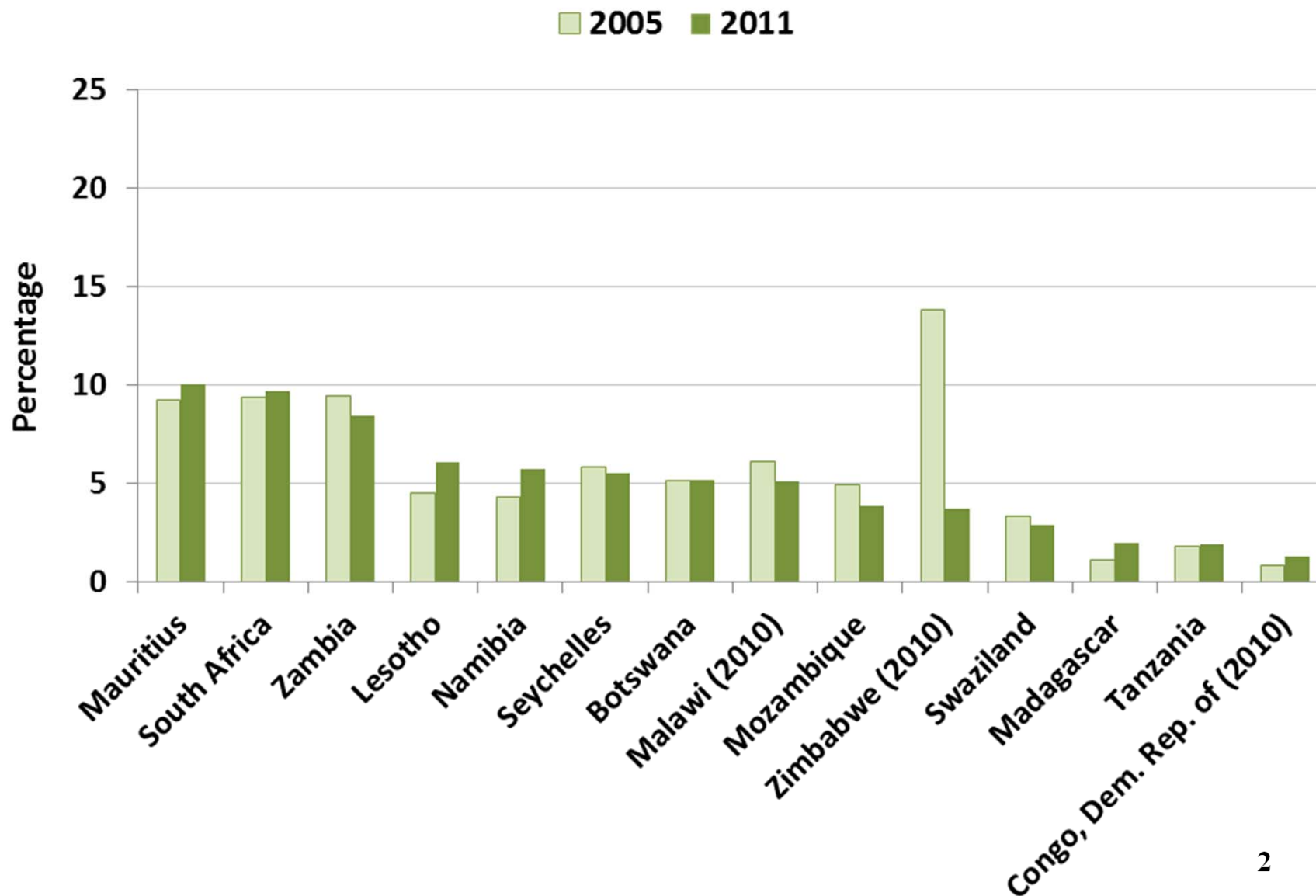


# **SADC Workshop on Trade in Services Statistics**

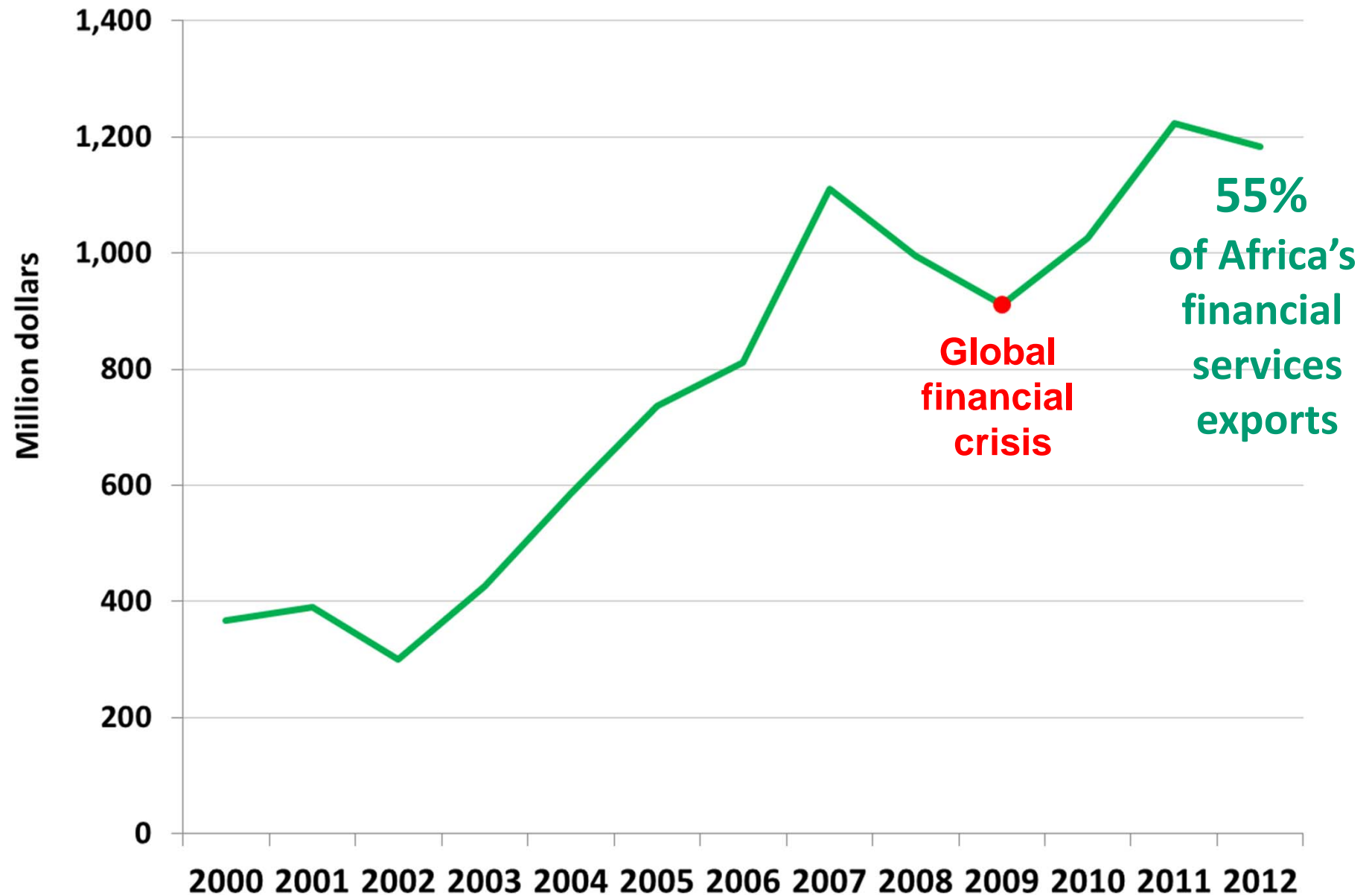
## **Financial Services**

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

# Share of Financial intermediation value added in total value added in selected SADC countries

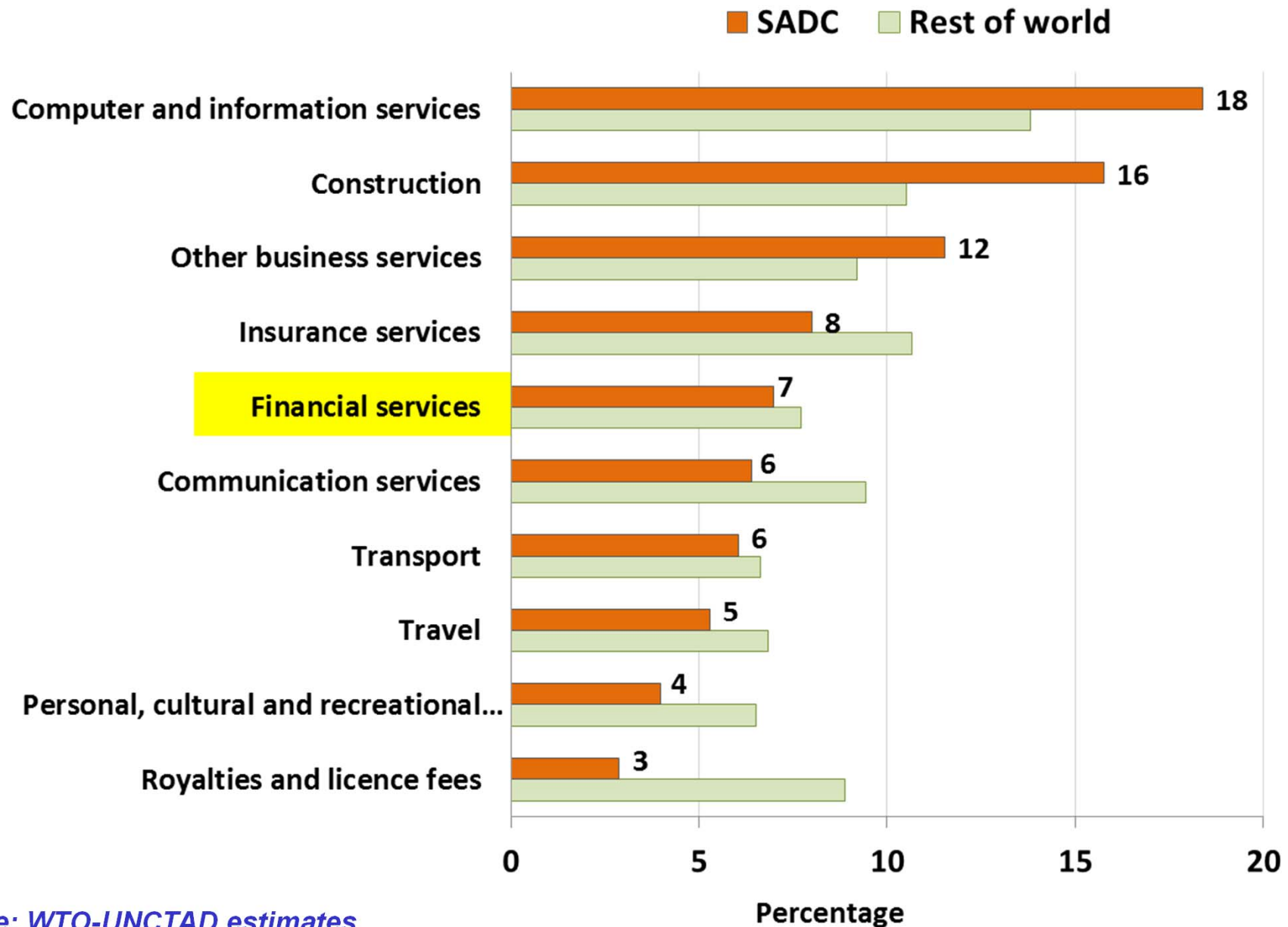


# SADC Financial services exports



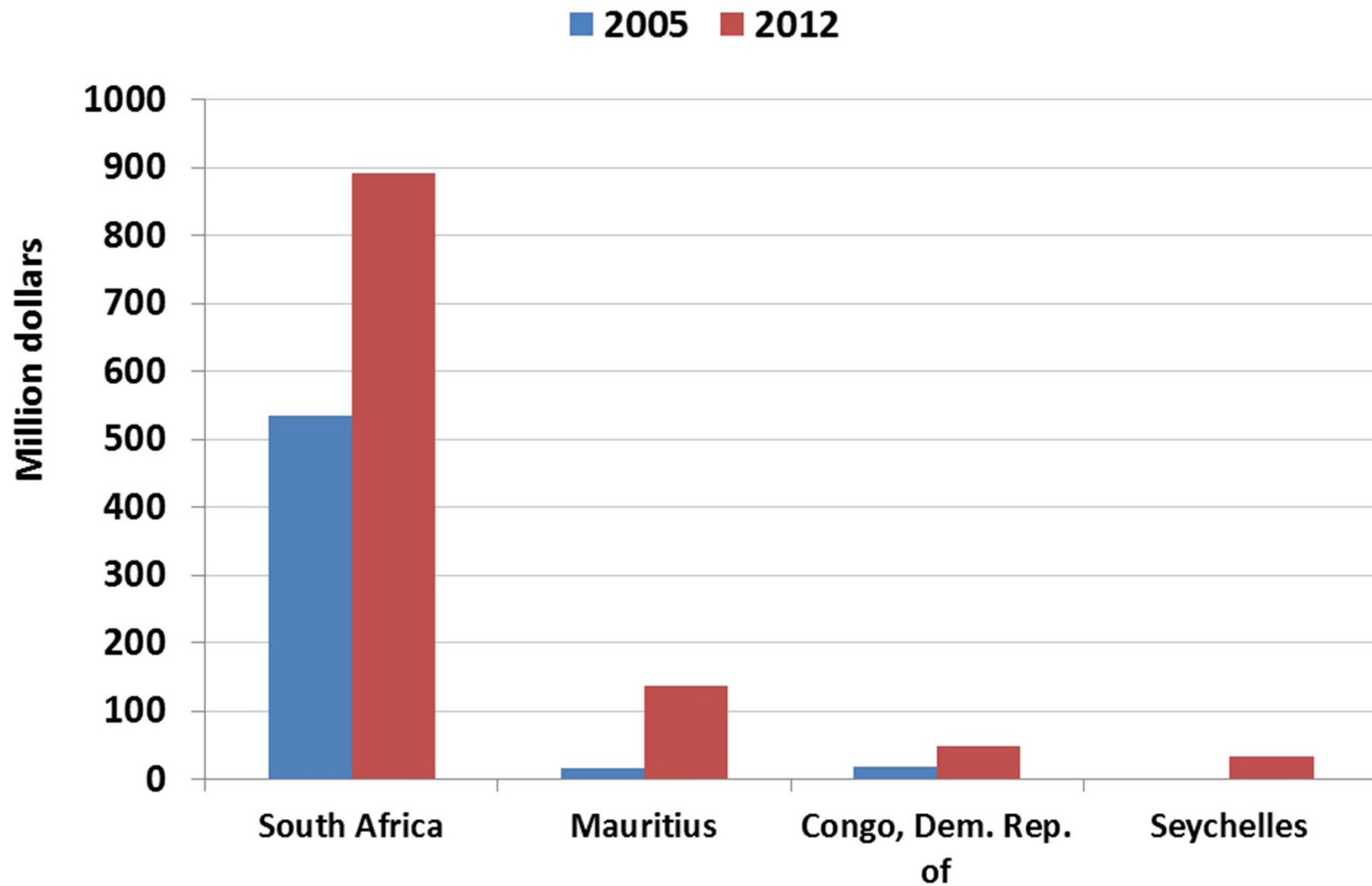
Source: WTO-UNCTAD estimates (July 2013)

# SADC: Commercial services average annual growth, 2005-2012



Source: WTO-UNCTAD estimates

# SADC Leading Financial Services Exporters



Source: IMF.



# Measuring Financial Services

**Trade in financial services is difficult to measure!**

**Very technical field**

**Part of financial services can be measured  
only indirectly (FISIM)**

**BPM6: expanded coverage compared to BPM5**



# Financial services in BPM6

Services provided by banks and other financial intermediaries and auxiliaries

Financial  
Services  
in BPM6

- Explicitly charged and other financial services
- Financial Intermediation Services Indirectly Measured (FISIM)

FISIM and other implicit financial services are included, with a ***method for calculation based on the reference rate.***

***Stronger concordance with 2008 SNA***



# Explicitly charged financial services and other financial services

Charged through:

## 1) Explicit charges

- Loan application fees, commissions and brokerage fees, account charges, etc.
- Early/late repayment fees

..But excludes increase in interest rates as a result of late payment





## 2) Margins on buying and selling transactions

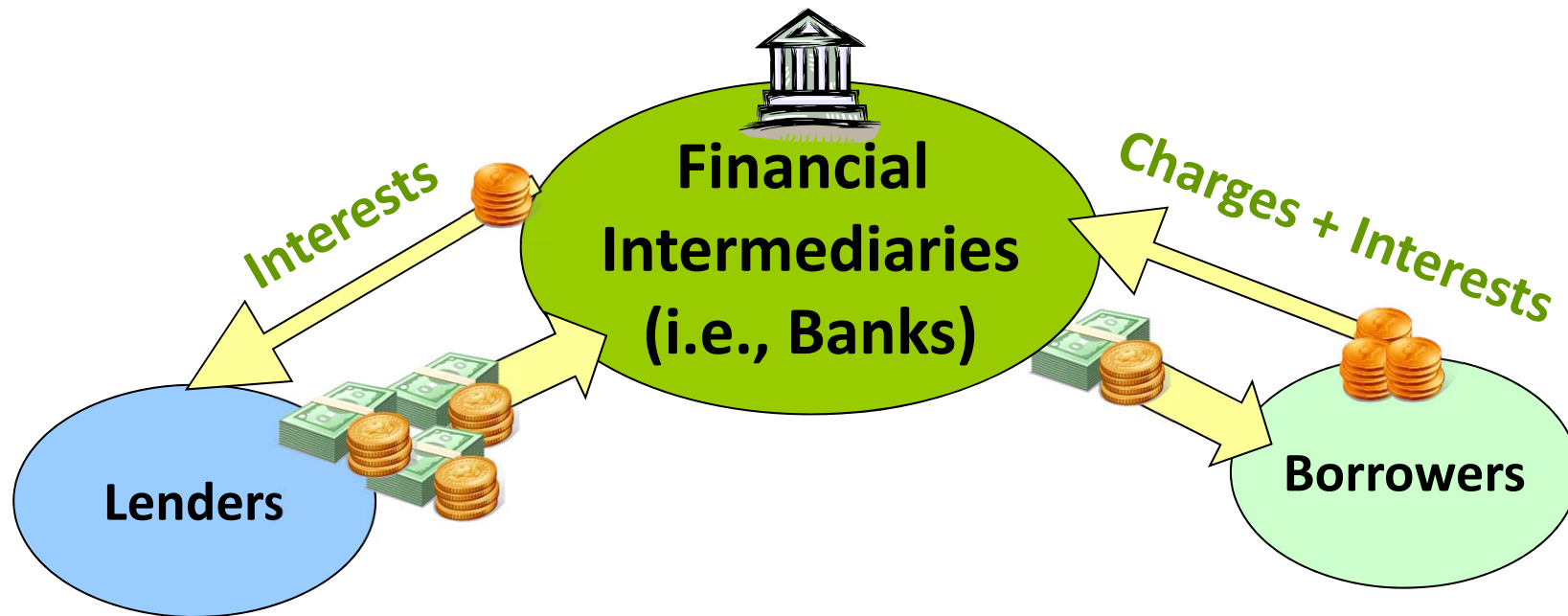
- Dealers in foreign exchange, bonds, notes, financial derivatives, etc.
- Not distinguishable from underlying financial transactions
- **Estimated**
  - **Service charged to the seller** - difference between reference price and dealer's buying price
  - **Services charged to the buyer** - difference between reference price and dealer's selling price
  - **Reference price** - usually mid-point price



### **3) Asset management costs deducted from property income receivable**

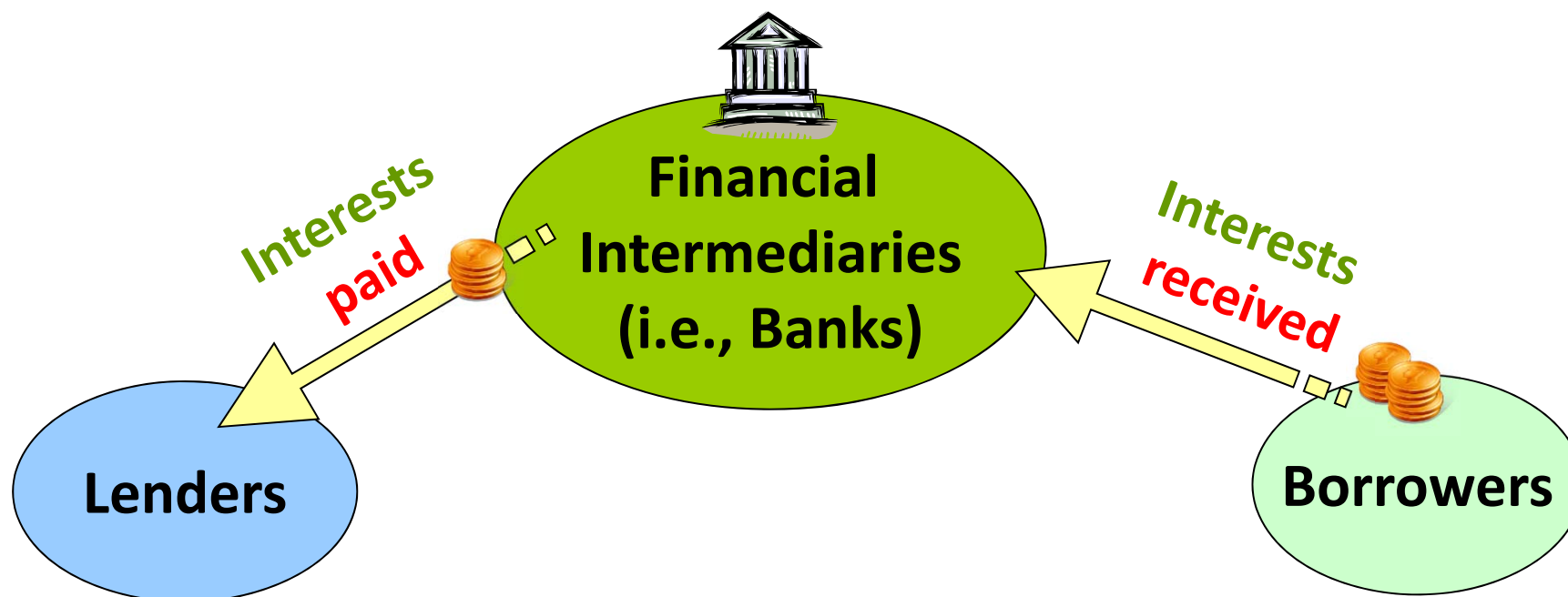
- Administrative costs incurred by mutual funds, holding companies and trusts (e.g. as payments to fund managers, custodians, banks, accountants, lawyers or their own staff).

**..but only some charges are directly invoiced..**



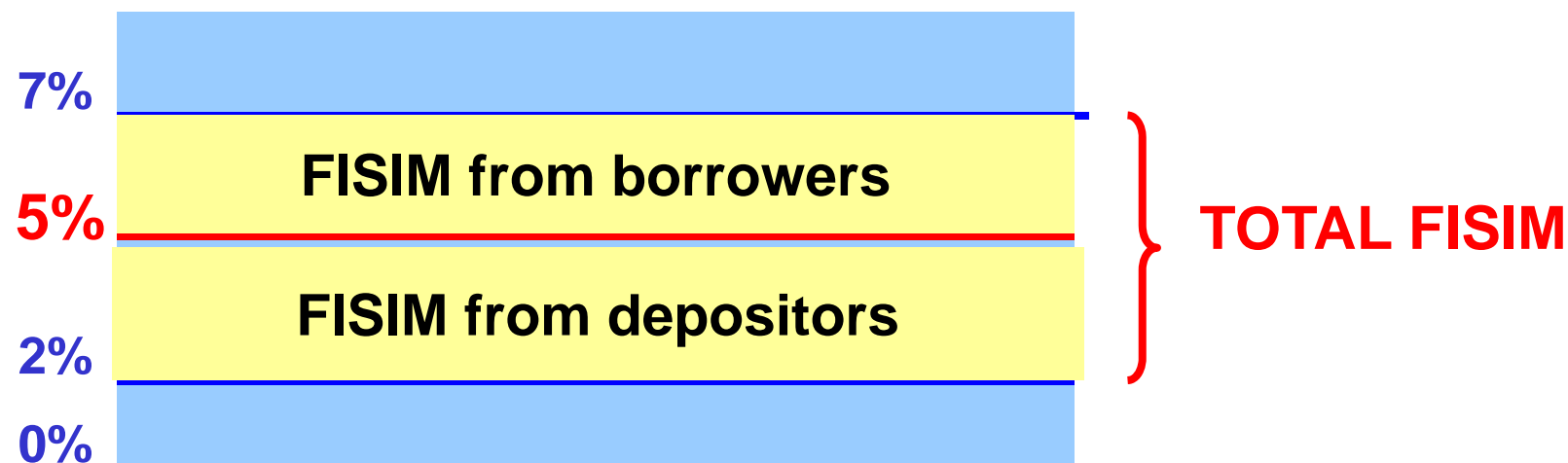
# Financial Intermediation Services Indirectly Measured (FISIM)

## What is FISIM?



**Example:**

**Interest rate**



**Revenue from financial intermediation activities**

# How is FISIM calculated in BPM6?

**Example**

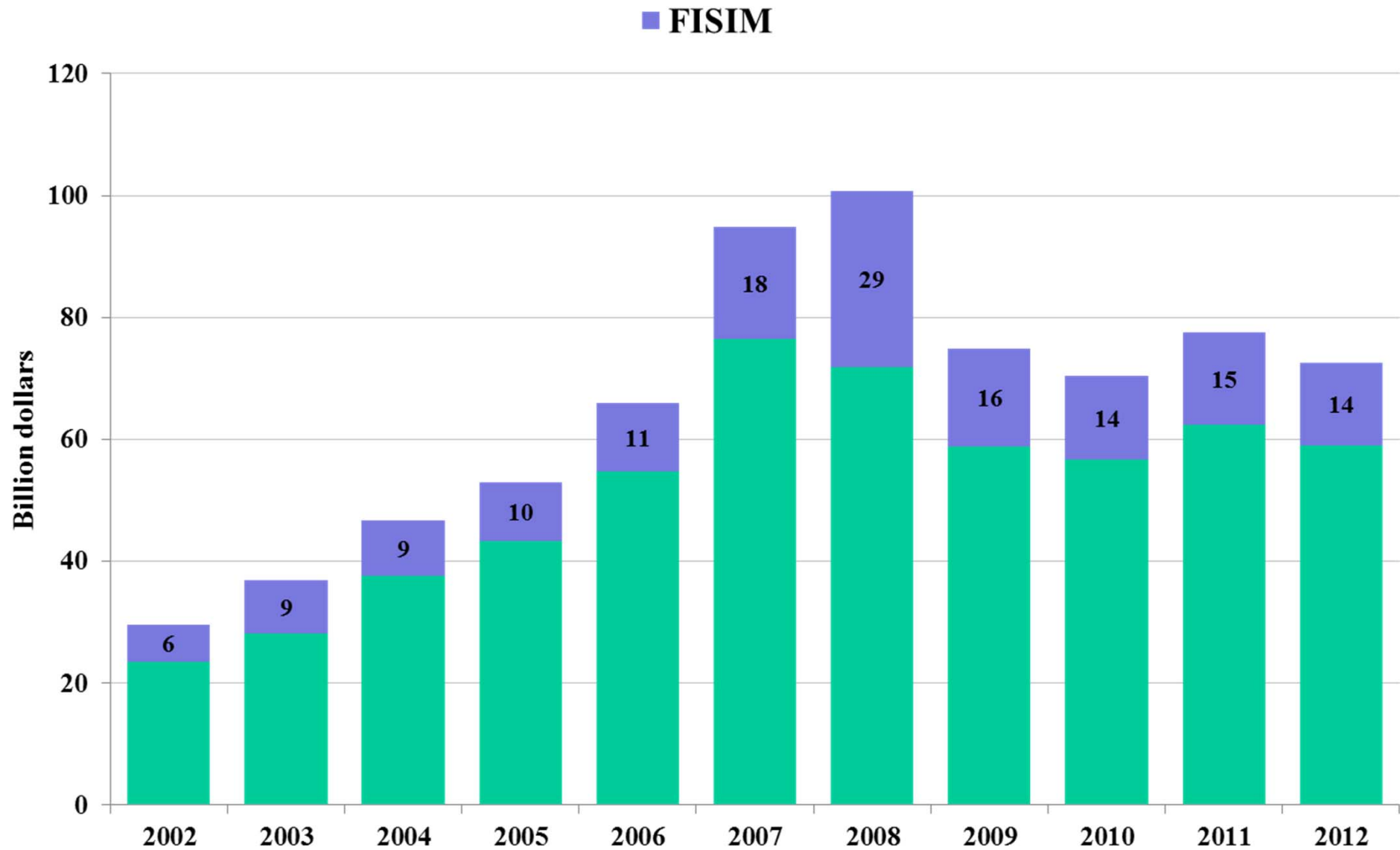
Average value of deposits **500** and Average value of loans **1,000** in **national currency**



Interest payable **Interest rate 5% per year**  
**Total FISIM receivable by banks = 35**

**70** (FISIM from borrowers 20 + FISIM from depositors 50)  
 (derived as 25 - 10) (derived as 1,000 at 5%)  
**25 pure interest payable** (derived as 500 at 5%)  
**20 FISIM receivable** (derived as 70 - 50)

# United Kingdom – Exports of financial services



# USA: Exports of financial services by products

