

The Journal of the U.S. Bureau of Economic Analysis

# **International Services**

# The Basics of How International Services are Supplied and Received by the United States

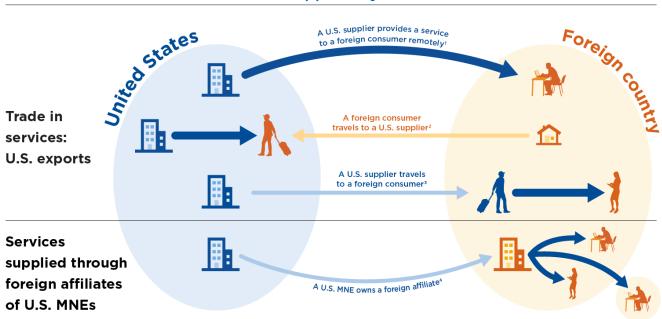
## October 19, 2022

International services are supplied (top panel) and received (bottom panel) by the United States in one of two ways: trade in services or services supplied through affiliates.

Trade in services can be supplied in the following ways:

- The supplier provides a service to the consumer remotely, such as over the internet or phone.
- The consumer travels to the supplier's location to consume the service.
- The supplier travels to the consumer's location to provide the service.

Services supplied through affiliates are services provided by multinational enterprises (MNEs) through their U.S. or foreign affiliates.



# How Services are Supplied by the United States

1. Example: A law firm in the United States provides legal services to a client in the United Kingdom over the internet.

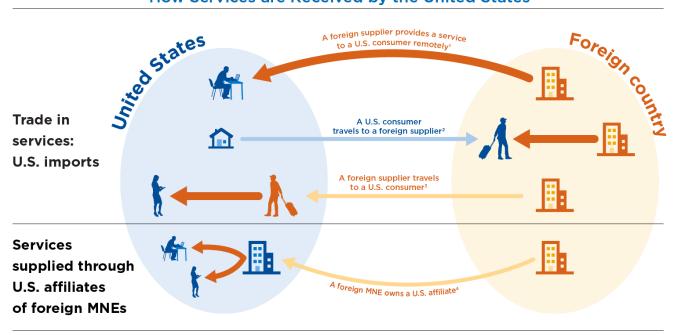
2. Example: A resident of the United Kingdom travels to the United States for leisure and purchases a hotel stay, food, and souvenirs.

3. Example: A computer specialist resident in the United States travels to the United Kingdom to provide database consulting services.

4. Example: A U.S. MNE owns a telecommunications affiliate in the United Kingdom that provides satellite communications services to customers in the United Kingdom and throughout Europe.

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## How Services are Received by the United States



1. Example: An architectural firm in the United Kingdom provides building design services to a client in the United States over the internet and through mail. 2. Example: A resident of the United States travels to the United Kingdom to participate in a study abroad program at a United Kingdom university.

3. Example: An accountant resident in the United Kingdom travels to the United States to provide bookkeeping services.

4. Example: A United Kingdom MNE owns a financial services affiliate in the United States that provides banking services to customers in the United States.

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