

INTERNATIONAL TRADE IN SERVICES

International trade in services is growing in importance both among OECD countries and with 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 Manual*. Services include transport (both freight and passengers), travel (mainly expenditure on goods and services by tourists and business travellers), communications services (postal, telephone, satellite, etc.), construction services, insurance and financial services, computer and information services, royalties and license fees, other business services (merchandising, operational leasing, technical and professional services, etc.), cultural and recreational services (rents for films, fees for actors and other performers, but excluding purchases of films, recorded music, books, etc.) and government services not included in the list above.

Comparability

In 1993 the fifth Balance of Payments Manual was issued and countries began implementation. All OECD countries now report international trade in services broadly according to the BPM5 framework. Data for Australia,

Canada, Chile and Korea (partly) are already updated and presented according to the new BPM6 standard. By end 2014, most OECD countries will have made the transition from BPM5 to BPM6.

A change affecting in particular trade in services under BPM6, and a consequence of the stricter application of the change of ownership principle, is that goods for processing will be excluded from exports and imports in the goods accounts. Instead, the exchange of processing fees will be 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.

Also under BPM6, the merchant's margin will be recorded in the goods account of the economy of the merchant as a "net export of goods under merchandising". Purchase of goods under merchandising would be registered as negative exports and resales of goods under merchandising would be registered as exports of goods. Merchandising was previously recorded in the service account.

Thus, as with goods for processing, there will be a difference between the balance of payments and the physical movement of goods recorded in merchandise trade statistics

Overview

Between 2008 and 2012, the United States has by far the largest services surplus, followed by the United Kingdom, Spain, Switzerland and France.

In 2012, services exports were highest in the United States, the United Kingdom, Germany and France. Over the same period, the United States is the largest importer of services followed by Germany whereas the United Kingdom has overtaken France.

As a percentage of GDP, averaged over the 3 years ending 2012, 7 OECD countries, Luxembourg, Estonia, Switzerland, Greece, the United Kingdom, Austria and Portugal, have recorded trade in services surpluses of more than 5% of GDP. Canada, Norway, Mexico and Ireland experienced deficits over 1% of GDP for this period.

It should be noted that the total services trade deficit for Ireland fell from an average of 8.4% of GDP in period 2000-02 to a surplus average of 0.3% of GDP in period 2010-12 as Irish services exports expanded faster than imports, in particular due to dynamic computer services.

Sources

- OECD (2013), *Main Economic Indicators*, OECD Publishing.
- OECD (2013), *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 (2013), *International Trade by Commodity Statistics*, OECD Publishing.
- OECD (2013), *OECD Statistics on International Trade in Services*, OECD Publishing.

Methodological publications

- International Monetary Fund (IMF) (2009), *Balance of Payments and International Investment Position Manual*, 6th edition, IMF, Washington DC.
- OECD, et al. (2002), *Manual on Statistics of International Trade in Services*, United Nations.

Websites

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

International trade in services

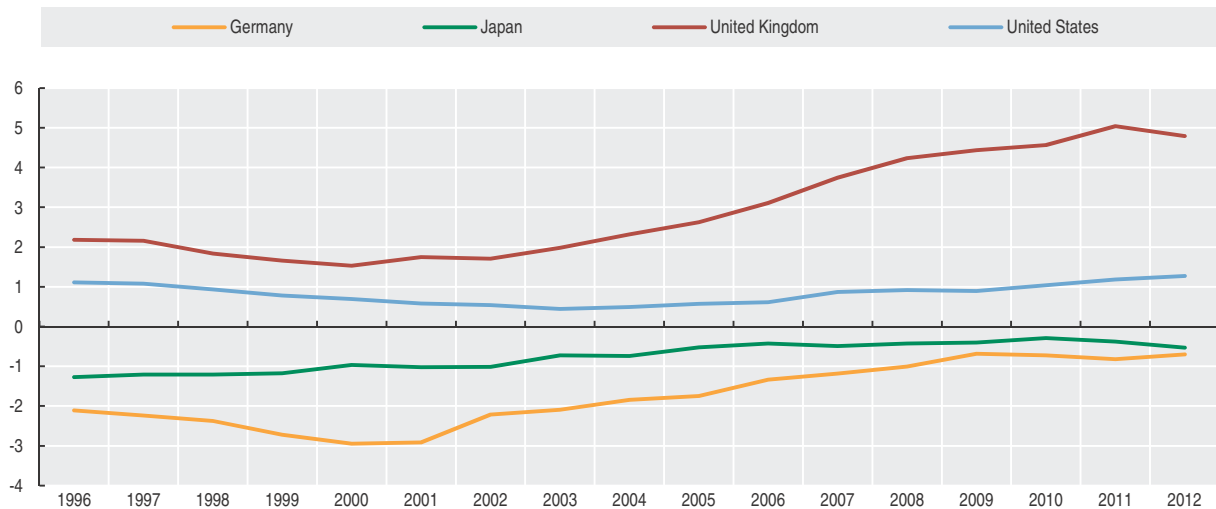

Billion US dollars

	Trade balance				Imports				Exports			
	2000	2009	2011	2012	2000	2009	2011	2012	2000	2009	2011	2012
Australia	0.6	-2.4	-10.1	-11.6	19.3	42.2	61.8	64.5	19.9	39.9	51.7	52.9
Austria	6.5	17.6	19.0	18.1	16.5	37.1	42.3	42.3	23.0	54.5	61.2	60.5
Belgium	2.1	12.2	9.3	10.0	32.3	75.7	88.9	91.6	34.3	87.8	98.1	101.5
Canada	-2.8	-14.2	-22.9	-24.2	43.0	83.0	107.6	108.4	40.2	68.8	84.8	84.1
Chile	..	-2.0	-2.6	-2.4	..	10.5	15.7	15.1	..	8.5	13.2	12.6
Czech Republic	1.4	3.9	3.3	2.6	5.4	15.5	19.9	19.6	6.9	19.3	23.2	22.1
Denmark	2.4	3.9	7.6	7.7	22.1	52.2	59.2	57.4	24.5	56.1	66.8	65.2
Estonia	0.6	2.0	1.8	1.6	0.9	2.5	3.7	3.9	1.5	4.5	5.5	5.5
Finland	-1.7	0.4	0.2	-1.9	9.4	27.2	28.8	30.1	7.7	27.6	29.0	28.3
France	17.2	25.5	43.8	41.9	65.7	165.3	191.8	174.4	82.8	190.7	235.6	216.3
Germany	-55.0	-22.0	-24.2	-25.3	138.2	261.2	298.1	295.9	83.2	239.3	273.9	270.5
Greece	8.3	18.1	20.5	19.0	11.4	19.9	19.5	15.9	19.8	38.1	40.0	34.9
Hungary	0.8	2.8	4.4	4.4	4.8	15.8	17.6	16.0	5.6	18.6	22.0	20.4
Iceland	-0.1	0.3	0.3	0.2	1.2	2.0	2.6	2.8	1.0	2.3	3.0	3.0
Ireland	-12.8	-9.6	-2.4	4.1	32.8	103.5	115.6	111.9	20.0	93.9	113.3	116.1
Israel	3.7	4.9	6.6	9.9	12.1	17.6	20.6	21.1	15.8	22.5	27.1	31.0
Italy	1.1	-11.7	-7.9	-1.0	55.4	105.9	115.5	106.1	56.5	94.2	107.6	105.2
Japan	-45.8	-20.4	-22.1	-31.2	115.0	148.7	167.8	176.7	69.2	125.2	145.7	145.5
Korea	-2.2	-6.0	-6.0	5.8	33.7	79.6	101.2	105.7	31.6	73.6	95.2	111.5
Luxembourg	6.8	24.5	29.5	30.0	13.2	33.5	42.4	42.2	20.0	57.8	71.8	72.2
Mexico	-3.6	-10.2	-14.8	-14.6	17.1	25.0	30.4	30.7	13.5	14.8	15.6	16.1
Netherlands	-2.1	7.9	12.2	9.8	51.4	85.0	94.9	94.6	49.3	92.9	107.1	104.4
New Zealand	-0.1	0.2	-0.6	-0.7	4.5	8.4	11.8	12.1	4.5	8.7	11.3	11.4
Norway	2.7	-1.9	-6.8	-9.0	15.0	36.6	46.2	47.5	17.7	34.4	39.7	38.2
Poland	1.4	4.8	5.7	6.0	9.0	24.2	31.9	31.9	10.4	29.0	37.6	37.9
Portugal	2.0	8.3	10.7	11.2	7.0	14.4	16.0	13.4	9.1	22.7	26.6	24.5
Slovak Republic	0.4	-1.4	-0.5	0.4	1.8	7.5	7.1	6.8	2.2	6.0	6.6	7.2
Slovenia	0.5	1.6	2.0	2.3	1.7	4.4	4.7	4.3	2.2	6.0	6.7	6.6
Spain	19.4	34.8	48.2	47.5	33.2	88.8	95.2	90.2	52.6	123.3	143.3	137.8
Sweden	-1.5	11.3	16.6	16.6	24.6	44.7	54.4	54.5	23.1	55.8	71.0	71.1
Switzerland	17.9	42.3	49.7	43.9	12.8	34.1	45.3	46.8	30.7	76.5	95.3	91.0
Turkey	11.4	18.6	20.1	22.6	8.1	17.1	20.5	20.5	19.5	35.7	40.7	43.2
United Kingdom	22.7	92.9	123.2	118.9	102.1	177.4	188.0	186.6	124.8	274.5	310.0	297.9
United States	69.6	126.9	187.3	206.8	218.4	381.8	429.7	442.5	288.0	508.7	617.0	649.3
EU 28	..	..	..	..	..	..	..	..	..	..	..	..
OECD	70.1	365.8	503.0	520.7	1 130.0	2 251.9	2 596.9	2 585.8	1 200.1	2 617.7	3 099.8	3 106.5
Brazil	-7.2	-19.2	-38.0	..	16.7	47.0	76.2	..	9.5	27.7	38.2	..
China	-5.6	-29.4	-61.7	-89.8	36.0	158.9	247.6	281.2	30.4	129.5	186.1	191.5
India	-2.5	12.2	..	..	19.2	80.9	..	..	16.7	93.0	..	..
Indonesia	-10.4	-9.7	-10.6	-10.8	15.6	22.9	31.3	33.9	5.2	13.2	20.7	23.1
Russian Federation	-6.6	-19.8	-35.9	..	16.2	61.4	90.0	..	9.6	41.5	54.0	..
South Africa	-0.8	-2.8	-4.8	..	5.8	14.8	19.7	..	5.0	12.0	14.8	..

StatLink  <http://dx.doi.org/10.1787/888933027741>

Services trade balance: exports of services minus imports of services

As a percentage of GDP

StatLink  <http://dx.doi.org/10.1787/888933025176>



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