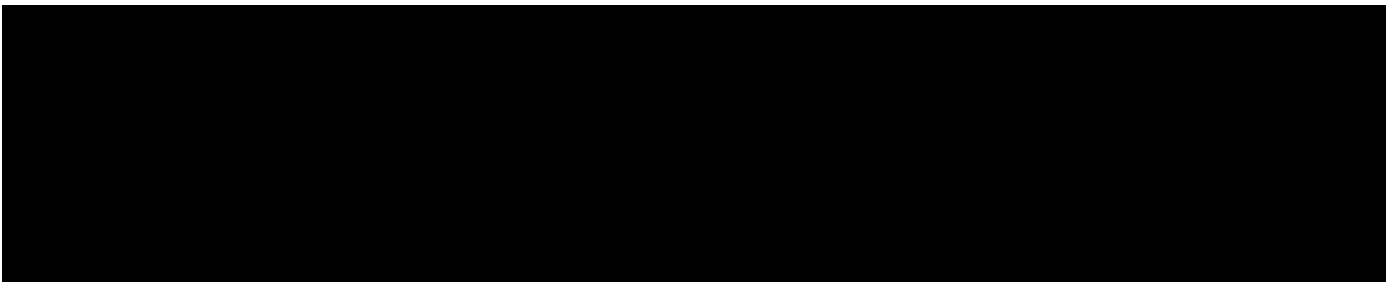


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Trade in services is not well understood. Unlike trade in goods, where buyers and sellers physically transport objects across borders, it is possible to sell a service to a client on the other side of the world, unbeknownst to anyone else, without ever leaving the comfort of your living room. The 'product' is often intangible – for example advice or analysis – and capturing accurate data on the true value of services being traded across borders has eluded statistical agencies. There are also classification problems: the profits repatriated from the foreign branch of a bank do not register in a country's national accounts as a services export, yet they are at least in part the result of a foreign country allowing outside financial services providers to operate in their territory.

Foreign-owned companies are responsible for most of the UK's cross-border services sales, particularly to the EU. Drawing on experimental ONS statistics (which exclude financial, insurance and transport services), Ingo Bochert and Julia Magntorn Garrett of the UK Trade

2. Continued access to regional markets

