



International Services

The Bureau of Economic Analysis (BEA) prepares and publishes statistics on U.S. cross-border trade in private services and on services supplied by majority-owned U.S. and foreign affiliates of multinational companies (MNCs). The two data sets correspond to the two distinct channels through which services are delivered to international markets.

U.S. cross-border trade in private services consists of transactions between U.S. and foreign residents. Cross-border exports and imports of private services represent international trade in the conventional sense and are recorded, in summary form, in the international transactions accounts (ITAs). These services transactions consist of both trade within MNCs (intrafirm trade) and trade between unaffiliated parties.

Cross-border services transactions are classified into five broad “standard components.” The components are (1) travel; (2) passenger fares; (3) other transportation, such as freight and port services; (4) royalties and license fees; and (5) other private services, such as financial services, insurance services, and business, professional, and technical services.

Services supplied by majority-owned U.S. and foreign affiliates of MNCs are usually transactions between residents of the same country. Services supplied to foreign residents by foreign affiliates of U.S. companies are considered transactions between foreign residents. Services supplied by U.S. affiliates of foreign companies to U.S. residents are considered

transactions between U.S. residents. These transactions are not recorded in the U.S. ITAs, but they are reflected in an ownership-based framework of the U.S. current account, which BEA publishes annually. The estimates are drawn from larger data sets on the operations of U.S. MNCs and of U.S. affiliates of foreign companies.

Services delivered through majority-owned affiliates have exceeded those delivered through cross-border trade in recent years. However, for specific types of services, the relative importance of the two channels may vary and is often determined by the nature of the service being delivered.

For more information

For more information, see the annual article, “U.S. International Services: Cross-Border Trade and Services Supplied Through Affiliates,” in the October issue of the *SURVEY OF CURRENT BUSINESS*. The *SURVEY* is available on the BEA Web site at www.bea.gov. Statistics for 1986 through the most recently published year are available in [spreadsheet files](#) (.xls format).

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