

III. Trade in commercial services

This chapter provides an analysis of the trends in commercial services by major services sector.

The Highlights

Services sectors unevenly hit by the crisis

Transportation services mirror decline in merchandise trade

Asia sees the biggest decline in transportation services

Rapid recovery under way for travel exports

Fall in travel exports hits small islands

Exports of financial services collapse

Europe most affected by collapse of financial services

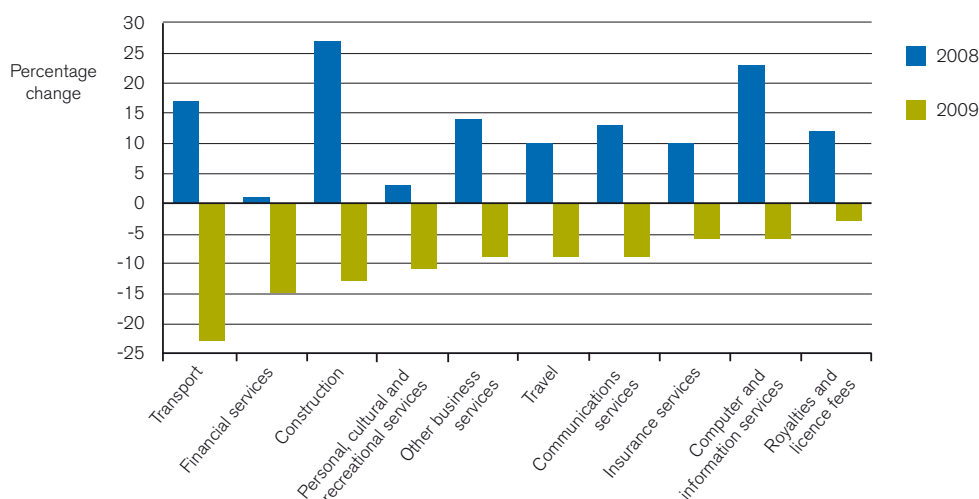
Computer and information services are more resilient than other sectors

Asia doubled its share in exports of computer and information services since 2000

Services sectors unevenly hit by the crisis

- In 2009, all commercial services sectors were affected by the global crisis but not to the same extent.
- Transport and financial services were severely hit. Construction, the most dynamic sector in 2008, also saw its growth fall sharply.
- Computer and information services as well as royalties and licence fees were more resilient.

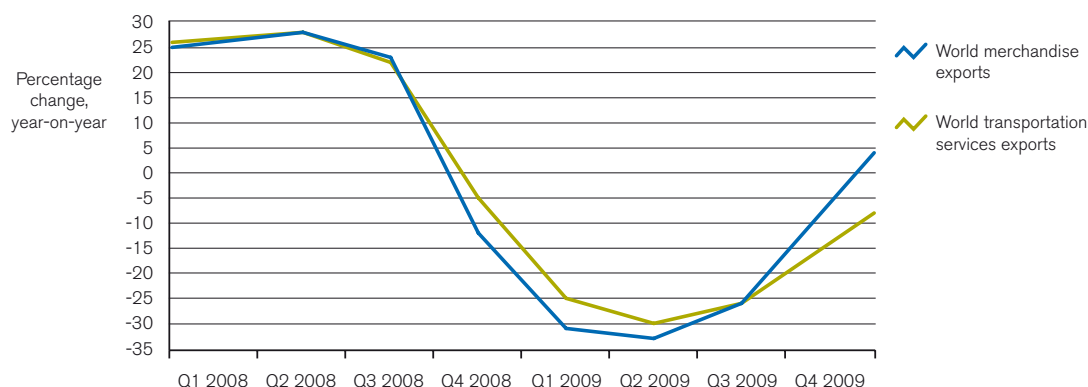
World exports of commercial services by category, 2008–2009



Transportation services mirror decline in merchandise trade

- In 2009, world exports of transportation services recorded an unprecedented drop of 23 per cent.
- Mirroring the decline in world merchandise trade, transportation was the services sector most affected by the crisis. This reflects a lower demand for freight transport, which accounts for a significant portion of world transport exports.
- In Asia, which includes some of the most dynamic exporters, exports plummeted by 26 per cent.

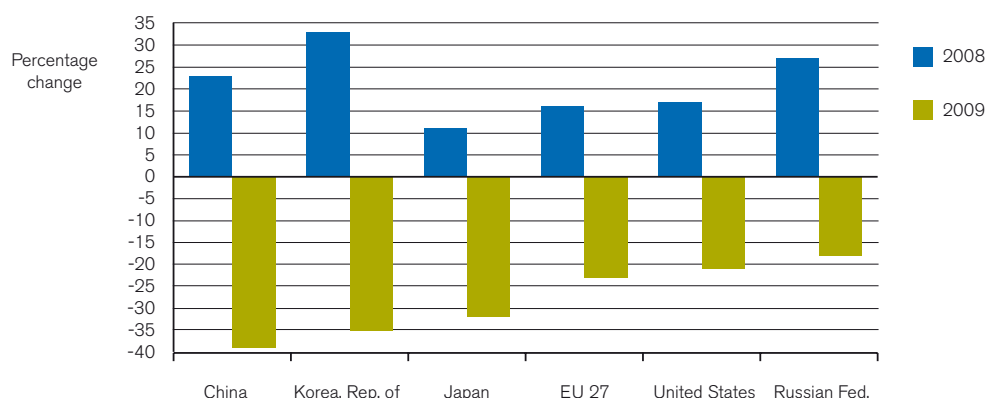
World exports of transportation services and world merchandise exports
Q1 2008–Q4 2009



Asia sees the biggest decline in transportation services

- In 2009, China's exports of transportation services dropped by 39 per cent. Significant declines were also recorded by the Republic of Korea (-35 per cent) and Japan (-32 per cent).
- Exports of transport services from the European Union and the United States fell by more than 20 per cent. In Russia, the decrease was by 18 per cent.
- Data for the first quarter of 2010 indicate a gradual rebound in transport services.

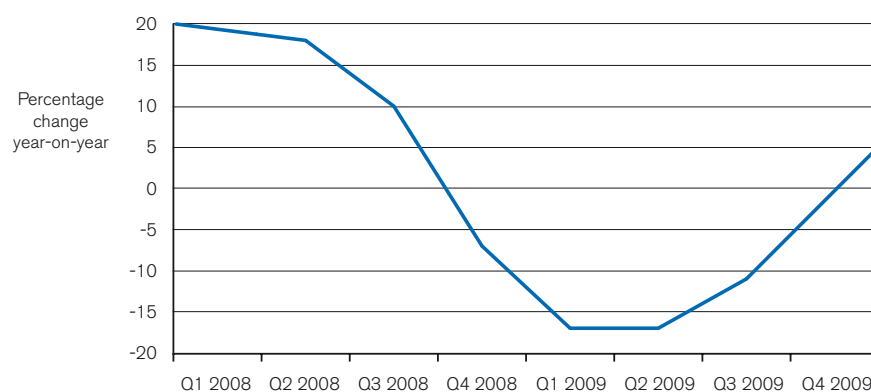
Exports of transportation services in selected countries, 2008–2009



Rapid recovery under way for travel exports

- In 2009, world travel exports decreased by 9 per cent, reflecting the worldwide drop in international tourism (with tourist arrivals down by 4 per cent).
- The decline was most pronounced in Europe (-13 per cent), North America (-11 per cent) and the Commonwealth of Independent States (-22 per cent). However, Asian economies were less affected, decreasing by 3 per cent.
- World tourism is recovering rapidly. According to forecasts from the World Tourism Organization, the number of international tourists will increase by 3-4 per cent in 2010.

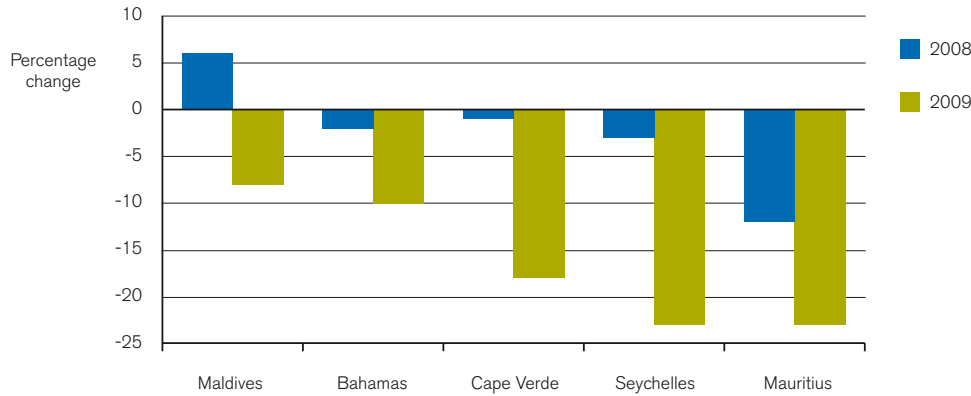
World travel exports, Q1 2008–Q4 2009



Fall in travel exports hits small islands

- The drop in international tourists was particularly severe for small islands, which are heavily dependent on tourism receipts.
- Travel exports for Mauritius and the Seychelles fell by 23 per cent in 2009. In Cape Verde, exports declined by 18 per cent. In the Maldives and the Bahamas, the decline was by 8 per cent and 10 per cent respectively.
- Travel receipts account for between 20 and 50 per cent of GDP in the small island economies.

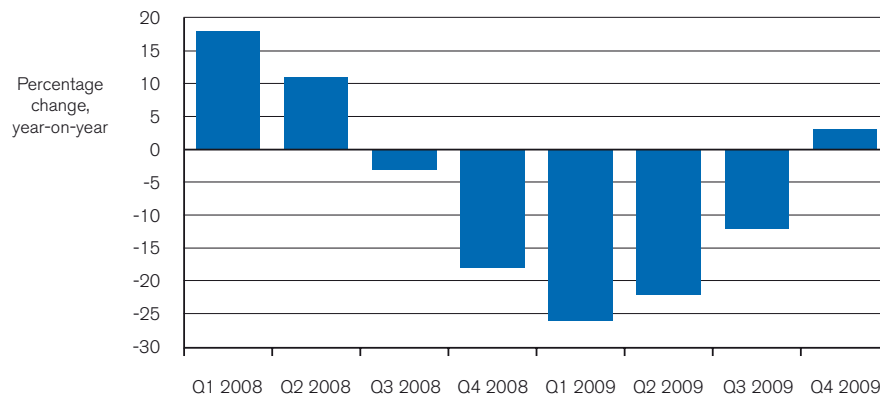
Exports of travel in selected economies, 2008–2009



Exports of financial services collapse

- Turmoil in the financial markets resulted in world exports of financial services declining by 15 per cent in 2009.
- Dropping by over 20 per cent year-on-year in the first half of 2009, exports began to recover slowly in the last few months of the year.
- In the last quarter of 2009, world exports of financial services were up by 3 per cent year-on-year.

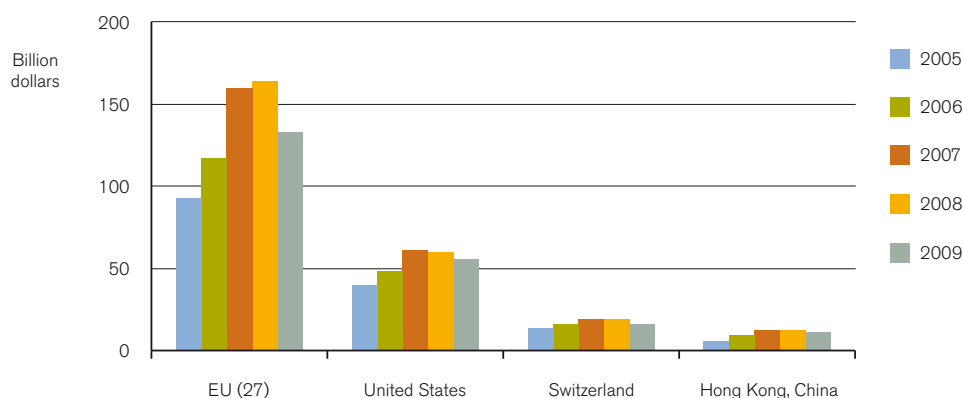
World exports of financial services Q1 2008–Q4 2009



Europe most affected by collapse of financial services

- Europe's financial sector was the most affected by the economic crisis. In 2009, EU exports of financial services plummeted by 19 per cent, to US\$ 133 billion, some US\$ 30 billion less than in 2008. Switzerland's exports fell by 16 per cent.
- In the United States, the second largest world exporter of financial services, and in Hong Kong, China, the decline was by 7 per cent.
- At the start of 2010, exports of financial services were on an upward trend. Estimates for the first quarter of 2010 indicate recovery across all countries.

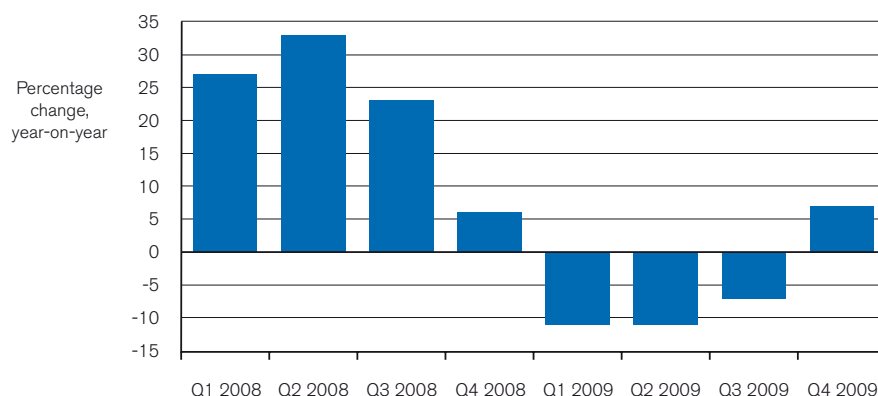
Exports of financial services of selected economies, 2005–2009



Computer and information services are more resilient than other sectors

- World exports of computer and information services decreased by 6 per cent in 2009, after record growth of 23 per cent in 2008.
- Exports fell by 9 per cent in Europe, and by 14 per cent in the Commonwealth of Independent States. North America's exports stagnated.
- In 2009, Asian exports of computer and information services decreased only slightly, by 2 per cent.

World exports of computer and information services Q1 2008–Q4 2009



Asia doubled its share in exports of computer and information services since 2000

- Asian economies increased their share in world exports of computer and information services from 15 per cent in 2000 to 27 per cent in 2009. India is the second-leading exporter of computer and information services in the world.
- North America's share in world exports of computer and information services declined from 19 per cent in 2000 to 10 per cent in 2009.
- Europe continues to be the largest world exporter of computer and information services. Its share rose from 54 per cent in 2000 to 56 per cent in 2009.
- The Commonwealth of Independent States as well as South and Central America have also increased their share in world trade but their levels remain very modest.

World exports of computer and information services by selected region, 2000 and 2009

