



UNCTAD/STAT/INF/2022/2

INTERNATIONAL TRADE IN SERVICES

2021

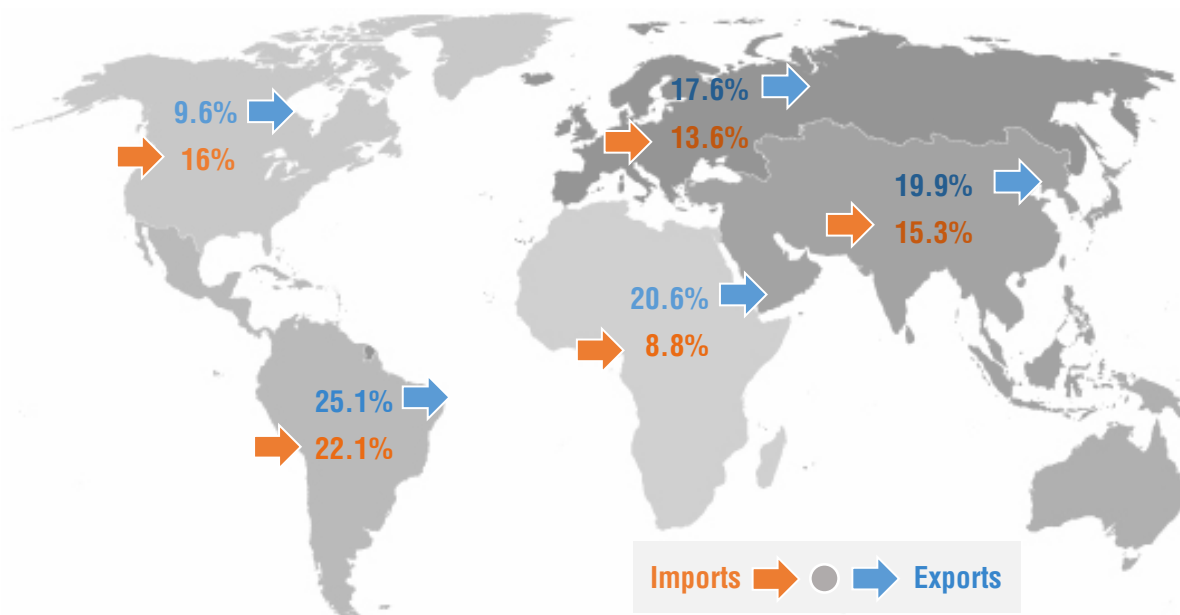
World services exports increased by 17% in 2021. The high growth confirms a solid recovery after the pandemic-related plunge in 2020. Still, global exports had been higher in 2019 than the US\$6.1 trillion reached in 2021. Transport exports increased especially strongly during 2021, by 35%, driven by renewed demand and rising transport costs. International travel struggled to recover, remaining at only 42% of its 2019 value.

	World services exports Trillions of US\$			Growth %	
	2019	2020	2021	2020	2021
Total	6.291	5.179	6.072	-17.7	17.2
Transport	1.041	0.856	1.158	-17.8	35.3
Travel	1.475	0.553	0.615	-62.5	11.1

At the regional level, Latin America and the Caribbean recorded the highest annual growth in services exports (25%), followed by Africa (21%) and Asia and Oceania (20%). Imports also rose faster in Latin America and the Caribbean (22%) than in the other regions compared. Most regions recorded above average growth rates in 2021 after significant declines during the COVID-19 pandemic.

US\$6.1 trillion
World services exports
+17.2%

Figure 1. Annual growth rate of total services exports and imports by region, 2021 (percentage)



Structure of world services exports

Travel – formerly the most traded service-category – came only fifth in 2021 (US\$615 billion). Various business services were at the top, accounting for over a quarter of total services sold internationally (US\$1 596 billion). Transport came second (US\$1 158 billion), followed by telecommunications, computer, and information services (US\$896 billion).

Services exports in Europe and Northern America were even more dominated by business, financial, insurance and IP-related services than in the pre-pandemic years. Sales of telecommunication and computer services also continued to weigh strongly in 2021.

With transport costs rising, transport share in total services exports from Asia and Oceania jumped from 19% in 2019 to 26% in 2021 (51% annual growth).

Figure 2. World services exports by service-category, 2021
(Billions of US\$)

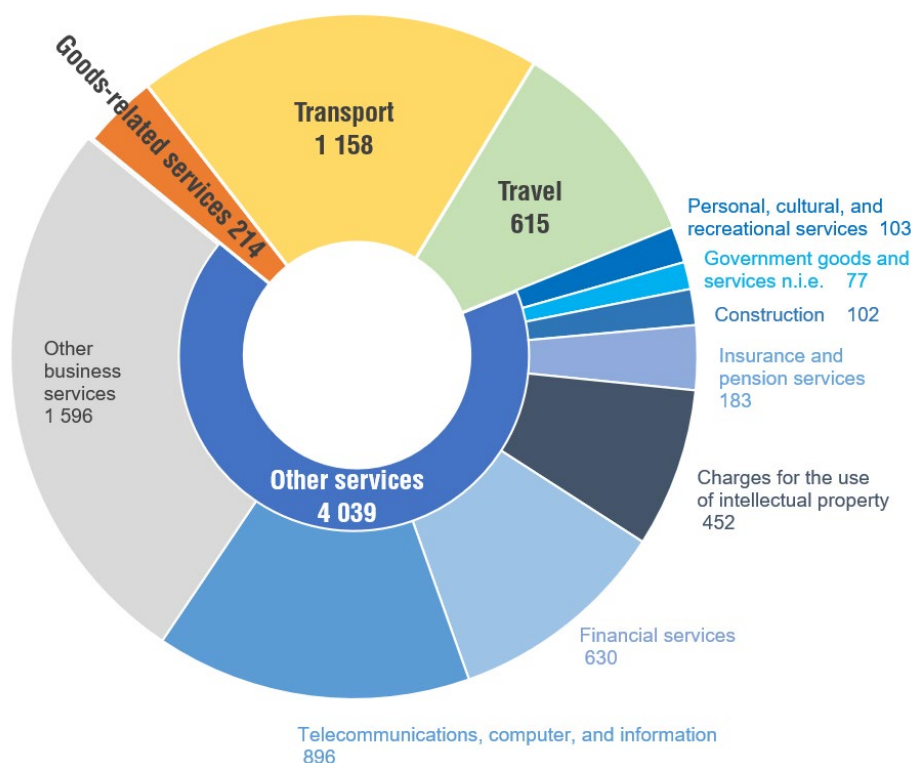
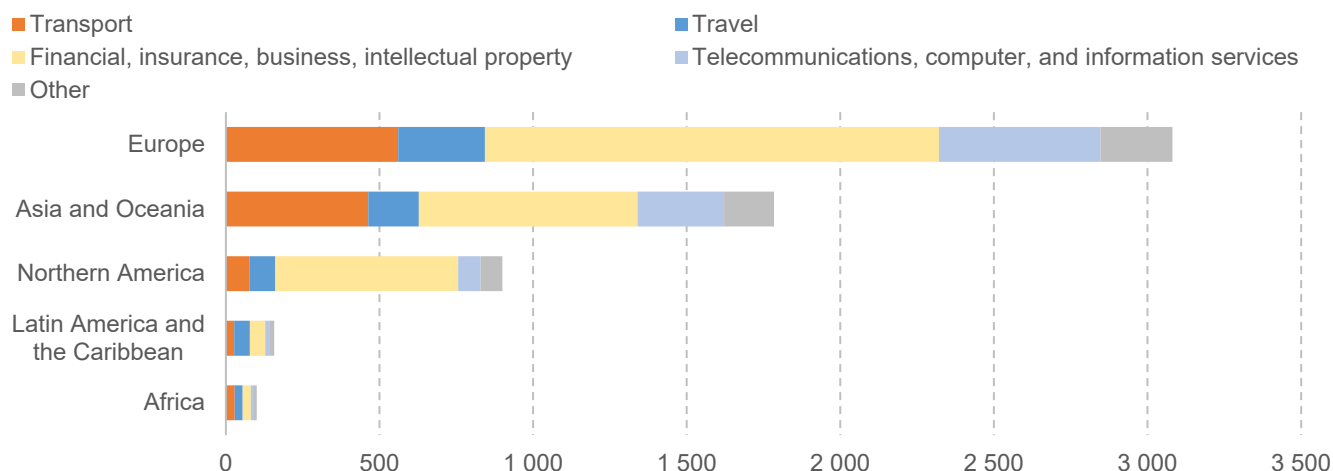


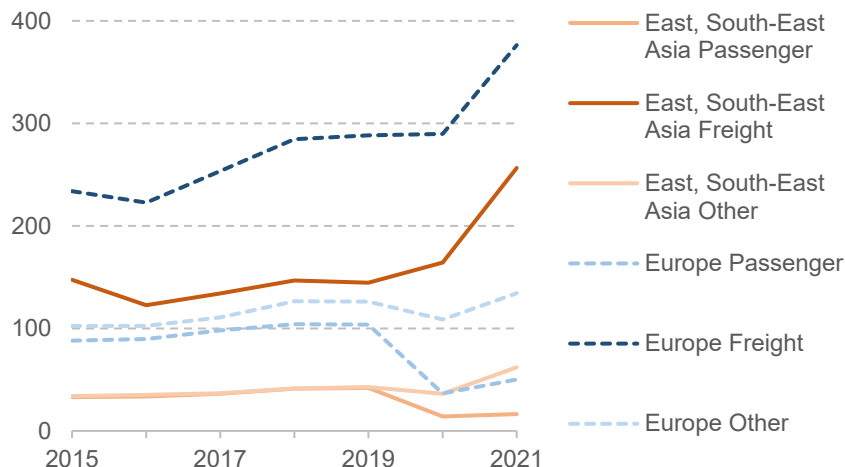
Figure 3. Exports of services by region and service-category, 2021
(Billions of US\$)



Selected trends

Compared to the pre-pandemic year 2019, global transport exports increased by 11% in 2021. The regions benefitting most from this trend were Asia – particularly East, South-East, and Western Asia – and Europe. While in Asia passenger transport exports remained at pandemic levels in 2021, in Europe they increased by 37% compared to 2020, thereby reaching half of the 2019 value. However, freight exports surged, globally being 45% higher in 2021 than 2019.

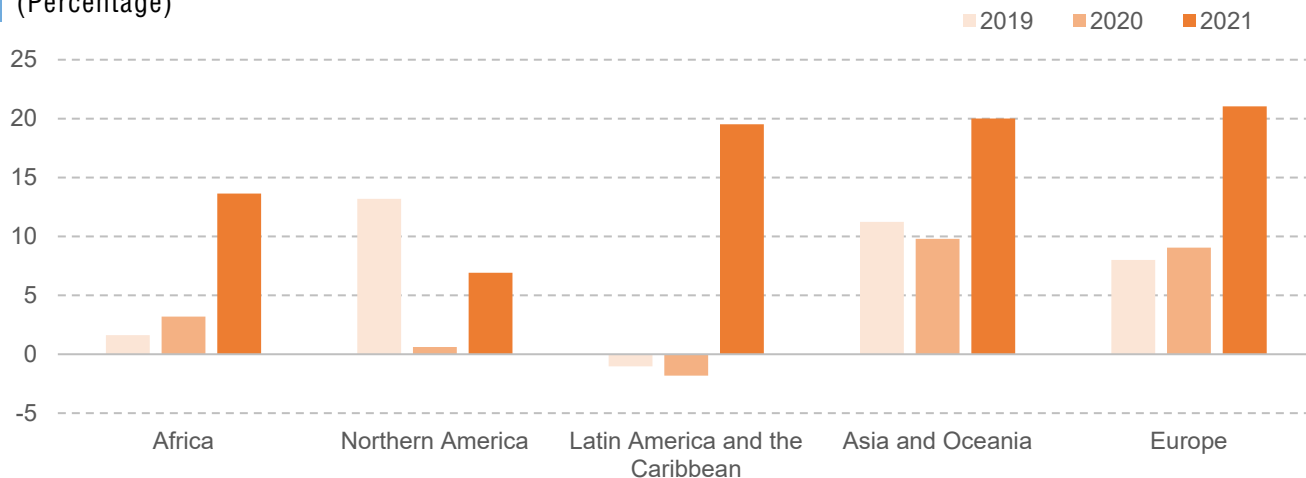
Figure 4. Transport exports, Europe and East-South-East Asia (Billion US\$)



Freight exports were 77% higher in East and South-East Asia in 2021 compared to 2019 (US\$256 billion in 2021), and 31% in Europe (US\$376 billion in 2021). Auxiliary transport services (“other transport”) also recorded a substantial increase in 2021: 11% globally, compared to 2019. They were estimated 44% higher for East and South-East Asia, and 6% for Europe.

Behind transport, telecommunications and computer services recorded the highest growth among main services categories in 2021, being among the rare items that rose also during the pandemic. All regions benefited from this trend in 2021. Africa and Latin America and the Caribbean caught up with the growth of the other regions in that service category, which underpins modern business-to-business and business-to-clients connectivity as well as digital trade (e-commerce).

Figure 5. Growth rates of telecommunication, computer, and information services exports (Percentage)

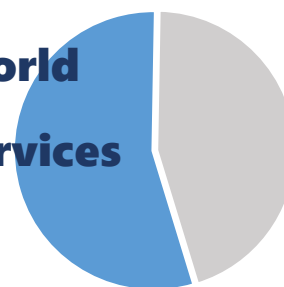


Leading exporters and importers in 2021

Development status groups	Leading exporters	Billions of US\$	Annual % change	Leading importers	Billions of US\$	Annual % change
Developing economies	China	392	39.8	China	441	15.8
	India	241	18.5	Singapore	224	9.7
	Singapore	230	9.6	India	196	27.5
	United Arab Emirates	102	30.4	United Arab Emirates	76	23
	China, Hong Kong SAR	77	14.7	Saudi Arabia	73	30.2
	Turkey	58	64.1	Thailand	66	39.8
	China, Taiwan Province of	52	26.3	China, Hong Kong SAR	62	12.3
	Philippines	34	5.7	Brazil	50	1.5
	Brazil	33	16.1	China, Taiwan Province of	40	5.6
	Mexico	27	60.4	Mexico	39	37.7
Developed economies	United States of America	795	9.5	United States of America	550	17.9
	United Kingdom	418	8.2	Germany	381	22.5
	Germany	377	21.4	Ireland	341	-2.3
	Ireland	338	21.2	France	258	9.5
	France	303	19	United Kingdom	243	14.7
	Netherlands	248	10.4	Netherlands	237	11.1
	Japan	168	3.6	Japan	207	5.2
	Luxembourg	140	15.4	Switzerland, Liechtenstein	142	12.4
	Belgium	137	12.4	Belgium	134	12.5
	Switzerland, Liechtenstein	135	15.6	Korea, Republic of	127	19.6



58% world total services exports



Africa

Figure 6. Share of Africa in the world services trade (percentage)

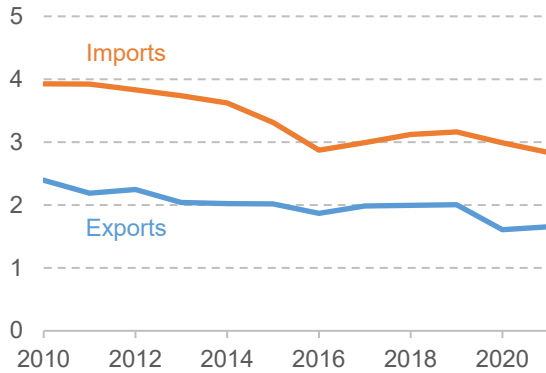
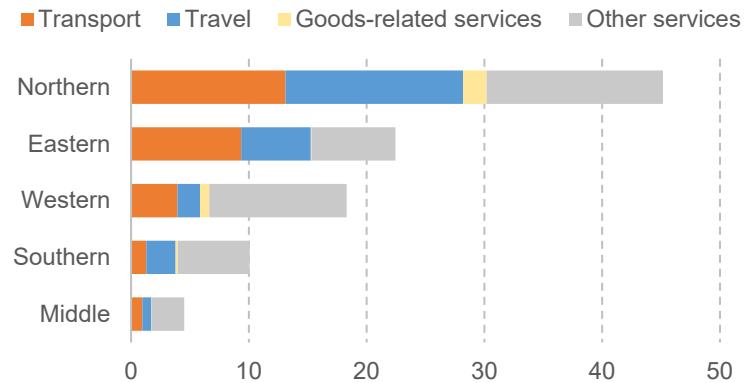


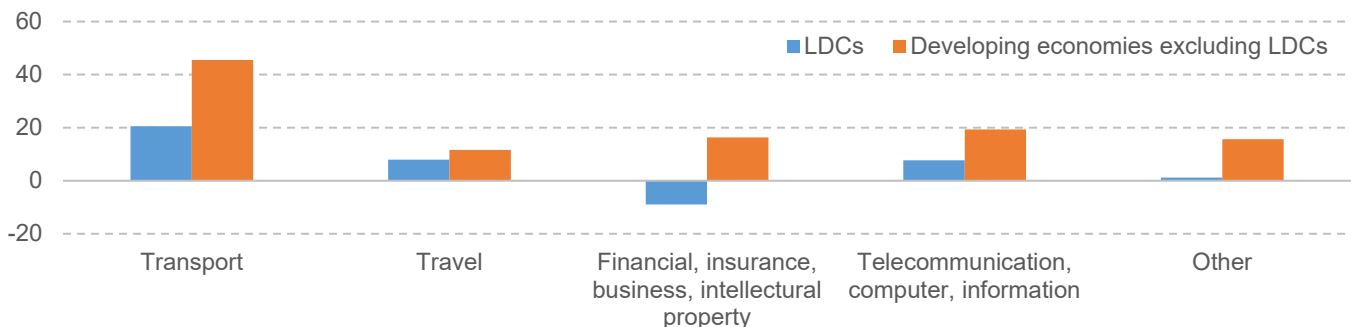
Figure 7. Services exports in Africa by region and service-category, 2021 (billions of US\$)



After 2016, Africa's low share in world services trade increased modestly up to 2019. The COVID-19 pandemic pushed African market shares to the lowest in 12 years. Long-distance international travel and related services represent a substantial part in African services trade. As travel was heavily affected during the crisis and improved only modestly in 2021, Africa's total services exports in 2021 remained 20% lower than in 2019. Estimates indicate that Southern African exports were especially affected.

Least developed countries (LDCs)

Figure 8. Annual growth rate of exports by service-category, 2021 (percentage)



Over the last 15 years, LDCs' share in global services exports was below 0.6%. Their share in imports gravitated around 1.5%. The COVID-19 crisis brought the two shares down, by some 0.2 percentage points. In 2021, LDCs recorded relatively solid growth rates in main service categories, except for the category of financial, insurance, business, and IP-related services. Yet, the post-covid recovery has remained modest compared to other developing economies, partly due to the LDCs' heavy reliance on travel (accounting for over 40% of services exports from 2010 to 2019). Compared to 2020, LDCs' travel exports increased by only 8%, while their travel imports rose by 22%.

Services trade by partner: selected economies and top 5 partners, 2020

Economies	Exports to		Imports from			
		Billions of US\$	Share %	Billions of US\$	Share %	
Ireland	World	279	100	World	349	100
	United Kingdom	40	14.5	United States of America	122	35.0
	United States of America	38	13.5	United Kingdom	23	6.6
	Germany	20	7.1	Singapore	11	3.2
	Netherlands	12	4.4	Netherlands	11	3.0
	Japan	12	4.1	Germany	7	1.9
Malaysia	World	22	100	World	33	100
	United States of America	6	26.8	United States of America	7	22.5
	Singapore	5	20.6	Singapore	6	16.7
	United Kingdom	1	6.4	China	3	9.2
	China, Hong Kong SAR	1	5.5	United Kingdom	2	6.1
	China	1	4.7	Japan	2	5.4

Why are services important?

Figure 9. Contribution of the services sector to economy
(Percentage)



Sources: UNCTAD (trade), UNCTAD calculations based on ILO data (employment) and UNSD (value added)

Notes

The definition of services follows the IMF *Balance of Payments and International Investment Position Manual, Sixth Edition (BPM6)* classification. It reads as follows: “Services are the result of a production activity that changes the conditions of the consuming units or facilitates the exchange of products or financial assets. Services are not generally separate items over which ownership rights can be established and cannot generally be separated from their production.”

The BPM6 services include 12 main sub-categories: manufacturing services; maintenance and repair; transport; travel; construction; insurance and pension services; financial services; intellectual property charges; telecommunications, computer and information; other business services; personal, cultural and recreational services; and government goods and services n.i.e. For this presentation, some categories have been grouped.

Goods-related services consist of manufacturing services on physical inputs owned by others, and of maintenance and repair services.

Unless otherwise specified, the figures are sourced from the joint UNCTAD-WTO dataset on international trade in services.

Disclaimer: The publication has not been formally edited