

Intra EU share of EU-27 trade in goods, services and foreign direct investments remains more than 50% in 2010

The total value of EU-27 trade in goods increased by 19.1% from 2005 to 2010, from EUR 6.6 trillion in 2005 to EUR 7.9 trillion in 2010. The Internal Market share of total EU-27 trade in goods was 63.7% in 2010. Between 2005 and 2010, this share fell by 2.4 percentage points.

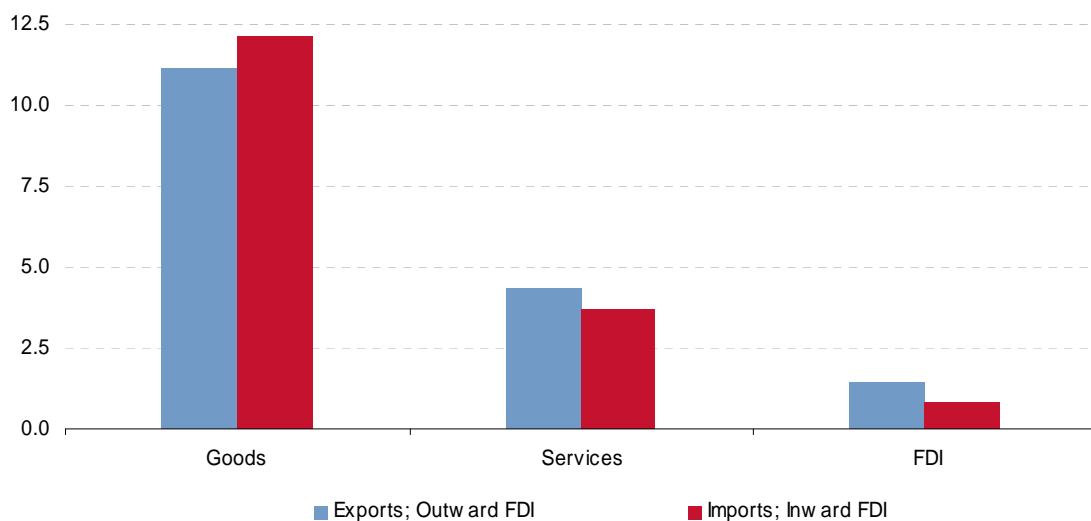
In 2010, intra EU-27 trade in services accounted for 56.1% of all exported services and 58.4% of imports, which represented falls in the intra EU share of 2.0 and 1.6 percentage points respectively between 2005 and 2010. Growth rates in the exchange of services between Member States consistently lagged behind growth in exports of services outside the EU-27.

The EU Member States made more outward Foreign Direct Investments (FDI) in other Member States than outside the EU-27 in 2010 – 56.1% of total EU-27 outward FDI. Investment

into the EU-27 from non-EU countries was less than the EU-27 outward investment in these countries. Internal Market shares of total outward and inward FDI suffered significant falls in 2009 during the global financial crisis. Both shares made recoveries in 2010, in particular inward FDI.

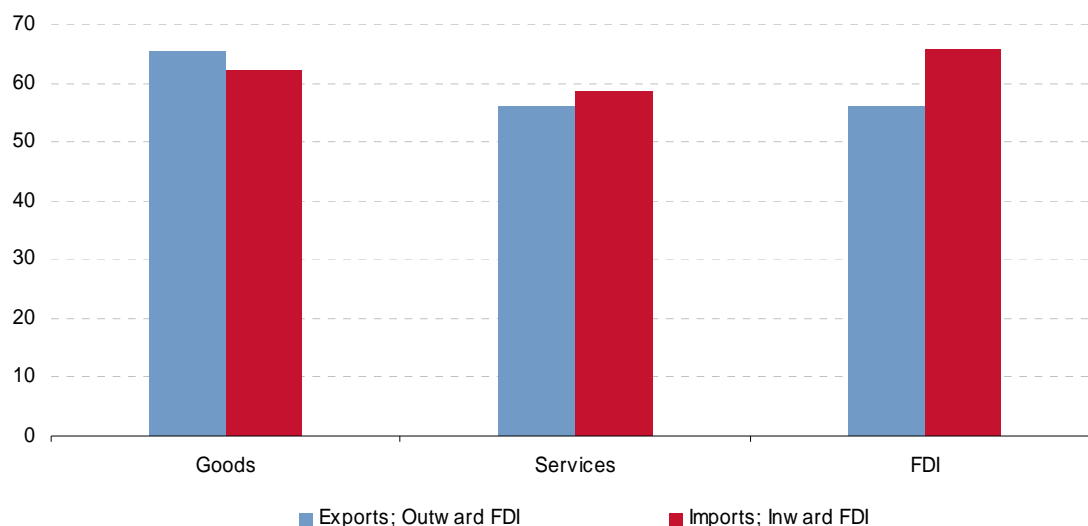
In 2010, the United States was the leading extra EU-27 trading partner for goods, services and for FDI. China was the leading trading partner for extra EU-27 imports of goods. Switzerland, China, Russia and Japan followed the USA for trade in services. Among the Member States, Germany was the leading contributor for trade in goods. Slovakia recorded the highest share of intra EU-27 trade in their total trade in services and Estonia the highest share of intra EU-27 investment in their outward FDI.

Figure 1: Extra EU-27 trade in goods, services and FDI flows, 2010 (% of GDP)



Source: Eurostat (online data codes : [bop_g_gdp](#), [bop_its_det](#), [bop_fdi_main](#))

Figure 2: Intra EU-27 shares of total EU-27 trade in goods, services and FDI flows, 2010 (%)



Source: Eurostat (online data codes: [tet00037](#), [bop_its_det](#), [bop_fdi_flows](#), [bop_q_eu](#))

Shares of intra EU-27 trade in goods, services and FDI have decreased slightly since 2005

In terms of value, total EU-27 trade in goods increased between 2005 and 2010, despite falls in 2009 in line with global financial and economic trends. Total EU-27 exports of goods increased by 18.9% and imports by 19.3%. There was a negative trade balance every year, largely due to imported mineral fuels (including petroleum). In 2010, total EU-27 trade in goods amounted to EUR 7 850 billion, with exports of EUR 3 887 billion and imports of EUR 3 963 billion.

Intra EU-27 shares of total EU-27 trade in goods decreased between 2005 and 2010. The intra EU-27 share of exports fell by 2.5 percentage points over the period and imports by 2.4 percentage points. In 2010, intra EU-27 trade in goods – measured by dispatches – amounted to EUR 2 538 billion which meant that the Internal Market accounted for 65.3% of total EU-27 exports.

In 2010, extra EU-27 trade in services amounted to EUR 993 billion; EUR 539 billion of this were exports, predominantly of business services and transportation. The Internal Market accounted for 56.1% of all exports of services and 58.4% of

imports. From 2005 to 2010, trade in services between Member States as shares of total EU-27 flows decreased by 2.0 percentage points for exports and by 1.6 p.p. for imports.

In 2010, the EU Member States invested a total of EUR 174 billion outside the EU economic territory. In terms of GDP, extra-EU outward investment accounted for 1.4% of total EU-27 GDP in 2010 – a decrease of 0.8 percentage points since 2005 – and 3.0 percentage points lower than the record level in 2007. Outward investments in other Member States amounted to 56.1% of total FDI in 2010, representing a fall of 8.1 percentage points since 2005.

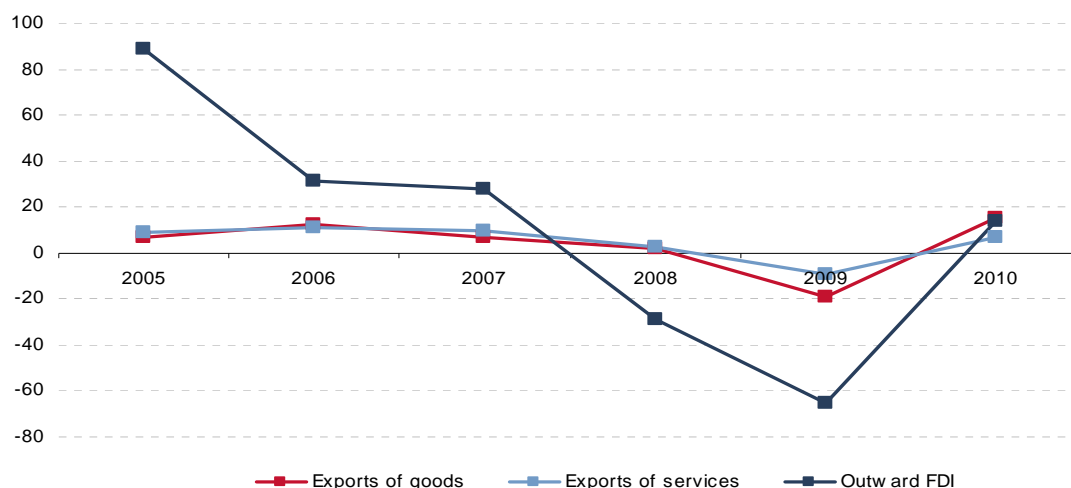
Investment into the EU-27 from countries outside the EU was less than EU-27 outward investment in 2010, when EU Member States received investments of EUR 99.5 billion from outside their economic territory. The share of investment from within the EU fell from 78.1% in 2005 to 65.8% in 2010. In terms of GDP, the percentage of EU-27 GDP accounted for by investment from within the EU fell from 1.2% in 2005 to 0.8% in 2010.

Intra EU-27 growth rates for exports of goods, services and outward FDI recovered in 2010

The growth rates of intra EU-27 exports of goods and of services largely followed a similar pattern between 2005 and 2010; following the EU enlargement in 2004, substantial rises were registered in 2006 (12.7% and 11.4% respectively), with subsequent slower growth in 2007 and 2008

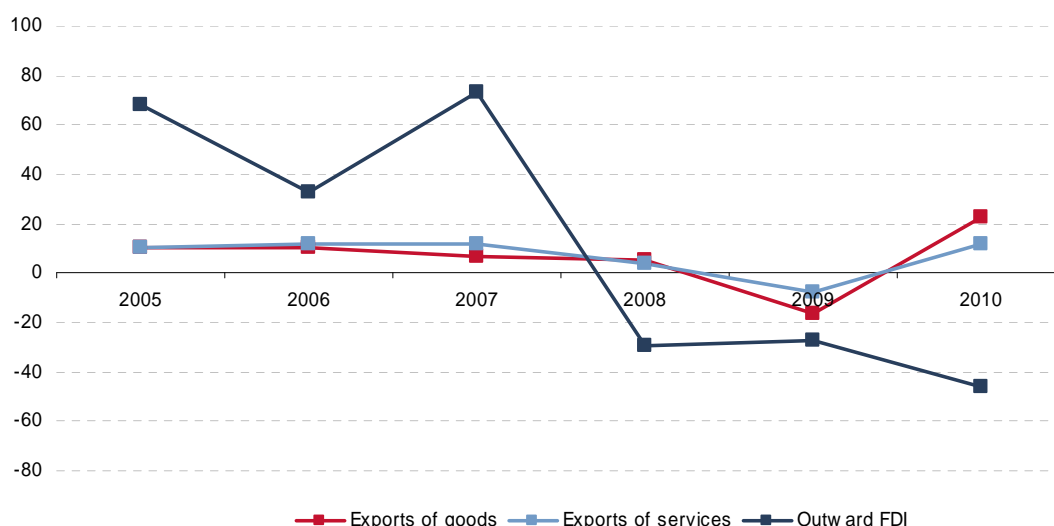
and falls in 2009 to negative growth rates of -19.1% (goods) and -9.0% (services). In 2010, growth rates for intra EU-27 exports of goods and services recovered, in particular for exports of goods which peaked at 15.6% – 8.7 percentage points higher than the growth rate in 2005.

Figure 3: Annual growth rate of intra-EU-27 exports and outward FDI, 2005-2010 (%)



Source: Eurostat (online data codes: [tet00002](#), [bop_its_det](#), [bop_fdi_flows](#), [bop_q_eu](#))

Figure 4: Annual growth rate of extra-EU-27 exports and outward FDI, 2005-2010 (%)



Source: Eurostat (online data codes: [tet00002](#), [bop_its_det](#), [bop_fdi_flows](#), [bop_q_eu](#))

Growth in intra EU-27 direct investments slowed down dramatically between 2005 and 2010. From a high point (88.9%) in 2005, the growth rate

plunged to -29% in the financial crisis of 2008 and dropped still further (-65.4%) in 2009. There was a low recovery to 14.2% in 2010.

Extra EU-27 outward FDI fell even more in 2010 than in the two previous years

The growth rate of extra EU-27 exports of goods fell slightly in 2006 and continued to slow down until a dramatic fall to -16.2% in 2009. In 2010 there was a strong recovery to 22.9% – an increase of 12.4 percentage points on the 2005 growth rate.

The growth in extra EU-27 exports of services followed a different pattern, with the growth rate reaching a peak of 11.9% in 2007. Following a

negative growth rate in 2009, there was some recovery (to 11.5%) in 2010.

The growth pattern of extra EU-27 outward FDI changed radically over the period. From a 73.4% growth in 2007, there was decline in 2008 (-29.7%) and 2009 (-27.6%). Unlike intra EU-27 outward FDI, there was no sign of a recovery in 2010, when investment to extra EU-27 decreased further by 18.2 percentage points to -45.8%.

Table 1: Extra-EU trade in goods, services and FDI flows, main partners, 2010 (% of EU-27 total)

	Exports of goods	Export of services	Outward FDI ⁽¹⁾	Imports of goods	Imports of services	Inward FDI ⁽¹⁾
Extra EU-27	100.0	100.0	100.0	100.0	100.0	100.0
United States	17.9	23.9	28.2	11.3	29.2	45.1
China (except Hong Kong)	8.4	4.2	2.1	18.8	3.6	0.1
Switzerland	7.8	13.1	15.6	5.6	11.4	11.5
Russia	6.4	4.3	0.2	10.5	3.1	1.3
Turkey	4.5	1.5	1.5	2.8	3.0	0.5
Japan	3.2	3.6	-0.1	4.3	3.3	-0.4
Norway	3.1	3.4	1.3	5.3	2.3	1.6
India	2.6	2.0	1.2	2.2	1.9	0.4
Brazil	2.3	1.8	3.1	2.2	1.3	0.2
South Korea	2.1	1.4	0.2	2.6	1.0	0.5
United Arab Emirates	2.1	1.6	n.a.	0.4	1.5	n.a.
Australia	2.0	2.7	-1.0	0.7	1.5	2.7
Canada	2.0	2.5	-0.3	1.3	2.1	5.3
Hong Kong	2.0	1.6	0.7	0.7	1.6	0.6
Singapore	1.8	2.5	0.6	1.2	2.1	1.3
Saudi Arabia	1.7	1.3	n.a.	1.1	0.4	n.a.
Mexico	1.6	1.0	1.4	0.9	0.7	1.2
South Africa	1.6	0.4	2.1	1.2	0.3	0.5
Ukraine	1.3	0.7	1.1	0.8	0.5	0.0
Egypt	1.1	0.6	0.8	0.5	1.5	0.1
Iceland	0.1	0.0	-0.6	0.2	0.2	0.5
Liechtenstein	0.1	0.1	0.0	0.1	0.1	-0.1
Montenegro	0.0	0.0	0.0	0.0	0.0	0.0
Croatia	0.8	0.4	0.9	0.3	1.1	0.0

(1) 2009 data

N.B.: Negative values for FDI denote net disinvestment – see Methodological notes.

Source: Eurostat (online data codes: [ext_lt_maineu](#), [bop_its_det](#), [bop_fdi_flows](#))

In 2010, the United States was the leading trading partner for extra EU-27 trade in goods, services and foreign direct investment

In 2010, total EU-27 trade in goods amounted to EUR 7 850 billion, of which EUR 2 851 billion was with countries outside the Internal Market.

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In terms of value, total EU-27 trade in goods with the United States amounted to EUR 412 billion in 2010, representing 14% of all extra EU-27 trade in goods in that year. EU-27 recorded a positive trade balance with the USA, with exports of EUR 242 billion. By contrast, China, the leading trading partner for extra EU-27 imports of goods, traded goods with EU-27 for a total of EUR 395 billion in 2010. Of this, EUR 282 billion were EU-27 imports from China. For extra EU trade in goods, Russia was the third most important trading partner, with total trade of EUR 245 billion and

imports of EUR 158 billion. Switzerland was fourth with total trade of EUR 190 billion and imports of EUR 84 billion.

In 2010, total extra EU-27 trade in services amounted to EUR 993 billion, of which EUR 539 billion were exports. Switzerland was the second leading trading partner for extra EU-27 exports and imports of services, followed by China, Russia and Japan.

In 2010, total EU-27 direct investment activity with extra EU-27 was worth EUR 273 billion, of which EUR 174 billion represented outward investment. In 2009, Switzerland was the second leading investment partner after the United States; together they accounted for about 44% of extra EU-27 outward direct investment. Switzerland also followed the United States as regards inward direct investment in 2009, together accounting for 56.6%.

Table 2: Intra-EU-27 trade in goods, services and FDI flows, by Member State, 2010 (% of total flows)

	Exports of goods	Exports of services	Outward FDI	Imports of goods	Imports of Services	Inward FDI
EU-27	65.3	56.1	56.1	62.1	58.4	65.8
Belgium	73.1	68.2	2.7	70.0	72.0	100.5
Bulgaria	60.9	66.3	42.1	58.7	62.8	88.8
Czech Republic	84.0	74.9	91.7	74.8	64.8	95.9
Denmark	66.0	48.0	65.7	70.6	53.0	97.5
Germany	60.4	51.7	64.5	63.7	56.6	58.5
Estonia	68.6	70.7	122.7	79.7	80.6	97.9
Ireland	58.2	61.3	44.0	67.2	51.6	-5.6
Greece	62.3	50.8	81.9	50.9	57.8	63.9
Spain	67.8	69.4	47.6	57.6	67.1	67.9
France	60.8	50.1	69.9	68.3	51.4	89.1
Italy	57.2	56.2	30.9	54.9	58.8	-7.6
Cyprus	66.2	53.8	27.4	69.7	68.3	34.7
Latvia	67.1	48.2	-36.1	75.9	56.6	66.8
Lithuania	61.1	58.0	84.8	56.6	51.3	80.4
Luxembourg	84.0	70.3	54.6	81.5	65.1	59.1
Hungary	77.1	67.1	-65.3	67.7	69.9	35.8
Malta	41.8	74.7	110.3	64.0	60.8	34.9
Netherlands	77.0	60.3	42.7	46.7	50.6	8.5
Austria	71.2	74.7	-1.3	77.4	72.4	104.0
Poland	78.6	70.3	86.5	70.1	76.6	85.3
Portugal	75.0	72.2	92.4	75.7	70.7	-1.0
Romania	72.2	70.8	-236.2	72.5	72.9	95.7
Slovenia	71.4	70.7	115.7	67.8	62.7	53.0
Slovakia	84.6	76.8	71.0	72.6	84.6	119.3
Finland	55.3	38.7	77.3	64.2	59.7	99.6
Sweden	57.3	51.7	22.3	67.1	61.6	200.6
United Kingdom	53.9	39.5	-351.6	51.4	51.1	-10.5

N.B.: FDI data for NL, AT and HU exclude SPEs. Negative values and shares above 100% for FDI are explained by dominant disinvestment in one or more of the intra-, extra-component or total flow – see Methodological notes.

Source: Eurostat (online data code: [tet00037](#), [bop_its_det](#), [bop_q_c](#))

In 2010, new Member States recorded some of the highest intra EU-27 shares in their total flows for trade in goods and services and FDI

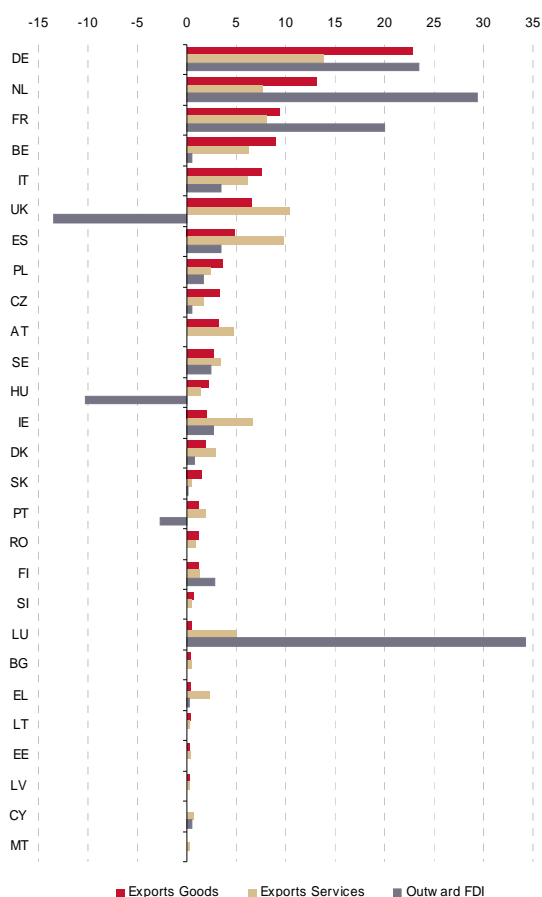
Slovakia, with total exports of goods of EUR 49 billion, recorded in 2010 the highest share of intra EU trade in their total exports of goods, followed by the Czech Republic (with total exports of goods of EUR 100 billion) and Luxembourg (with total exports of goods of EUR 15 billion). All countries except Malta reported shares of more than 50%. For import flows, Luxembourg had the highest share (81.5%) of intra EU trade (total imports of goods EUR 18 billion), followed by Estonia (79.7%), Austria (77.4%), Latvia (75.9%) and Portugal (75.7%). All countries except the Netherlands reported shares of more than 50%.

For trade in services, Slovakia recorded the highest intra EU-27 percentage of export trade, followed by Czech Republic, Austria and Malta. All Member States except Latvia, Denmark, the UK

and Finland reported shares of more than 50%. For import trade in services, Slovakia again had the highest intra-EU-27 percentage, followed by Estonia and Poland. No Member State recorded a share of less than 50%.

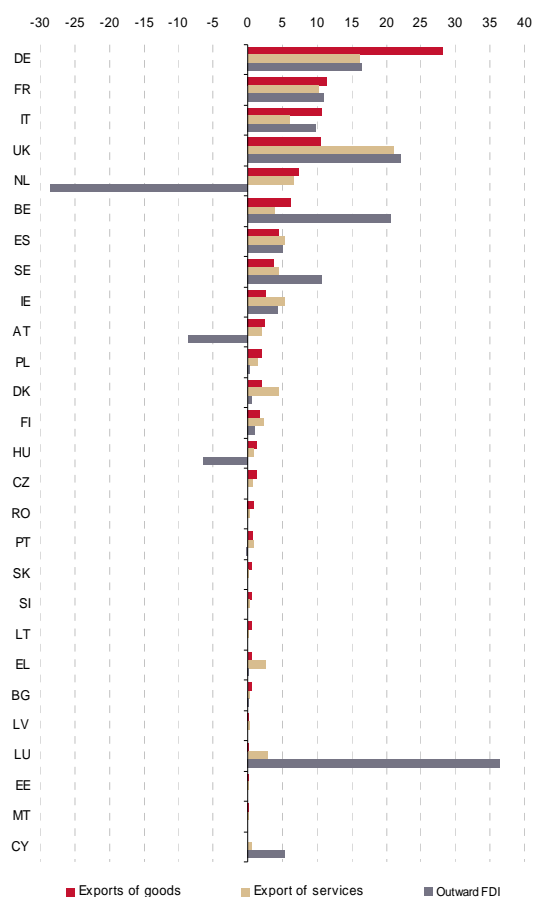
For FDI, Estonia recorded the highest percentage of intra EU-27 investment exceeding their total outward investment due to disinvestments with extra EU-27. The UK, Hungary, Latvia and Austria recorded negative shares due to overall outward disinvestment with the other EU Member States, while Romania's negative share resulted from outward disinvestment with total world. Sweden recorded the highest percentage for intra EU-27 inward investment, followed by Slovakia, Austria and Belgium. They all had disinvestment with extra EU-27.

Figure 5: Contribution to total intra-EU-27 exports and outward FDI, by Member State, 2010 (%)



N.B.: Negative values for FDI denote net disinvestment – see Methodological notes.
 Source: Eurostat (online data codes: [tet00039](#), [bop_its_det](#), [bop_q_c](#))

Figure 6: Contribution to total extra-EU-27 exports and outward FDI, by Member State, 2010 (%)



N.B.: Negative values for FDI denote net disinvestment – see Methodological notes.
 Source: Eurostat (online data codes: [tet00038](#), [bop_its_det](#), [bop_q_c](#))

In 2010, Germany was the leading Member State for intra and extra EU-27 exports of goods and services. Luxembourg led for inward and outward investment

Germany, with trade valued at EUR 1 091 billion was the leading Member State for intra EU-27 trade in goods in 2010, followed by France (EUR 551 billion), the Netherlands (EUR 515 billion), Belgium (EUR 434 billion) and Italy (EUR 394 billion). Germany was the largest contributor to intra EU-27 exports of goods in 2010 with 22.8% of trade, followed by the Netherlands with 13.1%, France with 9.4% and Belgium with 9.0%.

Germany also led for intra EU-27 exports of services, accounting for 13.5% of trade, followed by the UK, Spain and France with trade amounting to 10.8%, 9.4% and 8.0% respectively.

Four Member States dominated outward investment within the EU-27; Luxembourg, recorded 34.3% of total investment, followed by the Netherlands (29.3%), Germany (23.5%) and

France (20%). The UK, Hungary and Portugal (-13.5%, -10.2% and -2.6% respectively) were the largest negative contributors due to overall disinvestments with intra EU-27.

For extra EU-27 exports of goods, the largest contributor was again Germany who, with 28.1% of trade, accounted for more than a quarter of the total for the EU. France (11.4%), Italy (10.7%) and the UK (10.5%) followed.

For extra EU-27 exports of services, the UK was the largest contributor followed by Germany, accounting for 21.2% and 16.1% respectively.

For investment outside EU territory, Luxembourg was again the biggest investor with 36.4%, followed by the UK (22.1%) and Belgium (20.6%). On the other hand, the Netherlands reported large disinvestment with extra EU-27.

METHODOLOGICAL NOTES

Data source

EU-27 data: Eurostat's dissemination database [Eurobase](#). Data were extracted on 27.10.2011.

Reporting countries

EU-27: 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.

Concepts and definitions

International trade in goods

Statistics on trade between the Member States are based on [Council Regulation \(EC\) No 3330/91](#) (consolidated version), [Regulation \(EC\) No 638/2004](#) of the European Parliament and of the [Council and Commission Regulation \(EC\) No 1982/2004](#).

Statistics relating to the trading of goods by the Community and its Member States with non-member countries are based on [Regulation \(EC\) No 471/2009](#) of the European Parliament and of the Council, [Commission Regulation \(EC\) No 92/2010](#) and [Commission Regulation \(EC\) No 113/2010](#).

EU data are compiled according to community guidelines and may therefore differ from national data published by Member States. For further information, please refer to the following documents:

External trade statistics - Metadata in Euro SDMX

Metadata Structure (ESMS):

http://epp.eurostat.ec.europa.eu/cache/ITY_SDDS/en/ext_esms.htm

Statistics on the trading of goods - User guide:

http://epp.eurostat.ec.europa.eu/cache/ITY_OFFPUB/KS-BM-06-001/EN/KS-BM-06-001-EN.PDF

International Trade in Services statistics and **Foreign Direct Investment** statistics in the EU are collected in accordance with Regulation (EC) No 184/2005 of the European Parliament and of the Council on Community statistics concerning balance of payments, international trade in services and foreign direct investment.

International Trade in Services

International Trade in Services refers to data registered in the Balance of Payments (BoP) Statistics. The BoP records all economic transactions between a country (i.e. its residents) and foreign countries or international organisations (i.e. the non-residents of that country) during a given period. The methodological framework used is that of the fifth edition of the International Monetary Fund Balance of Payments Manual (BPM5).

Trade in services is one of the major categories of the current account. The item services contains the categories: transportation, travel, communications services, construction services, insurance services, financial services, computer and information services, royalties and licence fees, other business services, personal, cultural and recreational services and

government services. Other business services include merchanting and other trade-related services, operational leasing services (rental) without operators, and miscellaneous business professional and technical services, which is again sub-divided into legal, accounting, management consulting, and public relations services, advertising, market research and public opinion polling services, research and development services, architectural, engineering and other technical services, agricultural, mining and on-site processing services, other miscellaneous business, professional and technical services, and services between affiliated enterprises not included elsewhere.

Due to their intangible nature, trade in services is inherently subject to more constraints and is also much more difficult to record.

Foreign Direct Investment (FDI)

The methodological framework used is that of the OECD Benchmark Definition of Foreign Direct Investment, Third Edition, a detailed operational definition fully consistent with the IMF Balance of Payments Manual, Fifth Edition (BPM5).

Foreign Direct Investment (FDI) is the category of international investment made by an entity resident in one economy (direct investor) to acquire a lasting interest in an enterprise operating in another economy (direct investment enterprise). The lasting interest is deemed to exist if the direct investor acquires at least 10 % of the voting power of the direct investment enterprise.

Through outward FDI flows, an investor country builds up FDI assets abroad (outward FDI stocks).

Correspondingly, inward FDI flows cumulate into liabilities towards foreign investors (inward FDI stocks). Where not explicitly specified, the FDI data include Special Purpose Entities (SPEs), which are a particular class of enterprises (often empty shells or holding companies). Negative values in transactions indicate disinvestment – withdrawal of investment in assets or discharges of liabilities.

The FDI figures for 2010 are based on annualised quarterly Balance of Payments data.

Use of Eurostat data

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Further information

Eurostat website: <http://ec.europa.eu/eurostat>

Data on 'External trade statistics':

http://epp.eurostat.ec.europa.eu/portal/page/portal/external_trade/data/database

Data on 'Balance of payment statistics':

http://epp.eurostat.ec.europa.eu/portal/page/portal/balance_of_payments/data/database

Further information about 'External trade statistics':

http://epp.eurostat.ec.europa.eu/portal/page/portal/external_trade/introduction

Further information about 'Balance of payment statistics':

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