

## Appendix 1

### Technical Notes

#### Coverage as per the Manual on Statistics of International Trade in Services 2010 (MSITS 2010)

<b>Manufacturing services on physical inputs owned by others</b>	Covers services such as processing, assembly, labeling, packing and so forth, undertaken by enterprises that do not own the goods. Example include oil refining, liquefaction of natural gas, assembly of clothing and electronics, assembly (excluding assembly of prefabricated construction which is included in construction), labeling and packing (excluding those incidental to transport, which are excluded in transport services).
<b>Maintenance and repair services</b>	Covers maintenance and repair work by residents on goods that are owned by non-resident and vice versa. The repairs may be performed at the site of the repairer or elsewhere. Maintenance and repair on ships, aircraft and other transport equipment are included in this item. Cleaning of transport equipment is included in the transport services. Construction repairs and maintenance are included under construction. Maintenance and repairs of computers are included under computer services.
<b>Transportation services</b>	Covers the process of carriage of people and objects from one location to another as well as related supporting and auxiliary services and rentals (charters) of carriers with crew. Also included are postal and courier services. Transport can be classified according to mode of transport and what is carried, passengers or freight.
<b>Travel services</b>	Covers services related to business and personal travel acquired from an economy by travellers during visits of less than one year in that economy. Students and medical patients are treated as travellers, regardless of the length of stay. It also includes acquisitions of goods and services by seasonal, boarder and other short-term workers in the economy of the employment. It excludes international passenger services, which are included in <i>transportation</i> . Military and embassy personnel and non-resident workers are not regarded as travellers. However, expenditures by non-resident workers are included in <i>travel</i> , while those of military and embassy personnel are included in <i>government services</i> .
<b>Construction services</b>	<p>Covers the creation, management, renovation, repair or extension of fixed assets in the form of buildings, land improvements of an engineering nature and other constructions such as roads, bridges and dams. It also includes related installation and assembly work, site preparation and general construction as well as specialized services such as painting, plumbing and demolition. It is valued on a gross basis, i.e inclusive of all goods and services used as inputs to the work, other cost of production and the operating surpluses that accrues to the owners of the construction enterprise. This valuation principle is the same as that applies in the valuation of all production (of both goods and services).</p> <p>Also gross in the sense that it can be disaggregated into construction abroad and the construction in the compiling economy. Construction credits consist of construction abroad credits and construction in the compiling economy credits. Construction debits consist of construction abroad debits and construction in the compiling economy debits.</p>

**Insurance and pension services**

Covers the provision of various types of insurance to non-residents by resident's insurance enterprises and vice versa. Manual on Statistics of International Trade in Services 2010 (MSITS) recommends that insurance and pension services be disaggregated into four separate subcomponents: direct insurance; reinsurance; auxiliary insurance; pension and standardized guarantee services. Direct insurance is also broken down into life, freight and other direct insurance. Pension and standardized guarantee services is further broken down into pension services and standardized guarantee services.

Insurance provides individual units (governments, enterprises and households) exposed to certain risk with financial protection against the consequences of the occurrence of specified events. In addition, insurer often act as financial intermediaries who invest funds collected from these units in financial or other assets to meet future claims.

Pension funds are established to provide benefits for retirement or invalidity of specific groups of employees. They are similar to insurance in that they act as intermediaries for investing the funds for their beneficiaries and redistribute some risks.

**Financial services**

Covers financial intermediary and auxiliary services except those of insurance enterprises and pension funds. Includes commissions and fees for letters of credit, lines of credit, financial leasing, foreign exchange transactions, consumer and business credit services, brokerage services, underwriting services, arrangements for various forms of hedging instruments etc. Auxiliary services include financial market operational and regulatory services, security custody services, etc.

**Charges for the use of intellectual property**

Covers intellectual property products charges for the use of the proprietary rights such as patents, trademarks, copyrights, industrial processes and design, trade secrets and franchises where rights arise from research and development as well as from marketing.

Also covers charges for licenses to reproduce and/or distribute intellectual property embodied in produced originals or photo types, such as copy rights on books and manuscripts, computer software, cinematographic works and sound recording and related rights, such as for the recording of live performances and television/ cable/ satellite broadcast.

**Telecommunications, computer and information services**

Covers telecommunication, computer and information services being further disaggregated into three sub-components. Computer services and telecommunication services are defined in term of the nature of the service not the method of delivery.

Telecommunication services covers the broadcast or transmission of sound, images, data, or other information by telephone, telex, telegram, radio and television cable transmission, radio and television satellite, electronic mail, facsimile etc., including business network services. Also included are mobile telecommunications services, internet backbone services and online access services, including the provision of access to the internet.

Computer services consist of hardware and soft-ware related services and data processing services.

Information services are divided into *news agency* services and *other information services*: News agency services include the provision of news, photographs and feature articles to the media.

Other information services include database services, such as database conception, data storage, and the dissemination of data and databases (including directories and mailing lists), both online and through magnetic, optical or printed media and web search portals (encompassing search engine services that find Internet addresses for clients who input keyword queries).

#### **Other business services**

Covers research and development services, professional & management consulting services and technical, trade related & other business services.

Research & development services cover those services that are associated with basic research, applied research and experimental development of new products and processes covers activities in the physical sciences, social sciences and humanities, whether by the market or non-market sector.

Professional & management consulting services is broken down into two parts: legal, accounting, management consulting and public relations and advertising, market research and public opinion polling.

Technical, trade related and other business services is broken down into five subcomponents: architectural, engineering, scientific and other technical services; waste treatment and de-pollution, agricultural and mining services; operating leasing services; trade related services and other business services.

#### **Personal, cultural and recreational services**

Personal, cultural and recreational services comprise two sub-components, audio-visual and related services and other personal, cultural and recreational services.

Audio-visual and related services cover services associated with audio-visual activities (movies, music, radio and television) as well as services relating to the performing arts. Audio-visual services relate to the production of motion pictures (on film, videotape or disk or transmitted electronically), radio and television programmes (live or on tape) and musical recordings.

Other personal, cultural and recreational services is divided into four components: health services, education services, heritage and recreational services and other personal services.

Health services comprises general and specialized human health services supplied by hospitals, doctors, nurses and paramedical and similar personnel as well as laboratory and similar services, whether rendered remotely (through telemedicine or tele-diagnosis) or on-site. Included are diagnostic-imaging services and pharmaceutical, radiology and rehabilitation services.

Education services comprises services relating to all levels of education whether delivered through correspondence courses, via television, satellite or the Internet or by teachers, among others who supply services directly in host economies. Excluded are education services provided to non-residents who are present in the territory of the service supplier (included in travel).

Heritage and recreational services includes services associated with museums and other cultural, sporting, gambling and recreational activities except those involving persons outside their economy of residence (included in travel).

Other personal services include social services, membership dues of business associations, domestic services etc.

<b>Government services n.i.e (Not included Elsewhere)</b>	Covers services supplied by and to enclaves, such as embassies and to military bases, good and services acquired from the host economy diplomats, consular staff and military personnel located abroad and their dependents and services supplied by and to governments and included in other categories of services.
<b>International trade in services</b>	Relates to trade in services between Fiji, which is the resident country and non-resident countries.
<b>Non – Responding Companies</b>	Of the total companies surveyed, SITS [Survey of International Trade in Services] data is not published unless the minimum 80 percent response requirement is fulfilled. Response from all significant companies with sizeable turnover is ensured. Delayed information received will lead to a revision in the next quarter release.
<b>Non-Response Rate Up</b>	Data for non-responding companies are not rated-up because not all companies engage in regular export and import of services every quarter. However checks are made to see, for example, that if the enterprise that has not responded in a survey quarter had a major transaction in the previous quarter to ensure that if there was a spill over of the activity in the survey quarter gets covered.
<i>r</i>	<i>Revised</i>
<i>p</i>	<i>Provisional</i>
<i>e</i>	<i>Estimated</i>