

ASEAN INTERNATIONAL TRADE IN SERVICES 2005 to 2011



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INTERNATIONAL TRADE IN SERVICES AT A GLANCE (2005-2011)

HIGHLIGHTS

This is the first ever publication by ASEANstats on international trade in services in the region. In the future, the figures will be published annually with more details as ASEAN Member States improve their data collection systems on statistics on International Trade in Services (SITS).

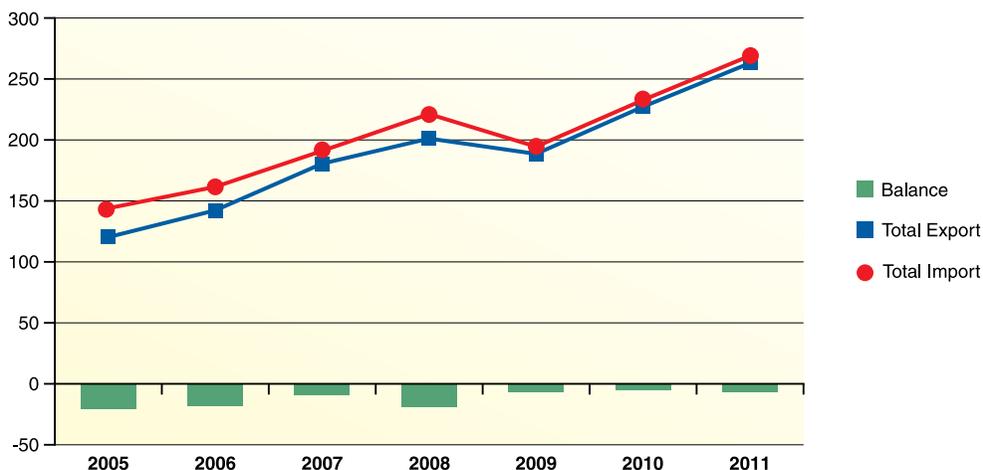
The key findings from the aggregate statistics from all 10 Member States for the period 2005 to 2011 were, as follows:

- Growth of exports of services by ASEAN averaged 14 percent per annum. Growth of imports of services averaged 11 percent per annum;
- The resulting deficit in net exports significantly decreased over the reporting period;
- For both exports and imports, the main contributors were transportation, business services, and travel, which comprised over 80 percent of the total in both cases;
- Intra-ASEAN trade in services increased at an average rate of 14 percent per annum. However, its share of total ASEAN service exports and imports has not increased over the period.

TOTAL ASEAN TRADE IN SERVICES

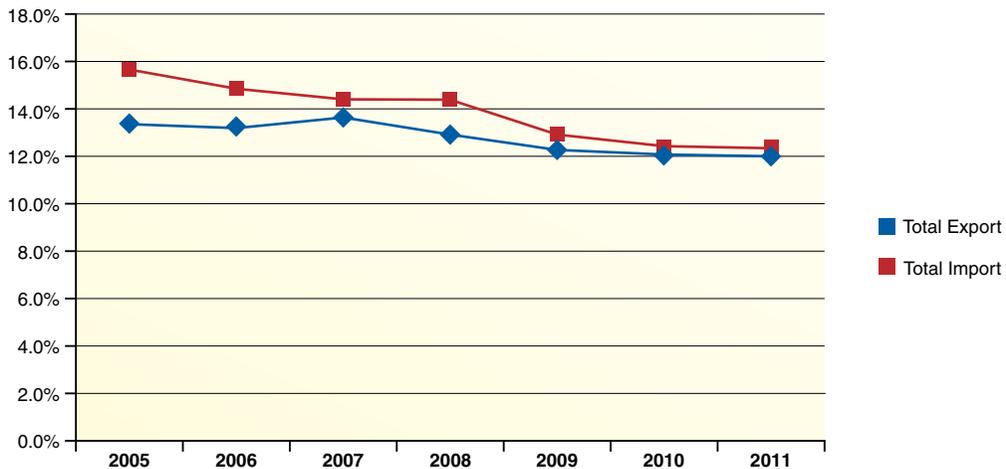
The ASEAN total export and import of services with the world generally increased over the period 2005 to 2011 with a slight decrease in 2009, partly a spill over effect of the global financial crisis in 2008.

**Chart 1: Total ASEAN Export and Import of Services with the World
in billion US dollars**



The balance of ASEAN's trade in services was negative throughout the period - ASEAN has always been a net importer of services (Chart 1). However, between 2005 and 2011, total average growth of exports (13.7 percent) was higher than the total average growth of imports (11.1 percent). As a result, the balance of net imports has declined. A continuation of this trend would indicate a probable net surplus of trade in services in the future.

Chart 2: Total ASEAN Export and Import of Services, as percent of GDP



ASEAN exports in services reached a peak of 14 percent of GDP in 2007 but declined to 12 percent by 2011. ASEAN imports in services as a percentage of GDP fell from 16 percent in 2005 to 12 percent in 2011 (Chart 2).

Total ASEAN Exports, by 11 Service Headings

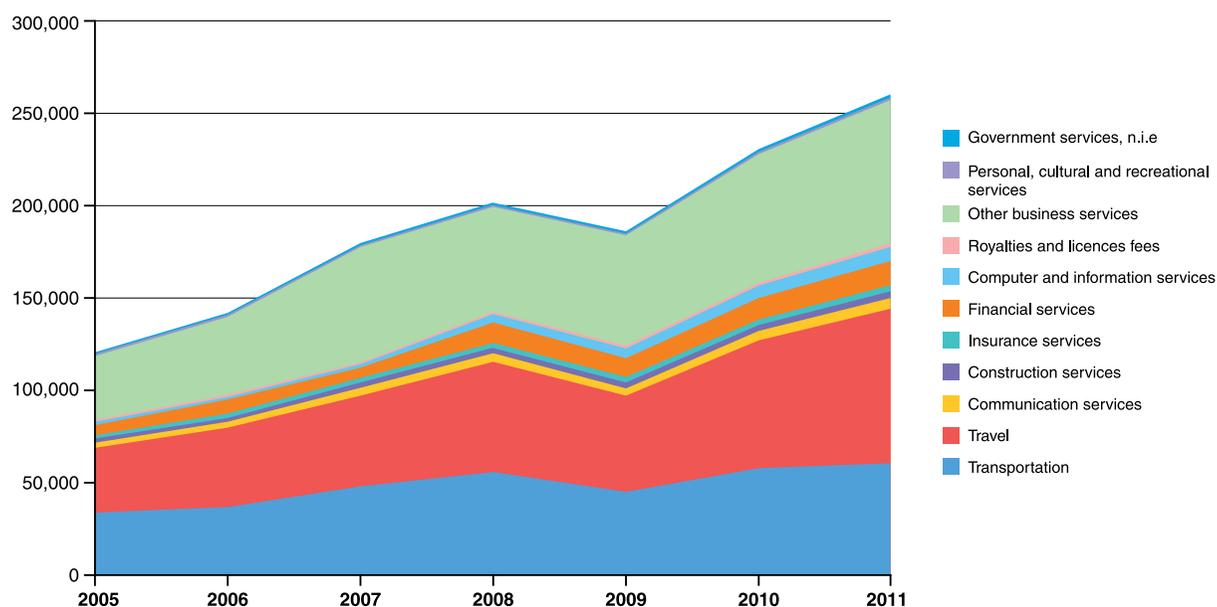
Travel, Other Business and Transportation services continued to be the major contributors to ASEAN exports of services, with total average shares ranging from 26 percent to 30 percent. Personal, cultural, and recreational services, averaged 0.4 percent, had the smallest share of services exports during the period.

Table 1: Total ASEAN Exports of Services (credits), in million US dollars

ASEAN Code	2005	2006	2007	2008	2009	2010	2011
Transportation	33,942	37,640	48,640	56,630	45,275	55,787	61,327
Travel	34,952	43,560	55,319	59,691	53,704	68,462	84,424
Communication services	2,857	3,403	3,860	3,914	3,707	4,436	5,014
Construction services	2,426	2,458	3,267	3,580	3,005	3,448	3,551
Insurance services	1,675	1,851	2,081	2,440	3,061	3,794	3,749
Financial Services	5,311	7,147	10,493	10,788	9,953	11,957	13,058
Computer and information services	1,331	1,757	2,403	4,305	5,003	5,704	6,526
Royalties and license fees	873	647	856	1,068	1,263	1,643	2,060
Other business services	35,991	42,464	51,040	56,538	59,141	68,872	78,569
Personal, cultural, and recreational services	371	445	488	830	822	902	1,046
Government services, n.i.e	972	1,115	1,142	1,354	1,345	1,455	1,575
ASEAN Total	120,700	142,487	179,588	201,139	186,280	226,460	260,900

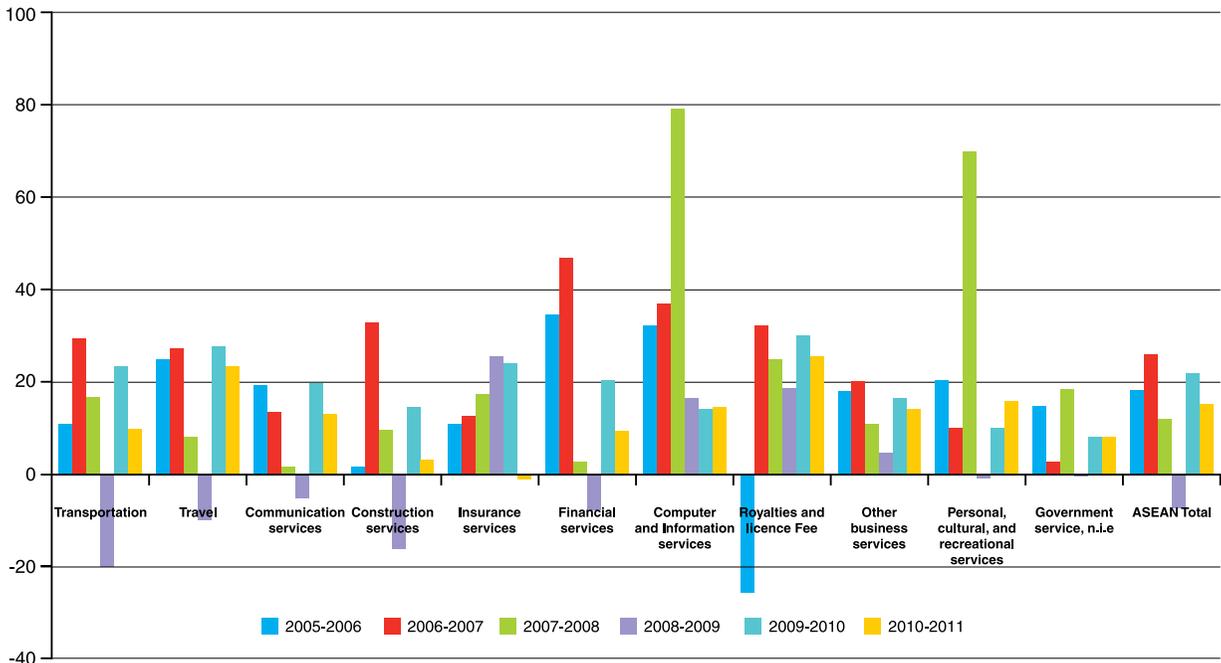
The average shares of the other sectors were, as follows: Financial services (5.2 percent), Communication services (2.1 percent), Construction services (1.7 percent), Computer and information services (1.9 percent), Insurance services (1.4 percent), Royalties and license fees (0.6 percent), and Government services (0.7 percent).

Chart 3: Trend of Total ASEAN Exports, by 11 Service Headings in million US dollars



Growth of ASEAN exports in services during 2005-2011 was 13.7 percent per annum. In terms of export growth in each services sector, Computer and Information services is increasingly becoming an important high value-added sector for ASEAN, posting the highest average growth of 30.3 percent per annum. This was followed by Personal, cultural, and recreational services at 18.9 percent. The lowest growth was incurred by Construction services at 6.6 percent (Chart 4).

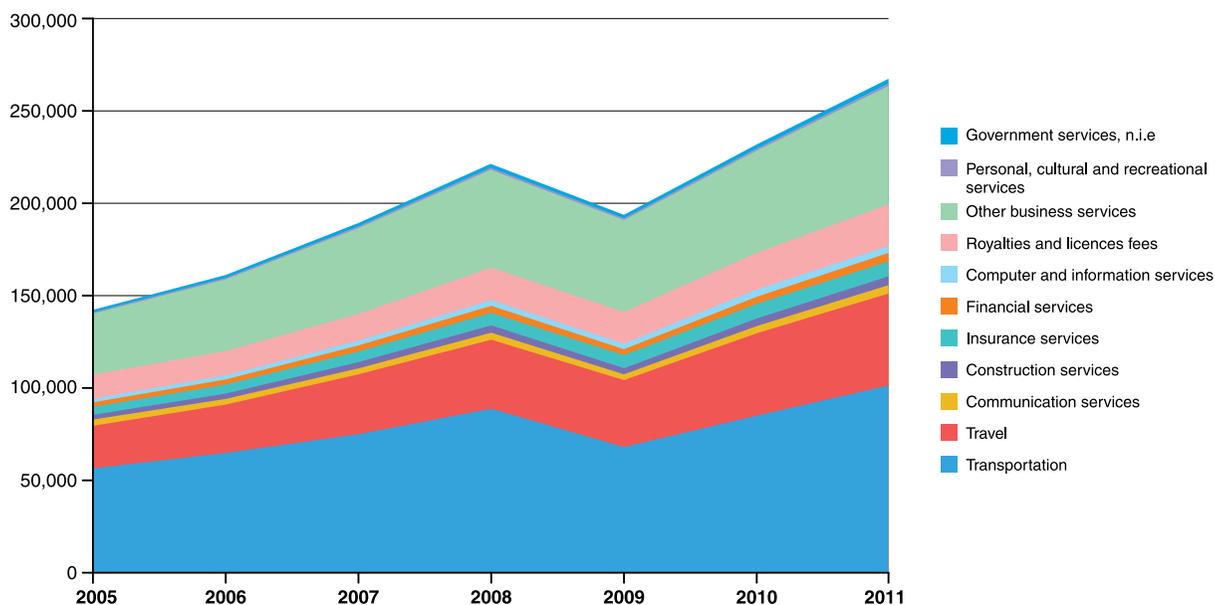
Chart 4: Total ASEAN Exports, by 11 Service Headings
Growth rates, in percent



Trade in services generally experienced a decline in 2009; however, some services sectors managed to sustain continued growth amid the global economic downturn, including Insurance, Computer and Information, Other Business services, and Royalties and License Fees.

Total ASEAN Imports, by 11 Service Headings

Chart 5: Trend of Total ASEAN Imports, by 11 Service Headings
in million US dollars



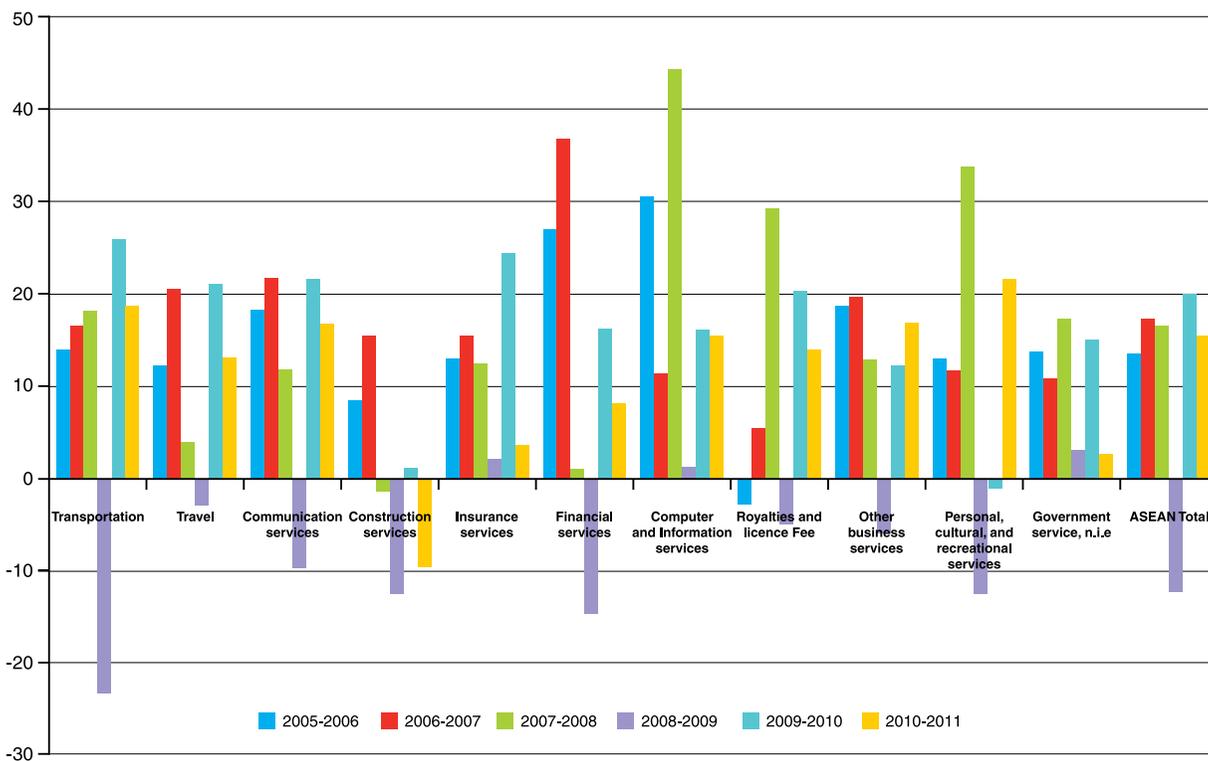
As in exports, the most dominant sectors for imports were Transportation, Business and Travel services with average shares of 39 percent, 24 percent and 18 percent, respectively during the period in review.

Table 2: Total ASEAN Imports of Services (debits), in million US Dollars

ASEAN Code	2005	2006	2007	2008	2009	2010	2011
Transportation	56,840	64,774	75,466	89,077	68,332	85,980	102,007
Travel	24,058	27,012	32,536	37,696	36,614	44,345	50,152
Communication services	2,210	2,612	3,181	3,553	3,210	3,905	4,557
Construction services	3,303	3,580	4,129	4,068	3,557	3,595	3,250
Insurance services	4,693	5,301	6,114	6,873	7,006	8,713	9,019
Financial Services	2,066	2,621	3,584	3,621	3,089	3,591	3,885
Computer and information services	1,472	1,921	2,139	3,086	3,122	3,625	4,186
Royalties and license fees	13,651	13,257	13,973	18,072	17,154	20,639	23,515
Other business services	33,108	39,306	47,042	53,064	49,896	56,026	65,458
Personal, cultural, and recreational services	680	767	857	1,147	1,002	991	1,204
Government services, n.i.e	1,051	1,195	1,323	1,551	1,600	1,842	1,888
ASEAN Total	143,130	162,348	190,344	221,807	194,582	233,252	269,121

During the period, the smallest share of services imports to ASEAN was in Personal, cultural, and recreational (0.5 percent). The average shares of the rest of the sectors were, as follows: Royalties and licence fees (8.5 percent), Insurance (3.4 percent), Construction (1.9 percent), Communication (1.6 percent), Financial (1.6 percent), Computer and information (1.6 percent), and Government services (0.7 percent).

Chart 6: Total ASEAN Imports, by 11 Service Headings
Growth rates, in percent



Computer and Information services had the highest growth rate over the period at 19 percent per annum while Construction Services incurred the lowest growth (-0.3 percent), although it had been growing up to 2008. Personal, cultural, and recreational services was a sector which fluctuated most in terms of growth rates.

As with exports, most import services sectors recorded reversals in 2009, except for Insurance, Computer and information, and Government services.

BALANCE OF TRADE IN SERVICES

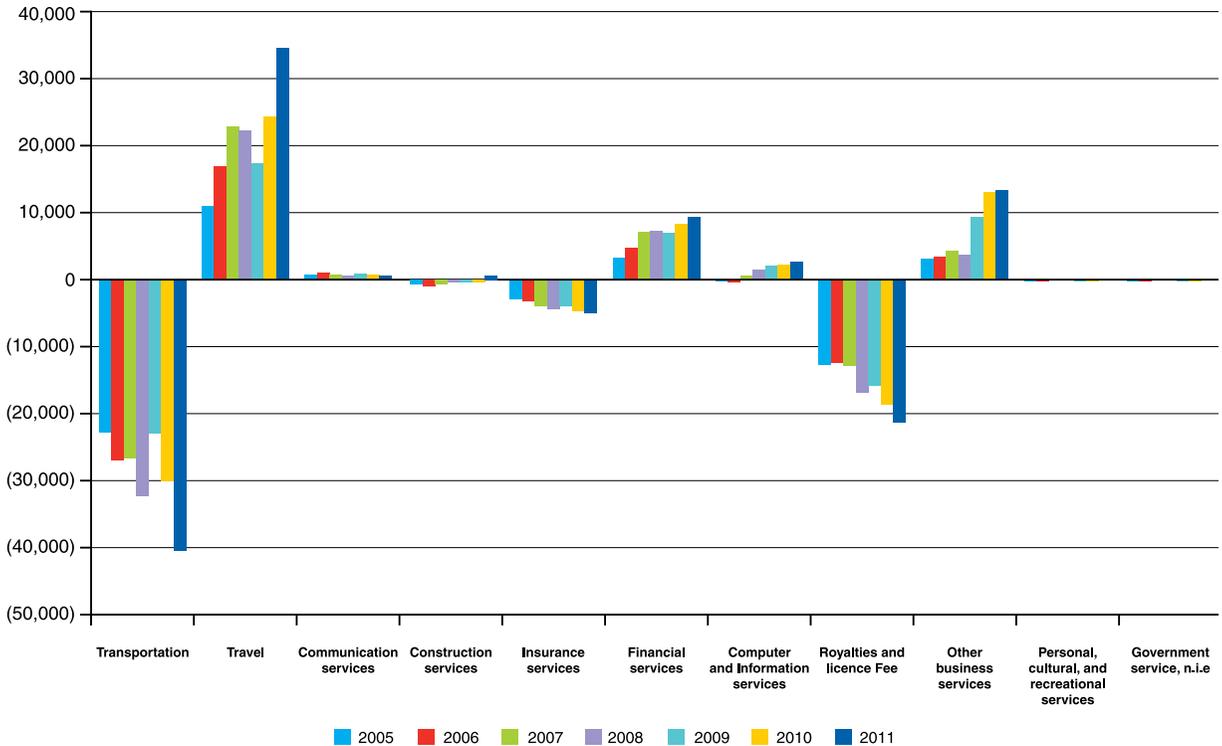
The ASEAN trade in services remained in negative balance throughout the period in review. Some sectors recorded a surplus, namely: Travel; Communications; Financial; and Other Business services. Computer and information services showed a turnaround from deficit to surplus, starting in 2007 while Construction services registered a surplus in 2011 after a series of deficits since 2005.

Table 3: Total ASEAN Balance of Trade in Services, in million US dollars

Figures in brackets indicate net imports; those without brackets indicate net exports

ASEAN Code	2005	2006	2007	2008	2009	2010	2011
Transportation	(22,898)	(27,134)	(26,826)	(32,447)	(23,057)	(30,192)	(40,680)
Travel	10,894	16,548	22,783	21,996	17,090	24,117	34,272
Communication services	648	790	679	361	496	531	457
Construction services	(877)	(1,122)	(862)	(488)	(551)	(147)	301
Insurance services	(3,018)	(3,449)	(4,033)	(4,433)	(3,944)	(4,919)	(5,270)
Financial Services	3,244	4,526	6,909	7,167	6,864	8,366	9,173
Computer and information services	(141)	(164)	264	1,219	1,881	2,079	2,340
Royalties and license fees	(12,778)	(12,610)	(13,117)	(17,004)	(15,891)	(18,996)	(21,454)
Other business services	2,883	3,157	3,998	3,475	9,245	12,846	13,111
Personal, cultural, and recreational services	(309)	(322)	(369)	(316)	(180)	(88)	(159)
Government services, n.i.e	(79)	(81)	(181)	(197)	(255)	(386)	(313)
ASEAN Total	(22,430)	(19,861)	(10,756)	(20,668)	(8,301)	(6,792)	(8,222)

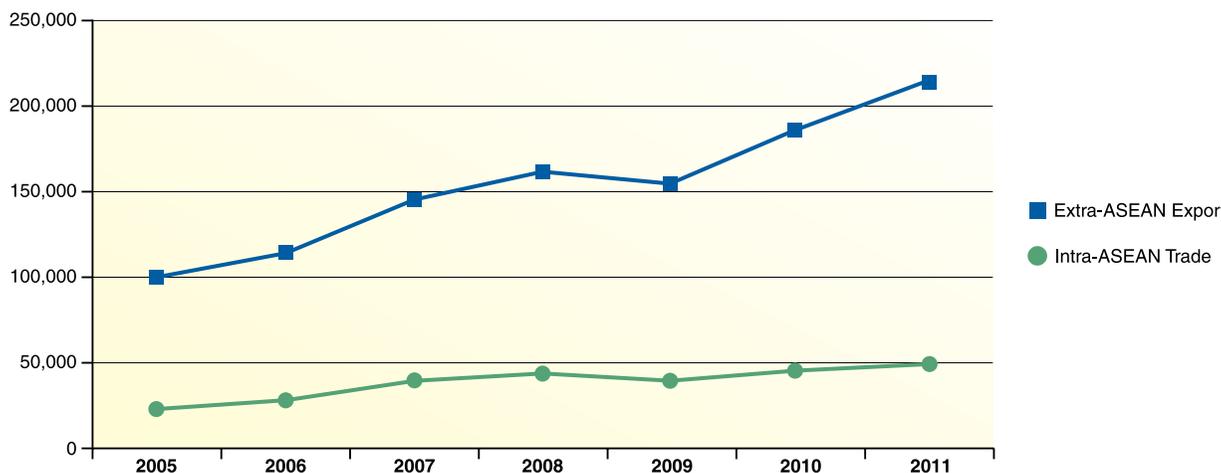
Chart 7: Total ASEAN Trade Balance, by 11 Service Headings in millions US dollars



INTRA- VIS-À-VIS EXTRA-ASEAN TRADE IN SERVICES

For ASEAN as a group of countries, Extra-ASEAN trade in services is defined as trade with countries not belonging to ASEAN and Intra-ASEAN trade as trade of ASEAN members with other ASEAN members. Chart 8 shows the trend of Extra-ASEAN and Intra-ASEAN trade in services.

Chart 8: Trend of Extra- and Intra-ASEAN Trade in Services
in million US dollars



Intra-ASEAN Trade in Services

Intra-ASEAN trade in services are the total exports of each Member State to the other Member States; and also the total imports of each Member State from other Member States. The two figures are conceptually the same, but in fact they differ due to errors in measurement and estimation. We have taken the mid-point of imports to and exports from other AMS in the figures presented here.

During the periods of 2005 to 2011, an average of 17 percent of ASEAN Member States' trade in services was with other Member States. This share has been relatively consistent with the peak in 2008 at 18 percent. In 2009, the share of intra-ASEAN trade in services declined slightly to 16.5 percent, but rose again to 17 percent in 2011.

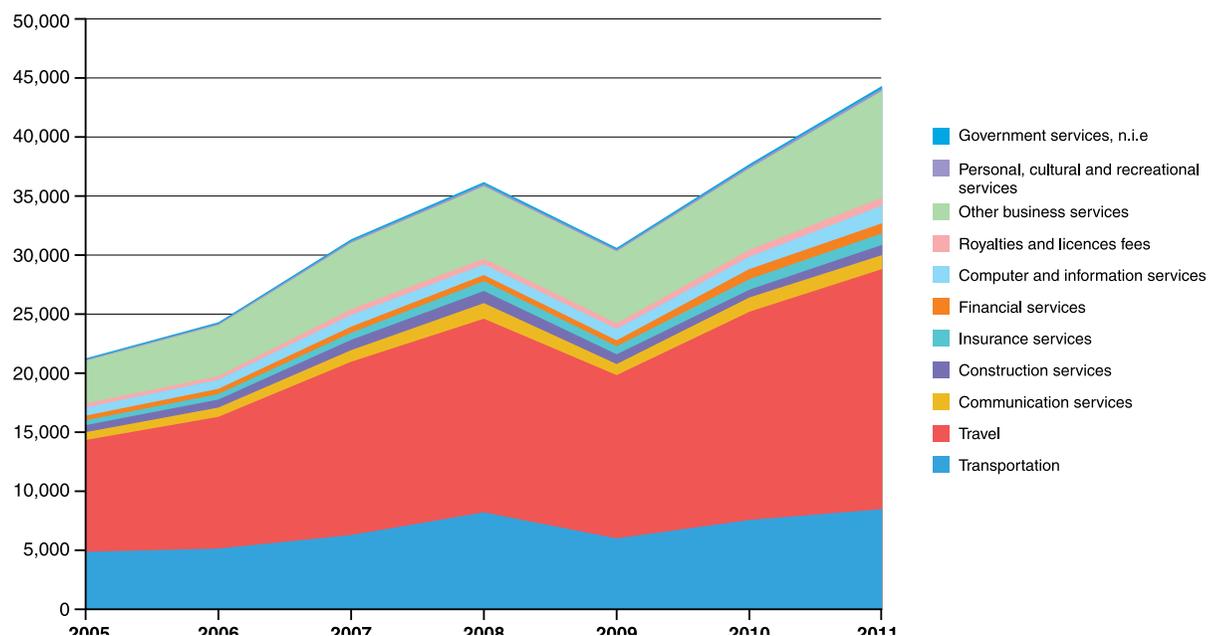
In value terms, Intra-ASEAN trade in services experienced growth in all years except 2009 partly due to the global economic crisis. Trade recovered quickly in 2010 with the value of total trade in services were even higher than that of the pre-crisis level in 2008.

Table 4: Intra-ASEAN Trade in Services, in million US dollars

ASEAN Code	2005	2006	2007	2008	2009	2010	2011
Transportation	4,839	5,157	6,247	8,261	6,029	7,569	8,387
Travel	9,513	11,181	14,806	16,396	13,848	17,630	20,425
Communication services	700	800	929	1,279	891	1,175	1,263
Construction services	585	693	881	1,107	822	704	776
Insurance services	484	518	659	799	736	923	1,059
Financial Services	335	383	517	500	490	826	905
Computer and information services	666	762	918	929	953	1,029	1,338
Royalties and license fees	225	247	374	388	420	556	703
Other business services	3,742	4,441	5,787	6,254	6,206	6,992	9,083
Personal, cultural, and recreational services	108	144	152	218	179	212	252
Government services, n.i.e	80	83	116	123	162	197	181
ASEAN Total	21,277	24,409	31,385	36,254	30,735	37,812	44,371

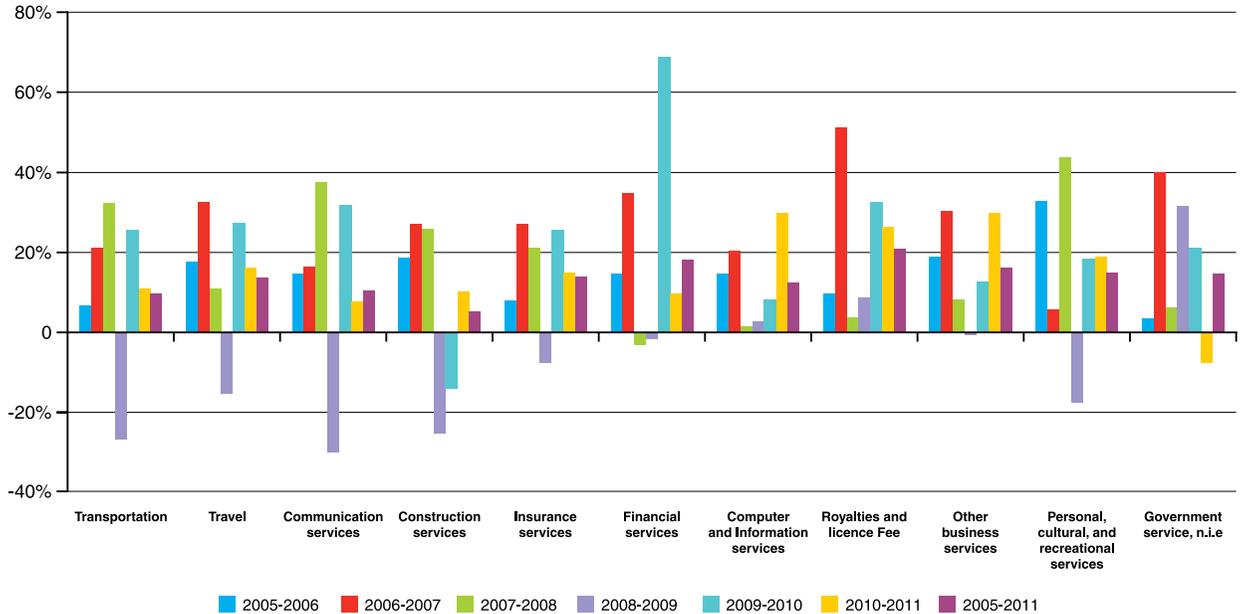
Intra-ASEAN and extra-ASEAN trade in services registered growth rates of 14.5 percent and 13.9 percent, respectively during 2005 to 2011. The effect of the downturn in 2009 was felt more severely by the intra-ASEAN than the extra-ASEAN. During this year, intra-ASEAN trade in services declined sharply by 15 percent compared to only 6 percent for extra-ASEAN trade.

Chart 9: Intra-ASEAN Trade in Service, in million US dollars



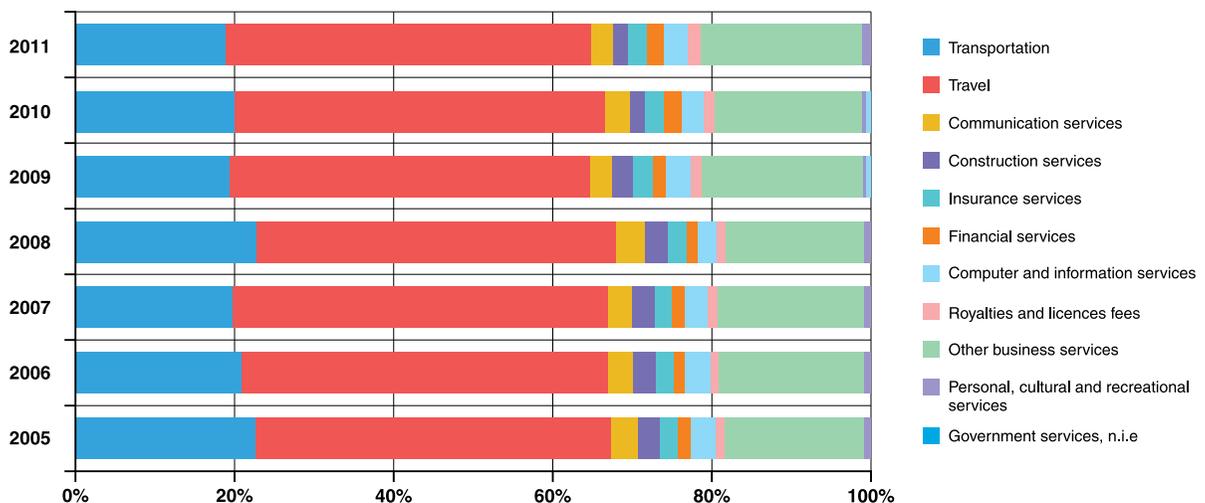
The sectors that declined most from 2008 to 2009 were: Transportation (27.0 percent), Communications (30.4 percent), and Construction (25.7 percent),

**Chart 10: Intra-ASEAN Trade in Service
Growth rates, in percent**



Construction services posted the lowest average growth over the period at 4.8 percent. On the other hand, the highest average growth rate was posted by Royalties and license fees at 20.7 percent. This was one of the three sectors that survived the ill-effects of the global crisis from 2008-2009. However, the actual share of this sector is quite small at 1.2 percent and ranked 9th of the 11 Service Headings.

**Chart 11: Intra-ASEAN Trade in Services, by 11 Headings
in percent share**



Financial services showed an interesting trend with a significant increase in 2010, after the global financial crisis, though they account for only around 2 percent of intra-ASEAN trade.

Extra-ASEAN Trade in Services

Extra-ASEAN trade comprises over 80 percent of total ASEAN trade in services. Nevertheless, there are strong similarities in the pattern between individual service sectors distribution between extra-ASEAN and intra-ASEAN trade, dominated by Travel, Transportation, and Other business services (Table 3).

The share of Travel services in extra-ASEAN exports (27 percent) is much lower than for intra-ASEAN exports (46 percent). In contrast, the share of Transportation is slightly higher in extra-ASEAN trade at 27 percent, compared to 21 percent in intra-ASEAN. Similarly, other business services show higher share in extra-ASEAN trade (32 percent) compared to intra-ASEAN (19 percent).

Extra-ASEAN trade in services fell by 9 percent in 2009 due to the global economic crisis, and bounced back in 2010.

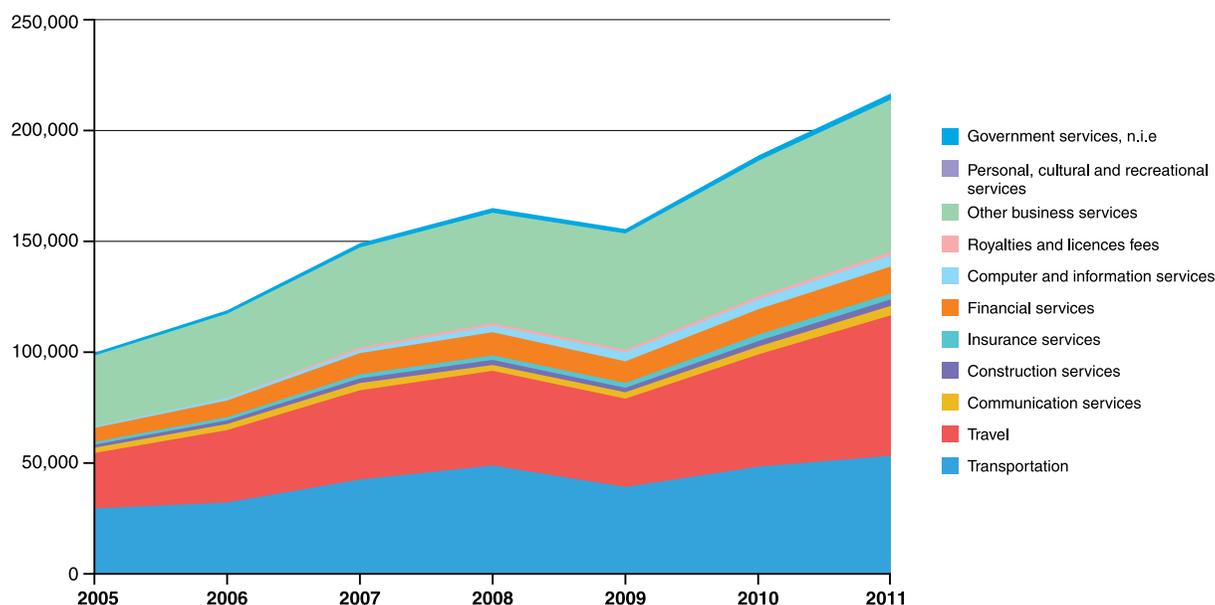
Table 5: Extra-ASEAN Exports (credits), in million US dollars

ASEAN Code	2005	2006	2007	2008	2009	2010	2011
Transportation	29,104	32,484	42,393	48,369	39,247	48,218	52,940
Travel	25,439	32,379	40,513	43,295	39,856	50,832	63,999
Communication services	2,158	2,602	2,930	2,635	2,816	3,261	3,751
Construction services	1,841	1,765	2,386	2,473	2,183	2,743	2,775
Insurance services	1,191	1,333	1,422	1,641	2,326	2,871	2,690
Financial Services	4,976	6,764	9,976	10,288	9,464	11,131	12,154
Computer and information services	665	995	1,486	3,376	4,050	4,675	5,188
Royalties and license fees	647	400	482	680	843	1,087	1,358
Other business services	32,249	38,022	45,253	50,284	52,934	61,880	69,486
Personal, cultural, and recreational services	263	301	337	612	643	690	794
Government services, n.i.e	892	1,032	1,026	1,231	1,183	1,258	1,394
ASEAN Total	99,423	118,078	148,203	164,885	155,546	188,648	216,529

All service headings have recovered its losses from the crisis with the highest growth posted in Royalties and license fees (29 percent) followed by Travel (28 percent) and Construction services (26 percent).

Extra-ASEAN exports continued to increase in 2011 by 15 percent. Travel services increased by 26 percent, followed by Royalties and license fees (25 percent). Only Insurance services contracted in 2011 by 6 percent.

Chart 12: Extra- ASEAN Exports (credits), in million US dollars



Extra-ASEAN Imports in Services

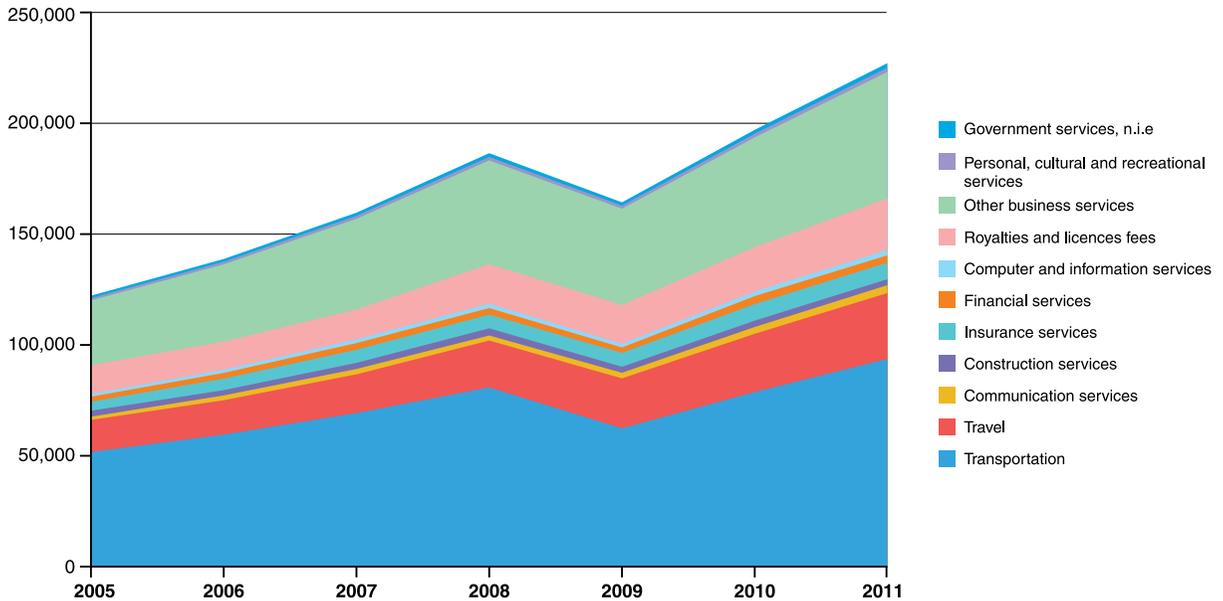
In general, the trend of extra-ASEAN imports is similar to exports. ASEAN had a negative trade balance (net importer of services) from countries outside of ASEAN throughout the reporting period.

Table 6: Extra-ASEAN Imports (debits), in million US dollars

ASEAN Code	2005	2006	2007	2008	2009	2010	2011
Transportation	52,001	59,618	69,220	80,816	62,303	78,411	93,620
Travel	14,545	15,831	17,730	21,300	22,766	26,715	29,727
Communication services	1,510	1,812	2,251	2,274	2,319	2,730	3,294
Construction services	2,718	2,887	3,248	2,961	2,735	2,891	2,474
Insurance services	4,209	4,782	5,455	6,074	6,270	7,791	7,961
Financial Services	1,731	2,238	3,067	3,121	2,599	2,765	2,980
Computer and information services	806	1,159	1,221	2,157	2,170	2,596	2,848
Royalties and license fees	13,425	13,010	13,599	17,684	16,734	20,083	22,812
Other business services	29,365	34,865	41,255	46,809	43,690	49,034	56,375
Personal, cultural, and recreational services	572	624	706	929	823	779	953
Government services, n.i.e	971	1,112	1,207	1,428	1,438	1,645	1,707
ASEAN Total	121,853	137,939	158,960	185,553	163,847	195,439	224,750

Extra-ASEAN imports for periods 2005 to 2011 grew by 11 percent, with the highest growth posted in 2010 at 19 percent, recovering from a decline of 12 percent in 2009. In 2011, Extra-ASEAN imports continued to increase by 15 percent.

Chart 13: Extra- ASEAN Imports (debits), in million US dollars



During the periods 2005 to 2011, Transportation services recorded the highest share in extra-ASEAN imports of services at almost 42 percent while Computer and information services recorded the highest growth rate of 23 percent. The second highest growing sector was Communication services with 14 percent, followed by Travel services with an average growth of 13 percent. Only Construction services suffered an average decline of 1.6 percent during the period in review despite recorded increases from 2005 to 2007.

EXTENDED BALANCE OF PAYMENTS SERVICES

Due to limited data received from ASEAN Member States on the Extended Balance of Payments Services (EBOPS) classification, only Transportation services can be presented and examined further in this publication. We hope to present more of the other service headings in the future publications.

Transportation

Transportation services are sub-divided into Sea Transport, Air Transport, and Other Transport (including Road Transport). These are also broken down into Freight and Others (passenger plus services incidental to transport). (Table 6)

ASEAN was a net importer in Sea transport services throughout the period. Air transport services recorded net imports in 2005 and 2006 but reversed to net exports from 2007 to 2011. During the periods 2005 to 2011, Air transport earned the highest share in exports of transportation services at 61 percent. For imports, the highest share was contributed by sea transport (66 percent).

Table 7: Export and Import of Transportation Services, in million US Dollars

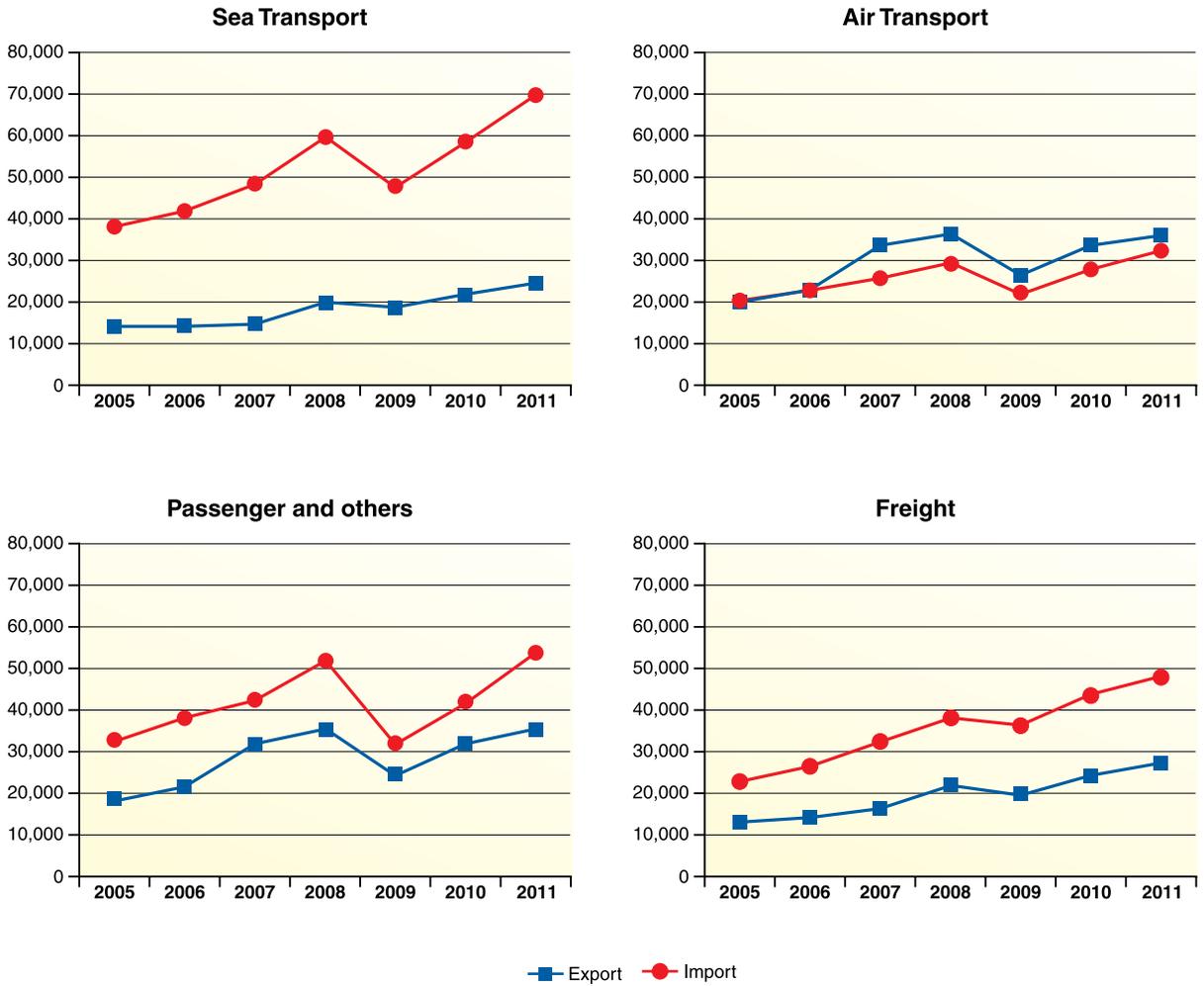
	2005	2006	2007	2008	2009	2010	2011
Exports of Transportation	33,942	37,640	48,640	56,630	45,275	55,787	61,327
By Mode:							
Sea Transport	14,201	14,315	15,151	19,960	18,627	22,349	24,647
Air Transport	19,681	23,256	33,435	36,077	25,924	32,339	35,428
Other Transport	60	70	54	593	725	1,100	1,252
By Type:							
All Freight	15,308	15,692	17,272	21,457	19,355	23,814	26,130
Passenger and other	18,635	21,948	31,368	35,173	25,921	31,973	35,197
Imports of Transportation	56,840	64,774	75,466	89,077	68,332	85,980	102,007
By Mode:							
Sea Transport	36,430	41,498	49,286	59,425	47,111	58,313	69,905
Air Transport	20,406	23,271	26,174	29,643	21,212	27,652	32,081
Other Transport	4	5	6	9	9	15	22
By Type:							
All Freight	24,058	27,012	32,536	37,696	36,614	44,345	48,189
Passenger and other	32,782	37,762	42,930	51,381	31,718	41,635	53,818

All modes of transportation services experienced a downturn in 2009 during the global crisis. The most affected sub-sector was Air transport which contracted by about 28 percent both in exports and imports.

A steady recovery was recorded in 2010 and 2011 for all modes of transportation services. Other transport posted the highest growth in 2011: 14 percent for exports and 47 percent for imports. Sea transport exports and imports expanded by 10 percent and 20 percent, respectively. Air transport exports and imports likewise grew by 10 percent and 16 percent, respectively.

ASEAN has been a net importer of freight transport services and other transport services for the review period. (Table 6)

**Chart 14: Trends of Export and Import of Transportation Services
in million US Dollars**



Methodological Notes

Definition of Trade in Services

The term “services” covers a heterogeneous range of intangible products and activities. Examples of service activities are wholesale, retail, certain kinds of repair, hotel, catering, transport, postal, telecommunication, financial, insurance, real estate, property rental, computer-related, research, professional, marketing and other business support, government, education, health, social, sanitation, community, audio-visual, recreational, cultural, personal, and domestic services.

The term international trade in services covers trade in services in the conventional sense of transactions (exports and imports of services) between residents and non-residents. This is the coverage of this publication.

In addition, “trade in services” in the international manuals includes services delivered through locally established, but foreign controlled enterprises. These transactions are covered by Foreign Affiliates Statistics (FATS). Cases where individuals are temporarily present abroad for more than one year to supply a service fall also under the scope of wider statistics on international trade in services. Neither of these two wider concepts were covered in the current publication, but is hoped to do so in future editions.

ASEANstats’ work on SITS

Work on the regular collection of trade in services data by ASEANstats commenced under the guidance of the ASEAN Task force on Statistics in International Trade in Services (SITS) in 2009. From 2009 to 2012, the work has been supported by technical assistance and training provided by the European Union under the EASCAB (EU-ASEAN Statistical Capacity Building) Programme. Apart from the collection of data, the tasks have included initial assessments of SITS in each AMS; national workplans to align with ASEAN requirements; regional training workshops; and national technical assistance and trainings.

The data contained in this publication are presented based on the guidelines set out in the Manual on Statistics of International Trade in Services (MSITS), 2002 edition; There is broad agreement within the ASEAN SITS Task Force to shift over the next few years to the 2010 edition of this manual. The MSITS manuals are consistent with the IMF Balance of Payments Manuals (5th and 6th edition, respectively). Copies can be downloaded from the ASEAN website at <http://eascab.asean.org/>.

The first pilot round of data collection took place during 2011, results were presented at workshops and Task Force meetings but were not of sufficient quality to publish as all fields were estimated and only few Member States could supply the details required.

Data on trade in services used in this publication were collected, during the second round of data collection, from all ASEAN Member States from June to September 2012. More detailed data were submitted by AMS than in the first round. In this regard, we would like to thank all members of the Task Force on SITS for their help and cooperation and for their continued commitment to improve their data compilation on SITS in the future.

The 11 Service Headings comprise the following sectors: Transportation; Travel; Communication; Construction; Insurance; Financial; Computer and Information; Royalties and license fees; Other Business; Personal, cultural, and recreational; and Government services not included elsewhere. More details below this level were requested, but Member States were able to supply sufficient data only on transportation to allow an estimate for the ASEAN totals.

One Member State submitted data in 2012 using the latest international standards (MSITS 2010). These data had to be converted back to the old standard for the purpose of compiling this publication. As more Member States switch to the new standards over the next few years, it will become necessary at some stage to switch to the new standards in the future edition of this publication.

Data on inward FATS were also requested but only 2 Member States were able to provide data; hence, it is not covered in the current publication.

Many differences in data collection methods and definitions, however, still exist between and among Member States. The EASCAB Programme has therefore compiled descriptions of national methodology for all 10 Member States. Copies of these documents (known as Metadata), were agreed with the Member States concerned. These can be downloaded from the website at <http://eascab.asean.org>.

Estimation for missing data

Not all countries were able to supply the complete 11 Service Headings and only a few were able to provide additional detail on the service sub-divisions or on intra-/extra-ASEAN breakdown. Considerable estimation was done to arrive at the ASEAN totals presented in this publication.

ASEANstats' staff, supported by the experts of the EASCAB Programme, has undertaken this estimation of missing data. In one case, adjustment has been made also for data submitted in MSITS 2010 which had to be converted to MSITS 2002 prior to aggregation.

Where data within individual Member States were missing for one or more years, internal country specific trends were used to estimate the missing cells to produce the ASEAN aggregate.

Where some data cells were missing for all years for a specific country then average ratios based on those AMS which actually reported the same data cells were used, to estimate for the missing cells. In this way it was possible to come up with a reasonable estimate for the ASEAN totals, even if the estimate for the individual countries would not be of publishable quality on their own.

In general, the ASEAN estimates in this publication are most accurate for the 11 Broad Service Headings as over 80 percent of such service trade was actually reported and only 20 percent had to be estimated. The ASEAN/other split and the transportation sub-divisions are less accurate and likely to be subject to revisions when new and better data are collected.



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