

The results of this study, as summarized in the reconciliation table at the end of the report volume, demonstrate the feasibility of classifying service exports and imports according to the system developed by Mr. Neil McKellar. As shown in the reconciliation table, the only major component of the Balance of Payments service account which cannot be readily allocated is the large non-fare component of travel receipts and payments. Apart from this, only about 10% of services cannot be classified, at least approximately. It is clear from the explanatory notes in the body of the report that two major kinds of problems remain: first, existing data have not been collected with the classification of services in mind and therefore the allocations made in this report are sometimes "forced" and components which should be split out cannot be, owing to lack of detailed data; second, there are gaps in the data which the Task Force on Trade in Services would like to see filled. Finally, it is important to note that, as a practical matter, the implementation of the classification of services can only be done if some classes are aggregated to the two- or even one-digit level, as has been done in the report. Some services are not very important in international trade and it would constitute a misuse of resources to attempt greatly improved data quality in such areas.

The recommendations listed below take account of the relative importance of the data one is seeking to improve as well as the feasibility and cost of making improvements. These recommendations are based on a strategy of seeking to augment the existing data base. In my opinion it is impractical to consider radical changes such as new surveys designed from the outset to obtain data consistent with the proposed classification of services.

(1) Presentation

It would be useful to clearly distinguish in the Balance of Payments among:

- (1) transfers;
- (2) profit, interest and dividends;
- (3) services.

Currently, "miscellaneous income" (which includes banks' interest payments and receipts, banks' and insurance companies net profits from branches and subsidiaries abroad plus several other types of interest flows) is published in the lines A23 "Other service receipts" and B23 "Other service