

27 October 2017

International Trade in Services Survey (ITSS)
Year 2016

In 2016, Services exports increase by 7.8% and imports increase by 7.4%

45.9% of exports are generated by companies belonging to a Spanish business group and 41.9% of imports by companies controlled by a foreign group

The United Kingdom was the main destination of exports and main origin of imports

Services exports reached 61,844.7 million euros in 2016, with an increase of 7.8% as compared with the previous year. On the other hand, Services imports stood at 42,352.1 million euros, with an annual increase of 7.4%.

The **balance** or difference between exports and imports stood at **19,492.7 million euros**, with an increase of 1,526.7 million as compared with the previous year.

International Trade in Services by type of service

In 2016, the most relevant Services for the exports were *Business*, with 20,876.0 million euros (33.8% of the total and an annual increase of 12.4%) and *Transport*, with 16,049.1 million (26.0% of the total and an increase of 3.7% as compared with 2015).

Regarding imports, the most relevant Services were also *Business*, with 14,338.5 million euros (33.9% of the total and an annual variation of 10.3%) and *Transport*, with 10,553.0 million (24.9% of the total and an increase of 2.3%).

On the other hand, the heading with the lowest importance in exports was *Government goods and services* (with 0.2% of the total). In the case of imports, the one that had the lowest importance was *Construction* (with 0.3% of the total).

Exports, imports and balance by type of service
Year 2016

	Exports			Imports		
	Value (million of euros)	Weight (%)	Annual rate (%)	Value (million of euros)	Weight (%)	Annual rate (%)
TOTAL	61,844.7	100.0	7.8	42,352.1	100.0	7.4
1. Transformation of property without transfer of ownership	2,151.1	3.5	8.0	326.8	0.8	0.9
2. Maintenance and repair	1,483.1	2.4	10.8	585.7	1.4	10.3
3. Transport	16,049.1	26.0	3.7	10,553.0	24.9	2.3
3.1. Passengers	3,014.2	4.9	-4.4	1,646.1	3.9	13.2
3.2. Goods	7,777.1	12.6	1.7	6,632.2	15.7	-3.7
3.3. Other transport services	5,257.8	8.5	12.3	2,274.7	5.4	14.8
4. Construction	1,402.3	2.3	11.9	108.8	0.3	-8.9
5. Insurances and pensions	4,649.9	7.5	2.3	4,147.3	9.8	17.6
5.1. Direct Insurances (premiums)	449.3	0.7	4.4	217.3	0.5	2.7
5.2. Reinsurance, pension and standardized guarantees (premiums and contributions to PT)	3,913.8	6.3	1.7	3,338.4	7.9	18.7
5.3. Auxiliary insurance services	286.8	0.5	7.2	591.5	1.4	18.0
6. Financial	2,096.0	3.4	-6.8	1,021.6	2.4	-9.8
7. Intellectual property	1,700.4	2.7	19.7	4,408.4	10.4	10.9
8. Telecommunications, computer and informatic	10,357.5	16.7	8.6	5,825.4	13.8	4.3
8.1. Telecommunication	2,027.5	3.3	-1.1	2,068.8	4.9	-4.1
8.2. Computer	7,837.2	12.7	10.9	3,337.0	7.9	10.4
8.3. Information	492.8	0.8	16.9	419.6	1.0	3.0
9. Business	20,876.0	33.8	12.4	14,338.5	33.9	10.3
9.1. R&D	1,319.3	2.1	10.4	625.1	1.5	2.0
9.1.1. Work undertaken systematically to increase knowledge	923.2	1.5	14.9	447.2	1.1	-9.1
9.1.2. Others related to R&D	396.0	0.6	1.1	178.0	0.4	47.3
9.2. Professional and management consultancy	5,264.7	8.5	5.4	4,433.9	10.5	2.4
9.2.1. Legal, accounting, business and management consultancy and Public Relations	2,866.3	4.6	2.9	2,166.7	5.1	-3.4
9.2.2. Advertising, market research and Public opinion surveys	2,398.4	3.9	8.5	2,267.2	5.4	8.7
9.3. Technical, trade-related and other business services	14,292.0	23.1	15.5	9,279.5	21.9	15.2
9.3.1. Architecture, engineering, other technical, waste treatment and decontamination, agricultural and mining	6,656.0	10.8	24.3	1,277.5	3.0	0.7
9.3.2. Operating Lease	550.8	0.9	4.7	448.4	1.1	-2.6
9.3.3. Trade-related	1,240.6	2.0	-13.3	1,062.6	2.5	-5.3
9.3.4. Other business services	5,844.6	9.5	15.5	6,491.0	15.3	24.8
10. Personal, cultural and recreational	979.0	1.6	9.1	697.9	1.6	12.9
10.1. Audiovisual and related	512.8	0.8	8.7	453.3	1.1	26.9
10.2. Other personal, cultural and recreational service	466.2	0.8	9.6	244.6	0.6	-6.2
11. Goods and government services	100.3	0.2	-9.0	338.7	0.8	15.3

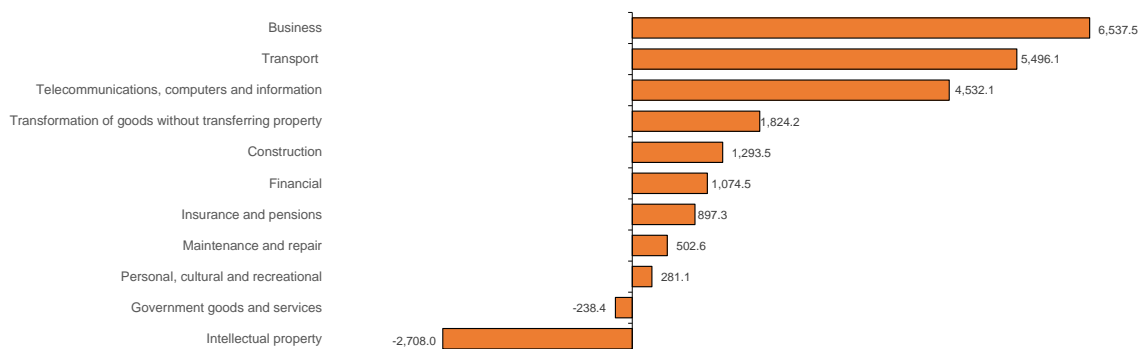
With regard to balances by type of main service, the most positive ones were in Business (6,537.5 million euros) and Transport (5,496.1 million). In turn, Intellectual property recorded the most negative one (-2,708.0 million).

Balance by type of service

Year 2016

	Balance 2016	Balance 2015
	Value (million of euros)	Value (million of euros)
TOTAL	19,492.7	17,966.0
1. Transformation of goods without transferring property	1,824.2	1,668.0
2. Maintenance and repair	897.3	807.6
3. Transport	5,496.1	5,160.6
4. Construction	1,293.5	1,133.7
5. Insurance and pensions	502.6	1,020.8
6. Financial	1,074.5	1,116.3
7. Intellectual property	-2,708.0	-2,556.1
8. Telecommunications, computers and information	4,532.1	3,949.8
9. Business	6,537.5	5,569.3
9.1. R&D	694.1	582.6
9.2. Professional and management consultancy	830.9	666.0
9.3. Technical, trade-related and other business services	5,012.6	4,320.7
10. Personal, cultural and recreational	281.1	279.4
11. Government goods and services	-238.4	-183.5

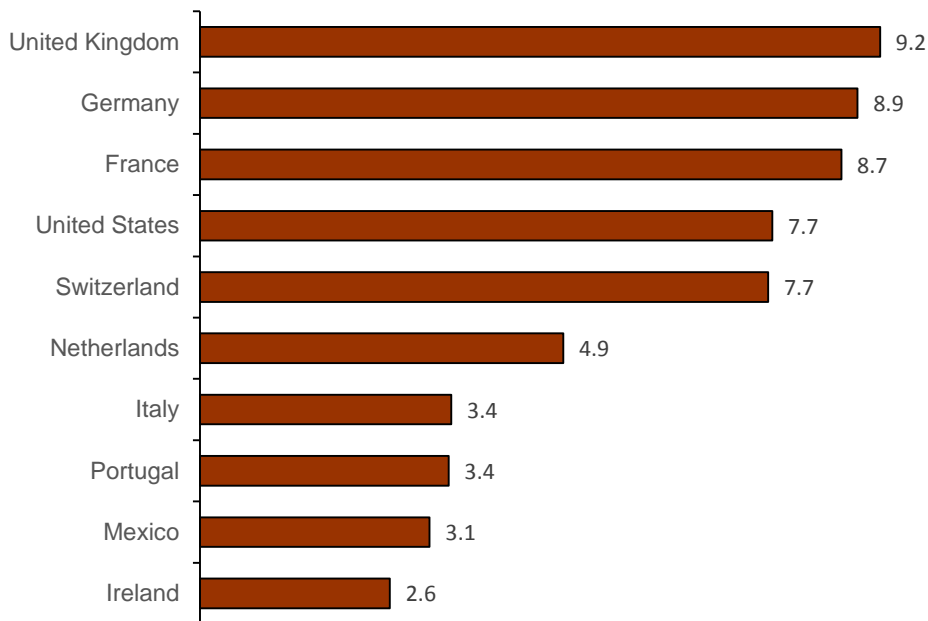
Balance (million of euros). Year 2016



International Trade in Services by country of destination or origin

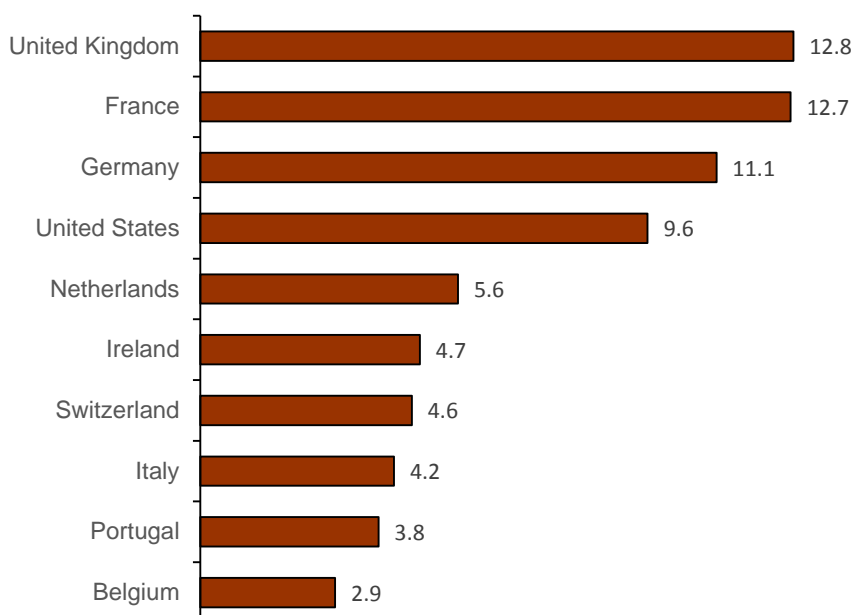
The main export destination countries in 2016 were the United Kingdom (with 9.2% of the total), Germany (8.9%) and France (8.7%).

Main export destination countries. Year 2016 (in percentage)



With regard to imports, the main countries of origin were the United Kingdom (12.8% of the total), France (12.7%) and Germany (11.1%).

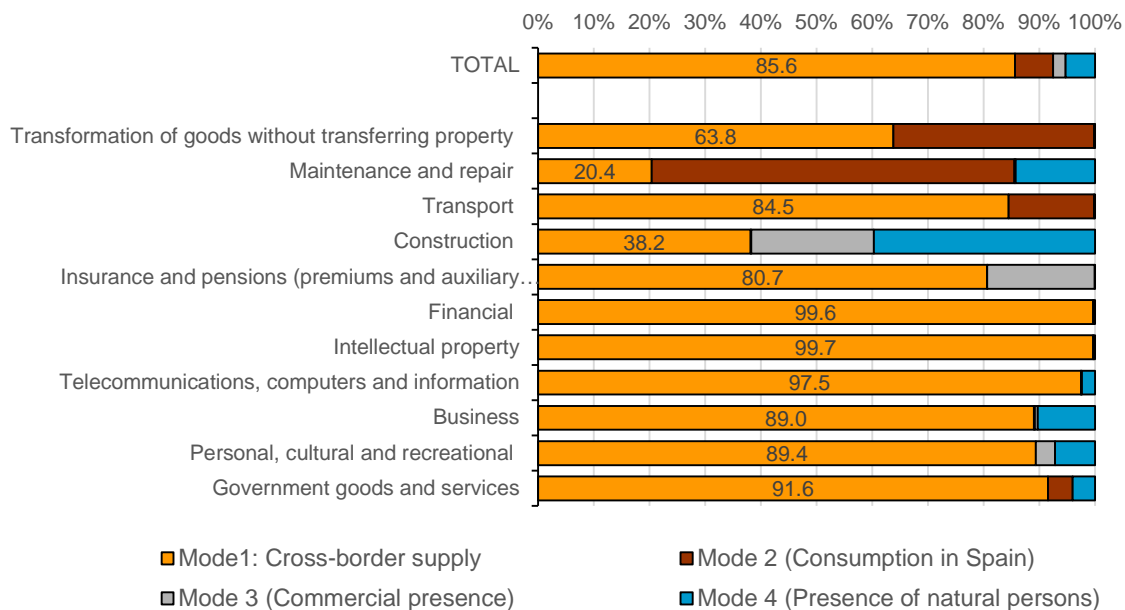
Main countries of origin of imports. Year 2016 (in percentage)



International Trade in Services by main mode of supply¹ of the service

Mode 1 (cross-border supply) accounted for 85.6% of the total value of exports in 2016. This mode was the majority in all the headings, except for *Maintenance and repair* and *Construction*, where it represented 20.4% and 38.2% of the total, respectively.

Modes of supply of exported services by type of main service. Year 2016 (in percentage)



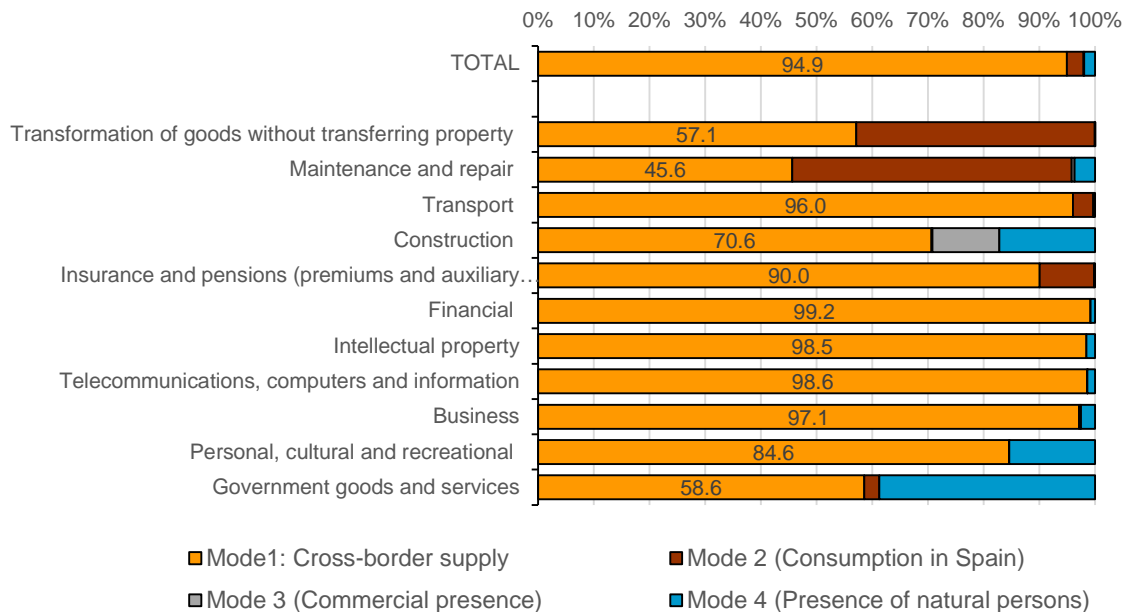
In imports, *Mode 1* (cross-border supply) was also the main system, with 94.9% of the total.

By main service heading, *Mode 1* was the predominant in all of them, except for *Maintenance and repair* (45.6%). Other heading in which less importance was registered was *Transformation of goods without transferring property* (57.1%).

¹ The ITSS only reflects a residual part of *Mode 2: Consumption in Spain (exports) or abroad (imports)*, as tourism-related services are outside its scope, which are the most commonly supplied through this mode.

The ITSS, by focusing in measuring the trade in services between residents and non-residents, only includes a very residual part of *Mode 3: Commercial presence*, as trade through the commercial presence of affiliates and/or branches in the country of the recipient of the service is outside the scope of the general survey.

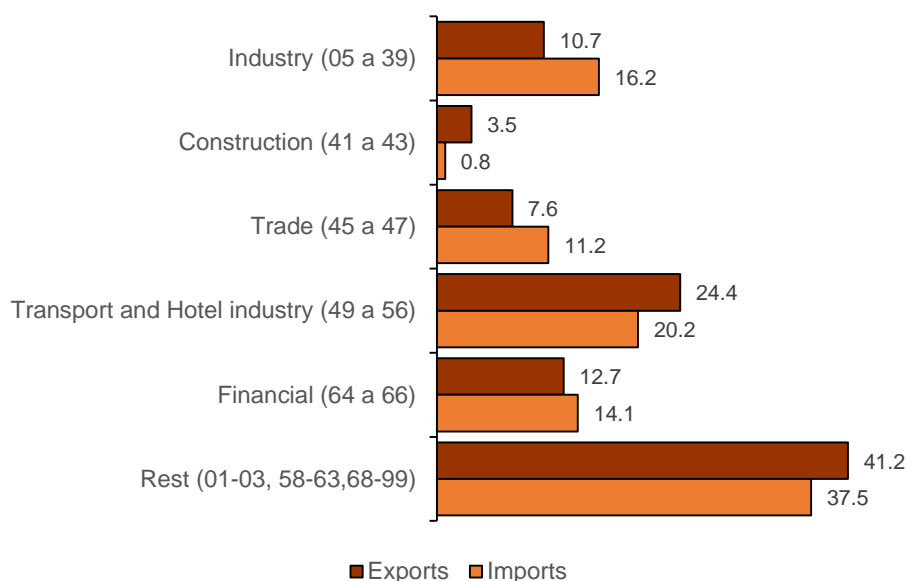
Services imports' modes of supply by type of main service Year 2016 (in percentage)



International Trade in Services by sector of economic activity

By sector of main activity, Rest (which includes agriculture, livestock, forestry and fishing activities; information and communication activities; real estate; professional, scientific and technical activities; administrative and support services; public administration and defence; compulsory social security; education; health and social services activities; arts, recreation and entertainment activities; other services; activities of households; activities of extraterritorial organisations and institutions) was the majority, both in exports (41.2%) and imports (37.5%).

Exports and imports by sector of economic activity of the company. Year 2016



At the level of main service heading, a correspondence between the type of service exported and imported and the main sector of economic activity in exporters and importers of said services was observed in 2016.

Main economic activity sector of exporting companies and importers by type of service

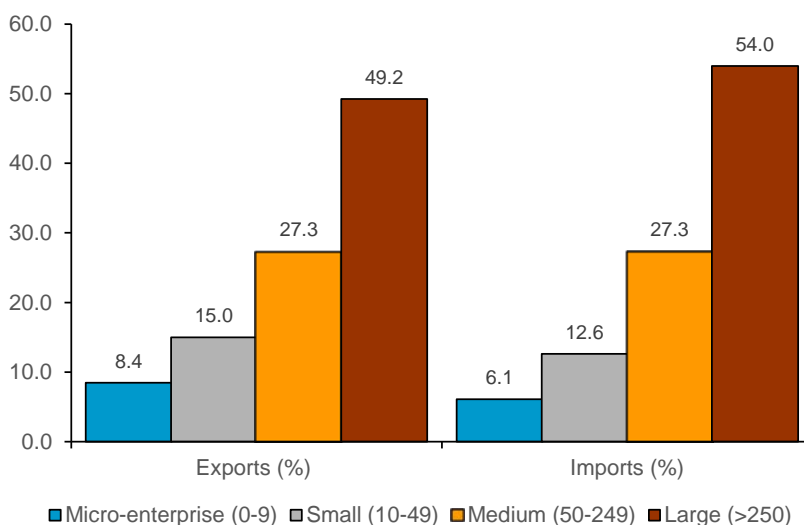
Year 2016

	Exports		Imports	
	Activity sectors with more weight	Weight (%)	Activity sectors with more weight	Weight (%)
TOTAL	Rest	41.2	Rest	37.5
1. Transformation of goods without transferring property	Industry	90.5	Industry	82.5
2. Maintenance and repair	Industry	50.4	Transport and Hotel industry	42.8
3. Transport	Transport and Hotel industry	89.2	Transport and Hotel industry	65.9
4. Construction	Construction	82.5	Construction	62.1
5. Insurance and pensions (premiums and auxiliary services, contributions to pension funds)	Financial	98.8	Financial	96.5
6. Financial	Financial	93.4	Financial	63.5
7. Intellectual property	Rest	70.0	Rest	70.9
8. Telecommunications, computers and information	Rest	95.3	Rest	75.8
9. Business	Rest	61.2	Rest	45.8
9.1. R&D	Rest	44.2	Industry	59.0
9.2. Professional and management consultancy	Rest	70.2	Rest	42.8
9.3. Technical, trade-related and other business services	Rest	59.5	Rest	48.0
10. Personal, cultural and recreational	Rest	99.4	Rest	91.6
11. Government goods and services	Rest	98.6	Rest	99.5

International Trade in Services by size of the company

Companies with more than 250 wage earners generated the highest values of exports and imports, with 49.2% and 54.0% of the total, respectively.

Exports and imports by size of the company measured by number of employees. Year 2016



Large companies were predominant in the majority of exports and imports Services' headings.

However, in the case of exports, medium sized companies (50-249 employees) became a majority in the following services: *Maintenance and repair*, *Insurance and pensions*, and *Financial services*. In turn, small enterprises (10-49 employees) predominated in *Government goods and services*.

Regarding imports, medium sized companies were also majority in *Insurance and pensions*. And micro-enterprises (0-9 employees) in *Construction*.

Predominant size of exporting and importing companies by service type

Year 2016

	Exports		Imports	
	Size with more weight	Weight (%)	Size with more weight	Weight (%)
TOTAL	Large	49.2	Large	54.0
1. Transformation of goods without transferring property	Large	63.4	Large	53.4
2. Maintenance and repair	Medium	44.1	Large	64.6
3. Transport	Large	45.7	Large	46.2
4. Construction	Large	42.4	Micro-enterprise	45.9
5. Insurance and pensions (premium and auxiliary services, contributions to pension funds)	Medium	61.7	Medium	48.8
6. Financial	Medium	46.0	Large	46.1
7. Intellectual property	Medium	36.5	Large	66.5
8. Telecommunications, computers and information	Large	76.4	Large	68.4
9. Business	Large	48.7	Large	55.0
9.1. R&D	Large	72.0	Large	84.5
9.2. Professional and management consultancy	Large	44.9	Large	52.0
9.3. Technical, trade-related and other business services	Large	47.9	Large	54.5
10. Personal, cultural and recreational	Large	32.2	Large	32.9
11. Government goods and services	Small	82.7	Large	56.3

International trade Services by ownership of the company²

In 2016, companies that belonged to a business group concentrated 76.5% of services exports and 83.2% of services imports.

Companies controlled by a Spanish group recorded 45.9% of exports and 41.3% of imports. In turn, those controlled by a foreign group recorded 30.6% of exports and 41.9% of imports.

It is worth noting that 23.4% of exports and 16.5% of imports were carried out by independent companies which didn't belong to a business group.

² Ownership of the company is a variable not included in the ITSS questionnaire and was obtained by crossing the ITSS sample with the INE Central Companies Directory (CCD), which provides information on whether or not the company belongs to a business group, and whether the control of the group is Spanish or foreign. Those that were not crossed have been included under the heading "Unknown".

The control falls within the context of the country of residence of the unit that ultimately controls the exporting/importing company. This unit is the one that, proceeding hierarchically upwards along the chain of control of the company, exercises control over it, not being controlled, in turn, by any other unit. For the purposes of these statistics, this unit is known as parent company.

Exports and imports by company property

Year 2016

	Exports		Imports	
	Valor	Weight	Valor	Weight
	(millions of euros)	(%)	(millions of euros)	(%)
TOTAL	61,844.7	100.0	42,352.1	100.0
1. Belonging to a business group:	47,310.4	76.5	35,217.2	83.2
1.1. Of foreign control:	18,910.8	30.6	17,731.5	41.9
1.2. Of Spanish control:	28,399.6	45.9	17,485.7	41.3
1.2.1. Domestic	4,032.5	6.5	2,784.3	6.6
1.2.2. Multinational	24,367.1	39.4	14,701.4	34.7
2. Not belonging to a business group:	14,456.6	23.4	6,967.5	16.5
3. Unknown	77.8	0.1	167.3	0.4

The country of origin of the parent company whose affiliated companies in Spain recorded more exports and imports was the United States, with 6.7% of exports and 6.9% of imports.

Main countries of residence of the parent of foreign affiliates residents in Spain that export and import services

Year 2016

	Exports		Imports	
	Residence country of the parent company	Weight (%)	Residence country of the parent company	Weight (%)
	TOTAL	United States	6.7	United States
1. Transformation of goods without transferring property	United States	35.6	Japan	21.8
2. Maintenance and repair	Países Bajos	4.2	United Kingdom	9.4
3. Transport	Germany	6.9	Germany	8.5
4. Construction	Germany	2.4	Netherlands	37.5
5. Insurance and pensions (premium and auxiliary services, contributions to pension funds)	Germany	2.8	Switzerland	13.7
6. Financial	United States	10.5	Belgium	3.9
7. Intellectual property	Germany	6.2	United States	11.2
8. Telecommunications, computers and information	United Kingdom	6.9	United Kingdom	13.7
9. Business	United States	11.5	United States	9.6
9.1. R&D	United States	16.9	Germany	26.4
9.2. Professional and management consultancy	United States	13.7	United States	12.9
9.3. Technical, trade-related and other business services	United States	10.2	Switzerland	8.4
10. Personal, cultural and recreational	United States	6.3	United States	11.7
11. Government goods and services	Sweden	0.6	-	-

Methodological note

The **International Trade Services Survey (ITSS)** presented in gross levels is compiled in the framework of the requirements established in the Commission Regulation (EU) No 555/2012 of 22 June 2012 amending Regulation (EC) No 184/2005 of the European Parliament and of the Council on Community statistics concerning balance of payments, international trade in services and foreign direct investment.

The objective of the statistical operation is the collection of quarterly information of a sampling group of approximately 8,000 units residing in Spain (companies and other entities), referring to the value of their exports and imports of non-tourist services with non-resident units, by type of service as well as by geographical origin in the case of imports and by destination in the case of exports. The data obtained is used as a basic statistical source in the compilation of statistics regarding Balance of Payments and Spanish National Accounts.

The INE disseminates the information of this survey on a quarterly basis and publishes more detailed results on an annual basis, as the sum of the four quarters, not only on services exports and imports variables but also on the characteristics of companies involved in this type of international trade: sector of main economic activity, size of the company and ownership.

The quarterly ITSS presents information by levels of the exports and imports for the main types of Services, except tourism, in agreement with the *Extended Balance of Payments Services Classification (EBOPS-2010)*. Specifically, they refer to the following services: *Transformation of goods without transferring property, Maintenance and repair, Transport, Construction, Insurance and pensions (only premiums and auxiliary services, and contributions to pension funds), Financial, Intellectual Property, Telecommunications, computers and information, Business (broken down into R+D, Professional and management consulting and Technical, related with trade and other business services), Personal, cultural and leisure, and Government goods and services (not included in other consignments)*.

Moreover, it provides information on exports and imports of non-tourist Services for the different geographical areas and counterpart countries. The breakdowns under consideration are as follows: Europe, considering the total European Union (EU-28), the Euro Zone (distinguishing Germany, Belgium, the Netherlands, France, Italy, Portugal and the rest of the Euro Zone), United Kingdom, Rest of EU-28 and Rest of Europe; America (broken down into North and Central America and South America), Africa, Asia and Oceania.

The annual ITSS breaks down the headings by main service that are published quarterly (11 headings and 3 subheadings) to reach 33 items of different types of services. Regarding the geographical disaggregation, it goes from 19 countries/quarterly geographical areas to 81, with an important disaggregation by country. For these tables so disaggregated by service and country, tables with variation coefficients are published for the users to know the sampling errors of each cell.

It is worth noting that this information supplements the information published by the Bank of Spain in its statistics on the Balance of Payments referring to the exchange of this type of services. The difference between these statistics and the ITSS come from the incorporation of certain concepts and methodological adjustments to the Balance of Payments and in the Rest of the World Account of the Annual Accounts, which are applied in the case of

macroeconomic synthesis statistics, but not in the case of the ITSS as basic company statistics.

The adjustments carried out by the Bank of Spain on the ITSS data as per the Balance of Payments of Services are the following: First, the estimation of the weight of operators with all their international operation of services below the 50,000-euro threshold. Second, the National Accounting estimates of freight services based on the data regarding foreign trade of goods in accordance with a correct FOB valuation of the transported goods; the estimation of the value of the insurance service (as ITSS only includes the gross premiums and compensations) and the estimation of illegal activities. Third, the incorporation to the financial estimation services by Bank of Spain of the financial intermediation services indirectly measured (FISIM). Finally, in the fourth place, the inclusiveness of the collection of government services by way of collection of traditional EU own resources.