

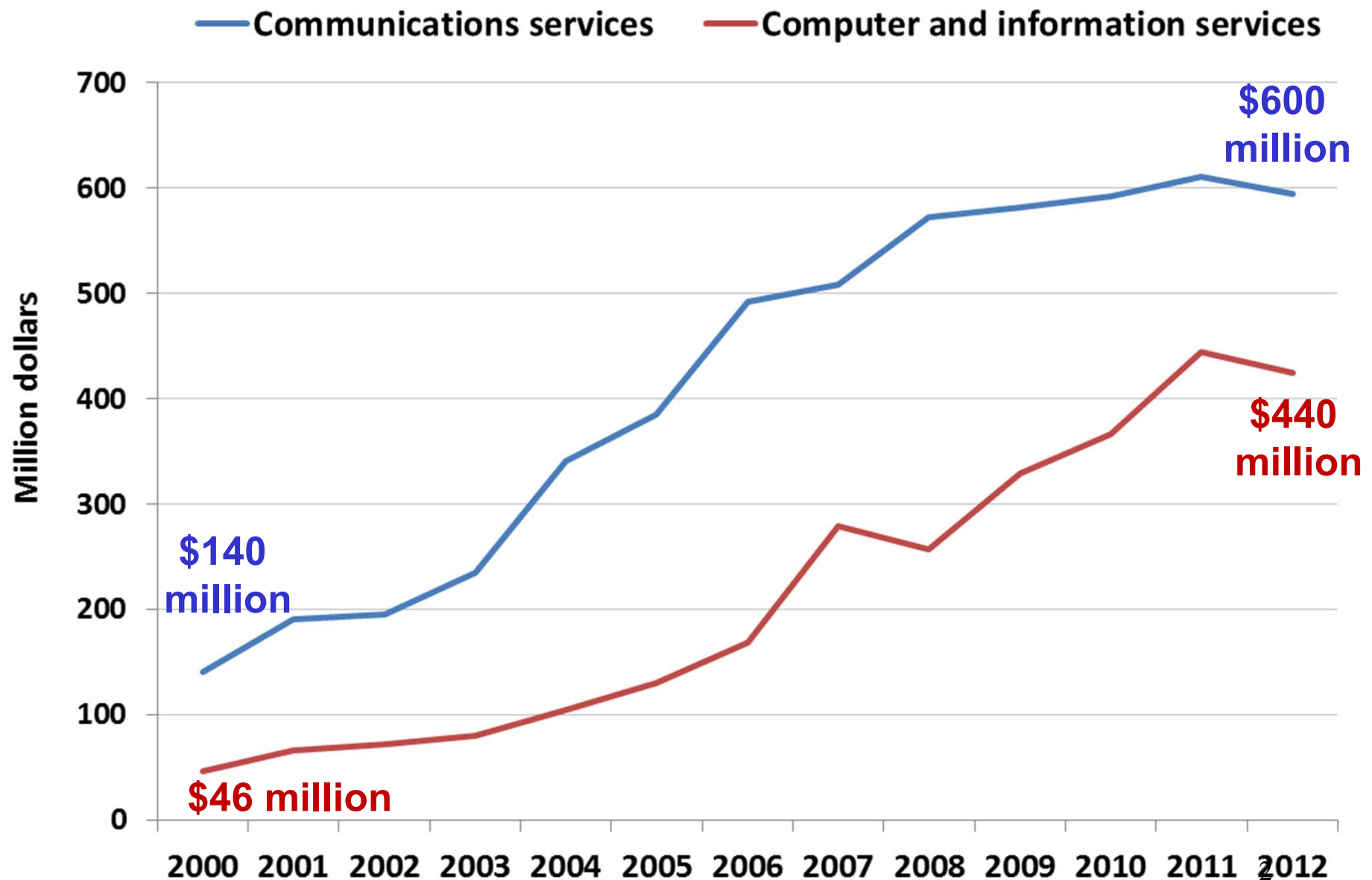
# **SADC Workshop on Trade in Services Statistics**

**ICT services  
(Telecommunications services,  
computer and information services)  
and relations to intellectual property  
transactions**

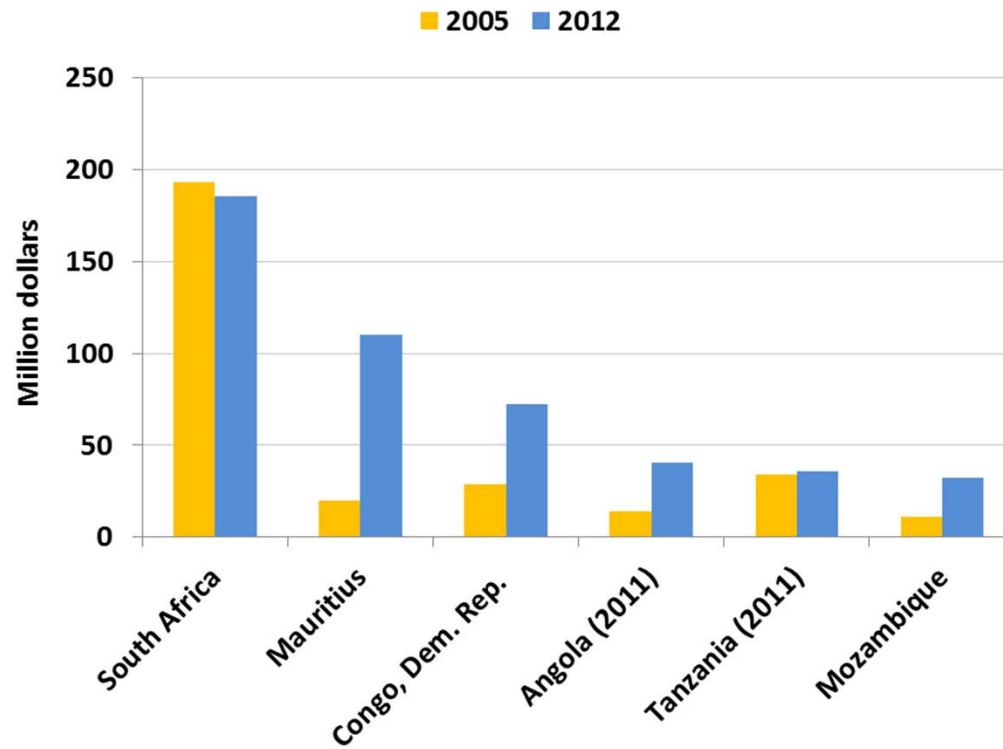
**Gaborone, Botswana, 28-31 January 2014**



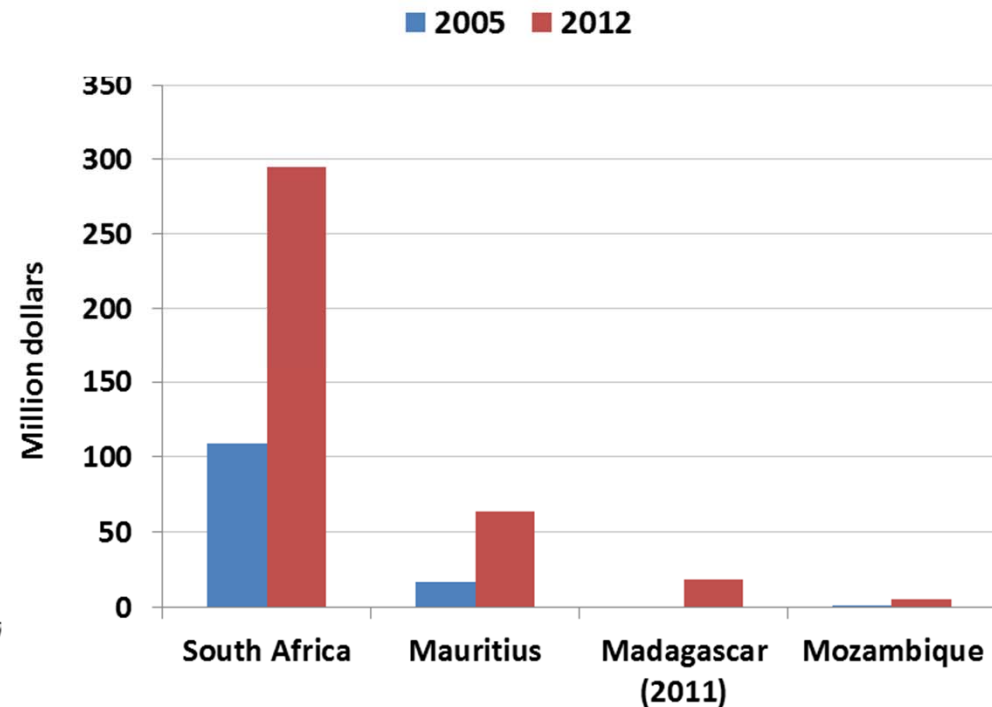
# SADC: Exports of communications services and of computer and information services



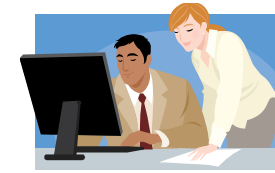
## SADC leading exporters of communications services...



...and of computer and information services



# Telecommunications, computer and information services



## 9. Telecommunications, computer and information services

- Telecommunications services
- Computer services
  - Computer software (of which originals)
  - Other computer services
- Information services
  - News agency services
  - Other information services



# Telecommunications, computer and information services

- New grouping of various items previously classified separately
- BPM5 included communications
- Telecommunications and computer services defined in terms of the nature of the services not the mode of delivery

# Telecommunications, computer and information services: a new item

**BPM5/  
EBOPS 2002**

**BPM6/  
EBOPS 2010**

## Communications

Postal and courier  
Telecommunications

## Transport

Sea, Air, Other transport,  
Postal and courier

~~Communications~~

## Computer and information

Computer  
Information

## Telecommunications, computer and information

Telecommunications  
Computer  
Information



# **Telecommunications services (1/2)**

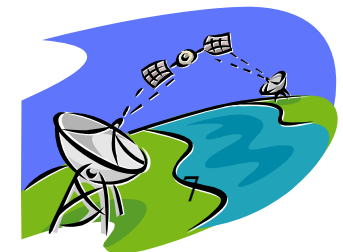
Transmission of sound, images, data, etc. through telecommunications networks (wired or wireless)

- Fixed telephony, mobile telecommunications services (voice, video, data, SMS, MMS)
  - + Call management services (waiting, forwarding, identification, voice mail)
- Internet telecommunications services (backbone, provision of direct connection to Internet)
- Covers associated free services, fax, audio or video conferencing
- Broadcasting



WTO OMC

© WTO/OMC



# Telecommunications services (2/2)

- Gross value of transactions
- Not value of information being transmitted (only value for transmitting information)
- Excludes:
  - installation services for networks
    - ↪ Construction
  - database services
    - ↪ Information services
  - on-line content
    - ↪ Relevant services items



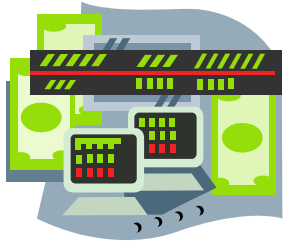


# Computer services - Software

## Hardware/software related services and data-processing services

- Including the production of software:
  - Operating systems
  - General business productivity software
    - E.g. accounting, office suites, management
  - Computer games
  - Other applications
    - E.g. media players, educational
- Whether customized or mass-produced
- Sales of software included under certain conditions





## Other Computer services

- Hardware / software consultancy and implementation (including subcontracting, training, or other related services)
- Hardware / software installation
- Maintenance of computers, peripherals
- Analysis, design, and programming
- Data processing services
- Web page hosting
- Providing or hosting client's applications



**Provided off-site  
or on-site!**

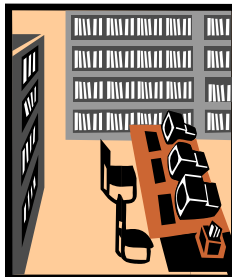
# Information services

## News agency services



## Other information services

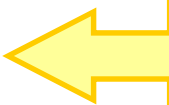
- Database services !
- Web search engines
- Nonbulk subscriptions to newspapers, periodicals
- Library and archive services



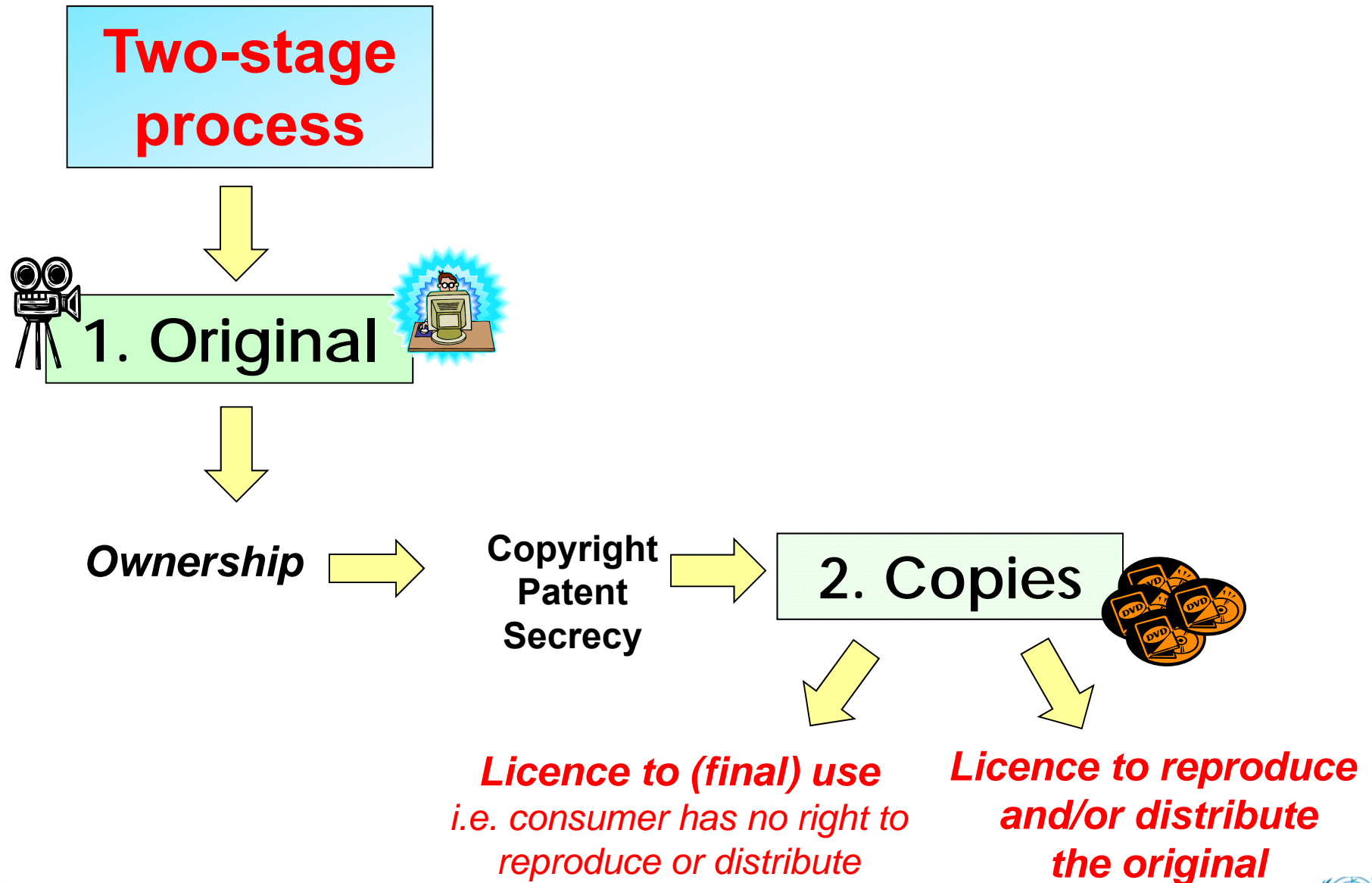
**+ downloaded or on-line content  
not classified elsewhere**

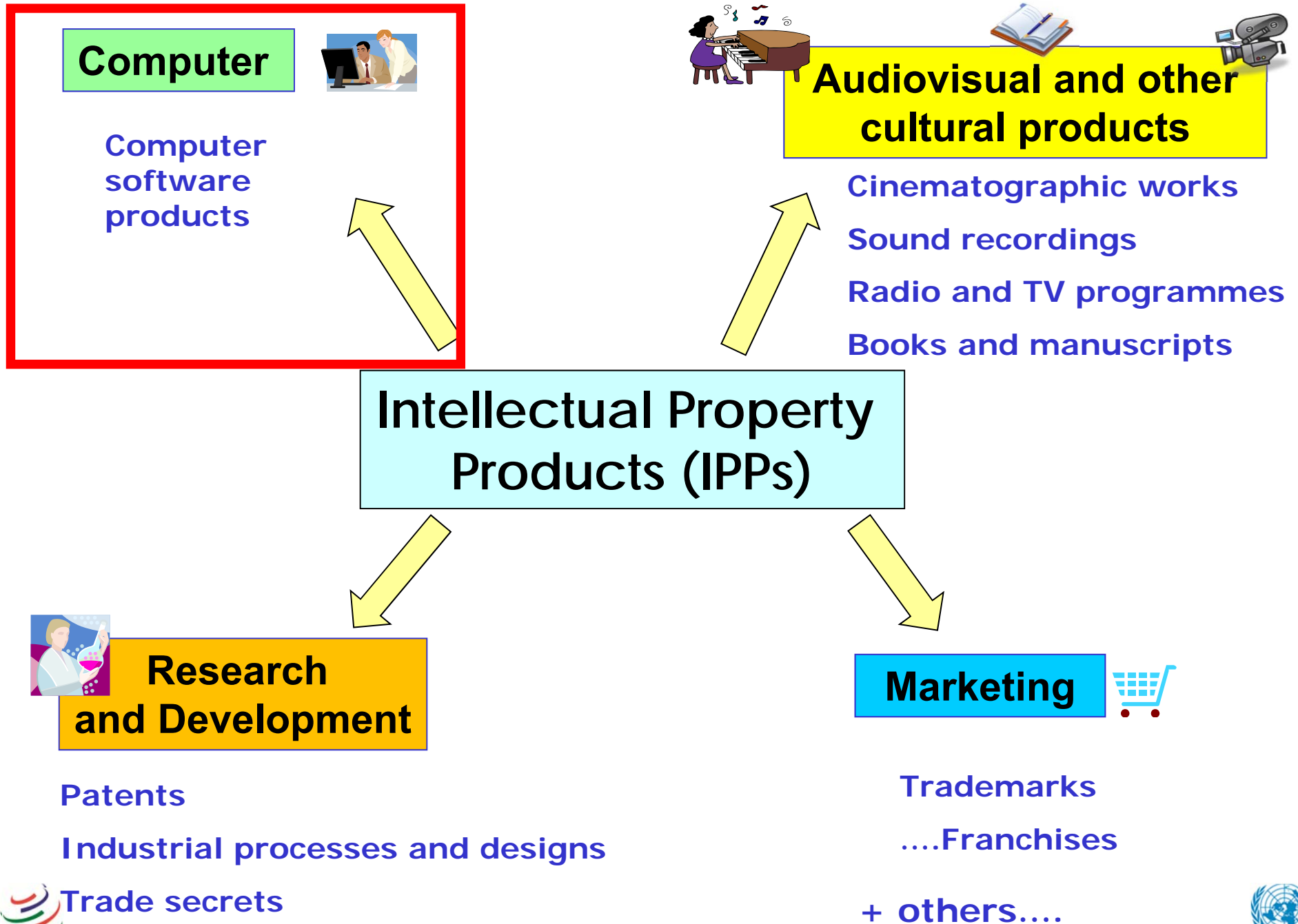
# Where are transactions in Intellectual Property Products (IPPs) classified?

## Balance of Payments Services classification (BPM6/EBOPS 2010)

1. Manufacturing services on physical inputs owned by others
  2. Maintenance and repairs
  3. Transport
  4. Travel
  - 5.-11. Other commercial services
  12. Government goods and services
5. Construction
  6. Insurance and pension services
  7. Financial services
  8. Charges for the use of intellectual property n.i.e.
  9. Telecommunications, computer and information services
  10. Other business services
  11. Personal, cultural and recreational services
- 

# Production of Intellectual Property Products

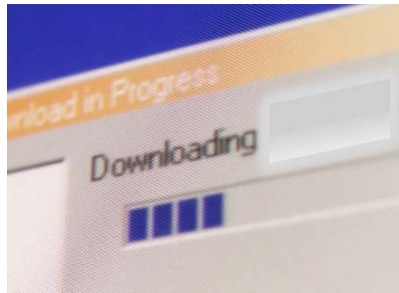




# Treatment of transactions relating to computer software (etc.)

## Classified under services items if:

- Customized products
- Transactions in originals (identified separately if possible)
- Licence fees to distribute/reproduce an original
- Mass-produced (i.e. non-customized products):



**Downloaded and  
on-line use**



**Periodic  
licence to use**



**Licence for  
perpetual use**

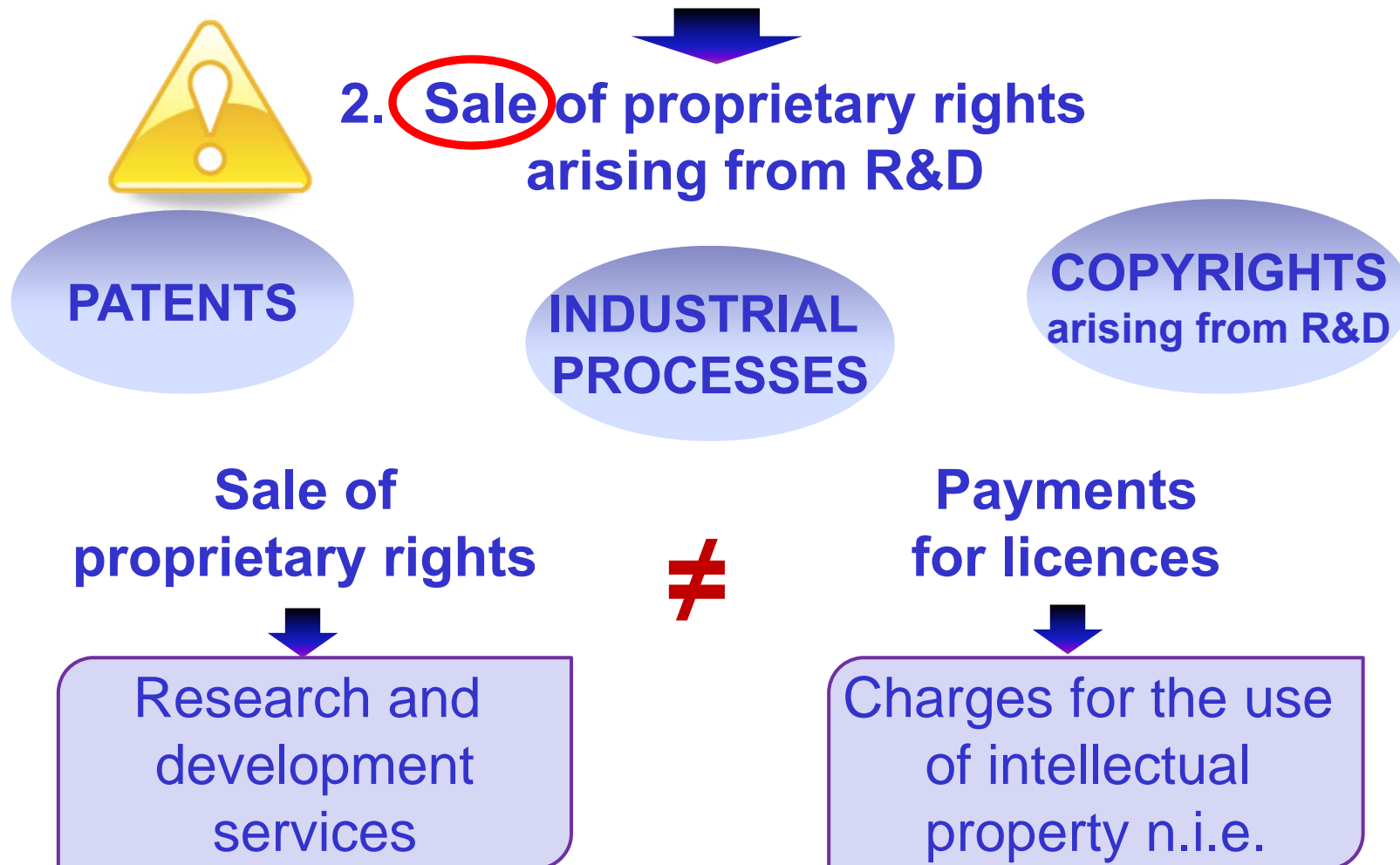
# Treatment of trade in IPPs: Software products (etc.)

	Licence to (final) use of intellectual property i.e. excl. reproduction - distribution	Licence to reproduce and/or distribute intellectual property	Sale/purchase of ownership rights (original)
<b>Computer software, Audiovisual products and similar products</b>			
(a) Customized all types			
(b) Mass-produced— downloaded or otherwise electronically delivered	relevant service item	charges for the use of intellectual property n.i.e.	relevant service item
(c) Mass-produced— on physical media with periodic licence fee			
(d) Mass-produced— on physical media with perpetual use	Goods		



# Research and development services

Work undertaken in a systematic way to increase the stock of knowledge



# Treatment of Trade in IPPs

	<b>Licence to (final) use of intellectual property i.e. excl. reproduction - distribution</b>	<b>Licence to reproduce and/or distribute intellectual property</b>	<b>Sale / purchase of ownership rights</b>
<b>Computer software, audiovisual, etc.</b>			
(a) Customized all types			
(b) Mass-produced— downloaded or otherwise electronically delivered	relevant service item	charges for the use of intellectual property n.i.e.	relevant service item
(c) Mass-produced— on physical media with periodic licence fee			
(d) Mass-produced— on physical media with perpetual use	Goods		
<b>Outcomes of research and development</b>		charges for the use of intellectual property n.i.e	<b>R&amp;D services</b>
<b>Franchises and trademarks</b>		charges for the use of intellectual property n.i.e.	<b>Balance of payments capital account</b>

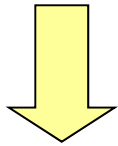


# Embedded software in computers

Example

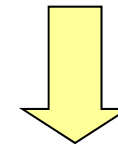
- Buy computer
- Comes with a **licence to use** the embedded software

Is the licence *perpetual*?



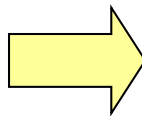
Entire value is recorded  
in **“goods”**

Does the licence need renewal,  
e.g. after one year?



The value of the licence *to use*  
is recorded in **services**  
under **“computer services -  
computer software”**

...but the PC manufacturer  
paid earlier  
rights to include the  
software in computers



It is a **licence**  
**to reproduce and distribute**  
in

**Charges for the use of intellectual property n.i.e.**

# Data available for Royalties and license fees

Million USD		2005	2006	2007	2008	2009	2010	2011	2012
Receipts	Angola	49.4	<del>1339.6</del>	12.0	12.0				
	Botswana	0.5	0.3	0.2	0.5	0.1	0.1	0.0	0.2
	Congo, Dem. Rep. of	<del>35.2</del>	<del>49.6</del>	<del>53.8</del>	<del>125.0</del>	<del>108.5</del>	0.0	0.0	0.0
	Madagascar	2.3	1.7	1.5	4.6	3.5	90.7	15.8	
	Mauritius	0.0	0.2	0.5	0.0	0.1	0.6	2.2	1.4
	Mozambique	2.2	1.0	0.0	0.0	0.2	0.0	0.3	3.2
	Namibia	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
	Seychelles			1.2	1.0	8.7	1.9	1.6	
	South Africa	45.3	45.8	52.9	53.7	47.7	59.2	65.8	67.3
	Swaziland	0.0	0.0	0.0	72.8	0.1	0.5		
	Tanzania		0.0	0.0					
	Zimbabwe	1.6	1.6	1.0	1.1	1.1	1.2	1.2	
	Payments	Angola	3.4	1.4	1.2	0.5	0.0	6.4	3.2
Botswana		12.3	7.3	11.4	12.7	9.3	11.4	11.3	13.5
Congo, Dem. Rep. of		<del>2.1</del>	<del>1.9</del>	<del>1.9</del>	<del>2.6</del>	<del>34.3</del>	0.0	0.0	0.0
Lesotho		1.7	1.7	1.7	1.6	1.7	3.4	5.3	
Madagascar		9.1	20.2	56.3	52.9	49.0	26.2	7.7	
Malawi		0.4	0.4	0.4	0.4	0.4	0.4	0.4	
Mauritius		4.7	4.4	6.0	5.9	5.2	12.1	15.2	15.5
Mozambique		5.7	2.3	2.4	1.9	3.6	4.2	4.9	8.1
Namibia		1.7	3.0	1.9	15.2	5.8	7.6	7.3	4.6
Seychelles		0.5	0.5	0.5	0.5	0.5	1.4	1.2	
South Africa		1070.6	1282.0	1596.3	1675.9	1658.0	1941.2	2117.9	2016.7
Swaziland		210.8	212.8	241.8	239.4	233.2	32.6		
Tanzania		0.2	0.7	5.3	0.1		0.3	0.4	
Zambia		0.4	0.4	1.2	1.3	0.4	0.5	5.3	
Zimbabwe		2.5	12.0	9.2	13.7	14.4	15.1	15.8	