

INTERNATIONAL TRADE IN SERVICES

International trade in services is growing in importance both among OECD countries and in the rest of the world. Traditional services – transport, insurance on merchandise trade, and travel – account for about half of international trade in services, but trade in newer types of services, particularly those that can be conducted via the Internet, is growing rapidly.

Definition

International trade in services is defined according to the International Monetary Fund (IMF) *Balance of Payments and International Investment Manual* as well as by the *Manual on Statistics on International Trade in Services*. Services include: manufacturing services on physical inputs owned by others; maintenance and repair services n.i.e.; transport; travel (mainly expenditure on goods and services by tourists and business travellers); construction; insurance and pension services; financial services; charges for the use of intellectual property n.i.e.; telecommunications, computer and information services; other business services (research and development services, operational leasing, technical and professional services, etc.); personal cultural and recreational services (rents for films, fees for actors and other performers, but excluding purchases of films, recorded music, books, etc.); and government goods and services n.i.e.

Overview

Between 2010 and 2014 international trade in services in the OECD area grew significantly (imports by 22% and exports by 24%) despite the backdrop of slow global economic growth and low growth in merchandise trade. The United States, by some distance in 2014, was the largest exporter of international trade in services at 710.6 million USD, followed by the United Kingdom (361.7 million USD), Germany (277.7 million USD) and France (276.0 million USD). China, (232.0 million USD) emerged as the fifth largest exporter in the world, following a near doubling (up 97%) since 2010.

Measuring exports of international trade in services as a percentage of total exports in international trade in services and goods provides a picture of the relative importance of services in international trade. Amongst larger OECD countries, the percentage increased significantly, for example, in the United Kingdom (from around 30% in 1999 to just over 40% in 2014). Although growth in other major economies was less dramatic, this in part reflects the increasing services content of goods exports, and the growing knowledge content of goods, i.e. an increased blurring between goods and services.

Comparability

Almost all OECD countries now report international trade in services broadly according to the *Balance of Payments and International Investment Manual*, Sixth Edition (BPM6) framework.

Two recent changes introduced with BPM6 are worth highlighting here.

A stricter application of the change of ownership principle means that that goods sent abroad for processing are excluded from exports and imports in the goods accounts. Instead, the exchange of processing fees is recorded under services in the economies concerned: the outward processing economy recording payment of fees as imports of services, the inward processing economy recording the receipt of fees as exports of services.

To improve consistency on international merchandise and services trade statistics, purchase of goods under merchanting arrangements are registered as negative exports with subsequent sales registered as exports; the difference reflecting the merchanting margin, with all transactions recorded on the goods account. Previously the margin was recorded on the services account.

Both changes create differences between the balance of payments goods statistics and merchandise trade statistics.

Sources

- OECD (2015), *Main Economic Indicators*, OECD Publishing.
- OECD (2014), *OECD Statistics on International Trade in Services*, OECD Publishing.

Further information

Analytical publications

- OECD (2012), *Strategic Transport Infrastructure Needs to 2030*, OECD Publishing.

Statistical publications

- OECD (2015), *International Trade by Commodity Statistics*, OECD Publishing.

Methodological publications

- OECD, et al. (2010), *Manual on Statistics of International Trade in Services*, United Nations.

Websites

- International trade and balance of payments statistics, www.oecd.org/std/trade-services.
- Services Trade Restrictiveness Index (STRI), www.oecd.org/trade/stri.

International trade in services

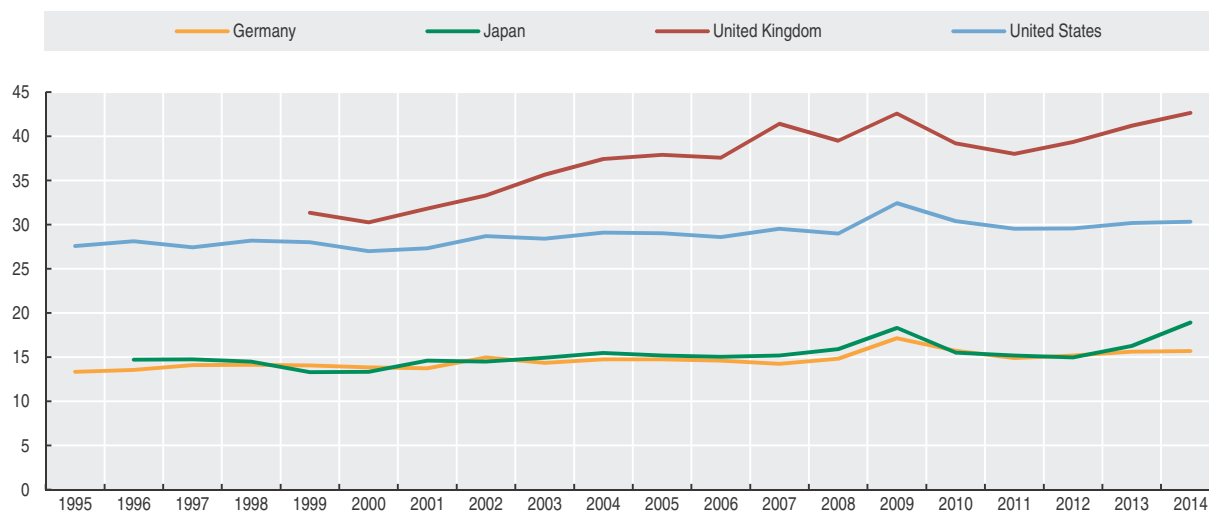
Billion US dollars

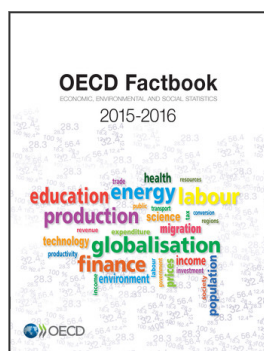
	Trade balance				Imports				Exports			
	2000	2010	2013	2014	2000	2010	2013	2014	2000	2010	2013	2014
Australia	0.6	-4.9	-14.5	-9.4	19.3	51.5	68.0	63.5	19.9	46.6	53.4	54.2
Austria	..	13.7	13.5	13.9	..	38.8	51.0	53.3	..	52.5	64.5	67.3
Belgium	1.9	10.8	8.5	6.9	35.5	87.7	104.0	117.0	37.4	98.4	112.5	123.9
Canada	-2.8	-21.5	-22.6	-21.2	43.0	98.4	112.6	107.9	40.2	76.9	90.1	86.7
Chile	..	-1.9	-3.4	-3.8	..	13.0	15.9	14.7	..	11.1	12.5	11.0
Czech Republic	4.2	4.1	3.6	2.7	5.6	17.8	20.4	22.5	9.8	21.9	24.0	25.1
Denmark	..	6.8	8.8	10.6	..	54.7	62.4	62.3	..	61.5	71.2	72.8
Estonia	0.7	1.8	1.8	2.2	0.9	2.9	4.7	4.8	1.6	4.7	6.5	7.1
Finland	-1.8	0.2	-1.9	-2.4	10.1	28.8	31.5	30.5	8.3	29.0	29.6	28.1
France	12.1	20.4	29.7	23.7	84.8	181.7	226.6	252.3	96.9	202.1	256.4	276.0
Germany	-53.8	-36.4	-59.4	-53.0	137.0	263.3	326.0	330.8	83.2	226.9	266.6	277.7
Greece	..	16.1	20.9	24.2	..	21.7	16.3	17.0	..	37.8	37.2	41.2
Hungary	2.5	3.5	5.3	6.8	4.9	15.9	17.3	17.9	7.4	19.4	22.6	24.7
Iceland	0.0	0.8	1.2	1.2	1.1	2.2	2.8	3.1	1.1	3.0	4.0	4.3
Ireland	..	-19.5	-2.1	-11.7	..	109.6	123.6	145.1	..	90.2	121.5	133.4
Israel	3.9	6.6	13.6	12.9	12.3	18.8	20.8	22.5	16.3	25.4	34.5	35.4
Italy	0.6	-12.1	0.9	-1.7	58.7	113.1	110.8	115.8	59.3	101.0	111.7	114.1
Japan	-48.8	-30.3	-35.5	-29.3	118.2	164.7	170.9	192.3	69.4	134.4	135.2	163.2
Korea	-1.0	-14.2	-6.5	-8.2	33.6	97.5	110.2	115.0	32.7	83.3	103.7	106.9
Luxembourg	7.2	16.8	21.6	22.9	13.7	45.6	67.4	77.1	20.9	62.4	89.0	99.9
Mexico	-3.6	-10.6	-11.0	-12.5	17.1	25.8	31.2	33.5	13.5	15.2	20.2	21.1
Netherlands	..	-9.8	-7.3	-4.9	..	134.5	151.9	159.9	..	124.6	144.6	155.0
New Zealand	0.7	1.3	0.8	1.2	4.5	10.3	12.6	13.2	5.2	11.6	13.5	14.4
Norway	..	-1.1	-7.7	-6.7	..	42.8	56.4	56.1	..	41.7	48.7	49.4
Poland	..	4.4	10.1	11.4	..	31.1	34.5	36.8	..	35.5	44.6	48.1
Portugal	2.9	8.6	14.7	15.2	6.4	14.3	14.5	16.1	9.4	22.8	29.2	31.3
Slovak Republic	..	-0.9	0.5	0.1	..	7.3	8.6	9.0	..	6.4	9.1	9.1
Slovenia	0.6	1.6	2.3	2.3	1.7	4.6	4.7	5.1	2.4	6.2	7.1	7.4
Spain	19.9	44.9	63.3	64.3	33.0	68.2	63.2	68.4	53.0	113.1	126.4	132.7
Sweden	-3.9	6.9	12.3	9.2	24.6	47.4	60.7	65.9	20.7	54.3	73.0	75.1
Switzerland	15.2	25.5	22.0	20.0	30.7	69.3	92.4	98.6	45.9	94.8	114.4	118.5
Turkey	11.3	16.6	22.8	25.2	8.1	19.6	23.8	25.4	19.4	36.2	46.6	50.6
United Kingdom	20.1	83.9	126.6	146.1	103.6	185.1	209.2	215.6	123.7	269.0	335.8	361.7
United States	74.3	154.0	224.2	233.1	216.1	409.3	463.7	477.4	290.4	563.3	687.9	710.6
EU 28	..	..	..	..	..	..	..	..	..	..	..	..
OECD	..	286.1	457.2	491.3	..	2 497.2	2 890.8	3 046.5	..	2 783.4	3 347.8	3 537.9
Brazil	..	-30.0	-46.2	-48.1	..	60.8	84.4	88.1	..	30.8	38.2	40.0
China	..	-23.4	-123.5	-151.0	..	140.9	330.4	383.0	..	117.5	206.9	232.0
India	..	42.5	70.5	75.9	..	81.4	78.1	80.4	..	123.9	148.6	156.3
Indonesia	..	-9.8	-12.1	-10.0	..	26.5	35.0	33.5	..	16.7	22.9	23.5
Russian Federation	-5.0	-26.1	-58.3	-55.3	16.3	75.3	128.4	121.0	11.3	49.2	70.1	65.7
South Africa	-0.8	-4.5	..	..	5.8	18.5	..	..	5.0	14.0	..	..

1 2 <http://dx.doi.org/10.1787/888933336643>

Exports of services as a percentage of total exports of goods and services

Percentage

1 2 <http://dx.doi.org/10.1787/888933335572>



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