

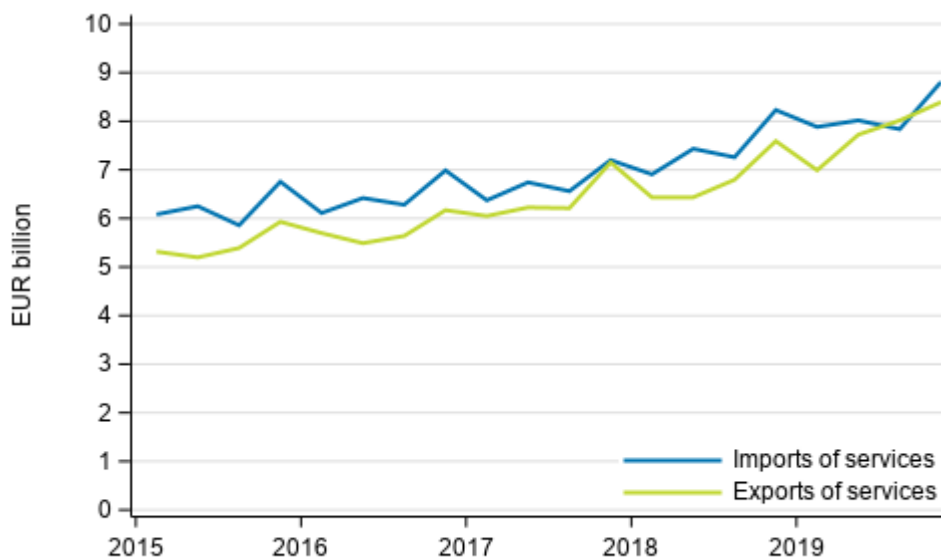
# International trade in goods and services

2019, 4th quarter

## International trade in services grew significantly thanks to ICT services in the last quarter of 2019

Service exports grew by 11 per cent in the fourth quarter of 2019 compared to the corresponding quarter in 2018. Service imports grew by seven per cent. Exports of services amounted to EUR 8.4 billion and imports to EUR 8.8 billion. The surplus of international trade in services prevailing in the third quarter of 2019 thus turned again into deficit. The data appear from Statistics Finland's statistics on international trade in goods and services, which are part of [balance of payments](#).

**Figure 1. Imports and exports of services quarterly**



According to preliminary data for 2019, service exports grew by 14 per cent compared to 2018. Imports of services grew by nine per cent in 2019. The development in the last quarter of 2019 thus follows the development in the whole year.

The combined exports of goods and services in balance of payments terms grew by seven per cent and imports fell by one per cent in the last quarter of 2019 compared with the corresponding quarter in 2018. In balance of payments terms, goods exports grew by six per cent and goods imports fell by five per cent.

According to preliminary data for 2019, the combined exports of goods and services went up by six per cent from 2018. Correspondingly, imports of goods and services grew by two per cent in 2019.

The levels in customs terms and in balance of payments terms can differ, because goods trade in customs terms includes flows of goods where ownership does not change. In contrast, goods trade in balance of payments terms is based on change of ownership. In addition to the changes made to the customs data, goods trade in balance of payments terms includes sales and purchases from aboard to abroad.

## Growth in exports centres on ICT, growth in imports is diverse

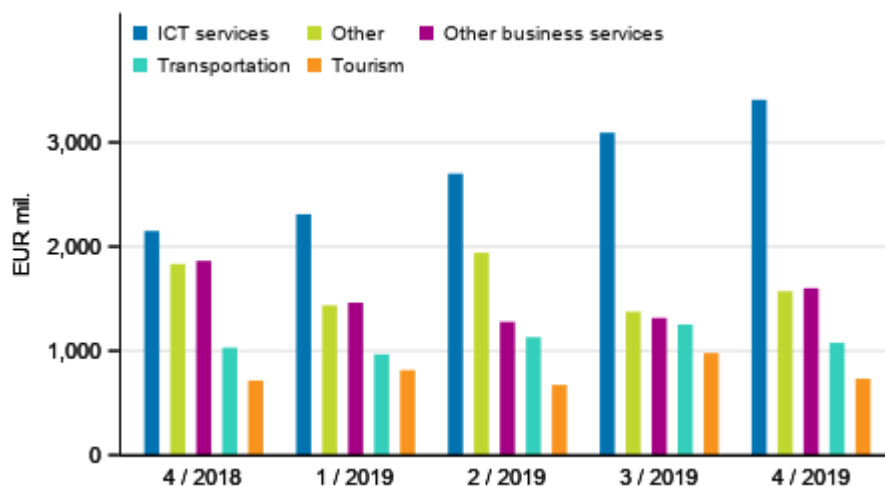
Telecommunications, computer and information services (ICT) covered 41 per cent of total service exports. The growth in this item continued strong, although the growth that accelerated during 2019 slowed down in the last quarter. Compared with the corresponding quarter of the year before, exports of telecommunications, computer and information services (ICT) grew by 59 per cent, while they went up by 84 per cent in the third quarter of 2019. It should be noted that the EUR 1.3 billion growth in exports of ICT services was bigger than in total service exports (EUR 0.8 billion). In other words, while exports of ICT services were growing strongly, exports of many other services went down compared to the corresponding quarter of the previous year. Exports items that fell most strongly were other business services and charges for the use of intellectual property n.i.e. Within other business services, exports of professional and management consulting services fell most strongly.

The differentiation of the development in exports of ICT services and other business services in the last two years is also essential when examining the development of exports. In the last quarter of 2017, exports of ICT services amounted to EUR 1.9 billion and exports of other business services to EUR 2.0 billion. In two years, exports of ICT services have started to grow strongly while exports of other business services have fallen. In the last quarter of 2019, exports of ICT services were two times bigger than those of other business services.

In service exports, the revision of charges for the use of intellectual property n.i.e. in the second quarter also stands out, which is visible as a 58 per cent growth compared to the quarter of the previous year. However, the level shift was not retained but on the contrary, exports of charges for the use of intellectual property n.i.e. fell in the third and fourth quarters.

Growth in service imports continued more widely than exports similarly as in earlier quarters of 2019. Most imports concerned other business services, EUR 3.3 billion out of total service imports of EUR 8.8 billion. Nearly one third of the EUR 0.6 billion growth came from imports of ICT services, good two thirds from growth in other business services. Imports of manufacturing services and of charges for the use of intellectual property n.i.e. grew, but imports of transport and construction went down almost as much in terms of euros..

**Figure 2. Exports of services by service item**



## Exports of ICT services grew faster than total exports in 2019

According to preliminary annual data, exports grew strongly in 2019 to the United States as well as particularly to China and countries outside Europe, America, Asia and Africa. If the trend continues, it will show before long in the relative shares of trading partners.

When examining service exports for the whole 2019 in terms of euros, the most increased item was ICT services, where the EUR 4.2 billion growth was larger than growth in total exports (EUR 3.9 billion). Charges for the use of intellectual property n.i.e. also grew by eight per cent, but the growth focused on the early part of the year. Financial and insurance services also grew by 10 per cent on the annual level but by just EUR 50 million in terms of euros. The EUR 0.5 billion fall in exports of other business services was biggest in terms of euros.

According to preliminary data, imports of services grew by EUR 2.7 billion in 2019. Unlike growth in exports, growth in imports built on increases in several services. Although the EUR 2.2 billion growth in other business services was biggest, imports of ICT services also grew by EUR 0.5 billion (14%). In addition, imports of financial and insurance services grew by EUR 351 million (32%) and charges for the use of intellectual property n.i.e. by EUR 109 million (12%).

Because exports of services grew both in percentages and in terms of euros more than imports, the deficit of international trade in services contracted from EUR 2.6 billion to EUR 1.4 billion in 2019. In the third quarter of 2019, the balance of services was positive for the first time throughout the entire statistical reference period.

## International trade with biggest trade partners slowed down, trade with the United States gains emphasis

In the last quarter of 2019, exports of services grew by EUR 800 million, of which around 40 per cent came from growth in exports to North and South America, one third to Asia and only around 14 per cent to Europe.

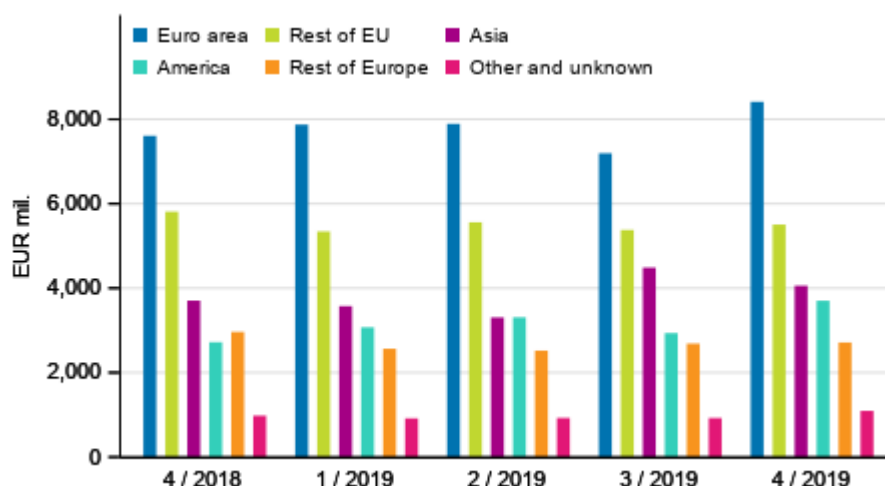
Changes in the key trading partners are visible on the country level: in the last quarter of 2019, the United States accounted for 13 per cent of Finland's service exports, while it was 11 per cent one year earlier. Sweden has lost its importance as services exported there fell by eight per cent from the year before and its share of Finland's service exports has dropped in one year by two percentage points to 12 per cent. Similarly, service exports to Germany fell by seven per cent compared to the corresponding quarter of the

previous year, and Germany's share of service exports from Finland went down from nine to seven per cent.

The corresponding change can be seen in imports of services. Good one half of the growth in service imports came from service trade with the United States and one tenth from trade with other American countries. One sixth of the growth in imports came from the growth in service imports from Asia and 11 per cent from Europe. The change is reflected in the relative shares of imports of trading partners: The share of the United States as an importing country has grown and that of Sweden fallen by three percentage points. This is explained not only by the growth in imports from the United States, but also by the contraction in services imported from Sweden. In contrast, there has not been significant changes in international trade in services with the neighbouring country Russia. Service exports to Russia rose and imports fell by two per cent.

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**Figure 3. Exports of goods and services in balance of payments terms by area**



## Statistics on international trade

The statistics on international trade in goods and services are part of [balance of payments](#). The statistics comprise breakdowns of goods and services on a more detailed level. The guidelines and recommendations of the Balance of Payments Manual (BPM6) applied to balance of payments are consistent with the European System of Accounts (ESA 2010). National Accounts are published [on quarterly](#) and [annual levels](#). [Finnish Customs](#) publishes data on goods trade across borders. Goods trade published by Finnish Customs is used as source data for the statistics on international trade in goods and services. Removals and additions caused by definitions are made to them to achieve goods trade in balance of payments terms.

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# Appendix tables

**Appendix table 1. Export in balance of payments terms, EUR mil.**

	2018	2019			
	4th quarter	1st quarter	2nd quarter	3rd quarter	4th quarter
1 Goods and services total	23,794	23,349	23,518	23,610	25,491
1.1 Goods trade in balance of payment terms	16,203	16,358	15,794	15,595	17,099
1.1.1 Goods trade in customs terms	16,536	16,479	16,586	15,454	16,413
1.1.2 Factoryless goods production, goods sent abroad for processing and merchandising	-333	-121	-792	141	686
1.2 Services total	7,591	6,991	7,723	8,015	8,392
1.2.1 Manufacturing services	493	418	434	360	449
1.2.2 Transport	1,030	967	1,131	1,253	1,077
1.2.3 Travel	715	815	673	979	733
1.2.4 Construction	93	51	60	82	64
1.2.5 Financial and insurance services	144	128	152	136	154
1.2.6 Charges for the use of intellectual property n.i.e.	899	673	1,112	642	742
1.2.7 Telecommunications, computer and information services	2,150	2,311	2,700	3,093	3,408
1.2.8 Other business services	1,863	1,462	1,278	1,315	1,601
1.2.8.1 Research and development services	213	147	193	208	184
1.2.8.2 Professional and management consulting services	633	411	365	368	471
1.2.8.3 Technical, trade-related and other business services	1,017	903	720	739	946
1.2.9 Other services	204	166	183	156	163

**Appendix table 2. Import in balance of payments terms, EUR mil.**

	2018	2019			
	4th quarter	1st quarter	2nd quarter	3rd quarter	4th quarter
1 Goods and services total	24,609	23,034	23,958	23,457	24,360
1.1 Goods trade in balance of payment terms	16,378	15,152	15,941	15,620	15,554
1.1.1 Goods trade in customs terms	17,219	16,177	16,829	16,372	16,279
1.1.2 Goods sent abroad for processing	-342	-551	-395	-293	-331
1.1.3 CIF-FOB conversion	-1,038	-973	-1,019	-977	-977
1.1.4. Other differences	539	499	526	518	582
1.2 Services total	8,230	7,882	8,017	7,836	8,806
1.2.1 Manufacturing services	462	382	374	352	532
1.2.2 Transport	1,595	1,454	1,515	1,499	1,480
1.2.3 Travel	1,301	1,079	1,280	1,409	1,307
1.2.4 Construction	121	92	90	97	108
1.2.5 Financial and insurance services	356	359	376	363	355
1.2.6 Charges for the use of intellectual property n.i.e.	247	249	223	222	317
1.2.7 Telecommunications, computer and information services	999	1,109	1,037	915	1,173
1.2.8 Other business services	2,902	2,935	2,892	2,764	3,304
1.2.8.1 Research and development services	595	839	805	818	814
1.2.8.2 Professional and management consulting services	827	764	728	643	873
1.2.8.3 Technical, trade-related and other business services	1,481	1,332	1,359	1,303	1,617
1.2.9 Other services	247	224	229	216	231

**Appendix table 3. International trade in balance of payments terms by region, EUR mil.**

		2018	2019			
		4th quarter	1st quarter	2nd quarter	3rd quarter	4th quarter
Import	Total	24,609	23,034	23,958	23,457	24,360
	..Europe	19,232	17,819	18,674	17,899	18,538
	..EU28	15,814	14,577	15,303	14,568	15,288
	.....Euro area	9,368	8,777	9,412	8,787	9,190
	.....Netherlands	1,418	1,280	1,378	1,262	1,260
	.....Germany	2,917	2,650	2,867	2,762	2,932
	.....Rest of EU28 (non Euro area)	6,445	5,800	5,891	5,782	6,098
	.....United Kingdom	1,002	1,020	944	928	989
	.....Sweden	3,219	2,844	2,831	2,816	3,006
	...Rest of Europe (non EU28)	3,419	3,243	3,371	3,330	3,250
	.....Russia	2,180	2,213	2,239	2,201	2,227
	..America	1,635	1,695	1,889	1,803	1,928
	.....United States	1,120	1,174	1,359	1,323	1,432
	..Africa	247	177	158	151	231
	..Asia	3,406	3,267	3,143	3,510	3,571
	.....China	1,542	1,381	1,384	1,657	1,612
	.. Other and unknown	88	77	95	93	92
	Export	Total	23,794	23,349	23,518	23,610
..Europe		16,387	15,784	15,975	15,262	16,635
..EU28		13,422	13,218	13,454	12,574	13,920
.....Euro area		7,609	7,875	7,892	7,195	8,414
.....Netherlands		1,408	1,359	1,293	1,161	1,247
.....Germany		1,837	2,394	2,025	1,862	2,027
.....Rest of EU28 (non Euro area)		5,813	5,344	5,562	5,379	5,506
.....United Kingdom		1,185	1,093	1,093	1,105	1,197
.....Sweden		3,149	2,902	3,041	2,916	2,957
...Rest of Europe (non EU28)		2,965	2,566	2,521	2,687	2,714
.....Russia		1,435	1,056	1,038	1,105	1,133
..America		2,721	3,073	3,310	2,936	3,703
.....United States		2,040	2,432	2,594	2,102	2,775
..Africa		610	590	543	489	651
..Asia		3,705	3,575	3,307	4,487	4,059
.....China		1,041	878	649	1,346	1,080
.. Other and unknown		371	327	384	436	443

# Revisions in these statistics

## Revision of goods and services in balance of payment terms, EUR million

		1. release	Previous release (2019-12-13)	Latest release (2020-03-20)	Revision
Import of goods	2018Q1	15,117	15,212	15,211	94
	2018Q2	15,041	15,479	15,468	427
	2018Q3	15,423	15,620	15,615	192
	2018Q4	16,257	16,381	16,378	121
	2019Q1	14,858	15,126	15,152	294
	2019Q2	16,128	15,753	15,941	-187
	2019Q3	15,462	15,462	15,620	158
Export of goods	2018Q1	15,450	15,405	15,245	-205
	2018Q2	16,004	16,338	16,192	188
	2018Q3	15,191	15,418	15,286	95
	2018Q4	16,183	16,353	16,203	20
	2019Q1	15,977	16,250	16,358	381
	2019Q2	16,372	16,071	15,794	-578
	2019Q3	15,399	15,399	15,595	196
Import of services	2018Q1	6,776	6,806	6,907	131
	2018Q2	7,465	7,335	7,433	-32
	2018Q3	7,225	7,164	7,259	34
	2018Q4	8,556	8,128	8,230	-326
	2019Q1	7,496	7,814	7,882	386
	2019Q2	7,860	7,897	8,017	157
	2019Q3	7,630	7,630	7,836	206
Export of services	2018Q1	6,378	6,344	6,432	54
	2018Q2	6,770	6,348	6,434	-336
	2018Q3	6,716	6,709	6,795	79
	2018Q4	7,873	7,494	7,591	-282
	2019Q1	7,040	6,936	6,991	-49
	2019Q2	7,196	7,318	7,723	527
	2019Q3	7,856	7,856	8,015	159



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Source: International trade in goods and services 2018, Statistics Finland