

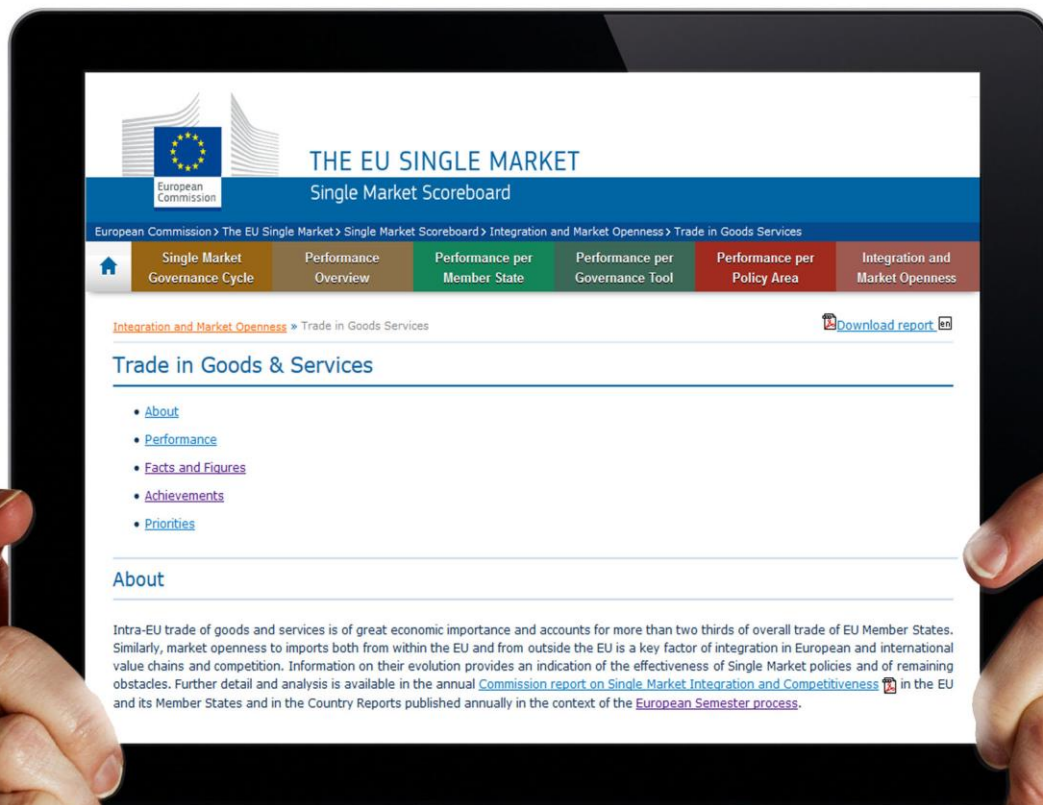


Single Market Scoreboard

Integration and Market Openness

Trade in Goods and Services

(Reporting period: 2015 - 2016)



Internal market,
Industry,
Entrepreneurship
and SMEs

About

[Trade in goods and services](#) between EU Member States accounts for over two thirds of the overall trade of EU Member States.

Openness to imports (both from within the EU and outside) is a key measure of integration into European and international value chains and competition.

⚠️ At the time of preparing the 2018 edition of the Scoreboard latest data were available for 2016.

Note that data used for trade in goods are compiled on a different methodological basis than data for trade in services, and are not directly comparable. Therefore these results should be viewed with some caution.

More detail and analysis:

- [Annual report on Single Market Integration and Competitiveness](#) 
- [European Semester country reports](#).

Indicators

The **percentage of a country's GDP that is accounted for by trade with EU countries** (imports and exports), in either goods or services.

Total imports/exports

The **value of all imports/exports** of goods and services (from/to any country, inside or outside the EU) as a share of GDP.

What the indicators mean

For each country, the indicators reflect:

- overall import/export performance
- how integrated the economy is into European value chains
- how open the economy is to imports
- how competitive the economy is as reflected in exports, i.e. goods and services sold abroad
- internal demand.

Higher values indicate the economy is more open, competitive and integrated, in relation to the size of its economy.

Changes over time may indicate policy measures that reduce trade barriers or provide more favourable business conditions for trade.

The export of goods and services marks the end of a value chain; their production may have taken place in a number of countries and may involve inputs from a number of sectors. To assess the extent of trade integration in the Single Market, it is therefore informative to also look at the share of value added generated in other EU Member States that is contained in the amount of goods or services exported from a given Member State. This indicator showing the value added generated in other EU countries embodied in one unit of exports (latest data

available for 2014; 2013/2014 changes) is presented under 'Facts and Figures' at the end of this scoreboard.

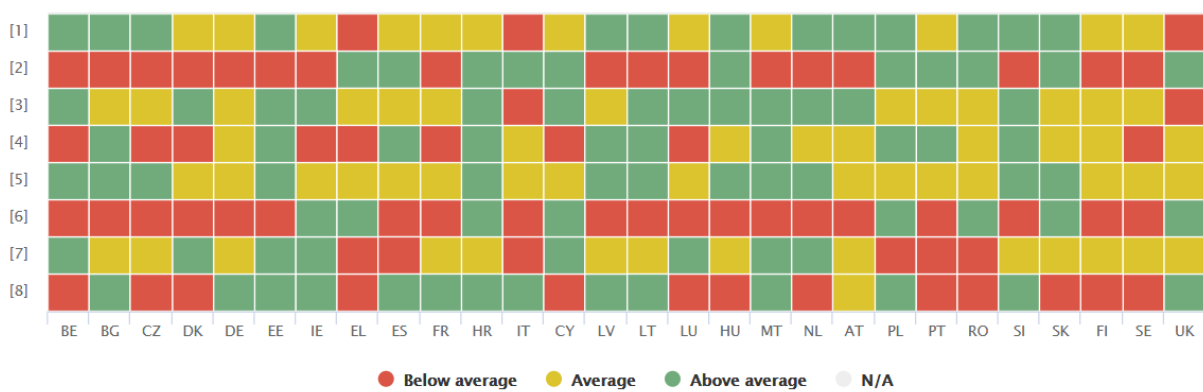
Data sources: Eurostat, National Accounts data, International trade in services and Trade in Goods.

Performance

The indicators below (*based on official Eurostat statistics*) reflect each country's performance as regards **trade integration** and **market openness to imports**:

- relative to overall GDP, and
- change in 2015-16

1. By indicator



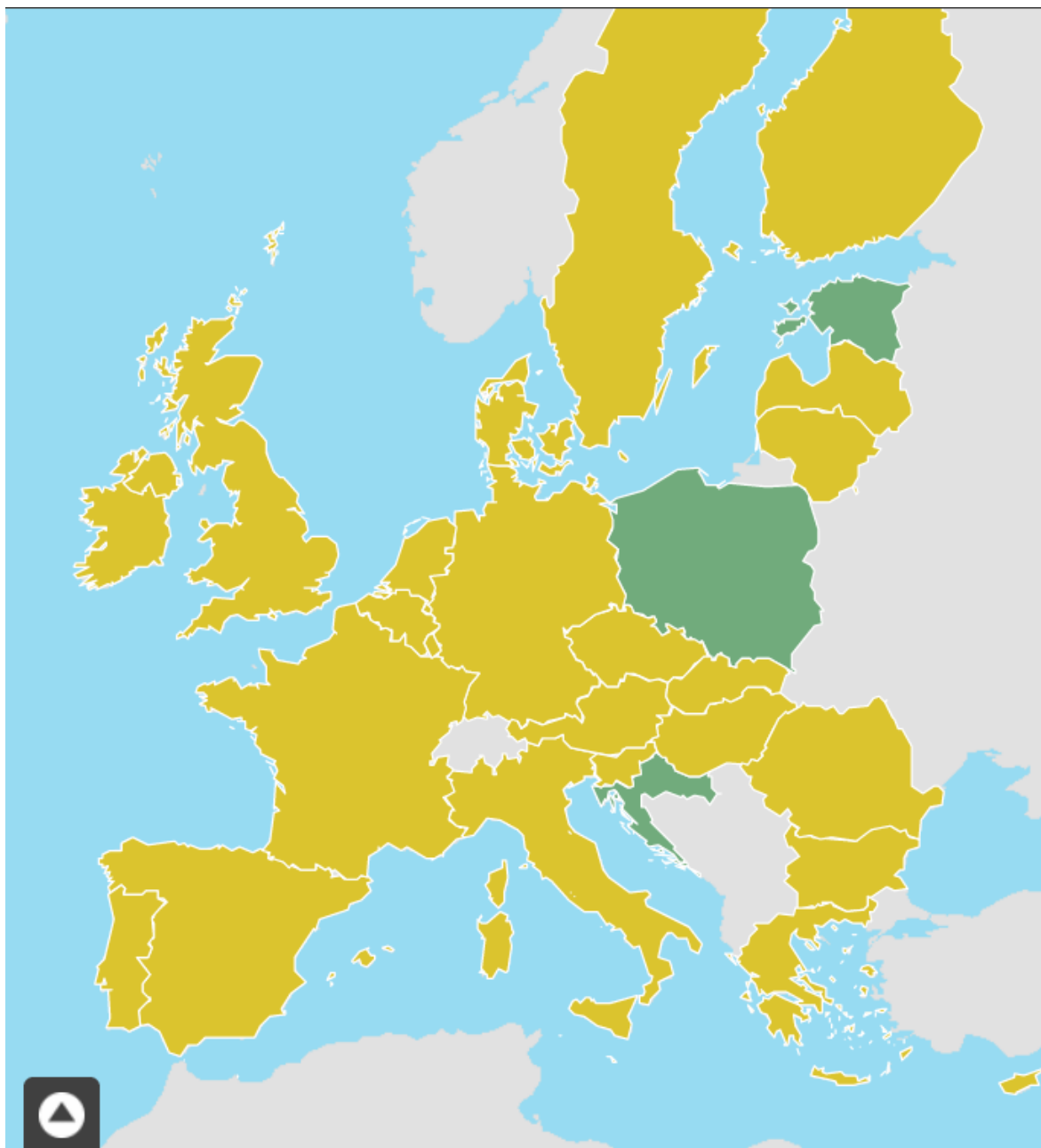
[1] EU trade integration in GOODS (<i>levels</i>)	> 27.5%	13.7% - 27.5%	< 13.7%
[2] EU trade integration in GOODS (<i>change</i>)	> 0.2%	0% - 0.2%	< 0%
[3] EU trade integration in SERVICES (<i>levels</i>)	> 8.8%	4.4% - 8.8%	< 4.4%
[4] EU trade integration in SERVICES (<i>change</i>)	> 2.8%	0% - 2.8%	< 0%
[5] Openness to imports of GOODS (<i>levels</i>)	> 42.8%	21.4% - 42.8%	< 21.4%
[6] Openness to imports of GOODS (<i>change</i>)	> 0%	-1.7% - 0%	< -1.7%
[7] Openness to imports of SERVICES (<i>levels</i>)	> 14.6%	7.3% - 14.6%	< 7.3%
[8] Openness to imports of SERVICES (<i>change</i>)	> 1.6%	0% - 1.6%	< 0%

Indicators 1 and 3 – **levels** of integration
(bands set on the basis of the EU-level trade integration index).

Indicators 5 and 7 – **levels** of openness
(bands set on the basis of the market openness index– within and outside the EU).

Indicators 2, 4, 6 and 8 – **change** in these levels
(bands set on the basis of an unweighted EU average).

2. Overall (all 8 indicators combined)

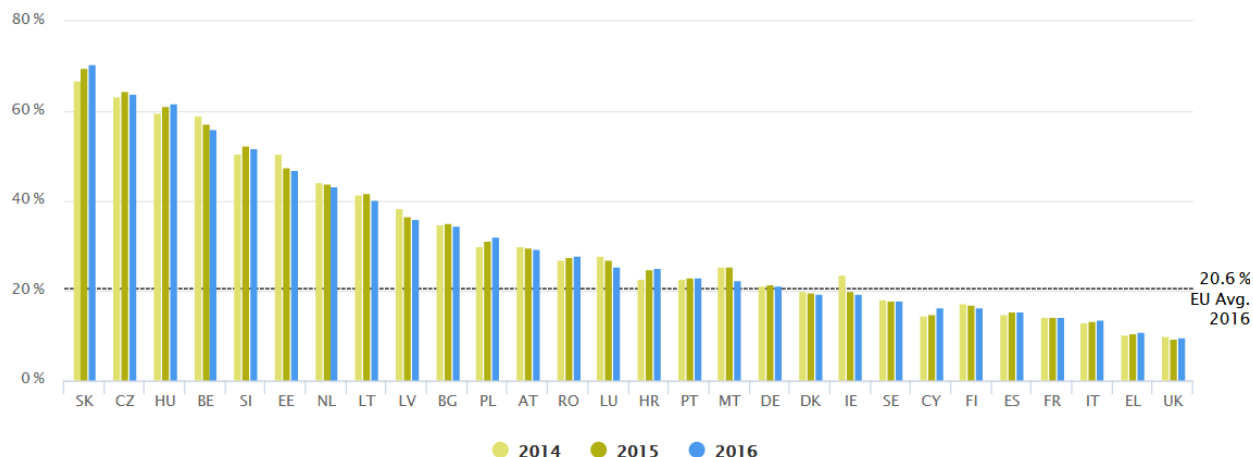


A Member State's **performance across all 8 indicators** is calculated by scoring each indicator in chart 1 as follows:
RED = 1, YELLOW = 2 and GREEN = 3.

The colours on the map thus represent the **average of these scores**:

≥ 2.5
1.5 - 2.4
≤ 1.5

⚠This is only a partial view of EU countries' trade integration performance and prospects. Changes in these indicators are caused not just by national implementation of single market policies and laws, but by other factors, including general economic developments in the EU and globally.

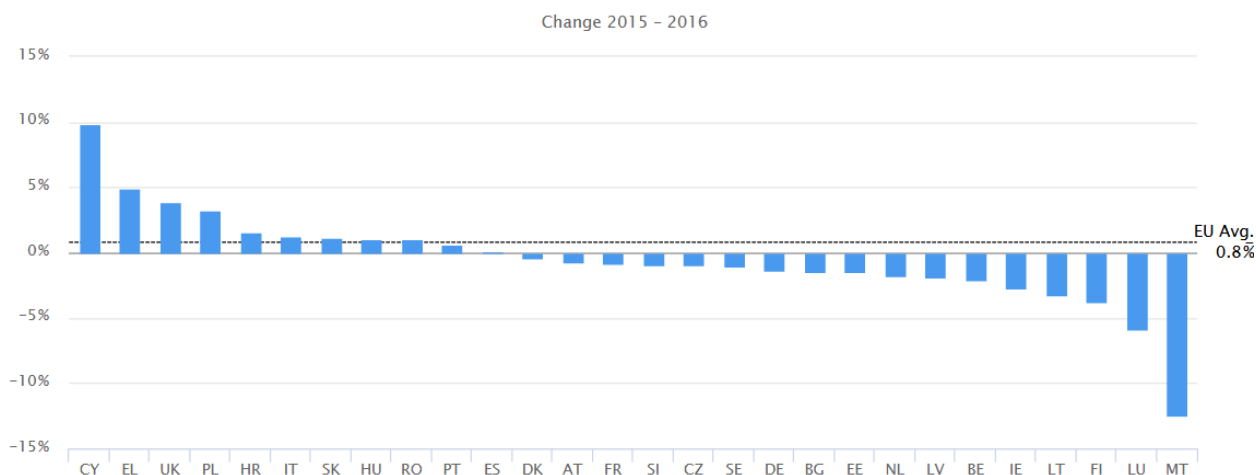
Indicator [1]: EU trade integration in GOODS (levels)

The percentage of a country's GDP that is represented by goods trade with other EU countries (imports and exports).

Reflects:

- overall import and export performance
- degree of integration into European value chains
- levels of openness, competitiveness and internal demand.

Higher values show better results on these points.

Indicator [2]: EU trade integration in GOODS (change)

Percentage changes in trade integration indices for goods (average value of imports and exports as a share of GDP) between 2015 and 2016.

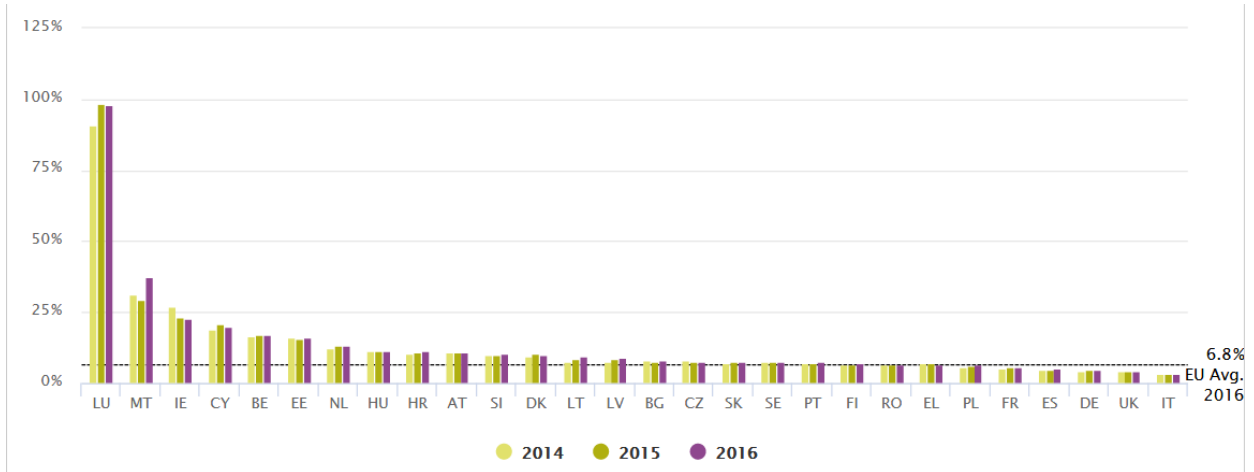
Positive values show:

- relative shares of imports/exports have increased
- the country is more integrated into European value chains

- (possibly) policy measures have reduced obstacles to goods trade.

Negative values show an opposite trend.

Indicator [3]: EU trade integration in SERVICES (levels)



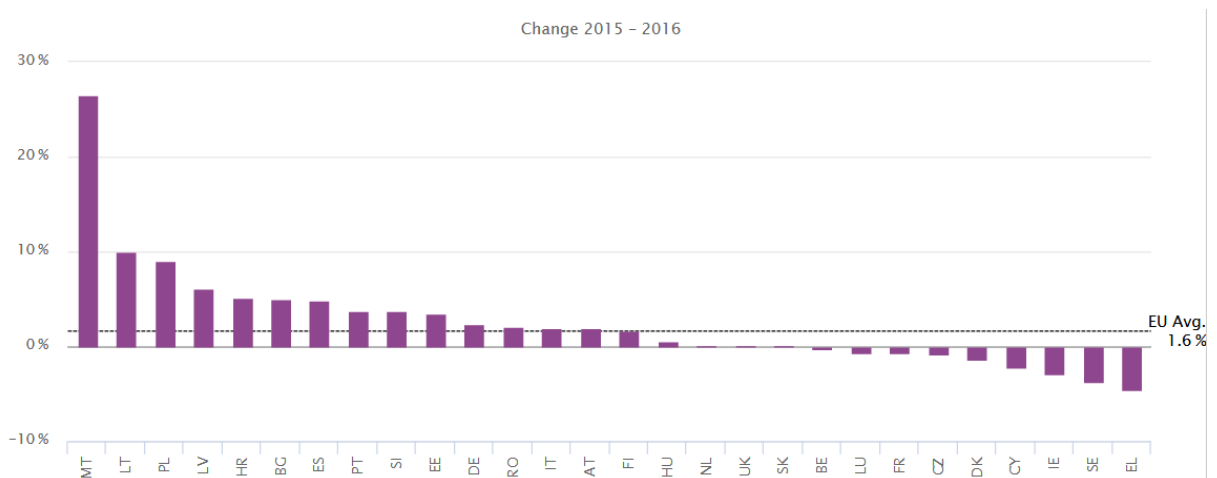
The percentage of a country's GDP that is represented by trade in services (financial and non-financial) with other EU countries (imports and exports).

Reflects:

- overall import and export performance
- degree of integration into European value chains
- levels of openness, competitiveness and internal demand.

Higher values show better results on these points.

Indicator [4]: EU trade integration in SERVICES (change)



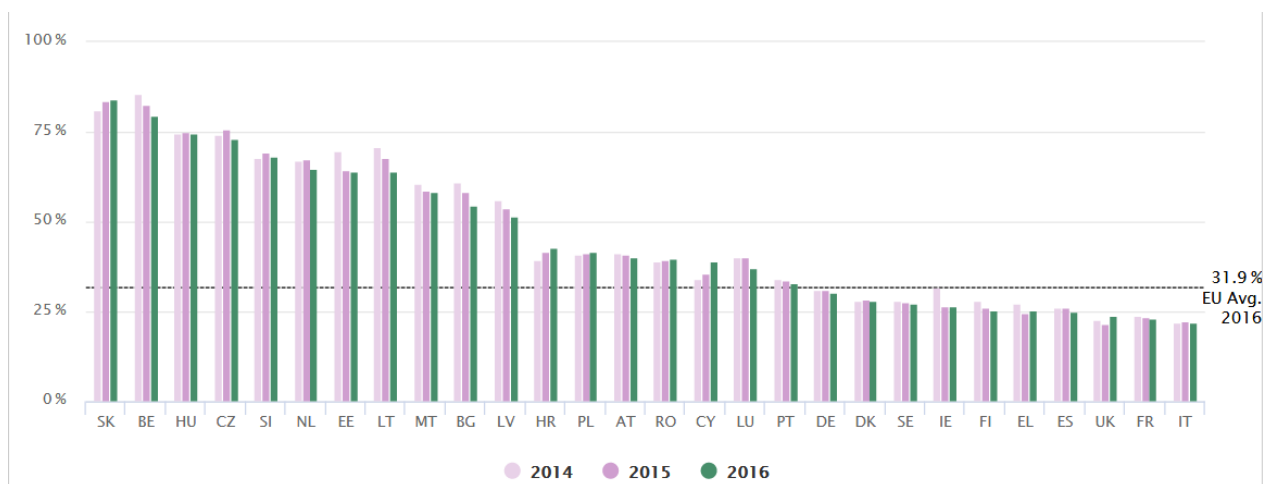
Percentage changes in trade integration indices for services (average value of imports and exports as a share of GDP) between 2015 and 2016.

Positive values show:

- relative shares of imports/exports have increased
- the country is more integrated into European value chains
- (possibly) policy measures have reduced obstacles to trade in services.

Negative values show an opposite trend.

Indicator [5]: Openness to imports of GOODS (*levels*)



Value of all goods imports – from any country, inside or outside the EU – as a share of GDP.

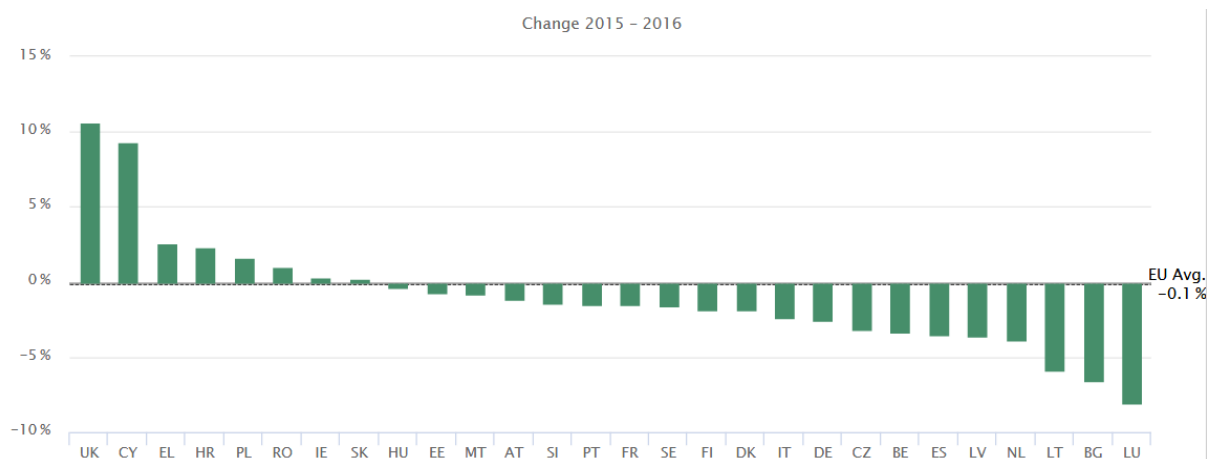
Reflects:

- The manufacturing sector's overall degree of openness, competitiveness and integration into international value chains.

Higher values show better results on these points.

For a breakdown of imports by source (within or outside the EU), see [Facts and Figures](#).

Indicator [6]: Openness to imports of GOODS (*change*)



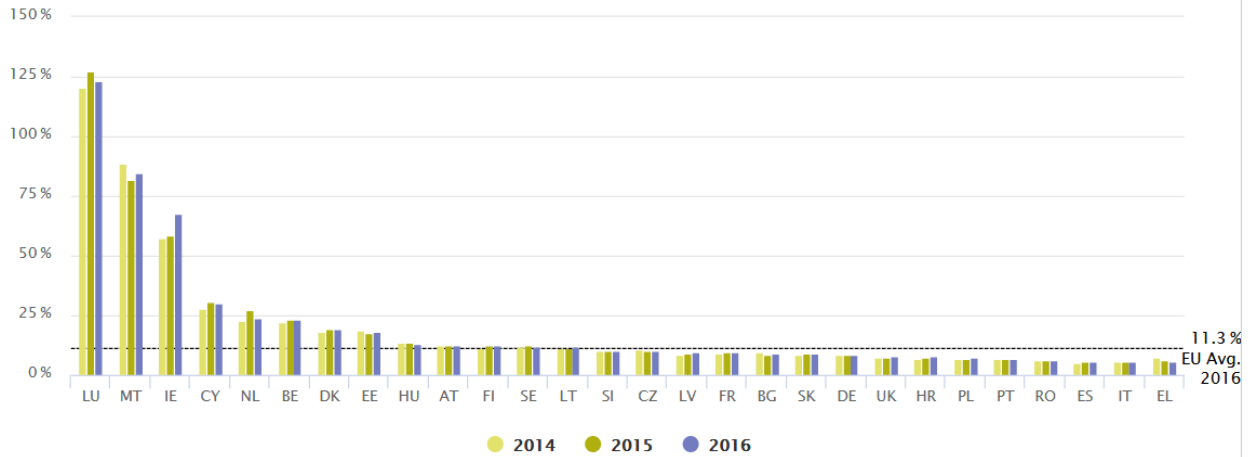
Positive values show:

- that the value of goods imports as a share of GDP increased between 2015 and 2016

- that the economy has become more open, competitive or integrated into international value chains.
- (possibly) that policy measures have reduced obstacles to goods imports.

Negative values show an opposite trend.

Indicator [7]: Openness to imports of SERVICES (levels)



Value of all imports of services – from any country, inside or outside the EU – as a share of GDP.

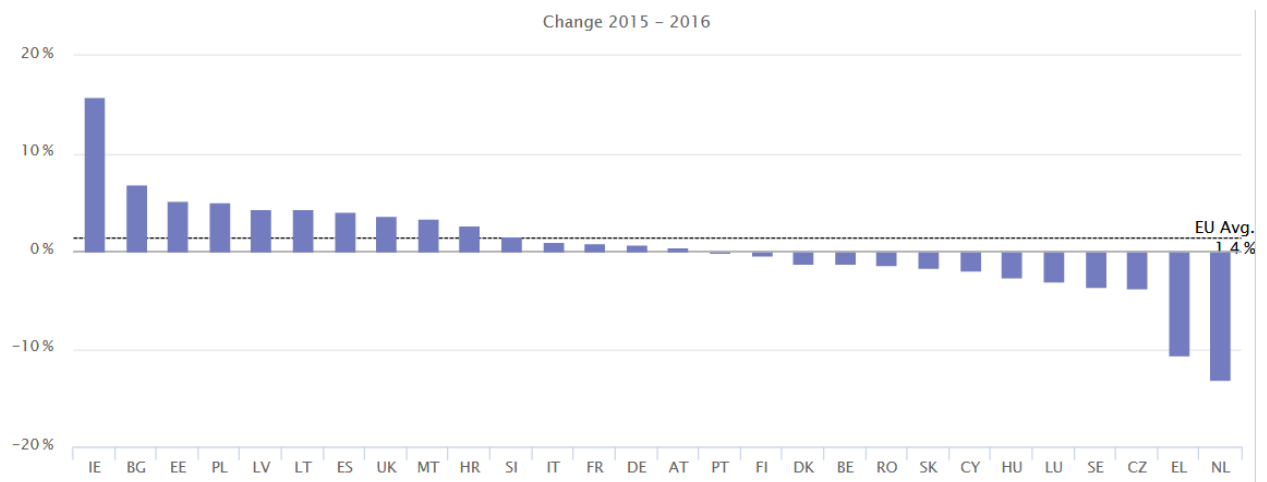
Reflects:

- The service sector’s overall degree of openness, competitiveness and integration into international value chains.

Higher values show better results on these points.

For a breakdown of imports by source (within or outside the EU), see [Facts and Figures](#).

Indicator [8]: Openness to imports of SERVICES (change)



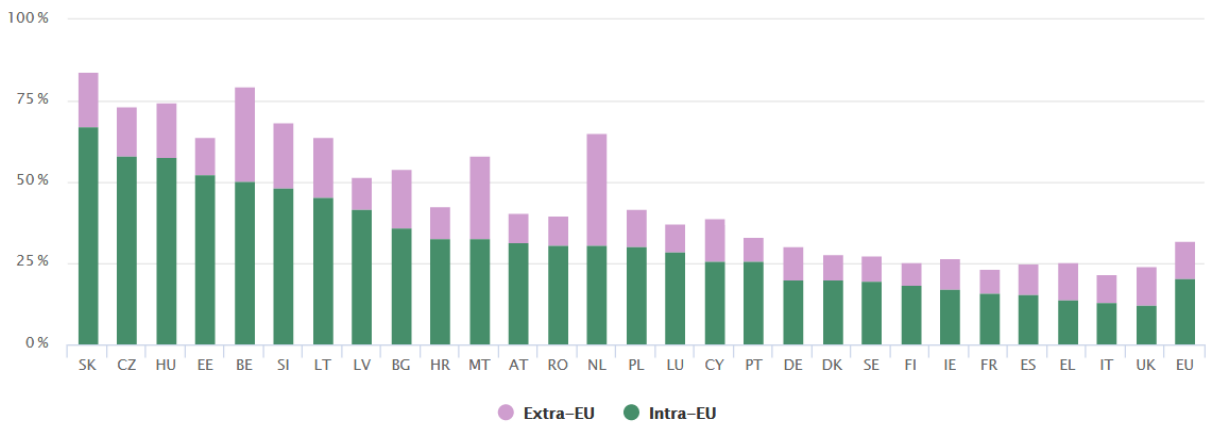
Positive values show:

- that the value of services imports as a share of GDP increased between 2015 and 2016
- that the economy has become more open, competitive or integrated into international value chains
- (possibly) that policy measures have reduced obstacles to services imports.

Negative values show an opposite trend.

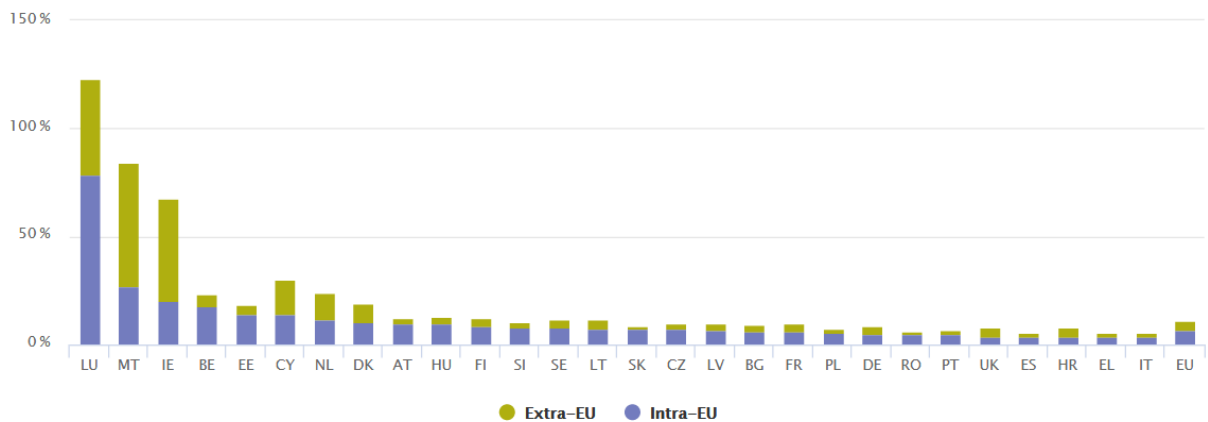
Facts and Figures

Imports of goods in 2016
(from within and outside the EU)



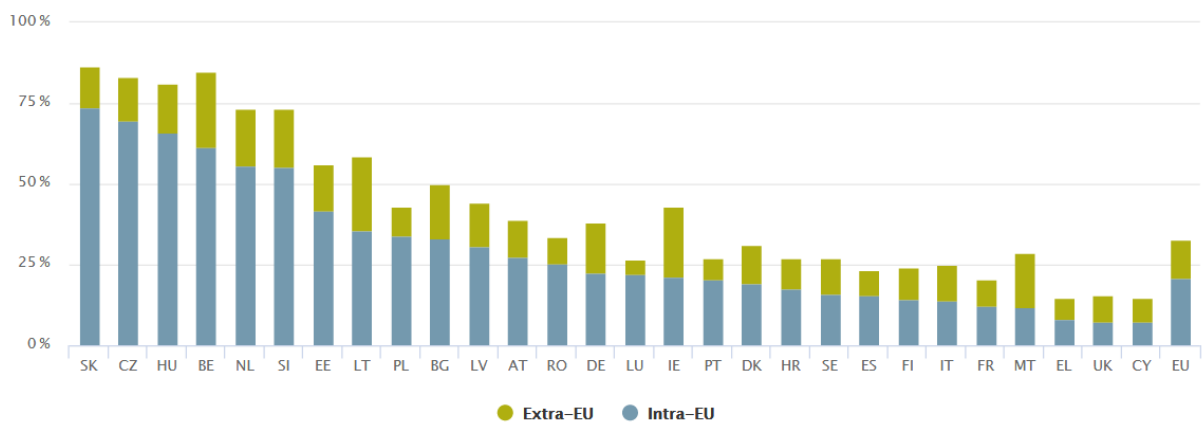
Total value of goods imports as a share of GDP for 2016, by source (other EU countries or non-EU countries).

Imports of services in 2016
(from within and outside the EU)



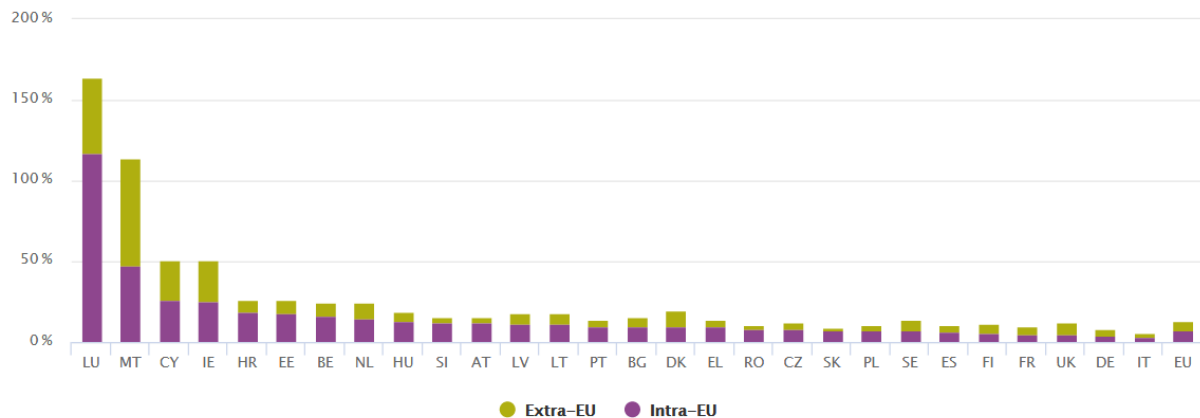
Total value of services imports as a share of GDP for 2016, by source (other EU countries or non-EU countries).

Exports of goods in 2016 (to EU countries and outside the EU)



Total value of goods exports as a share of GDP for 2016, by market (other EU countries or non-EU countries).

Exports of services in 2016 (to EU countries and outside the EU)

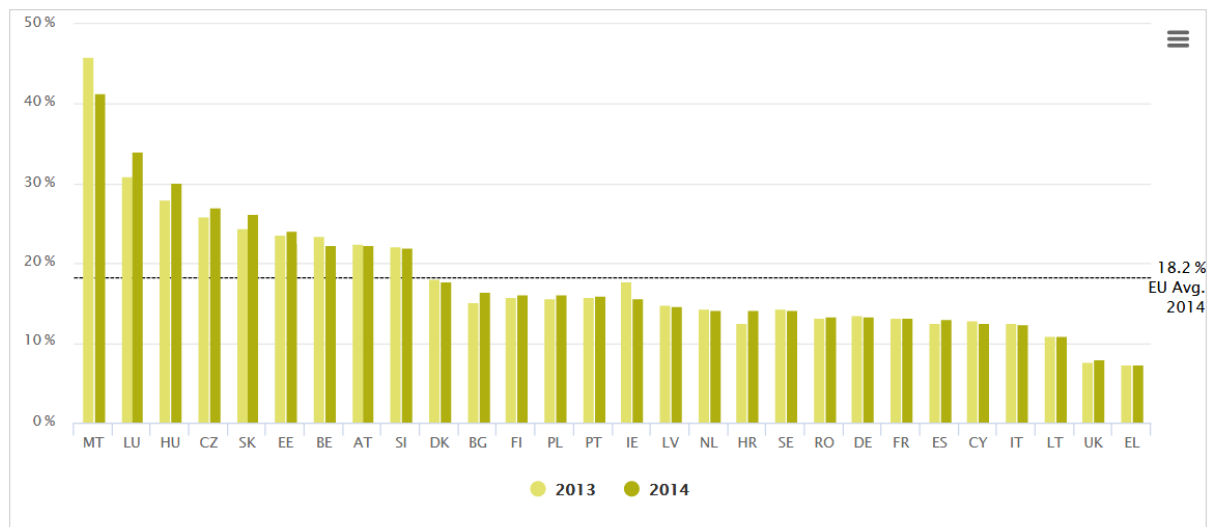


Total value of services exports as a share of GDP for 2016, by market (other EU countries or non-EU countries).

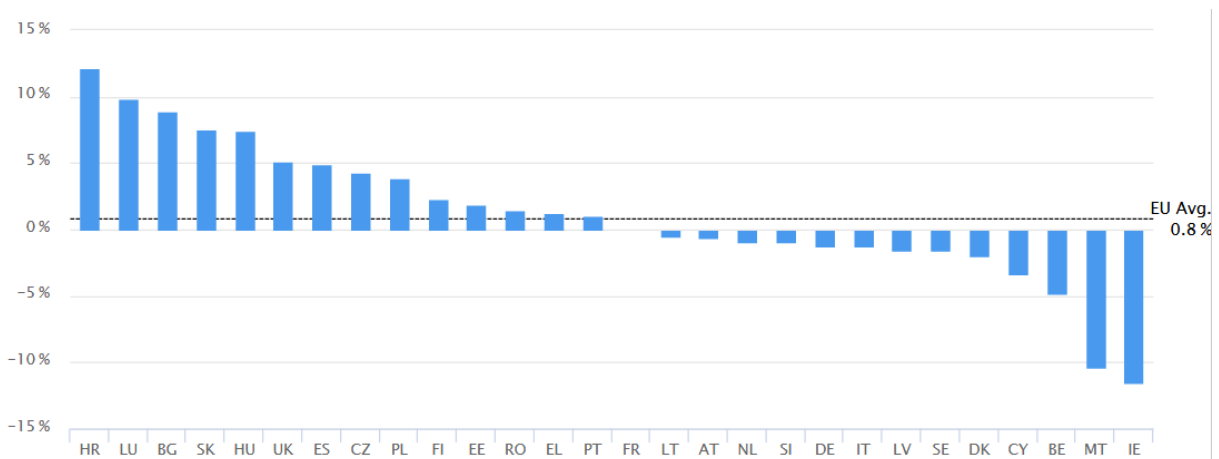
⚠ To take into account the production relations in cross-border value chains, this section also provides additional information on trade in goods and services from a value added perspective (value added embodied in a country's exports generated in other EU countries). This complements the available information on gross trade flows.

The data in this section are based on a study using the World-Input-Output-Database ([WIOD](http://www.wiod.org/)) for which the latest available year is currently 2014. Once available, more recent data will be used to update the information in the Scoreboard.

Value added generated in other EU countries embodied in one unit of exports (2014 data)



Value added generated in other EU countries embodied in one unit of exports (2013/2014 change)



Achievements

- Intra-EU trade** developed vigorously until the financial and economic crises severely hit all EU Member States and sectors, leading to a sharp decline in trade in 2009. **Intra-EU trade in goods** suffered a bigger dip than trade in services but quickly recovered. From 2011 onwards, weak demand and slow economic growth led to low dynamics in intra-EU trade in goods. **Intra-EU trade in services** faced a less severe slump as a result of the crisis and showed a more stable increase afterwards. The recovery in intra-EU trade after the crisis has been steady, albeit at lower pace than the expansion of extra-EU trade in goods and services.
- The EU's overall **economic performance further improved** in 2016/17, still aided by a relatively low value of the euro and moderate oil prices as well as showing impacts of previous reforms. Positive signs of accelerated growth in intra-EU trade in goods and services have been observed in 2015 and 2016.

- Overall, the EU13 shows higher integration indicators than the EU15. In addition, geographic **concentration of export and import activities** has decreased and enlargement has contributed to diversify the geographic origin of intra EU exports. In services in particular, export activities have become less concentrated until 2009 and the concentration has remained stable since then. The overall tendency towards lower concentration is driven by trends in larger sectors such as transport, tourism and business services, although concentration in the latter has increased again after the crisis. Trends in the concentration of exports and imports of goods have seen a structural break during the crisis and have been increasing since.
- There is **considerable turnaround** in the rankings for **goods trade integration**. The countries with the fastest increases in levels of trade integration are Cyprus, Greece, United Kingdom, Poland, Croatia, Italy, Slovakia, Hungary, and Romania. Slovakia, the Czech Republic, Hungary and Belgium are the Member States with the highest trade integration index overall. In general, larger Member States not only show much lower levels of trade integration (due to their size), but some are actually becoming less integrated.
- **Services trade integration** continues to increase for most Member States, though trends differ across sectors. The countries with the fastest increases in levels of trade integration are Malta, Lithuania, Poland, Latvia, Croatia, and Bulgaria. There is considerable potential for further strengthening trade integration in services, notably construction and business services.

Priorities

- To increase service trade integration, **cross-border provision of services, recognition of qualifications and establishment outside the home country** need to be facilitated (by their nature, services are less suitable for trading across borders).
- **Structural reforms** are needed at EU and national level to remove regulatory, structural and behavioural obstacles to business opportunities, innovation and investment, including those made available through **new technologies** and **new business models** and through **stronger integration** in EU and global value chains.

These obstacles are being addressed in the [Single Market Strategy](#) and the [Digital Single Market Strategy](#) as well as in the renewed EU Industrial Policy Strategy. Related reforms at national and euro area levels are promoted in the [European Semester](#).