

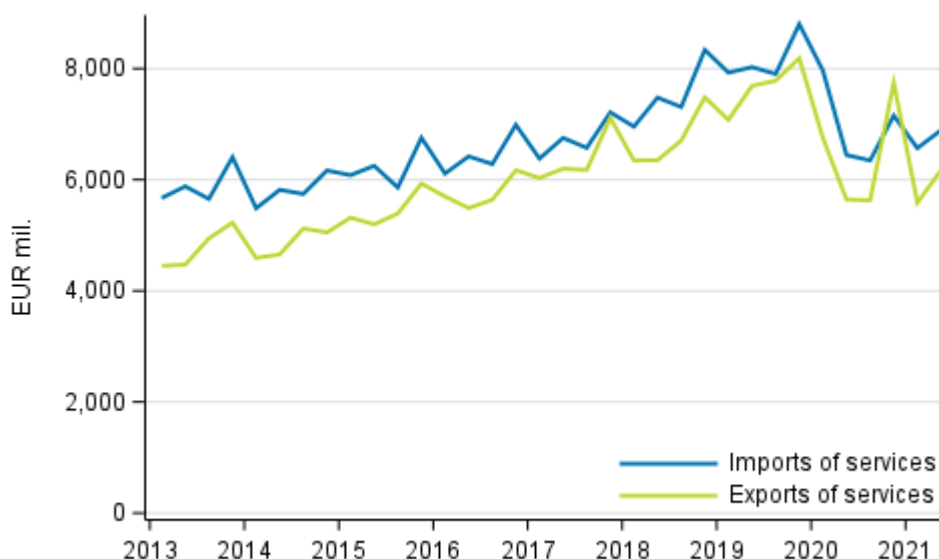
# International trade in goods and services

2021, 2nd quarter

## Service exports have not returned to pre-pandemic levels despite growth in the second quarter of 2021

International trade grew in the second quarter of 2021 relative to the corresponding quarter of the previous year. In the past quarter, the value of exports of services grew by EUR 0.5 billion relative to the second quarter of last year, when, if not before, the effects of the pandemic caused by the coronavirus were reflected in the statistics on international trade. Imports of services also grew by EUR 0.4 billion. These data derive 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**



However, the situation looks worse if the past quarter is compared to the second quarter of 2019: the value of service exports was EUR 1.5 billion lower in the second quarter of 2021 than two years ago. In light of this, the burst of growth in service exports in the last quarter of 2020 seems to be a temporary push, from which exports returned already in the next quarter to the same low level defined by the corona pandemic in the second and third quarters of 2020. On the other hand, if the high level at the end of 2020

is left out, both exports and imports of services were higher in the past quarter than in previous quarters during the corona period.

The development of international trade in goods differs from that of services. The value of exports of goods grew by EUR 2.7 billion compared with the corresponding quarter in the previous year, which corresponds to an increase of 19 per cent. Compared to the situation two years ago, exports of goods grew, in turn, by EUR 0.6 billion, that is, its level of EUR 16.7 billion was in fact higher than in the first three quarters of 2019. In other words, goods exports seem to have returned to the pre-pandemic level in the past quarter. This was not yet the case in the first quarter of 2021. In terms of goods imports, the level of the past quarter also corresponds to the level of 2019. During the past quarter, imports of goods amounted to EUR 15.9 billion. Compared to the second quarter of 2020, goods imports grew by EUR 2.9 billion or 22 per cent.

In total, the combined value of exports of goods and services thus grew by EUR 3.2 billion compared with the second quarter of the previous year. However, compared to the second quarter of 2019, the value of exports was EUR 1.0 billion lower in the past quarter. For imports of goods and services, the situation was more or less the same. Thus, as regards the recovery of international trade, it now appears that international trade in services is lagging behind that of goods, for which reason international trade has not returned to the level of 2019. This low level of international trade in services is largely explained by the decline in travel and transport services. The situation may naturally already look different in coming quarters and releases.

## Low level of exports of travel and transport services explains the difference to the second quarter of 2019

The effect of the pandemic caused by the coronavirus on international trade in services has been reflected already in previous quarters, especially in travel and transport services. Travel exports reflect income from travel to Finland for leisure and work purposes, while transport exports describe, for example, the transport of people but also freighting of goods. Thus, the exports and imports of transport services are linked to the logistics related to travel and international trade in goods.

When comparing the value of exports of travel and transport services in the second quarter of 2021 relative to the second quarter of 2019, it can be seen that these two service items explain a very large part of the fall in exports of services. During the past quarter, EUR 0.5 billion less transport services were exported than two years before, while travel generated EUR 0.6 billion less income. When the value of total exports of services contracted by EUR 1.5 billion compared to the level two years ago, the decrease in these service items thus covers around 75 per cent of that decline.

By contrast, exports of telecommunications, computer and information services (TCI) and other business services grew relative to the second quarter of 2019. In the past quarter, exports of TCI services were EUR 0.2 billion higher and that of other business services nearly EUR 0.1 billion higher than two years ago. However, exports of TCI were on a lower level in 2020 than in the previous year only in the third quarter, so when it comes to the growth in ICT exports it is not really possible to talk about a recovery in the past quarter. The level of the service item as a whole did not contract in 2020 and the level of exports of TCI was, on the contrary, exceptionally high in the last quarter of 2020. By contrast, exports of other business services were repeatedly lower in the previous year than two years ago, so that can perhaps be seen as some kind of recovery to the level prior to the pandemic in the past quarter.

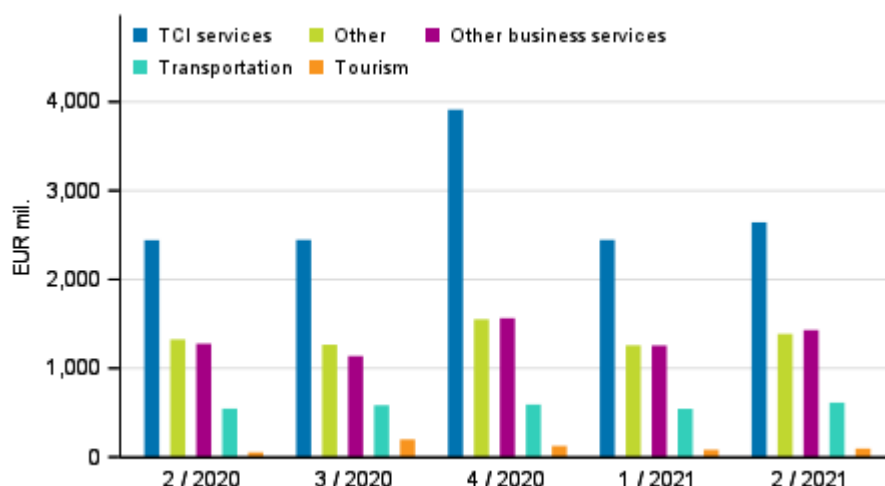
In terms of service imports, the value of imports of travel and transport services decreased in total by EUR 1.5 billion compared to two years ago, i.e., they cover the total contraction of EUR 1.1 billion in service imports and even exceed it. By contrast, imports of many service items were on a higher level in the past quarter compared to the second quarter of 2019. The value of imports of manufacturing services grew by EUR 0.1 billion relative to the situation two years ago. Imports of TCI, imports of other business services and charges for the use of intellectual property each grew by under EUR 0.1 billion.

## Exports of TCI services and other business services have grown compared to the second quarter of 2020

Compared to the second quarter of 2020, goods exports grew in total by EUR 0.5 billion or nine per cent. Most of this was due to TCI exports, which grew by EUR 0.2 billion. In recent years, this service item has had the highest value of Finland's service exports items, and this was the case in the past quarter as well. Exports of other business services grew the second most, by nearly EUR 0.2 billion. Within other business services, exports of R&D services remained almost unchanged compared with the previous year, that is, the growth was due to, for example, increased exports of professional and management, technical, trade-related and other such services. The growth in exports of TCI services and other business services covers approximately two thirds of the growth in total exports of services in the second quarter of 2021.

In other service items, changes in either direction were under EUR 100 million. Exports of travel and transport services increased slightly relative to the second quarter of the previous year but, on the other hand, exports of these services have been clearly lower than in the pre-pandemic situation since the second quarter of 2020. The combined growth in travel and transport exports was thus only EUR 0.1 billion, so the situation has not really changed significantly for these service items.

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

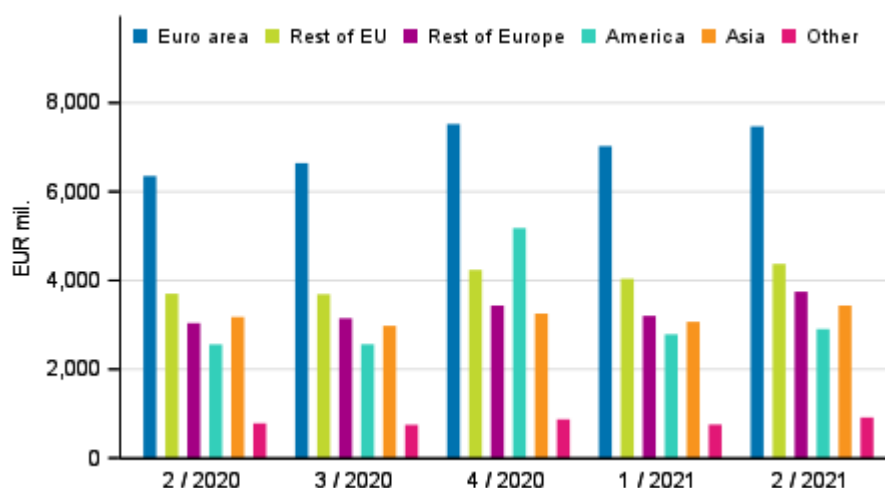


Service imports grew by a total of EUR 0.4 billion in the second quarter of 2021 compared with the corresponding quarter last year. One-half of this growth can be explained by the improvement in imports of transport services. In addition to travel, international trade in transport services is linked to international trade in goods, the growth of which may have had a positive effect on the demand for freight transport. Imports of other business services also grew compared with the second quarter of the previous year, by EUR 0.1 billion. Imports of transport services and other business services account for 80 per cent of the growth in total service imports.

## Especially exports to Europe have increased

Compared to the second quarter of the previous year, the combined exports of goods and services grew for all continents. However, the growth focused on Europe. When exports increased by EUR 3.2 billion, altogether 77 per cent or in total EUR 2.5 billion of this growth was directed at Europe. Compared with the previous year, the value of exports to EU countries grew by EUR 1.8 billion and to Europe outside the EU by EUR 0.7 billion. In terms of individual countries, especially exports to Sweden improved, by EUR 0.5 billion. Exports to Great Britain, Russia, Germany and the Netherlands also grew by a couple of hundred million euros for each country.

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



Exports to America, Asia and Africa also grew compared to the second quarter of 2020, but to a lesser extent than to Europe. Exports to America grew by good EUR 0.3 billion, exports to Asia by close on EUR 0.3 billion and exports to Africa by EUR 0.1 billion.

As exports, imports of goods and services from Europe to Finland also increased. Compared to one year ago, imports from Europe increased by EUR 2.5 billion, which corresponds to 76 per cent of the growth of total imports. The value of imports from the EU countries increased by EUR 2.0 billion, while imports from Europe outside the EU improved by EUR 0.5 billion. Among European countries, imports from Sweden, Germany and Russia grew in particular. Imports from Asia grew by a total of EUR 0.6 billion, but on the level of other continents, the changes were smaller.

## 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 described in the quality description 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.**

	2020			2021	
	2nd quarter	3rd quarter	4th quarter	1st quarter	2nd quarter
1 Goods and services total	19,610	19,768	24,498	20,876	22,842
1.1 Goods trade in balance of payment terms	13,967	14,138	16,755	15,291	16,673
1.1.1 Goods trade in customs terms	13,020	13,781	16,206	15,049	16,178
1.1.2 Factoryless goods production, goods sent abroad for processing and merchandising	947	356	549	242	495
1.2 Services total	5,643	5,631	7,743	5,585	6,169
1.2.1 Manufacturing services	342	389	513	396	398
1.2.2 Transport	545	583	591	543	613
1.2.3 Travel	54	199	125	83	96
1.2.4 Construction	36	25	34	22	16
1.2.5 Financial and insurance services	96	89	99	98	100
1.2.6 Charges for the use of intellectual property n.i.e.	656	620	747	618	726
1.2.7 Telecommunications, computer and information services	2,443	2,446	3,912	2,446	2,643
1.2.8 Other business services	1,276	1,137	1,564	1,256	1,430
1.2.8.1 Research and development services	199	159	207	187	195
1.2.8.2 Professional and management consulting services	330	292	461	379	409
1.2.8.3 Technical, trade-related and other business services	747	687	896	689	826
1.2.9 Other services	195	143	158	125	146

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

	2020			2021	
	2nd quarter	3rd quarter	4th quarter	1st quarter	2nd quarter
1 Goods and services total	19,486	20,513	21,685	21,599	22,796
1.1 Goods trade in balance of payment terms	13,042	14,166	14,531	15,032	15,907
1.1.1 Goods trade in customs terms	13,408	14,947	15,547	16,054	16,866
1.1.2 Goods sent abroad for processing	87	-274	-472	-447	-364
1.1.3 CIF-FOB conversion	-805	-891	-931	-957	-1,008
1.1.4. Other differences	352	384	388	381	413
1.2 Services total	6,443	6,347	7,154	6,567	6,889
1.2.1 Manufacturing services	440	443	573	473	495
1.2.2 Transport	1,038	1,121	1,190	1,133	1,266
1.2.3 Travel	101	252	119	61	123
1.2.4 Construction	90	69	71	61	75
1.2.5 Financial and insurance services	390	373	392	374	381
1.2.6 Charges for the use of intellectual property n.i.e.	231	199	308	212	261
1.2.7 Telecommunications, computer and information services	1,109	971	1,243	1,167	1,097
1.2.8 Other business services	2,786	2,665	2,967	2,802	2,914
1.2.8.1 Research and development services	708	757	705	804	772
1.2.8.2 Professional and management consulting services	719	625	828	755	771
1.2.8.3 Technical, trade-related and other business services	1,359	1,282	1,434	1,243	1,372
1.2.9 Other services	257	254	290	284	275

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

		2020			2021	
		2nd quarter	3rd quarter	4th quarter	1st quarter	2nd quarter
Import	Total	19,486	20,513	21,685	21,599	22,796
	..Europe	14,997	15,692	16,845	16,731	17,516
	..EU27 (2020)	12,189	12,411	13,450	13,011	14,219
	.....Euro area	7,768	7,913	8,397	8,136	9,015
	.....Netherlands	1,198	1,161	1,286	1,234	1,453
	.....Germany	2,441	2,567	2,695	2,650	2,858
	.....Rest of EU27 (2020 non Euro area)	4,421	4,498	5,053	4,875	5,204
	.....Sweden	2,555	2,601	2,940	2,862	3,076
	....Rest of Europe (non EU)	2,808	3,281	3,395	3,720	3,297
	.....United Kingdom	836	890	930	847	841
	.....Russia	1,095	1,467	1,439	1,901	1,470
	..America	1,463	1,318	1,451	1,432	1,588
	.....United States	1,118	1,021	1,105	1,107	1,166
	..Africa	116	152	111	140	187
	..Asia	2,822	3,245	3,157	3,189	3,397
	.....China	1,559	1,697	1,680	1,597	1,687
	.. Other and unknown	87	107	122	108	109
Export	Total	19,610	19,768	24,498	20,876	22,842
	..Europe	13,091	13,479	15,193	14,267	15,588
	..EU27 (2020)	10,053	10,332	11,759	11,064	11,841
	.....Euro area	6,352	6,642	7,522	7,025	7,469
	.....Netherlands	1,112	1,114	1,188	1,221	1,287
	.....Germany	1,670	1,840	2,010	1,839	1,890
	.....Rest of EU27 (2020 non Euro area)	3,701	3,690	4,237	4,039	4,372
	.....Sweden	2,525	2,520	2,960	2,761	2,987
	....Rest of Europe (non EU)	3,038	3,147	3,435	3,203	3,747
	.....United Kingdom	743	884	1,057	878	1,083
	.....Russia	828	891	1,039	954	1,145
	..America	2,559	2,562	5,179	2,786	2,905
	.....United States	1,724	1,805	4,342	2,005	1,992
	..Africa	457	425	552	448	575
	..Asia	3,178	2,978	3,254	3,069	3,435
	.....China	1,123	935	1,208	1,099	1,223
	.. Other and unknown	324	324	320	306	340

# Revisions in these statistics

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

		1. release	Previous release (2021-06-18)	Latest release (2021-09-17)	Revision
Import of goods	2020Q2	12,844	13,040	13,042	199
	2020Q3	13,965	14,159	14,166	202
	2020Q4	14,387	14,500	14,531	145
	2021Q1	14,911	14,911	15,032	120
Export of goods	2020Q2	13,838	13,976	13,967	129
	2020Q3	14,092	14,140	14,138	45
	2020Q4	16,660	16,760	16,755	95
	2021Q1	15,184	15,184	15,291	107
Import of services	2020Q2	6,392	6,443	6,443	52
	2020Q3	6,250	6,342	6,347	97
	2020Q4	6,994	7,145	7,154	159
	2021Q1	6,559	6,559	6,567	8
Export of services	2020Q2	5,730	5,649	5,643	-87
	2020Q3	5,584	5,635	5,631	47
	2020Q4	7,304	7,748	7,743	439
	2021Q1	5,552	5,552	5,585	34



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