# **Brief Description of Pilot Survey on International Trade in Services**

Pilot Survey on International Trade in Services was conducted in Q4 2020 according to the Action Plan of the National Strategy for the Development of Official Statistics of Georgia 2020-2023. The reference period for the survey was Q3 2020.

SITS survey is sample survey. For pilot survey sampling population was number of enterprises which responded export or import of services either in FDI or in Business surveys in 2019, Q1 2020 or Q2 2020. Total number of samples was 800 (according to the approved budget of 2020).

**Fieldwork**

Fieldwork of the survey covered 3rd October – 17th November, 2020 period alongside with the regular quarterly survey on Data on External Economic Activities (FDI survey). 63 interviewers participated in gathering of primary data. Remote training on the importance of survey and on questionnaire filled in instructions was conducted by the staff of Foreign Investments Statistics Division of Geostat before the start of fieldwork.

Paper-based questionnaire was completely rejected due to restrictions on preventing the spread of the Covid 19 virus. Online questionnaire was developed by IT team of Geostat, which could be filled in either by respondent or by interviewer. Several logical controls were applied to the online questionnaire in order to assure proper responses.

No complications occurred during the fieldwork. Despite the difficult situation created by the pandemic in the country, Geostat interviewers worked with responsibility and consideration. They were assisted and consulted by the staff Foreign Investments Statistics Division.

**Issues for further improvement**

During fieldwork several issues were arisen which needs additional discussion for further improvement of survey questionnaire:

1. **Railway transport services** – railway transport services were omitted in the exports part while designing the questionnaire as JSC “Georgian Railway”, the only monopolist on market, reports to Geostat on services rendered to non-residents. At the beginning It was assumed that the mentioned report would cover the whole export of railway transport services, However, during the pilot survey several enterprises were discovered with forwarding or intermediary services they render to non-residents for freight transportation by rail. These enterprises receive payment directly from non-residents thus the value is not included in the report of Georgian Railway. Therefore, addition of railway transport in the export part of the questionnaire could give more complete data.
2. **Travel** –Tourism Division of Geostat conducts special surveys regarding to inbound/outbound travelers and hotels and similar type establishments. Data of mentioned surveys are used by National Bank of Georgia (NBG) for Balance of Payments compilation purposes. In order to avoid respondent burden services related to travel were not included in the ITS questionnaire and onlyquestion onbusiness trips abroad was added in the import part. However, several hotels were selected for the survey. Although these companies reported services other than hotel services, but were complaining about missing questions on hotel services. The same situation occurred with tourism agencies.

Therefore, discussion about addition of questions on services of hotels and tourism agencies is needed as well. These could be additional source in order to check data obtained from the surveys conducted by Tourism Statistics Division.

**Main results of the pilot survey**

As was mentioned above total number of enterprises selected for the pilot survey were 800. Sampling covered 10 regions of Georgia. Besides, 50 company were selected as reserve in case of non-response and approximately 15 companies which reported processing of goods in FDI survey were added manually.

In general number of enterprises that responded the questionnaire were 812 and 33 companies obtained various statuses.

610 enterprises (from 812 respondent ones) reported export/import of services, while 202 companies had no ITS during reference period. Having no figures in Q3 2020 with high possibly is related to pandemic situation, as for previous periods these 202 respondents were reporting export/import of services in Business/FDI surveys.

Staff of Foreign Investments Statistics Division checked all responses after field works were over. In sever uncertain cases the staff contacted respondents as well. Responses from several enterprises (e.g., that reported services above USD 1 million) were compared to the results shown in FDI/Business surveys as questions on export/import of services still remains in both surveys. The comparison had shown that respondents took more seriously ITS survey and paid less attention to the questions presented in FDI/Business survey questionnaires. Therefore, it is possible to remove all questions related to ITS figures and leave only screening questions in FDI/Business questionnaires to ensure regular update of sampling population.

Afterwards weighting procedure was weights for each enterprise were calculated. The calculated weights were applied to results of enterprises by IT department the reports developed by IT team enables to receive raw data as well as weighted results.

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  |  | |  | USD 1000 | |
| **Export of Services** | | | **Import of Services** | | |
| Raw data | | Weighted results | Raw data | | Weighted results |
| 139,051.8 | | 140,355.0 | 110,869.8 | | 112,759.3 |

The table below shows the totals of ITS pilot survey:

|  |  |  |  |
| --- | --- | --- | --- |
| USD 1000 | | | |
| **Export** | **Import** | **Turnover** | **Trade Balance** |
| 140,355.0 | 112,759.3 | 253,114.4 | 27,595.7 |

Total turnover of International Trade in Services amounted to USD 253.1 million, of which the value of export equaled USD 140 million (55.5 percent) and import amounted to USD 113 million (44.5 percent). The trade balance was positive and reached USD 28 million.

**Export of Services in Q3 2020**

|  |  |  |
| --- | --- | --- |
|  | USD 1000 | Percentage share |
| **Total** | **140,355.0** | **100.0** |
| Of which: |  |  |
| Maintenance and repair services | 465.4 | 0.3 |
| Transport services | 86,704.3 | 61.8 |
| Goods and services delivered to non-resident construction companies in connection with construction in Georgia | 1,155.0 | 0.8 |
| Financial services | 881.8 | 0.6 |
| Telecommunications, computer, and information services | 30,270.7 | 21.6 |
| Personal, cultural, and recreational services | 750.8 | 0.5 |
| Other business services | 20,127.1 | 14.3 |

Transport services reclaimed the first place in the list of top export services with 61.8 percent of total exports. Telecommunications, computer and information services occupied the second place and their share in the total exports amounted to 21.6 percent. While Other business services were on third place constituting 14.3 percent of the total exports.

**Import of Services in Q3 2020**

|  |  |  |
| --- | --- | --- |
|  | USD 1000 | Percentage share |
| **Total** | **112,759.3** | **100.0** |
| Of which: |  |  |
| Maintenance and repair services | 6,420.6 | 5.7 |
| Transport services | 53,909.0 | 47.8 |
| Construction in Georgia | 2,858.6 | 2.5 |
| Insurance services | 17.1 | 0.02 |
| Financial services | 1,649.1 | 1.5 |
| Charges for the use of intellectual property | 16,531.0 | 14.7 |
| Business trips abroad | 125.2 | 0.1 |
| Telecommunications, computer, and information services | 17,939.5 | 15.9 |
| Personal, cultural, and recreational services | 125.6 | 0.1 |
| Other business services | 13,183.6 | 11.7 |

Similar to the export of services top services in import were Transport with 47.8 percent of total imports. Telecommunications, computer, and information services followed in the list with 15.9 percent of imports. Charges for the use of intellectual property were third un the top import service list with 14.7 percent of imports.

**Top Trading Partners by Export of Services in Q3 2020**

|  |  |  |
| --- | --- | --- |
|  | USD 1000 | Percentage share |
| **Total** | **140,355.0** | **100.0** |
| Of which: |  |  |
| Azerbaijan | 12,676.7 | 9.0 |
| Switzerland | 11,627.8 | 8.3 |
| United Arab Emirates | 11,266.7 | 8.0 |
| Turkey | 10,532.3 | 7.5 |
| Germany | 9,598.4 | 6.8 |
| Canada | 9,339.3 | 6.7 |
| Armenia | 8,634.4 | 6.2 |
| Malta | 5,833.7 | 4.2 |
| China | 4,892.1 | 3.5 |
| Ukraine | 4,363.0 | 3.1 |
| Other countries | 51,590.6 | 36.8 |

In Q3 2020 the share of top ten trading partners by exports in the total exports of services amounted to 63.2 percent. The top partners were Azerbaijan (9.0 percent), Switzerland (8.3 percent) and United Arab Emirates (8.0 percent).

**Top Trading Partners by Import of Services in Q3 2020**

|  |  |  |
| --- | --- | --- |
|  | USD 1000 | Percentage share |
| **Total** | **112,759.3** | **100.0** |
| Of which: |  |  |
| Turkey | 15,065.1 | 13.4 |
| Azerbaijan | 12,453.6 | 11.0 |
| Bulgaria | 7,993.3 | 7.1 |
| Germany | 5,117.4 | 4.5 |
| Finland | 5,009.8 | 4.4 |
| Ukraine | 4,828.6 | 4.3 |
| Ireland | 4,036.9 | 3.6 |
| China | 3,697.6 | 3.3 |
| United Arab Emirates | 3,448.7 | 3.1 |
| Switzerland | 3,400.4 | 3.0 |
| Other countries | 47,708.0 | 42.3 |

In Q3 2020 the share of top ten trading partners in the total exports of services amounted to 57.7 percent. The top partners were Turkey (13.4 percent), Azerbaijan (11.0 percent) and Bulgaria (7.1 percent).