The EU in the world - international trade

Statistics Explained

Data extracted in April 2018.
Planned article update: June 2020.

This article is part of a set of statistical articles based on Eurostat's publication *The EU in the world 2018* .

The article focuses on international trade in the European Union (EU) and the 15 non-EU members of the Group of Twenty (G20) . It covers key international trade statistics for both goods and services and gives an insight into EU trading patterns in comparison with the major economies in the rest of the world, its counterparts in the so-called Triad — Japan and the United States — and the BRICS composed of Brazil, Russia, India, China and South Africa.

Balance of payments — share of world trade

The current account of the balance of payments provides information on international transactions in goods and services, as well as income (from employment and investment) and current transfers . For all these transactions, the balance of payments registers the value of credits and debits. A credit is an inflow in relation to the provision of goods, services, income and current transfers and is similar to an export. A debit is an outflow made for the acquisition of goods, services, income and current transfers and is similar to an import.

The EU-28 accounted for around one sixth of world trade in goods in 2016, with a 16.3 % share of exports and a 15.0 % share of imports (see Figure 1).

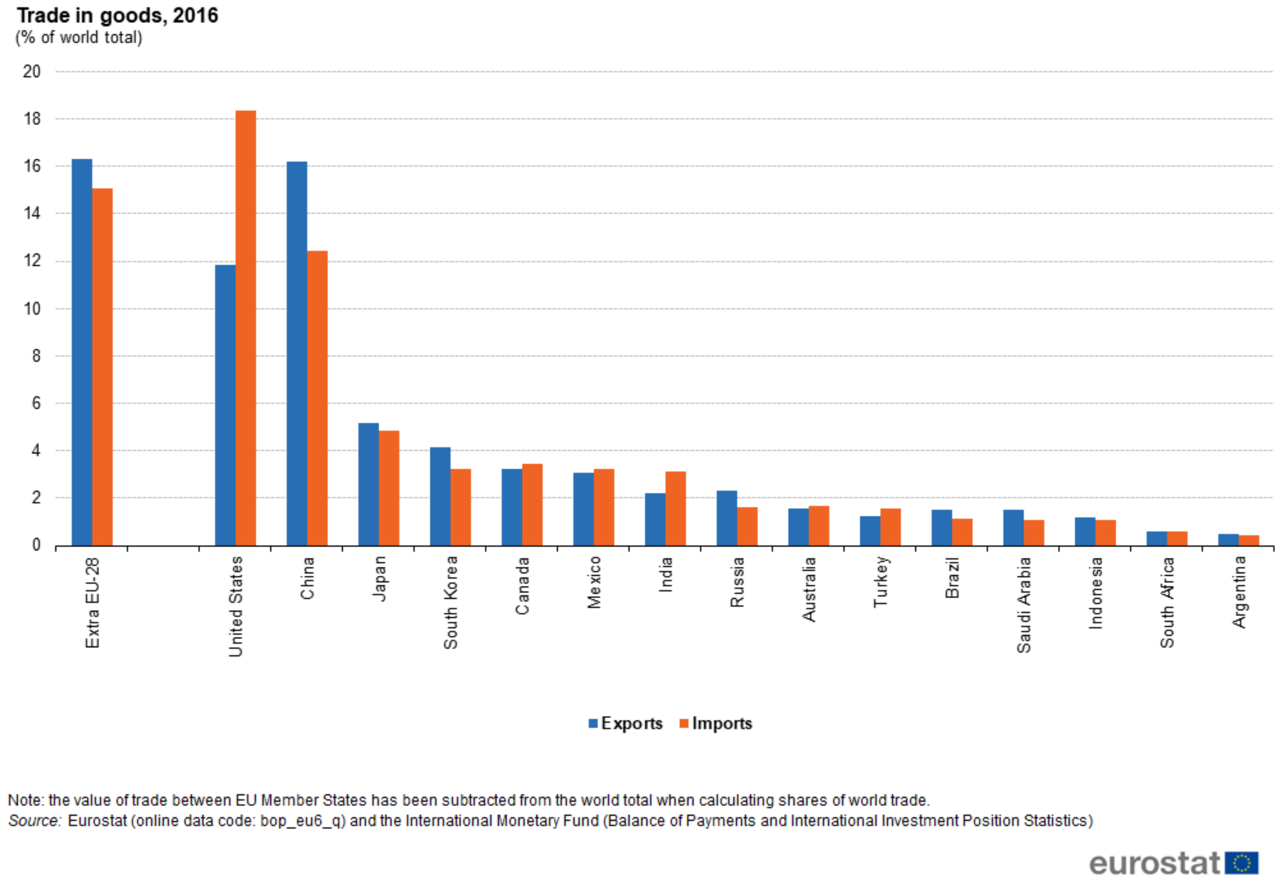

Figure 1: Trade in goods, 2016(% of world total)Source: Eurostat (bopeu6q) and the International Monetary Fund (Balance of Payments and International Investment Position Statistics)

The EU-28's share of world trade in goods was the largest in terms of exports, with China having almost exactly the same share (16.2 %), and second largest in terms of imports, behind the United States (18.3 %). The United States had the third largest share of world exports of goods and China the third largest share of imports, with Japan recording the fourth largest shares for both exports and imports. Canada and South Korea had the fifth and sixth largest shares of exports and import of goods, with Canada having more imports and South Korea more exports, while Mexico had the seventh largest share.

Turning to services (see Figure 2), the EU-28's contribution to world trade was even greater, totalling 24.7 % of exports and 21.1 % of imports. As such, the EU-28's extra-EU trade in services was clearly larger than that of any of the other G20 members, both in terms of exports and imports. Regardless of whether analysing exports or imports, the United States had the second largest share of the world's trade in services, followed by China and Japan. South Korea, Canada and then India had the next largest shares of imports, whereas India had a higher share of exports than South Korea or Canada.

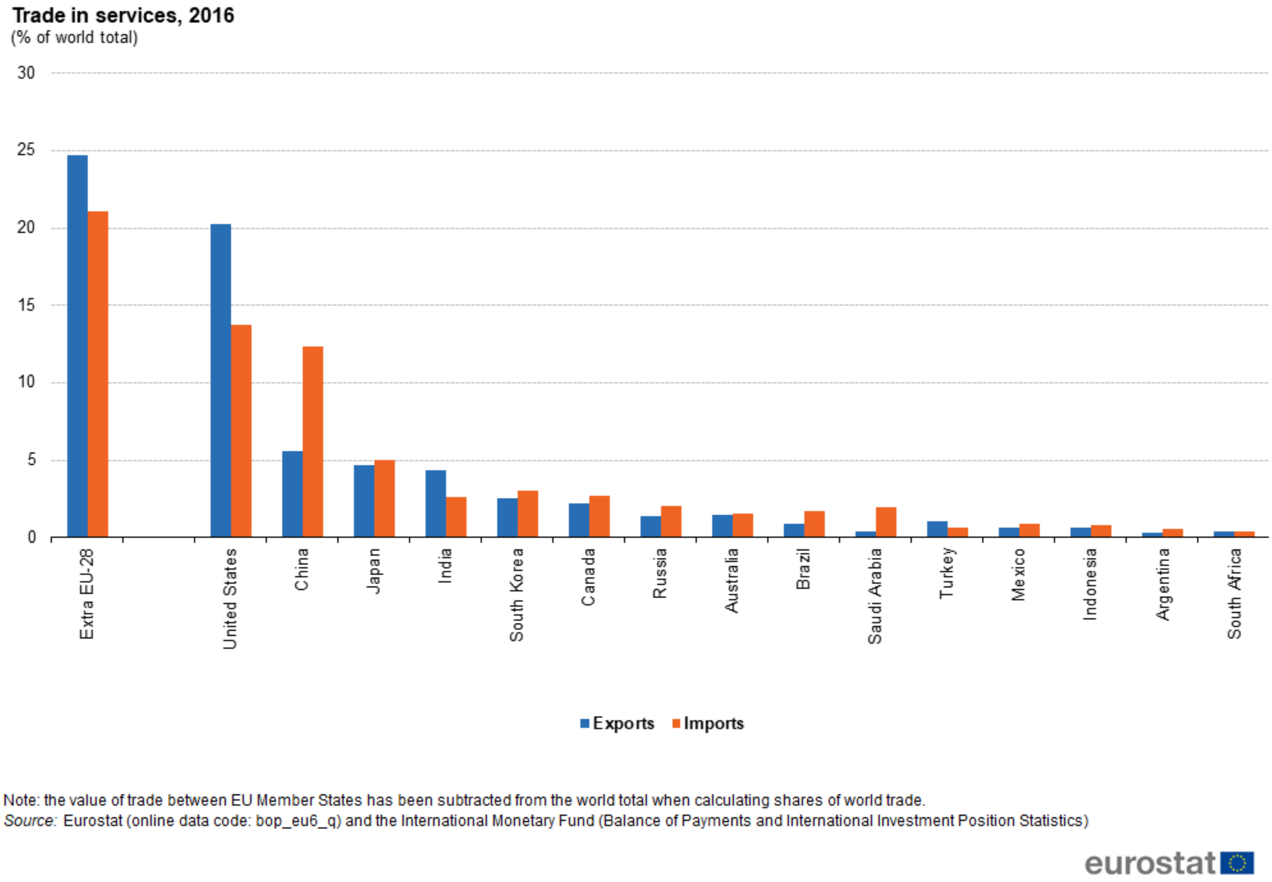

Figure 2: Trade in services, 2016(% of world total)Source: Eurostat (bopeu6q) and the International Monetary Fund (Balance of Payments and International Investment Position Statistics)

Trade in goods

The second part of this chapter focuses specifically on trade in goods. Figure 3 uses balance of payments and national accounts data to show the relative importance of trade in goods compared with gross domestic product (GDP) . Thereafter, the focus is on data from statistics of international trade in goods.

The level of international trade in goods relative to overall economic activity (the ratio of traded goods to GDP) may be expected to be considerably higher for relatively small countries that are more integrated in the world's economy as a result of not producing a full range of goods (and services), as can be seen, for example, with Mexico (70.7 %) and South Korea (64.1 %) in Figure 3. By contrast, Brazil reported the lowest ratio of trade in goods (shown here as the sum of exports and imports of goods) to GDP (18.0 %) in 2016 among the G20 members. The equivalent ratio for the EU-28 was 23.1 % note that the latter excludes intra-EU trade.

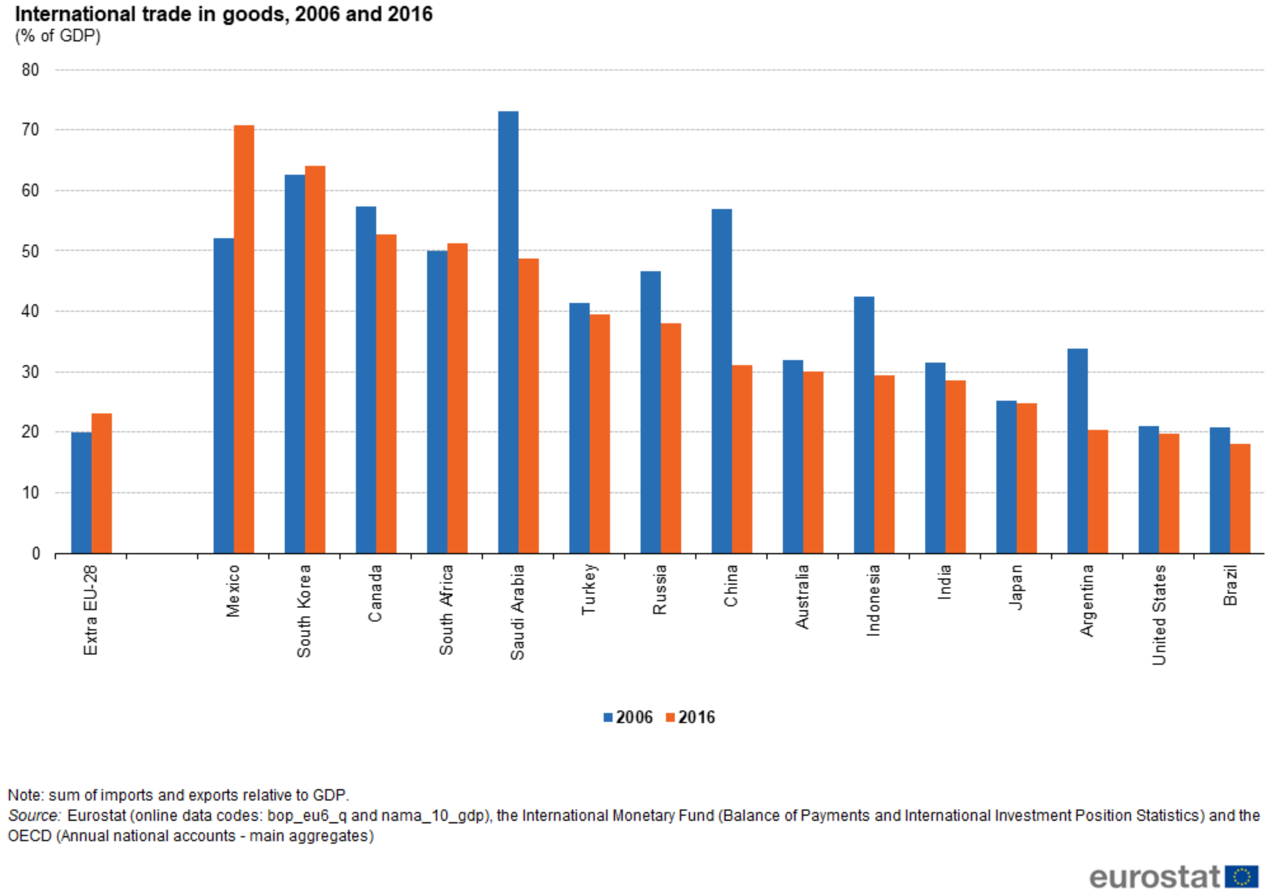

Figure 3: International trade in goods, 2006 and 2016(% of GDP)Source: Eurostat (bopeu6q) and (nama10gdp), the International Monetary Fund (Balance of Payments and International Investment Position Statistics) and the OECD (Annual national accounts - main aggregates)

Comparing 2006 with 2016, the ratio of trade in goods to GDP increased notably in Mexico and to a smaller extent in the EU-28 and a much smaller extent in South Korea and South Africa. Elsewhere the ratio declined, with relatively large decreases in Indonesia and Argentina and particularly large decreases in Saudi Arabia and China.

The EU-28 recorded a trade surplus for goods in 2017

The EU-28 ran a trade surplus for goods equal to EUR 22.9 billion in 2017. Table 1 shows the flows and balance of trade in goods for the EU-28 with the other G20 members and with all non-EU countries. In 2017, the EU-28 had relatively large trade deficits with China (EUR 176 billion) and Russia (EUR 59 billion), and smaller ones with several other Asian countries: Japan, Indonesia, India and South Korea. The EU-28 had trade surpluses larger than EUR 10 billion with Australia, Turkey, Mexico and Saudi Arabia while its largest trade surplus for goods was with the United States (EUR 120 billion).

EU-28 trade in goods by partner, 2007 and 2017
(EUR billion)

	2007			2017		
	EU-28 exports to partner	EU-28 imports from partner	Balance	EU-28 exports to partner	EU-28 imports from partner	Balance
World (extra-EU-28)	1 234.5	1 450.9	-216.4	1 878.8	1 855.9	22.9
Argentina	6.0	8.5	-2.6	9.9	8.2	1.7
Australia	23.9	13.5	10.4	34.6	13.0	21.6
Brazil	21.3	32.9	-11.6	32.2	31.1	1.1
Canada	25.4	24.3	1.1	37.7	31.4	6.3
China	71.8	233.9	-162.0	198.2	374.6	-176.4
India	29.2	26.7	2.5	41.7	44.1	-2.4
Indonesia	5.4	12.8	-7.4	10.1	16.6	-6.5
Japan	43.7	79.3	-35.5	60.5	68.6	-8.1
Mexico	21.0	12.2	8.8	37.9	23.7	14.2
Russia	89.2	147.7	-58.5	86.2	145.1	-58.9
Saudi Arabia	20.0	18.7	1.3	33.1	21.6	11.5
South Africa	20.4	22.1	-1.6	24.5	23.1	1.4
South Korea	24.7	41.7	-17.0	49.8	50.0	-0.2
Turkey	52.8	47.4	5.5	84.7	69.7	15.0
United States	259.6	178.0	81.6	375.5	255.5	120.0

Source: Eurostat (online data code: ext_lt_maineu)

eurostat

Table 1: EU-28 trade in goods by partner, 2007 and 2017(EUR billion)Source: Eurostat (extlt-maineu)

Between 2007 and 2017, the EU-28's trade balance for goods with Brazil, Argentina and South Africa developed from a deficit into a surplus, whereas this situation was reversed with India. During the same period, all of the other trade surpluses of the EU-28 with G20 members expanded. By contrast, the deficits for trade in goods with Russia and China increased, while the deficits with Indonesia, South Korea and Japan contracted.

In 2017, the EU-28's largest trade partner (exports and imports combined) for goods among G20 members was the United States, followed by China, Russia, Turkey and Japan, all with total trade in excess of EUR 100 billion. The EU-28's smallest trade partners were Indonesia and Argentina.

Close to three fifths of all EU-28 exports of goods in 2017 were destined for G20 members, while more than three fifths of all EU-28 imports came from the G20 members

Together, the G20 members accounted for 59.4 % of the EU-28's exports of goods in 2017 and 63.4 % of its imports. Looking at the individual flows, the EU-28's largest export market in 2017 was the United States, followed at some distance by China, whereas for the EU-28's imports from these two countries their positions were reversed. The next largest trading partners for goods were the same, regardless whether analysing exports or imports: Russia, Turkey, Japan, South Korea and India. Argentina had the smallest share of EU-28 trade among the G20 members, both for exports and for imports. The EU-28's main export market outside of the G20 was Switzerland which was the destination for 8.0 % of the EU-28's exports in 2017. Switzerland (5.9 %) and Norway (4.2 %) provided the largest shares of the EU-28's imports from countries outside of the G20.

Between 2007 and 2017, the G20 members' share of EU-28 exports increased, up 1.6 percentage points from 57.9 %, while their share of EU-28 imports also increased, up 1.4 points from 62.0 %. Concerning EU-28 exports, China's share rose 4.7 points from 5.8 % to 10.5 %, while the share destined for South Korea increased 0.6 points and the share to Mexico by 0.3 points. The largest fall was recorded for Russia, whose share of EU-28 exports of goods fell 2.6 points from 7.2 % to 4.6 %, reflecting at least in part sanctions imposed in relation to the Ukraine crisis . Concerning the EU-28's imports of goods, China again recorded the largest increase, up 4.1 points from 16.1 % in 2007 to 20.2 % in 2017. The United States' share of EU-28 imports increased by 1.5 points and the shares coming from India, Turkey (both up 0.5 points) and Mexico (up 0.4 points) also increased. As for exports, Russia's share of EU-28 imports fell (from 10.2 % to 7.8 %), again reflecting in part sanctions, but also reflecting changes in oil and gas prices, which are among the main products imported by the EU-28 from Russia.

Figures 4 and 5 show the reverse situation, namely the importance of the EU-28 as a trading partner for the other G20 members in terms of international trade in goods; data are available for 2006 and 2016.

Nearly half of all goods exported from Turkey and Russia in 2016 were destined for the EU-28

Some 48.0 % of all goods exported from Turkey in 2016 were destined for the EU-28, which was the case for a similarly high share (45.8 %) of goods exported from Russia. By contrast, one tenth or less of the goods exported from Indonesia, South Korea, Canada, Australia, Mexico or Saudi Arabia were destined for the EU-28. Between 2006 and 2016 the EU-28 became a less important export market in relative terms for most of the G20 members, as only Canada, Mexico and Saudi Arabia recorded increases in the shares of their exports destined for the EU-28, with decreases of more than 5.0 points recorded in Australia, South Korea and Turkey and more than 10.0 points in South Africa and Russia.

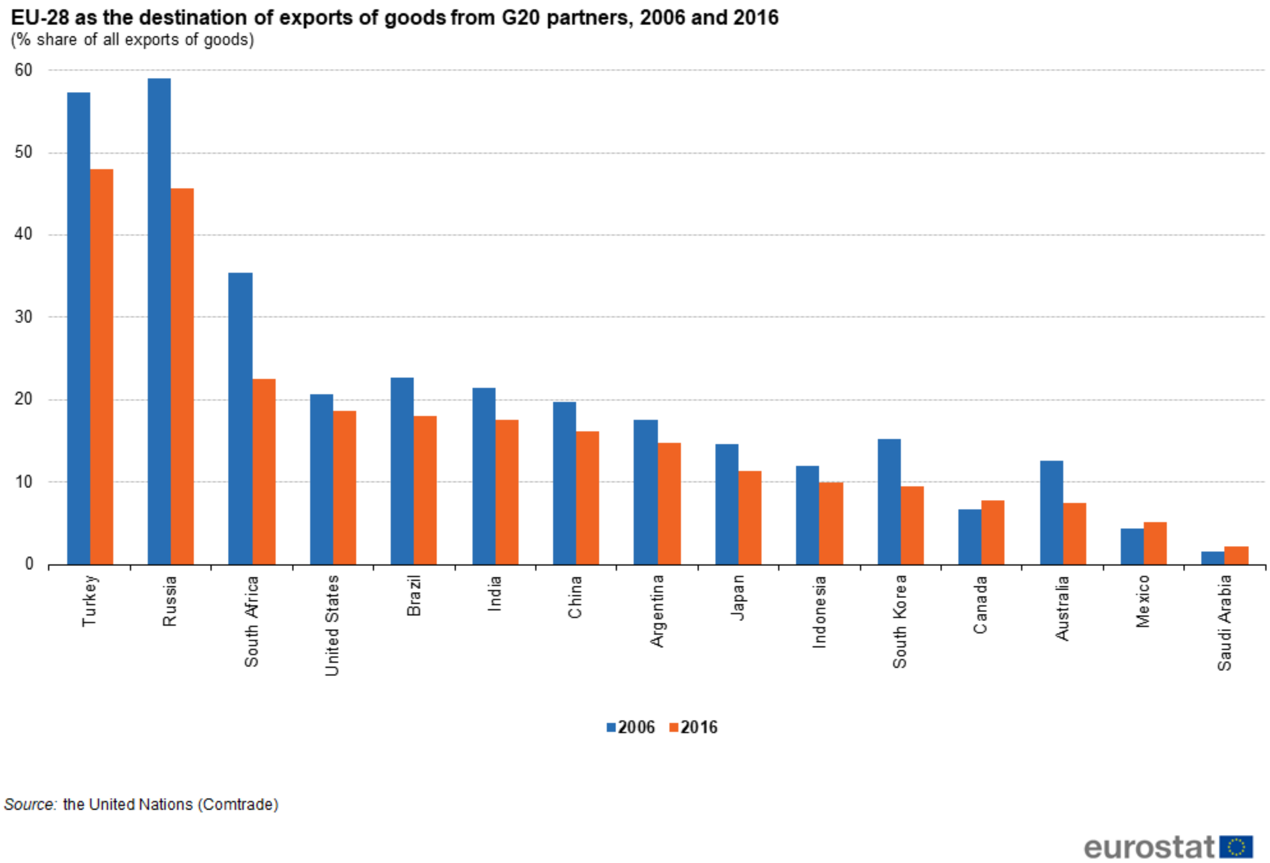

Figure 4: EU-28 as the destination of exports of goods from G20 partners, 2006 and 2016(% share of all exports of goods)Source: the United Nations (Comtrade)

The EU-28 was the source of nearly two fifths of all goods imported into Turkey and Russia in 2016, close to one third of the imports into South Africa, and between one quarter and one fifth of the goods imported into Saudi Arabia and Brazil. Indonesia was the only G20 member for which the EU-28 supplied less than 10.0 % of its total imports in 2016. Between 2006 and 2016 the importance of the EU-28 as a source of imports increased in relative terms in South Korea (up 3.0 points), Japan (2.0 points), China (1.6 points) and the United States (1.1 points), as well as in Argentina and Brazil. Elsewhere, the share of the EU-28 in the total imports of each of the G20 members fell, most notably in in Turkey (down 3.6 points), South Africa (3.8 points), India (4.9 points), Russia (6.4 points) and Saudi Arabia (7.4 points).

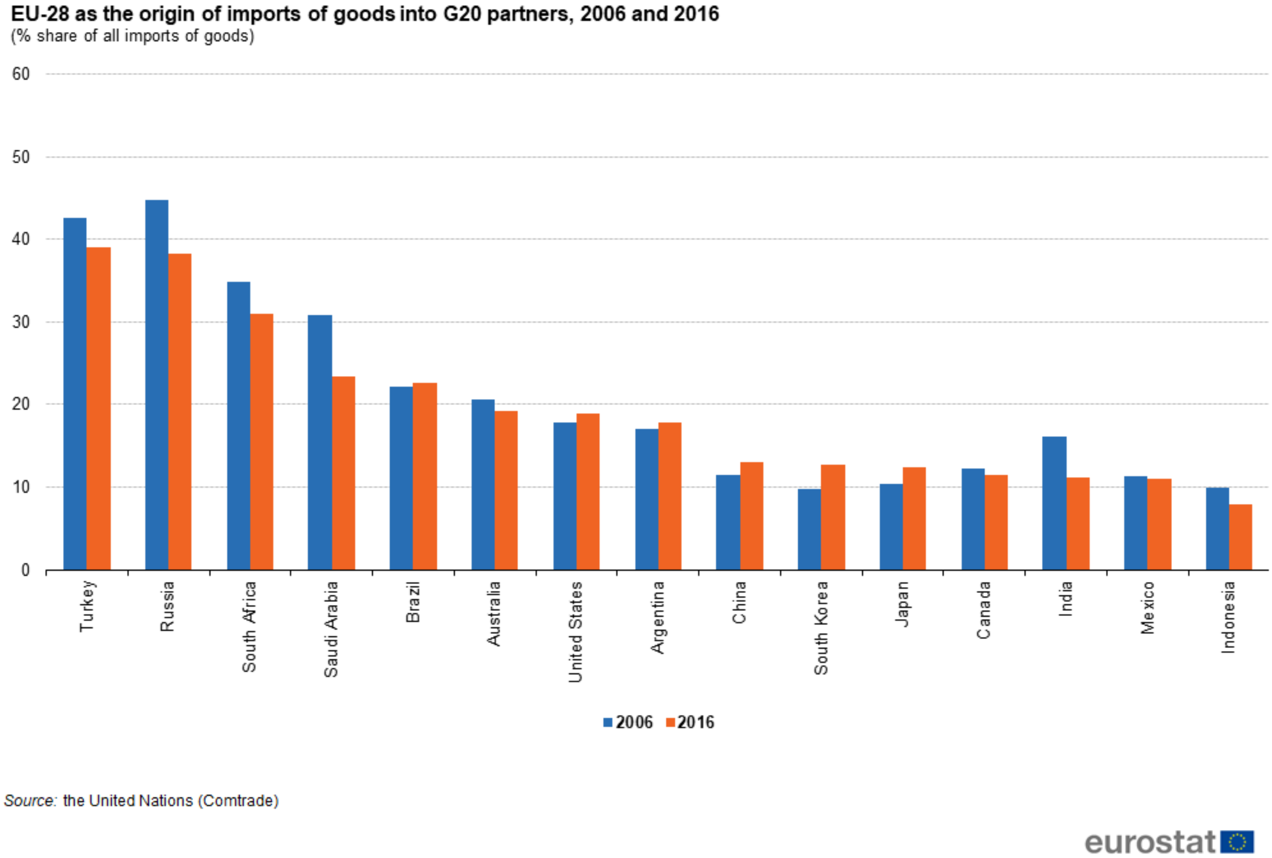

Figure 5: EU-28 as the origin of imports of goods into G20 partners, 2006 and 2016(% share of all imports of goods)Source: the United Nations (Comtrade)

Trade in services

The final part of this chapter focuses on trade in services. Figure 6 uses balance of payments and national accounts data to show the relative importance of trade in services compared with GDP and can be compared with a similar calculation that was presented for goods in Figure 3. Thereafter, the focus is on balance of payments data.

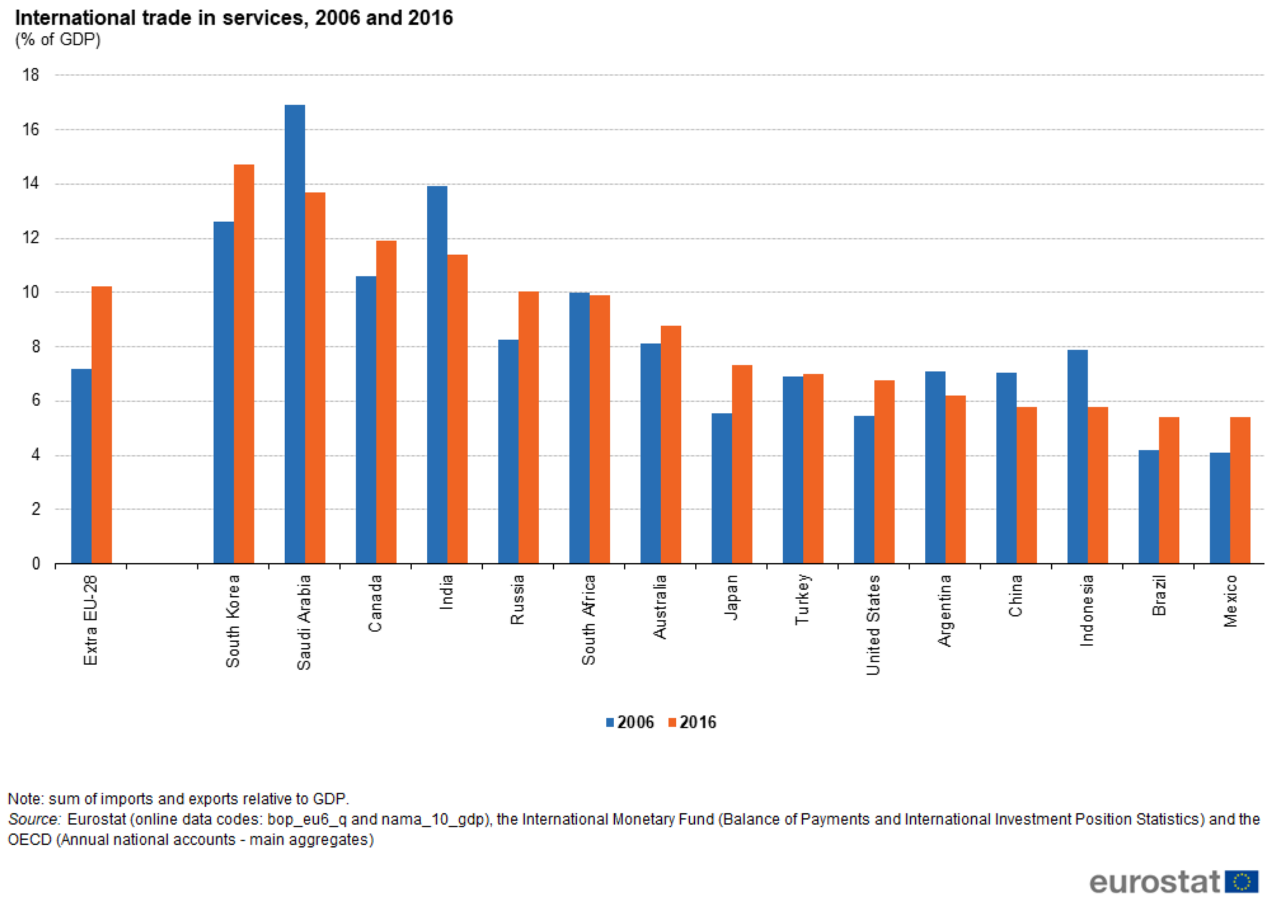

Figure 6: International trade in services, 2006 and 2016(% of GDP)Source: Eurostat (bopeu6q) and (nama10gdp), the International Monetary Fund (Balance of Payments and International Investment Position Statistics) and the OECD (Annual national accounts - main aggregates)

The ratio of trade in services to GDP was highest in 2016 in South Korea

The level of international trade in services (exports and imports combined) relative to overall economic activity (GDP) was higher in South Korea in 2016 than in any of the other G20 members, reaching 14.7 %. The next highest ratios were 13.7 % in Saudi Arabia, 11.9 % in Canada, 11.4 % in India, and around 10 % in the EU-28, Russia and South Africa. Brazil and Mexico recorded the lowest levels for this ratio (5.4 %).

Comparing 2006 with 2016, the ratio of trade in services to GDP increased by 3.1 points in the EU-28, the largest increase among the G20 members, with South Korea (2.1 points) recording the second highest increase. A small majority of G20 members reported an increase in the ratio of trade in services to GDP between 2006 and 2016, although this was not the case in South Africa where there was a relatively small decrease or in Argentina, China, Indonesia, India or Saudi Arabia where there were larger decreases.

The EU-28 was the world's largest exporter and importer of services in 2016

As already noted, the EU-28 was the world's largest exporter and importer of services in 2016: extra-EU exports were valued at EUR 845 billion and imports at EUR 712 billion, resulting in a trade surplus for services of EUR 133 billion (see Table 2). The EU-28 had trade surpluses for services in 2016 with all G20 members except for Turkey, India and the United States; note that no data are available for Saudi Arabia.

EU-28 trade in services with G20 partner countries, 2011 and 2016
(EUR billion)

	2011			2016		
	EU-28 exports to partner	EU-28 imports from partner	Balance	EU-28 exports to partner	EU-28 imports from partner	Balance
World (extra-EU-28)	616.1	480.5	135.6	844.9	711.8	133.1
Argentina	3.7	2.3	1.4	4.6	2.2	2.4
Australia	16.3	7.8	8.5	18.8	8.3	10.5
Brazil	16.7	6.7	10.0	13.5	7.9	5.6
Canada	15.6	10.4	5.2	18.5	11.8	6.7
China	21.8	17.8	4.0	38.3	29.6	8.8
India	11.2	13.6	-2.4	13.6	15.3	-1.7
Indonesia	3.3	1.8	1.5	4.0	2.2	1.8
Japan	20.2	15.5	4.7	31.0	18.0	13.0
Mexico	7.1	3.6	3.5	9.8	5.0	4.8
Russia	25.5	12.6	12.9	24.7	11.3	13.5
South Africa	7.4	4.4	3.0	7.8	5.0	2.8
South Korea	7.9	4.7	3.2	12.6	6.6	6.0
Turkey	9.2	15.0	-5.9	11.8	13.9	-2.1
United States	152.4	145.3	7.1	218.0	219.3	-1.3

Note: Saudi Arabia, not available.
Source: Eurostat (online data code: bop_its6_det)

eurostat

Table 2: EU-28 trade in services with G20 partner countries, 2011 and 2016(EUR billion)Source: Eurostat (bopits6det)

Between 2011 and 2016, the EU-28's extra-EU trade surplus for services contracted slightly, down 1.9 %, resulting from somewhat stronger growth (in current prices) in imports of services (48.1 %) than for exports of services (37.1 %). Between 2011 and 2016, the EU-28's deficits for trade in services with Turkey and India narrowed, while its surplus with the United States turned into a deficit. Elsewhere the EU-28's surpluses for trade in services with South Africa and Brazil narrowed, most notably with Brazil, while with the remaining G20 members the EU-28's surpluses expanded, particularly with Japan, China, South Korea and Argentina in relative terms.

In 2016, the G20 members (excluding Saudi Arabia) accounted for half of the EU-28's extra-EU trade in services: 50.5 % of exports and 50.1 % of imports, considerably less than the G20's shares of the EU-28's exports and imports of goods. Among countries outside of the G20, Switzerland was a major partner of the EU-28 for trade in services, with a 13.6 % share of EU-28 exports in 2016 and a 13.2 % share of imports. A similar proportion of the EU-28's trade in services was with offshore financial centres, which accounted for 10.7 % of the EU-28's exports in 2016 and 15.3 % of its imports.

The United States was by far the EU-28's largest partner for trade in services in 2016

However, one of the G20 members — the United States — was the single largest partner for the EU-28 for trade in services, as can be seen from Figures 7 and 8: more than one quarter (25.8 %) of the EU-28's exports of services were destined for the United States in 2016, while more than three tenths (30.8 %) of the EU-28's imports originated in the United States. In relative terms, the United States was a more important partner for the EU-28 for trade in services (combining exports and imports) than it was for trade in goods, while the reverse was true most notably for China, Russia and Turkey.

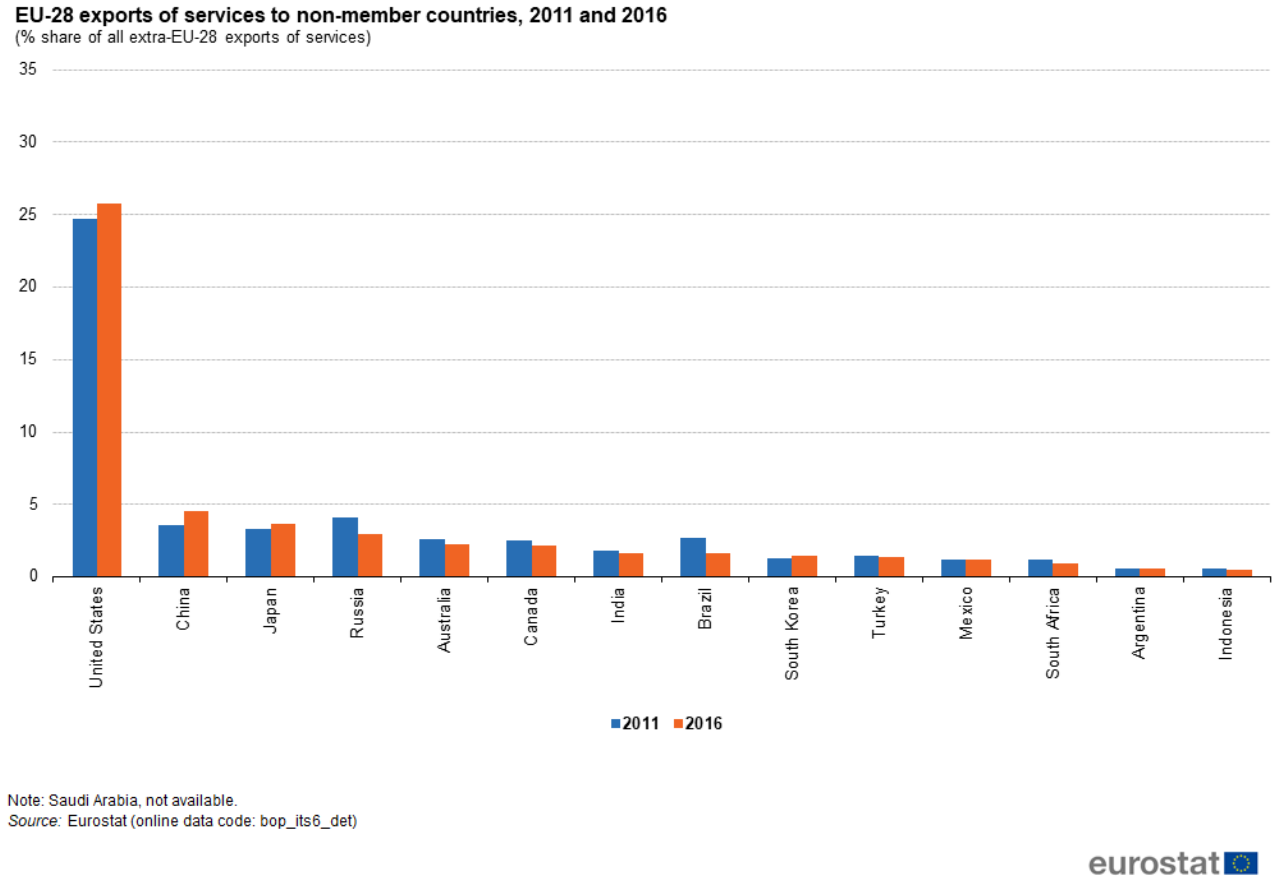

Figure 7: EU-28 exports of services to non-member countries, 2011 and 2016(% share of all extra-EU-28 exports of services)Source: Eurostat (bopits6det)

Between 2011 and 2016, the share of EU-28 exports of services destined for the United States expanded by 1.1 points and there was a similar increase (1.0 points) in the share going to China and smaller increases for Japan and South Korea as destinations. These changes were mirrored by falls in the shares of EU-28 exports of services elsewhere (except Mexico whose share was unchanged), with the largest falls in exports destined for Brazil (down 1.1 points) and Russia (down 1.2 points). A broadly similar picture was observed for the shares of the EU-28's imports of services, with increases for the United States (0.6 points) and China (0.4 points), no change in the share for Mexico, and falling shares elsewhere, most notably for Russia (down 1.0 points) and Turkey (down 1.2 points).

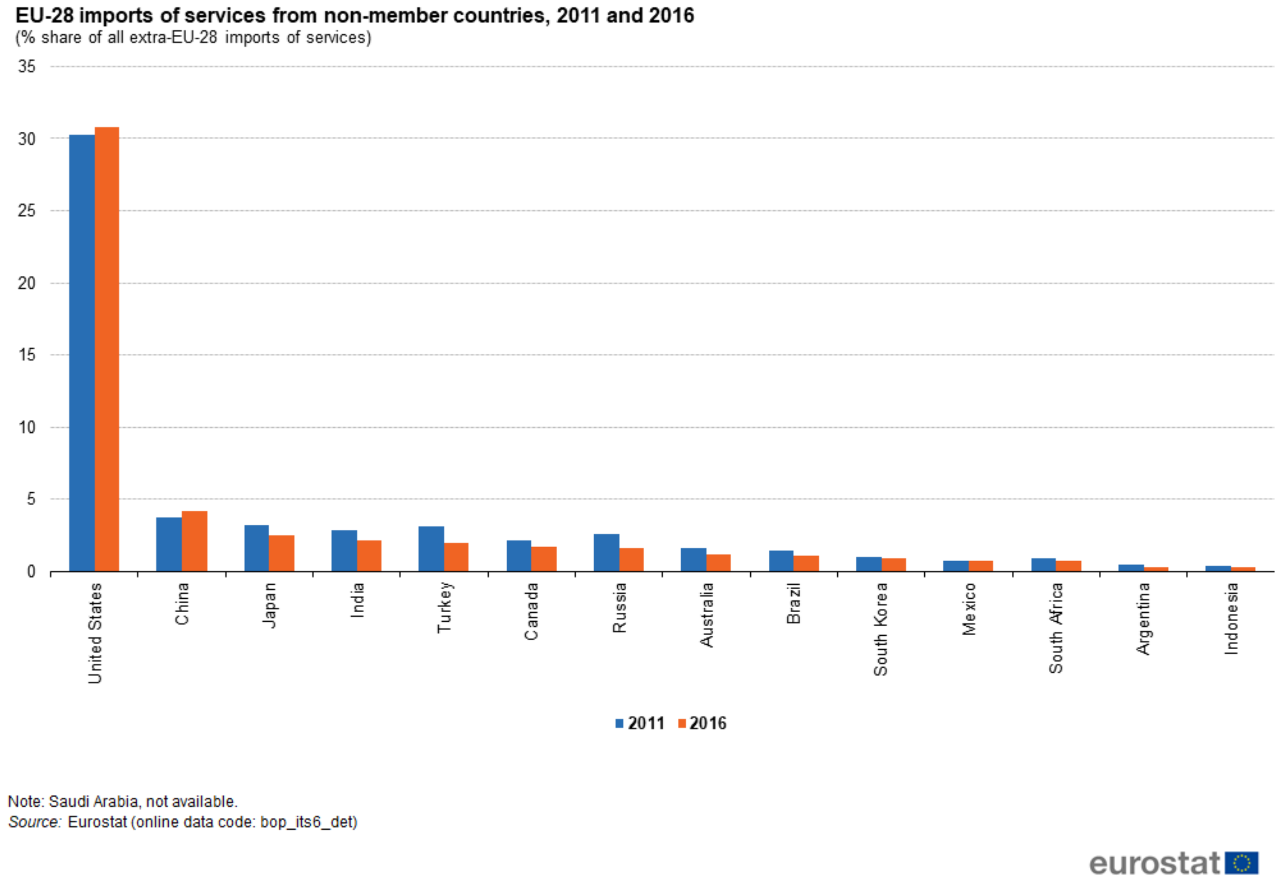

Figure 8: EU-28 imports of services from non-member countries, 2011 and 2016(% share of all extra-EU-28 imports of services)Source: Eurostat (bopits6det)

Source data for tables and graphs

- International trade: tables and figures

Data sources

The statistical data in this article were extracted during April 2018.

The indicators are often compiled according to international — sometimes worldwide — standards, for example, the IMF 's standards for balance of payments statistics. Although most data are based on international concepts and definitions there may be certain discrepancies in the methods used to compile the data.

EU data

All of the indicators presented for the EU have been drawn from Eurobase, Eurostat's online database. Eurobase is updated regularly, so there may be differences between data appearing in this article and data that is subsequently downloaded.

G20 members from the rest of the world

For the 15 non-EU G20 members, the data presented have been compiled by the International Monetary Fund , the OECD and the United Nations . For some of the indicators a range of international statistical sources are available, each with their own policies and practices concerning data management (for example, concerning data validation, correction of errors, estimation of missing data, and frequency of updating). In general, attempts have been made to use only one source for each indicator in order to provide a comparable dataset for the members.

Context

There are two main sources of international trade statistics: the first is balance of payments statistics which register all the transactions of an economy with the rest of the world; the second is international trade in goods statistics which provide detailed information — for goods only — on the value and quantity of international trade. Furthermore, data for the exports and imports of goods and services are also presented in national accounts, which can be used to assess the importance of trade flows relative to the overall size of the economy.

Other articles

- All articles on international trade
- All articles on the non-EU countries
- Other articles from *The EU in the world*

Publications

- The EU in the world 2018
- The European Union and the African Union — A statistical portrait — 2018 edition ;
- Sustainable Development in the European Union — Monitoring report on progress towards the SDGs in an EU context
- Globalisation patterns in EU trade and investment
- 40 years of EU-ASEAN cooperation — 2017 edition
- Key figures on the enlargement countries — 2017 edition
- Asia-Europe Meeting (ASEM) — A statistical portrait — 2016 edition
- Euro-Mediterranean statistics — 2015 edition
- The European Union and the BRIC countries
- The European Union and the Republic of Korea — 2012

Database

- International trade in goods (extgo) , see:

International trade in goods - aggregated data (extgoagg)

International trade in goods - long-term indicators (extgolti)

EU trade by Member State, partner and product group (extgoltiext)

Extra-EU trade by partner (extltmaineu)

- Balance of payments - International transactions (BPM6) (bop6) , see:

Balance of payments statistics and International investment positions (BPM6) (bopq6)

European Union and euro area balance of payments - quarterly data (BPM6) (bopeu6q)

International trade in services, geographical breakdown (BPM6) (bopits6)

International trade in services (since 2010) (BPM6) (bopits6det)

- Annual national accounts (nama10) , see:

Main GDP aggregates (nama10ma)

GDP and main components (output, expenditure and income) (nama10gdp)

Dedicated section

- International trade in goods
- Balance of payments

External links

- European Commission

- Globalisation and the EU economy
    - Trade

- International Monetary Fund

- Balance of Payments and International Investment Position Statistics

- OECD

- National accounts

- United Nations

- Comtrade

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