

EU international trade in other business services

Statistics Explained

*Data extracted in April 2019.
Planned article update: April 2020.*

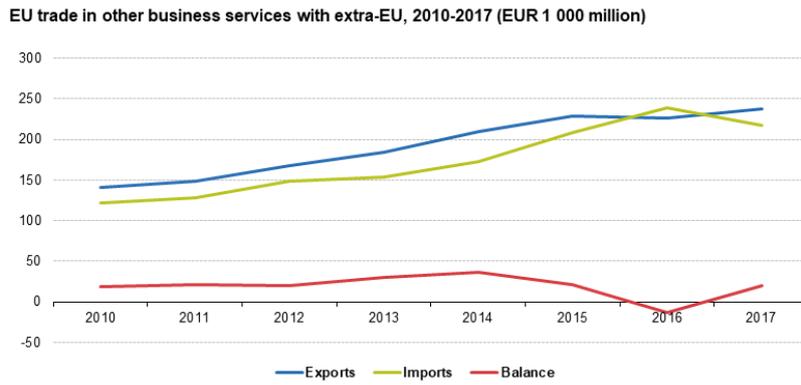
The role of trade in services in EU international trade has been growing steadily over the last decade and plays a major role in modern economies in an increasingly interlinked and globalised world. [International trade in services](#) flows show the transactions between residents and non-residents according to twelve main service categories of the Extended Balance of Payments Services classification ([EBOPS 2010](#)). 'Other business services' is the largest of the twelve service categories, accounting for 26 % of total services [exports](#) to [extra-EU](#) and 30 % of total services [imports](#) from non-EU countries in 2017. The second large category is 'transport services', presented in a separate [article](#) .

This article focuses on the structure and evolution of the EU's international trade in 'other business services' with extra-EU. The 'other business services' category contains three sub-categories¹, namely: research and development (R&D) services, professional and management consulting services and technical, trade-related and other business services. These sub-categories are presented in this article.

General overview

Figure 1 shows the evolution of the time series for 'other business services' from 2010 to 2017. EU exports of 'other business services' have been higher than imports from 2010 until 2015, resulting in a consistent surplus but in 2016 for the first time imports exceeded exports; resulting in negative balance. The situation was again reversed in 2017. Imports of other business services have been constantly increasing between 2010 and 2016 with the biggest increase being recorded in 2015 (21 %), but in 2017 there was a decrease of 10 % for the first time. Exports had been increasing until 2015 but in a slower rate than imports; in 2016 they decreased for the first time since 2010 by 1 %, to start increasing again in 2017 by 5 %. The balance increased again in 2017 attaining a value of 20,4 billion.

¹As defined by the [Balance of Payments Manual 6 \(BPM6\)](#) par. 10.147

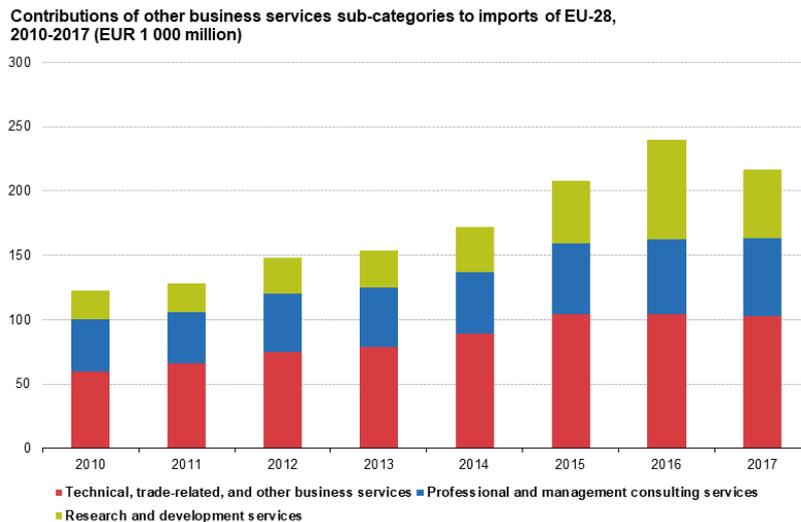


Source: Eurostat (online data code: bop_its6_det)

eurostat

Figure 1: EU trade in other business services with extra-EU, 2010-2017 (EUR 1 000 million)Source: Eurostat (bop_its6_det)

Figures 2 and 3 show the contributions of the three sub-categories of 'other business services' to imports and exports for 2010-2017. The biggest contributor to both imports and exports is mainly the sub-category of technical, trade-related and other business services. Professional and management consulting services come second and R&D services third. In year 2016 imports of R&D services category, were slightly increased but in 2017 the values returned to the 2015 level.

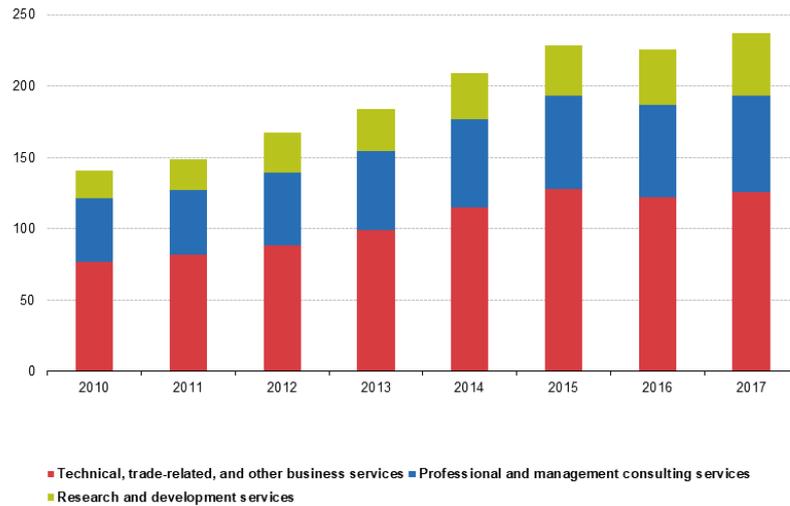


Source: Eurostat (online data code: bop_its6_det)

eurostat

Figure 2: Contributions of R&D services, Professional and management consulting services and technical, trade-related and other business services in imports of EU with Extra-EU, 2010-2017 (EUR 1 000 million)Source: Eurostat (bop_its6_det)

Contributions of other business services sub-categories to exports of EU-28, 2010-2017 (EUR 1 000 million)



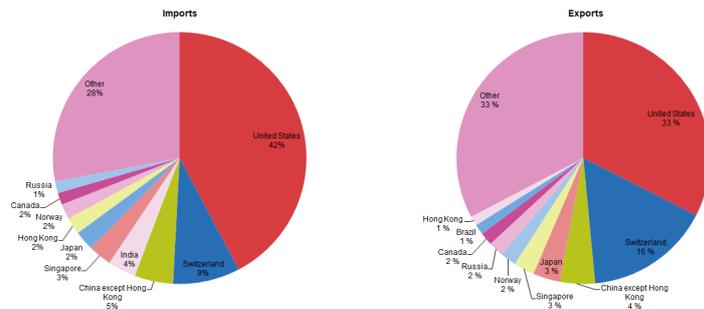
Source: Eurostat (online data code: bop_its6_det)



Figure 3: Contributions of R&D services, Professional and management consulting services and technical, trade-related and other business services in exports of EU with Extra-EU, 2010-2017 (EUR 1 000 million) Source: Eurostat (bop_its6_det)

In 2017, the United States was the EU's main partner for imports and exports of 'other business services' (42 % of imports and 33 % of exports). It was followed by Switzerland with 9 % of imports and 16 % of exports, then China with 5 % for imports and 4 % for exports (see Figure 4).

Main trading partners' share of EU-28 in other business services



Source: Eurostat (online data code: bop_its6_det)



Figure 4: Main trading partners' share of EU imports and exports of other business services, 2017 Source: Eurostat (bop_its6_det)

Research and development (R&D) services

R&D² services consist of services associated with basic research, applied research and experimental development of new products and processes.

The evolution of R&D services between 2010 and 2017 is shown in Figure 5. Imports were marginally higher than exports in 2010-2012, while in 2013 exports exceeded imports (due to an increase in exports while imports

²As defined by the Balance of Payments Manual 6 (BPM6) par. 10.147

remained rather stable). Imports then overtook exports with a big increase between 2014 and 2016, resulting in a big drop in the balance that pushed it into deficit. The deficit remained in 2017, but decreased significantly.

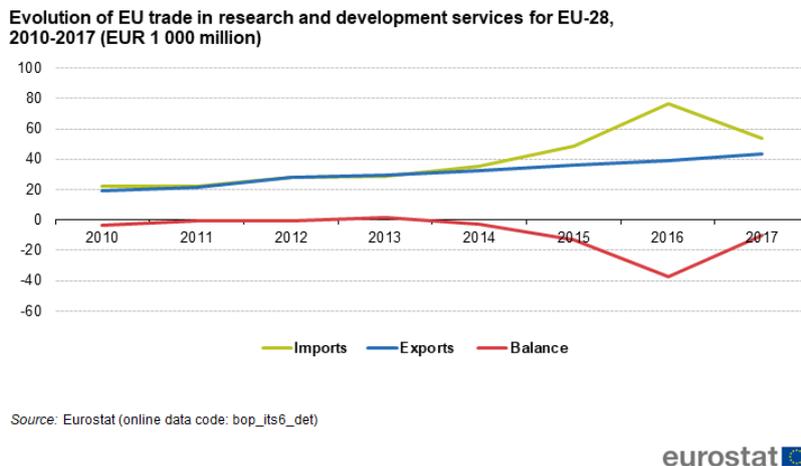


Figure 5: Evolution of research and development services trade for EU, 2010-2017 (EUR 1 000 million)Source: Eurostat (bop_its6_det)

In 2017, the EU’s largest trade partner for R&D services was again the United States, accounting for 59 % of imports and 48 % of exports. China came second for imports with 6 % and India third with 4 %. Switzerland came second for exports with 21 %, followed by Japan and China both with 5 % (see Figure 6).

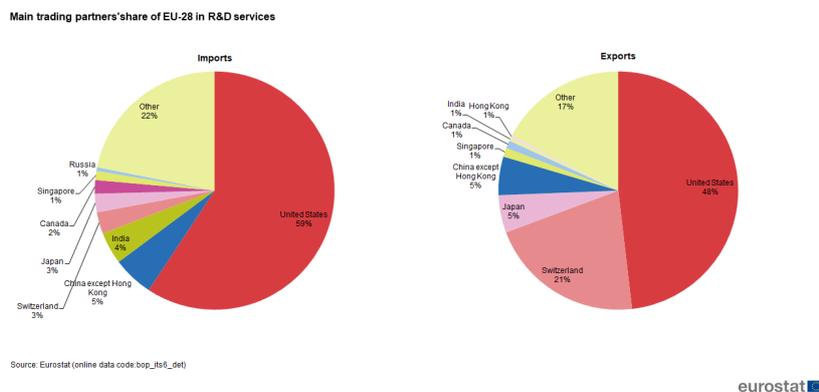


Figure 6: Main trading partners’share of EU in research and development services trade, 2010-2017 (EUR 1 000 million)Source: Eurostat (bop_its6_det)

Professional and management consulting services

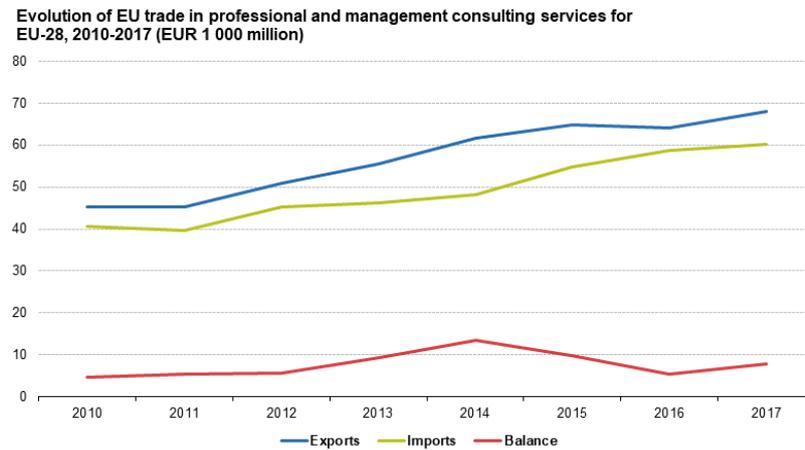
Professional and management consulting services³ comprise:

- (a) legal services, accounting, management consulting, managerial services and public relations services; and
- (b) advertising, market research and public opinion polling services.

Exports of professional and management consulting services exceeded imports each year between 2010 and 2017, resulting in a surplus, as shown in Figure 7. While exports steadily increased until 2015, in 2016 we notice

³As defined by the [Balance of Payments Manual 6 \(BPM6\)](#) par. 10.149

a small decrease of 1 % and increase of 6 % again in 2017. Imports, on the other hand, after a small decrease in 2011, have been increasing ever since, with the biggest increase being recorded between 2014 and 2016 (10 % increase over the two years); causing a big drop of 45 % in the surplus. The surplus went back almost to its 2015 value in 2017.

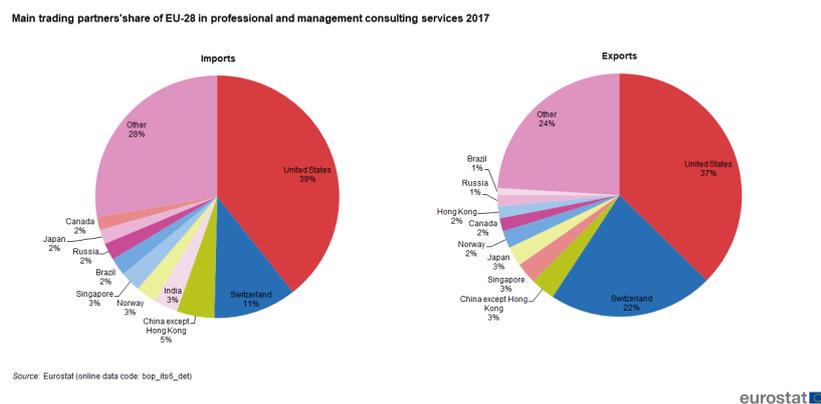


Source: Eurostat (online data code: bop_its6_det)

eurostat

Figure 7: Evolution of professional and management consulting services trade for EU, 2010-2017 (EUR 1 000 million)Source: Eurostat (bop_its6_det)

In 2017, the United States was again the EU’s largest trading partner for professional and management consulting services, accounting for 39 % of imports and 37 % of exports (see Figure 8). Switzerland came second for imports with 11 % and exports with 22 % and China followed with 5 % and 3 % respectively.



Source: Eurostat (online data code: bop_its6_det)

eurostat

Figure 8: Main trading partners share of EU imports and exports of professional and management consulting services with Extra-EU, 2017Source: Eurostat (bop_its6_det)

Technical, trade-related and other business services

Technical, trade-related and other business services⁴ comprise:

- architectural, engineering and other technical services;

⁴As defined by the [Balance of Payments Manual 6 \(BPM6\)](#) par. 10.151

- waste treatment and depollution, agricultural and mining services;
- operating leasing services, trade-related services and
- other business services such as:

distribution services related to water, steam, gas and other petroleum products and the supply of air-conditioning, placement of personnel, security, photographic services, publishing, real estate etc.

Technical, trade-related and other business services represent the largest subcategory of other business services.

The evolution of technical, trade-related and other business services trade since 2010 is shown in Figure 9. Exports exceeded imports in all the years resulting in a positive balance. Both exports and imports of technical, trade-related and other business services have increased steadily from 2010 until 2015. In 2016 a drop in both exports (1 %) and imports (4 %) was recorded. In 2017 only the exports increased slightly again (2 %). Therefore the surplus increased by 21% from 2016 to 2017.

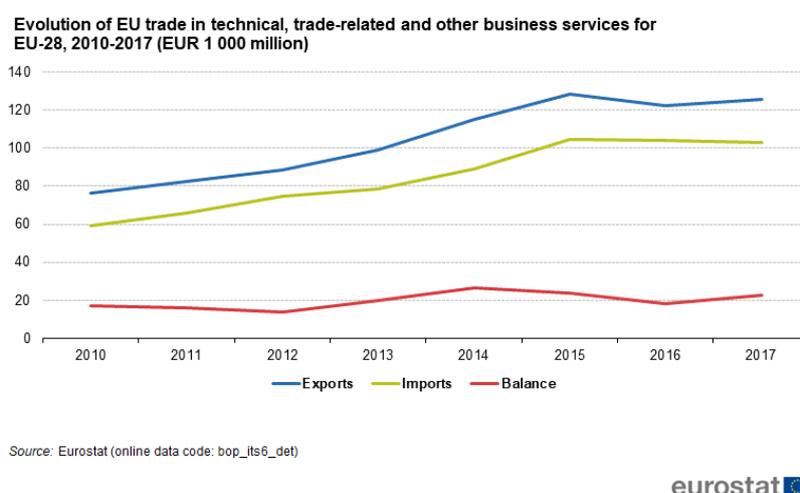


Figure 9: Evolution of technical, trade-related and other business services trade for EU, 2010-2017 (EUR 1 000 million) Source: Eurostat (bop_its6_det)

Regarding the EU's main trading partners in 2017, the United States was again the largest trading partner, with 35 % of imports and 25 % of exports, followed by Switzerland with 10 % for imports and 11 % for exports and China with 5 % for both imports and exports (see Figure 10).

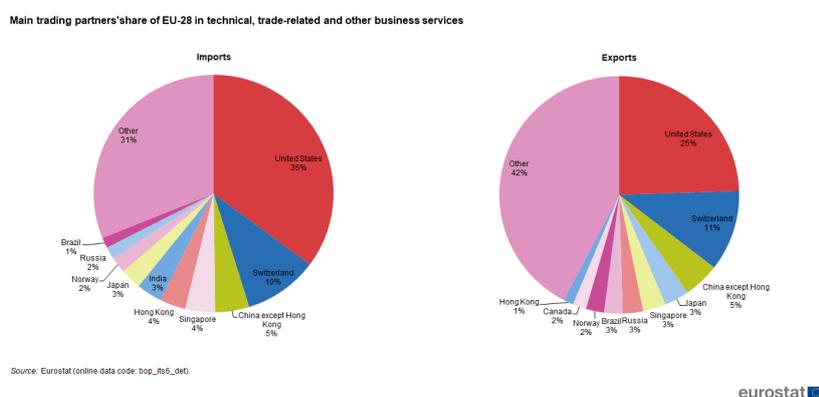


Figure 10: Main trading partners share of EU imports and exports of technical, trade-related and other business services with Extra-EU, 2017 Source: Eurostat (bop_its6_det)

Data sources

EU data on trade in other business services come from the Eurostat reference database on International Trade in Services and are prepared in accordance with BPM6, the current balance of payments methodology. The data are updated annually. They have been available since 2010 for EU aggregates, all EU Member States and non-EU countries (European Free Trade Association ([EFTA](#)), candidate countries and other countries). Pre-2010 data are also available in the Eurostat reference database but are prepared in accordance with the previous balance of payments methodology (BPM5).

Statistics on the EU's trade with the extra-EU are calculated as the sum of trade conducted by the 28 Member States and the EU institutions (except the [European Central Bank](#) and European Stability Mechanism) with the countries outside the EU (no flows within the EU are taken into account).

Context

International trade in services makes up part of the current account of the balance of payments and covers the transactions between the residents and non-residents of a country during a given period. International trade in services follows the BPM6 methodology, which uses 12 main service categories, one of which is other business services. EU trade in services with the extra-EU countries has been on an increasing trend from 2010 to 2015 for both imports and exports. In 2016, though, there is a stabilization with a small decrease in exports and a small increase in imports and the opposite in 2017: increase in exports (11 bn) and decrease in imports (23 bn). Nevertheless, exports of total services exceed imports, creating a trade surplus which contributes positively to the current account.

Other articles

- [All articles on balance of payments](#)
- [Balance of payments and international investment position manual \(BPM6\)](#)
- [Measuring international trade in services - from BPM5 to BPM6](#)
- [Services trade by enterprise characteristics - STEC](#)
- [The EU in the world - international trade](#)
- [EU international trade in transport services](#)
- [International trade in services](#)
- [Services trade statistics by modes of supply](#)
- [International Trade in Services statistics - background](#)

Tables

- [Balance of payments - international transactions \(t_bop_6\)](#)

Database

- [Balance of payments - international transactions \(bop_6\)](#)
- [International trade in services, geographical breakdown \(bop_its6\)](#)

Dedicated section

- [International trade in services - Overview](#)
- [Balance of payments](#)

Methodology

- [Balance of payments - International transactions \(BPM6\)](#) (ESMS metadata file — bop_6_esms)
- [International trade in services, geographical breakdown \(BPM6\)](#) (ESMS metadata file — bop_its6_esms)

Legislation

- [Regulation \(EC\) No 184/2005](#) of 12 January 2005 on Community statistics concerning balance of payments, international trade in services and foreign direct investment.
- [Regulation \(EU\) No 555/2012](#) of 22 June 2012 amending Regulation (EC) No 184/2005 on Community statistics concerning balance of payments, international trade in services and foreign direct investment, as regards the update of data requirements and definitions.
- [Regulation \(EU\) No 2016/1013](#) of 8 June 2016 amending Regulation (EC) No 184/2005 on Community statistics concerning balance of payments, international trade in services and foreign direct investment.

Visualisations

- [International trade in services - Statistics Illustrated](#)

External links

- [European Commission — Trade](#)
- [International Monetary Fund \(IMF\) — International Trade in Services: Recent Methodological Developments](#)
- [Newsletter of the Interagency Task Force on Statistics of International Trade in Services](#)
- [OECD — Services trade](#)
- [United Nations Conference on Trade and Development \(UNCTAD\) — Manual on Statistics of International Trade in Services 2010 \(MSITS 2010\)](#)