STEP Statistics Through Eastern Partnership

THE INTERNATIONAL TRADE IN SERVICES OF THE EASTERN PARTNERSHIP COUNTRIES

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STEP Statistics Through Eastern Partnership

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Statistics Through Eastern Partnership (STEP)

PROJECT DURATION: 2019-2022
BUDGET: €4.7 million

BRIEF DESCRIPTION AND COUNTRIES COVERED

Statistics Through Eastern Partnership (STEP) is the first regional statistics programme in the Eastern Partnership region. The Eastern Partnership (EaP) is a policy initiative between the European Union, its Member States and the six Eastern neighbour countries Armenia, Azerbaijan, Belarus[1], Georgia, Moldova and Ukraine. The EaP aims to deepen and strengthen the relations between the EU, its Member States and their EaP partner countries.
The STEP programme is financed by the European Union. STEP is managed by Eurostat, the statistical office of the European Union, with a mission to provide high quality statistics and data on Europe. It is implemented by a project consortium led by Expertise France. The programme addresses both subject matter statistics such as labour market, time-use, national accounts, business registers, energy and transport as well as cross-cutting issues like inclusion of user needs, increased use of administrative data, quality in statistics, gender issues and sustainable development goals.

OBJECTIVES

The overall objective of STEP is to produce more and better statistics for evidence-based decision-making. The primary partners are the national statistical institutes of the EaP countries but other institutions in their national statistical systems are also included in the activities if deemed beneficial. The availability of reliable and comparable statistics is essential for informed policymaking at European, regional and country level. For this, statistics need to be produced in line with European and international norms and standards, including the European Statistics Code of Practice.

ACTIONS IN BRIEF

This will be achieved through four complementary actions:
1. improve the production and dissemination of good quality statistics in the partner countries;
2. increase the level of harmonisation of methodologies both between the countries and with the EU;
3. strengthen the institutional capacity of the NSIs of the region along the principles set out in the European Statistics Code of Practice;
4. support evidence-based policymaking, ensuring that statistical evidence substantiates policy choices, through improved cooperation and coordination between the national statistical institutes, policymakers and line institutions.

MORE INFORMATION AT:

www.eu-step.eu
https://ec.europa.eu/eurostat/web/european-neighbourhood-policy/enp-east/step
https://ec.europa.eu/eurostat
Twitter: @EU_STEP

(1) Belarus suspended its participation in STEP programme from 10 January 2022.

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List of acronyms

ARC	Advance Release Calendar
ARMSTAT	Statistical Committee of the Republic of Armenia
BOP	Balance of Payments
BPM6	Sixth edition of the Balance of Payments and International Investment Position Manual
CBA	Central Bank of Armenia
CBAR	Central Bank of the Republic of Azerbaijan
CEFTA	Central European Free Trade Area
COVID	Coronavirus disease
DCFTA	Deep and Comprehensive Free Trade Agreement
DSBB	Dissemination Standards Bulletin Board
EaP	Eastern Partnership
EBOPS	Extended Balance of Payments Services Classification 2010
EU	European Union
FATS	Foreign affiliates statistics
FDI	Foreign direct investment
FISIM	Financial Intermediation Services Indirectly Measured
FISO	Foreign investments and services operations survey
FSVC	Financial Services Volunteer Corps
GATS	General Agreement on Trade in Services
GDP	Gross Domestic Product
GEOSTAT	National Statistics Office of Georgia
IMTS	International Merchandise Trade Statistics 2010
ITC	International Trade Centre
ITRS	International transactions reporting system
ITS	International Trade in Services
ITSS	International Trade in Services Statistics
MoU	Memorandum of Understanding
MSITS	Manual on Statistics of International Trade in Services 2010
NBG	National Bank of Georgia
NBM	National Bank of Moldova
NBS	National Bureau of Statistics of the Republic of Moldova
NBU	National Bank of Ukraine
NCB	National Central Bank
NSO	National Statistical Office
OECD	Organisation for Economic Co-operation and Development
SDDS	Special Data Dissemination Standards
SITS	Statistics on International Trade in Services
SSC	State Statistics Committee (Azerbaijan)
SSSU	State Statistics Service of Ukraine
STEC	Services trade by enterprise characteristics
STEP	Statistics Through Eastern Partnership
SUT	Supply Use Table
USD	US dollars
WTO	World Trade Organisation

Introduction

Services play a major role in all modern economies: an efficient services sector is considered to be crucial for trade and economic growth. In an era of increasingly interconnected economies, enterprises may operate in several countries and have trading partners all over the world. This is reflected in the increasing importance of cross-border trade in services. In this setting, international trade flows have become more complex, forming global value chains.

Services provide vital support to the economy, for example through finance, logistics and communications. Increased trade in services and widespread availability of services may boost economic growth by improving the performance of other industries, since services can provide key intermediate inputs, especially in an increasingly interlinked and globalised world.

This publication presents detailed Statistics on International Trade in Services (SITS) for all Eastern Partnership (EaP) countries, including a geographical breakdown of these flows and, for the first time, an estimation of their disaggregation by mode of supply. These data are supplemented by the calculation of a few key trade indicators, which allow the assessment of the trade structure and the competitiveness of each partner country in this field. The publication is the result of a close cooperation with all EaP Countries and makes the link between raw statistics, analysis and policymaking, supporting evidence-based discussion and decision-making, both in public and private bodies.

Statistics on International Trade in Services within the STEP Programme

Statistics on international trade allow users to assess the integration of partner countries into the regional and global economy, their competitiveness and their ability to take advantage of market opportunities granted by international trade agreements, including agreements with the EU.

The STEP inception phase revealed that partner countries' statistics on international trade in goods are broadly compliant with international standards as laid down in International Merchandise Trade Statistics 2010 (IMTS 2010). On the other hand, partner countries' statistics on international trade in services and inward FATS appear to be less complete and less consistent with international standards. More specifically, the implementation of the Manual on Statistics of International Trade in Services 2010 (MSITS 2010) in the partner countries remains partial at best. SITS[2] by trading partner and mode of supply are usually not available or very limited in scope. Currently no partner country produces figures on inward FATS.

The STEP project on "International trade statistics: SITS and FATS" aims to better align partner countries' statistics of international trade in services, including inward FATS, with MSITS 2010 recommendations.

The expected results of this project are the following:

(i) Methodologies for SITS by partner country and mode of supply, and inward Foreign affiliates statistics (FATS) are developed and implemented in line with international recommendations;

(ii) Harmonised statistical data are made available.

Publications support the use of statistics in evidence-based decision-making and support a well-informed debate on issues at stake. The production of a regional SITS publication of the Eastern Partnership Countries will help improve the visibility of statistics on international trade in services across the region.

The project worked closely with partner countries on the content of the publication, in terms of datasets to be prepared and indicators to be calculated, presentation of tables and visualisation tools (e.g. graphs and infographics) and analysis in each national section.

Contents of the STEP publication on SITS

The publication starts with an overview of the work conducted in partner countries during the last decade with the assistance of the EU and other international organisations. Then, in five chapters dedicated to each partner country, the key statistics and indicators on international trade in services are analysed. A regional synthesis offers a comparison between countries on selected indicators.

Annexes include a wealth of detailed data in a comparable format for each partner country including a selection of indicators calculated from SITS figures and macroeconomic data:

• Trade concentration index: share of a selection of major partner countries in total exports and imports for each service category;

• Trade specialisation index: share of each service category in the total services exports and imports of each EaP partner country;

• Revealed Comparative Advantage index: ratio between the export specialisation index of a given country in a given service category and the average export specialisation index in this service category at the world level.

(2) SITS and ITSS are respectively the UN and EU acronyms for Statistics on International Trade in Services and International Trade in Services Statistics. They hence designate the same corpus of statistics.

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SITS methodology and developments in each partner country

Armenia

Institutional arrangements

The Statistical Committee of the Republic of Armenia (Armstat)[3] is responsible for collecting data on international trade in services from the private sector. Armstat provide trade in services data to the Central Bank of Armenia (CBA) for BOP and wider External Sector Statistics[4] compilation.

Relationships are managed on the basis of agreement between Armstat and the CBA.

Information is collected based on the Law on "Official Statistics" and "Five Year Statistical Program", as well as the Resolution No. 05-N of RA State Council on Statistics.

Methodology

The framework, concepts, and definitions are in conformity with the methodology set out in *BPM6*.

The Balance of Payments and Foreign Trade Statistics Division of Statistical Committee of the Republic of Armenia (Armstat) conduct quarterly surveys of legal persons and private entrepreneurs. Armstat is the main source for data on transportation, computing services and other services. Data on travel are collected by Armstat from travel agencies, hotels and are complemented by estimates made on the basis of surveys of "seasonal and cross-border workers" and "arriving and departing passengers" conducted by Armstat.

Data on financial services of the banking sector are compiled by the CBA.

Armstat disseminate metadata on trade in services statistics,[5] but make no specific quality evaluations related to the overall accuracy of trade in services data.

Data availability

CBA disseminate quarterly and annual breakdown of services, with time series available from 1993. Data for all 12-main EBOPS categories are disseminated, apart from data for "Charges for the use of Intellectual Property". Data are disseminated in USD.

Partner country breakdowns are not currently available, although Armstat plans to introduce new reporting forms in 2023, which will collect a partner country breakdown of traded services.

Mode of Supply breakdowns are not currently available.

Currently there are no plans to compile inward or outward FATS.

Resources

Only one member of staff in Armstat compiles data. Within the framework of the Eastern Partnership Trade Helpdesk, Armstat cooperates with the International Trade Center on the assessment of the international trade in services statistics of Armenia.

Future Plans

Armenia plan to introduce a new reporting form in 2023 to collect data for all types of international trade in services, including partner country breakdowns.

(3) Statistical Committee of the Republic of Armenia (armstat.am)
(4) External Sector Statistics (cba.am)
(5) 20.5.pdf (armstat.am)

Azerbaijan

Institutional arrangements

The Central Bank of the Republic of Azerbaijan (CBAR) compile International Trade in Services Statistics (ITSS) as part of the Balance of Payments (BOP) and wider external sector statistics.[6] The Central Bank of the Republic of Azerbaijan (CBAR) compiles and disseminates BOP information in compliance with the "Law of the Republic of Azerbaijan on the Central Bank of the Republic of Azerbaijan".[7] The Banking code of the Republic of Azerbaijan provides the legal mandate for CBAR to compile BOP statistics, including on external trade in services and goods but CBAR has no mandate to compile Statistics of International Trade in Services (SITS), beyond the services account of the Balance of Payments. However, the Balance of Payments Services account already provides a large part of the SITS required according to international recommendations.

CBAR has a Memorandum of Understanding with State Statistics Committee (SSC) that clarifies the respective responsibilities of each institution. Data sharing between the CBAR and SSC for BOP needs are also regulated by the "The Law of the Republic of Azerbaijan on the Central Bank of the Republic of Azerbaijan" and the Decision of the Cabinet of Ministers of the Republic of Azerbaijan (08.02.1995, № 25) "On compiling the balance of payments of the Republic of Azerbaijan".

Methodology

The framework, concepts, and definitions are in conformity with the methodology set out in *BPM6*.

Data are compiled using a combination of direct reporting (SSC), administrative data and the closed international transactions reporting system (ITRS) data from the commercial banks. See the IMF's Dissemination Standards Bulletin Board[8] (DSBB) and the CBAR's website for more detail.[9]

Data availability

CBAR disseminates quarterly and annual breakdown of services. Data for only 7 EBOPS categories are currently disseminated – Transport, Travel, Communication services, Construction, Financial, Government and a residual "Other Services" category which includes all services corresponding to the 5 remaining trade in services components of the EBOPS 2010 classification, namely, Manufacturing services; Maintenance and repair services; Insurance and pension; Charges for the use of intellectual property; Personal, cultural and recreational services and Other business services. Data are disseminated in USD.

CBAR compiles more detailed breakdowns of services, but these are currently not disseminated. Similarly, partner country breakdowns are also compiled, but not currently disseminated.

State Statistical Committee of the Republic of Azerbaijan[10] has responsibility for the quarterly Foreign investments and services operations survey (FISO survey), external merchandise Trade statistics and Tourism statistics data, which are provided to CBAR for the Balance of Payments purposes and also used in the national accounts.

Inward or Outward FATS are not compiled. Mode of Supply breakdowns are also not currently available.

Resources

11 staff work on BoP in CBAR. It is not possible to separate the number of staff who work specifically on trade in services.

(6) Central Bank of the Republic of Azerbaijan - External sector statistics (cbar.az)
(7)Central Bank of the Republic of Azerbaijan - Law № 802-IIQ (cbar.az)
(8) IMF -GDDS DQAF Base (DSBB)
(9) Central Bank of the Republic of Azerbaijan - External sector statistics (cbar.az)
(10) The State Statistical Committee of the Republic of Azerbaijan.

Future Plans

CBAR switched from an open to a closed International Transaction Reporting System from 2017 which is expected to have improved data quality. CBAR have also benefitted from a series of IMF Technical Assistance missions to improve data on the oil and gas sector in particular.

A new platform is under development to support data transmission from respondents (including the SSC direct reporting system).

There are currently no plans to develop FATS or breakdowns of the supply of services by Mode of Supply in Azerbaijan.

Georgia

Institutional arrangements

The National Bank of Georgia (NBG) is responsible for compiling ITSS as part of the overall Balance of Payments.[11] The legal responsibility is set out in the *Organic Law on the National Bank of Georgia* (last amended in September 2018), which lists the functions of the National Bank of Georgia. Specifically, Article 3 paragraph 3 (h), states that the function of the NBG is to carry out and disseminate information on the country's financial and external sector statistics, based on international standards and methods.[12]

Geostat[13] conducts quarterly and annual statistical surveys on External Economic Activities and on International Trade in Services. Both surveys cover the non-financial corporation sector. Results of both surveys as well as data obtained from additional sources (i.e. other surveys conducted by Geostat, data from Georgian Railway, Georgian Post, Georgian Air Navigation, Ministry of Foreign Affairs of Georgia) are provided to NBG for ITSS compilation.

A Memorandum of Cooperation is signed between NBG and Geostat, which regulates the relationship between the two producers of official statistics.

Methodology

The framework, concepts, and definitions are in conformity with the methodology set out in *BPM6*. A range of sources is used in the compilation of trade in services of Georgia:

- ITRS (NBG);
- Surveys conducted by Geostat (External Economic Activities; International Trade in Services; Survey of Foreign Visitors; Survey of Outbound Tourism; Hotels and Hotel Type Enterprises Survey; Surveys of Educational Institutions;
- Data on exports (imports) of financial, consulting and communication services – commercial banks and micro financial organisations (NBG);
- Services provided to/received from non-residents by insurance companies (NBG);
- Border crossing data (Service Agency of Ministry of Internal Affairs of Georgia/NBG);
- Data on Embassies and Consulates abroad (Ministry of Foreign Affairs / NBG/Geostat);
- Export/import data on goods for processing and repair (Revenue Service of MoF / Geostat);
- Report on International Communication Services (Georgian Post/Geostat);
- Data on enterprises engaged in postal and courier activities (Geostat);
- Services provided to/received from non-residents; Actual transfers and debt to/from non-residents (Georgian Air Navigation/Geostat);
- Data on revenue received from the transit of goods, international railway transport services and foreign debt (Georgian Railway/Geostat).

(11) Statistics Data (nbg.gov.ge)
(12) SDDS - DQAF View : Georgia - Balance of payments (imf.org)
(13) National Statistics Office of Georgia (geostat.ge)

Data availability

Detailed EBOPS data, including the main 12-product breakdown are disseminated by NBG as part of the quarterly and annual BOP publications. Data are presented on a BPM6 basis from 2000.

Partner country breakdowns are not yet available.

Mode of Supply breakdowns are not currently available.

Currently there are no plans to compile inward or outward FATS.

Resources

Staff of Balance of Payments Statistics Division of NBG and Foreign Investments Statistics Division of Geostat consist of approximately 10 permanent full-time equivalent professional staff.

Future Plans

Compilation of ITS by partner country breakdowns is seen as the priority and is one of the main activities of the National Strategy for the Development of Official Statistics in Georgia (2020-2023). It is set out in the 2021-2023 Action Plan for the Implementation of the Deep and Comprehensive Free Trade Agreement (DCFTA) with the European Union.

Compilation procedures were supported by Statistics Denmark within the EU-funded "Twinning" project - Strengthening the capacity of the Georgian Statistical System (2019-2021).[14] Dissemination of ITS by partner countries is defined as a target for 2023 onwards.

Compilation of the supply of services by Mode of Supply will be addressed after partner country breakdowns are produced.

Main international support received are as follows:
1. IMF Technical Assistance;
2. EU-funded "Twinning" project - Strengthening the capacity of the Georgian Statistical System;
3. The Eastern Partnership (EaP) Trade Helpdesk, a new EU4Business project implemented by the International Trade Centre (ITC).

Moldova

Institutional arrangements

The National Bank of Moldova (NBM) is responsible for Balance of Payments (BOP) and wider international accounts statistics, including International Trade in Services Statistics (ITSS).[15]

The NBM collects and disseminates statistics under the authority of:
- The Law on the National Bank of Moldova, No. 548, July 21,1995;
- The Law on Official Statistics, No.93, May 26, 2017.[16]

NBM compiles SITS on a quarterly basis and provides preliminary ITS data to National Bureau of Statistics of the Republic of Moldova (NBS) for GDP production purposes.

NBM and NBS have an inter-agency agreement (MoU) on data and metadata exchange. According to the MoU, NBS is responsible for providing data from a range of statistical surveys, including the quarterly "Generalized statistical report on external trade in services".

This agreement ensures provision of the necessary input data for NBM, which compiles and publishes official statistics on international trade in services as part of its BOP statistics.

(14) Development of External Sector Statistics with the Support of Danish Experts (geostat.ge)
(15) National Bank of Moldova | (bnm.md)
(16) SDDS - DQAF View : Moldova, Republic of - Balance of payments (imf.org)

Methodology

The framework, concepts, and definitions are in conformity with the methodology set out in *BPM6*.

NBM's bank reporting system (ITRS) and NBS's ITS Survey of businesses are the two main data sources used for ITSS compilation. Data on exports and imports of goods made by legal entities are used for compilation of manufacturing services on physical inputs owned by others and parts of transport and insurance services (imports). Other administrative data sources are used in order to make estimates on: government goods and services not included elsewhere, passenger transport services, business travel and personal travel services: education-related, based on Ministry of Finance, State Chancellery, Ministry of Education and Research, as well as Ministry of Foreign Affairs and European Integration reports.

NBM disseminates BOP statistics metadata online, including trade in services, as part of the BOP's current account.[17]

NBS and NBM make special efforts to implement the BPM6 classification of standard services components in their data collection procedures: NBM established a BPM6 coding structure for its ITRS reporting and NBS adopted a classification of services for use in its survey of external trade in services, which closely follows BPM6 and EBOPS. The classification of services used by NBS in the survey of exports-imports of services is based on Central Product Classification. Data are disseminated in USD.

NBM compiles BOP data in accordance with the Law on the National Bank of Moldova and in conformity with the IMF quality requirements. NBM makes its metadata available on the IMF Dissemination Standards Bulletin Board (DSBB). Moldova meets the IMF's Special Data Dissemination Standards (SDDS) standards for coverage, periodicity and timeliness, as well as the requirements for metadata and the quality of data. The commitment to quality is incorporated in the NBM Strategic Plan.

International accounts statistics, including trade in services are disseminated in accordance with SDDS, including the publication of the Advance Release Calendar (ARC).[18]

Data availability

NBM disseminate a detailed breakdown of trade in services, including the main 12-product EBOPS breakdown in the Interactive Database.[19] NBM also compiles more detailed services items but does not disseminate them because of data validation constraints. EBOPS 2010 complementary travel items are not compiled due to a limitation of data sources.

NBM does not compile complete statistics on foreign trade in services by partner country, due to resource constraints (both lack of dedicated software and lack of human resources) and particularities of data sources (different aggregation, lack of direct sources). However, geographical breakdowns of Manufacturing services on physical inputs owned by others and Computer services are available via the International Accounts Yearbook.[20] Data from partner countries (mirror statistics) are not used as a source of data as official statistics of the Republic of Moldova does not include the Transnistria region.

NBM does not compile SITS by mode of supply.

Resources

Within NBM's Reporting and Statistics Department only 1 person is directly responsible for the production of SITS (data collection, processing and compilation). In addition, a further one member of staff is in charge of data validation, 3 persons are involved in processing ITRS source data and 3 persons are responsible for International Accounts data analysis and dissemination.

(17) International accounts: compilation methodology and data sources (updated) | National Bank of Moldova (bnm.md)
(18) Calendar of data dissemination | National Bank of Moldova (bnm.md)
(19) BNM Reports Generator
(20) Statistical yearbook «International accounts of the Republic of Moldova» 2019 | National Bank of Moldova (bnm.md)

Future Plans

While NBM has made significant improvements to ITS data sources and methods in recent years, including manufacturing services on physical inputs owned by others, computer services, construction services, government services, travel and charges for the use of intellectual property, further enhancements to trade in services are planned.

Over the past 5 years, the NBM has benefited from technical assistance on trade in services provided by the Central European Free Trade Area (CEFTA), Financial Services Volunteer Corps (FSVC) and the National Bank of Georgia. The following recommendations to improve BOP data sources and methods have been identified:

i) NBM would benefit from the extension of its IT infrastructure for each sector in order to improve and facilitate the processing of primary data sources and the compilation of the resulting indicators. The final statement of balance of payments is still compiled in Excel format, which does not allow the provision of different and more detailed results, for example geographical breakdowns. However, a new application for BOP components aggregated data entry and automated output reporting is being finalized. Usage of modern tools for data query and analysis would also be beneficial. A new IT solution would enable NBM to compile international trade in services by full geographical breakdown;

ii). Defining the future structure of the Department of Reporting and Statistics might be oriented to follow the recommendations of European Central Bank organizational structure and best practices. Attention should be given to the development of statistical software, ongoing IT support and updating of all applications used, due to changes in sources, new data sources, methodological improvements / changes, the need for granular data processing of different sources, data enrichment, making estimates. The current structure of the BoP teams can be reconsidered in relation to the need to compile extended service statistics according to detailed EBOPS by geographical breakdown;

iii). Transition of NBS ITS survey to EBOPS 2010 classification;

iv). Continue to complement ITRS with NBS surveys. NBM and NBS should consider whether a quarterly census is needed in the longer term. Data would be more precise, if replacing the census with targeted surveys focusing on those areas that are not easily collected via the ITRS;

v). Develop a procedure to share or exchange individual data between NBM and NBS on service providers in order to improve data coverage. Setting up a secure channel for data transmission between both institutions would be required.

vi). NBM needs to develop an extensive and granular database for ITS production as well as for geographical breakdown purposes and to implement a specialized survey on travel services.

Ukraine

Institutional arrangements

The National Bank of Ukraine (NBU)[21] are responsible for compiling statistics on international trade in services as part of the balance of payments compilation, according to the Law on the National Bank of Ukraine.

Joint resolution of the NBU and the Cabinet of Ministers on Balance of payments compilation, No.517 (2000) coordinates activities of ministries and other institutions on the compilation of external sector statistics.

The NBU ensures the compilation and dissemination of external sector statistics in accordance with the requirements of *BPM6*.

State Statistics Service of Ukraine (SSSU) conducts quarterly surveys of enterprises to collect information on trade in services between residents and non-residents.[22]

(21) External Sector Statistics (bank.gov.ua)
(22) http://www.ukrstat.gov.ua/norm_doc/2021/58/58.pdf

The relationship between the two institutions is based on the provisions of the existing legal framework and working agreements between the NBU and the SSSU. The NBU participates in joint working groups to address issues in external sector statistics. Close contact has been established between NBU and SSSU staff; consultations on various issues are held regularly.

Methodology

International Trade in Services Statistics (ITSS) are based on two main sources:

1. Bank reporting data on financial transactions with non-residents in terms of exports and imports of services.

2. Data of quarterly statistical reporting of the State Statistics Service of Ukraine according to the form №9-ZEZ "Report on export (import) of services".[23]

This is supplemented with a number of additional data sources:

3. Data on the number of border crossings of the Administration of the State Border Guard Service of Ukraine: (№ 2-DPSU and № 3-DPSU);

4. SSSU data on the share of insurance and freight in the import of goods, prepared according to cargo customs declarations and reports of enterprises.

5. Information of the Secretariat of the Cabinet of Ministers of Ukraine on the amount of international technical assistance received by Ukraine.

6. Estimating the costs of short-term migrant workers in their countries of employment (including -migrants in Poland and Russia - based on mirror statistics).

7. Expert assessments, data from sample surveys, media and the Internet.

The framework, concepts, and definitions are in conformity with the methodology set out in BPM6, with data available on this basis since 2000. Methodology is disseminated.[24]

Data availability

NBU disseminate monthly, quarterly and annual breakdowns of trade in services at the detailed EBOPS level, including for all 12-main EBOPS categories.

Partner country breakdowns of ITSS are not currently available, although NBU is exploring this possibility, with development planned for 2023-2024.

SSSU also disseminates trade in services according to the classification of foreign economic services adapted to EBOPS categories and disseminates the geographical breakdowns for total exports and imports of services and by EBOPS.[25]

All data are disseminated in USD.

Mode of Supply breakdowns are not currently available.

Inward and outward FATS are not compiled.

Resources

Data are compiled by two members of staff in NBU.

(23) State Statistics Service of Ukraine (ukrstat.gov.ua)
(24) https://bank.gov.ua/admin_uploads/article/BoP_methodology_en.pdf
(25) Economic statistics / International economic activity and balance of payments (ukrstat.gov.ua)

Future Plans

NBU have made a number of improvements to ITSS data in recent years:

1. Compilation of ITS according to *BPM6* from 2000.

2. Amending the method of calculating data on Manufacturing services on physical inputs owned by others based on SSSU data (collected by form № 9-ZEZ);

3. Improving the methodology for estimating the costs of Ukrainian short-term labour migrants in the countries of employment (using data from major partner countries) to include them in the «Travel» item;

4. FISIM calculation.

A number of further improvements are planned:

- estimation of the volume of health-related and education-related services in «Travel» item;

- improvement of the Travel assessment based on the results of the sample survey of travellers, which was conducted in August-October 2021;

- development of methodological approaches and implementation of experimental calculations on partner breakdown of export and import of services. It is planned to publish annual data on services by major countries in the future.

02

Evolution of International Trade in Services and Foreign Affiliates Activity in the EaP Partner Countries since 2010

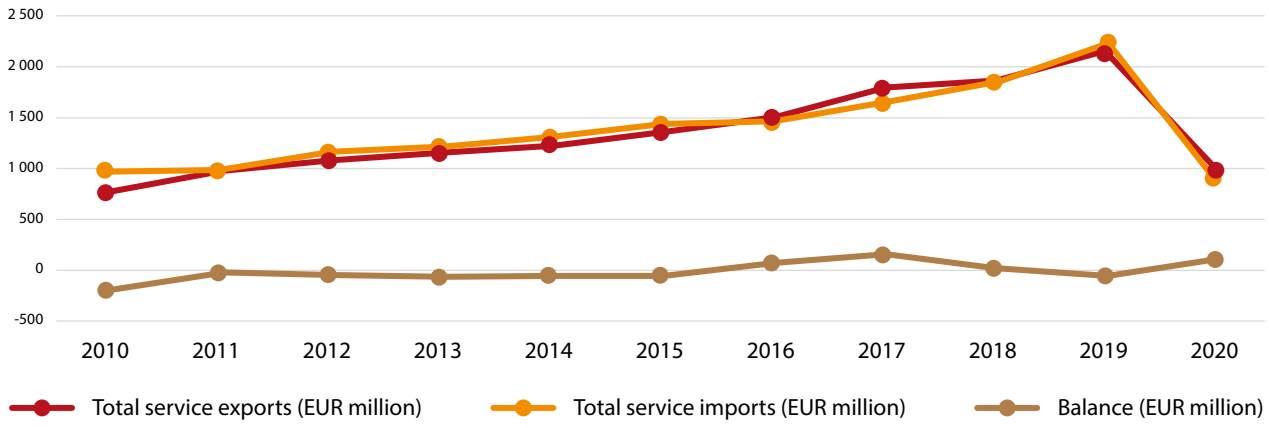
The tables in this publication are based on the standard 12-product breakdown of exports and imports of services. Separate sections are presented for each EaP country based on annual data sourced from the World Trade Organisation (WTO) website.[26]

Armenia

Trade in services totals

Armenia's exports and imports of services have broadly been in balance between 2010 and 2020, ranging from a deficit of EUR 0.2 billion in 2010 to a surplus of EUR 0.1 billion in 2017.[27] Both exports and imports have grown steadily since 2010, with the marked exception of the COVID-impacted year of 2020, when both exports and imports more than halved in value compared with 2019. The travel item was the most affected by the pandemic with both exports and imports collapsing due to COVID-related restrictions on international travel. Exports and imports of transportation services also fell sharply into 2020.

FIGURE 1: ARMENIA TOTAL EXPORTS AND IMPORTS OF SERVICES (2010-2020)



(26) WTO Stats
(27) See Annex 1 for details

Trade in services by component

The component breakdown of Armenia's exports and imports of services for 2019 (Table 1) is summarised in Figures 2 and 3. 2019 is chosen, as it is not affected by the distorting impact of COVID. These figures illustrate the dominance of travel in Armenia's exports and imports of services.

FIGURE 2: ARMENIA EXPORTS OF SERVICES BY COMPONENT: 2019

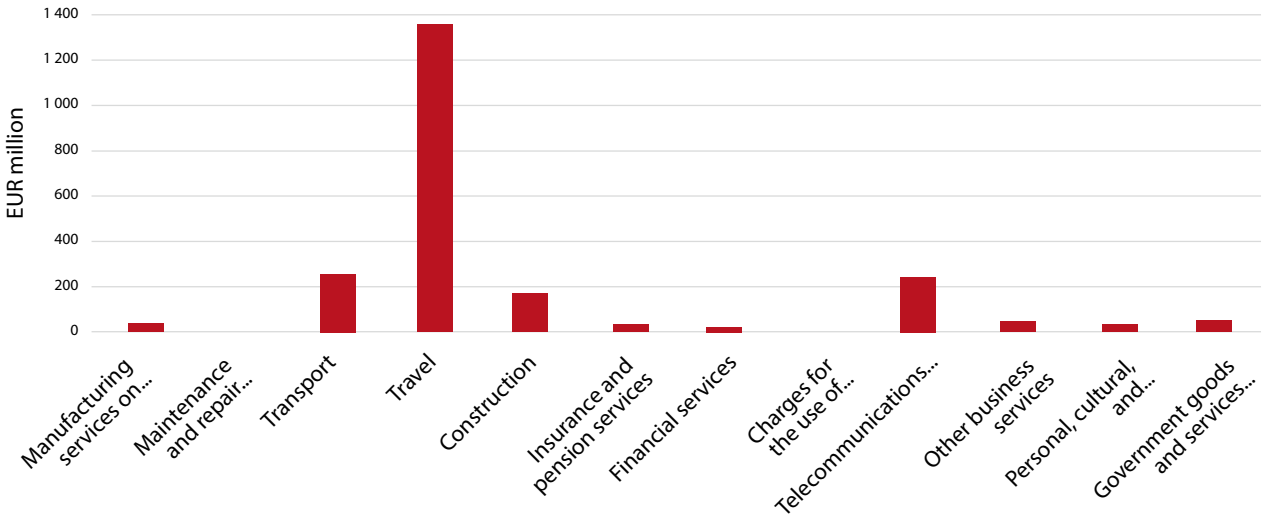
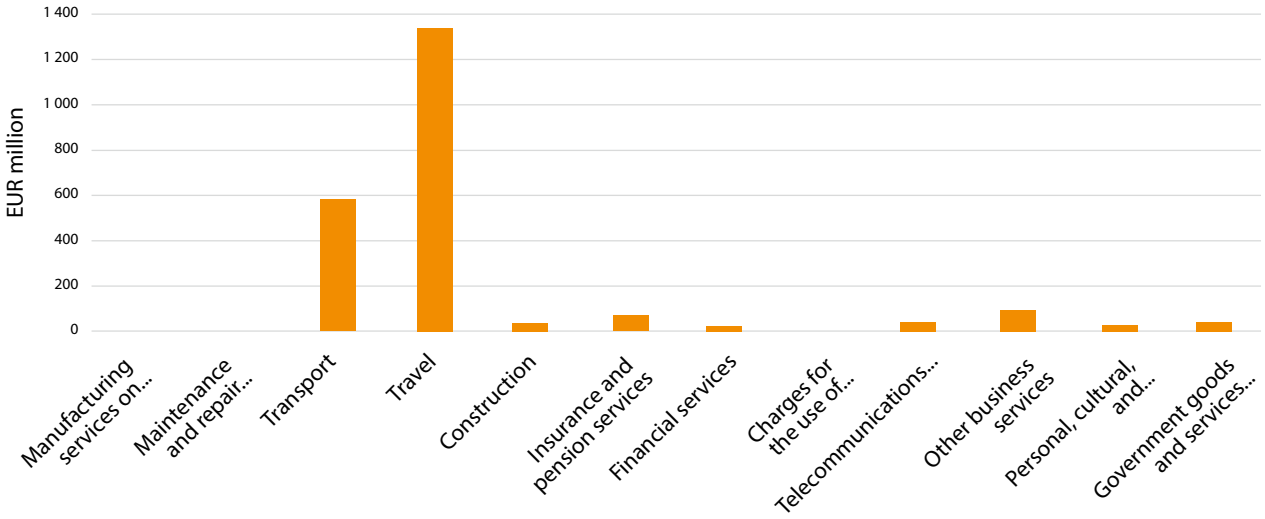


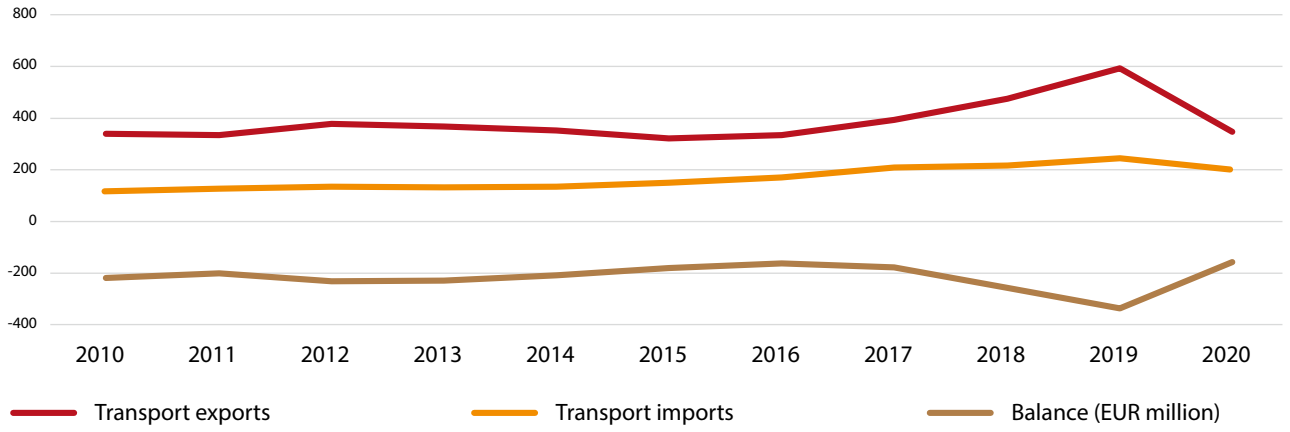
FIGURE 3: ARMENIA IMPORTS OF SERVICES BY COMPONENT: 2019



Figures 4 to 7 present the exports and imports data for Armenia's most important components – transportation, travel, construction and telecommunication, computer and information services. Armenia has a surplus in construction and telecom, computer and information services in every year since 2010, although this is largely offset by a consistent deficit in transportation services. Travel services are broadly in balance since 2010.

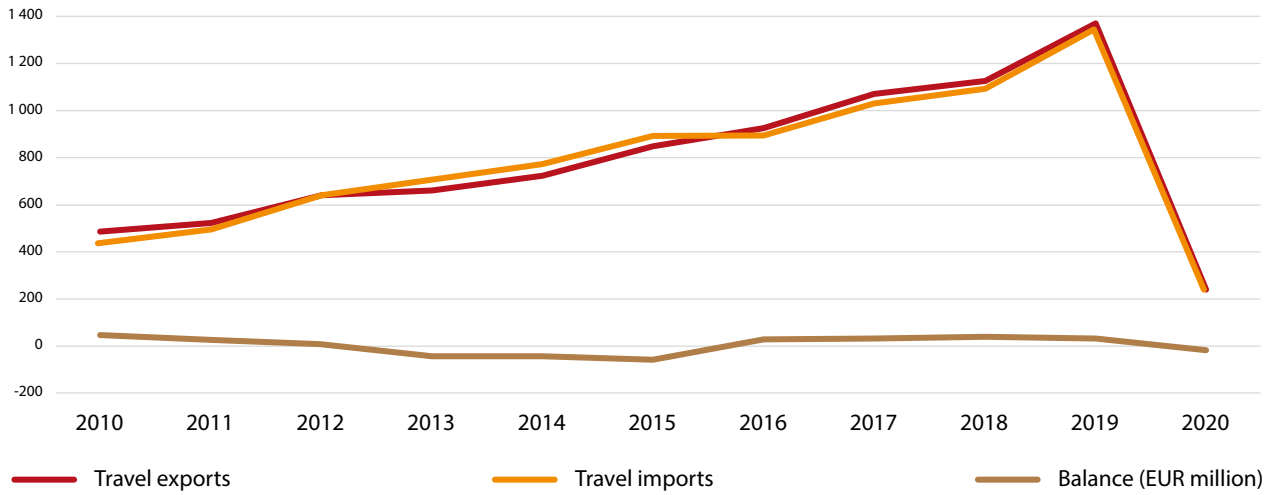
Armenia's deficit on trade in transport services was broadly stable between 2010 and 2017, after which a sharp rise in imports of transport services saw the deficit reach EUR 0.3 billion in 2019. Sharp falls in exports and imports of transport services in 2020 are attributed to the pandemic.

FIGURE 4: TRANSPORTATION SERVICES (2010-2020)



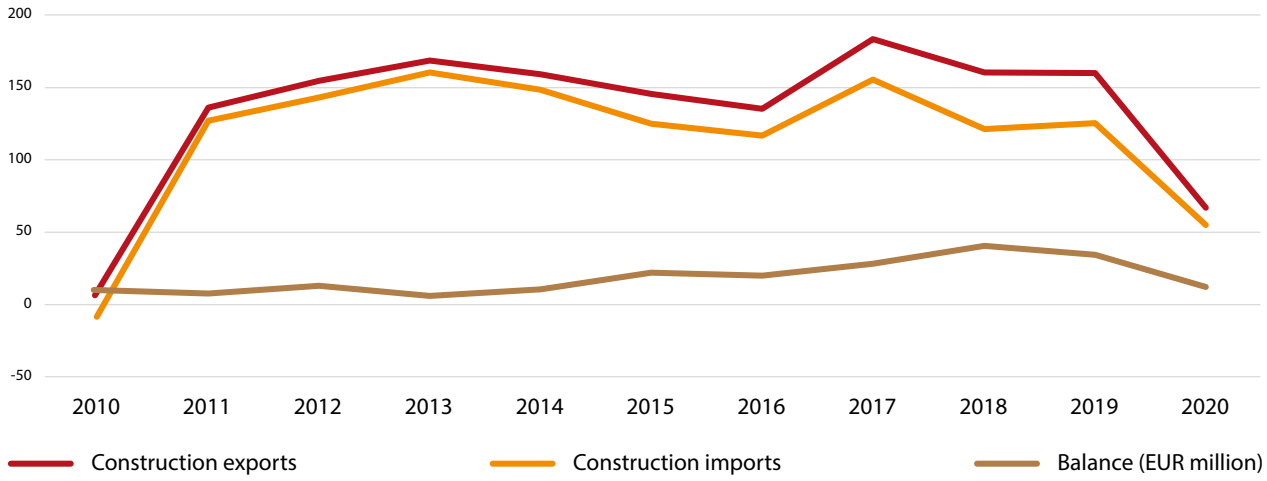
Exports and imports of travel services increased around 300% between 2010 and 2019, although the net travel transactions remained close to balance. Travel exports and imports both collapsed in 2020, to around a fifth of the values recorded in 2019.

FIGURE 5: TRAVEL SERVICES (2010-2020)



Armenia has recorded a small, but growing surplus in construction services since 2010. Limits in cross-border activity during the pandemic, again led to a fall in both imports and exports in 2020.

FIGURE 6: CONSTRUCTION SERVICES (2010-2020)



Exports of telecom, computer and information services have increased threefold since 2010, and have also continued to increase into 2020. As a result, the balance on telecom, computer and information services has increased from less than EUR 0.1 billion in 2010 to EUR 0.3 billion in 2020 – the largest contributor to Armenia's overall trade in services surplus.

FIGURE 7: TELECOMMUNICATION, COMPUTER AND INFORMATION SERVICES (2010-2020)

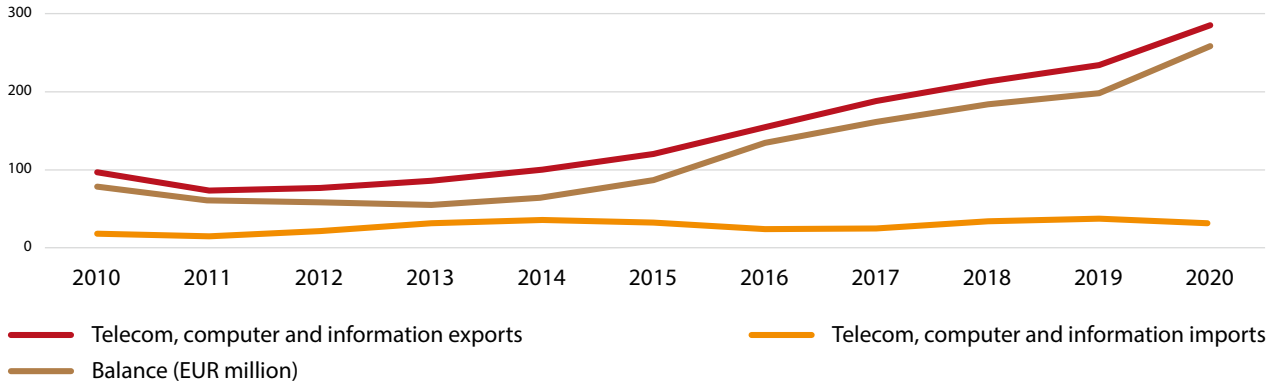
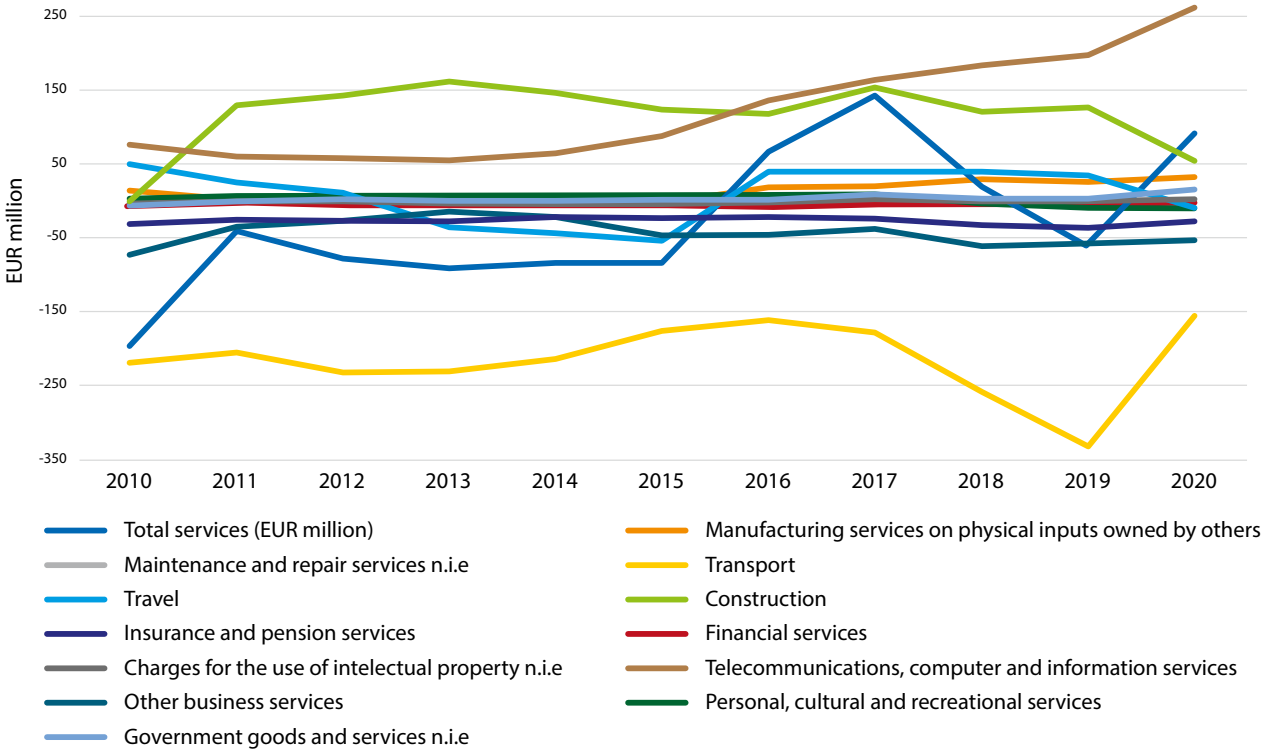


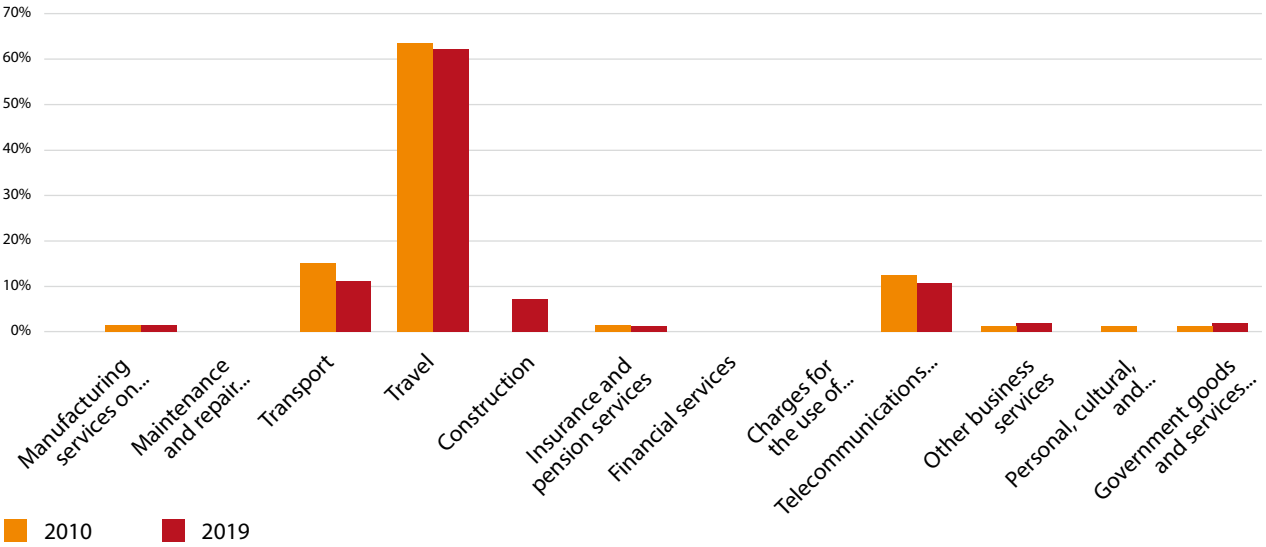
Figure 8 presents the balances in Armenia's exports and imports for each of the 12-main service categories from 2010-2020. This illustrates the consistent surpluses for construction and telecommunication, computer and information services, broadly offset by a consistent transportation deficit. Most other components are close to balance.

FIGURE 8: ANNUAL BALANCES BY TRADE IN SERVICES COMPONENT (2010-2020)



Figures 9 and 10 show the trade specialisation index for Armenia exports and imports between 2010 and 2019. 2019 rather than 2020 is chosen to avoid distortions due to the pandemic.

FIGURE 9: TRADE SPECIALISATION INDEX: EXPORTS (2010-2019)



The exports figure shows relatively minor changes apart from increased specialisation in construction services between 2010 and 2019. It should be noted that if 2020 is chosen instead of 2019, a marked increase in the specialisation in telecom, computer and information services is observed – perhaps due to the increased requirement for these services during the pandemic.

On the imports side there is a marked increase in the travel component, reflecting increased travel abroad by Armenian residents.

FIGURE 10: TRADE SPECIALISATION INDEX: IMPORTS (2010-2019)

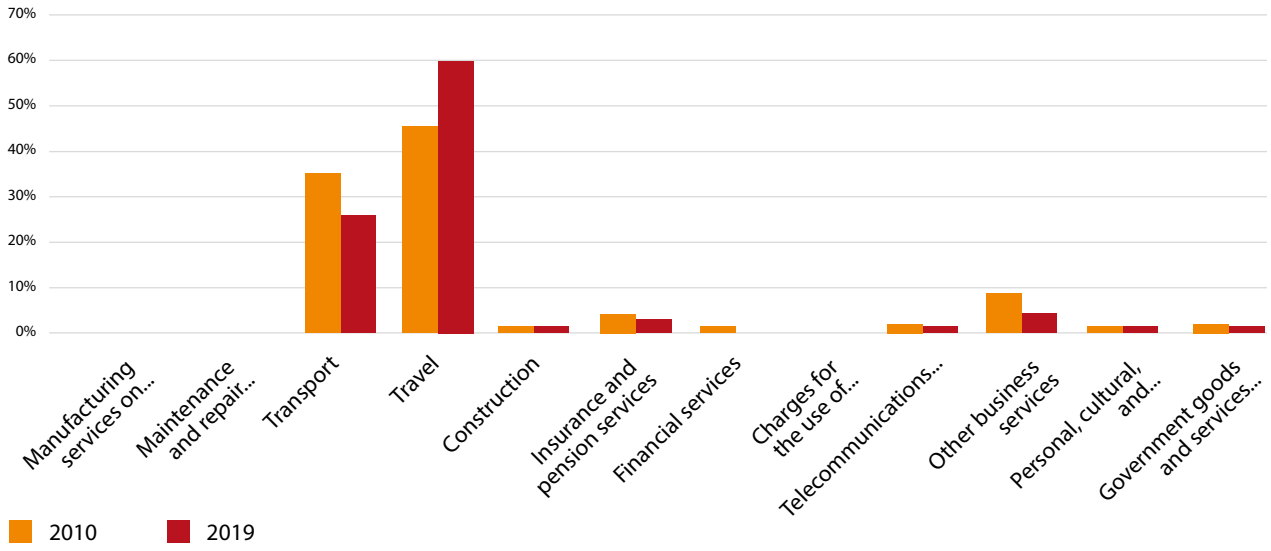
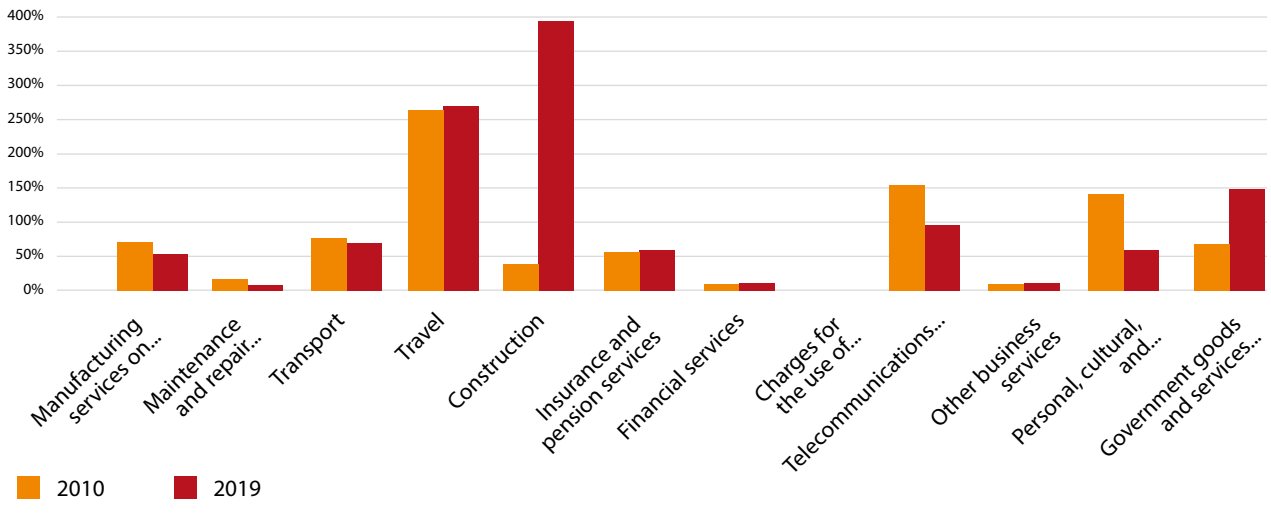


Figure 11 shows the revealed comparative advantage index for Armenia exports for 2010 and 2019. An index of greater than 100% reveals Armenia has a higher proportion of exports (or a comparative advantage) compared with the rest of the world. Figure 11 indicates Armenia has the highest comparative advantage in construction services and travel in 2019. The largest increase between 2010 and 2019 is for construction services.

Again, if 2020 rather than 2019 is analysed, a rise in Armenia's comparative advantage in telecom, computer and information services is observed.

FIGURE 11: REVEALED COMPARATIVE ADVANTAGE INDEX (2010-2019)

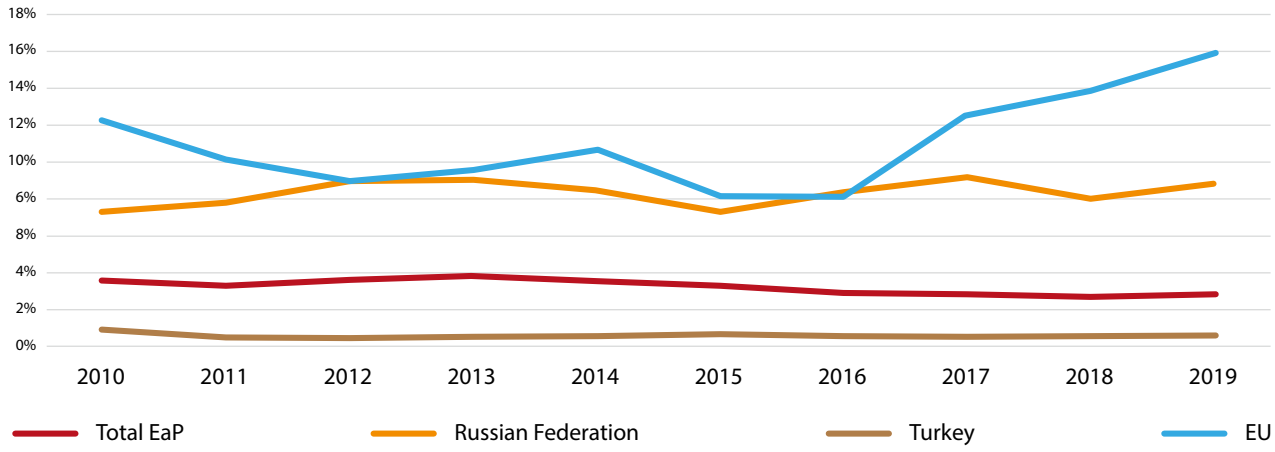


Trade in services by partner country

Partner country breakdowns of trade in services are not yet disseminated by Armenia, so the data for this section are sourced from counterpart data disseminated by the WTO and Eurostat.

Figure 12 presents the trade concentration index, or the total share of the major partner countries in total exports between 2010 and 2019.[28]

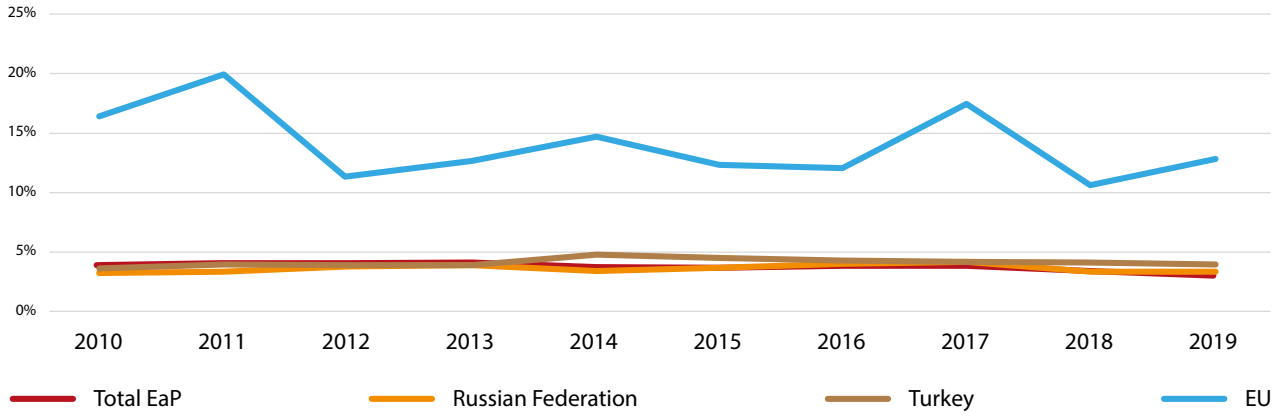
FIGURE 12: TRADE CONCENTRATION INDEX: EXPORTS (2010-2019)



This figure indicates that of the major partners for which data are available (total Eastern Partnership countries, Russia, Turkey and the EU), the EU is Armenia's largest export destination, followed by Russia. In the last year for which partner country data are available (2019), the EU accounted for 16% of Armenia's service exports, up from 8% in 2016.

Similarly, on the imports side, the EU is the most important partner accounting for 13% of total Armenian imports in 2019, down from 16% in 2010.

FIGURE 13: TRADE CONCENTRATION INDEX: IMPORTS (2010-2019)



(28) Partner country data are sourced from WTO and Eurostat source data.

Trade in services by Mode of Supply

Mode of supply estimates are derived by allocating trade in services component data according to the enhanced simplified allocation of balance of payments to modes as developed by Eurostat and based on Table V.2 of MSITS. Exports and imports for 2020 by mode of supply are presented in Table 2 in the Section Annex.[29]

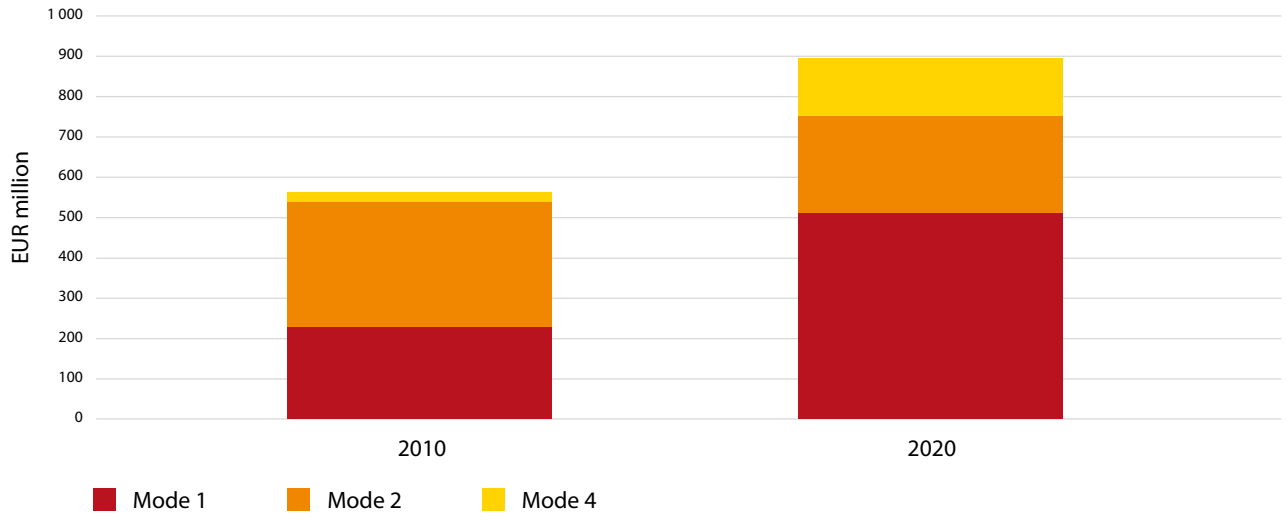
In 2020, Mode 1 (cross-border supply of services) was the most important mode of supply for both exports and imports. For Transportation and telecommunications, computer and information services are mostly supplied via Mode 1. The growth in telecom, computer and information services between 2010 and 2020 contributes to the increased supply of services via Mode 1.

For mode 2, travel and manufacturing services are most significant. The decline in Mode 2 between 2010 and 2020 results from the collapse in travel exports during the pandemic.

Mode 4 is the least important mode of supply, apart from construction services, although some telecom, computer and information services are also assumed to be delivered through the presence of natural persons.

Figure 14 compares the allocation of exports by mode of supply in both 2010 and 2020. This illustrates the increasing importance of both modes 1 (cross-border supply of services) and mode 4 (presence of natural persons), offset by lower travel exports via mode 2 (consumption abroad) in 2020. The rise in mode 4 is primarily due to a rise in exports of construction services by Armenian construction companies temporarily abroad. The rise in mode 1 is due to increased exports of transport and telecom, computer and information services.

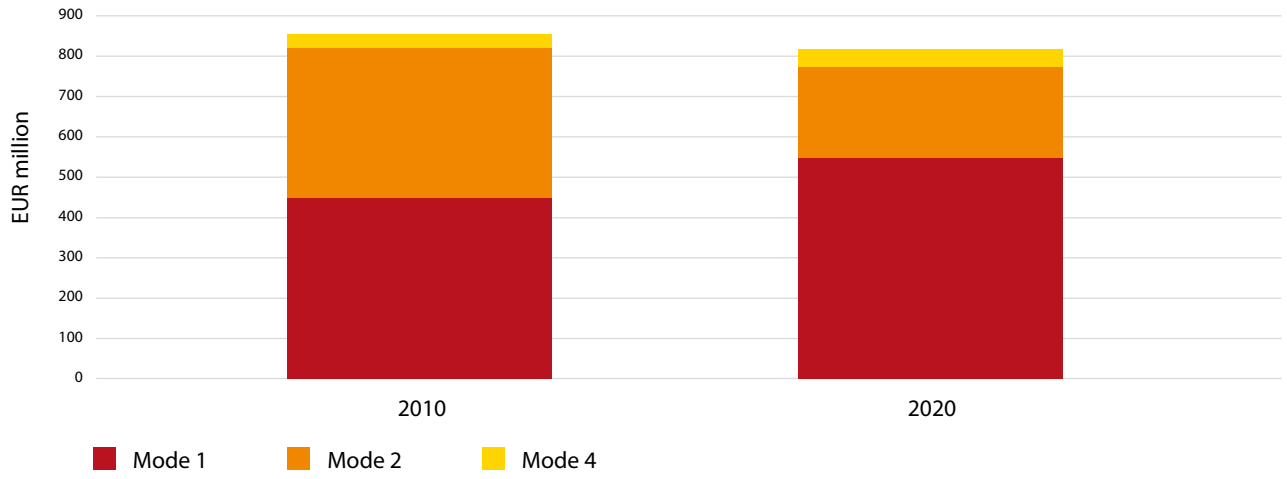
FIGURE 14: MODE OF SUPPLY: EXPORTS (2010-2020)



(29) Totals are different to trade in services totals as any goods that are included in the travel, construction and government services are excluded from the mode of supply analysis.

Figure 15 presents the change in mode of supply between 2010 and 2020 for imports. The decline in imports via mode 2 can again largely be explained by the fall in travel abroad in 2020.

FIGURE 15: MODE OF SUPPLY: IMPORTS (2010-2020)



Inward FATS

Currently Armenia does not compile inward FATS data, although counterpart information can be derived from Eurostat's dissemination of outward FATS from the EU to Armenia. Table 3 (in the Annex) presents available data which is currently only disseminated for 2013-2017. This indicates that in the latest year for which data are available (2017), EU Member States had controlling investments in 44 Armenian enterprises, employing more than 5000 staff and with turnover of EUR 153 million. Somewhat counterintuitively, while the number of EU-controlled enterprises and numbers employed in those enterprises has increased, the overall turnover has declined, suggesting falling productivity of EU-controlled enterprises in Armenia.

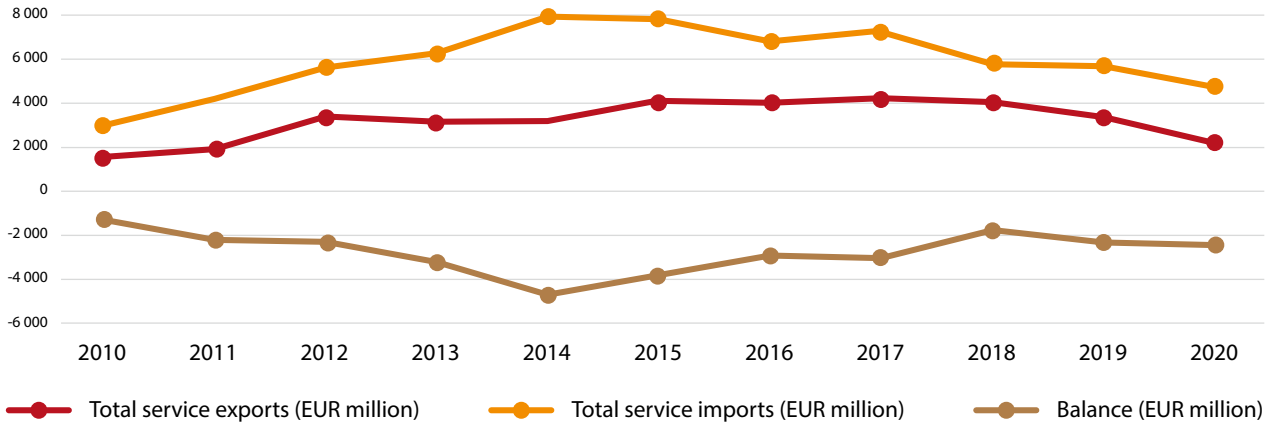
Azerbaijan

Trade in services totals

Azerbaijan has recorded a deficit on its trade in services in every year since 2010, peaking at EUR 6.1 billion in 2014; the deficit has narrowed since then to under EUR 2.5 billion.[30] Imports of services also peaked in 2014, driven by increased expenditure on construction imports in particular. Since 2014, the fall in imports is again largely due to lower imports of construction services.

Exports grew by 116% between 2010 and 2019, largely due to strong growth in exports of travel services (up 242%). Exports grew from EUR 2.1 billion in 2010 to a peak of EUR 4.7 billion in 2018, before falling back to EUR 2.6 billion in 2020.

FIGURE 16: AZERBAIJAN EXPORTS AND IMPORTS OF SERVICES (2010-2020)



(30) See Annex 1 for details

Trade in services by component

Exports and imports by services component from 2010 are summarised in Table 1, with the breakdown in 2019 shown in Figures 17 and 18. 2019 is chosen as it is not affected by the distorting impact of COVID.

Exports of transport (SC), travel (SD) and other business services (SJ) account for more than 80% of total services exports in every year since 2010. For imports, construction (SE) is also significant, although it has dropped back in importance since peaking in 2014.

FIGURE 17: AZERBAIJAN EXPORTS OF SERVICES BY COMPONENT (2019)

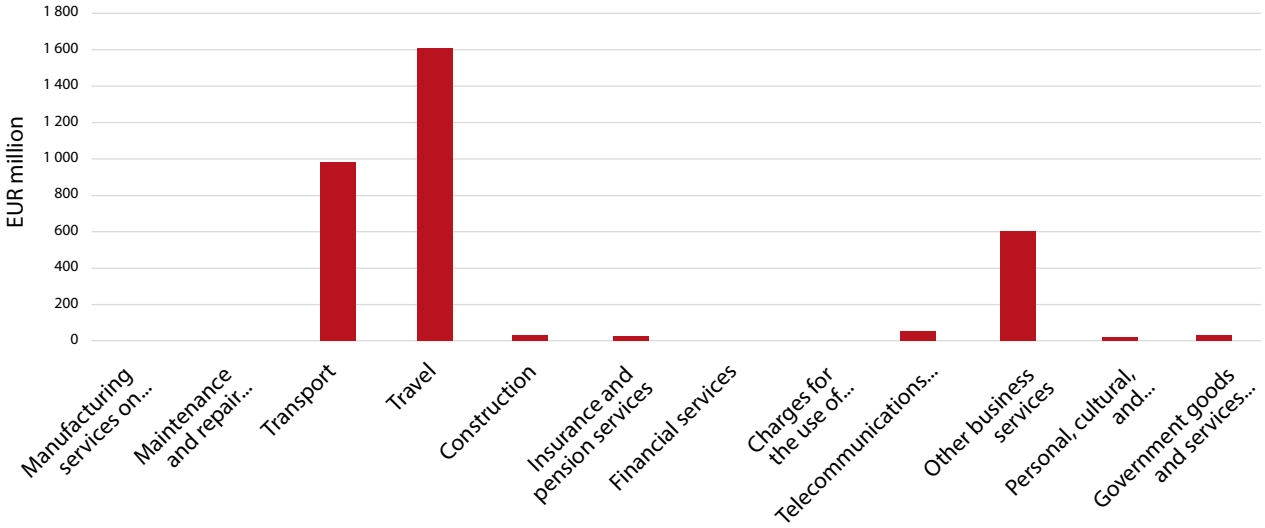
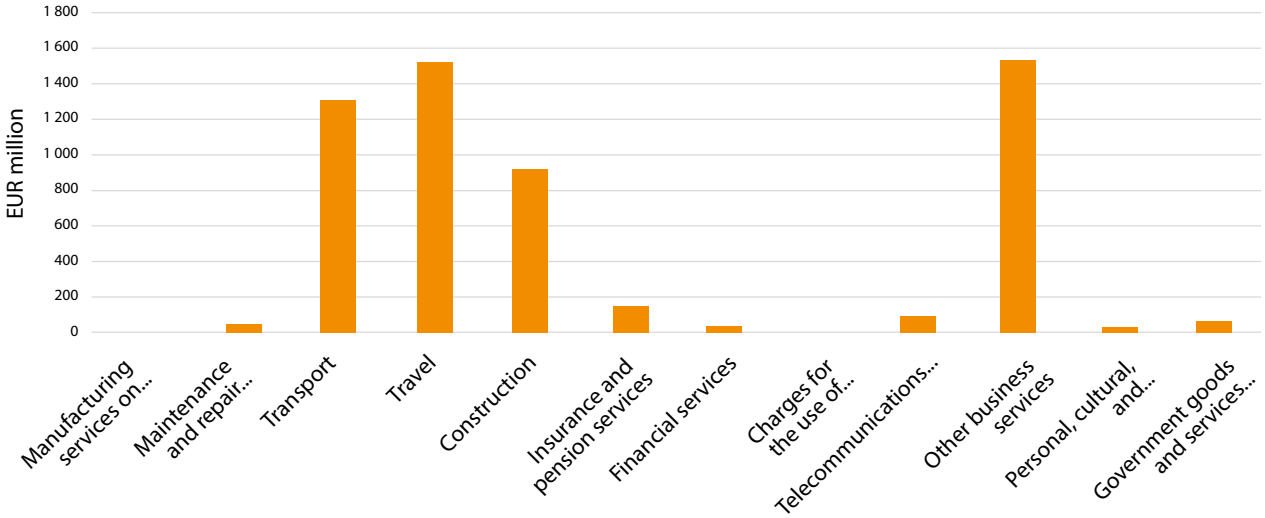
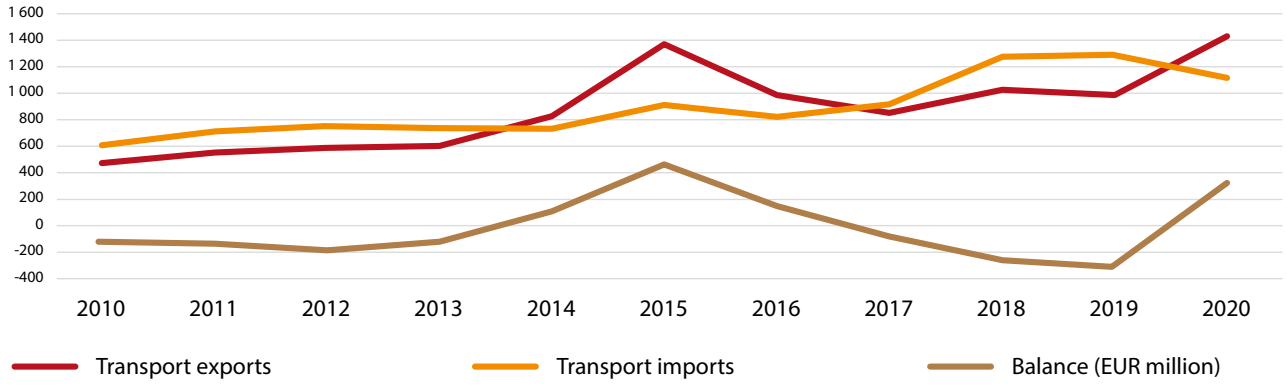


FIGURE 18: AZERBAIJAN IMPORTS OF SERVICES BY COMPONENT (2019)



Figures 19-22 present the exports and imports data for Azerbaijan's most important service categories – transportation, travel, construction and other business services.

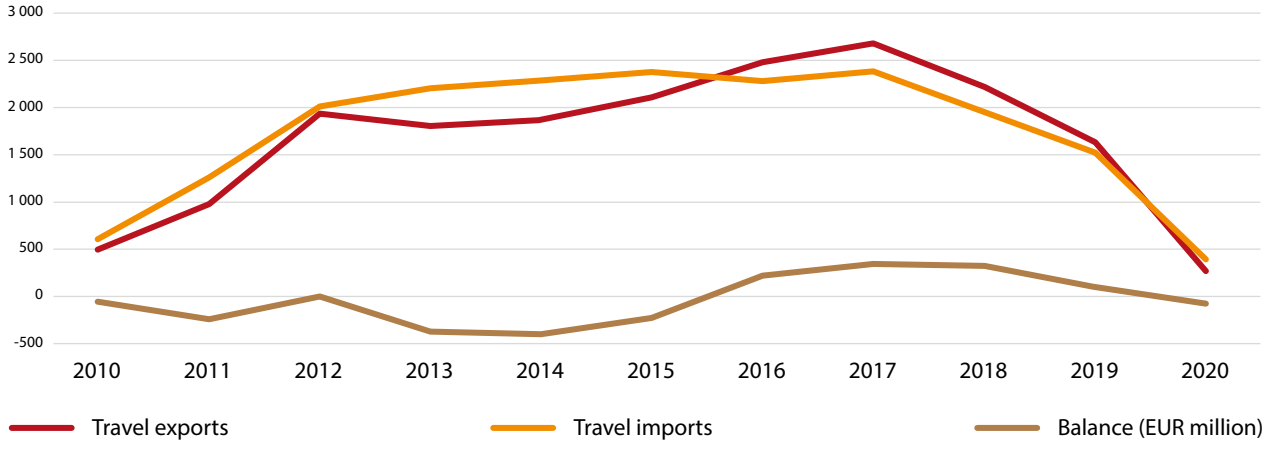
FIGURE 19: TRANSPORTATION SERVICES (2010-2020)



Transport services are broadly in balance between 2010 and 2020, moving into surplus in 2020 due to a rise in exports.

Travel services are also broadly in balance although both exports and imports show sharp declines since 2017.

FIGURE 20: TRAVEL SERVICES (2010-2020)



As previously mentioned, Azerbaijan's largest deficits are in construction and other business services, with deficits recorded in every year since 2010. Imports of construction services have fallen from EUR 3.2 billion in 2015 to less than EUR 1.0 billion in 2019, largely due to lower construction within the oil and gas sector.

FIGURE 21: CONSTRUCTION SERVICES (2010-2020)

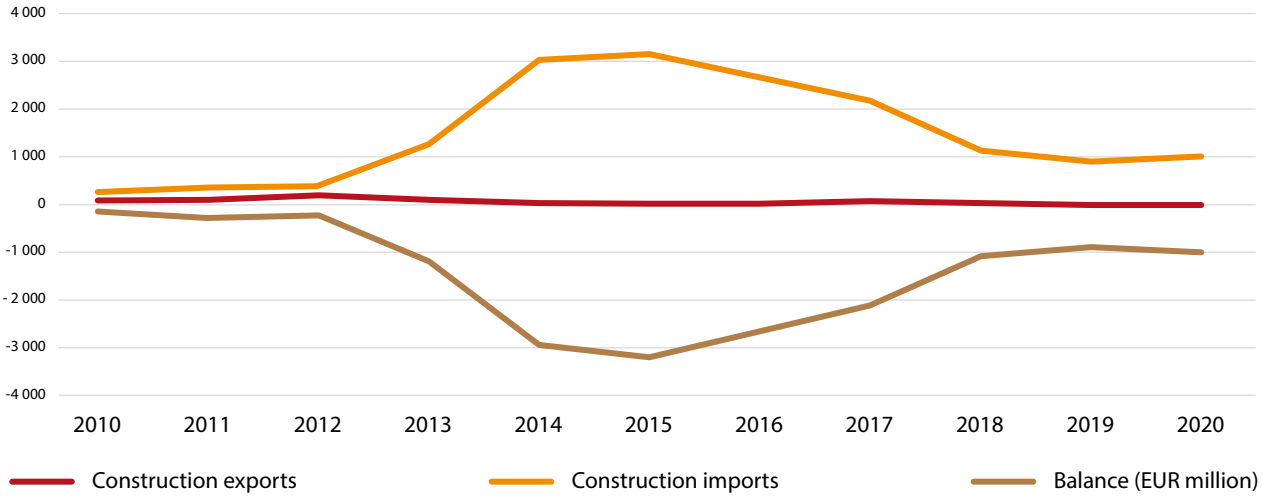


FIGURE 22: OTHER BUSINESS SERVICES (2010-2020)

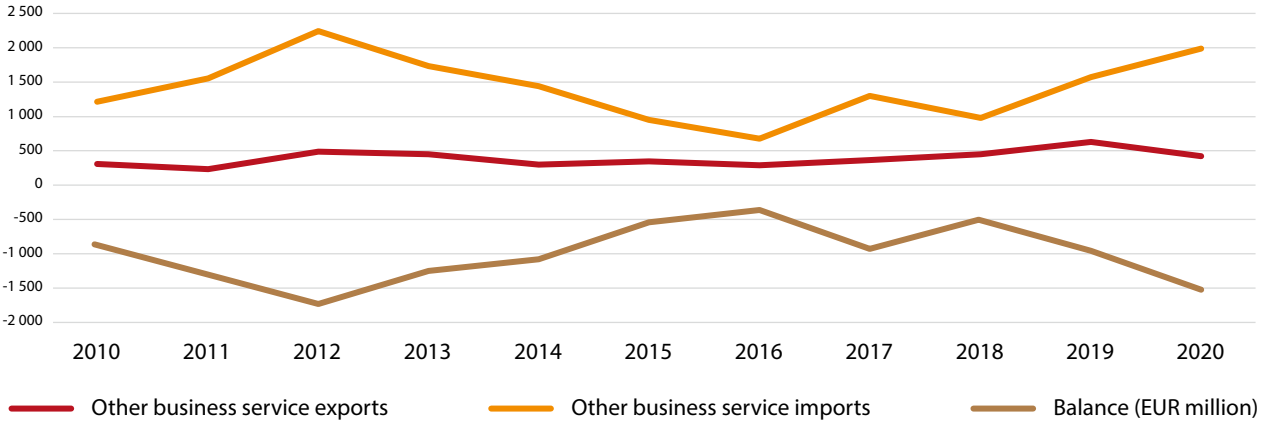
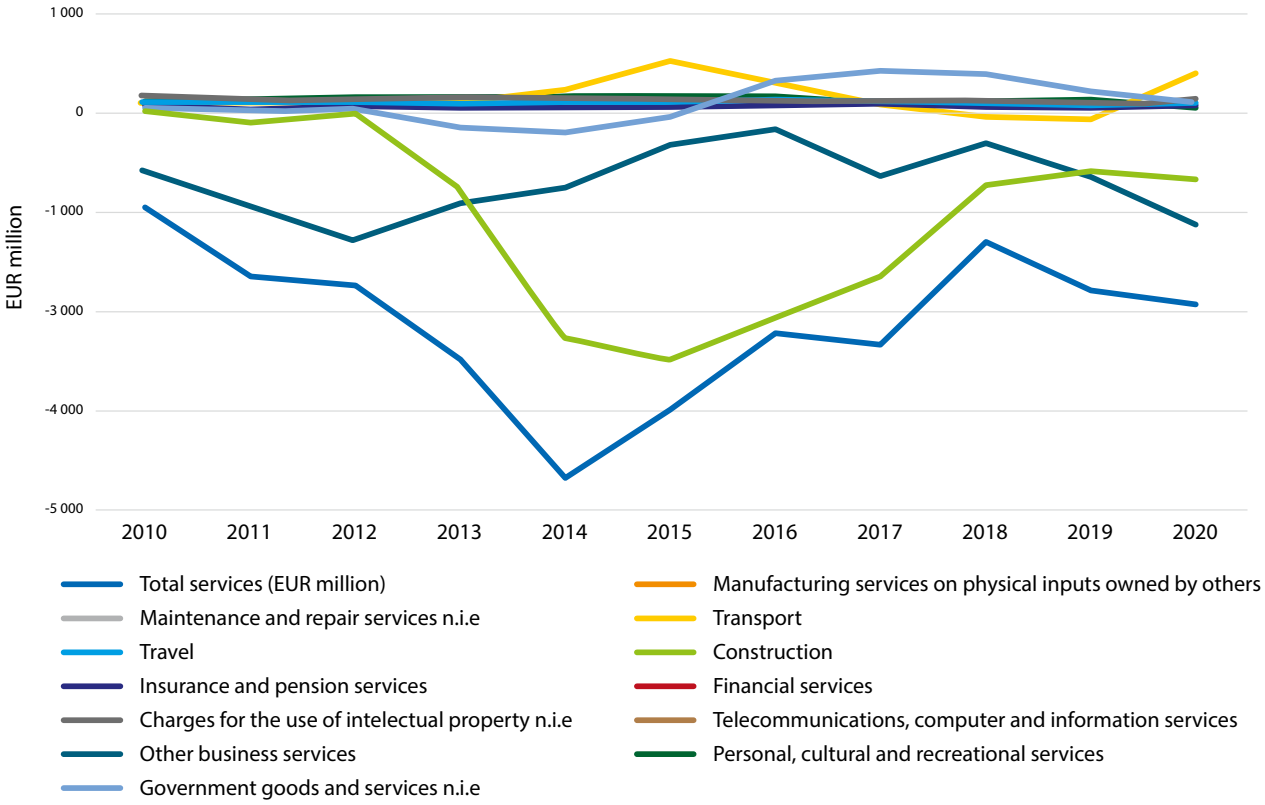


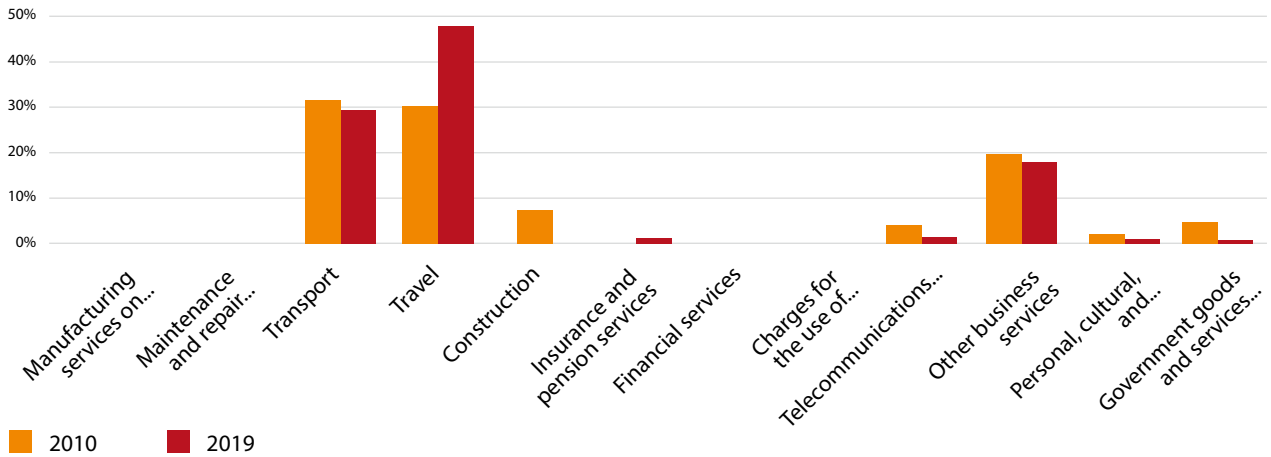
Figure 23 presents the balances in Azerbaijan's exports and imports for each of the 12-main service categories from 2010-2020. This illustrates the consistent surpluses for construction and telecommunication, computer and information services, broadly offset by a consistent transportation deficit. Most other components are close to balance.

FIGURE 23: ANNUAL BALANCES BY TRADE IN SERVICES COMPONENT (2010-2020)



Figures 24 and 25 show the trade specialisation index for Azerbaijan exports and imports for 2010 and 2019.

FIGURE 24: TRADE SPECIALISATION INDEX: EXPORTS (2010-2019)



The exports figure shows relatively minor changes apart from increased specialisation in travel services between 2010 and 2019. On the imports side there is an increase in the specialisation of transport, travel and construction offset by a decline in the relative importance of other business services (from from 42% of total services in 2010 to 27% in 2019 (although it remains the largest import component).

FIGURE 25: TRADE SPECIALISATION INDEX: IMPORTS (2010-2019)

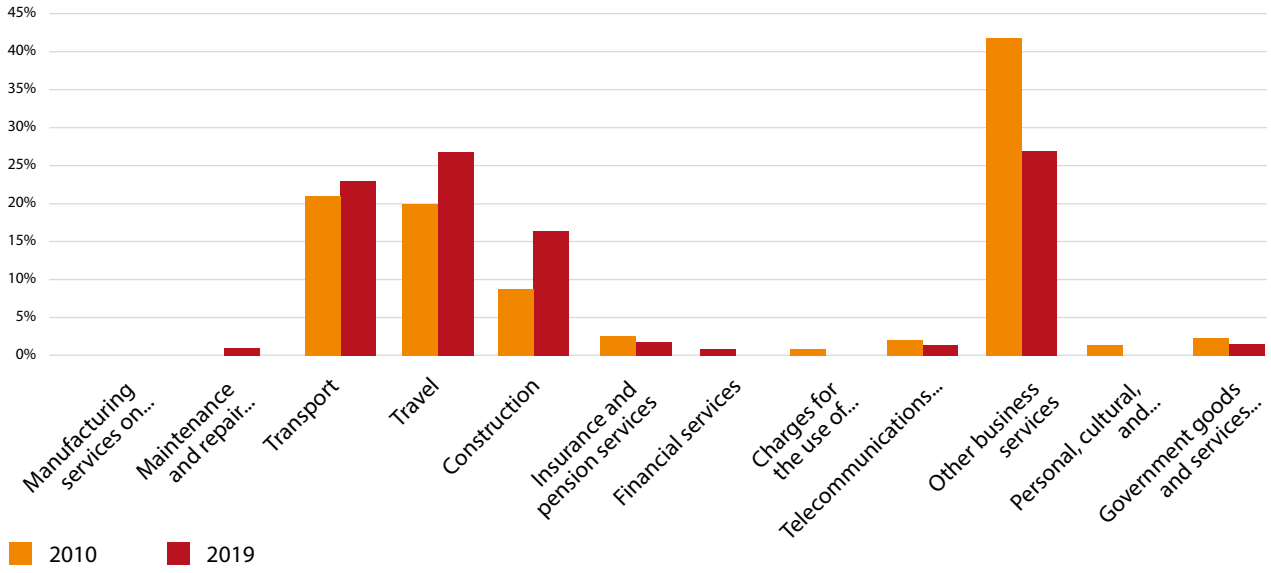
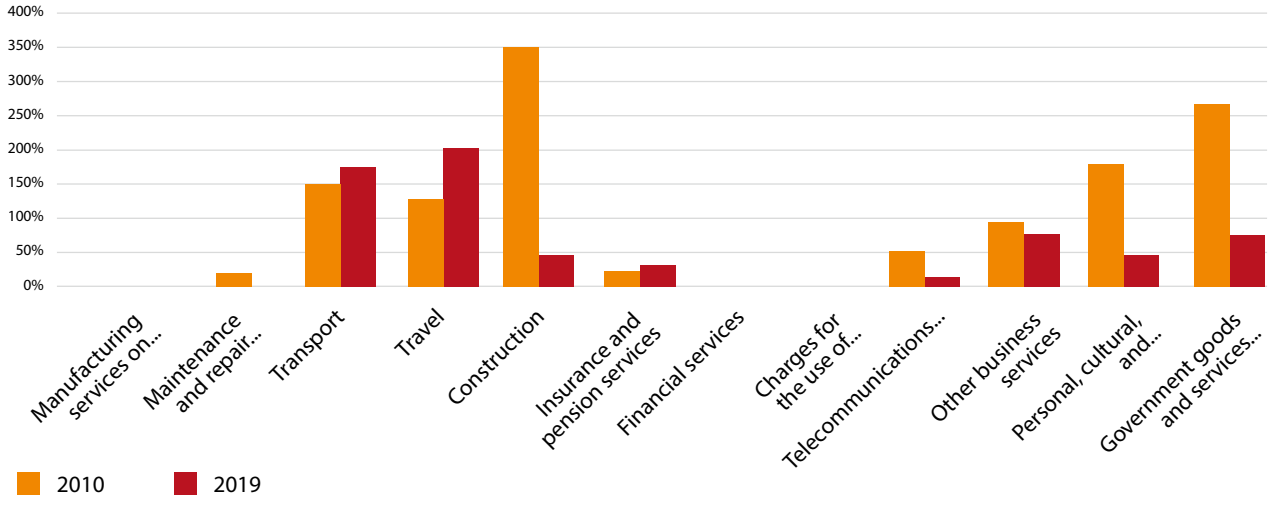


Figure 26 shows the revealed comparative advantage index for Azerbaijan exports for 2010 and 2019. An index of greater than 100% reveals Azerbaijan has a higher proportion of exports (or a comparative advantage) compared with the rest of the world. Figure 26 indicates that Azerbaijan has the highest comparative advantage in transport and travel in 2019, while constructions shows the largest decline between 2010 and 2019.

FIGURE 26: REVEALED COMPARATIVE ADVANTAGE INDEX (2010-2019)

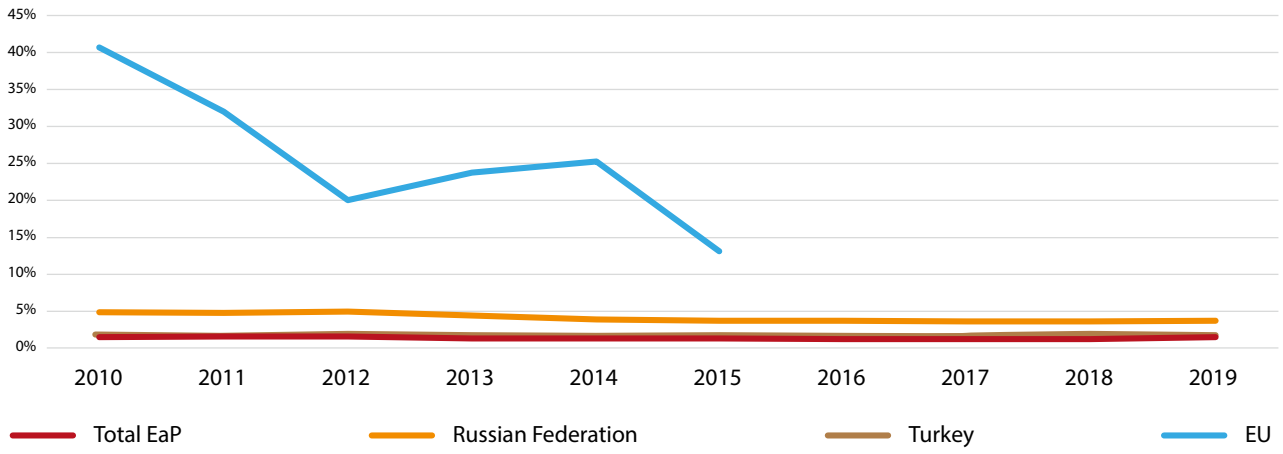


Trade in services by partner country

Partner country breakdowns of trade in services are not yet disseminated by Azerbaijan, so the data for this section are sourced from counterpart data disseminated by the WTO and Eurostat.[31]

Figure 27 presents the trade concentration index, or the total share of the major partner countries in total exports between 2010 and 2019. This figure indicates that of the major partners for which data are available (total Eastern Partnership countries, Russia, Turkey and the EU), the EU is Azerbaijan's largest export destination, although declining to only 13 % in 2015, the last year data are available.

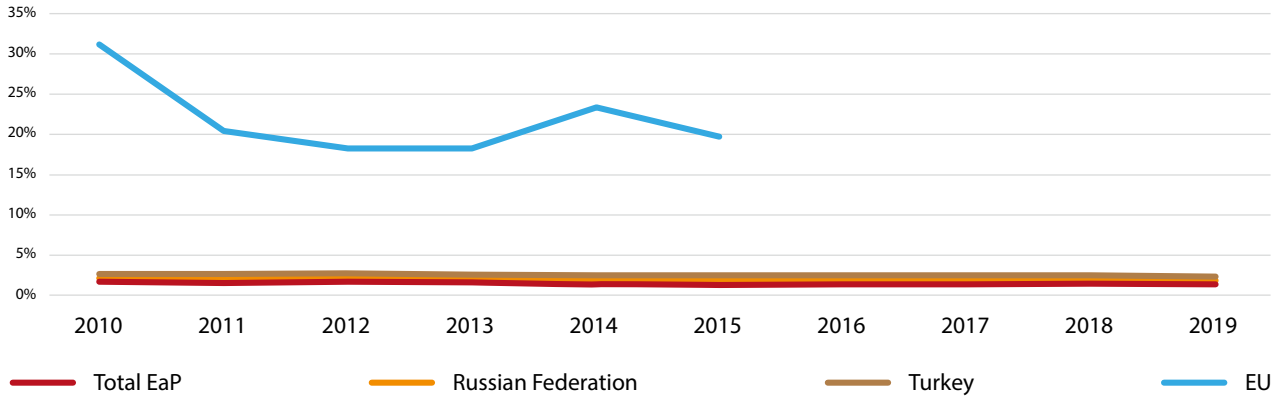
FIGURE 27: TRADE CONCENTRATION INDEX: EXPORTS (2010-2019)



Similarly on the imports side, the EU is the most important partner accounting for 20% of total Azerbaijan imports in 2015, down from 31% in 2010.

Services trade with other Eastern Partnership countries, Turkey and Russia are relatively minor.

FIGURE 28: TRADE CONCENTRATION INDEX: IMPORTS (2010-2019)



(31) Eurostat data are only available from 2010-2015.

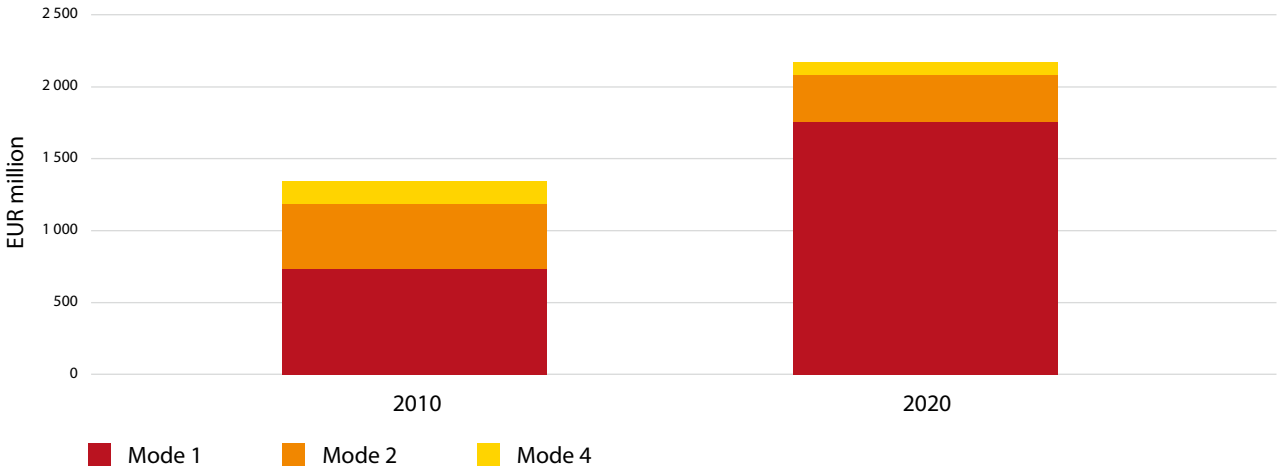
Trade in services by Mode of Supply

Mode of supply estimates are derived by allocating trade in services component data according to the enhanced simplified allocation of balance of payments to modes as developed by Eurostat and based on Table V.2 of MSITS.

Exports and imports for 2020 by mode of supply are presented in Table 2 in the Annex.[32] In 2020, Mode 1 (cross-border supply of services) was the most important mode of supply for both exports and imports. Transportation, telecommunications, computer and information services are supplied via mode 1. Mode 2 transactions mostly consist of transactions in travel and transport services. Mode 4 is the least important mode of supply for Azerbaijan services exports and was also the least important mode for imports in 2010, apart from construction and some categories of other business services. It has however become the second most important mode of supply for Azeri imports of services in 2020. Mode 4 is mostly used in construction and some categories of other business services.

Figures 29 and 30 compare the allocation of exports and imports of services by mode of supply in both 2010 and 2020. Figure 29 illustrates the increasing importance of mode 1 (cross-border supply of services), with declining importance of modes 2 (consumption abroad) and mode 4 (presence of natural persons) in 2020 compared with 2010. The rise in mode 1 is due to increased exports of transport services between 2010 and 2020, while the decline in mode 2 is largely due to lower travel exports in 2020 compared with 2010.

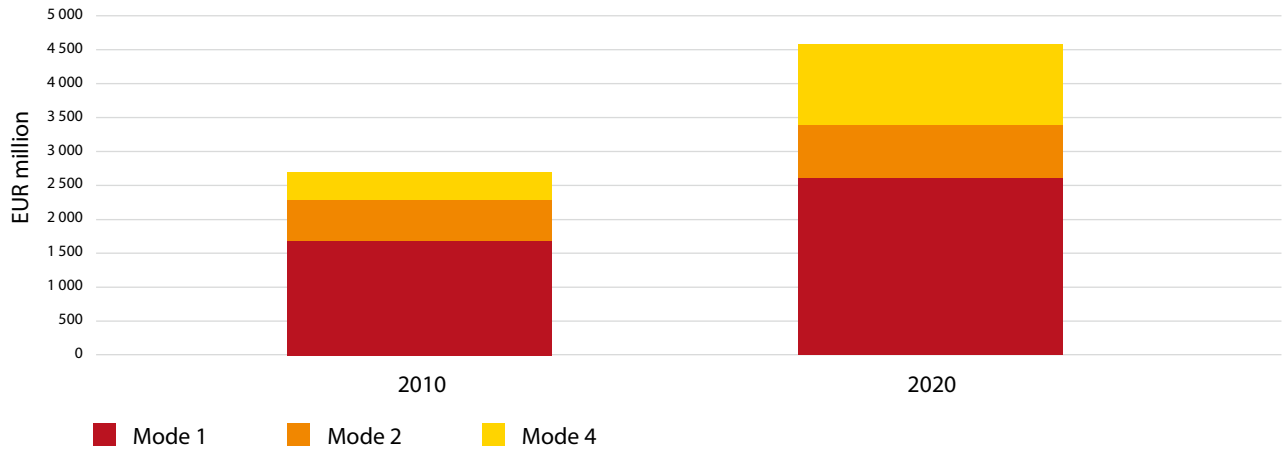
FIGURE 29: MODE OF SUPPLY: EXPORTS (2010-2020)



(32) Totals are different to trade in services totals as any goods that are included in the travel, construction and government services are excluded from the mode of supply analysis.

Figure 30 shows a sharp rise in imports supplied through mode 1 (other business services and transport) and mode 4 (construction and other business services) in particular. Rising imports of other business services between 2010 and 2020 are partly offset by lower imports of travel services supplied via Mode 2 due to the pandemic.

FIGURE 30: MODE OF SUPPLY: IMPORTS (2010-2020)



Inward FATS

Currently Azerbaijan does not compile inward FATS data, although counterpart information can be derived from Eurostat's dissemination of outward FATS data for 2013-2018 only – see Table 3 in the Annex. In 2018, EU Member States had controlling investments in 73 Azerbaijan enterprises, employing more than 4500 staff and with turnover of EUR 668 million. While data are limited, the turnover of Azerbaijan companies in which the EU has a controlling interest was declining in the most recent years for which data are available.

Georgia

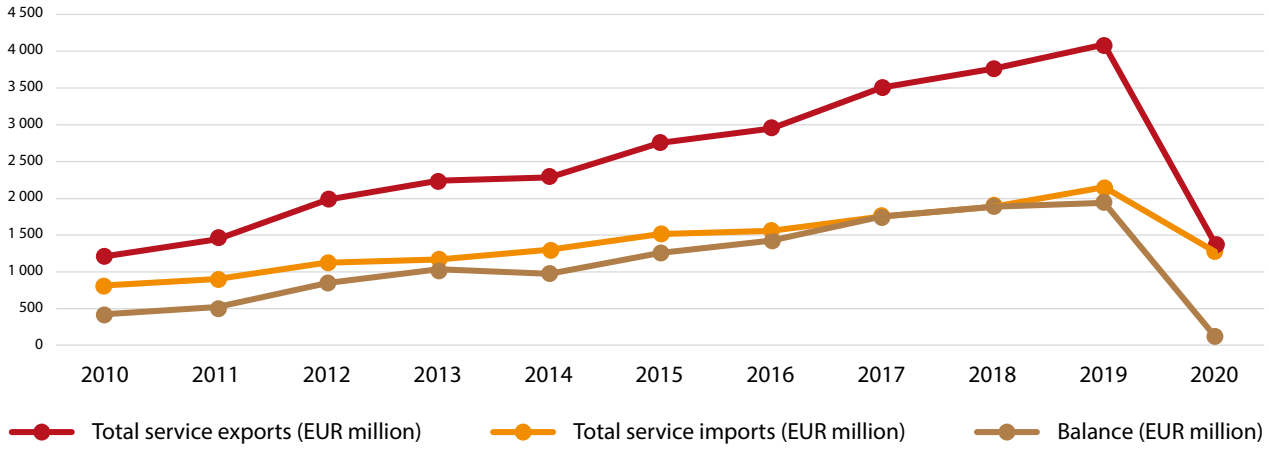
Trade in services totals

Georgia has recorded a trade in services surplus in every year since 2010, increasing from EUR 0.4 billion in 2010 to more than EUR 1.9 billion in 2019. Exports of services increased by over 300% between 2010 and 2019, driven by exceptional growth in travel exports – up by almost a factor of 6, to EUR 2.9 billion in 2019.

Strong growth in imports of services was also observed between 2010 and 2019, with travel and to a lesser extent, transport driving the overall growth in services. The growth in travel exports and imports reflects increased inbound and outbound visits to Georgia.

COVID severely reduced cross-border travel in 2020, with travel exports collapsing from EUR 2.9 billion in 2019 to less than EUR 0.5 billion in 2020. Similarly, imports of combined travel and transport services fell from EUR1.7 billion in 2019 to less than EUR 0.9 billion in 2020. Georgia's overall services surplus shrank to only EUR 0.1 billion in 2020, from EUR 1.9 billion the previous year.

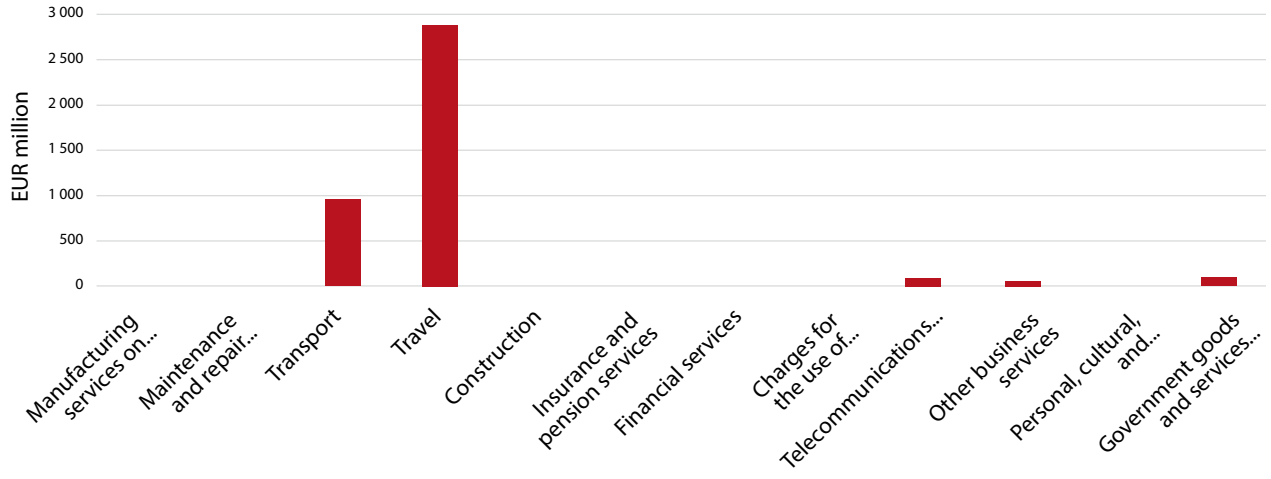
FIGURE 31: GEORGIA TOTAL EXPORTS AND IMPORTS OF SERVICES (2010-2020)



Trade in services by component

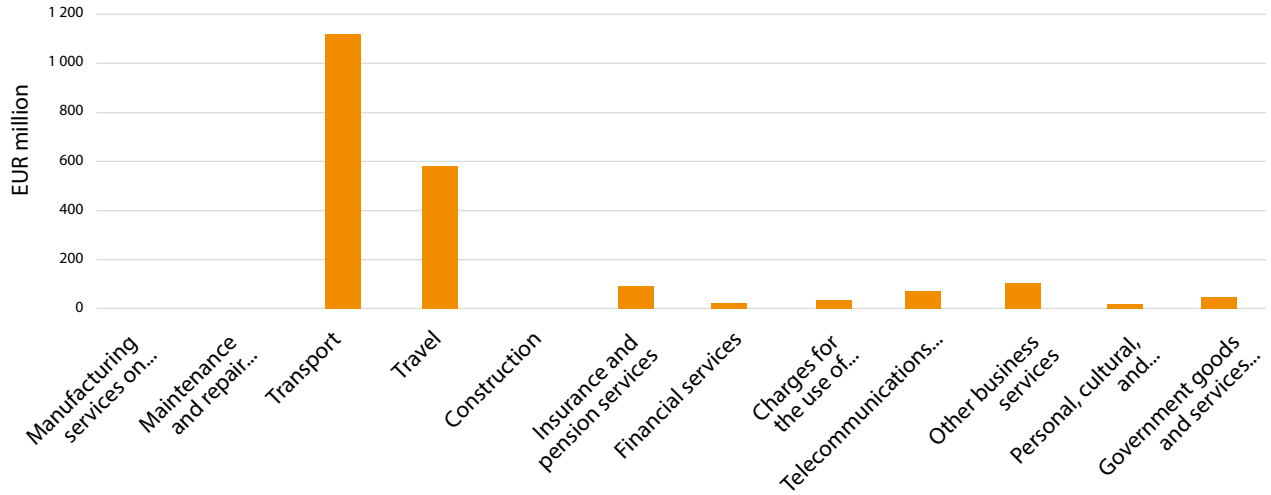
The component breakdown of Georgia's exports and imports of services for 2019 (Table 1) is summarised in Figures 32 and 33. 2019 is chosen as it is not affected by the distorting impact of COVID. These figures illustrate the dominance of travel and to a lesser extent, transport in Georgia's exports of services. Together, travel and transport account for more than 90% of service exports in 2019.

FIGURE 32: GEORGIA EXPORTS OF SERVICES BY COMPONENT: 2019



On the imports side, travel and transport account for around 80% of service imports, with other business services accounting for around 5% of the total in 2019.

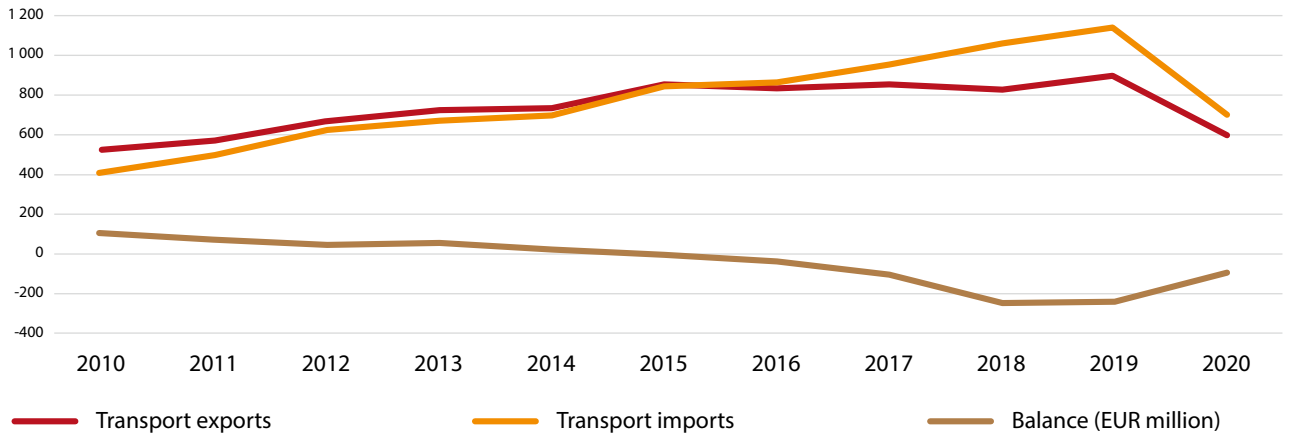
FIGURE 33: GEORGIA IMPORTS OF SERVICES BY COMPONENT: 2019



Figures 34 to 37 present the exports and imports data for Georgia's most important components – transportation, travel, telecommunication, computer and information services and other business services.

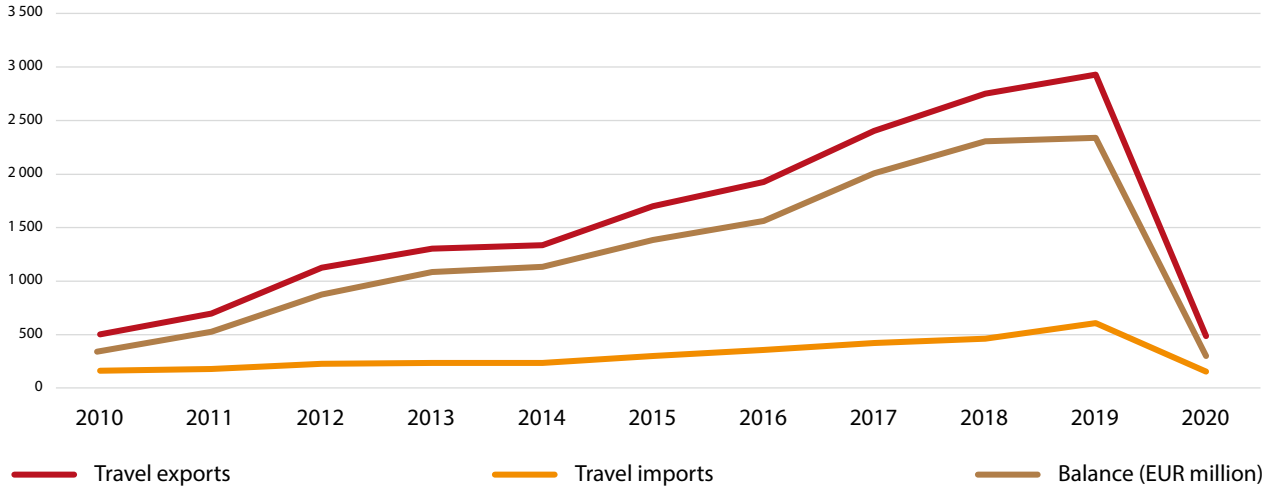
Georgia recorded a small surplus on transportation services until 2014, since when the account has moved into deficit. Increased imports of air and other transport services has driven this change. Sharp falls in both exports and imports of transport services are observed in 2020 due to the pandemic and its impact on passenger transport in particular.

FIGURE 34: TRANSPORTATION SERVICES (2010-2020)



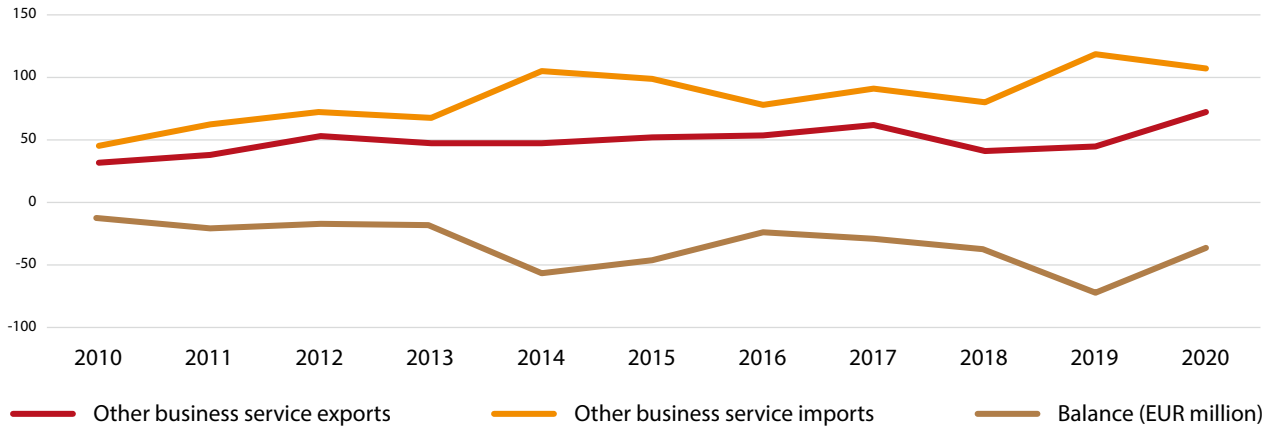
Exports and imports of travel services both grew strongly between 2010 and 2019, with the travel balance increasing to EUR 2.3 billion in 2019, before collapsing to EUR 0.3 billion in 2020.

FIGURE 35: TRAVEL SERVICES (2010-2020)



Georgia has also recorded a small, but consistent deficit in the other business services account, primarily due to growth in imports of technical, trade related and other business services.

FIGURE 36: OTHER BUSINESS SERVICES (2010-2020)



In contrast, Georgia has recorded a small surplus in telecom, computer and information services in every year since 2010.

FIGURE 37: TELECOMMUNICATION, COMPUTER AND INFORMATION SERVICES (2010-2020)

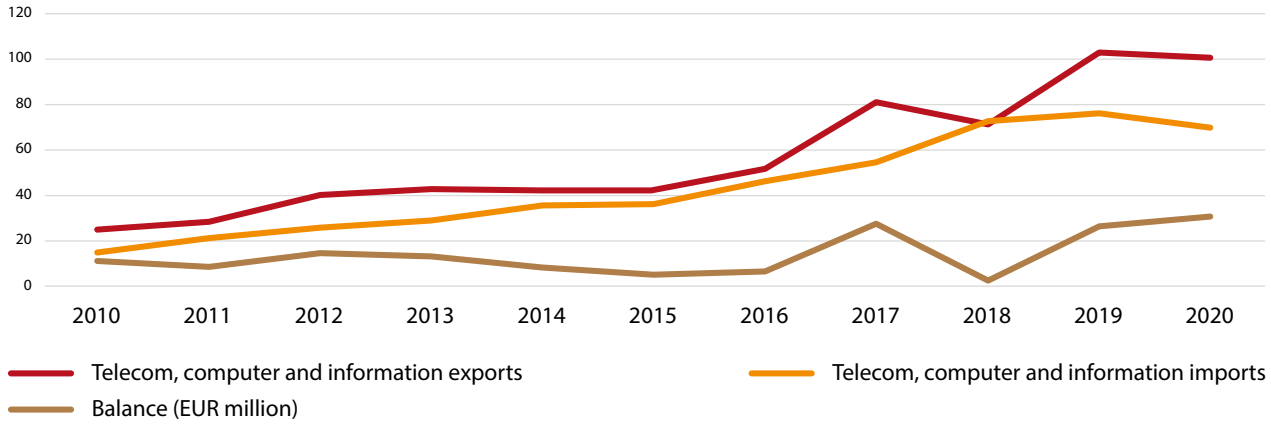
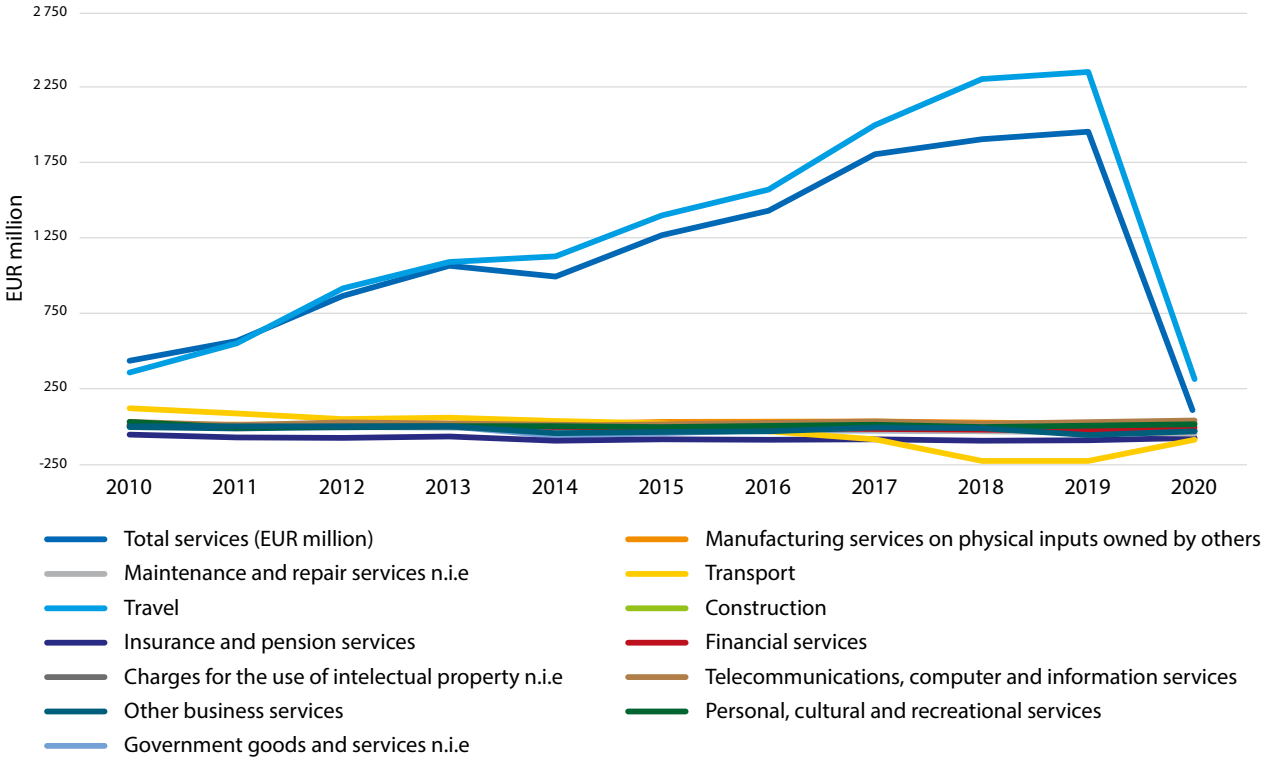


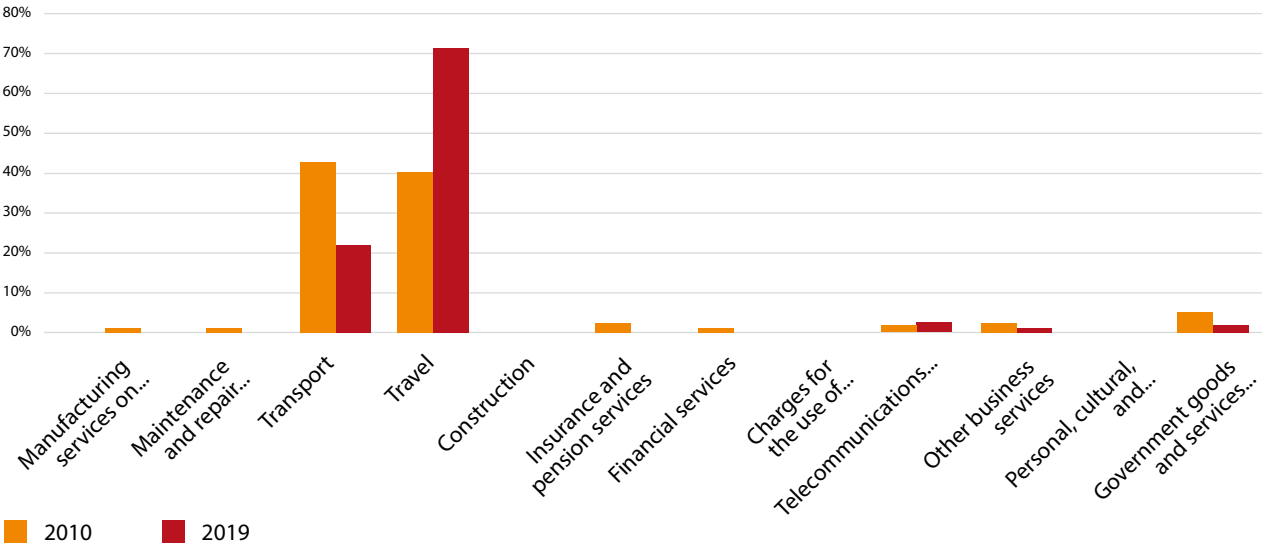
Figure 38 presents the balances in Georgia's exports and imports for each of the 12-main service categories from 2010-2020. This illustrates the dominance of the travel account on the overall balance on trade in services transactions. In comparison, all other accounts are broadly close to balance.

FIGURE 38: ANNUAL BALANCES BY TRADE IN SERVICES COMPONENT (2010-2020)



Figures 39 and 40 show the trade specialisation index for Georgia exports and imports between 2010 and 2019. 2019 rather than 2020 is chosen to avoid distortions due to the pandemic.

FIGURE 39: TRADE SPECIALISATION INDEX: EXPORTS (2010-2019)



The exports figure shows the rapid increase in Georgia's specialisation in travel services between 2010 and 2019, indicating the impact of the pandemic in 2020. In contrast, Georgia's specialisation in transport services has shown a significant fall between 2010 and 2019. All other accounts are relatively insignificant.

On the imports side there is again an increase in the travel component, reflecting increased travel abroad by Georgian residents, although transport remains the dominant component on the imports side. Again, all other components are relatively minor in comparison.

FIGURE 40: TRADE SPECIALISATION INDEX: IMPORTS (2010-2019)

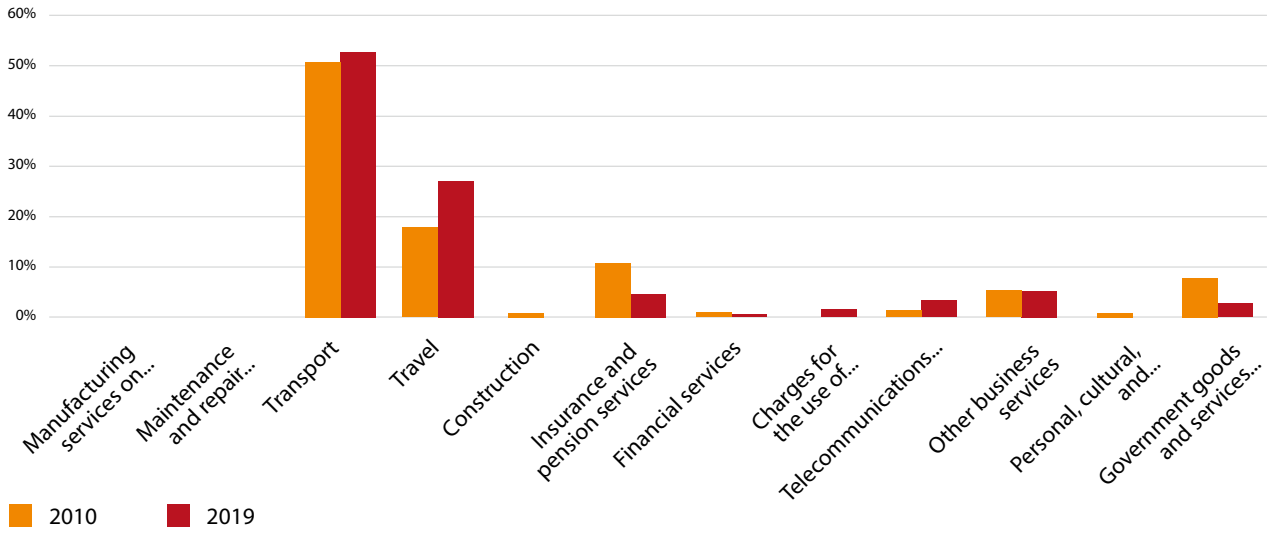
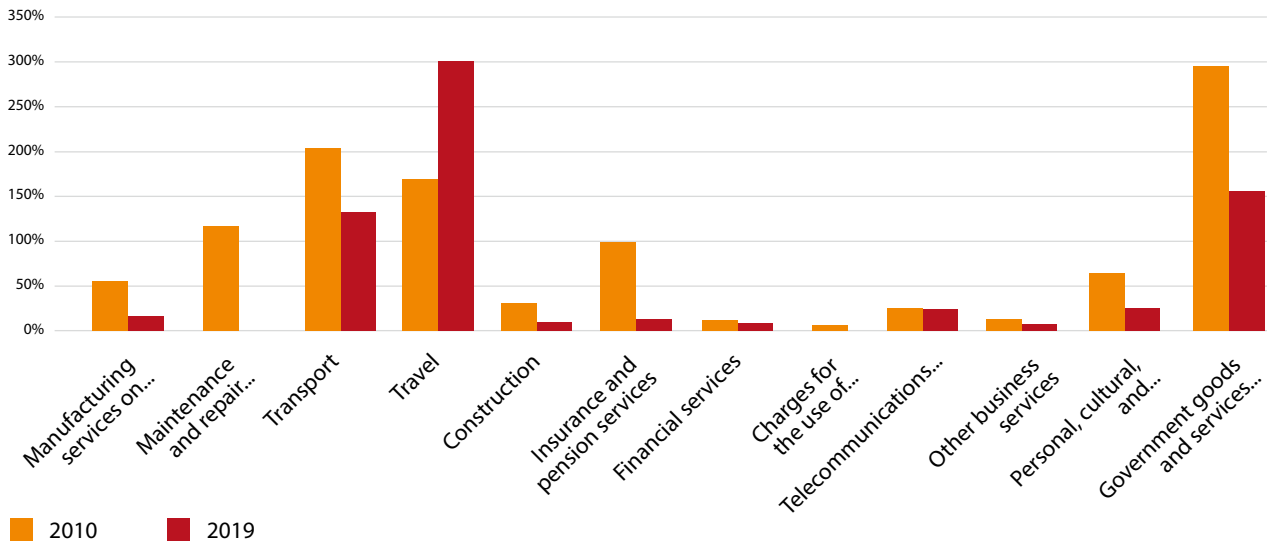


Figure 41 shows the revealed comparative advantage index for Georgia exports for 2010 and 2020. An index of greater than 100% reveals Georgia has a higher proportion of exports (or a comparative advantage) compared with the rest of the world. Figure 41 indicates Georgia has the highest comparative advantage in travel services in 2019, with this component also showing the largest increase between 2010 and 2019. Georgia also has a comparative advantage in transport and insurance and pension services in 2019, although both have declined somewhat since 2010.

FIGURE 41: REVEALED COMPARATIVE ADVANTAGE INDEX (2010-2019)

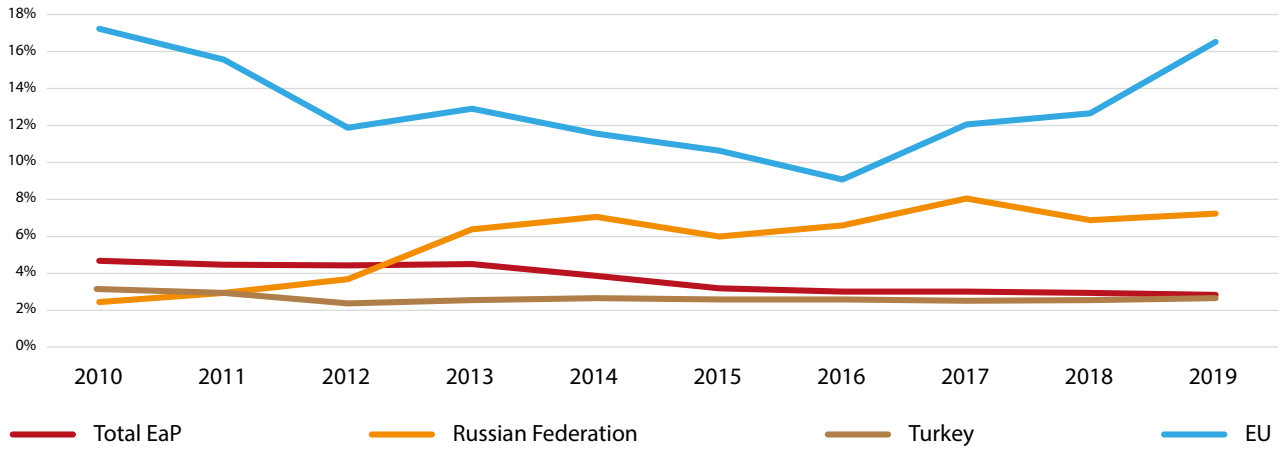


Trade in services by partner country

Partner country breakdowns of trade in services are not yet disseminated by Georgia, so the data for this section are sourced from counterpart data disseminated by the WTO and Eurostat.

Figure 42 presents the trade concentration index, or the total share of the major partner countries in total exports between 2010 and 2019.[33]

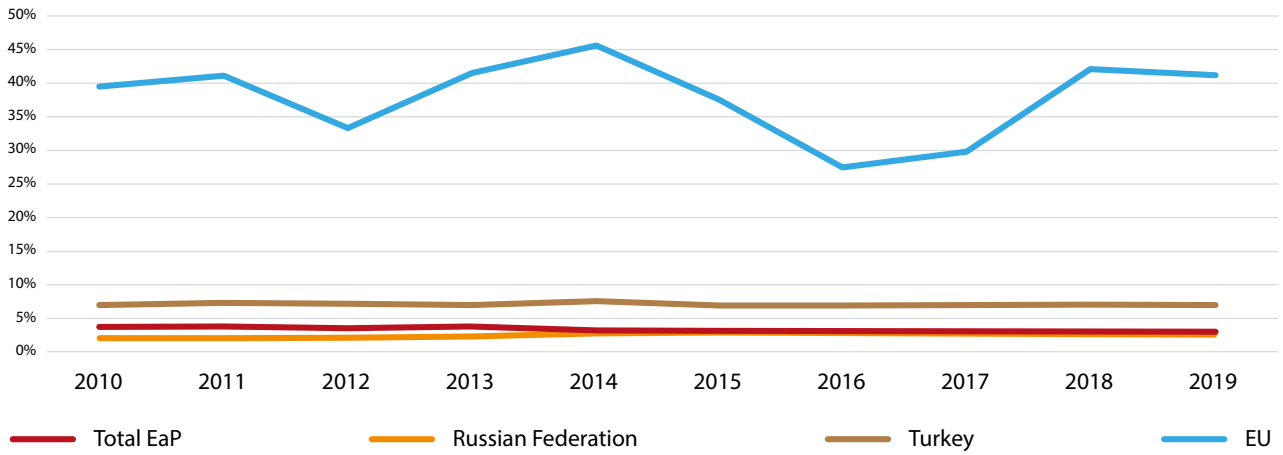
FIGURE 42: TRADE CONCENTRATION INDEX: EXPORTS (2010-2019)



This figure indicates that of the major partners for which data are available (total Eastern Partnership countries, Russia, Turkey and the EU), the EU is Georgia's largest export destination, with around 16% of Georgia's service exports destined for the EU, up from only 9% in 2016. Around 7% of exports went to Russia and only 3% to other EaP partners and Turkey in 2019.

Similarly on the imports side, the EU is the most important partner accounting for more than 40% of total Georgian imports in 2019, up from around 30% in 2017. Imports from Russia, EaP and Turkey together account for only 13% of total imports in 2019.

FIGURE 43: TRADE CONCENTRATION INDEX: IMPORTS (2010-2019)



(33) Partner country data are sourced from WTO and Eurostat source data.

Trade in services by Mode of Supply

Mode of supply estimates are derived by allocating trade in services component data according to the enhanced simplified allocation of balance of payments to modes as developed by Eurostat and based on Table V.2 of MSITS.

Exports and imports for 2020 by mode of supply are presented in Table 2 in the Annex.[34] In 2020, Mode 1 (cross-border supply of services) was the most important mode of supply for both exports and imports. For Transportation and telecommunications, computer and information services are mostly supplied via Mode 1.

For mode 2, travel and manufacturing services are most significant.

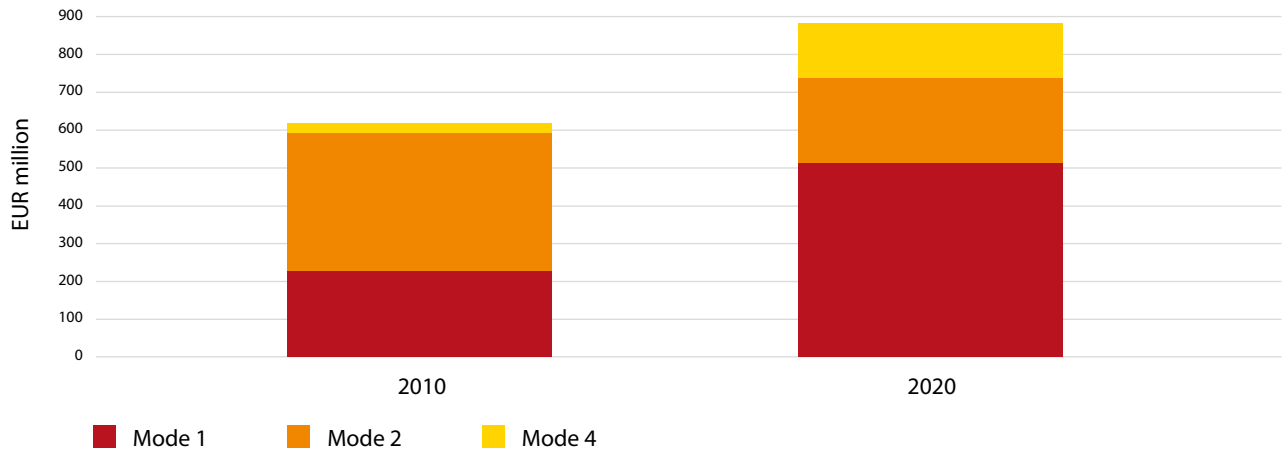
Mode 4 is the least important mode of supply, apart from construction services, although some telecom, computer and information services are also assumed to be delivered through the presence of natural persons.

Figure 44 compares the allocation of exports by mode of supply in both 2010 and 2020. This illustrates the increasing importance of both modes 1 (cross-border supply of services) and mode 4 (presence of natural persons), offset by lower travel exports via mode 2 (consumption abroad) in 2020.

The decline in Mode 2 between 2010 and 2020 results from the collapse in travel exports during the pandemic. In years other than 2020, mode 2 is more significant due to the increased exports of travel services.

The rise in mode 4 between 2010 and 2020 is primarily due to a rise in exports of construction services by Georgian construction companies temporarily abroad. The rise in mode 1 is due to increased exports of transport and telecom, computer and information services.

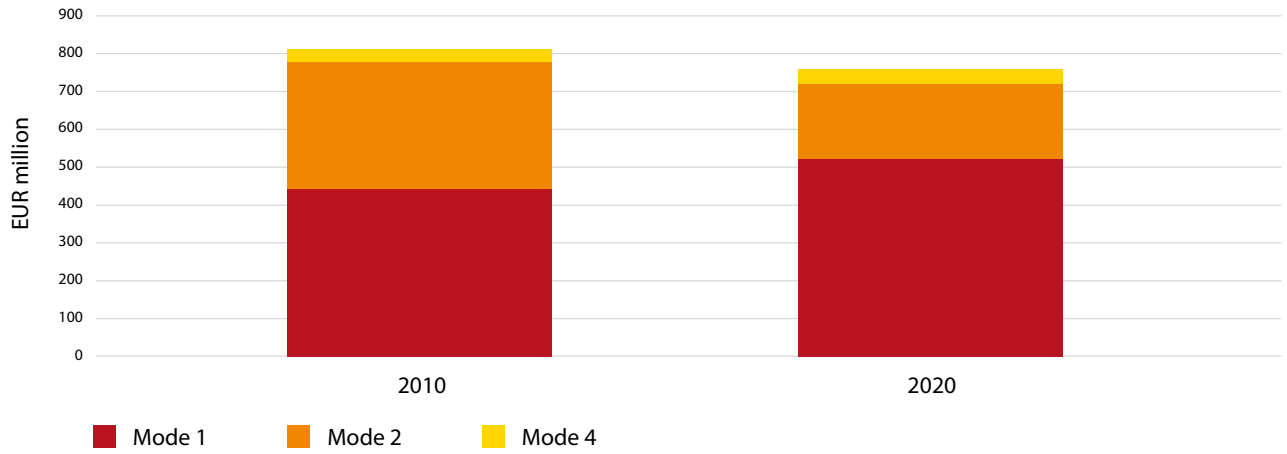
FIGURE 44: MODE OF SUPPLY: EXPORTS (2010-2020)



(34) Totals are different to trade in services totals as any goods that are included in the travel, construction and government services are excluded from the mode of supply analysis.

Figure 45 presents the change in mode of supply between 2010 and 2020 for imports. The decline in imports via mode 2 can again largely be explained by the fall in travel abroad in 2020.

FIGURE 45: MODE OF SUPPLY: IMPORTS (2010-2020)



Inward FATS

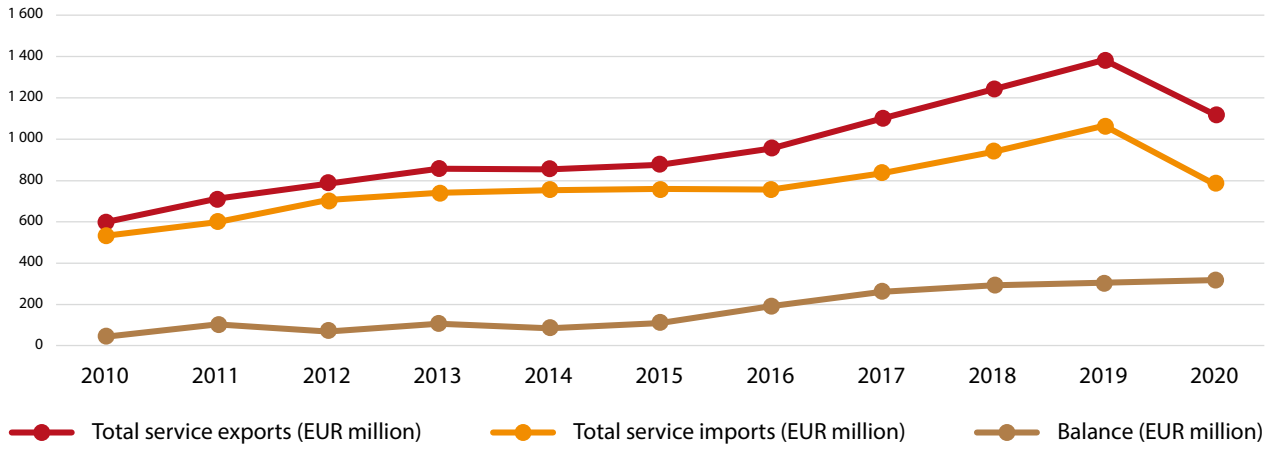
Currently Georgia does not compile inward FATS data, although counterpart information can be derived from Eurostat's dissemination of outward FATS from the EU to Georgia. Table 3 (in the Annex) presents available data, which is currently only disseminated for 2013-2018. This indicates that in the latest year for which data are available (2018), EU Member States had controlling investments in 119 Georgian enterprises, employing more than 12000 staff and with turnover of EUR 1.1 billion.

Moldova

Trade in services totals

While cross-border trade in services remain relatively small, Moldova has recorded an increasing trade in services surplus since 2010, reaching EUR 0.3 billion in 2020. In 2020, exports of EUR 1.1 billion compare with imports of EUR 0.8 billion, down from EUR 1.4 billion and EUR 1.1 billion respectively in pre-pandemic 2019. Exports and imports by services component from 2010 are summarised in Table 1.

FIGURE 46: MOLDOVA EXPORTS AND IMPORTS OF SERVICES (2010-2020)



Exports more than doubled between 2010 and 2019, largely due to strong growth in manufacturing services, transport, travel and telecom, computer and information services exports.

Imports grew slightly less strongly between 2010 and 2019, with strong growth in transport, travel and other business services.

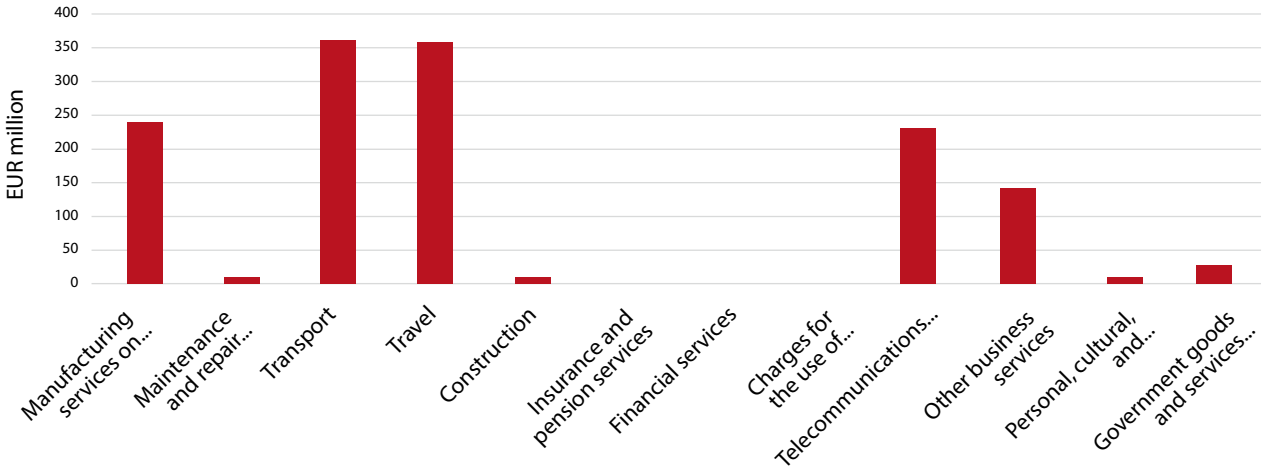
Both exports and imports of services fell sharply in 2020. Exports were down nearly 20% on the previous year, with notable declines in transport (-40%) and travel services (-22%). In contrast, telecom, computer and information services increased 15% in 2020. Imports fell by more than 25%, again due to sharp falls in transport (-29%), travel (-29%), but also other business services (-36%).

Trade in services by component

Exports and imports by services component for 2019 are shown in Figures 47 and 48.[35]

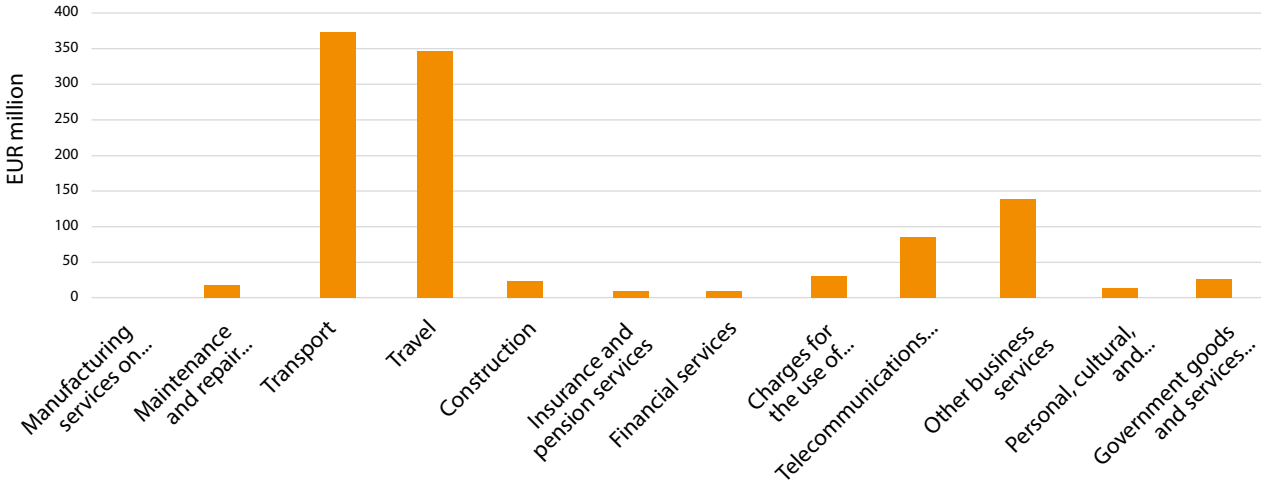
Travel and transport services, followed by manufacturing services and telecom, computer and information services and other business services are the most significant export components in 2019. The remaining 7 components are minor, together accounting for only 4% of total exports.

FIGURE 47: MOLDOVA EXPORTS OF SERVICES BY COMPONENT (2019)



Transport and travel are again the dominant components on the imports side, accounting for two thirds of all service imports in 2019.

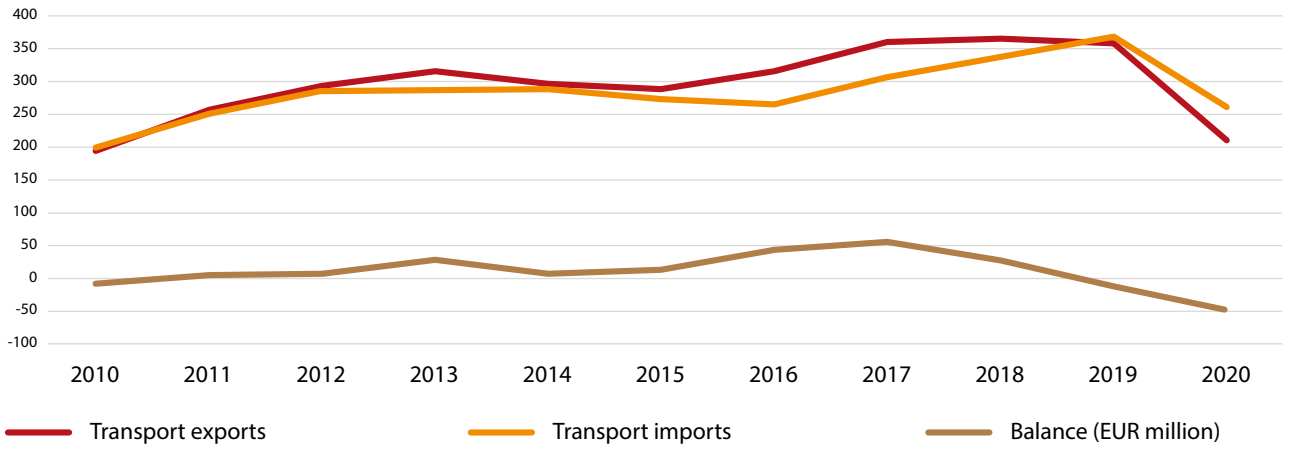
FIGURE 48: MOLDOVA IMPORTS OF SERVICES BY COMPONENT (2019)



(35) 2019 is chosen as it is not affected by the distorting impact of COVID.

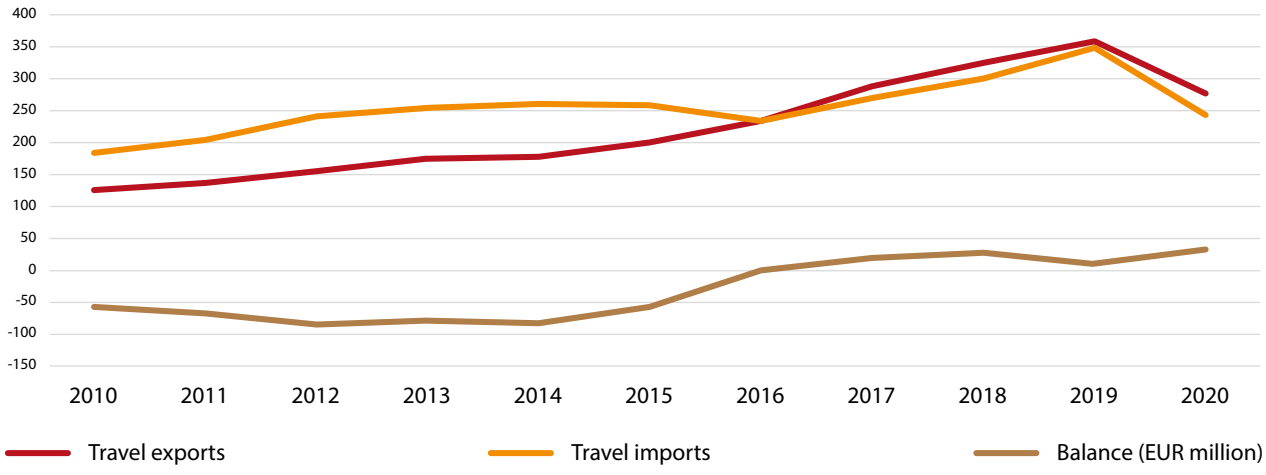
Figures 49 to 52 present the exports and imports data for Moldova's most important service categories – transportation; travel; telecom, computer and information services; and other business services.

FIGURE 49: TRANSPORTATION SERVICES (2010-2020)



Exports and imports of transport services have been the largest services component, with a small surplus recorded in every year from 2011-2018, since when the account has moved into deficit. In 2020, a sharper fall in transport exports compared with transport imports is observed.

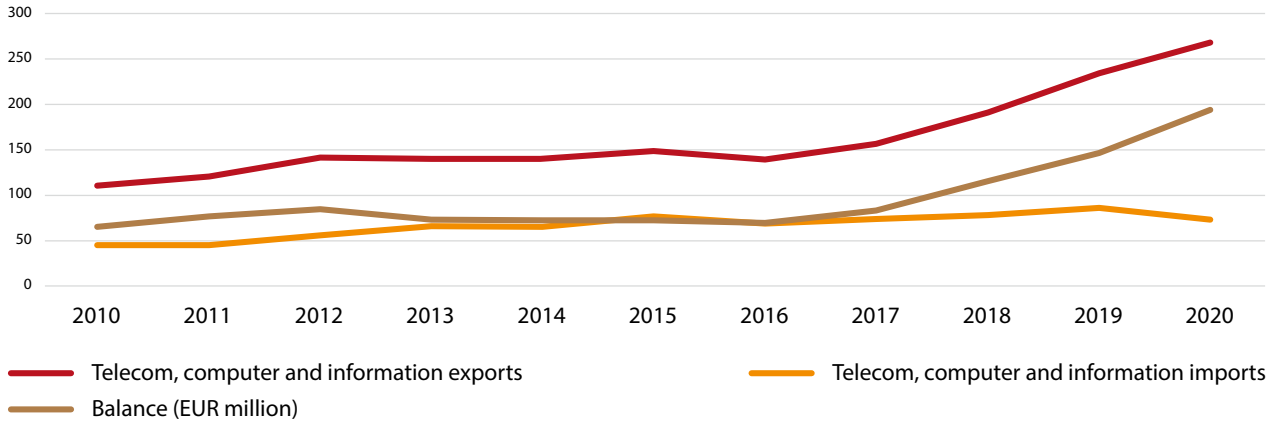
FIGURE 50: TRAVEL SERVICES (2010-2020)



Moldova recorded a small deficit on travel services from 2010-2016, since when the account has moved into surplus as exports have exceeded imports. As with other countries, a sharp fall in both exports and imports was observed in the pandemic impacted year of 2020.

Moldova has recorded a surplus in the telecom, computer and information services component in every year since 2010. Since 2018, a sharp rise in exports has resulted in the increase in the overall surplus.

FIGURE 51: TELECOM, COMPUTER AND INFORMATION SERVICES (2010-2020)



Exports of manufacturing services have increased strongly since 2010, before a downturn in 2020. Worth EUR 80 million in 2010, exports of manufacturing services increased to EUR 238 million in 2019, before falling back somewhat in 2020. The growth between 2010-2019 was equivalent to around 17% a year, with the strongest growth seen in 2018.

FIGURE 52: MANUFACTURING SERVICES (2010-2020)

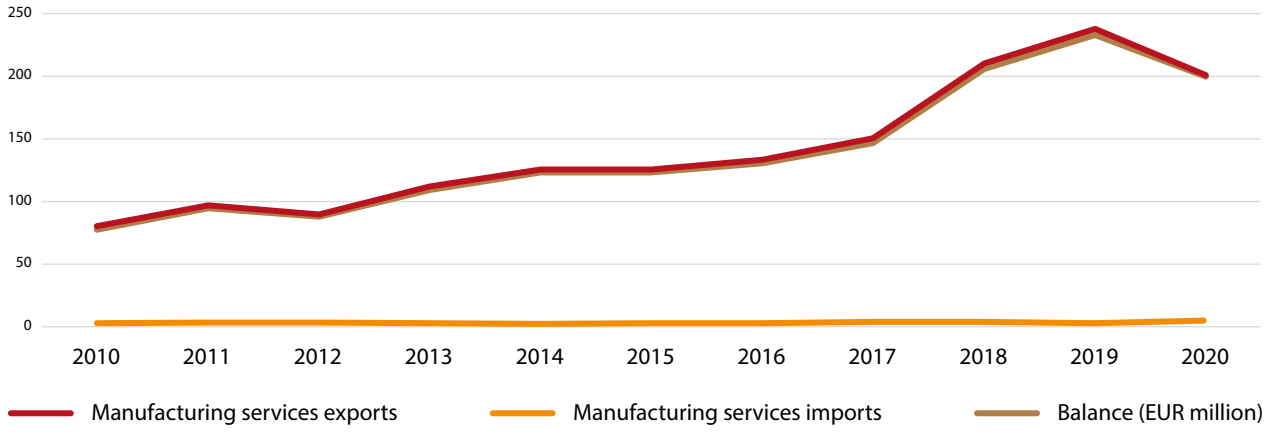
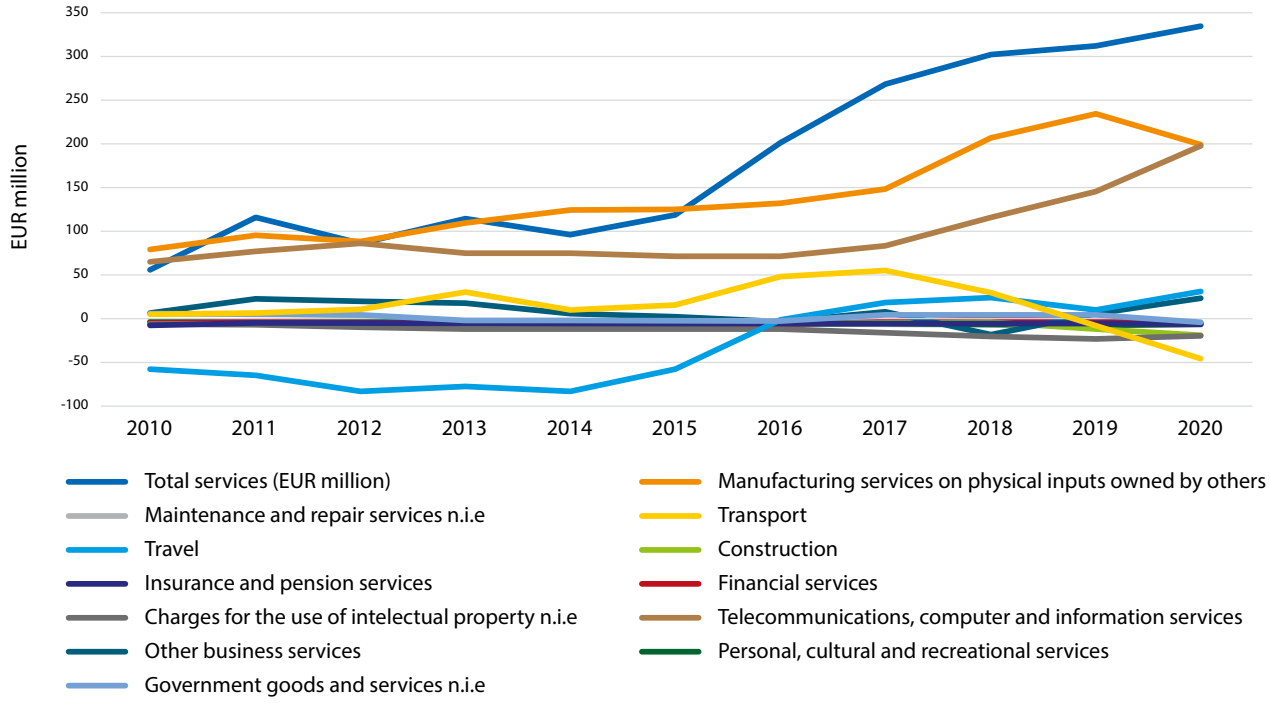


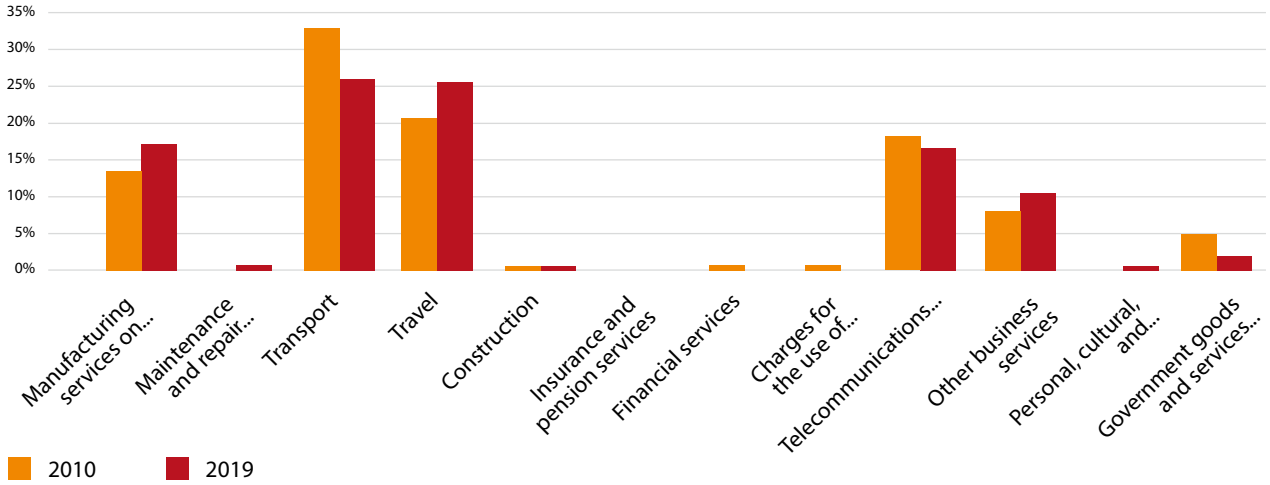
Figure 53 presents the balances in Moldova's exports and imports for each of the 12-main service categories from 2010-2020. Increasing surpluses in manufacturing services and telecom, computer and information services drive the overall increase in Moldova's trade in services surplus since 2015. Other accounts are close to balance, although transportation has notably moved into deficit in recent years.

FIGURE 53: ANNUAL BALANCES BY TRADE IN SERVICES COMPONENT (2010-2020)



Figures 54 and 55 show the trade specialisation index for Moldova exports and imports for 2010 and 2019.

FIGURE 54: TRADE SPECIALISATION INDEX: EXPORTS (2010-2019)



The exports figure illustrates the significant increase in the specialisation in manufacturing and travel services, with an offsetting fall in the significance of transport service exports, although it did remain the largest component in 2019.

On the imports side, transport and travel remain the dominant components, although both show a small fall in the specialisation index between 2010 and 2019, with a corresponding rise in the other business services specialisation index.

FIGURE 55: TRADE SPECIALISATION INDEX: IMPORTS (2010-2019)

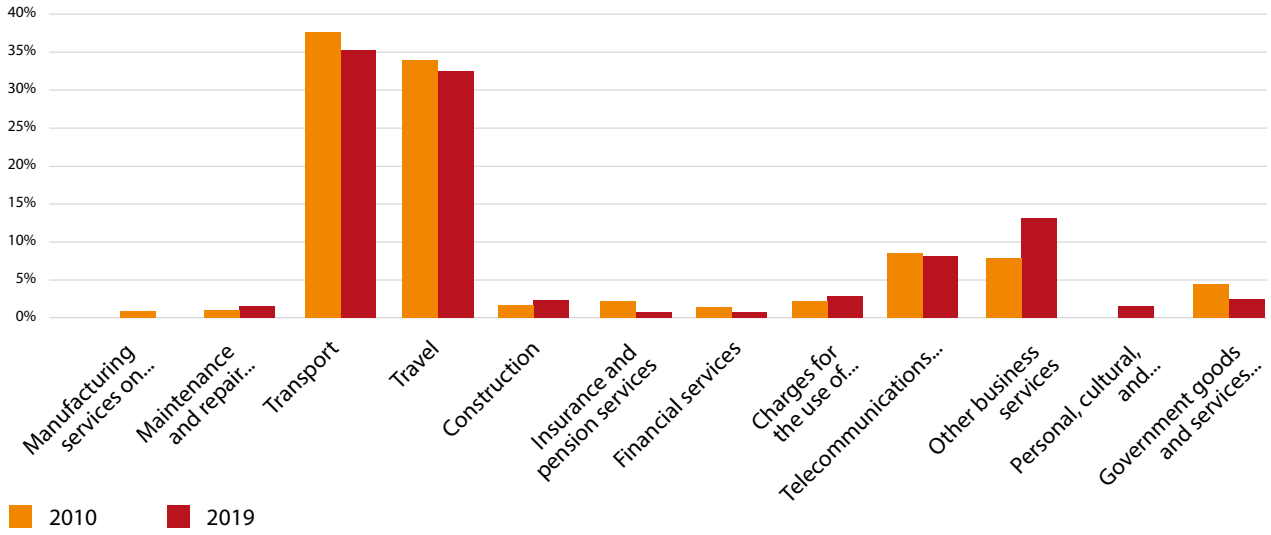
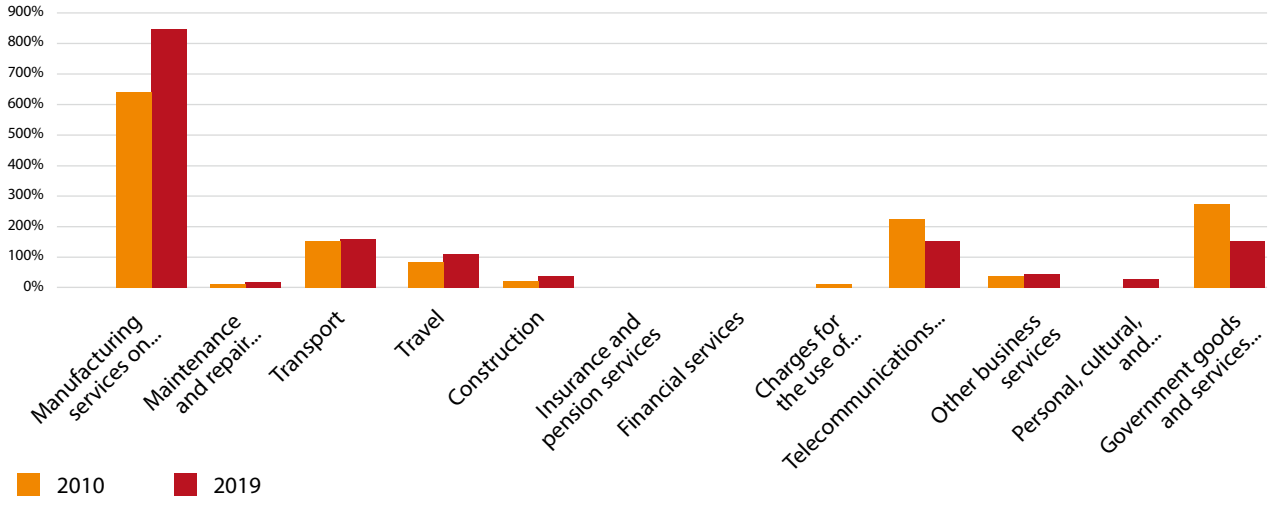


Figure 56 shows the revealed comparative advantage index for Moldova exports for 2010 and 2019. An index of greater than 100% reveals Moldova has a higher proportion of exports (or a comparative advantage) compared with the rest of the world. Figure 11 indicates Moldova has the highest comparative advantage in manufacturing services. This component has also shown the most significant increase since 2010, perhaps due to the competitive wage rates Moldova can offer to foreign companies looking to outsource manufacturing production.

FIGURE 56: REVEALED COMPARATIVE ADVANTAGE INDEX (2010-2019)

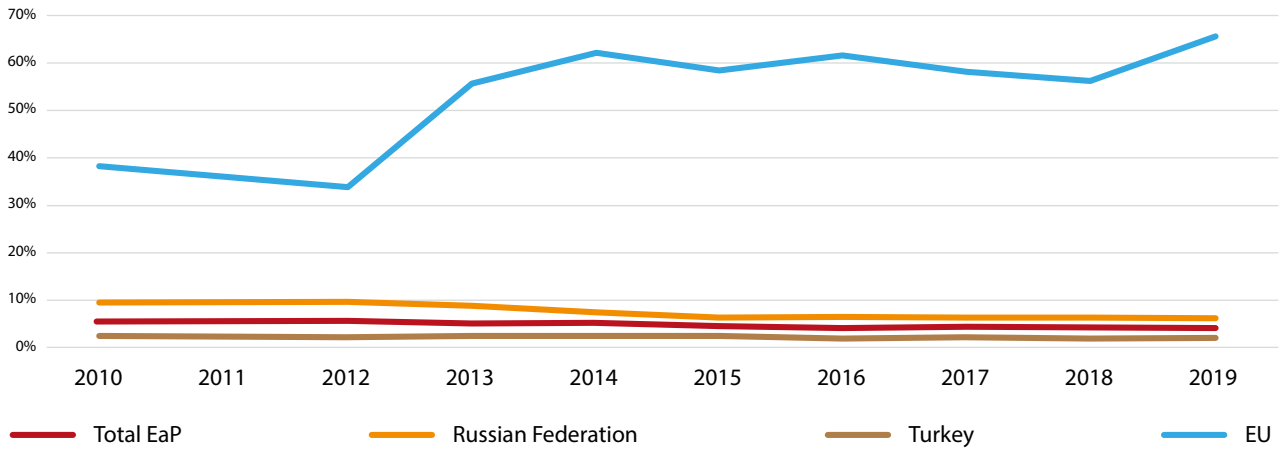


Trade in services by partner country

Data for this section are sourced from counterpart data disseminated by the WTO and Eurostat.

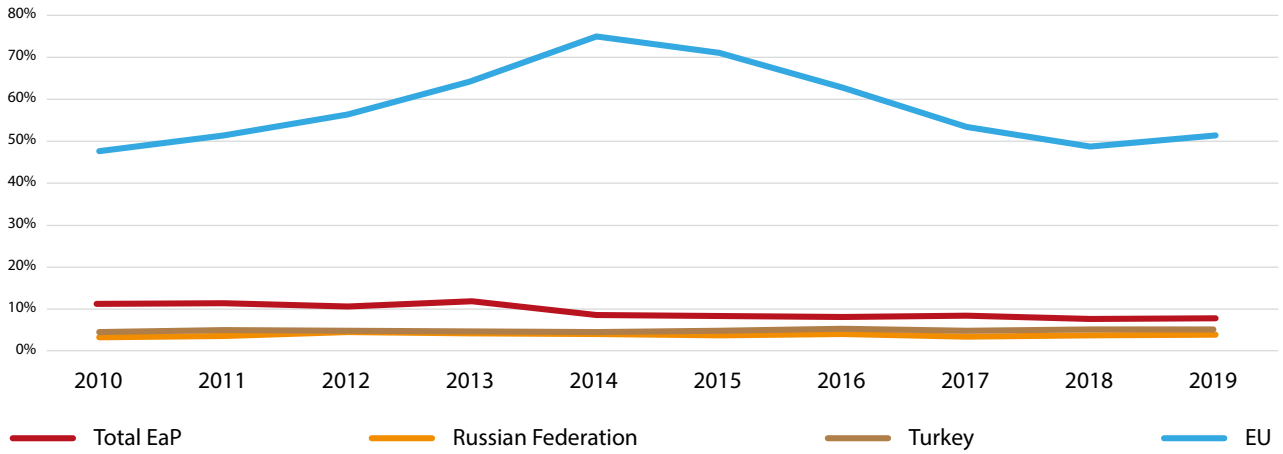
Figure 57 presents the trade concentration index, or the total share of the major partner countries in total exports between 2010 and 2019. This figure indicates that of the major partners for which data are available (total Eastern Partnership countries, Russia, Turkey and the EU), the EU dominates Moldova's export markets. In 2019, EU data suggests two-thirds of Moldova's service exports were to EU Member States, up from less than 40% in 2010. In contrast service exports to Russia, Turkey and the EaP were relatively minor and have declined in importance since 2010.

FIGURE 57: TRADE CONCENTRATION INDEX: EXPORTS (2010-2019)



Similarly on the imports side, the EU is the most important partner accounting for around half of total service imports in 2019.

FIGURE 58: TRADE CONCENTRATION INDEX: IMPORTS (2010-2019)



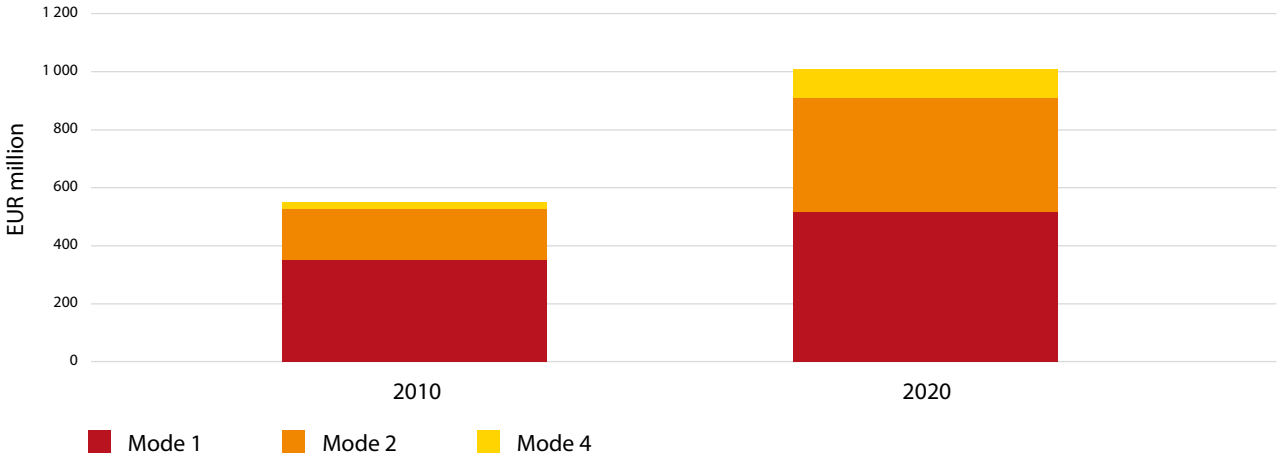
Trade in services by Mode of Supply

Mode of supply estimates are derived by allocating trade in services component data according to the enhanced simplified allocation of balance of payments to modes as developed by Eurostat and based on Table V.2 of MSITS.

Exports and imports by mode of supply for 2010 and 2020 are presented in Table 2 in the Annex[36] and in Figures 59 and 60. In 2020, Mode 1 (cross-border supply of services) was the most important mode of supply for both exports and imports. The majority of mode 1 exports consist of transportation, telecommunications, computer and information and other business services.

Manufacturing services, travel and transport services are the main contributors to services supplied via Mode 2, which is the second most important mode of supply for both exports and imports. The rise in exports of manufacturing services since 2010 in particular explains the rise in services supplied via Mode 2. Mode 4 is the least important mode of supply, although is increasing due to a minority of other business and telecom, computer and information services assumed to be delivered using the presence of natural persons.

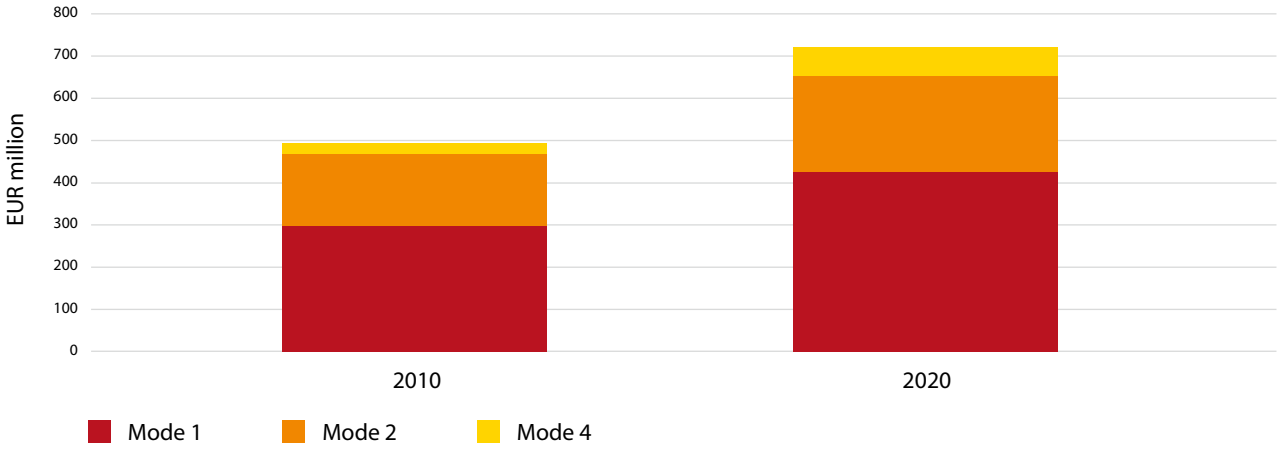
FIGURE 59: MODE OF SUPPLY: EXPORTS (2010-2020)



(36) Totals are different to trade in services totals as any goods that are included in the travel, construction and government services are excluded from the mode of supply analysis.

Figure 60 illustrates a rise in imports supplied by all three modes – mode 1 due to transport, mode 2 due to travel and mode 3 due to other business services and telecom, computer and information services.

FIGURE 60: MODE OF SUPPLY: IMPORTS (2010-2020)



Inward FATS

Currently Moldova does not compile inward FATS data, although counterpart information can be derived from Eurostat's dissemination of outward FATS data for 2013-2018 only – see Table 3 in the Annex. In 2017, EU Member States reported controlling investments in 149 Moldovan enterprises, up from 122 in 2013. Total reported turnover of the inward affiliates controlled by EU companies was only EUR 1.4 billion, with employment of over 19,000.

Ukraine

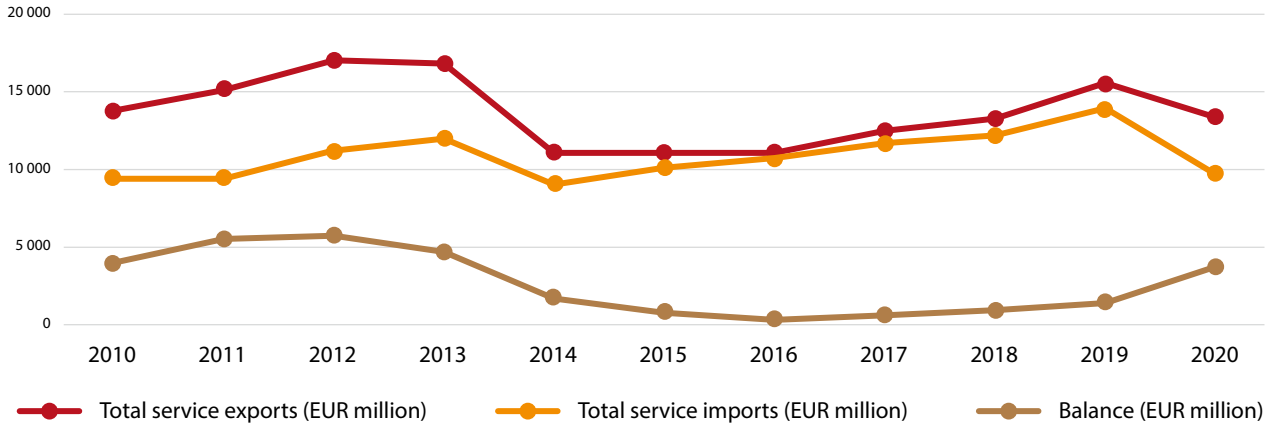
Trade in services totals

Ukraine has recorded a surplus on its trade in services in every year since 2010, peaking at EUR 5.8 billion in 2012, before falling to a low of EUR 0.4 billion in 2016. Since 2016, the surplus has started to increase, reaching EUR 3.9 billion in the pandemic affected year of 2020.

Exports also peaked in 2012, driven by strong transport and travel exports. Imports have broadly followed the same path as exports, but reached their highest level in 2019, largely due to growth in travel abroad.

Both exports and imports showed a sharp fall in 2014 assumed in part due to the emerging conflict with Russia.[37] Both exports and imports were slow to recover after the sharp falls in 2014.

FIGURE 61: UKRAINE EXPORTS AND IMPORTS OF SERVICES (2010-2020)



(37) The temporarily occupied territory of Autonomous Republic of Crimea, the city of Sevastopol and temporarily occupied territories in the Donetsk and Luhansk regions are excluded from the data since 2014.

Trade in services by component

Exports and imports by services component from 2010-2020 are summarised in Table 1, with the breakdown in 2019 shown in Figures 62 and 63. 2019 is chosen as it is not affected by the distorting impact of COVID.

Exports of travel and transport services accounted for almost two-thirds of total exports in 2010, before gradually declining in importance to 45% of total exports in 2019. The pandemic-affected year of 2020 saw further sharp declines in these two components. Exports of telecom, computer and information services have shown the strongest growth since 2010, accounting for around 25% of total exports in 2019 (from less than 5% in 2010). Exports of telecom, computer and information services also continued to grow into 2020, unlike most other components.

On the imports side, travel, transport and other business services are the dominant components.

FIGURE 62: UKRAINE EXPORTS OF SERVICES BY COMPONENT (2019)

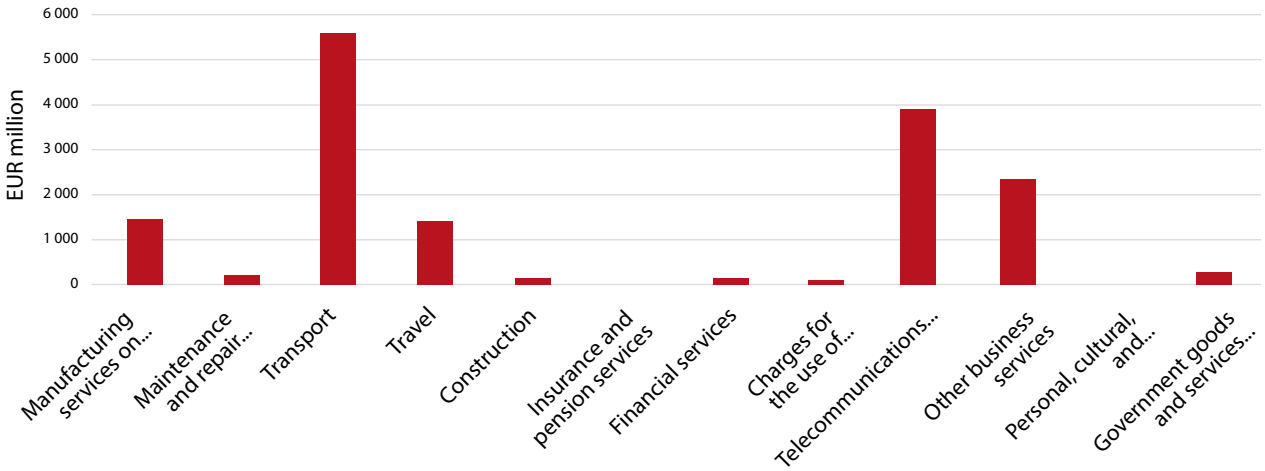
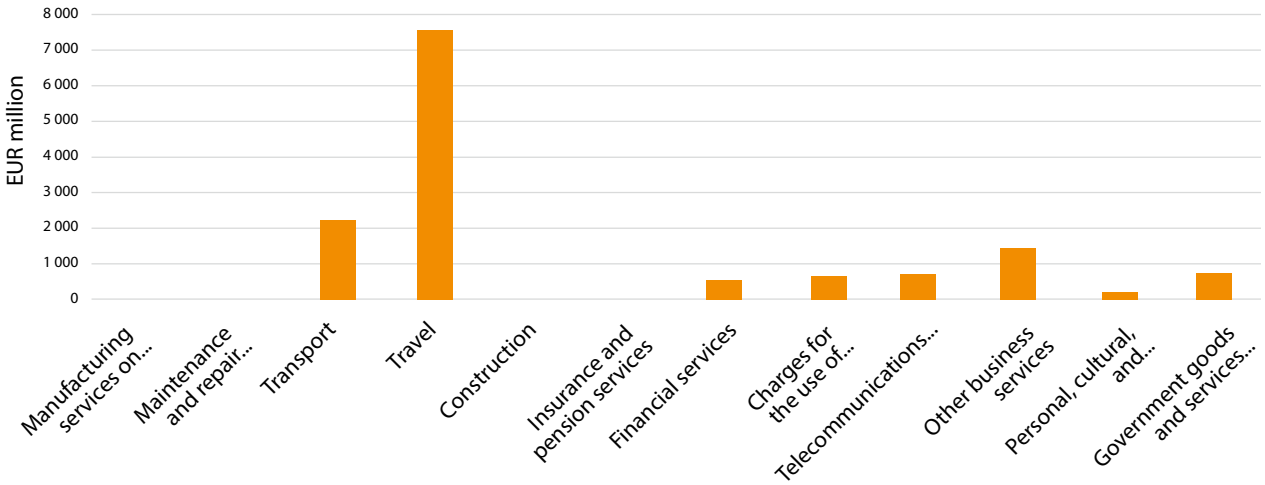
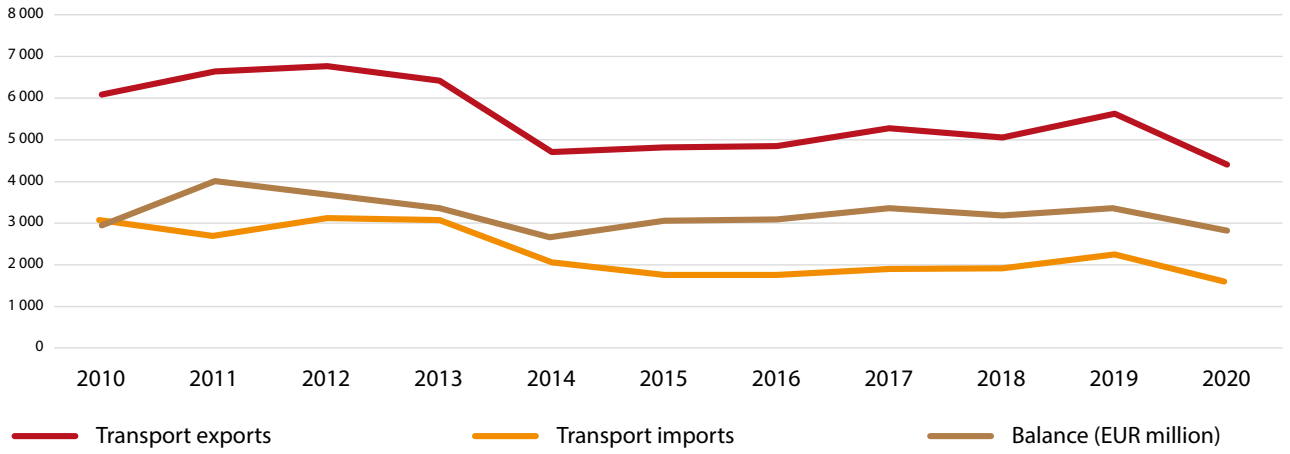


FIGURE 63: UKRAINE IMPORTS OF SERVICES BY COMPONENT (2019)



Figures 64 to 67 present the exports and imports data for Ukraine's most important service categories – transportation, travel, telecom, computer and information services and other business services.

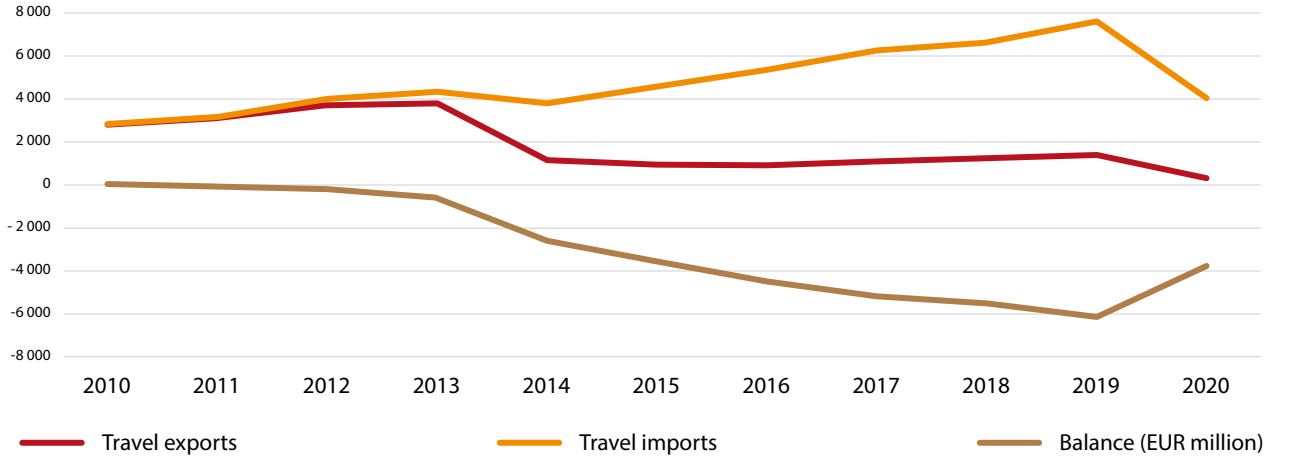
FIGURE 64: TRANSPORTATION SERVICES (2010-2020)



While Ukraine has recorded a surplus on transport in every year since 2010, exports of passenger, freight and other transport services were severely affected by the conflict with Russia in 2014[38] and have been slow to recover.

Ukraine's deficit in travel services increased from 2014 due to lower exports of travel services associated with falling numbers of visits to the Ukraine. In contrast, Ukraine travel expenditure abroad has continued to grow, apart from a short dip in 2014 and the pandemic affected year of 2020.

FIGURE 65: TRAVEL SERVICES (2010-2020)

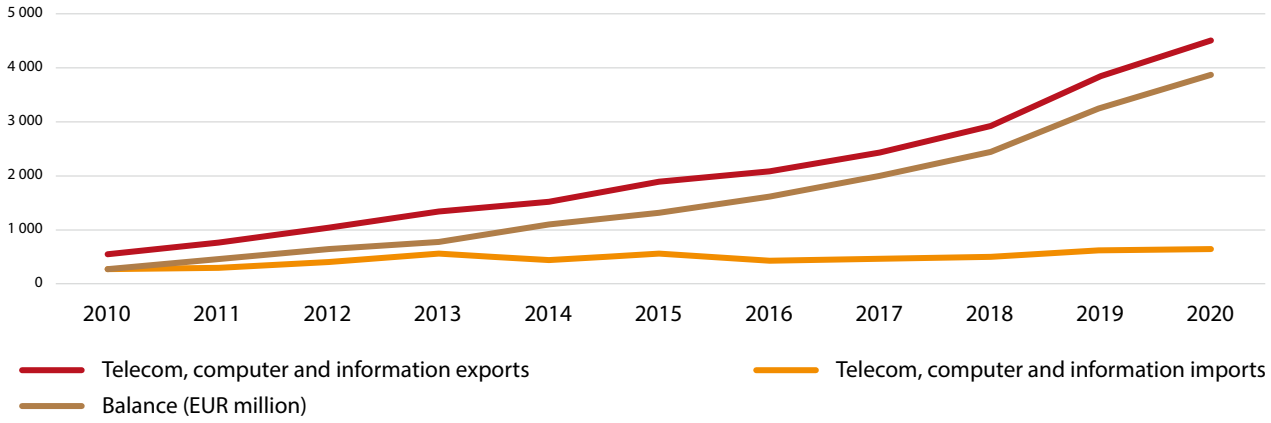


(38) The temporarily occupied territory of Autonomous Republic of Crimea, the city of Sevastopol and temporarily occupied territories in the Donetsk and Luhansk regions are excluded from the data since 2014.

Growth in exports of telecom, computer and information services has been due to consistent growth in computer services since 2010, reaching EUR 4.4 billion in 2020, doubling since 2017 and up from only EUR 0.3 billion in 2010.

In contrast, imports of telecom, computer and information services have only increased from EUR 0.3 billion to EUR 0.7 billion between 2010 and 2020.

FIGURE 66: TELECOM, COMPUTER AND INFORMATION SERVICES (2010-2020)



Ukraine has recorded a surplus in other business services in every year since 2010, reaching EUR 1.2 billion in 2020. Exports of technical, trade related and other business services have shown strong growth since 2016.

FIGURE 67: OTHER BUSINESS SERVICES (2010-2020)

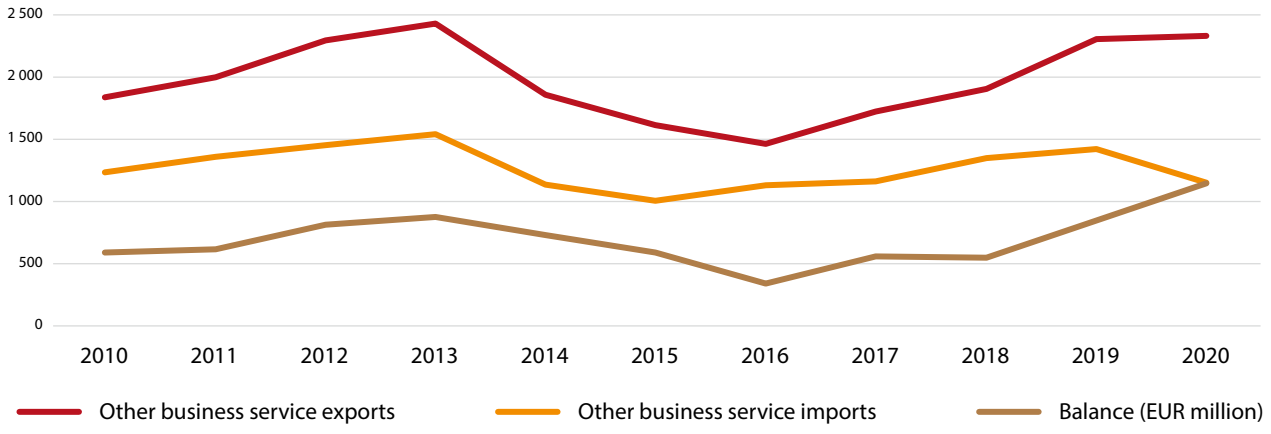
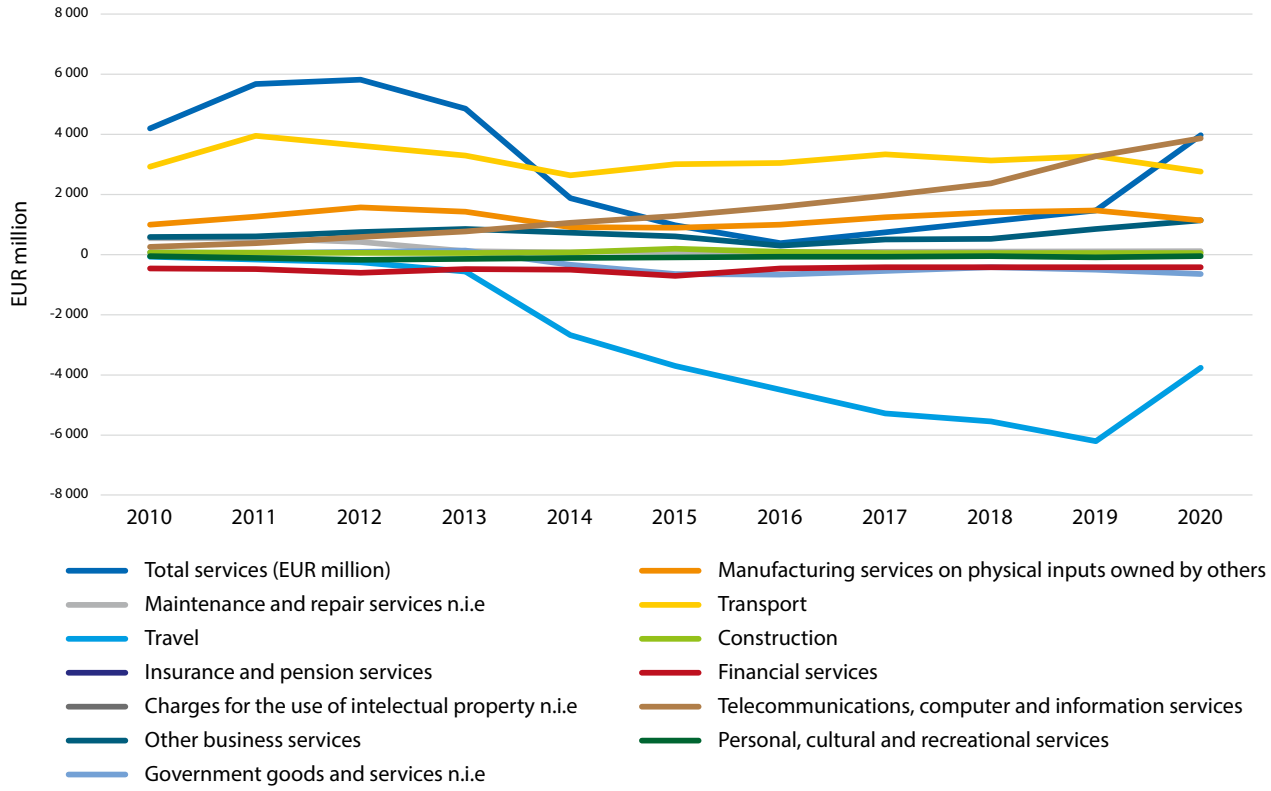


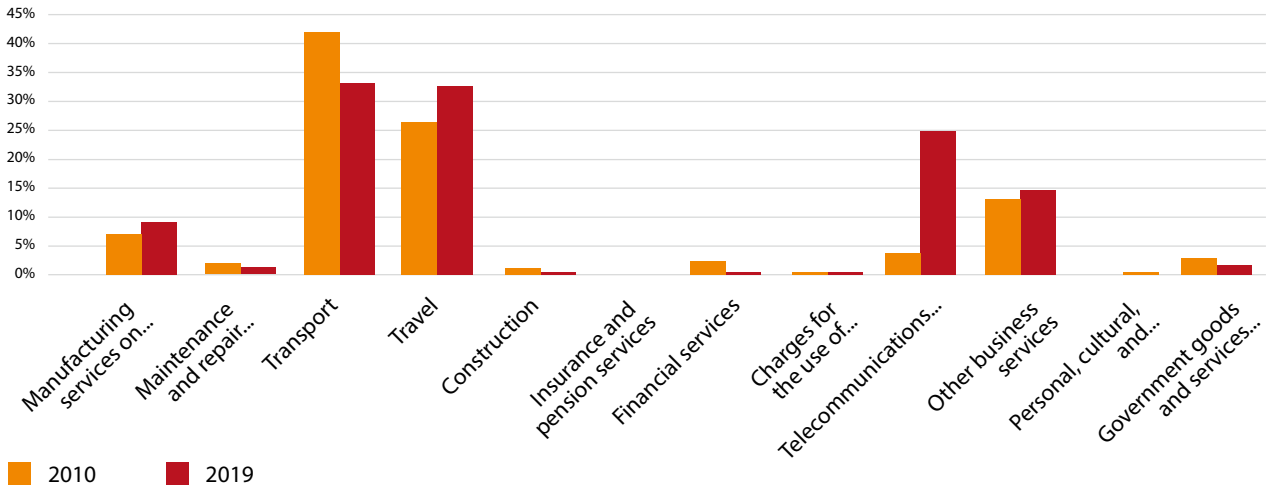
Figure 68 presents the balances in Ukraine's exports and imports for each of the 12-main service categories from 2010-2020. In general surpluses in manufacturing services; maintenance and repair; transport; telecom, computer, information; and other business services more than offset consistent deficits in travel; financial; charges for the use of intellectual property and government services. The deficit in travel services narrowed during the pandemic.

FIGURE 68: ANNUAL BALANCES BY TRADE IN SERVICES COMPONENT (2010-2020)



Figures 69 and 70 show the trade specialisation index for Ukraine exports and imports for 2010 and 2019.

FIGURE 69: TRADE SPECIALISATION INDEX: EXPORTS (2010-2019)



The exports figure illustrates the significant increase in the specialisation in computer services in particular, increasing from less than 5% to 25% of total service exports in 2019. In contrast, the specialisation in exports of transport and especially travel services have declined.

On the imports side there is a fall in Ukraine's specialisation in transport services, broadly offset by a sharp rise in the specialisation in travel as a result of increased expenditure abroad compared to other service import components.

FIGURE 70: TRADE SPECIALISATION INDEX: IMPORTS (2010-2019)

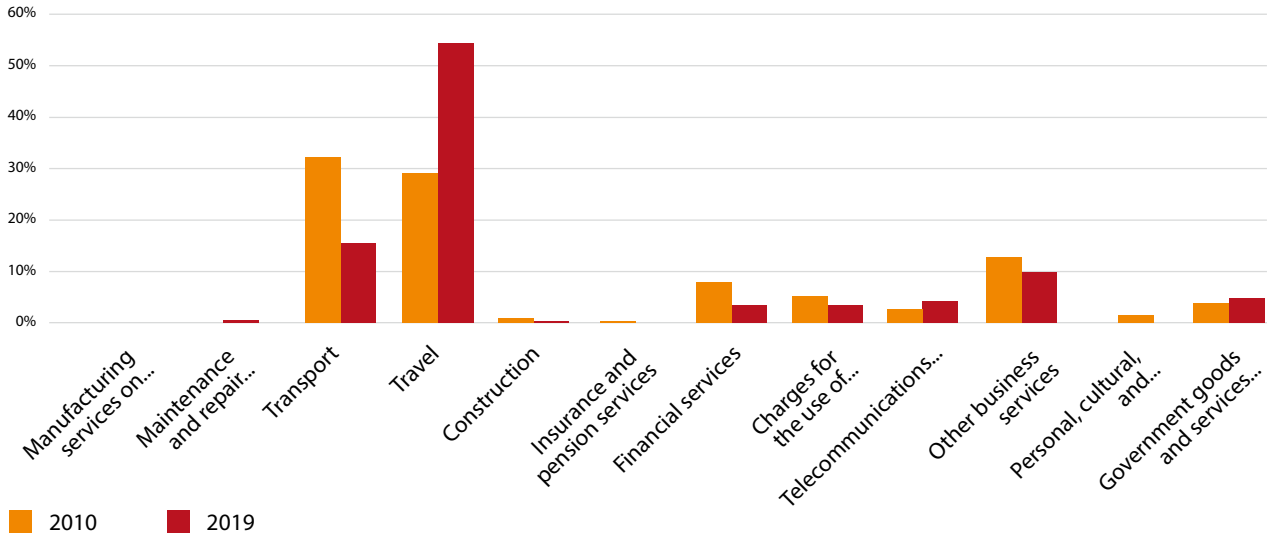
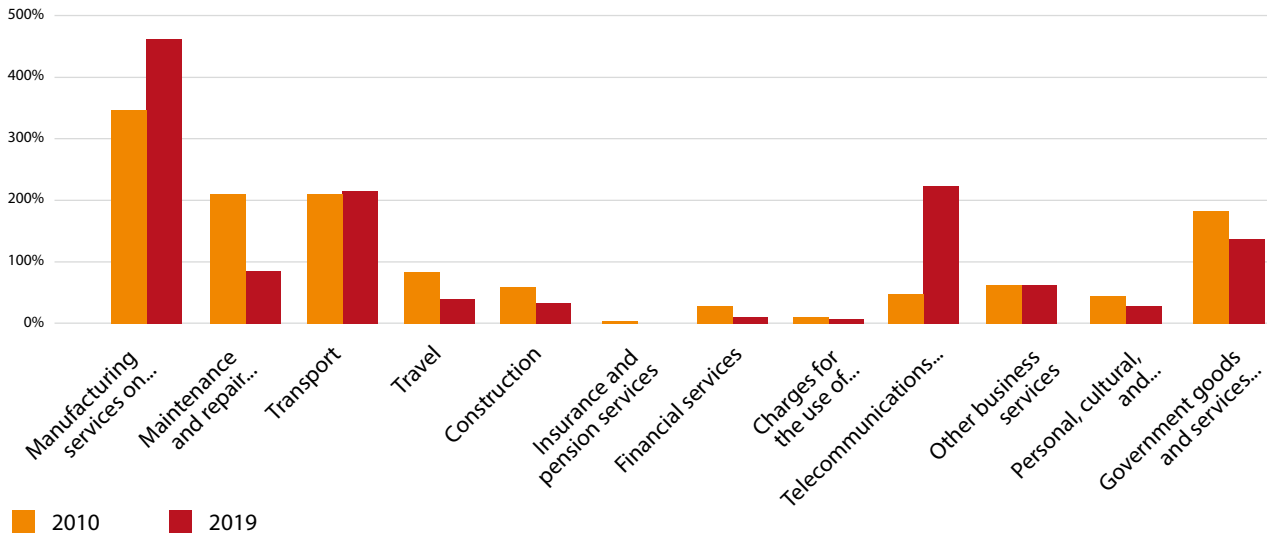


Figure 71 shows the revealed comparative advantage index for Ukraine exports for 2010 and 2019. An index of greater than 100% reveals Ukraine has a higher proportion of exports (or a comparative advantage) compared with the rest of the world. Figure 71 indicates Ukraine has the highest comparative advantage in manufacturing services, although it should be noted that manufacturing services only account for less than 10% of total service exports. Telecom, computer and information services shows the largest increase in the comparative advantage index since 2010 (again due to the rapid rise in exports of computer services compared to global growth).

FIGURE 71: REVEALED COMPARATIVE ADVANTAGE INDEX (2010-2019)

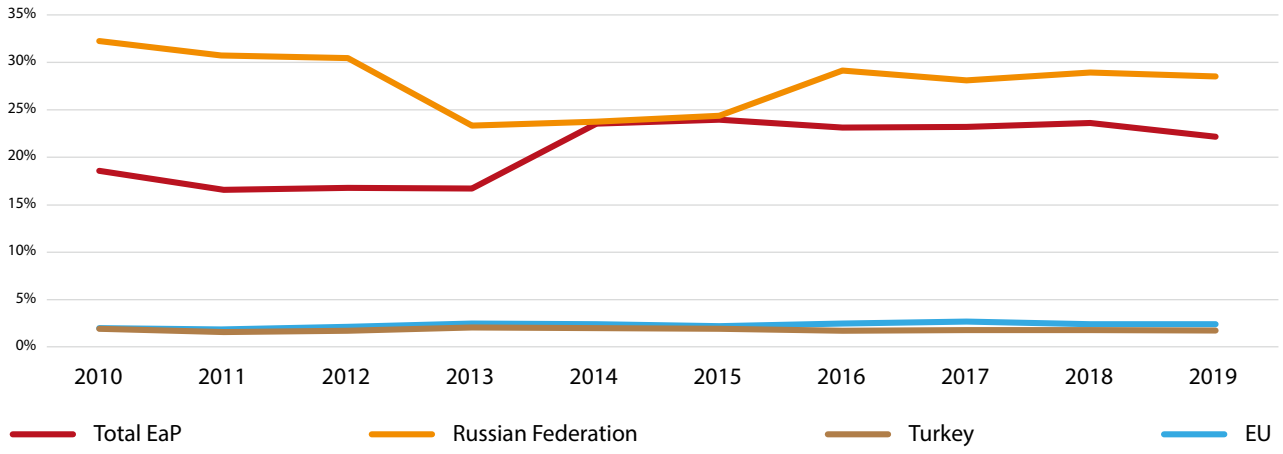


Trade in services by partner country

Data for this section are sourced from counterpart data disseminated by the WTO and Eurostat.

Figure 72 presents the trade concentration index, or the total share of the major partner countries in total exports between 2010 and 2019. This figure indicates that of the major partners for which data are available (total Eastern Partnership countries, Russia, Turkey and the EU), Russia and the EU are Ukraine's most important export destinations. Turkey and EaP remain relatively minor partners.

FIGURE 72: TRADE CONCENTRATION INDEX: EXPORTS (2010-2019)

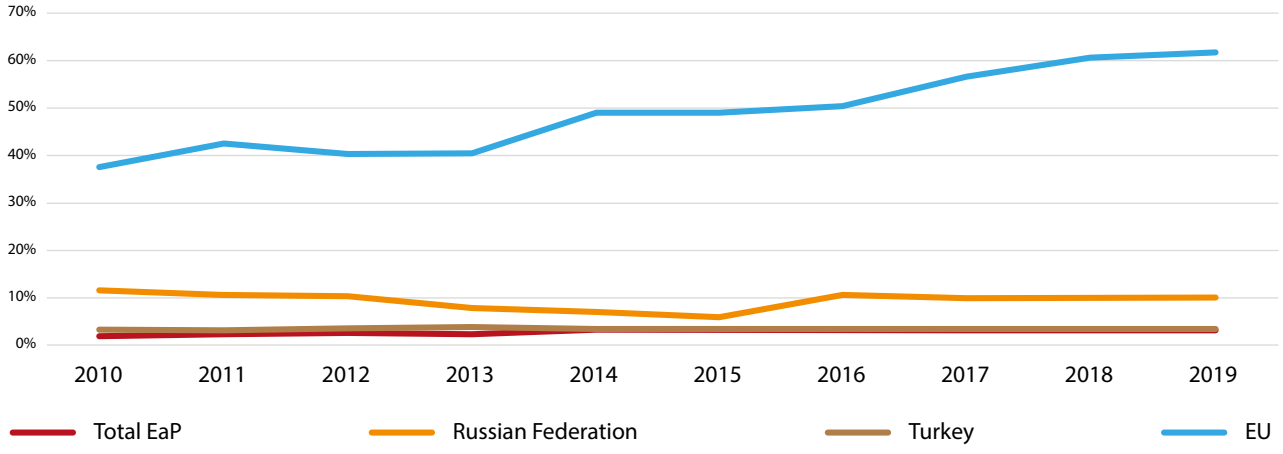


On the imports side, the EU is Ukraine's most important partner, with around 60% of total imports sourced from the EU in 2019, up from 38% in 2010. In contrast, only 10% of Ukraine service imports are sourced from Russia in 2019.

Exports and imports with Russia both declined sharply during 2013 and 2014 and have been slow to recover.

Ukraine's trade in services with other Eastern Partnership countries and Turkey are relatively minor.

FIGURE 73: TRADE CONCENTRATION INDEX: IMPORTS (2010-2019)



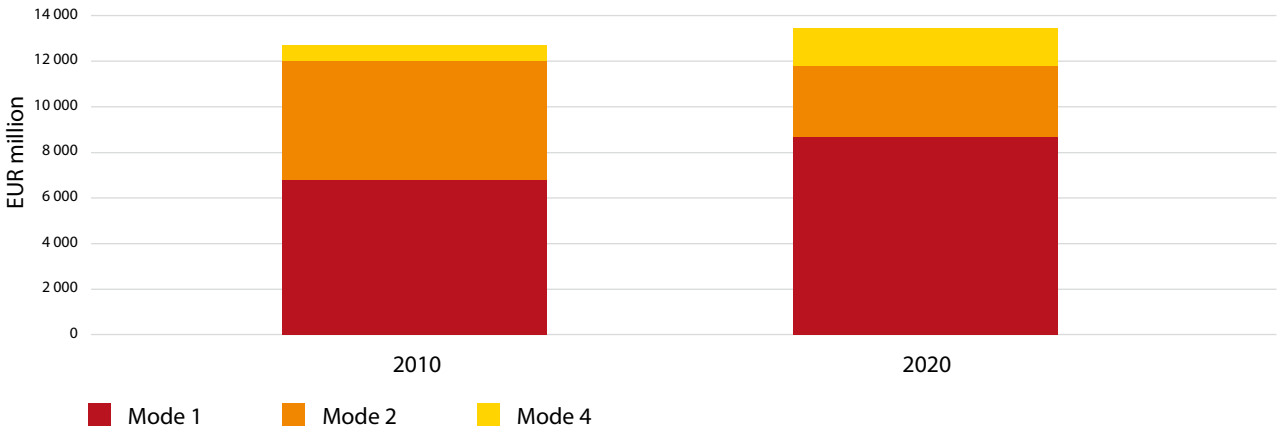
Trade in services by Mode of Supply

Mode of supply estimates are derived by allocating trade in services component data according to the enhanced simplified allocation of balance of payments to modes as developed by Eurostat and based on Table V.2 of MSITS.

Exports and imports for 2010 and 2020 by mode of supply are presented in Table 2 in the Annex[39] and in Figures 74 and 75. In 2020, Mode 1 (cross-border supply of services) was the most important mode of supply for both exports and imports. The majority of mode 1 exports consist of transportation, telecommunications, computer and information and other business services.

Manufacturing services, travel and transport services are the main contributors to services supplied via Mode 2, with the fall in travel exports between 2010 and 2020 a significant factor in the overall decline in services supplied via Mode 2 between 2010 and 2020. Mode 4 is the least important mode of supply, although is increasing due to a minority of computer service exports assumed to be delivered using the presence of natural persons.

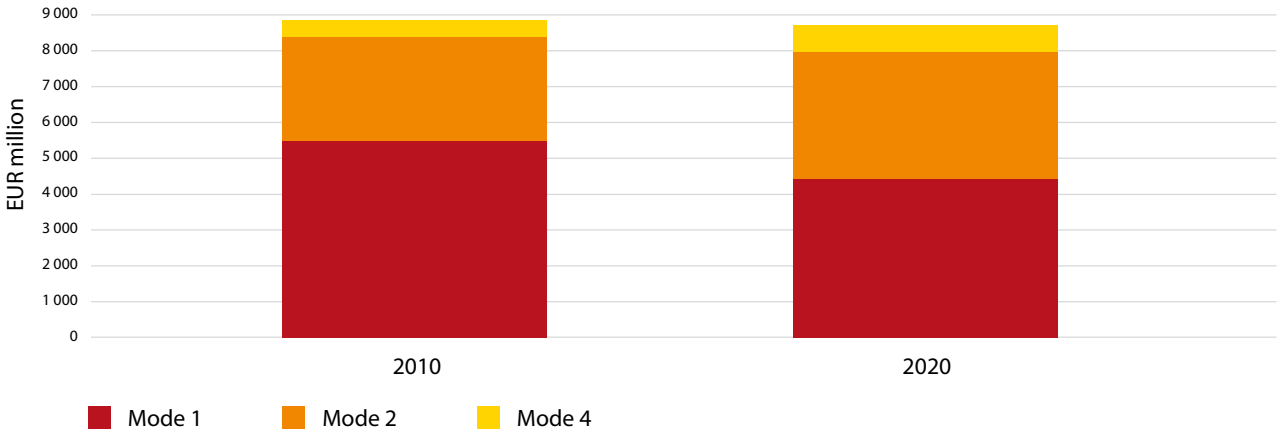
FIGURE 74: MODE OF SUPPLY: EXPORTS (2010-2020)



(39) Totals are different to trade in services totals as any goods that are included in the travel, construction and government services are excluded from the mode of supply analysis.

Figure 75 presents imports by mode of supply and illustrates a decline in services supplied via Mode 1 between 2010 and 2020, largely due to declining exports of transport services. This is largely offset by increased travel imports, which are supplied via Mode 2 (consumers travel to the country of the supplier). Mode 4 is again the least significant mode for the supply of imports.

FIGURE 75: MODE OF SUPPLY: IMPORTS (2010-2020)



Inward FATS

Currently Ukraine does not compile inward FATS data, although counterpart information can be derived from Eurostat's dissemination of outward FATS data for 2013-2018 only – see Table 3 in the Annex. In 2018, the number of enterprises EU Member States had controlling investments in was not available. However, the total turnover of the inward affiliates controlled by EU companies was around EUR 17 billion, with employment of around 175,000. Data suggests EU investments in Ukraine have stabilised since a sharp fall following the 2014 conflict with Russia.

03

Synthesis

Summary of state of play in EaP

Trade in services data are compiled by all EaP partners as an integral part of the balance of payments. While balance of payments statistics are generally the responsibility of the National Central Banks (NCB) in EaP partners, trade in services data sources also make increasing use of surveys run by the National Statistical Offices (NSO) in each country. EaP partners are encouraged to strengthen NCB and NSO collaboration. Increased user demand for detailed component and partner country breakdowns of trade in services, together with analysis of FATS and services by mode of supply and service trade by enterprise characteristics, will require increased reliance on survey-based data collection.

EaP partners compile and disseminate trade in services data broadly in line with BPM6 requirements, although some exceptions to the standards are noted for several partners. In addition, not all partners disseminate the standard 12-product breakdown as specified by both BPM6 and MSITS. Both dissemination of the 12-product breakdown and compliance with BPM6 standards should be seen as a priority. EaP partners are also encouraged to compile more detailed breakdowns of services, in time working towards Eurostat Questionnaire T3 requirements – International Trade in Services and Remittances – as specified in the Balance of Payments Vademecum.[40]

Partner country breakdowns of trade in services datasets are mostly unavailable, although they are under development in some EaP partners. In addition, Foreign Affiliate Statistics and trade in services by Mode of Supply are also unavailable. Development of these further analyses of trade in services statistics are encouraged to meet the growing user demand for these data. Additional investment in developing source data and associated computer systems will be required, as well, of course, as additional staff resources.

Specialisation indices

The EaP specialisation indices measure the share of each service category in the total services exports and imports. When analysed over time, specialisation indices reveal if exports (and imports) are increasingly concentrated in certain service categories. The specialisation indices of EaP partners were impacted by the pandemic, with trade in travel and transportation services particularly affected in 2020 (and presumably in 2021) due to the limitations in cross-border travel. To avoid the distorting impact of the pandemic, this analysis examines changes in the specialisation indices between 2010 and 2019.

In all EaP partners, apart from Ukraine, transportation and travel services were the largest components of trade in services in 2019. In Ukraine, exports of telecommunications, computer and information services, as well as transportation services were the largest components in 2019.

Between 2010 and 2019, Azerbaijan, Georgia and Moldova saw sharp rises in the exports specialisation index for travel services. In Azerbaijan, travel increased from 30% of total service exports in 2010 to 48% in 2019, while in Georgia, the proportion of travel increased from 40% in 2010 to 71% of total service exports in 2019. In all countries, apart from Moldova, the proportion of travel exports more than halved in the pandemic impacted year of 2020 compared with 2019.

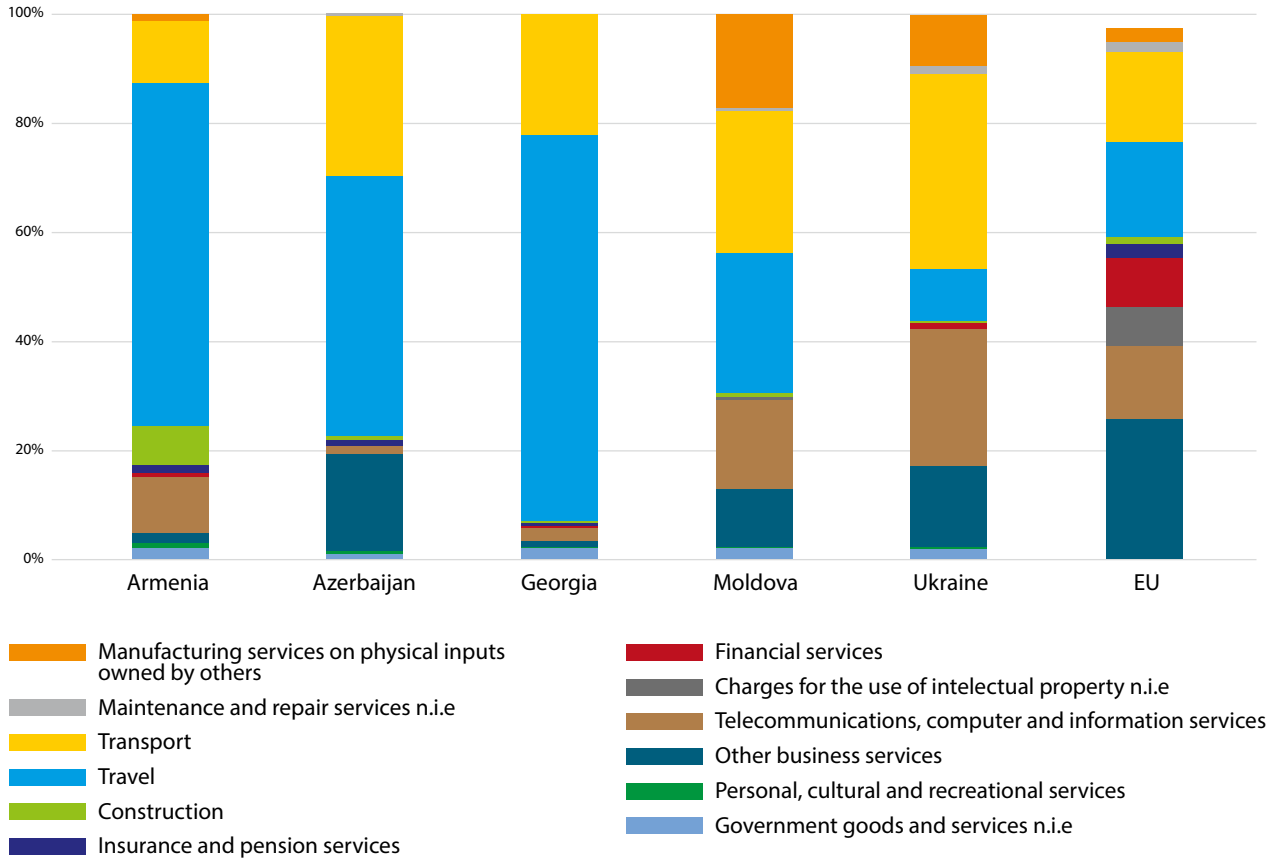
Other notable increases in the exports specialisation were observed for manufacturing services in Moldova (up from 13 % of total exports in 2010 to 17 % in 2019) and telecommunication, computer and information services in Ukraine (up from 4% of total exports in 2010 to 25% in 2019). Ukraine also recorded a small rise in other business services, but, in contrast to other EaP partners, a sharp fall in the specialisation index for travel between 2010 and 2019, reflecting the decreasing importance of travel as a proportion of total exports of services.

(40) untitled (europa.eu)

Figure 76 compares the structure of EaP exports of services by partner with the overall figures for EU exports of services for 2019.[41] The figure illustrates that the EU exports of services are less concentrated in a few service categories than EaP partners, but more evenly spread across the main service categories. Of course, the EU figures represent the combined exports of 28 individual Member States in 2019[42] rather than individual countries, so it is not surprising that there is less specialisation than in the individual EaP partners.

EU exports are also less concentrated in "traditional" service categories such as travel and transport, with the EU showing more specialisation in services that are digitally traded, such as charges for the use of intellectual property, financial and insurance and pension fund services.

FIGURE 76: EXPORTS SPECIALISATION: EAP AND EU COMPARISON (2019)

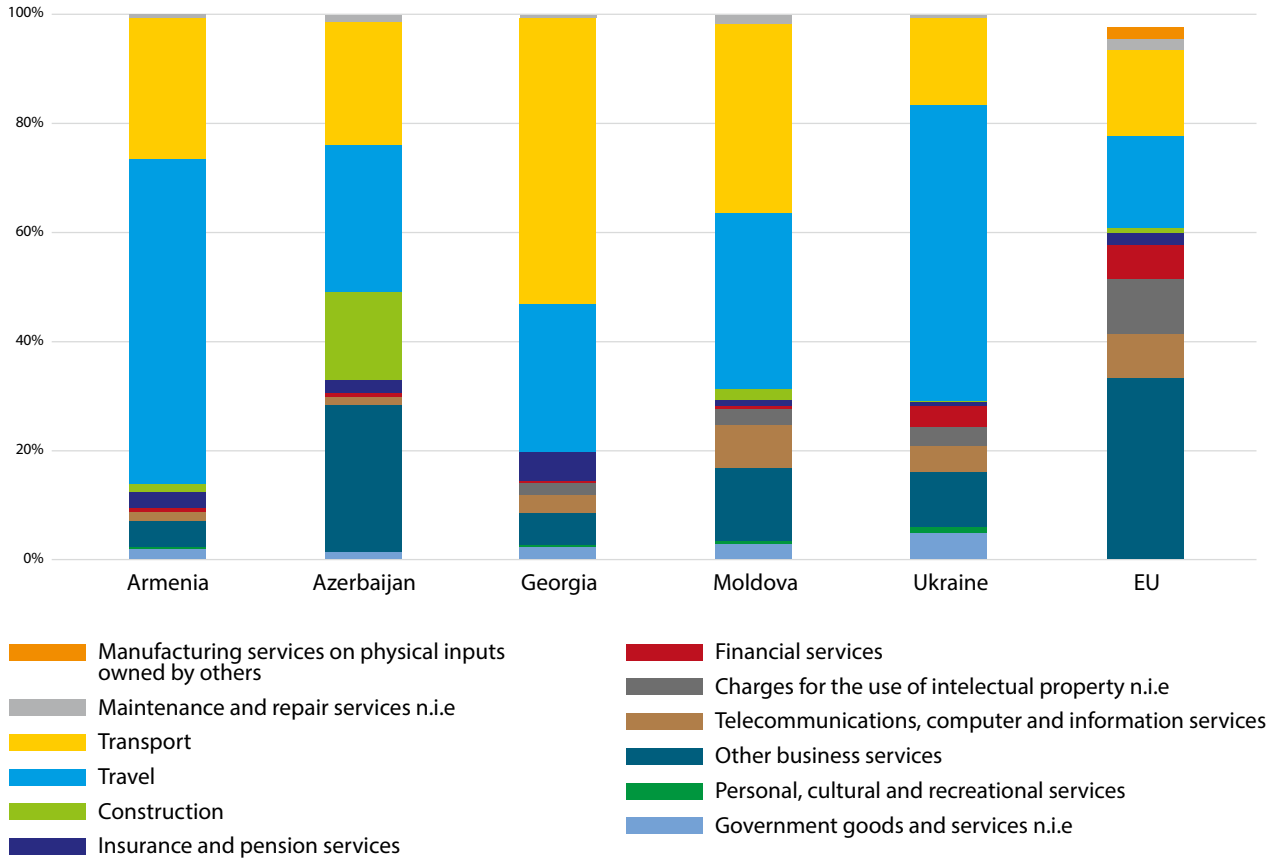


On the imports side, travel is the largest component for all EaP partners in 2019, apart from Georgia where transportation is the largest component. Between 2010 and 2019, the specialisation index for imports of travel services increased in all EaP partners, apart from Moldova where a small fall was observed. In contrast, Moldova saw a rise in the specialisation of other business service imports, up from 8 % in 2010 to 13 % in 2019. A notable rise in the Azerbaijan specialisation index for construction services is observed, up from 9 % in 2010 to 16 % in 2019.

Figure 77 presents the specialisation index for EaP and EU imports in 2019. As for exports, EU imports are less concentrated in transport and travel services compared with EaP partners, instead specialising more on imports of financial services, charges for the use of intellectual property and other business services.

(41) EU trade in services data for government and personal, cultural and recreational services are flagged as confidential. These two components account for only 3% of total EU exports in 2019, allowing a reasonable comparison with EaP partners to be made.
(42) The comparison is made with EU28 data to reflect the composition of the EU in 2019.

FIGURE 77: IMPORTS SPECIALISATION: EAP AND EU COMPARISON (2019)



Comparative advantage indicators

The revealed comparative advantage is an index used in international economics for calculating the relative advantage or disadvantage a country may have in its exports of goods and services. It is derived as the ratio between the export specialisation index of the EaP partner country in a given service category and the average export specialisation index in this service category at the world level.

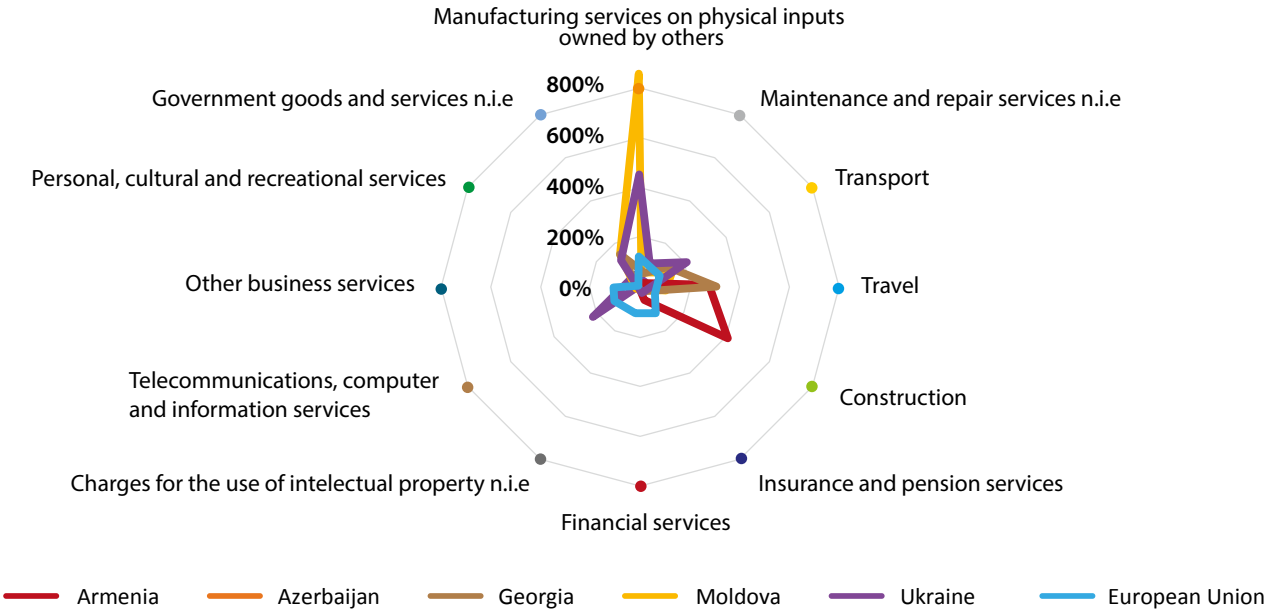
EaP partners show a comparative advantage in a number of trade in services components. Four partners show a comparative advantage in transportation services in 2019 - Armenia being the exception. Four of the five partners analysed in this report also show a comparative advantage in travel services in 2019 – Ukraine being the exception.

Moldova and Ukraine have significant and increasing comparative advantages in manufacturing services, perhaps reflecting the established manufacturing sectors in each country, but also relatively low wage rates. Moldova and Ukraine also have a comparative advantage in telecom, computer and information services, although Moldova's comparative advantage fell between 2010 and 2019, while Ukraine's comparative advantage in this category rose substantially.

Figure 78 presents the comparative advantage for each EaP partner and the EU in 2019 – comparative advantages are indicated by a percentage of greater than 100%. The figure illustrates the notable comparative advantages Moldova and Ukraine have in manufacturing services, the comparative advantage Armenia has in construction services and the comparative advantage Georgia has in travel services in particular. In contrast, the EU has less notable comparative advantages in the "digital service" categories, but also manufacturing services.

It would be interesting to repeat this exercise for a later year that is less impacted by the pandemic, but also so that the comparison can be made between EaP and the EU27 (excluding the UK).

FIGURE 78: COMPARATIVE ADVANTAGE EAP AND EU COMPARISON (2019)



Concentration indicators

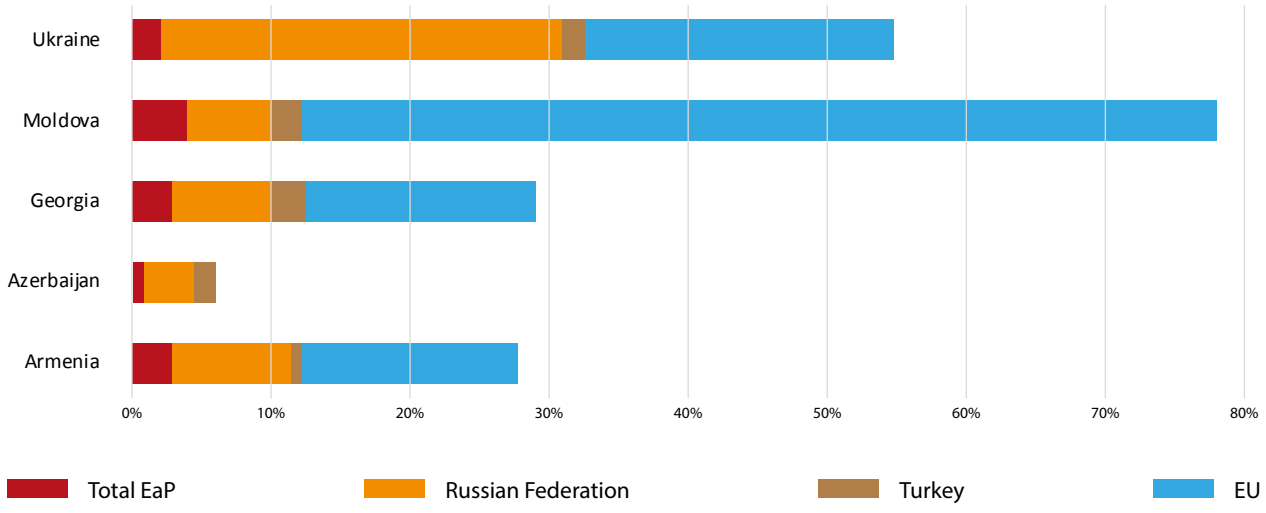
The concentration index analyses the total share of exports and imports of services for each EaP partner with its major trading partner countries over time. Data are analysed for the exports and imports of services for each individual EaP partner with the EU, Russia, Turkey and the EaP grouping of countries only.

In 2019 on the exports side, the EU is the largest partner for all EaP partners except Ukraine, for which Russia is the largest partner.[43] There was little change in the concentration index for most partners between 2010 and 2019, apart from in Armenia where exports to the EU increased from 12% to 16% of the total.

Figure 79 presents the concentration index for each EaP partner for 2019. This illustrates the relative importance of the EU as an export destination for each EaP partner for which data are available. Russia is an important partner for the Ukraine in 2019, but less so for other partners. Intra-EaP trade in services transactions are relatively minor. It should be noted that as partner country data are not yet available in the EaP, data for this analysis are based on counterpart data provided by EaP service partners and WTO own estimates. Data from the EU are not available for Azerbaijan in 2019.

(43) Data for EU trade with Azerbaijan is only available from 2010-2015.

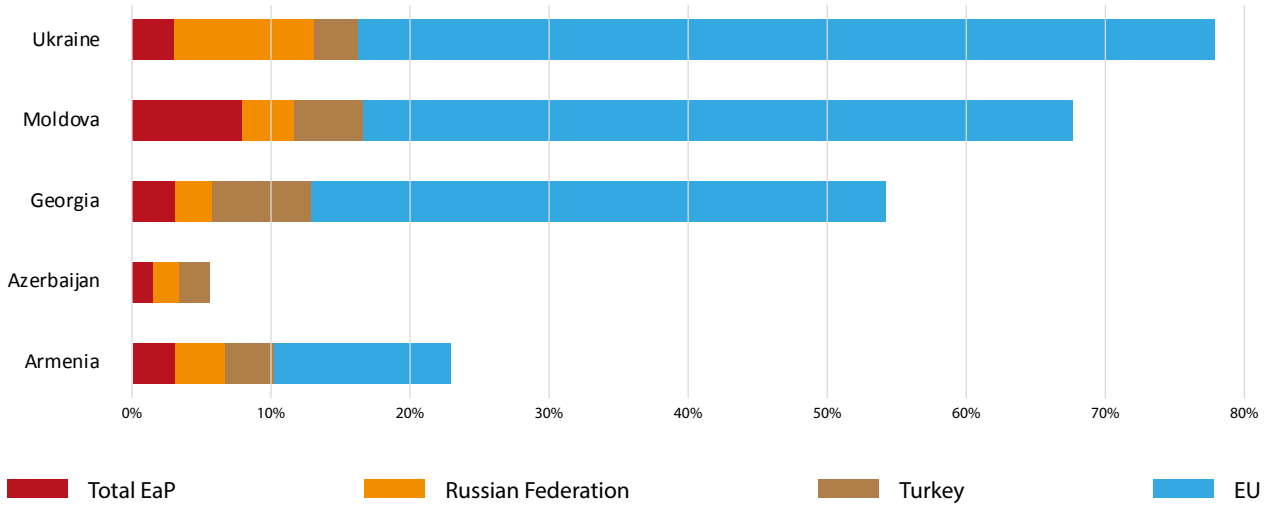
FIGURE 79: EXPORTS CONCENTRATION INDEX COMPARISON (2019)



On the imports side, the EU is the largest partner (of those analysed) for all EaP partners. Imports from the EU account for between 13 % of total imports into Armenia to 62 % of Ukraine imports in 2019. The concentration index for imports from the EU has increased between 2010 and 2019 for all EaP partners except Armenia (down from 16 % to 13 %).

Figure 80 illustrates the dominance of imports from the EU for each EaP partner for which data are available in 2019.

FIGURE 80: IMPORTS CONCENTRATION INDEX COMPARISON (2019)



Foreign Affiliate Statistics

While EaP partners do not yet compile Inward FATS data, limited counterpart data can be derived from the EU from 2013-2017 or 2018 for some partners. This data indicates that the number of EU-controlled enterprises increased in all EaP partners[44] from 2013. Employment increased in EU-controlled enterprises in all EaP partners apart from Azerbaijan, while the turnover of these enterprises increased in Georgia, Moldova and Ukraine, but fell in Azerbaijan and Armenia.

Regional challenges

Most EaP partner countries record strong growth in both exports and imports of services between 2010 and 2019. Both exports and imports of services have increased by between two and three times, with the notable exception of Ukraine with service trade recovering more slowly from the war in 2014. Georgia, Moldova and Ukraine have recorded a surplus in every year between 2010 and 2019, although it should be noted that in the case of Georgia this was dependent on travel exports, so collapsed into 2020 due to the global pandemic. Azerbaijan has recorded a consistent services deficit, while Armenia's services trade has been close to balance between 2010 and 2019.

EaP countries' services exports are generally rather specialised, with travel playing a key role in services exports of three EaP partner countries - Armenia, Azerbaijan and Georgia - while manufacturing services are dominant in the services exports of Ukraine. Only Moldova seems to have a services exports structure that is relatively balanced with no single clearly dominant services category.

Manufacturing services, transport, travel and construction are the four services categories in which EaP partner countries collectively record the highest revealed comparative advantages. On the other hand, the EU is by far the most important trade partner in services for all EaP partner countries on both exports and imports, except in the case of exports for Ukraine, pointing to the close interdependence between the block and its EaP partners and, probably too, to the positive impact of the various cooperation and trade agreements signed between them in the last decade.

Diversification

The global economy has gone through a dramatic shift towards services. Services now generate more than two-thirds of economic output, attract over two-thirds of foreign direct investment, and provide most jobs globally. While services may in the past have been perceived as secondary to a country's industrial strength, they have now become critical to development strategies, as strong, sustainable and inclusive growth will not be achieved without due consideration of services.[45] EaP economies may wish to consider how to increase growth in services trade by developing services trade policies that support the diversification into additional service categories. This would provide opportunities to increase service exports, which will increase employment and drive economic growth.

Diversification will also allow EaP partners to more readily withstand economic shocks, such as due to the global pandemic, which has impacted those service categories dependent on face-to-face contact (such as travel).

Digital trade

Digital trade encompasses digitally enabled transactions of trade in goods and services that can be either digitally or physically delivered, and that involve consumers, firms, and governments.[46] Rapid technological developments have facilitated the rise of services in international cross-border trade. Information and communication technology services form the backbone of digital trade, providing the necessary network infrastructure and underpinning the digitisation of other types of services. New technologies have also facilitated the rise of digitally enabled services that are supported

(44) Data for Ukraine was not available for this variable.
(45) trade_services_economic_diversification_e.pdf (wto.org)
(46) Digital trade - OECD

by a range of new services building on data-driven innovative solutions such as cloud computing. To meet the growing demand to understand the impact of digital trade, the OECD have developed a framework for measuring digital trade - the Handbook for Measuring Digital Trade.[47]

It is clear that some EaP partners are well positioned to benefit from the growth in digital trade as illustrated by the contribution of telecommunication, computer and information service exports in Moldova, Ukraine and Armenia. The global pandemic has probably accelerated the shift towards the digitalisation of the global economy so all EaP partners are encouraged to develop their digital capabilities to be able to benefit from the changing nature of the global economy.

Concluding remarks

The general objective of this STEP project on "International trade statistics: SITS and FATS" was to support the alignment of EaP countries' statistics with MSITS 2010 recommendations, with a focus on the development of SITS by partner country and mode of supply, as well as inward Foreign Affiliates Statistics (FATS).

To address these requirements, it is recommended that EaP partners continue to develop trade in services sources and methods in line with the phased implementation as presented in the Manual on Statistics of International Trade in Services (MSITS 2010).[48] A broad order of priority based on MSITS is set out below:

i. Work towards full conceptual compliance with BPM6 requirements.

ii. Disseminate quarterly and annual ITSS data in downloadable form on national websites.

iii. Disseminate (as a minimum) the 12 – product EBOPS breakdown on a quarterly basis. Work towards more detailed breakdowns as new data sources are implemented. This will meet user needs for more detailed product breakdowns (SUT analysis, GATS negotiations etc.)

iv. Compile partner country breakdowns, initially aiming at the 12-product level. Disseminate trade with main partners only to limit disclosure problems. Meeting this objective may require partners to implement additional surveys / access to administrative and other sources of data to improve estimation of trade in services with partner countries.

v. Consider compiling inward FATS variables using available Economic Survey/Census data for those "foreign-controlled" enterprises in each EaP partner. The structure of enterprise ownership may be available either from Foreign Direct Investment (FDI) sources, or from national Business Registers.

vi. Consider estimating MoS using the "enhanced" approach. This implies using either expert judgements or preferably using information from traders on how services are supplied.

vii. Consider compiling services trade by enterprise characteristics (STEC).

The timetable for developing trade in services towards meeting these requirements must reflect the individual EaP resourcing constraints. EaP partners are encouraged to identify what needs to be done to address the higher priority issues, in particular priorities i. to v. above and, if not already in place, prepare a broad development plan to meet these requirements.

(47) Handbook on Measuring Digital Trade, Version 1 - OECD
(48) MSITS 2010 M86 (E) web.pdf (un.org)

Annex 1

Armenia SITS data

TABLE 1.1: ARMENIA EXPORTS AND IMPORTS OF SERVICES: 2010-2020[49]

Exports (EUR millions)

Product/Sector	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
S Total services	**764**	**942**	**1091**	**1146**	**1221**	**1365**	**1511**	**1791**	**1878**	**2172**	**967**
SA Manufacturing services on physical inputs owned by othe	11	6	3	5	4	3	15	19	30	24	32
SB Maintenance and repair services n.i.e.	2	1	2	2	2	2	3	3	3	3	3
SC Transport	117	127	135	130	137	148	171	205	217	245	203
SD Travel	487	519	636	663	727	844	919	1066	1125	1365	257
SE Construction	6	134	154	167	159	147	136	183	162	159	68
SF Insurance and pension services	10	14	14	14	15	16	19	23	24	28	25
SG Financial services	5	6	3	8	8	6	7	9	12	17	17
SH Charges for the use of intellectual property n.i.e	:	:	:	0	0	0	0	0	0	0	0
SI Telecommunications, computer, and information serv	96	73	76	84	98	118	156	188	213	234	287
SJ Other business services	8	29	32	40	38	39	41	43	39	38	37
SK Personal, cultural, and recreational services	14	14	15	14	14	17	17	17	16	17	9
SL Government goods and services n.i.e.	9	18	20	20	20	26	29	36	37	40	29

Imports (EUR millions)

Product/Sector	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
S Total services	961	989	1171	1239	1305	1450	1446	1649	1858	2231	880
SA Manufacturing services on physical inputs owned by othe	0	0	0	0	0	0	0	0	0	0	0
SB Maintenance and repair services n.i.e.	2	2	9	5	2	3	8	7	7	12	11
SC Transport	336	331	368	361	351	325	332	384	473	578	362
SD Travel	437	494	625	700	771	898	886	1029	1086	1330	269
SE Construction	11	8	12	6	10	22	19	28	41	34	12
SF Insurance and pension services	41	40	43	43	39	40	40	48	56	67	55
SG Financial services	8	8	9	8	10	13	16	12	12	15	18
SH Charges for the use of intellectual property n.i.e	0	0	0	0	0	0	0	0	0	0	0
SI Telecommunications, computer, and information serv	19	14	19	32	34	31	22	25	30	37	29
SJ Other business services	81	68	59	56	60	86	88	81	101	96	89
SK Personal, cultural, and recreational services	9	7	7	8	8	8	8	8	19	26	20
SL Government goods and services n.i.e.	17	18	19	20	21	25	28	26	33	38	15

Balances (EUR millions)

Product/Sector	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
S Total services	-197	-47	-79	-93	-84	-86	64	142	20	-60	88
SA Manufacturing services on physical inputs owned by othe	11	6	3	5	4	3	15	19	30	24	32
SB Maintenance and repair services n.i.e.	-1	-1	-7	-4	-1	-1	-5	-4	-4	-9	-8
SC Transport	-220	-204	-233	-231	-214	-178	-162	-179	-257	-333	-159
SD Travel	51	25	11	-38	-44	-54	33	36	40	35	-12
SE Construction	-5	126	142	161	149	125	117	155	121	125	56
SF Insurance and pension services	-32	-26	-29	-29	-24	-23	-21	-25	-32	-39	-30
SG Financial services	-3	-2	-5	0	-2	-6	-9	-4	0	2	-2
SH Charges for the use of intellectual property n.i.e	:	:	:	0	0	0	0	0	0	0	0
SI Telecommunications, computer, and information serv	77	60	57	51	64	87	135	163	183	197	258
SJ Other business services	-74	-39	-27	-16	-23	-47	-47	-38	-62	-57	-53
SK Personal, cultural, and recreational services	5	6	8	7	7	9	9	9	-3	-9	-11
SL Government goods and services n.i.e.	-8	0	1	1	-2	1	1	11	4	3	14

: Not Available

(49) Source: WTO

TABLE 1.2: ARMENIA EXPORTS AND IMPORTS OF SERVICES BY MODE OF SUPPLY[50]

	2020 MoS analysis - exports								
MoS		2010				2020			
EBOPS	Product/Sector	Mode 1	Mode 2	Mode 4	TOTAL	Mode 1	Mode 2	Mode 4	TOTAL
S	**Total services**	**229**	**311**	**24**	**564**	**516**	**238**	**142**	**896**
SA	**Manufacturing services on physical inputs owned by others**	0	11	**0**	**11**	0	32	0	**32**
SB	**Maintenance and repair services n.i.e.**	0	1	**0**	**2**	0	2	0	**3**
SC	**Transport**	106	11	**0**	**116**	196	8	0	**204**
SD	**Travel**	0	288	**0**	**288**	0	192	0	**192**
SE	**Construction**	0	0	**5**	**5**	0	0	61	**61**
SF	**Insurance and pension services**	10	0	**0**	**10**	25	0	0	**25**
SG	**Financial services**	5	0	**0**	**5**	17	0	0	**17**
SH	**Charges for the use of intellectual property n.i.e.**	0	0	**0**	**0**	0	0	0	**0**
SI	**Telecommunications, computer, and information services**	85	0	12	**97**	223	0	65	**288**
SJ	**Other business services**	6	0	2	**8**	27	3	6	**36**
SK	**Personal, cultural, and recreational services**	11	0	**4**	**14**	7	0	2	**9**
SL	**Government goods and services n.i.e.**	7	0	**2**	**9**	22	0	7	**29**
	2020 MoS analysis - imports								
MoS		2010				2020			
Reporting	Product/Sector	Mode 1	Mode 2	Mode 4	TOTAL	Mode 1	Mode 2	Mode 4	TOTAL
S	**Total services**	**445**	**371**	**35**	851	**544**	**225**	**43**	**812**
SA	**Manufacturing services on physical inputs owned by others**	0	0	**0**	0	0	0	0	**0**
SB	**Maintenance and repair services n.i.e.**	0	2	**0**	2	0	9	1	**11**
SC	**Transport**	296	39	**0**	336	351	11	0	**362**
SD	**Travel**	0	328	**0**	328	0	202	0	**202**
SE	**Construction**	0	0	**10**	10	0	0	11	**11**
SF	**Insurance and pension services**	41	0	**0**	41	55	0	0	**55**
SG	**Financial services**	8	0	**0**	8	18	0	0	**18**
SH	**Charges for the use of intellectual property n.i.e.**	0	0	**0**	0	0	0	0	**0**
SI	**Telecommunications, computer, and information services**	18	0	**1**	19	26	0	3	**29**
SJ	**Other business services**	61	2	**18**	81	67	3	20	**89**
SK	**Personal, cultural, and recreational services**	7	0	**2**	9	15	0	5	**20**
SL	**Government goods and services n.i.e.**	12	0	**4**	17	11	0	4	**15**

TABLE 1.3: INWARD FATS[51]

Inward FATS: EU partners (Source: Eurostat)								
	2013	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**
Turnover - Million EUR	294	298	226	162	153	NA	NA	NA
Number of persons employed	4,911	4,951	3,717	3,193	5,361	NA	NA	NA
Number of enterprises	36	36	49	37	44	NA	NA	NA
NA - not available								

(50) Source: estimated using WTO data
(51) Source: Eurostat

Annex 2

Azerbaijan SITS data

TABLE 2.1: AZERBAIJAN EXPORTS AND IMPORTS OF SERVICES: 2010-2020[52]

Exports (EUR millions)

Product/Sector	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
S Total services	1,558	1,954	3,332	3,110	3,234	4,005	3,946	4,150	3,972	3,360	2,295
SA Manufacturing services on physical inputs owned by othe	0	0	0	2	1	1	0	2	9	1	0
SB Maintenance and repair services n.i.e.	0	0	0	23	48	62	67	86	75	13	24
SC Transport	486	552	577	614	839	1,368	989	860	1,036	990	1,440
SD Travel	468	925	1,894	1,781	1,831	2,081	2,452	2,666	2,230	1,601	266
SE Construction	115	81	191	119	51	21	28	58	46	29	25
SF Insurance and pension services	8	9	8	8	14	16	12	20	10	24	19
SG Financial services	0	1	2	8	6	3	6	5	11	6	8
SH Charges for the use of intellectual property n.i.e	0	0	0	0	0	0	0	0	0	0	0
SI Telecommunications, computer, and information serv	64	54	74	86	96	78	66	58	67	52	57
SJ Other business services	305	246	487	449	322	350	288	359	447	596	421
SK Personal, cultural, and recreational services	37	9	0	5	8	6	14	12	14	21	11
SL Government goods and services n.i.e.	73	78	100	19	21	19	24	25	25	31	24

Imports (EUR millions)

Product/Sector	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
S Total services	2865	4106	5608	6265	7819	7817	6796	7142	5718	5696	4781
SA Manufacturing services on physical inputs owned by othe	0	0	0	1	1	0	0	1	0	1	1
SB Maintenance and repair services n.i.e.	0	0	0	40	50	68	57	82	48	56	18
SC Transport	605	690	755	740	741	910	830	928	1288	1302	1140
SD Travel	562	1213	1928	2166	2264	2346	2253	2353	1934	1520	361
SE Construction	245	369	377	1252	2958	3173	2689	2197	1127	924	1000
SF Insurance and pension services	84	102	127	117	108	128	108	100	136	142	125
SG Financial services	7	11	9	11	14	14	10	44	36	42	26
SH Charges for the use of intellectual property n.i.e	13	13	22	0	0	0	0	0	0	0	0
SI Telecommunications, computer, and information serv	55	87	100	108	109	125	88	80	84	88	79
SJ Other business services	1195	1540	2213	1714	1409	927	667	1287	986	1540	1956
SK Personal, cultural, and recreational services	36	9	0	8	14	18	15	12	14	14	11
SL Government goods and services n.i.e.	63	71	78	108	150	107	80	57	63	66	67

Balances (EUR millions)

Product/Sector	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
S Total services	-1307	-2152	-2276	-3154	-4584	-3812	-2850	-2992	-1746	-2337	-2486
SA Manufacturing services on physical inputs owned by othe	0	0	0	1	0	1	0	1	9	0	-1
SB Maintenance and repair services n.i.e.	0	0	0	-17	-2	-6	10	4	26	-44	6
SC Transport	-119	-138	-178	-126	98	458	159	-68	-251	-313	300
SD Travel	-94	-289	-34	-386	-434	-265	199	313	296	80	-95
SE Construction	-130	-288	-187	-1133	-2907	-3152	-2661	-2140	-1081	-895	-974
SF Insurance and pension services	-75	-93	-119	-109	-94	-112	-96	-80	-126	-118	-106
SG Financial services	-7	-10	-7	-4	-8	-12	-4	-39	-25	-36	-18
SH Charges for the use of intellectual property n.i.e	-13	-13	-22	0	0	0	0	0	0	0	0
SI Telecommunications, computer, and information serv	9	-33	-26	-23	-14	-47	-22	-21	-17	-36	-22
SJ Other business services	-889	-1293	-1726	-1265	-1087	-577	-379	-929	-539	-944	-1535
SK Personal, cultural, and recreational services	1	-1	0	-4	-5	-12	-2	-1	0	6	0
SL Government goods and services n.i.e.	10	6	22	-90	-129	-88	-56	-32	-37	-35	-43

(52) Source: WTO

TABLE 2.2: AZERBAIJAN EXPORTS AND IMPORTS OF SERVICES BY MODE OF SUPPLY[53]

MoS analysis - exports									
MoS		2010				2020			
EBOPS	Product/Sector	Mode 1	Mode 2	Mode 4	TOTAL	Mode 1	Mode 2	Mode 4	TOTAL
S	Total services	738	437	180	1354	1759	322	102	2183
SA	Manufacturing services on physical inputs owned by others	0	0	0	0	0	0	0	0
SB	Maintenance and repair services n.i.e.	0	0	0	0	0	21	2	24
SC	Transport	355	131	0	487	1336	103	0	1439
SD	Travel	0	276	0	276	0	157	0	157
SE	Construction	0	0	104	104	0	0	23	23
SF	Insurance and pension services	8	0	0	8	19	0	0	19
SG	Financial services	0	0	0	0	8	0	0	8
SH	Charges for the use of intellectual property n.i.e.	0	0	0	0	0	0	0	0
SI	Telecommunications, computer, and information services	63	0	1	64	54	0	3	57
SJ	Other business services	229	29	47	305	316	40	65	422
SK	Personal, cultural, and recreational services	28	0	9	37	8	0	3	11
SL	Government goods and services n.i.e.	55	0	18	73	18	0	6	24

MoS analysis - imports									
MoS		2010				2020			
Reporting	Product/Sector	Mode 1	Mode 2	Mode 4	TOTAL	Mode 1	Mode 2	Mode 4	TOTAL
S	Total services	1659	607	433	2699	2602	763	1227	4592
SA	Manufacturing services on physical inputs owned by others	0	0	0	0	0	1	0	1
SB	Maintenance and repair services n.i.e.	0	0	0	0	0	16	2	18
SC	Transport	533	72	0	604	856	284	0	1140
SD	Travel	0	421	0	421	0	271	0	271
SE	Construction	0	0	221	221	0	0	900	900
SF	Insurance and pension services	84	0	0	84	125	0	0	125
SG	Financial services	7	0	0	7	26	0	0	26
SH	Charges for the use of intellectual property n.i.e.	13	0	0	13	0	0	0	0
SI	Telecommunications, computer, and information services	53	0	2	55	69	0	10	79
SJ	Other business services	896	113	185	1195	1467	192	297	1956
SK	Personal, cultural, and recreational services	27	0	9	36	8	0	3	11
SL	Government goods and services n.i.e.	48	0	16	63	50	0	17	67

TABLE 2.3: INWARD FATS[54]

Inward FATS: EU partners (Source: Eurostat)											
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Turnover - Million EUR	NA	NA	NA	1,223	1,243	961	697	951	668	NA	NA
Number of persons employed	NA	NA	NA	49,897	6,680	6,878	5,423	5,673	4,456	NA	NA
Number of enterprises	NA	NA	NA	66	61	62	74	81	73	NA	NA
NA - Not Available											

(53) Source: estimated using WTO data
(54) Source: Eurostat

Annex 3

Georgia SITS data[55]

TABLE 3.1: GEORGIA EXPORTS AND IMPORTS OF SERVICES: 2010-2020[56]

Exports (EUR millions)											
Product/Sector	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
S Total service exports	**1238**	**1450**	**1994**	**2245**	**2291**	**2782**	**2993**	**3532**	**3802**	**4109**	**1383**
SA Manufacturing services on physical inputs owned by othe	14	6	12	11	17	17	15	12	6	13	3
SB Maintenance and repair services n.i.e.	17	1	2	3	2	3	0	1	1	0	0
SC Transport	526	574	664	726	731	858	831	850	825	900	611
SD Travel	497	686	1098	1295	1345	1684	1907	2394	2728	2920	475
SE Construction	8	6	6	7	4	8	9	5	4	4	6
SF Insurance and pension services	29	15	14	14	15	16	13	11	9	11	11
SG Financial services	13	12	16	7	5	10	12	15	17	21	17
SH Charges for the use of intellectual property n.i.e	4	4	2	2	2	1	1	0	0	1	1
SI Telecommunications, computer, and information serv	24	28	39	41	42	41	51	80	72	102	100
SJ Other business services	32	39	53	49	47	52	55	62	42	45	72
SK Personal, cultural, and recreational services	11	12	12	15	13	13	14	17	14	13	17
SL Government goods and services n.i.e.	64	66	75	75	68	80	86	87	83	81	72

Imports (EUR millions)											
Product/Sector	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
S Total service imports	824	909	1132	1178	1308	1517	1573	1740	1902	2166	1275
SA Manufacturing services on physical inputs owned by othe	2	1	0	0	1	0	0	1	2	1	1
SB Maintenance and repair services n.i.e.	4	3	3	2	3	6	5	4	3	5	5
SC Transport	419	497	627	669	705	863	865	958	1065	1140	709
SD Travel	150	153	199	221	225	297	349	411	445	587	158
SE Construction	8	4	5	7	8	9	9	8	8	6	11
SF Insurance and pension services	91	98	107	93	111	114	110	108	113	105	85
SG Financial services	11	14	16	9	10	11	15	18	19	21	24
SH Charges for the use of intellectual property n.i.e	5	6	6	10	14	6	17	22	23	37	48
SI Telecommunications, computer, and information serv	14	20	25	29	35	36	45	53	70	76	70
SJ Other business services	46	61	72	68	104	99	79	91	80	118	109
SK Personal, cultural, and recreational services	9	8	10	9	10	10	9	9	12	13	7
SL Government goods and services n.i.e.	67	43	61	61	83	65	70	60	64	57	47

Balances (EUR millions)											
Product/Sector	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Total services (EUR million)	413	542	862	1066	983	1265	1420	1792	1900	1943	109
SA Manufacturing services on physical inputs owned by othe	13	5	12	11	17	17	15	11	4	12	2
SB Maintenance and repair services n.i.e.	14	-1	-1	1	-2	-4	-5	-3	-3	-5	-5
SC Transport	107	77	37	56	26	-5	-33	-108	-240	-240	-98
SD Travel	347	533	899	1074	1120	1386	1558	1983	2284	2333	317
SE Construction	0	2	2	0	-4	-1	0	-3	-4	-2	-5
SF Insurance and pension services	-62	-83	-93	-79	-96	-98	-98	-97	-103	-94	-74
SG Financial services	2	-2	-1	-2	-5	-1	-4	-3	-2	1	-7
SH Charges for the use of intellectual property n.i.e	-2	-2	-4	-8	-13	-5	-16	-22	-23	-36	-47
SI Telecommunications, computer, and information serv	11	8	14	13	8	5	5	27	2	26	30
SJ Other business services	-14	-22	-19	-19	-56	-47	-23	-29	-37	-73	-37
SK Personal, cultural, and recreational services	2	4	2	6	3	3	5	8	3	1	10
SL Government goods and services n.i.e.	-3	23	14	14	-15	15	16	27	19	24	25

(55) Data for Georgia exclude the regions of Abkhazia and South Ossetia over which Georgia does not exercise control.
(56) Source: WTO

TABLE 3.2: GEORGIA EXPORTS AND IMPORTS OF SERVICES BY MODE OF SUPPLY[57]

	2020 MoS analysis - exports								
MoS		2010				2020			
EBOPS	Product/Sector	Mode 1	Mode 2	Mode 4	TOTAL	Mode 1	Mode 2	Mode 4	TOTAL
S	**Total services**	**556**	**524**	**33**	**1113**	**724**	**485**	**56**	**1265**
SA	**Manufacturing services on physical inputs owned by others**	0	14	**0**	**14**	0	3	0	**3**
SB	**Maintenance and repair services n.i.e.**	0	16	**2**	**17**	0	0	0	**0**
SC	**Transport**	407	119	**0**	**526**	489	122	0	**611**
SD	**Travel**	0	373	**0**	**373**	0	356	0	**356**
SE	**Construction**	0	0	**7**	**7**	0	0	6	**6**
SF	**Insurance and pension services**	29	0	**0**	**29**	11	0	0	**11**
SG	**Financial services**	13	0	**0**	**13**	17	0	0	**17**
SH	**Charges for the use of intellectual property n.i.e.**	4	0	**0**	**4**	1	0	0	**1**
SI	**Telecommunications, computer, and information services**	25	0	0	**25**	86	0	15	101
SJ	**Other business services**	23	2	6	**31**	54	5	13	72
SK	**Personal, cultural, and recreational services**	8	0	**3**	**11**	12	0	4	**17**
SL	**Government goods and services n.i.e.**	48	0	**16**	**64**	54	0	18	**72**
	2020 MoS analysis - imports								
MoS		2010				2020			
Reporting	Product/Sector	Mode 1	Mode 2	Mode 4	TOTAL	Mode 1	Mode 2	Mode 4	TOTAL
S	**Total services**	**607**	**144**	**35**	**787**	**1030**	**149**	**52**	**1232**
SA	**Manufacturing services on physical inputs owned by others**	0	2	**0**	**2**	0	1	0	**1**
SB	**Maintenance and repair services n.i.e.**	0	3	**0**	**4**	0	5	1	**5**
SC	**Transport**	395	23	**0**	**419**	691	18	0	**708**
SD	**Travel**	0	113	**0**	**113**	0	118	0	**118**
SE	**Construction**	0	0	**7**	**7**	0	0	10	**10**
SF	**Insurance and pension services**	91	0	**0**	**91**	85	0	0	**85**
SG	**Financial services**	11	0	**0**	**11**	24	0	0	**24**
SH	**Charges for the use of intellectual property n.i.e.**	5	0	**0**	**5**	48	0	0	**48**
SI	**Telecommunications, computer, and information services**	13	0	**1**	**14**	61	0	8	**69**
SJ	**Other business services**	35	3	**9**	**47**	81	7	20	**109**
SK	**Personal, cultural, and recreational services**	7	0	**2**	**9**	5	0	2	**7**
SL	**Government goods and services n.i.e.**	50	0	**17**	67	35	0	12	**47**

TABLE 3.3: INWARD FATS[58]

Inward FATS: EU partners (Source: Eurostat)											
	2010	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**
Turnover - Million EUR	NA	NA	NA	386	732	855	849	681	1,132	NA	NA
Number of persons employed	NA	NA	NA	10,160	12,260	12,978	12,221	10,887	12,165	NA	NA
Number of enterprises	NA	NA	NA	67	73	101	100	108	119	NA	NA
NA - Not Available											

(57) Source: estimated using WTO data
(58) Source: Eurostat

Annex 4

Moldova SITS data[59]

TABLE 4.1: MOLDOVA EXPORTS AND IMPORTS OF SERVICES: 2010-2020[60]

Exports (EUR millions)

Product/Sector	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
S Total services	594	717	794	861	860	884	963	1109	1251	1379	1119
SA Manufacturing services on physical inputs owned by othe	80	97	90	111	125	126	134	151	211	238	202
SB Maintenance and repair services n.i.e.	1	1	2	1	2	2	4	4	5	5	4
SC Transport	196	259	296	319	299	290	317	363	367	361	216
SD Travel	123	134	154	173	176	197	230	286	323	354	277
SE Construction	3	4	2	4	3	4	6	8	8	9	11
SF Insurance and pension services	1	1	1	1	1	0	0	0	0	0	1
SG Financial services	3	4	3	5	5	5	5	4	4	4	4
SH Charges for the use of intellectual property n.i.e	4	4	4	5	5	4	5	5	3	3	2
SI Telecommunications, computer, and information serv	109	119	139	138	140	146	140	156	191	230	265
SJ Other business services	47	65	72	75	76	78	86	102	107	143	110
SK Personal, cultural, and recreational services	0	0	1	2	2	2	2	4	4	5	5
SL Government goods and services n.i.e.	29	30	30	29	27	30	33	26	27	27	24

Imports (EUR millions)

Product/Sector	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
S Total services	540	603	710	745	764	765	763	840	949	1066	784
SA Manufacturing services on physical inputs owned by othe	3	1	2	2	2	3	3	4	3	3	4
SB Maintenance and repair services n.i.e.	5	4	12	11	9	12	7	7	11	15	11
SC Transport	202	252	287	288	290	276	270	306	340	372	264
SD Travel	182	199	240	252	260	256	232	267	298	345	244
SE Construction	9	6	7	7	5	4	11	14	14	22	29
SF Insurance and pension services	12	9	4	5	7	5	5	7	8	8	6
SG Financial services	7	6	7	6	7	6	7	9	8	8	8
SH Charges for the use of intellectual property n.i.e	10	12	15	18	19	16	17	22	25	29	24
SI Telecommunications, computer, and information serv	45	44	55	65	66	76	70	73	77	86	72
SJ Other business services	43	42	54	57	71	78	101	96	128	138	88
SK Personal, cultural, and recreational services	1	1	2	2	2	4	5	10	14	14	11
SL Government goods and services n.i.e.	24	27	27	32	28	31	33	25	25	28	26

Balances (Euro millions)

Product/Sector	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
S Total services	54	114	84	115	96	119	200	269	301	314	335
SA Manufacturing services on physical inputs owned by othe	77	96	88	109	123	123	131	148	207	235	199
SB Maintenance and repair services n.i.e.	-4	-3	-10	-11	-8	-10	-4	-3	-6	-10	-7
SC Transport	-6	6	9	30	9	14	47	57	28	-11	-47
SD Travel	-59	-65	-86	-79	-84	-59	-2	19	25	9	32
SE Construction	-6	-2	-5	-3	-2	0	-5	-6	-5	-13	-18
SF Insurance and pension services	-11	-8	-3	-4	-6	-5	-5	-7	-8	-8	-5
SG Financial services	-4	-2	-4	-2	-2	-1	-2	-4	-4	-4	-4
SH Charges for the use of intellectual property n.i.e	-6	-9	-11	-14	-14	-13	-12	-17	-22	-26	-22
SI Telecommunications, computer, and information serv	64	75	84	73	74	70	70	82	113	145	193
SJ Other business services	4	22	18	17	5	0	-15	6	-21	5	23
SK Personal, cultural, and recreational services	-1	-1	-1	-1	-1	-2	-4	-6	-9	-9	-5
SL Government goods and services n.i.e.	5	4	3	-2	-1	-1	-1	1	3	-1	-3

(59) Official statistics of the Republic of Moldova does not include the Transnistria region.
(60) Source: WTO

TABLE 4.2: MOLDOVA EXPORTS AND IMPORTS OF SERVICES BY MODE OF SUPPLY[61]

	MoS analysis - exports								
MoS		2010				2020			
EBOPS	Product/Sector	Mode 1	Mode 2	Mode 4	TOTAL	Mode 1	Mode 2	Mode 4	TOTAL
S	**Total services**	**348**	**171**	**24**	**543**	**513**	**397**	**97**	**1007**
SA	**Manufacturing services on physical inputs owned by others**	0	80	0	**80**	0	202	0	**202**
SB	**Maintenance and repair services n.i.e.**	0	1	0	**1**	0	4	0	**4**
SC	**Transport**	180	16	0	**195**	193	24	0	**217**
SD	**Travel**	0	73	0	**73**	0	163	0	**163**
SE	**Construction**	0	0	3	**3**	0	0	9	**9**
SF	**Insurance and pension services**	1	0	0	**1**	1	0	0	**1**
SG	**Financial services**	3	0	0	**3**	4	0	0	**4**
SH	**Charges for the use of intellectual property n.i.e.**	4	0	0	**4**	2	0	0	**2**
SI	**Telecommunications, computer, and information services**	104	0	4	109	209	0	56	265
SJ	**Other business services**	35	2	10	47	83	4	24	110
SK	**Personal, cultural, and recreational services**	0	0	0	**0**	4	0	1	**5**
SL	**Government goods and services n.i.e.**	21	0	7	**29**	18	0	**6**	24
	MoS analysis - imports								
MoS		2010				2020			
Reporting	Product/Sector	Mode 1	Mode 2	Mode 4	TOTAL	Mode 1	Mode 2	Mode 4	TOTAL
S	**Total services**	**295**	**172**	**27**	**494**	**425**	**228**	**67**	720
SA	**Manufacturing services on physical inputs owned by others**	0	3	0	**3**	0	4	**0**	4
SB	**Maintenance and repair services n.i.e.**	0	4	0	**5**	0	10	**1**	11
SC	**Transport**	175	27	0	**202**	236	27	**0**	263
SD	**Travel**	0	136	0	**136**	0	183	**0**	183
SE	**Construction**	0	0	8	**8**	0	0	**26**	26
SF	**Insurance and pension services**	12	0	0	**12**	6	0	**0**	6
SG	**Financial services**	7	0	0	**7**	8	0	**0**	8
SH	**Charges for the use of intellectual property n.i.e.**	10	0	0	**10**	24	0	**0**	24
SI	**Telecommunications, computer, and information services**	41	0	3	**45**	59	0	**13**	72
SJ	**Other business services**	32	2	9	**42**	65	4	**18**	87
SK	**Personal, cultural, and recreational services**	1	0	0	**1**	8	0	**3**	11
SL	**Government goods and services n.i.e.**	18	0	6	**24**	20	0	**7**	26

TABLE 4.3: INWARD FATS[62]

Inward FATS: EU partners (Source: Eurostat)											
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Turnover - Million EUR	NA	NA	NA	1,137	1,222	1,328	1,286	1,359	NA	NA	NA
Number of persons employed	NA	NA	NA	15,063	15,445	16,037	16,766	19,274	23,614	NA	NA
Number of enterprises	NA	NA	NA	122	116	126	154	149	NA	NA	NA
NA - Not Available											

(61) Source: estimated using WTO data
(62) Source: Eurostat

Annex 5

Ukraine SITS data[63]

TABLE 5.1: UKRAINE EXPORTS AND IMPORTS OF SERVICES: 2010-2020[64]

Exports (EUR millions)

Product/Sector	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
S Total services	13,824	15,279	17,193	17,027	11,204	11,214	11,246	12,608	13,409	15,601	13,626
SA Manufacturing services on physical inputs owned by othe	1,000	1,297	1,617	1,469	962	972	1,017	1,256	1,438	1,465	1,185
SB Maintenance and repair services n.i.e.	349	473	479	281	225	173	210	216	206	240	207
SC Transport	6,028	6,637	6,785	6,384	4,690	4,797	4,832	5,242	5,037	5,586	4,455
SD Travel	2,857	3,085	3,769	3,827	1,213	975	974	1,116	1,224	1,447	312
SE Construction	177	183	237	207	157	260	164	85	130	105	81
SF Insurance and pension services	24	31	42	30	10	13	22	11	16	13	13
SG Financial services	358	224	194	263	166	171	75	133	125	147	114
SH Charges for the use of intellectual property n.i.e	100	77	97	126	89	77	66	64	78	73	65
SI Telecommunications, computer, and information serv	542	747	1,028	1,342	1,537	1,897	2,087	2,443	2,941	3,869	4,536
SJ Other business services	1,853	1,991	2,297	2,439	1,878	1,629	1,484	1,738	1,917	2,319	2,351
SK Personal, cultural, and recreational services	85	67	93	86	48	35	33	33	44	59	58
SL Government goods and services n.i.e.	451	468	557	574	227	216	283	272	254	278	250

Imports (EUR millions)

Product/Sector	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
S Total services	9589	9614	11355	12137	9305	10229	10804	11794	12278	14038	9774
SA Manufacturing services on physical inputs owned by othe	4	6	8	8	22	57	5	2	2	2	2
SB Maintenance and repair services n.i.e.	35	32	37	93	81	78	83	63	71	76	53
SC Transport	3080	2674	3141	3043	2053	1755	1747	1867	1894	2247	1681
SD Travel	2823	3205	3973	4339	3810	4598	5393	6303	6688	7608	4107
SE Construction	109	112	269	166	45	15	40	52	46	69	51
SF Insurance and pension services	66	62	100	114	69	60	86	68	58	63	58
SG Financial services	819	685	741	761	603	788	507	532	448	519	557
SH Charges for the use of intellectual property n.i.e	561	536	566	807	416	323	323	381	501	541	433
SI Telecommunications, computer, and information serv	278	314	404	575	438	565	447	450	523	626	655
SJ Other business services	1252	1373	1473	1548	1149	1020	1137	1173	1372	1448	1172
SK Personal, cultural, and recreational services	167	168	180	245	123	102	83	92	90	113	95
SL Government goods and services n.i.e.	395	448	463	437	497	869	952	812	585	724	910

Balances (EUR millions)

Product/Sector	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
S Total services	4235	5665	5837	4890	1898	985	442	813	1131	1563	3852
SA Manufacturing services on physical inputs owned by othe	996	1291	1609	1461	940	915	1013	1254	1436	1463	1184
SB Maintenance and repair services n.i.e.	314	441	441	187	145	96	126	153	135	164	153
SC Transport	2948	3963	3643	3341	2638	3042	3084	3375	3143	3338	2774
SD Travel	35	-120	-204	-512	-2596	-3622	-4420	-5187	-5465	-6161	-3795
SE Construction	67	71	-32	41	112	244	125	33	84	36	31
SF Insurance and pension services	-41	-31	-58	-84	-59	-48	-64	-58	-41	-50	-45
SG Financial services	-461	-461	-547	-498	-437	-616	-432	-399	-323	-372	-443
SH Charges for the use of intellectual property n.i.e	-462	-459	-469	-681	-327	-246	-257	-317	-423	-468	-369
SI Telecommunications, computer, and information serv	264	433	624	767	1099	1332	1640	1993	2417	3243	3881
SJ Other business services	600	619	823	891	729	608	347	565	545	871	1178
SK Personal, cultural, and recreational services	-81	-101	-87	-160	-75	-67	-51	-59	-46	-54	-38
SL Government goods and services n.i.e.	57	19	94	136	-269	-653	-669	-540	-331	-447	-660

(63) Since 2014, data for Ukraine generally exclude the illegally annexed Autonomous Republic of Crimea and the City of Sevastopol and the territories which are not under control of the Ukrainian government.
(64) Source: WTO

TABLE 5.2: UKRAINE EXPORTS AND IMPORTS OF SERVICES BY MODE OF SUPPLY[65]

	MoS analysis - exports								
MoS		2010				2020			
EBOPS	Product/Sector	Mode 1	Mode 2	Mode 4	TOTAL	Mode 1	Mode 2	Mode 4	TOTAL
S	Total services	6834	5042	759	12635	8692	3060	1739	13490
SA	Manufacturing services on physical inputs owned by others	0	1000	0	1000	0	1185	0	1185
SB	Maintenance and repair services n.i.e.	0	314	35	349	0	186	21	207
SC	Transport	4094	1933	0	6028	3070	1385	0	4455
SD	Travel	0	1686	0	1686	0	184	0	184
SE	Construction	0	0	159	159	0	0	73	73
SF	Insurance and pension services	24	0	0	24	13	0	0	13
SG	Financial services	358	0	0	358	114	0	0	114
SH	Charges for the use of intellectual property n.i.e.	100	0	0	100	65	0	0	65
SI	Telecommunications, computer, and information services	466	0	76	542	3436	0	1100	4536
SJ	Other business services	1389	108	355	1853	1763	120	468	2351
SK	Personal, cultural, and recreational services	64	0	21	85	43	0	14	58
SL	Government goods and services n.i.e.	338	0	113	451	187	0	62	250
	MoS analysis - imports								
MoS		2010				2020			
Reporting	Product/Sector	Mode 1	Mode 2	Mode	TOTAL	Mode 1	Mode 2	Mode 4	TOTAL
S	Total services	5455	2889	529	8872	4406	3658	679	8742
SA	Manufacturing services on physical inputs owned by others	0	4	0	4	0	2	0	2
SB	Maintenance and repair services n.i.e.	0	32	4	35	0	48	5	53
SC	Transport	2410	670	0	3080	1210	471	0	1681
SD	Travel	0	2117	0	2117	0	3080	0	3080
SE	Construction	0	0	98	98	0	0	46	46
SF	Insurance and pension services	66	0	0	66	58	0	0	58
SG	Financial services	819	0	0	819	557	0	0	557
SH	Charges for the use of intellectual property n.i.e.	561	0	0	561	433	0	0	433
SI	Telecommunications, computer, and information services	239	0	40	278	515	0	140	655
SJ	Other business services	939	66	247	1252	879	57	236	1172
SK	Personal, cultural, and recreational services	125	0	42	167	72	0	24	95
SL	Government goods and services n.i.e.	296	0	99	395	682	0	227	910

TABLE 5.3: INWARD FATS[66]

Inward FATS: EU partners (Source: Eurostat)											
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Turnover - Million EUR	NA	NA	NA	16,886	11,738	11,565	14,737	16,940	16,977	NA	NA
Number of persons employed	NA	NA	NA	236,020	176,066	174,652	173,789	179,193	174,603	NA	NA
Number of enterprises	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
NA - Not Available											

(65) Source: estimated using WTO data
(66) Source: Eurostat

"The International Trade in Services of the Eastern Partnership Countries" is one of the flagship regional publications produced within the framework of the STEP programme. It allowed the national statistical institutes of the five partner countries to work together to improve data comparability, quality of data and metadata and presentation standards while contributing to facilitating the use of statistics in evidence-based decision-making. Each chapter of this publication presents statistical information in tables and figures, accompanied by a descriptive text highlighting the main findings. This publication is developed as part of the STEP programme which is funded by the EU, managed by Eurostat and implemented by Expertise France.

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