

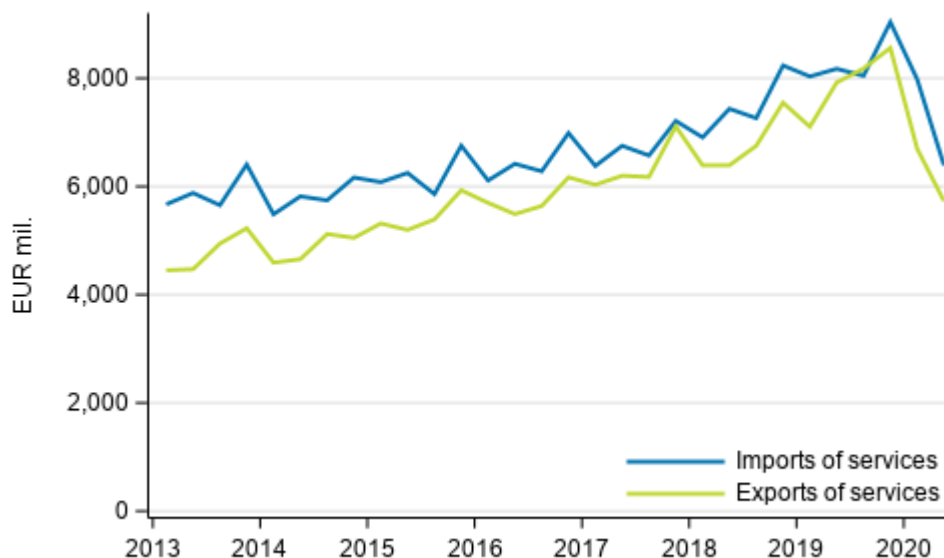
# International trade in goods and services

2020, 2nd quarter

## International trade contracted clearly in the second quarter of 2020

In the second quarter of 2020, the combined exports of goods and services decreased by 18 per cent relative to the corresponding quarter of the previous year. International trade, or exports and imports, fell in both goods and services. Twenty-eight per cent less services were exported and 22 per cent less services were imported than in the previous year. The relative decrease in international trade was smallest in goods exports, which went down by 12 per cent. Imports of goods, in turn, fell by 20 per cent. These data derive from Statistics Finland's statistics on international trade in goods and services, which are part of [balance of payments](#).

**Figure 1. Imports and exports of services quarterly (Corrected on 10 March 2021)**



Exports of services and goods decreased in total by slightly over EUR four billion compared with the second quarter of the previous year. In the second quarter of 2019, goods amounting to EUR 15.8 billion and services amounting to EUR 7.9 billion were exported from Finland, but in the corresponding quarter

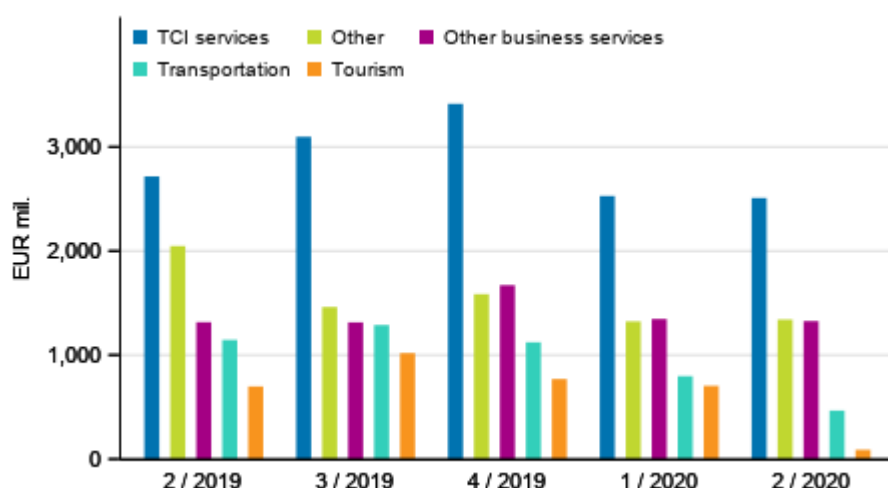
of 2020, the value of goods exports was EUR 13.8 billion and that of service exports EUR 5.7 billion. Thus, exports of goods diminished by 12 per cent and exports of services by 28 per cent. In terms of service exports, especially exports of travel and transport services developed weakly and the value of these two items fell by a total of EUR 1.3 billion. The ratio of the contraction of exports of travel and transport to the fall in total service exports was thus as much as 59 per cent.

## Exports of travel and transport services fell further

Travel to Finland and from Finland abroad has decreased clearly. Travel to Finland, which is recorded as travel exports, was 87 per cent lower in the second quarter of 2020 than one year earlier. Travel from Finland abroad, or imports of travel, fell by 93 per cent, in turn. In the second quarter of 2019, income from exports of travel amounted to EUR 0.7 billion, while the value of imports of travel was EUR 1.3 billion. In the second quarter of 2020, the value of both exports and imports of travel was slightly under EUR 0.1 billion. The fall in service exports during the first quarter of 2020 was also due to the weak development in travel and transport services, and the same trend continued even stronger in the past quarter.

International trade in transport services depends on the state of international trade in both travel and goods, which was not favourable. The value of exports of transport services was EUR 1.1 billion in the second quarter of 2019, but in the past quarter it had fallen to EUR 0.5 billion. Transport exports thus declined by 59 per cent. Imports of transport services also decreased clearly from the previous year.

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



## Service exports did not grow significantly in any item

In other service items, exports contracted most in charges for the use of intellectual property. Their total value in the second quarter of 2019 was EUR 1.1 billion and the fall from this level was around EUR 0.5 billion. Although the value of the item decreased by as much as 43 per cent, its level has not changed as much compared to the other quarters of 2019. A significant decrease was also recorded in the exports of telecommunications, computer and information services (ICT), which decreased by EUR 0.2 billion. However, exports of ICT continued to be the largest item in service exports valued at EUR 2.5 billion. In addition, the value of exports of manufacturing services decreased by EUR 0.2 billion from its level of EUR 0.5 billion one year ago, which corresponds to a contraction of around one third.

The year 2019 was a period of growth especially for exports of ICT services, but in the past quarter the exports of that and other service items did not grow relative to the year before, apart from exports of technical, trade-related and other business services. However, even in this service item the growth amounted to only EUR 45 million.

Imports of services also fell in the second quarter of 2020 and it is explained, as in exports, by the steep decline in travel and transport. However, imports of certain service items increased compared to the second quarter of 2019. Especially imports of ICT services grew by EUR 101 million or 10 per cent. In addition, charges for the use of intellectual property and imports of construction and manufacturing services increased slightly. By contrast, imports of other business services decreased by EUR 175 million, i.e. by more than the increase in other service items taken together. In particular, imports of research and development services belonging to this item decreased by EUR 133 million.

## **Exports to Europe decreased but the continent was still the biggest market area**

The value of exports to Europe contracted by EUR 3.3 billion from the respective quarter of the year before. Because the value of total exports decreased by EUR 4.2 billion, the ratio of the drop in European exports to the drop in all exports was as high as 79 per cent. In the past quarter, goods and services for a total of EUR 12.9 billion were exported to Europe, while the corresponding figure last year was EUR 16.2 billion.

The fall in exports was great especially concerning Sweden and Germany. Exports to Sweden fell by EUR 0.4 billion from the level of EUR 3.0 billion one year ago and exports to Germany by EUR 0.5 billion from the level of EUR 2.1 billion. Exports to other European countries also decreased. The values of exports to both the United Kingdom and Russia were EUR 1.1 billion in the second quarter of 2019 and for both countries the drop in exports was of the same size, that is, EUR 0.3 billion.

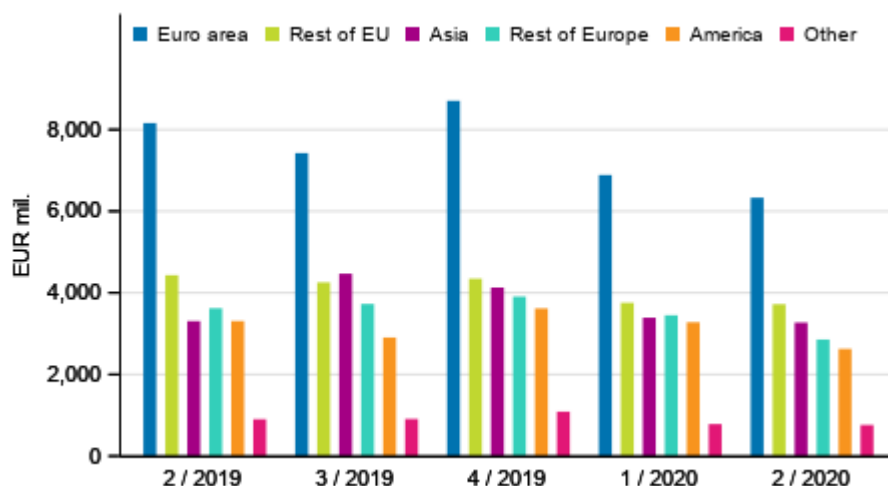
Exports of services to Germany decreased by 41 per cent, or relatively more than exports of goods, which went down by 16 per cent. Measured in relative terms, service exports to Europe in general went down by 32 per cent from the quarter one year ago, or more than goods exports, where the corresponding contraction was 15 per cent. Here, too, there were country-specific differences, because concerning Sweden and the United Kingdom, for example, the relative decrease in exports of services and goods was similar.

Europe's share of Finland's exports was 66 per cent and it did not significantly decrease from the year before. Exports to America went down by EUR 0.7 billion, which is due to the contraction of exports to the United States by one third from one year ago. Most of this is caused by a drop in goods exports. Goods were exported to the United States to the tune of EUR 1.7 billion in the second quarter of 2019, while in the past quarter the level had fallen to EUR one billion. In turn, exports to Africa decreased less and exports to Asia did not change much from their EUR 3.3 billion level.

Among Asian countries, exports to China, however, grew by as much as 69 per cent from one year ago. On the other hand, the level of exports in the second quarter of 2020, that is, EUR 1.1 billion, was not higher than towards the end of 2019. Imports from China also grew by 12 per cent and were valued at EUR 1.6 billion in the past quarter. The growth in international trade with China was expressly caused by goods trade, because exports and imports of services decreased slightly. In general terms, service exports decreased clearly in Asia, for example, in Japan and South Korea.

As with exports, imports also decreased in Europe. The value of imports was EUR 19.0 billion one year ago, which fell to EUR 14.6 billion. Unlike the changes in exports, Russia had a bigger weight in the decrease in imports. Imports from Russia went down by as much as 52 per cent from the EUR 2.3 billion level in the previous year's quarter. In the past quarter, goods amounting to EUR 1.0 billion and services amounting to EUR 0.1 billion were imported from Russia, while one year ago the respective figures were EUR 2.0 billion and EUR 0.2 billion.

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



### Statistics on international trade

The statistics on international trade in goods and services are part of [balance of payments](#). The statistics comprise breakdowns of goods and services on a more detailed level. The guidelines and recommendations of the Balance of Payments Manual (BPM6) applied to balance of payments are consistent with the European System of Accounts (ESA 2010). National Accounts are published on [quarterly](#) and [annual levels](#). [Finnish Customs](#) publishes data on goods trade across borders. Goods trade published by Finnish Customs is used as source data for the statistics on international trade in goods and services. Removals and additions caused by definitions are made to them to achieve goods trade in balance of payments terms.

Finnish Customs’ statistical service, [tilastot@tulli.fi](mailto:tilastot@tulli.fi), +358 29 552 335.

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# Appendix tables

**Appendix table 1. Export in balance of payments terms, EUR mil.**

	2019			2020	
	2nd quarter	3rd quarter	4th quarter	1st quarter	2nd quarter
1 Goods and services total	23,732	23,691	25,797	21,547	19,568
1.1 Goods trade in balance of payment terms	15,810	15,513	17,236	14,849	13,838
1.1.1 Goods trade in customs terms	16,590	15,454	16,535	14,404	12,926
1.1.2 Factoryless goods production, goods sent abroad for processing and merchandising	-780	59	700	444	912
1.2 Services total	7,922	8,178	8,561	6,698	5,730
1.2.1 Manufacturing services	532	456	442	394	343
1.2.2 Transport	1,145	1,288	1,122	797	466
1.2.3 Travel	698	1,018	769	704	89
1.2.4 Construction	55	60	74	61	53
1.2.5 Financial and insurance services	112	96	111	91	107
1.2.6 Charges for the use of intellectual property n.i.e.	1,120	643	743	617	644
1.2.7 Telecommunications, computer and information services	2,716	3,097	3,414	2,529	2,509
1.2.8 Other business services	1,316	1,314	1,671	1,346	1,326
1.2.8.1 Research and development services	205	214	211	198	203
1.2.8.2 Professional and management consulting services	390	374	509	343	358
1.2.8.3 Technical, trade-related and other business services	720	725	950	805	765
1.2.9 Other services	229	206	216	160	193

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

	2019			2020	
	2nd quarter	3rd quarter	4th quarter	1st quarter	2nd quarter
1 Goods and services total	24,219	23,799	24,618	22,880	19,235
1.1 Goods trade in balance of payment terms	16,044	15,753	15,579	14,898	12,844
1.1.1 Goods trade in customs terms	16,864	16,454	16,309	15,801	13,239
1.1.2 Goods sent abroad for processing	-335	-248	-261	-415	75
1.1.3 CIF-FOB conversion	-1,021	-982	-979	-953	-793
1.1.4. Other differences	537	528	509	465	323
1.2 Services total	8,175	8,046	9,039	7,982	6,392
1.2.1 Manufacturing services	396	376	558	445	408
1.2.2 Transport	1,557	1,550	1,513	1,353	1,011
1.2.3 Travel	1,280	1,409	1,307	979	92
1.2.4 Construction	106	109	118	123	126
1.2.5 Financial and insurance services	371	361	375	381	368
1.2.6 Charges for the use of intellectual property n.i.e.	201	196	278	231	218
1.2.7 Telecommunications, computer and information services	1,040	921	1,207	1,218	1,141
1.2.8 Other business services	2,980	2,879	3,421	3,013	2,805
1.2.8.1 Research and development services	821	832	827	848	688
1.2.8.2 Professional and management consulting services	750	710	920	744	697
1.2.8.3 Technical, trade-related and other business services	1,409	1,337	1,674	1,421	1,420
1.2.9 Other services	244	245	262	238	223

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

		2019			2020	
		2nd quarter	3rd quarter	4th quarter	1st quarter	2nd quarter
Import	Total	24,219	23,799	24,618	22,880	19,235
	..Europe	18,959	18,231	18,835	17,671	14,635
	..EU27 (2020)	14,588	13,850	14,568	13,751	11,880
	.....Euro area	9,580	8,924	9,363	8,986	7,585
	.....Netherlands	1,409	1,276	1,276	1,323	1,163
	.....Germany	2,893	2,795	2,983	2,781	2,386
	.....Rest of EU27 (2020 non Euro area)	5,008	4,925	5,205	4,765	4,295
	.....Sweden	2,880	2,867	3,069	2,843	2,499
	....Rest of Europe (non EU)	4,372	4,381	4,267	3,920	2,755
	.....United Kingdom	957	962	1,023	1,025	798
	.....Russia	2,250	2,244	2,194	1,788	1,084
	..America	1,871	1,805	1,921	1,699	1,452
	.....United States	1,344	1,326	1,420	1,221	1,097
	..Africa	158	153	227	150	123
	..Asia	3,142	3,523	3,543	3,211	2,968
	.....China	1,386	1,660	1,606	1,410	1,550
	.. Other and unknown	89	87	92	147	57
Export	Total	23,732	23,691	25,797	21,547	19,568
	..Europe	16,214	15,408	16,960	14,094	12,909
	..EU27 (2020)	12,593	11,680	13,052	10,643	10,053
	.....Euro area	8,160	7,425	8,705	6,888	6,331
	.....Netherlands	1,298	1,166	1,264	1,330	1,133
	.....Germany	2,145	1,957	2,076	1,821	1,611
	.....Rest of EU27 (2020 non Euro area)	4,433	4,256	4,347	3,756	3,722
	.....Sweden	3,034	2,912	3,010	2,633	2,643
	....Rest of Europe (non EU)	3,622	3,727	3,908	3,450	2,856
	.....United Kingdom	1,117	1,116	1,229	1,035	781
	.....Russia	1,092	1,141	1,189	1,005	777
	..America	3,308	2,905	3,618	3,279	2,627
	.....United States	2,605	2,087	2,775	2,451	1,741
	..Africa	516	470	644	428	464
	..Asia	3,307	4,469	4,130	3,391	3,271
	.....China	672	1,359	1,169	884	1,138
	.. Other and unknown	386	439	445	356	298

# Revisions in these statistics

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

		1. release	Previous release (2020-06-22)	Latest release (2020-09-18)	Revision
Import of goods	2019Q2	16,128	15,966	16,044	-84
	2019Q3	15,462	15,638	15,753	291
	2019Q4	15,554	15,493	15,579	25
	2020Q1	14,402	14,402	14,898	496
Export of goods	2019Q2	16,372	15,774	15,810	-562
	2019Q3	15,399	15,589	15,513	114
	2019Q4	17,099	17,142	17,236	137
	2020Q1	14,303	14,303	14,849	546
Import of services	2019Q2	7,860	8,082	8,175	315
	2019Q3	7,630	7,917	8,046	416
	2019Q4	8,806	8,933	9,039	233
	2020Q1	7,808	7,808	7,982	173
Export of services	2019Q2	7,196	7,920	7,922	726
	2019Q3	7,856	8,115	8,178	322
	2019Q4	8,392	8,516	8,561	169
	2020Q1	6,761	6,761	6,698	-63



### Inquiries

Kasper Lavikainen 029 551 3674

Risto Sippola 029 551 3383

Head of Department in  
charge:

Mari Ylä-Jarkko

[www.stat.fi](http://www.stat.fi)

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