SINGAPORE’S INTERNATIONAL TRADE IN SERVICES 2014
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Singapore’s trade in services is compiled by DOS using both survey and administrative data, with the *International Trade in Services Survey (TIS Survey)* being the main data source. Trade in services data are used as inputs to compile the current account of Singapore’s balance of payments, which is published every quarter in the Economic Survey of Singapore. International trade in services statistics are compiled based on the guidelines set out in the International Monetary Fund's Balance of Payments and International Investment Position Manual, Sixth Edition (BPM6).

This report provides an analysis on Singapore’s international trade in services. The first part of the survey findings presents an overview of Singapore’s trade in services by major services categories. The second part presents an analysis of Singapore’s services trade with major trading partners based only on TIS survey data where details on country breakdown are available. Details on trade in services data source, scope and coverage of the TIS survey and the conceptual framework and definitions used in the compilation are in the technical notes of this report. Detailed statistical tables are available on the SingStat Table Builder to facilitate further analysis and research by users.

The publication of this report is made possible by the co-operation of the companies which provided information for the survey. I would like to express my grateful thanks to them and all others who have contributed towards this publication.

Wong Wee Kim
Chief Statistician
Singapore

January 2016
Our Vision
A National Statistical System of Quality, Integrity and Expertise.

Our Mission
We Provide Reliable, Relevant and Timely Statistics to Support Singapore’s Social and Economic Development.

Our Guiding Principles

<table>
<thead>
<tr>
<th>Professionalism &amp; Expertise</th>
<th>We adhere to professional ethics and proficiently produce quality statistics that comply with international concepts and best practices.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Relevance</td>
<td>We constantly innovate our processes and produce statistics that meet users’ needs.</td>
</tr>
<tr>
<td>Accessibility</td>
<td>We make our statistics readily available.</td>
</tr>
<tr>
<td>Confidentiality</td>
<td>We protect the confidentiality of information provided to us.</td>
</tr>
<tr>
<td>Timeliness &amp; Reliability</td>
<td>We produce statistics that users can depend on and disseminate them at the earliest possible date while maintaining data quality.</td>
</tr>
<tr>
<td>Cost Effectiveness</td>
<td>We use resources effectively, minimising respondent burden and leveraging on administrative data.</td>
</tr>
</tbody>
</table>
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### NOTES

*The Singapore’s International Trade in Services (TIS) 2014 contains statistics that are the most recent available at the time of its preparation.*

*Values are shown in Singapore dollars (unless otherwise stated).*

*Some statistics, particularly those for the most recent time periods, are provisional and may be subject to revision in later issues.*
Overview

Singapore’s overall trade in services grew 8.1 per cent to $388.0 billion in 2014 as services exports and imports expanded during the year.

Exports of services increased 8.8 per cent to $191.0 billion on the back of rising receipts for transport, advertising and market research as well as financial services.

Services imports recorded growth of 7.5 per cent to $197.0 billion, as a result of higher payments for transport, telecommunications, computer and information and business management services.
FINDINGS

Singapore’s International Trade in Services
Overview

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Exports of services increased 8.8 per cent to $191.0 billion on the back of rising receipts for transport, advertising and market research as well as financial services. Services imports recorded growth of 7.5 per cent to $197.0 billion, as a result of higher payments for transport, telecommunications, computer and information and business management services.

The services trade deficit declined from $7.8 billion to $6.0 billion as growth of services exports exceeded that of imports (Chart 1).

Total trade in services as a proportion to Gross Domestic Product (GDP at current market prices) reached 100.0 per cent from 95.5 per cent in 2013.

Chart 1: Singapore Services Exports, Imports and Balance, 2005-2014
FINDINGS
SINGAPORE’S INTERNATIONAL TRADE IN SERVICES 2014

Major Services Categories

Trade in transport, travel and business management services accounted for the bulk of Singapore’s trade in services. Together, they made up 57.2 per cent and 53.7 per cent of total services exports and imports respectively in 2014 (Chart 2).

Growth of exports was led by advertising and market research services, which expanded 67.4 per cent. Architectural services exports and receipts for the use of intellectual property also grew strongly, by 24.3 per cent and 20.1 per cent respectively. For imports, engineering and technical, transport and financial services registered rapid growth of more than 20 per cent.

Singapore’s services trade recorded a smaller deficit in 2014 compared to 2013. Lower net payments for the use of intellectual property and higher net receipts for advertising and market research and financial services more than offset the lower surplus in transport and larger deficit in telecommunications, computer and information services.

Chart 2: Share of Major Services to Overall Trade in Services, 2014

<table>
<thead>
<tr>
<th>Services</th>
<th>Exports</th>
<th>Imports</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transport</td>
<td>34.1</td>
<td>29.4</td>
</tr>
<tr>
<td>Financial</td>
<td>13.5</td>
<td>8.6</td>
</tr>
<tr>
<td>Travel</td>
<td>12.7</td>
<td>15.7</td>
</tr>
<tr>
<td>Business Management</td>
<td>10.4</td>
<td>0.5</td>
</tr>
<tr>
<td>Maintenance &amp; Repair Services</td>
<td>5.3</td>
<td>1.5</td>
</tr>
<tr>
<td>Advertising &amp; Market Research</td>
<td>4.1</td>
<td>5.3</td>
</tr>
<tr>
<td>Telecommunications, Computer &amp; Information</td>
<td>3.2</td>
<td>1.6</td>
</tr>
<tr>
<td>Engineering &amp; Technical</td>
<td>3.2</td>
<td>2.9</td>
</tr>
<tr>
<td>Insurance</td>
<td>3.1</td>
<td>0.3</td>
</tr>
<tr>
<td>Charges for the Use of Intellectual Property</td>
<td>2.5</td>
<td>5.9</td>
</tr>
<tr>
<td>Trade-Related</td>
<td>2.5</td>
<td>4.9</td>
</tr>
<tr>
<td>Construction</td>
<td>0.8</td>
<td></td>
</tr>
<tr>
<td>Research &amp; Development</td>
<td>0.5</td>
<td></td>
</tr>
</tbody>
</table>

Per cent

0 10 20 30 40
**Transport Services**

Exports of transport services amounted to $65.2 billion, 14.8 per cent higher than a year ago with freight and other transport services rising 13.3 per cent and 21.0 per cent respectively. Payments for transport services rose 21.0 per cent to $58.0 billion, mainly contributed by the 27.8 per cent growth in freight services.

Net transport services receipts declined by $1.7 billion to $7.2 billion due to lower net freight receipts.

**Travel Services**

Travel receipts grew slightly by 0.9 per cent to $24.2 billion, following the 2.3 per cent increase in 2013. Growth in travel payments was similarly subdued at 0.7 per cent, in contrast to the 6.0 per cent growth in 2013. The travel services deficit remained at $6.6 billion for the year.

**Financial Services**

Exports of financial services climbed 12.7 per cent to $25.8 billion, mainly driven by higher receipts for bank services. Payments for financial services grew 20.7 per cent to reach $5.5 billion in 2014, largely contributed by higher payments for financial management services.

As exports rose more than imports, the financial services surplus widened by $2.0 billion to $20.3 billion.

**Insurance Services**

Insurance services exports rose 14.3 per cent to $6.0 billion due largely to higher net premiums received from non-residents for inward reinsurance and life insurance. On the other hand, imports of insurance services fell 9.4 per cent to $5.7 billion, following the 4.4 per cent increase in 2013. While payments for insurance-related charges such as commissions rose, this was more than offset by lower net premiums paid for outward reinsurance.

Higher insurance services receipts coupled with a decline in payments resulted in a reversal of the deficit in 2013 to a surplus of $0.3 billion for the year.
Charges for the Use of Intellectual Property

Receipts for the use of intellectual property expanded significantly by 20.1 per cent to $4.8 billion. The increase was mainly attributed to higher intellectual property charges received for patents, industrial designs and know-how along with manufacturing rights and prototypes.

In comparison, services imports of charges for the use of intellectual property decreased by 9.3 per cent to $25.1 billion, mainly as a result of smaller payments made for the use of patents, industrial designs and know-how along with manufacturing rights and prototypes.

While the deficit for charges for the use of intellectual property remained the largest of all major services categories, it narrowed by $3.4 billion to $20.3 billion in 2014.

Maintenance and Repair Services

Exports of maintenance and repair services contracted 7.6 per cent to $10.0 billion, a reversal from the 19.2 per cent expansion in the previous year. Conversely, services payments grew 6.9 per cent in 2014 to reach $0.9 billion. As a result, the trade surplus fell $0.9 billion to $9.1 billion.

Business Management Services

Business management services exports grew by a modest 0.8 per cent in 2014 to $19.8 billion. Imports of business management services amounted to $17.0 billion, 9.2 per cent higher compared to the preceding year. With the growth of payments outpacing that of receipts, the business management services surplus fell 30.9 per cent to $2.8 billion.

Trade-related Services

Trade-related services receipts declined 18.3 per cent in 2014 on account of lower trading commissions received. Imports of trade-related services rose 5.0 per cent to $11.7 billion due mainly to higher commissions paid for the trading of goods, which more than compensated for the decline in marketing services payments.

Consequently, the trade-related services deficit widened from $5.4 billion in the previous year to $7.0 billion.
Major Trading Partners

This section presents Singapore’s trade in services with major trading partners. Figures used in this section are based solely on data collected from the TIS survey (see technical notes on page 15).

Asia, Europe and North America remained as Singapore’s biggest regional markets for trade in services. Asia continued to be the largest destination for exports of services, accounting for 39.2 per cent of overall receipts, while Europe and North America constituted 22.2 per cent and 14.5 per cent of services exports respectively.

Asia was Singapore’s main source of services imports in 2014 with 29.9 per cent of total payments, overtaking Europe which accounted for 25.3 per cent of services imports. 21.3 per cent of payments were from North America.
Chart 3: Singapore Services Exports by Region, 2014

- Asia: 39.2%
- Europe: 22.2%
- North America: 14.5%
- Oceania: 10.1%
- Caribbean/Latin America: 5.1%
- Unallocated: 5.0%

Chart 4: Singapore Services Imports by Region, 2014

- Asia: 29.9%
- Europe: 25.3%
- North America: 21.3%
- Oceania: 4.9%
- Unallocated: 8.0%
- Caribbean/Latin America: 9.1%
- Africa: 1.5%
Singapore’s main trading partners for trade in services in 2014 were the European Union (EU), the United States (US), the Association of Southeast Asian Nations (ASEAN), Australia, Japan and China. These economies jointly accounted for 64.0 per cent of exports and 59.6 per cent of imports.

Services exports to all six major markets grew in 2014. Exports to the EU grew 3.9 per cent to $26.1 billion, making the bloc Singapore’s top export market in 2014. Services exports to ASEAN (10.4 per cent), Australia (11.7 per cent), Japan (21.2 per cent) and China (17.8 per cent) recorded double-digit growth, while receipts from the US rose 4.2 per cent.

Chart 5: Singapore Services Exports by Major Trading Partners, 2013 and 2014

<table>
<thead>
<tr>
<th>Share (%)</th>
<th>EU-28</th>
<th>US</th>
<th>ASEAN</th>
<th>Australia</th>
<th>Japan</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>2013</strong></td>
<td>17.5</td>
<td>14.5</td>
<td>11.7</td>
<td>8.1</td>
<td>6.5</td>
</tr>
<tr>
<td><strong>2014</strong></td>
<td>16.4</td>
<td>13.7</td>
<td>11.7</td>
<td>8.2</td>
<td>6.8</td>
</tr>
</tbody>
</table>
The US overtook the EU to regain the position of Singapore’s top source of services imports. Imports from the US increased 18.5 per cent to $33.1 billion while payments to the EU fell 4.1 per cent to $31.3 billion. Services imports from China expanded significantly by 26.2 per cent to reach $10.3 billion, while imports from ASEAN and Japan grew more moderately by 3.4 per cent and 3.8 per cent respectively.

Chart 6: Singapore Services Imports by Major Trading Partners, 2013 and 2014

<table>
<thead>
<tr>
<th>Share (%)</th>
<th>US</th>
<th>EU-28</th>
<th>China</th>
<th>ASEAN</th>
<th>Japan</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>18.9</td>
<td>22.1</td>
<td>5.5</td>
<td>6.0</td>
<td>4.5</td>
</tr>
<tr>
<td>2014</td>
<td>20.4</td>
<td>19.4</td>
<td>6.4</td>
<td>5.7</td>
<td>4.3</td>
</tr>
</tbody>
</table>
Transport Services

Singapore’s cross-border trade in transport services were largely contributed by the US, EU, China, ASEAN and Australia in 2014. They collectively constituted 52.4 per cent and 46.9 per cent of transport services exports and imports respectively.

The US was the largest export destination with receipts amounting to $9.8 billion. This was followed by the EU and ASEAN at $6.8 billion each. The transport services exported to these three markets rose between 6.6 per cent and 7.1 per cent in 2014. Exports to China and Australia also grew during the year, by 20.5 per cent and 12.5 per cent to $6.5 billion and $4.3 billion respectively.

Singapore’s top import source for transport services was the EU. Payments to the EU grew 26.2 per cent to reach $9.1 billion. Imports of transport services from the other major markets also expanded in 2014.

Chart 7: Transport Services by Major Trading Partner, 2014

<table>
<thead>
<tr>
<th>Share (%)</th>
<th>US</th>
<th>EU-28</th>
<th>China</th>
<th>ASEAN</th>
<th>Australia</th>
</tr>
</thead>
<tbody>
<tr>
<td>Exports</td>
<td>15.0</td>
<td>10.5</td>
<td>10.0</td>
<td>10.4</td>
<td>6.6</td>
</tr>
<tr>
<td>Imports</td>
<td>12.3</td>
<td>16.3</td>
<td>7.9</td>
<td>6.3</td>
<td>4.1</td>
</tr>
</tbody>
</table>
### Financial and Insurance Services

Singapore’s top trading partners for financial and insurance services were the EU, ASEAN, US, Hong Kong and Japan, contributing to 56.0 per cent of exports and 56.8 per cent of imports.

The EU remained the largest source of financial and insurance services receipts in 2014, rising by 13.3 per cent to $5.9 billion. Although insurance services exports to the EU fell, this was more than offset by the growth of receipts for financial services. ASEAN and the US were the next largest export destinations, with receipts amounting to $3.2 billion and $1.9 billion respectively in 2014. Exports to the EU and US consisted mainly of financial services such as bank and financial management services and commissions, brokerage and underwriting fees on financial instruments. On the other hand, receipts from ASEAN were largely for life insurance and inward reinsurance services as well as bank services.

In 2014, payments to the EU for financial and insurance services rose 13.5 per cent to $1.5 billion. Imports from Hong Kong reached $1.3 billion, expanding by more than 50 per cent from 2013 to replace the US as the second largest source of financial and insurance services. Payments to the US grew 18.3 per cent to reach $1.1 billion.

#### Chart 8: Financial and Insurance Services by Major Trading Partner, 2014

<table>
<thead>
<tr>
<th></th>
<th>EU-28</th>
<th>ASEAN</th>
<th>US</th>
<th>HK</th>
<th>Japan</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Exports</strong></td>
<td>24.0</td>
<td>13.0</td>
<td>7.6</td>
<td>6.0</td>
<td>5.5</td>
</tr>
<tr>
<td><strong>Imports</strong></td>
<td>16.4</td>
<td>8.0</td>
<td>11.7</td>
<td>13.4</td>
<td>7.3</td>
</tr>
</tbody>
</table>
Business Management Services

The US, EU, Japan, ASEAN and Australia accounted for the bulk of trade in business management services in 2014. Their joint contribution amounted to 75.7 per cent and 66.4 per cent of total exports and imports of business management services respectively.

The EU remained the top destination for business management services exports despite receipts falling by 0.4 per cent. On the other hand, exports to the US, Japan and ASEAN grew between 1.6 per cent and 10.6 per cent to reach $4.5 billion, $2.0 billion and $1.6 billion during the year.

Payments to the US and EU amounted to $4.9 billion and $3.6 billion respectively, recording healthy growth rates of 13.9 per cent and 14.9 per cent.

Chart 9: Business Management Services by Major Trading Partner, 2014

<table>
<thead>
<tr>
<th>Share (%)</th>
<th>US</th>
<th>EU-28</th>
<th>Japan</th>
<th>ASEAN</th>
<th>Australia</th>
</tr>
</thead>
<tbody>
<tr>
<td>Exports</td>
<td>22.7</td>
<td>27.7</td>
<td>9.9</td>
<td>8.1</td>
<td>7.3</td>
</tr>
<tr>
<td>Imports</td>
<td>29.1</td>
<td>21.2</td>
<td>4.7</td>
<td>6.3</td>
<td>5.1</td>
</tr>
</tbody>
</table>
Maintenance and Repair Services

The majority of Singapore’s trade in maintenance and repair services in 2014 were with the EU, US, ASEAN, China and Norway. Trade with these markets made up almost three-quarters of total exports and two-thirds of imports.

Exports to the top two destinations, the EU and US, fell 9.8 per cent and 8.1 per cent to $3.6 billion and $2.1 billion while receipts from ASEAN increased 2.5 per cent to $1.1 billion. Payments to the US grew 15.8 per cent to $0.3 billion while imports from the EU and ASEAN declined by 6.2 per cent and 1.7 per cent to $0.1 billion each.

Chart 10: Maintenance and Repair Services by Major Trading Partner, 2014

<table>
<thead>
<tr>
<th>Share (%)</th>
<th>EU-28</th>
<th>US</th>
<th>ASEAN</th>
<th>China</th>
<th>Norway</th>
</tr>
</thead>
<tbody>
<tr>
<td>Exports</td>
<td>35.6</td>
<td>20.6</td>
<td>10.6</td>
<td>4.2</td>
<td>3.6</td>
</tr>
<tr>
<td>Imports</td>
<td>15.6</td>
<td>32.4</td>
<td>12.6</td>
<td>3.3</td>
<td>1.2</td>
</tr>
</tbody>
</table>
Links to Statistical Tables

For the latest annual trade in services statistics accompanying this publication, see:

1. Trade in Services by Services Category
   http://www.tablebuilder.singstat.gov.sg/publicfacing/createDataTable.action?refId=6814

2. Exports of Services by Major Trading Partner
   http://www.tablebuilder.singstat.gov.sg/publicfacing/createDataTable.action?refId=1062

3. Imports of Services by Major Trading Partner
   http://www.tablebuilder.singstat.gov.sg/publicfacing/createDataTable.action?refId=1063

4. Exports of Services by Major Trading Partner and Services Category
   http://www.tablebuilder.singstat.gov.sg/publicfacing/createDataTable.action?refId=6810

5. Imports of Services by Major Trading Partner and Services Category
   http://www.tablebuilder.singstat.gov.sg/publicfacing/createDataTable.action?refId=6816
TECHNICAL NOTES

Singapore’s International Trade in Services
Data Sources

Data presented in this report are compiled from various sources due to the diversity of trade in services. The bulk of the data is compiled from the International Trade in Services Survey (TIS) conducted annually by DOS. These are supplemented by data from other sources to compile the complete trade in services.

Data for the following services components are collected from sources other than the TIS survey. They made up about 16.7 per cent of overall services exports and 18.0 per cent of overall services imports for reference year 2014.

- Travel services (exports and imports)
- Government goods and services (exports and imports)
- Freight on imports in transport services (imports)
- Insurance premium supplements in insurance services (exports and imports)
- Insurance on imports in insurance services (imports)
- Implicit service charges on foreign exchange trading in financial services (exports)
- Financial intermediation services indirectly measured in financial services (exports and imports)

There is no breakdown available for data by partner country from these supplementary sources. Hence, statistics on trade in services by partner country are solely based on data compiled from the TIS survey.

The TIS data are used as inputs to compile the current account in Singapore’s Balance of Payments (BOP).

Scope and Coverage of TIS Survey

The survey covers establishments from manufacturing, construction, wholesale & retail, transport & logistics, financial, professional and business services which engage in international trade in services.
Survey Frame and Sample Selection for TIS Survey

The survey frame of TIS survey covers establishments with international services trade and was mainly based on the results of the previous year’s survey. Establishments which engaged in international services trade were also identified via screening questions in other existing establishment surveys and media sources.

Data Collection for TIS Survey

The survey was primarily conducted by mail inquiry. Six different survey forms were used to cater to the diverse nature of services across various industries. They were:

- **General** which covered establishments primarily engaged in real estate; renting of transport equipment; IT & related services; research & development; education; medical activities; recreational, cultural and sporting activities.

- **Manufacturing/Construction/Engineering** which covered firms in manufacturing; construction; production & distribution of electricity; architectural, engineering and land surveying.

- **Commerce** which covered wholesalers and retailers.

- **Financial & Insurance Services** which covered mainly financial and insurance companies.

- **Shipping Agencies/Branches of Foreign Shipping Lines and Airlines** which covered branches of foreign shipping lines, airlines and shipping agencies.

- **Transport-Others** which covered local shipping lines and airlines; post and courier and telecommunication services.
Concepts and Definitions

Compilation of International Trade in Services statistics follows closely the principles and guidelines set out by the International Monetary Fund's Balance of Payments and International Investment Position Manual, Sixth Edition (BPM6). These guidelines include the definition, valuation, classification and recording of trade in services between residents and non-residents.

Residency

Conceptually, international trade in services is said to have taken place when one company provides a service to a company resident in another geographical territory. An entity is said to be a resident of a geographical territory when it engages in significant economic activities in the geographical territory for a period of time, usually more than one year.

Valuation

Services transactions internationally are valued at market prices i.e. the value of transaction agreed upon between the supplier and the consumer at the time when the service is created, transformed, exchanged, transferred, or extinguished.

Classification

Singapore's international trade in services is classified broadly into the following 11 categories:

1) Maintenance and Repair Services
2) Transport
3) Travel
4) Insurance
5) Government Goods and Services
6) Construction
7) Financial
8) Telecommunications, Computer and Information
9) Charges for the Use of Intellectual Property
10) Personal, Cultural and Recreational
11) Other Business Services
**Maintenance and Repair Services**

Maintenance and Repair services cover repair work performed by residents (non-residents) on goods that are owned by non-residents (residents), and include maintenance and repairs performed on ships, aircraft and other transportation equipment. Services excluded are construction repairs (included under Construction) and maintenance of computers (Telecommunications, Computer and Information).

**Transport**

Transport covers services that involve the carriage of passengers, the movement of goods, charter of carriers with crew, and related supporting and auxiliary services. This category also includes port services and commissions arising from services provided to foreign shipping lines/airlines as well as postal and courier services. The components of Transport presented in this report are Freight (which includes the movement of goods, the carriage of mails and charter with crew) and Others.

Payments include payments for freight on merchanting, freight on imports\(^1\), and payments for charter with crew. Proceeds collected by foreign airlines from the sale of air tickets in Singapore, payments for overseas port services and commissions to foreign agents by our shipping lines and airlines are also included.

Related items that are excluded from transport services are insurance on imports (included in insurance services) and charters of carriers without crew (Other Business Services).

**Travel**

Travel covers the range of goods and services consumed by travellers during visits to a particular economy for less than one year. Travellers going abroad for business activities or for purposes other than business such as holidays, social visits, and education and health-related purposes are included under travel. Expenditures incurred by an individual (and their dependants) as an employee of his or her government stationed in another economy are included under government goods and services and not in travel.

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\(^1\) Freight on imports are estimated by applying freight factors to the value of imports (c.i.f). These factors are obtained from the survey of transportation costs for imports.
Insurance

Insurance service is measured by the net premiums (including premium supplements\(^2\)) earned or incurred for reinsurance, life insurance, general insurance and freight insurance\(^3\). The net premiums earned from inward reinsurance are recorded in export of services, while the net premiums paid for outward reinsurance are recorded in import of services. Also included are agents' commissions, brokerage and charges related to insurance services.

Government Goods and Services

Exports of government goods and services refer to the expenditure of foreign diplomatic and consular missions and foreign armed forces in Singapore, including personal expenditure incurred by diplomats and consular staff located in Singapore.

Imports of government goods and services refer to the expenditure of Singapore’s overseas diplomatic, trade, and tourist missions and the purchase of goods and services by the government from abroad.

Construction

Construction services covers work performed on construction activities by employees or enterprises in areas outside Singapore. The work is generally performed for a short period of time, usually less than a year. Construction services are valued on a gross basis i.e. it includes the total costs incurred on materials and labour as well as the operating surplus that accrues to the companies performing the work.

Financial

Financial services cover financial intermediary and auxiliary services which can be charged explicitly or implicitly. They can be broadly classified into bank services, investment & financial consultancy services, commissions on financial derivative transactions. Also included are implicit service charges in forex trading\(^4\), margins on

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\(^2\) Premium supplements are investment income earned on the assets invested to meet insurance companies' provision liabilities which are attributable to insurance policyholders and are treated as being paid back to insurance companies.

\(^3\) Payments for freight insurance on imports are estimated by applying insurance cost factors to the value of imports (c.i.f.). These factors are derived from the survey of transportation costs for imports.

\(^4\) Foreign exchange dealers perform a service for their clients, and their service charge is implicit in the margin (spread between the bid and offer price) of the currencies they trade. The BPM recommends that the service charge be determined by the spread between the midpoint rate and the buying/selling rate. As the collection of data on the spread has its set of practical difficulties, DOS adopts a data model based on
acquisitions and disposals of debt securities on the secondary market as well as financial intermediation services indirectly measured (FISIM)\(^5\).

Banks derive most of their income from the intermediation of funds, i.e. interest income. In the BPM, interest income adjusted for FISIM is classified as investment income rather than services. Bank services in the BPM context refer to fee-based income of banks, as well as reimbursements for expenses from foreign banks to their local branches.

Similarly, for investment activities, services refer to the fees earned from performing intermediary service, and not the dividends or capital gains/losses from investment. Thus, for the equity and derivative securities market, the services performed are reflected in the commissions received/paid for trading in the markets, while for fund management, the services performed are reflected in the management fees earned and recorded under investment services.

*Telecommunications, Computer and Information*

Telecommunications services cover the transmission of sound, images and other information by telephone, cable, satellite, etc, as well as business network services, teleconferencing and related technical support services. Also included are cellular phone services, internet backbone services and on-line access services.

Computer services consist of hardware and software consultancy, implementation and maintenance services such as hardware/software development, disaster recovery services, computer/systems management services and system/programme design including web design and development. Data processing services such as data entry and tabulation are also included.

Information services generally cover news agency services such as the provision of news, photographic materials and feature articles to media agencies. Also included is the foreign share of turnover and the gross earnings of foreign exchange dealers. It is based on the observation that any change in the spread between the midpoint rate and the buying/selling rate would be reflected in the earnings of foreign exchange dealers.

\(^5\) Financial intermediaries charge for their services associated to loans and deposits (e.g. housing loans and credit lines) indirectly by offering lower rates of interest to their depositors and levying higher interest rates on their borrowers. The resulting interest margin acts as charges for such intermediation services and is known as financial intermediation services indirectly measured (FISIM). As recommended in the System of National Accounts (SNA), the “reference rate” approach is used whereby the reference rate represents the pure cost of borrowing funds without intermediation services. For the computation of exports and imports of FISIM, the external reference rate is derived using total interest paid to non-resident banks on inter-bank deposits and the total stock of such deposits placed by non-resident banks.
are subscriptions to newspapers and periodicals and other information services such as search portals.

**Charges for the Use of Intellectual Property**

Charges for the use of intellectual property include fees and charges for the use of patents, industrial design, manufacturing rights, trademark and franchising fees, reproduction and distribution rights of computer software and audiovisual products, etc.

Related items that are excluded are charges for the use of computer software (included in Telecommunications, Computer and Information) and audiovisual products (Personal, Cultural and Recreational).

Also excluded are the sales and purchases of intellectual property ownership which are generally classified under the relevant services item depending on the nature of the content provided.

**Personal, Cultural and Recreational**

Personal, Cultural and Recreational services comprise services related to the production of motion pictures, radio and television programs and musical recordings. Cultural, sports and recreational services such as fees for entertainment and cultural performances and fees paid to foreign sports teams are also included under personal, cultural and recreational services.

**Other Business Services**

‘Other business services’ cover a range of services transactions and can be further categorised into the following components:

- Accounting services
- Advertising and market research services
- Architectural services
- **Business management services** include administrative and consultancy services provided to businesses; as well as the reimbursement of operating expenses between related business entities.
- Engineering and technical services
- Legal services
• Research and development services

• Trade-related services consist of commissions and associated income/expenditure arising from the trading of goods such as agency fees and distributor fees as well as discounts received/allowed.

• Other miscellaneous business services cover operational leasing services (without operators) of ships, aircraft and transportation equipment; manufacturing and processing services; real estate services and other business services that cannot be classified to any of the business services listed above.

Other Related Publications on Trade in Services

Trade in services data by broad category are also published in the Annual/Quarterly Economic Survey of Singapore.

TIS data have also been released in the following publications:


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<tr>
<th>Position</th>
<th>Name</th>
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<tbody>
<tr>
<td>Deputy Director</td>
<td>Ms Lim Yi Ding</td>
</tr>
<tr>
<td>Assistant Director</td>
<td>Wilson Wong Chun Hao</td>
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<tr>
<td>Statistician</td>
<td>Ng He Xiang</td>
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<tr>
<td>Manager</td>
<td>Ms Cheng Li Choo</td>
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<tr>
<td>Deputy Manager</td>
<td>Ms Hammadah Hassan</td>
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<tr>
<td>Management Support Officer</td>
<td>Andrew Choo Teck Meng</td>
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<td>Corporate Support Officers</td>
<td>Mdm Sim Chor Hua</td>
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<td>Conrad Ee Min</td>
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