

## International Trade in Services

## EU27 surplus in trade in services fell to 78 bn euro in 2008

In 2008, **EU27**<sup>1</sup> external trade in services<sup>2</sup> recorded a surplus of 78.4 billion euro, compared with a surplus of 86.9 bn in 2007 and a surplus of 71.4 bn in 2006.

The decreased surplus in 2008 was mainly due to smaller surpluses in financial services (+30.7 bn euro in 2008 compared with +33.3 bn in 2007) and "other business services", which includes miscellaneous business, professional & technical services (+33.1 bn compared with +35.6 bn), and to increased deficits in royalties & licence fees (-13.8 bn compared with -8.5 bn) and travel (-20.3 bn compared with -18.7 bn).

These deteriorations were partially compensated by increased surpluses in transportation (+24.1 bn compared with +19.9 bn), computer & information services (+17.3 bn compared with +14.8 bn) and insurance services (+7.6 bn compared with +6.8 bn).

These data, issued by **Eurostat, the Statistical Office of the European Communities**, are subject to revision<sup>3</sup>.

### EU27 services account with the rest of the world (bn euro)

	2006			2007			2008		
	Credit	Debit	Balance	Credit	Debit	Balance	Credit	Debit	Balance
<b>Total Services</b>	<b>451.3</b>	<b>379.8</b>	<b>71.4</b>	<b>503.1</b>	<b>416.1</b>	<b>86.9</b>	<b>521.2</b>	<b>442.7</b>	<b>78.4</b>
Transportation	112.0	97.6	14.4	121.5	101.6	19.9	133.5	109.4	24.1
Travel	72.1	87.9	-15.8	75.8	94.5	-18.7	74.6	95.0	-20.3
Other services	267.1	192.8	74.3	304.1	214.2	89.9	312.2	229.9	82.3
<i>Communications services</i>	8.6	9.7	-1.1	10.1	10.5	-0.4	10.8	11.1	-0.2
<i>Construction services</i>	13.8	7.1	6.7	16.3	8.0	8.3	17.7	9.8	7.9
<i>Insurance services</i>	11.2	7.7	3.5	14.8	8.0	6.8	15.4	7.7	7.6
<i>Financial services</i>	42.8	17.2	25.6	53.5	20.2	33.3	49.9	19.2	30.7
<i>Computer &amp; information services</i>	22.3	10.1	12.2	26.0	11.2	14.8	29.1	11.8	17.3
<i>Royalties &amp; license fees</i>	23.9	31.4	-7.5	26.7	35.1	-8.5	24.6	38.4	-13.8
<i>Other business services</i>	131.5	95.6	35.9	143.6	108.0	35.6	151.8	118.8	33.1
<i>Personal, cultural &amp; recreational services</i>	4.7	7.2	-2.5	4.8	6.0	-1.2	4.9	6.0	-1.1
<i>Government services, n.i.e.</i>	8.3	6.8	1.5	8.4	7.2	1.2	8.0	7.1	0.9
Quasi transit adjustment <sup>4</sup>	0.0	1.5	-1.5	0.0	4.2	-4.2	0.0	7.2	-7.2
Services not allocated	0.0	0.0	0.0	1.6	1.7	0.0	0.9	1.3	-0.4

Source: Eurostat

In 2008, the **EU27** continued to record a surplus in trade in services with all its main trading partners. The **EU27** recorded an increased surplus with **EFTA**<sup>5</sup> (+26.0 bn in 2008 compared with +23.4 bn in 2007), **Brazil** (+3.0 bn compared with +2.0 bn) and **China** (+4.9 bn compared with +4.0 bn). Smaller surpluses were registered with the **USA** (+1.7 bn compared with +9.0 bn), **India** (+0.6 bn compared with +2.6 bn) and **Japan** (+4.7 bn compared with +5.7 bn), while those with **Russia** (+7.5 bn compared with +7.9 bn), **Canada** (+2.0 bn compared with +2.2 bn) and **Hong Kong** (+0.9 bn compared with +0.6 bn) remained nearly stable.

**EU27 services account by selected partner<sup>6</sup>**  
(bn euro)

	2006			2007			2008		
	Credit	Debit	Balance	Credit	Debit	Balance	Credit	Debit	Balance
<b>Total</b>	<b>451.3</b>	<b>379.8</b>	<b>71.4</b>	<b>503.1</b>	<b>416.1</b>	<b>86.9</b>	<b>521.2</b>	<b>442.7</b>	<b>78.4</b>
<b>USA</b>	133.1	124.0	9.1	139.0	130.0	9.0	134.4	132.7	1.7
<b>EFTA<sup>5</sup></b>	71.5	49.7	21.8	82.3	59.0	23.4	86.6	60.7	26.0
<b>China</b>	14.4	12.5	1.9	18.1	14.1	4.0	20.0	15.1	4.9
<b>Russia</b>	14.8	10.7	4.1	19.8	12.0	7.9	21.1	13.6	7.5
<b>Japan</b>	19.0	13.4	5.6	19.6	13.9	5.7	19.2	14.6	4.7
<b>Canada</b>	10.6	8.5	2.0	12.1	9.8	2.2	11.6	9.7	2.0
<b>Hong Kong</b>	7.1	6.2	0.9	8.2	7.6	0.6	8.9	7.9	0.9
<b>India</b>	7.4	5.8	1.6	9.8	7.2	2.6	8.6	7.9	0.6
<b>Brazil</b>	5.5	4.6	0.9	6.8	4.8	2.0	9.1	6.1	3.0
<b>Other countries</b>	167.8	144.3	23.5	187.3	157.7	29.6	201.6	174.4	27.2

Source: Eurostat

1. The EU27 includes: Belgium, Bulgaria, the Czech Republic, Denmark, Germany, Estonia, Ireland, Greece, Spain, France, Italy, Cyprus, Latvia, Lithuania, Luxembourg, Hungary, Malta, the Netherlands, Austria, Poland, Portugal, Romania, Slovenia, Slovakia, Finland, Sweden and the United Kingdom.
2. The *services account* covers all transactions occurring between resident and non-resident entities. Within the services account three main types of transactions are separately identified:  
The *transportation account* covers all the *transportation* services performed by EU residents for non-EU residents, or vice versa, involving the carriage of passengers, the movement of goods, rentals of carriers with crew and related supporting and auxiliary services  
The *travel account* includes primarily the goods and services EU travellers acquire from non-EU residents, or vice versa.  
*Other services account* includes communication services, construction services, insurance services, financial services, computer & information services, royalties & licence fees, other business services (which comprise merchandising & other trade-related services, operational leasing services and miscellaneous business, professional & technical services), personal, cultural & recreational services, government services not included elsewhere.
3. The EU27 annual International Trade in services statistics are based on figures provided by the Member States to Eurostat nine months after the reference period. The annual data covered in this News Release will be revised in one year's time when revised data will be transmitted by Member States. The figures shown in the following tables may not exactly add up due to rounding. Due to different cut-off dates the annual figures presented in this News Release may differ from the sum of quarterly figures previously published.
4. *Quasi transit trade* is related to goods imported into an EU Member State from outside the EU, cleared by customs for free circulation, and then dispatched to a second EU Member State. In practice, branding policy may lead to the value of goods dispatched being much higher than the value of the goods that entered the first Member state. In order to balance the accounts, this increase in value is recorded as an import of services from outside the EU, under *quasi transit adjustment*.
5. EFTA (European Free Trade Association) includes Switzerland, Iceland, Liechtenstein and Norway.
6. The full geographical breakdown of the services account is available on the Eurostat web site. All the figures can be downloaded free of charge from the balance of payments section of the Eurostat web site.

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