

International Services

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

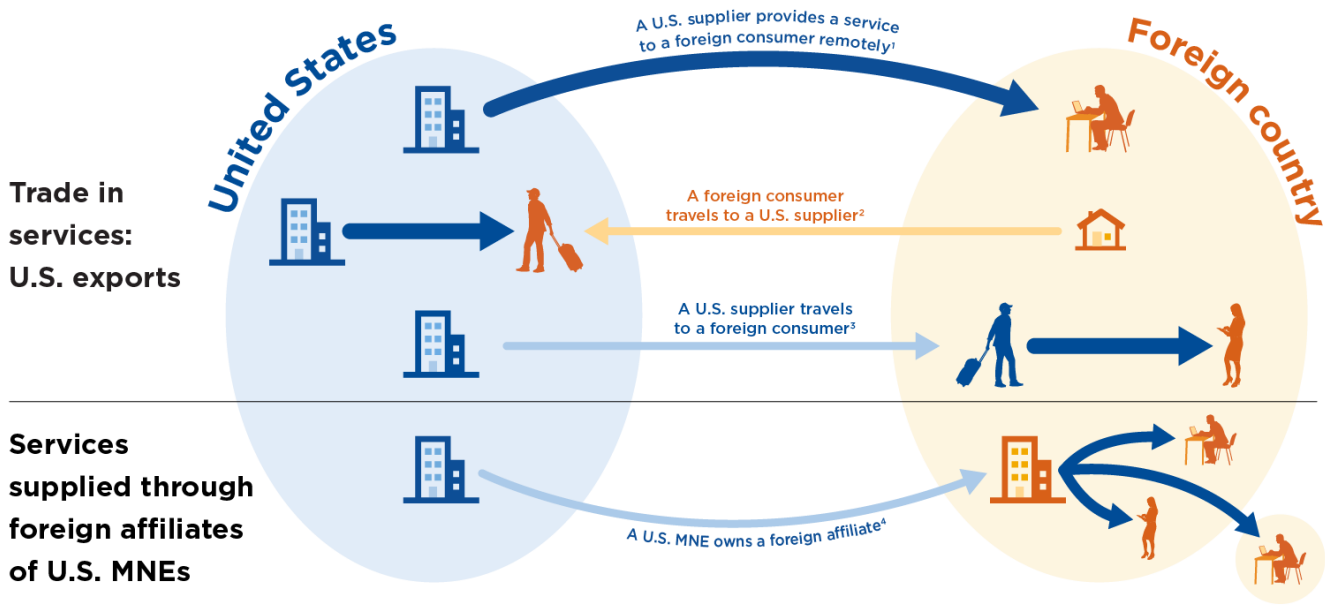
International services are supplied (top panel) and received (bottom panel) by the United States in one of two ways: trade in services or services supplied through affiliates.

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



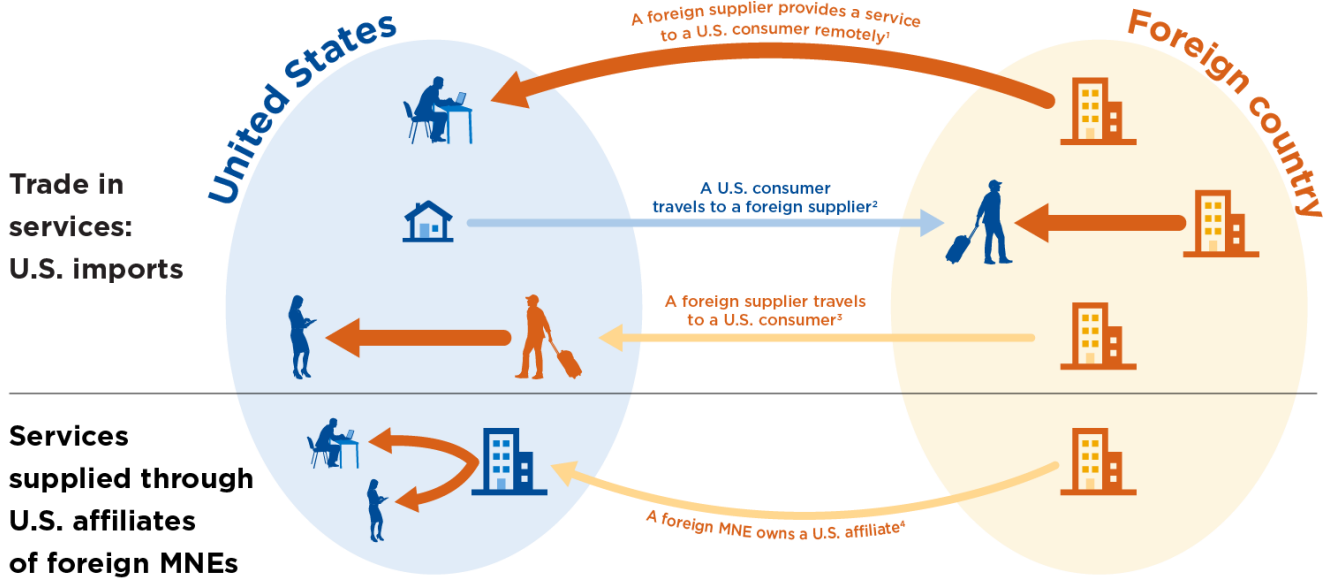
1. Example: A law firm in the United States provides legal services to a client in the United Kingdom over the internet.

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.

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.

U.S. Bureau of Economic Analysis