

The Classification of Services and the Invisible Items in the Balance of Payments

The range of services that enter into international trade and the scope of the invisible items, while having much in common, are not identical. It may be said that all services entering into trade are invisibles, but some of the invisibles listed in Annex A to the OECD Code of Liberalization of Current Invisible Operations, while representing payments are not necessarily services, for example, Customs duties and fees; Income from capital (profits, dividends and shares in profits, interest); Immigrants' remittances; Personal income and expenditure items (pensions and other income of a similar nature, maintenance payments resulting from a legal obligation or from a decision of a court, current maintenance and repair of private property abroad, sports prizes and racing earnings); Taxes; Fines; Refunds in case of cancellation of contracts and refunds of uncalled for payments.

Tourism is usually listed as an invisible trade item but it is not a single service or a group of services in the sense used here for classification purposes. It is a bundle of diverse services that does not even fit into any one of the broadest groupings (Sections) of the service classification presented here. To illustrate, expenditures of tourists include transportation (Section 6), accommodation (Section 1, group 143), food services (Section 1, group 141), cultural and recreational services (Section 1, groups 131, 133, 139), personal grooming services (Section 1, group 191), and for those travelling by automobile, perhaps maintenance, repair and servicing (Section 5, group 562). Thus, to provide a total for expenditures or for receipts of tourism will require appropriate arrangements in collecting the data and accumulation of the total from the various sections, divisions and groups in the classification.