

IMF Committee on Balance of Payments Statistics

Summary of outcomes of the Committee deliberations on the travel item (BOPCOM-05/16) and trade in services classification paper (BOPCOM-05/14A) August 2005

Definition of BOP travel item

The Committee decided to retain the present title of the travel item and endorsed the proposed clarifications with regard to the definition and scope of the item. Some minor wording amendments were suggested and will be introduced in drafting of the Manual (e.g., to clarify that goods acquired to give away were within the scope of the item while shuttle trade was excluded, and to clarify that prepaid items consumed during travel were within the scope of the item). The Committee agreed to introduce a supplementary presentation on tourism in the *BPM6* that presents data on tourism by combining the travel and passenger transportation items, but considered that the proposed appendix on tourism statistics, which would present the concept of consumption related to tourism, was beyond the scope of the *BPM6*.

Net valuation of the activity of travel agencies and tour operators services

The Committee agreed to treat the services of travel agencies and tour operators working on margin similarly to the services of those working on commission, but not to identify these services separately in travel. While some members supported on conceptual grounds classifying the services of travel agencies/tour operators that are residents of a third country in other trade-related services, others preferred, on practical grounds, to record these services under the travel item.

Treatment of military personnel and civil servants (including diplomats) employed abroad in the government enclaves

The Committee agreed to include expenditure by military personnel and civil servants employed in government enclaves abroad under the relevant services category, or failing specific identification, to government services n.i.e., as now, rather than in *travel*.

Business/personal breakdown of travel item

The Committee agreed to retain the current BOP split of the travel item into business and personal travel. While agreeing with the potential analytical use of the additional breakdown of the business component (i.e., employed by home economy; employed by host economy; self-employed in the host economy), Committee members had serious reservations about the costs and practicalities, and suggested that, if introduced, it should be supplementary information.

Trade in services classification

Committee members agreed with the proposed classification and with the timetable, which was seen to be reasonable in the context of the ongoing work in other fora. It was noted that most of the issues raised in the paper, for example the nature of technology and audiovisual services, are to be resolved for the whole economic statistics framework. Some of these issues will need to be taken into account in revising CPC, HS2007, SITC and other classifications.