**Compilation of Statistics on International Trade in Services**

**Tourism Services (Travel Expenses)**

**Export of Tourism Services -** total assessment compiled by the National Bank of Georgia is distributed by countries based on the border crossing data. Inbound/Outbound visitors are compiled for air transport and for other means of transport separately.

**Import f Tourism Services -** total assessment compiled by the National Bank of Georgia is distributed by countries based on Tourism Statistics Survey organized by Geostat. Data of Q1 2020 is used for distribution.

**Transport Services**

**Sea Transport**

**Passengers:** Data on export/import of services are based on Geostat survey (information is collected based on both the cost of travel and the number of passengers). Logical and arithmetical control will be applied on the cost of one trip. Number op passengers will be compared with border crossing data (as only part of inbound/outbound visitors through sea ports are passengers). Distribution by countries are based on border crossing data.

**Freight:** Export of Serviceswill be compiled based on Geostat survey. Transportation of export goods by Georgian vessels is fully included in the export of services. As for imports - the transportation costs of imported goods will be calculated separately according to the research and will be compared with the imports made by the enterprise by sea transport. Calculated value will be also used in CIF / FOB compilation process. The import of services will be supplemented by the hiring of ships with a crew.

**Other transport services** - according to the survey results (loading / unloading operations of non-resident ships; other port and berth services).

**Air transport**

**Passengers:** Data on export/import of services are based on Geostat survey (information is collected based on both the cost of travel and the number of passengers). Logical and arithmetical control will be applied on the cost of one trip. Number of passengers will be compared with border crossing data (as only part of inbound/outbound visitors of airports are passengers). Distribution by countries are based on border crossing data.

**Freight:** Export of Serviceswill be compiled based on Geostat survey. Transportation of export goods by Georgian planes is fully included in the export of services. As for import of services the cost of transporting imported goods will be calculated separately according to the research and will be compared with the imports made by the enterprise by air transport. The obtained value will be also used when calculating CIF / FOB. The import of services will be supplemented by the rental of planes and helicopters with crew.

**Other transport services:** Export of services - from Geostat survey. Air navigation and airport information. Import of services according to the results of the survey (according to Georgian airlines).

**Railway Transport:**

**Passengers:** Import / Export of Services. Information from the railway is collected by directions (Armenia, Azerbaijan, Turkey) about the number of passengers and the cost of travel (Georgia will be part of the cost of travel separately and part of a separate partner country). Distribution will be based on border crossing data (unfortunately, the railway has no information by countries or even by residence).

**Freight:** Export of services - Transit shipments from Geostat survey - will be distributed to countries according to the recipient country. Transportation of export and import goods and transportation of non-resident goods on the territory of Georgia will not be taken into account. Import - the cost of transporting imported goods will be calculated separately according to the research and compared with the import of the enterprise by railway. The obtained value will be also used when calculating CIF / FOB. The lease of railway carriages is not a transport service, it is reflected in the lease.

Other services - according to research results

**Road Transport**

**Passengers:** Import / export of services will be assessed according to a Geostat survey. If necessary, by country, border protection data will be distributed accordind border crossing data (proportionally as in case of railway transport).

**Freight:** Export of services - transit shipments from Geostat survey, shipments outside the territory of Georgia (if any). When exporting, the part of the transportation that is located outside the borders of Georgia should be evaluated. In the case of import transport, the part of the transport that took place in the territory of the partner country - to the border. Import of services - the cost of transportation of imported goods will be separately calculated according to the Geostat survey and compared with imports by road transport by the enterprise. The obtained value will be also used when calculating CIF / FOB. In addition to this, the movement of cargo by non-residents outside Georgia, if any. Export transportation by non-residents will not be considered.

**Other services:** According to the results of the Geostat survey

**Pipelines and power lines**

* Freight (Export – data is not available yet)
* Gas transit from Russia to Armenia - Armenia
* Gas transit from Azerbaijan to Turkey - Turkey
* Oil transit from Azerbaijan (Supsa, Ceyhan) - the country is unknown
* Similarly, power lines - according to the country of destination

**Insurance Services**

**Pension service and standard guarantee:** Import and export according to Geostat survey. Apparently this service did not take place.

**Direct insurance**

**Life insurance:** Import according to Geostat survey, while export from a survey of insurance companies. Apparently this service did not take place.

**Freight:** Exports of services from insurance companies' reports, which also requires breakdown of services by countries (National Bank Survey)

Import of services - the insurance services provided during the transportation of imported goods will be calculated separately according to the Geostat survey and compared with the imports made by the enterprise. The obtained value will be also used when calculating CIF / FOB. The value of insurance services provided by non-residents when moving goods outside Georgia will be also added, if any. Insurance services provided by non-residents during export transportation will not be taken into account.

**Reinsurance:** The import and export of services will be estimated from the reports of insurance companies which also requires breakdown of services by countries (National Bank Survey)

**Financial Services**

**Direct financial services in the case of government debt** (import of financial services) - Source of information Ministry of Finance, will be broken down into countries according to creditors.

**Direct Financial Services Implemented in the Non-Banking Sector** - Imports / Exports of Services Assessed by Geostat Survey

**Direct Financial Services Implemented in the Banking Sector** - The import / export of services will be assessed according to a National Bank survey (this survey is likely to be implemented within the Sebstat).

**Financial Intermediation Services Indirectly Measured (FISIM)** - The assessment of these services is currently not carried out by the National Bank, the interest margin is fully included in the interest income. The following works need to be performed to evaluate FISIM:

* Define the "base interest rate" agreed between Geostat and the National Bank for both the national currency and major foreign currencies
* Information on loans to non-residents issued by financial institutions should be collected at the individual loan level, indicating the borrower's country of residence and interest rate. Similar information is already available on borrowed funds.
* Information on deposits in the Georgian banking system should be collected in terms of countries and interest rates.
* Collect information on deposits placed abroad by Georgian financial corporations in terms of countries and interest rates.

In the presence of this information, the calculation of FISIM is not a problem.

**Government services (not included elsewhere)**

**Import of services:** Information of the Ministry of Foreign Affairs on the existence of embassies, consulates and permanent representations abroad in international organizations and the costs of their maintenance allows to estimate the costs of embassies and consulates by country. Georgia does not currently have military bases abroad, nor are there foreign military bases in Georgian-controlled territory, but Georgia participates in UN-led military operations and our military personnel provide some services to non-residents (peacekeeping missions in Afghanistan, Iraq and Africa, and Kosovo in recent years). To evaluate this service, it is advisable to obtain additional information from the Ministry of Defense - namely the number of servicemen involved in the military mission and the compensation received for participation in the mission according to the military missions.

**Export of services:** It is more difficult to export government services, because it is practically impossible to obtain information from foreign embassies, although it is possible to obtain information about foreign embassies, consulates and representations of international organizations in Georgia, as well as the number of accredited graduates. Based on this information, it is possible to estimate the export of government services by countries.

The rest of the services, both export and import, will be evaluated based on Geostat survey.