

New Estimates of Monthly U.S. International Services Transactions

IN MARCH, the Bureau of Economic Analysis is introducing monthly estimates of U.S. international services transactions in a joint news release with the Bureau of the Census. (For the schedule of this release for upcoming months, see the outside back cover.) The combination of the new services estimates and the existing merchandise estimates provides a more complete picture of U.S. international trade. The development of the monthly measure of services responds to the increased emphasis placed on services by economic analysts and policymakers and the need to have more timely measures of service activity.

Data improvements

The introduction of services estimates on a monthly basis is another step in BEA's continuing effort to improve its estimates of services. Among the improvements BEA has made over the last decade in its quarterly and annual estimates of U.S. international services transactions are the expansion of its quarterly and annual surveys to include 26 categories of services not previously covered, the development of estimates of cross-border trade in services and on sales of services through affiliates, and the expansion of coverage of travel and tourism through the joint efforts of BEA and the U.S. Travel and Tourism Administration (USTTA).

Source data

Table 1 identifies the principal source data used to prepare the annual, quarterly, and monthly services estimates. The level of detail at which the monthly estimates will be released, shown in the left-hand column, is identical to that shown in table 1 of the U.S. international transactions accounts, which appear in the March, June, September, and December issues of the *SURVEY OF CURRENT BUSINESS*.¹

BEA's annual estimates are based mainly on annual and benchmark BEA surveys covering the following types of services: Sales and purchases of services between U.S. companies and their foreign affiliates; international air and water transportation; construction, engineering, architectural, and mining services; royalties, license fees, and other receipts and payments for intangible property rights; insurance and reinsurance; institutional remittances; and business, professional, and technical services. Other important data sources include the following: Census Bureau surveys of merchandise trade, supplemented with detail by mode of transport; USTTA surveys; Immigration and

Naturalization Service data; U.S. Treasury Department international capital movements data; data supplied by other U.S. Government agencies on their international transactions; and an assortment of data from published commercial sources, foreign central statistical offices, foreign central banks, and trade associations.

BEA's quarterly estimates are based on a combination of quarterly BEA surveys, quarterly (and monthly) data from other U.S. Government agencies, quarterly (and monthly) data from foreign central statistical offices and banks, and publicly available data from secondary sources. BEA's quarterly surveys provide data on affiliated services, affiliated royalties and fees, and transportation. The source data from other U.S. Government agencies include travel, passenger fares, other transportation, financial activity in securities, and U.S. Government services. The secondary source data used include exchange rates, average commission rates and fees, U.S. and foreign prices, and educational enrollment; in addition, partial data include areas such as reinsurance and transportation.

BEA's monthly estimates are based on a combination of monthly indicator data, partial monthly data from U.S. Government agencies, partial monthly data from foreign central statistical offices and banks, and other secondary source data. For "other transportation," as an example, the monthly indicators used to prepare the estimates include monthly merchandise exports and imports (provided by the Census Bureau), passenger enplanements, and jet fuel prices. The monthly data from other statistical agencies and banks include partial bilateral travel data from Canada and Mexico. The other secondary source data include average commission rates and fees (which are applied to monthly data on foreign securities transactions), exchange rates, prices, and selected data for transportation and other services industries.

Revision cycle

In each month's release, a preliminary services estimate will be published for the current month, along with a revised estimate for the preceding month. After the revised estimate for a month is released, there will be no further changes for that month until the quarterly BEA estimates of international transactions are released. The first monthly release following a quarterly international transactions release will contain revised estimates of services for the previous 6 months, as the monthly estimates are aligned with the quarterly estimates. Annual revisions for the months and quarters will be made in June.

Table 1 follows. 

1. For detailed estimates of U.S. international cross-border transactions and sales by affiliates—by type, area, and country—see "U.S. International Sales and Purchases of Private Services," *SURVEY 73* (September 1993): 120–156.

Table 1.—Principal Source Data Used To Prepare Estimates of U.S. International Services

Component (millions of dollars) ¹	Annual and quarterly estimates based on:	Monthly estimates based on:
Travel:		
Receipts (\$53,860)	Numbers of foreign visitors to the United States each month reported by the INS, estimates of average expenditures derived from a USTTA survey, and monthly estimates reported by Statistics Canada and the Bank of Mexico.	Enplanements each month from the ATA, monthly seasonal patterns, U.S. CPI, the number of Canadian visitors to the U.S. each month reported by Statistics Canada, and monthly estimates reported by the Bank of Mexico
Payments (\$39,872)	Numbers of U.S. travelers abroad each month reported by the INS, estimates of average expenditures derived from a USTTA survey, and monthly estimates reported by Statistics Canada and the Bank of Mexico.	ATA enplanements, international fare billings reported by ticket agents each month, monthly seasonal patterns, CPI's by country, exchange rates by country, the number of U.S. travelers to Canada each month reported by Statistics Canada, and monthly estimates reported by the Bank of Mexico
Passenger fares:		
Receipts (\$17,353)	Numbers of foreign visitors to the United States each month reported by the INS, and estimates of average passenger fares derived from a USTTA survey.	Number of Canadian commercial air travelers to the United States each month reported by Statistics Canada, and estimates of overseas travel receipts based on monthly ATA enplanements and other secondary source data
Payments (\$10,943)	Numbers of U.S. travelers abroad each month reported by the INS, and estimate of average passenger fares derived from a USTTA survey.	Number of U.S. commercial air travelers to Canada each month reported by Statistics Canada, and estimates of overseas travel payments based on monthly ATA enplanements and other secondary source data
Other transportation:		
Receipts (\$22,773)	Annual and quarterly data on receipts from BEA surveys of ocean and air carriers; monthly data from Census Bureau surveys of waterborne and airborne exports; and various other sources, including Statistics Canada and various publicly available source data on the transportation industry.	U.S. merchandise trade each month reported by the Census Bureau, monthly jet fuel prices, and estimates of foreign visitors based on ATA enplanements, recent trends, and monthly seasonal patterns
Payments (\$23,454)	Annual and quarterly data on payments from BEA surveys of ocean and air carriers; monthly data from Census Bureau surveys of waterborne and airborne imports; and various other sources, including Statistics Canada and various publicly available source data on the transportation industry.	U.S. merchandise trade and air freight payments each month reported by the Census Bureau, monthly ATA enplanements, jet fuel prices, CPI's by country, exchange rates by country, and estimates based on past trends and monthly seasonal patterns
Royalties and license fees:		
Receipts (\$20,238)	Annual and quarterly data on receipts from BEA surveys of affiliated and unaffiliated royalties and fees.	Recent quarterly trends and various secondary sources
Payments (\$4,986)	Annual and quarterly data on payments from BEA surveys of affiliated and unaffiliated royalties and fees.	Recent quarterly trends and various secondary sources
Other private services:		
Receipts (\$53,601)	For affiliated services, annual and quarterly data from BEA surveys of affiliated services; for education services, annual and quarterly estimates of numbers of students, tuition, room and board, and other expenditures derived from various sources in the education industry; for financial services, monthly data from the U.S. Treasury Department's monthly surveys of international capital flows and BEA estimates of average commission rates and fees; for insurance, telecommunications, and business, professional, and technical services, annual data from BEA surveys and various publicly available data on these industries.	For affiliated services and education, recent quarterly trends and various secondary sources; for financial services, monthly data from the U.S. Treasury Department's surveys of international capital flows and BEA estimates of average commission rates and fees; for insurance, telecommunications, and business, professional, and technical services, trends supplemented with various publicly available data on these industries
Payments (\$27,988)	For affiliated services, annual and quarterly data from BEA surveys of affiliated services; for education services, annual and quarterly estimates of numbers of students, tuition, room and board, and other expenditures derived from various sources in the education industry; for financial services, monthly data from the U.S. Treasury Department's monthly surveys of international capital flows and BEA estimates of average commission rates and fees; for insurance, telecommunications, and business, professional, and technical services, annual data from BEA surveys and various publicly available data on these industries.	For affiliated services and education, recent quarterly trends and various secondary sources; for financial services, monthly data from the U.S. Treasury Department's surveys of international capital flows and BEA estimates of average commission rates and fees; for insurance, telecommunications, and business, professional, and technical services, trends supplemented with various publicly available data on these industries
Government services:		
Transfers under U.S. military agency sales contracts ² (\$11,015).	Annual and quarterly data from U.S. military agencies	Recent quarterly trends and various secondary sources
U.S. Government miscellaneous service receipts ² (\$869).	U.S. Government agencies	Recent quarterly trends
Direct defense expenditures ² (\$13,766).	Annual and quarterly data from U.S. military agencies	Recent quarterly trends and various secondary sources
U.S. Government miscellaneous service payments ² (\$2,290).	U.S. Government agencies	Recent quarterly trends

1. Figures are annual values for 1992. Total service receipts were \$179,710, and payments were \$123,299.

2. These government transactions include both services and goods that cannot be separately identified.

ATA Air Transport Association
 CPI Consumer Price Index
 INS Immigration and Naturalization Service
 USTTA U.S. Travel and Tourism Administration