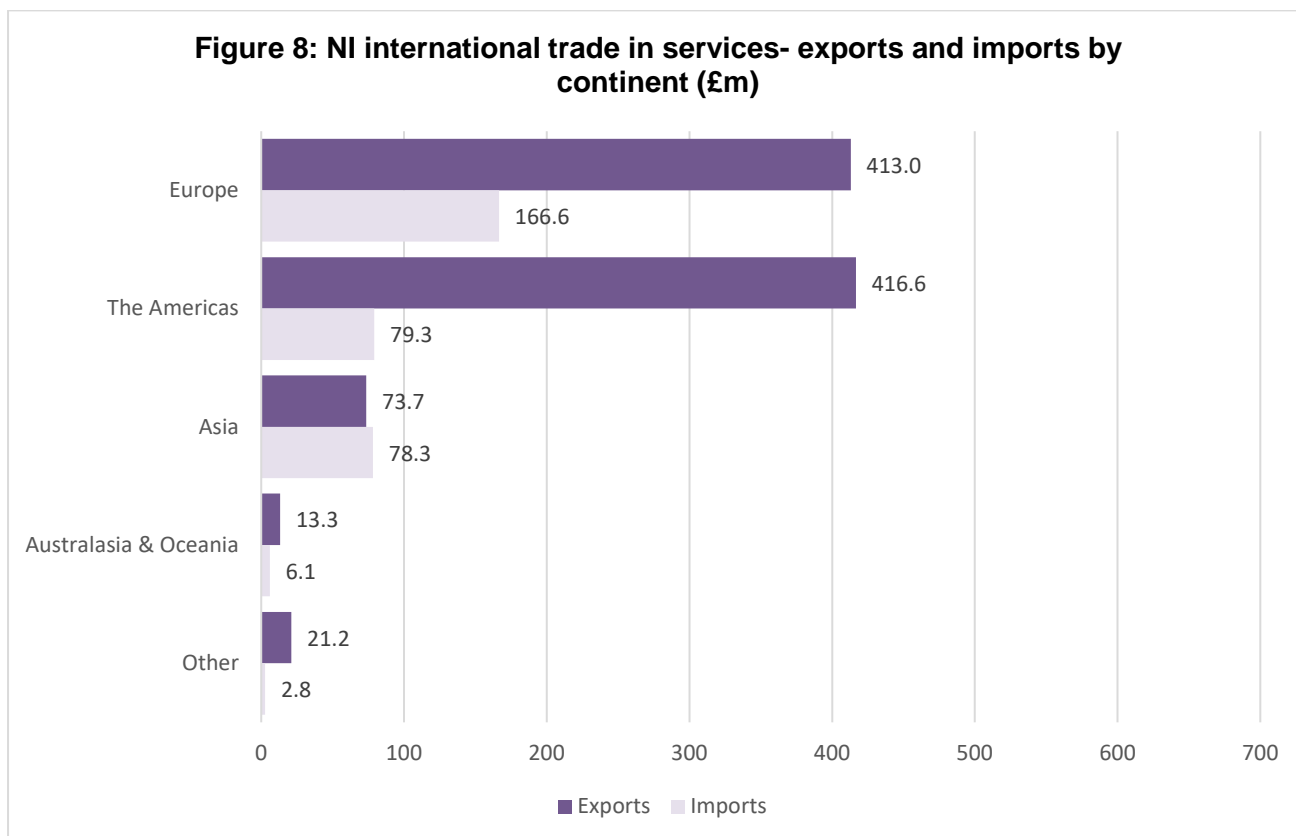


Data is unweighted and unrounded

¹ Services excluding travel, transport and banking

Similar proportions of services were exported to Europe and the Americas. Combined these accounted for 90% of the services exported from NI (Figure 8, Annex B Table B8).

The largest value of services imported were from Europe, followed by similar proportions being imported from the Americas and Asia (Figure 8, Annex B Table B8).



Data is unweighted and unrounded

On an individual country basis, the largest proportion of the total value of services exported were to the United States (43%), followed by Ireland (20.6%), with the top 10 countries accounting for 83.6% of total value of service exports.

For service imports, the largest proportion of the total value of services were imported from Ireland (26.6%), followed by the United States (18.5%), with the top 10 countries accounting for 79.2% of total service imports.

Broad Service Category by destination²

The single largest³ value of broad service export category is in Telecommunications, Computer and Information Services (£223.6m) with that largely being exported to the rest of the World (Table 2). The largest value of service exports to Ireland was Construction services⁴, with Telecommunications, Computer and Information Services being the largest exported to the rest of the EU (Table 2).

Table 2: The Value of 2015 exports by Broad Service category and Broad Destination (£millions)

	Ireland	Rest of EU	Rest of world	Total
	(£m's)	(£m's)	(£m's)	(£m's)
Manufacturing, Maintenance and On-site Processing Services	19.0	12.3	31.3	62.6
Business and Professional Services	23.9	14.1	63.5	101.5
Research & Development (R&D) Services	6.8	2.9	27.5	37.3
Telecommunications, Computer and Information Services	39.3	36.7	147.7	223.6
Construction Services	62.6	30.9	17.4	110.9
Technical and Scientific Services	15.7	28.0	72.1	115.8
<i>Other Trade in Services</i>	25.6	41.1	219.3	286.1
Total	192.9	166.1	578.8	937.8

Data is unweighted and unrounded.

The single largest³ value of imports of broad service category was in Business and Professional Services (£66.1m). The largest value of imports of services from Ireland was Construction services⁴ (Table 3).

Table 3: The Value of 2015 Imports by Broad Service category and Broad Destination (£millions)

	Ireland	Rest of EU	Rest of world	Total
	(£m's)	(£m's)	(£m's)	(£m's)
Manufacturing, Maintenance and On-site Processing Services	8.6	9.2	1.1	18.9
Business and Professional Services	10.0	*	*	66.1
Research & Development (R&D) Services	1.3	*	*	9.4
Telecommunications, Computer and Information Services	7.9	2.4	8.6	19.0
Construction Services	38.7	12.7	0.5	51.9
Technical and Scientific Services	4.7	2.1	0.8	7.6
<i>Other Trade in Services</i>	17.5	17.6	124.9	160.1
Total	88.7	68.8	175.6	333.1

Data is unweighted and unrounded.

* = Cells have been suppressed to protect confidentiality

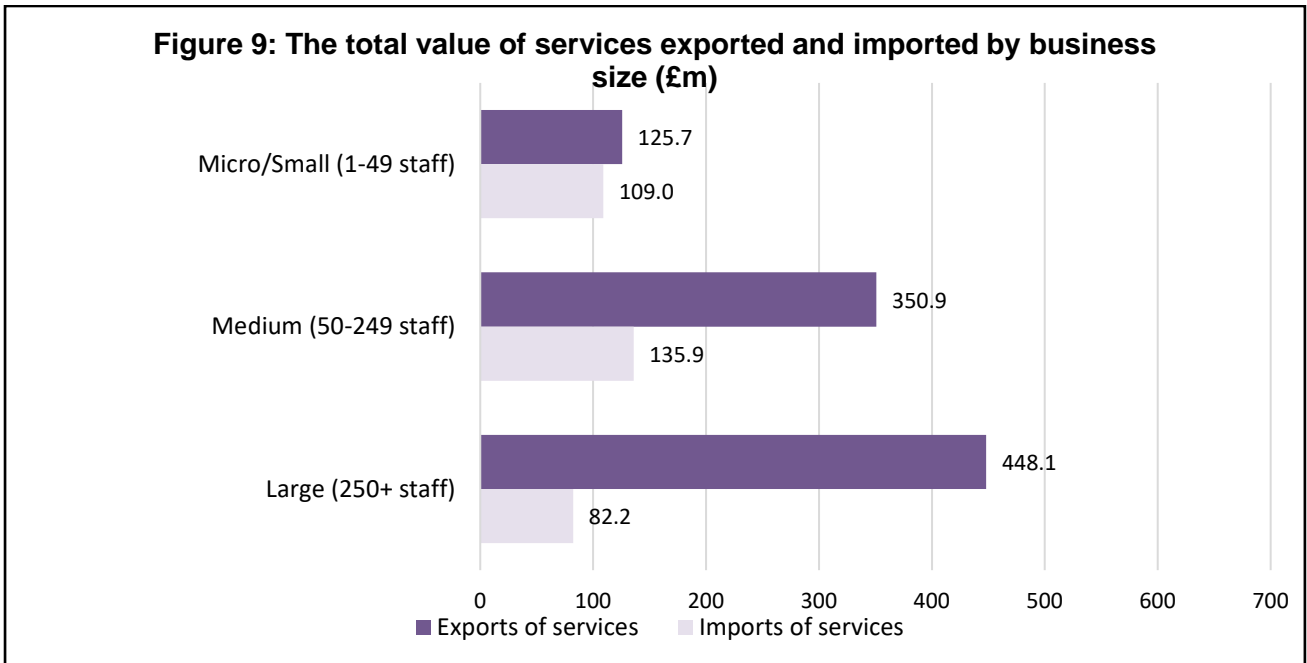
² Details of services included in the Broad Service Categories can be found in Annex C

³ 'Other Trade in Services' is excluded as this is an aggregation of number of small sectors

⁴ ITIS Construction includes goods and services.

Characteristics of the ITIS subsample businesses

Figure 9 (Annex B Table B9) illustrates that just under half (48.5%) of the value of services exports is from large businesses, although these only account for 6.7% of the number of service exporting businesses. Medium sized businesses (50-249 staff) imported the highest value of services, accounting for 41.5% of the total value of services imported and 30.4% of the number of service importing businesses.



Data is unweighted and unrounded

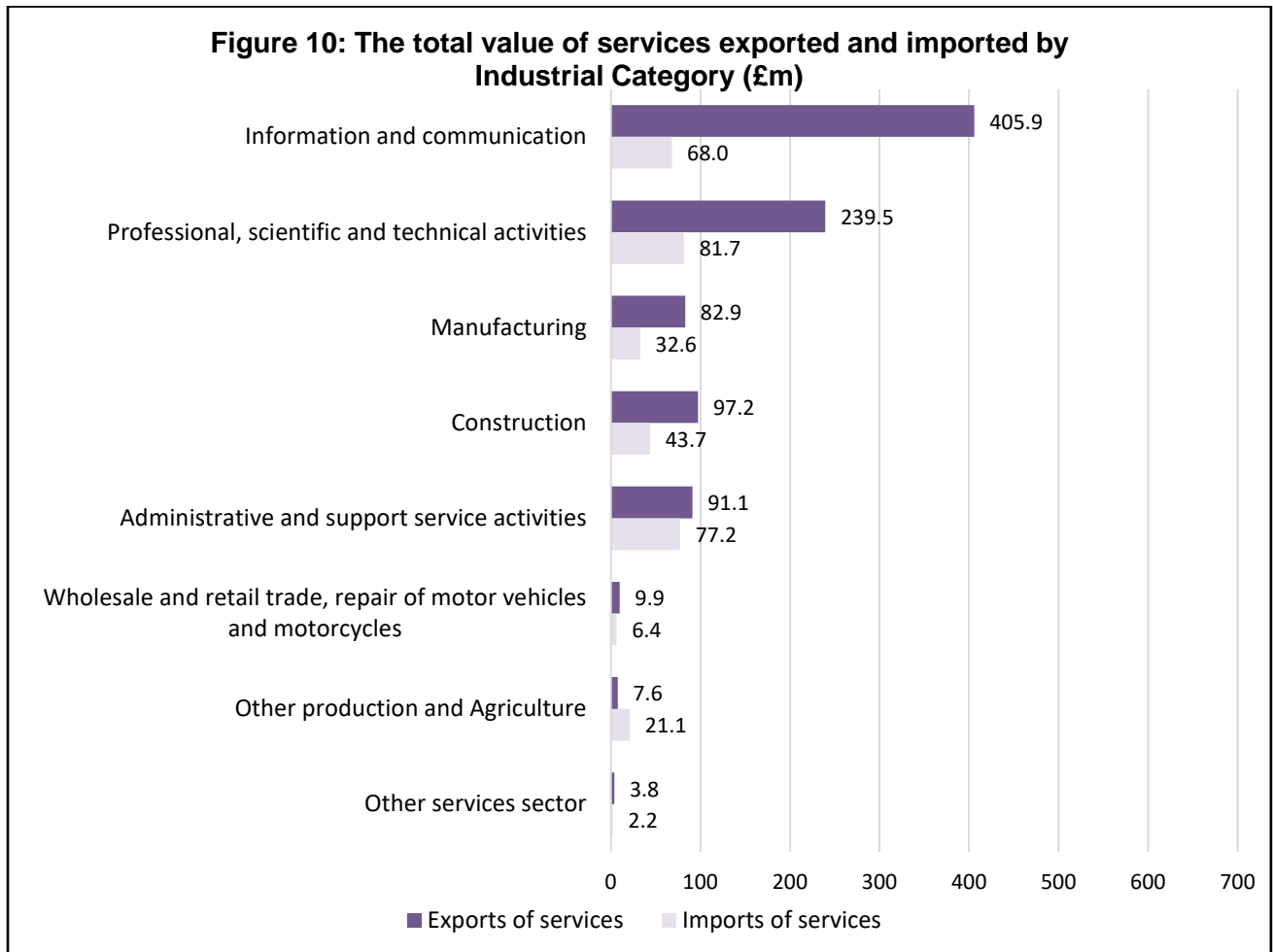
Businesses with turnover greater than £5m accounted for 87% of the total value of service exports and 70.6% of the value of service imports. (Table 4).

Table 4: Number of businesses and value of services exported and imported by annual turnover bands

	Exports of services		Imports of services	
	Count	(£m's)	Count	(£m's)
£0k - £999k	81	31.4	41	71.8
£1m - £4.99m	167	88.0	100	24.4
£5m +	127	805.3	112	230.8
Total	375	924.7	253	327.1

Data is unweighted and unrounded

Businesses in the Information and communication sector had the highest value of service exports (£405.9m) followed by the Professional, scientific and technical activities sector (£239.5m), this sector also imported the highest value of services (£81.7m). (Figure 10, Annex B Table B10).



Industrial categories are derived from the Standard Industrial Classification of Economic Activities (SIC) – Other production & Agriculture is made up of sections A, B, D, E; Other services sector is the aggregate of sections H, I, K, L, P, Q, R, S.

For further information please contact Amanda.Alexander@economy-ni.gov.uk

Annex A

Differences between BESES and ITIS sampling frames

Sampling methodologies

The BESES is an experimental measure, based on an annual survey of local businesses' sales to markets outside Northern Ireland (NI). BESES data is gathered through the Northern Ireland Annual Business Inquiry and has been running since 2011. The ABI surveys all businesses with 50 or more employees; all multi-site businesses with 20-49 employees; all manufacturing businesses with more than 5 employees; and a representative sample of other smaller businesses. In all, the ABI samples about 20% of the eligible business population each year and includes details of sales within NI.

ITIS uses two sampling frames, the Inter-Departmental Business Register (IDBR) and Reference list – the reference list is made up of approximately 5,000 businesses across the whole of the UK, which have been identified as businesses known to conduct trade in services. These businesses are classified on the reference list as either known traders or potential knowns. Businesses are identified through returns they have made on Office for National Statistics (ONS) business surveys such as annual ITIS and on feeder questions on other ONS surveys, that is, Annual Business Survey (ABS). In NI, the Northern Ireland Statistics and Research Agency (NISRA) provide the details of known NI traders to ONS, based on responses to the NI ABI. The ITIS sample is stratified by Standard Industrial Classification: SIC 2007 at 4-digit level and employment and only includes businesses with 10 or more staff.

Annex B

Please note that the BESES data in Tables B1-B6 is made up of only those businesses that match the ITIS sample selection criteria and therefore will not equal the published BESES totals. 'ITIS' in the tables below refers to the unweighted subsample of ITIS for NI.

Comparing service export data

Table B1: Number and value of 2015 service exports by Industrial category of business

Industrial Category	ITIS		BESES		ITIS/BESES	
	Count	(£m's)	Count	(£m's)	% of Count	% of Value
Information and communication	73	405.9	599	466.1	12.2%	87.1%
Professional, scientific and technical activities	109	239.5	1,031	219.0	10.6%	109.4%
Manufacturing	52	82.9	361	166.8	14.4%	49.7%
Construction	59	97.2	386	166.2	15.3%	58.5%
Administrative and support service activities	25	91.1	236	142.0	10.6%	64.1%
Wholesale and retail trade, repair of motor vehicles and motorcycles	32	9.9	447	67.7	7.2%	14.6%
<i>Other production and Agriculture</i>	14	7.6	81	13.6	17.3%	55.5%
<i>Other services sector</i>	7	1.6	285	39.7	2.5%	4.1%
Total	371	935.6	3,427	1281.1	10.8%	73.0%

ITIS is not grossed to population/BESES is grossed to the population.

Industrial categories are derived from the Standard Industrial Classification of Economic Activities (SIC) – Other production & Agriculture is made up of sections A, B, D, E; Other services sector is the aggregate of sections H, I, K, L, P, Q, R, S.

Table B2: Number and value of 2015 service exports by Business size

Business size	ITIS		BESES		ITIS/BESES	
	Count	(£m's)	Count	(£m's)	% of Count	% of Value
Micro/Small (1-49 staff)	265	271.6	3,215	503.6	8.2%	53.9%
Medium (50-249 staff)	80	341.6	164	268.9	48.9%	127.0%
Large (250+ staff)	22	306.3	49	508.7	45.0%	60.2%
Total	367	919.6	3,427	1,281.1	10.7%	71.8%

ITIS is not grossed to population/BESES is grossed to the population.

For some businesses the business size may differ due to differences in the data sources.

Table B3: Number and value of 2015 service exports by broad destination country category

Broad Country Category	ITIS		BESES		ITIS/BESES	
	Count	(£m's)	Count	(£m's)	% of Count	% of Value
Exports to Ireland	318	190.9	2,778	497.0	11.4%	38.4%
Exports to the rest of the EU	94	166.1	686	212.5	13.7%	78.2%
Exports to the rest of the World	110	578.6	758	571.7	14.5%	101.2%

ITIS is not grossed to population/BESES is grossed to the population.

Comparing service import data

Table B4: Number and value of 2015 service imports by Industrial category of business

Industrial category	ITIS		BESES		ITIS/BESES	
	Count	(£m's)	Count	(£m's)	% of Count	% of Value
Information and communication	37	68.0	279	105.7	13.2%	64.4%
Professional, scientific and technical activities	67	81.7	397	37.8	16.9%	216.5%
Manufacturing	38	32.6	433	129.5	8.8%	25.2%
Construction	50	43.7	248	58.4	20.1%	74.9%
Administrative and support service activities	16	77.2	113	42.1	14.2%	183.7%
Wholesale and retail trade, repair of motor vehicles and motorcycles	25	6.4	580	51.3	4.3%	12.5%
<i>Other production and Agriculture</i>	11	21.1	141	45.7	7.8%	46.2%
<i>Other services sector</i>	9	1.1	267	20.3	3.4%	5.3%
Total	253	332.0	2,459	490.7	10.3%	67.7%

ITIS is not grossed to population/BESES is grossed to the population.

Industrial categories are derived from the Standard Industrial Classification of Economic Activities (SIC)
 – Other production & Agriculture is made up of sections A, B, D, E; Other services sector is the aggregate of sections H, I, K, L, P, Q, R, S.

Table B5: Number and value of 2015 service imports by Business size

Business size	ITIS		BESES		ITIS/BESES	
	Count	(£m's)	Count	(£m's)	% of Count	% of Value
Small (10-49 staff)	168	114.6	2,171	133.2	7.7%	86.0%
Medium (50-249 staff)	68	167.6	217	122.2	31.3%	137.1%
Large (250+ staff)	15	43.7	70	235.2	21.4%	18.6%
Total	251	326.0	2459	490.7	10.2%	66.4%

ITIS is not grossed to population/BESES is grossed to the population.

For some businesses the business size may differ due to differences in the data sources.

Table B6: Number and value of 2015 service imports by broad country category

Broad Country Category	ITIS		BESES		ITIS/BESES	
	Count	(£m's)	Count	(£m's)	% of Count	% of Value
Imports from Ireland	215	87.6	1,879	210.1	11.4%	41.7%
Imports from the rest of the EU	101	68.8	913	90.2	11.1%	76.2%
Imports from the rest of the World	83	175.6	535	190.3	15.5%	92.3%

ITIS is not grossed to population/BESES is grossed to the population.

Characteristics of ITIS businesses

Table B7: Value of service exports and imports by Broad Destination (in £m's)

	Exports of services		Imports of services	
	(£m's)	%	(£m's)	%
Ireland	192.9	20.6%	88.7	26.6%
Rest of EU	166.1	17.7%	68.8	20.6%
Rest of world	578.8	61.7%	175.6	52.7%
Total	937.8	100.0%	333.1	100.0%

Data is unweighted and unrounded.
Broad categories based on ITIS questionnaire.

Table B8: Value of services exported and imported by Continent (in £m's)

	Exports of services		Imports of services	
	(£m's)	%	(£m's)	%
Europe	413.0	44.0%	166.6	50.0%
The Americas	416.6	44.4%	79.3	23.8%
Asia	73.7	7.9%	78.3	23.5%
Australasia & Oceania	13.3	1.4%	6.1	1.8%
Other	21.2	1.2%	2.8	0.4%
Total	937.8	100.0%	333.1	100.0%

Data is unweighted and unrounded.
Broad categories based on ITIS questionnaire.

Table B9: Number of businesses and value of services exported and imported by Business size

	Exports of services		Imports of services	
	Count	(£m's)	Count	(£m's)
Micro/Small 0-49	258	125.7	159	109.0
Medium 50-249	92	350.9	77	135.9
Large 250+	25	448.1	17	82.2
Total	375	924.7	253	327.1

Data is unweighted and unrounded

Table B10: Number of businesses and value of services exported and imported by Standard Industrial classification

	Exports of services		Imports of services	
	Count	(£m's)	Count	(£m's)
Information and communication	73	405.9	37	68.0
Professional, scientific and technical activities	109	239.5	67	81.7
Manufacturing	52	82.9	38	32.6
Construction	59	97.2	50	43.7
Administrative and support service activities	25	91.1	16	77.2
Wholesale and retail trade, repair of motor vehicles and motorcycles	32	9.9	25	6.4
<i>Other production and Agriculture</i>	14	7.6	11	21.1
<i>Other services sector</i>	14	3.8	11	2.2
Total	378	937.8	255	333.1

Data is unweighted and unrounded

Industrial categories are derived from the Standard Industrial Classification of Economic Activities (SIC) – Other production & Agriculture is made up of sections A, B, D, E; Other services sector is the aggregate of sections H, I, K, L, P, Q, R, S.

Annex C

Services included in each Broad Service category.

Manufacturing, Maintenance and On-site Processing Services

Waste treatment and depollution services

Manufacturing services on goods owned by others

For imports:

Includes the fees charged by foreign businesses for the processing, assembly, labelling and packing of goods overseas that are owned by your business.

For exports:

Includes services such as processing, assembly, labelling and packing of goods that are owned by another foreign business.

Maintenance and repair services

Excludes the value of parts and material supplied by the repairer, if they are invoiced separately from the charge for the maintenance and repair service.

For imports:

Includes the fees charged by foreign businesses for maintenance and repair work on goods owned by your business.

For exports:

Includes maintenance and repair work on goods that are owned by foreign residents.

Business and Professional Services

Accountancy, auditing, bookkeeping and tax consulting services

Advertising, market research and public opinion polling services

Business management and management consulting services

Includes advisory, guidance and operational assistance services provided to businesses for business policy and strategy and overall planning, structuring and control of an organisation

Public relations services

Recruitment services

Legal services

Operating leasing services

Includes the leasing (rental) and charters without crew of ships, aircraft and transport equipment and operating lease payments relating to other types of equipment without an operator, including computers and telecommunications equipment.

Excludes rental of ships and aircraft with crew and licence payments for the right to use intangible assets, such as software, leasing of telecommunications lines for capacity.

Procurement services

Property management services

Other businesses and professional services

Include, for example: Distribution services related to water, steam, gas and petroleum products; security and investigative services; translation and interpretation; photographic services; building cleaning and real estate services.

Research and Development (R&D) Services

Provision of R&D services

Includes work undertaken on a systematic basis to increase the stock of knowledge, provision of R&D services that are made to order, development of non-customised R&D, commercial research including those relating to electronics, pharmaceuticals, biotechnology and development of operating systems that represent technological advances.

Excludes technical studies, consultancy work, testing and other process/product development activities and sale of intellectual property rights arising from R&D.

Provision of product development and testing activities

Includes testing and other product and process development activities that may give rise to patents. Also includes any other service trade related to R&D not included in 16 above.

Excludes sale of intellectual property rights arising from R&D.

Telecommunications, Computer and Information Services

Postal and courier services

Telecommunication services

Includes the transmission of sound, images or other information by telephone, telex, facsimile or telegram, satellite, e-mail, radio and television broadcasting, business network services, teleconferencing and support facilities, mobile telecommunication services, internet backbone services, internet access and online access services.

Excludes the value of any information transmitted, installation services for telecommunication equipment and database services.

Computer services

Includes computer courses designed for a specific user.

Excludes charges for licences to either reproduce or distribute software, leasing of computers without an operator.

Publishing services

News agency services

Includes provision of news, photographs and feature articles to the media.

Information services

Includes data base services, web search portals and subscription to newspapers and periodicals.

Construction Services

Construction covers the creation, renovation, repair, maintenance or extension of fixed assets in the form of buildings, land improvements, and other such engineering constructions as roads, bridges and dams.

It excludes construction where an independent subsidiary, branch, or an overseas accounting or banking facility is set-up to run the project.

Construction in the UK

For imports:

Include the total amount of expenditure by your business to a business outside the UK for construction in the UK. Include any goods and services that are purchased in order to complete construction, regardless of country of origin.

For exports:

Includes (if known) the amount of goods and services that the business located outside the UK purchases whilst in the UK, regardless of origin to aid in the completion of construction.

Excludes labour purchased outside the UK.

Construction outside the UK

For imports:

Includes the value of goods and services, for example, bricks and engineering expertise purchased outside of the UK by your business for construction outside the UK.

Excludes any UK labour purchased.

For exports:

Includes the total amount of revenue received by your business for construction outside the UK. Includes any goods and services that are purchased in order to complete construction, regardless of country of origin.

Technical and Scientific Services

Architectural services

Engineering services

Scientific and other technical services (including surveying)

Includes surveying, cartography, product testing and certification; and technical inspection services.

Other Trade in Services includes:

Agricultural and Mining Services

Agricultural, forestry and fishing services

Mining and oil and gas extraction services

Intellectual Property (previously titled Royalties and Licences)

Trade marks, franchises, brands or design rights

A trade mark is a sign that distinguishes your services from those of your competitors (you may refer to your trade mark as your 'brand'). It can be, for example, words, logos or a combination of both. A design right protects the overall visual appearance of a product or part of a product.

a Outright sales and purchases of the above, resulting in transfer of ownership

b Charges or payments for the use of the above, but without transfer of ownership (such as franchises and licences to reproduce and/or distribute)

Copyrighted literary works, sound recordings, films, television programmes and databases

Copyright can protect literary works, including novels, instruction manuals, song lyrics and newspaper articles. Dramatic, musical and artistic works might also be copyrighted. Copyrights may apply to technical drawings, architecture, diagrams, maps or logos. Also includes any computer programmes or databases that are copyrighted.

- a Outright sales and purchases of the above, resulting in transfer of ownership
- b Charges or payments for the use of the above, but without transfer of ownership (also includes charges for licences to reproduce or distribute software)

Patents and other intellectual property that are the end result of research and development

Patents protect the features and the processes that make things work. Includes outcomes of research and development that have a value but may not necessarily be patented.

- a Outright sales and purchases of the above, resulting in transfer of ownership
- b Charges or payments for the use of the above, but without transfer of ownership

Financial Services

Financial services

Includes services provided by banks, securities dealers, commodity traders, financial advisory services, merger and acquisition services, credit rating, foreign exchange spreads, custody services and explicit and implicit commissions and fees associated with financial transactions, such as:

Deposit taking and lending, including mortgage and non-mortgage loan services for business and personal purposes, letters of credit, bankers' acceptances, lines of credit, financial leasing, factoring, financial derivative transactions, underwriting and clearing activities.

Excludes insurance services, shares, dividends earned, non-financial advisory services provided by banks, gains and losses made on purchase and sales of securities and financial derivatives in own account and interest earned on deposits, loans, financial leases and debt securities.

Insurance and Pension Services

Life insurance claims

Life insurance premiums

Freight insurance claims

Freight insurance premiums

Other direct insurance claims

Includes all payments received in respect of: casualty, accident, health, transport (including marine and aviation), fire, property damage, liability, travel, loan and credit insurance.

Other direct insurance premiums

Includes all payments made in respect of: casualty, accident, health, transport (including marine and aviation), fire, property damage, liability, travel, loan and credit insurance.

Auxiliary services

Includes payments made in respect of: insurance brokering, agency, insurance, pension consultancy, evaluation and adjustments, actuarial, salvage administration, regulatory and monitoring services on indemnities and recovery services

Pension service receipts

Includes payments received in respect of funds to provide income on retirement for groups of employees by the government or insurance companies.

Pension service charges

Includes payments made in respect of funds to provide income on retirement for groups of employees by the government or insurance companies.

Standardised guarantee service claims

Includes payments received in respect of arrangements covering the losses of a lender in the event of a borrower defaulting (for example, guarantor services), export credit guarantees and student loan guarantees.

Standardised guarantee service premiums

Include payments made in respect of arrangements covering the losses of a lender in the event of a borrower defaulting (for example, guarantor services), export credit guarantees and student loan guarantees.

Merchanting and Other Trade-related Services

Merchanting

Total sales during the reporting period of goods purchased for resale that have remained outside the UK.

Total goods purchased for resale during the reporting period that have remained outside the UK

Excludes derivatives.

Other trade-related services

Includes: Commissions on goods and service transactions between merchants, commodity brokers, dealers and commission agents located in the UK and those located outside the UK.

Excludes franchising fees, brokerage in financial services and transport related fees.

Personal, Cultural and Recreational Services

Audio-visual and related services

Audio visual and related services consist of services and fees related to the production of motion pictures, radio and television programmes and musical recordings. Excludes charges or licences to reproduce or distribute (or both) radio, television, film and music and mass-produced recordings and manuscripts that are purchased or sold outright or for continuous use, delivered on CD-ROM, disk or paper.

Medical services

Medical services comprise services provided by doctors, nurses and paramedical and similar personnel, as well as laboratory and similar services, whether delivered remotely or on-site.

Training and educational services

Heritage and recreational services

Includes, for example: Services associated with museums and other cultural, sporting, gambling and recreational activities; fees and prizes for athletes.

Excludes player transfer fees.

Social, domestic and other personal services

For example, social services, membership fees of business associations and domestic services

Other

Any trade that cannot be categorised elsewhere is included here.

Transactions between related businesses not included elsewhere.

By 'related businesses' we mean other businesses within your group of businesses (e.g. parent companies, branches, associates, subsidiaries or affiliates).

Other trade in services

Includes here imports and exports between unrelated businesses that have not been included elsewhere.