

The Republic of Korea recorded the highest increase (29 per cent) in exports of office and telecom equipment among the top ten exporters in 2017 (see Chart 4.6 and Table A20). The second highest growth was achieved by Viet Nam (26 per cent), which entered the top ten exporters in 2017, mostly thanks to distinctly in yinh10(y)TJ T*(t)-10.5 (h)-6 (a)-15.2 (n)-4.7 (k)-343(e)-ksrters ifilfiefiiee 2 8 (e 2 8 (e 2 9.1 (m iR)3.8 (.y)9.3 (t)-7i-14.3

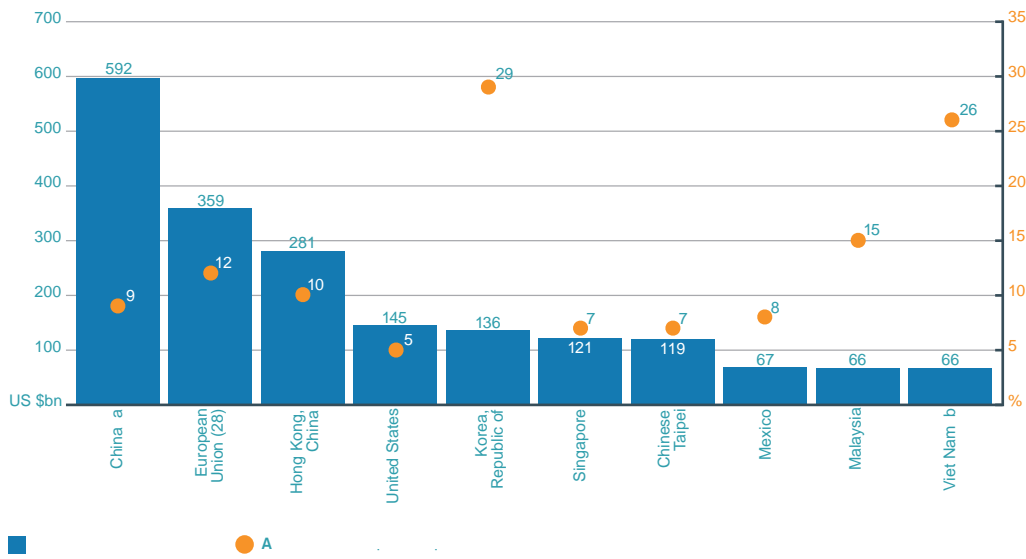
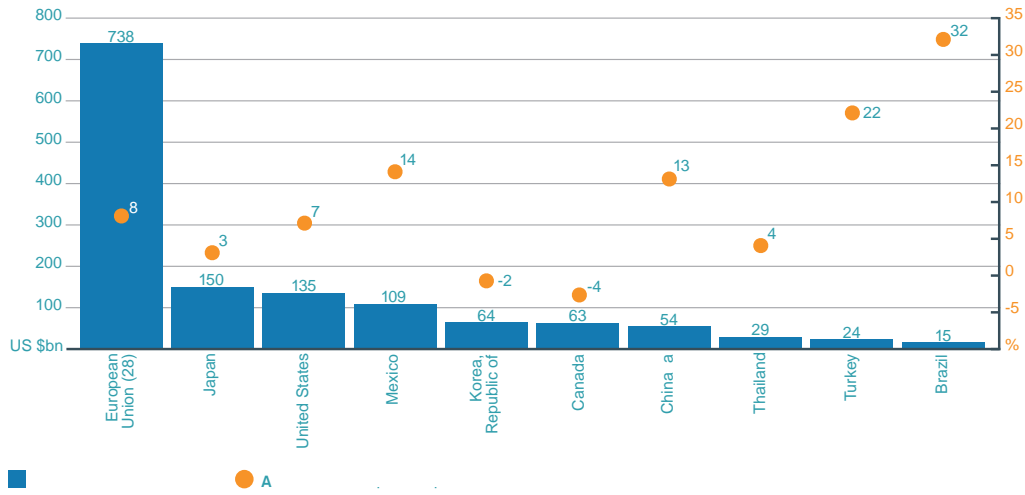
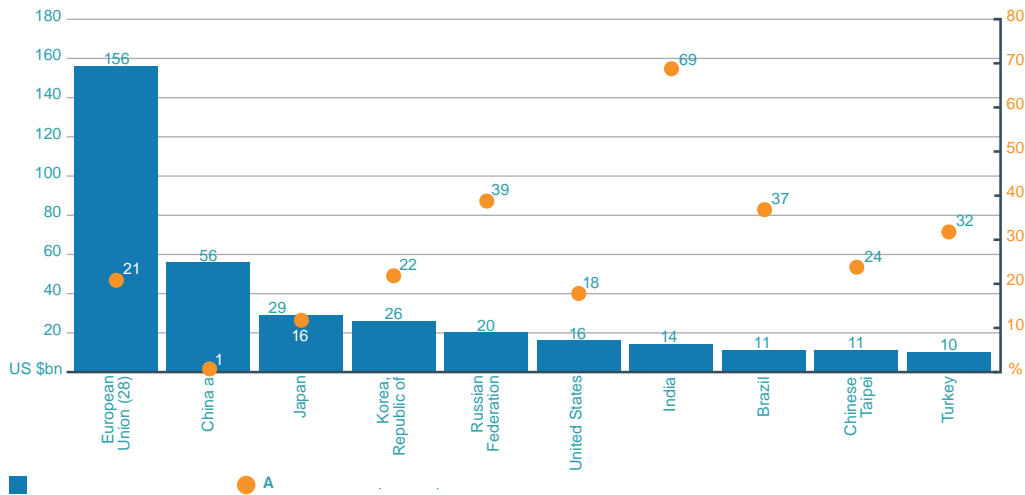


Chart 4.7



^a Includes significant shipments through processing zones.
Source: WTO estimates.



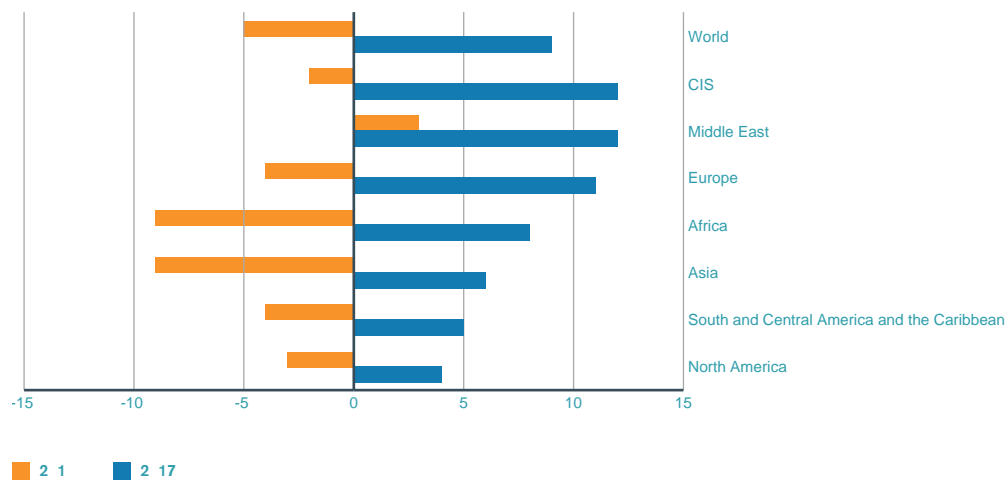
^a Includes significant shipments through processing zones.
Source: WTO estimates.

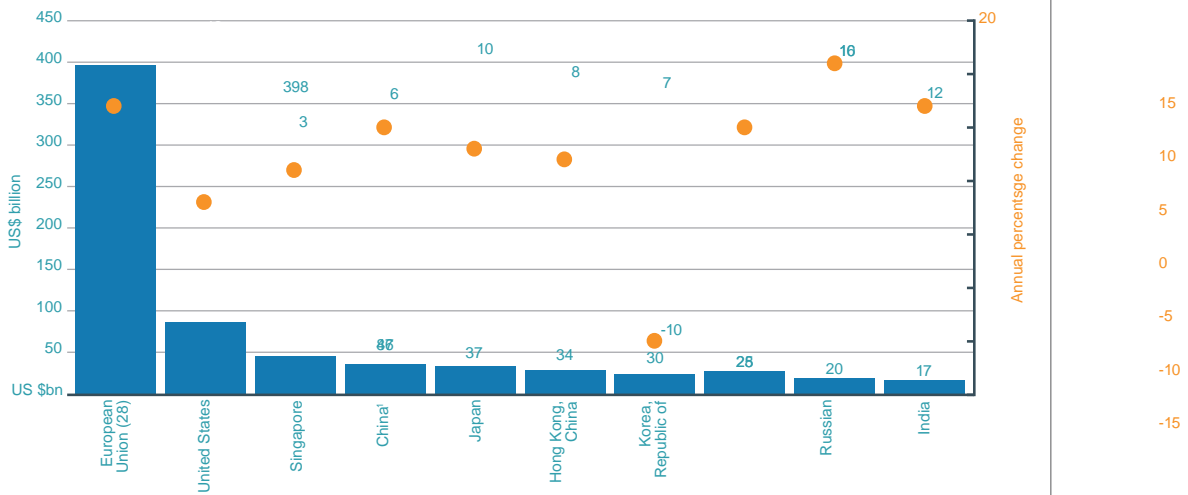
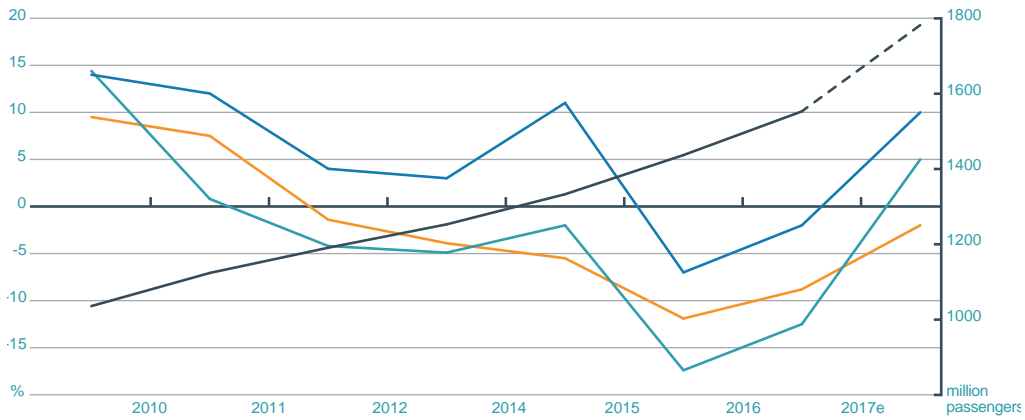
Trade in commercial services

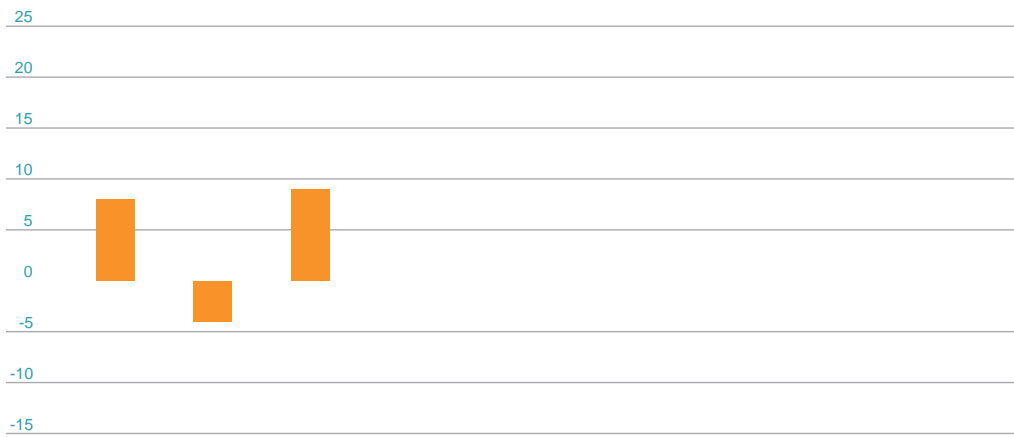
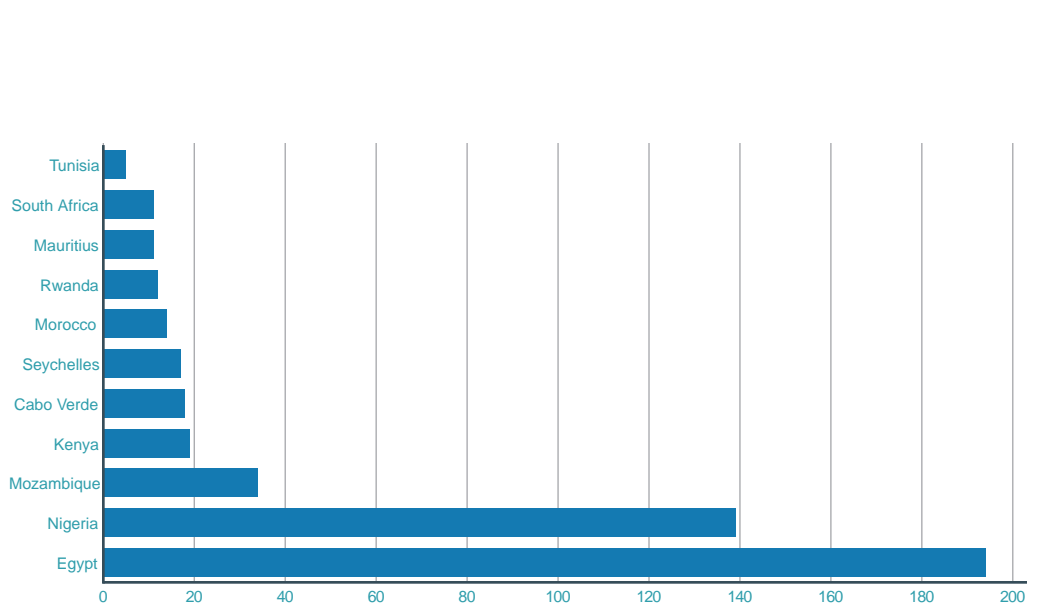
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World exports of transport services bounced back in 2017, boosted by an increase in merchandise trade flows (see Chart 4.9).

World exports reached US\$ 931.5 billion, up 9 per cent, reflecting a recovery in all regions, with a peak in the Commonwealth of Independent States (+12 per cent). The Middle East continued to







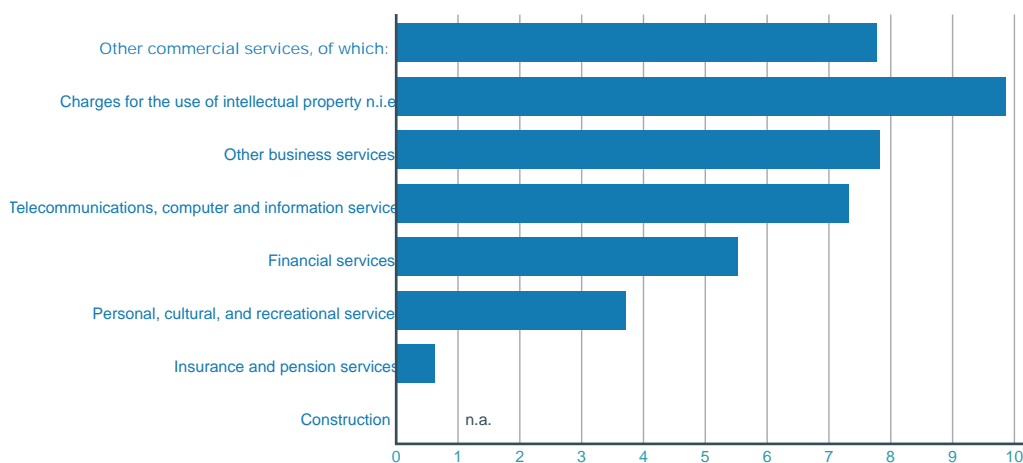
thanks to an increase in tourist flows within the region, fostered by cheaper airfares. Despite a strong hurricane season hitting many tourism-led island economies, South and Central America and the Caribbean's travel exports rose by 6 per cent.

Among the top travel exporters, only the United States recorded a decline in both international tourist arrivals and travel earnings (see Chart 4.14). However, an increase in outbound travel and higher expenditure abroad by US travellers benefited economies in the region, in particular Mexico, and elsewhere in the world. In 2017, the United States ranked as the second-highest global travel spender after China, with a share of 10.5 per cent in the world total.

According to the United Nations World Tourism Organization (UNWTO), international tourist arrivals are expected to grow by 4 to 5 per cent globally in 2018.

World exports of "other commercial services" fully recovered in 2017, increasing by 8 per cent to US\$ 2,854.6 billion. Other commercial services cover different types of services

Chart 4.15
World exports of other commercial services by main category, 2017
 (Annual percentage change)

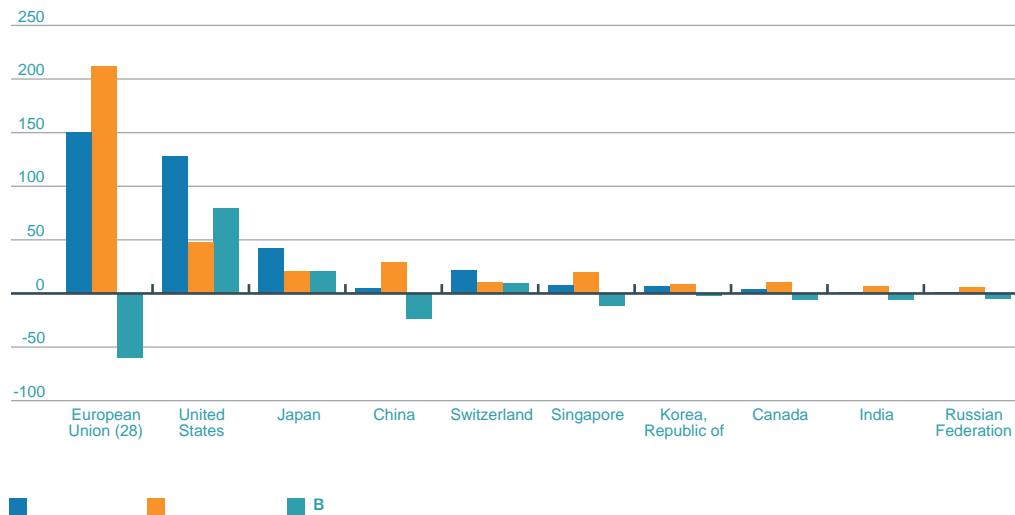


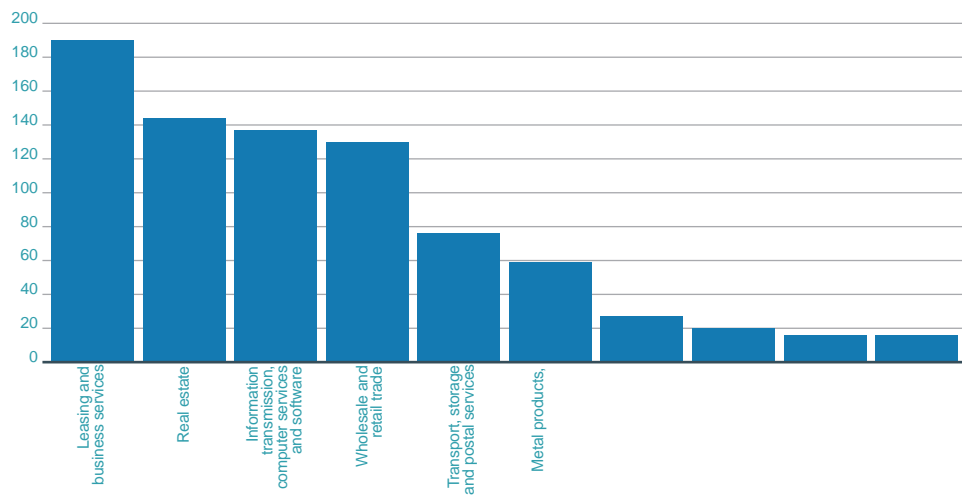
Note: No growth rate available for construction due to a break in the data series for Asia. For the definition of other commercial services, see Chapter VII. Source: WTO-UNCTAD-ITC estimates.

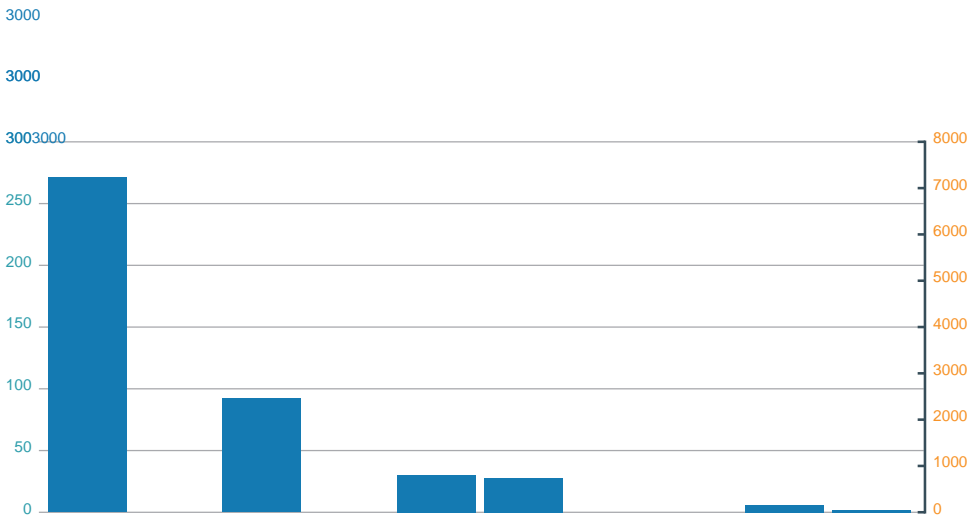
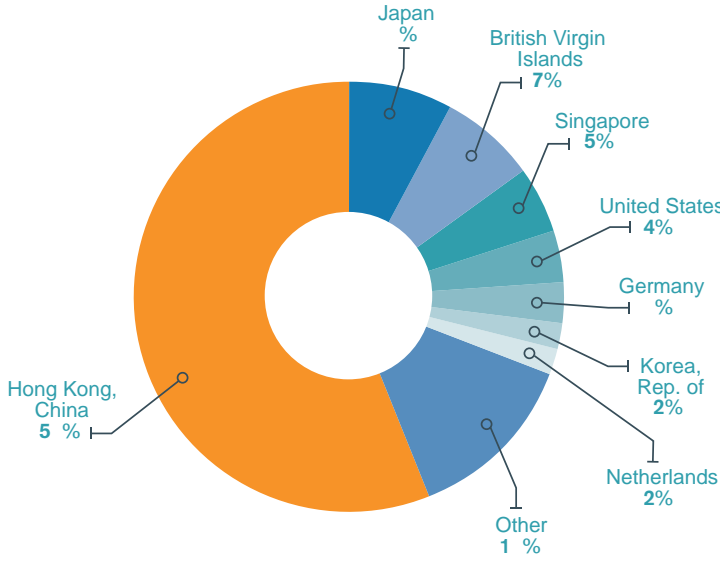
10%
 Increase in exports of charges for the use of intellectual property (v)0.9 (e)-9.4 (r)-1 (a)-2.4 (t)

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With exports of US\$ 151.3 billion in 2017, the European Union was the largest trader in charges for the use of IP n.i.e (see Chart 4.16). The Netherlands was the main recipient, accounting for more than one-third of the EU's total receipts, followed by Germany and the United Kingdom. The European Union's largest payments of charges and licences were made by Ireland and the Netherlands, which together constituted two-thirds of the EU's payments.







Around half of the sales were made by Chinese MOFAs in Hong Kong, China (\$329.0 billion) but China's "Belt and Road" initiative, a development strategy launched in 2013 by the Chinese government, has encouraged China's services firms to "go global" and has helped Chinese services suppliers develop rapidly in local markets.

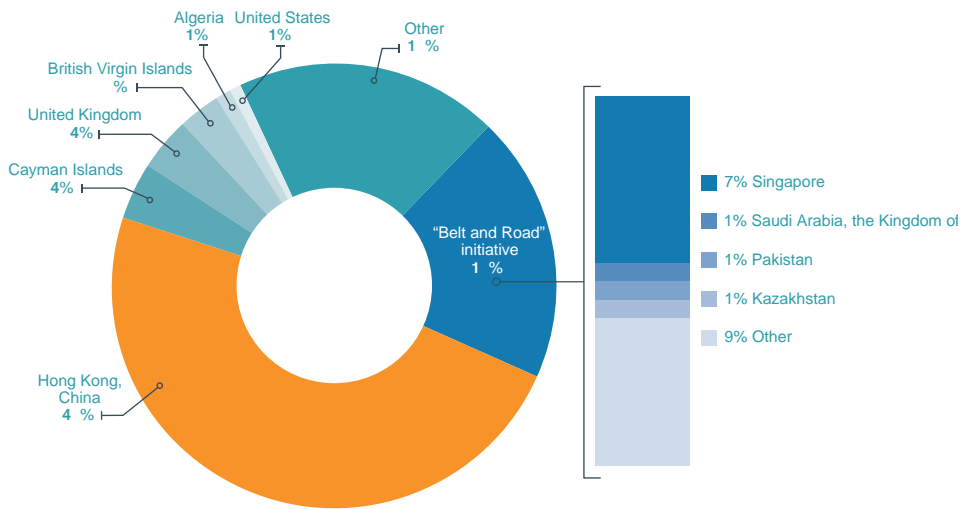
As a result, sales by Chinese MOFAs in countries along the proposed "Belt and Road" routes increased considerably in 2016, reaching US\$ 134.5 billion, or 19.4 per cent

Chart 4.21

China: Outward FATS sales in services activities or construction, 2016

(Percentage share)

Outward FATS sales in services activities or construction by partner



Source: China's Ministry of Commerce.

point is reported data, which are supplemented by imputation and estimation. The “final” dataset is balanced through an algorithm to remove asymmetries.

The dataset is available online and will be continuously improved as additional reported country data become available. The data are released in three different datasets: “reported data only”, “final” data (after imputation and estimations) (see Chart 4.23) and “balanced” data (see Chart 4.24). For Europe, the largest provider of data, the difference between the “final” and “balanced” value represents about 4 per cent.

At a global level, Europe and Asia are the two regions with the highest levels of services trade within their regions. A total of 64 per cent of Europe's services exports and 52 per cent of Asia's exports are destined for their respective regions.

Most estimation, due to lack of reported data, was needed for Africa, Central and South America, and the Middle East. For Africa, services trade within the region accounts for less than 10 per cent of total services exports.

Chart 4.23
Services exports by geographical region (final), 2012
 (US\$ million)

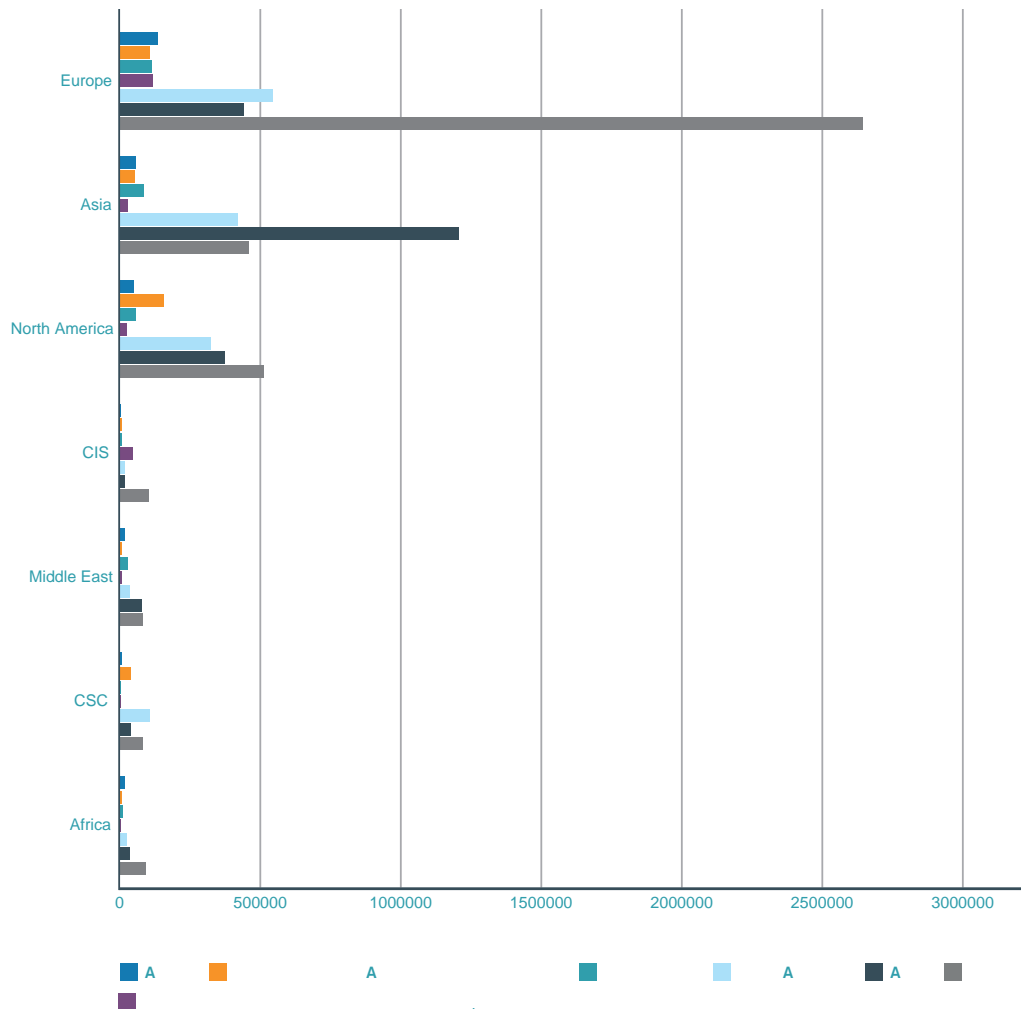
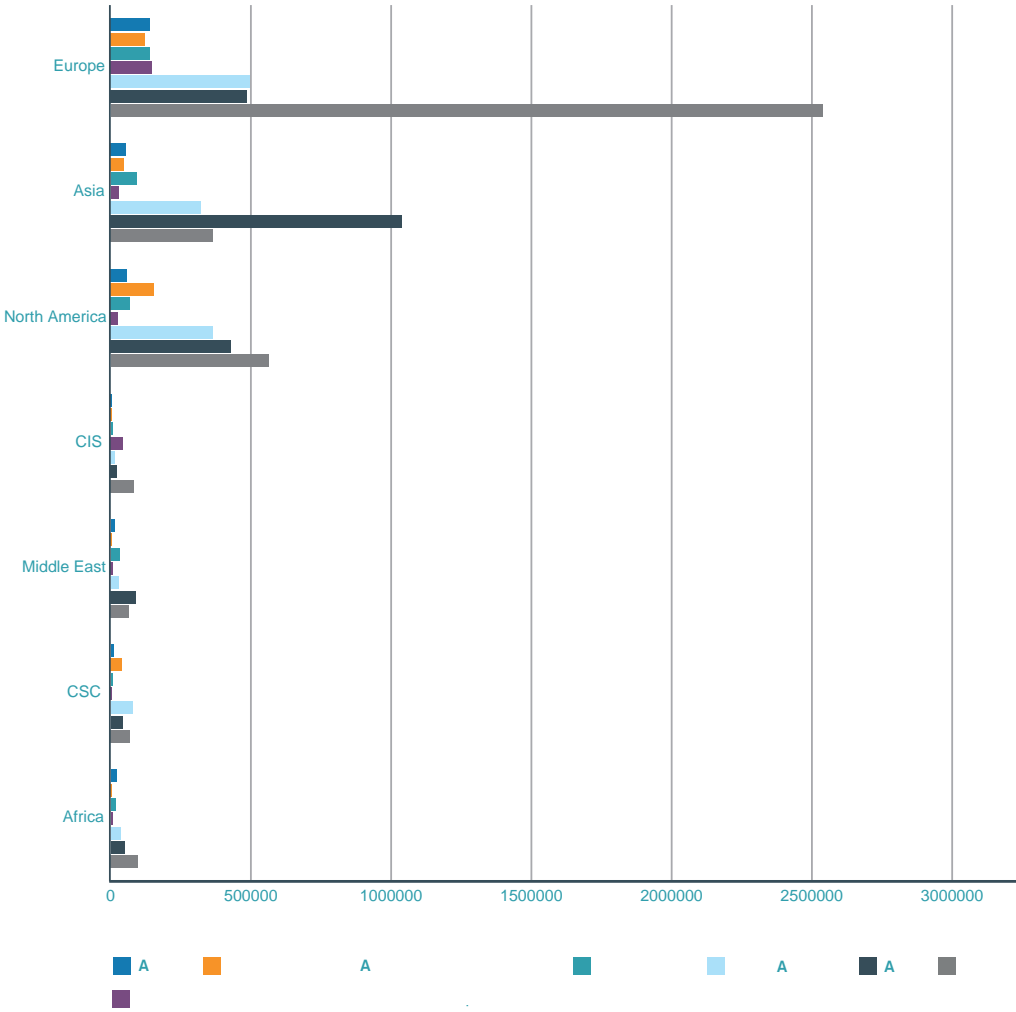
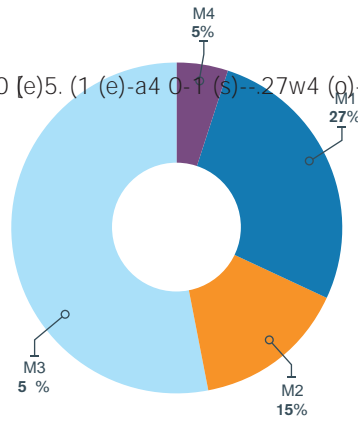


Chart 4.24



D **h**
 The simplified approach outlined above has been taken as the starting point but the methodology has been updated following experts' feedback. The results of new pilot studies will help to improve estimates at country and global level. The aim is for the dataset to progress into an international

Chart 4.25
Importance of trade in services exports by mode of supply, 2014
 (Percentage share)



Global value chains

E

Trade in Value Added (TiVA) statistics provide insights into the interactions and value-added exchanges between economies and industries and the rise of new players in automotive supply chains. The automotive industry covers the manufacture of motor vehicles, trailers and semi-trailers as well as the production of parts and components.

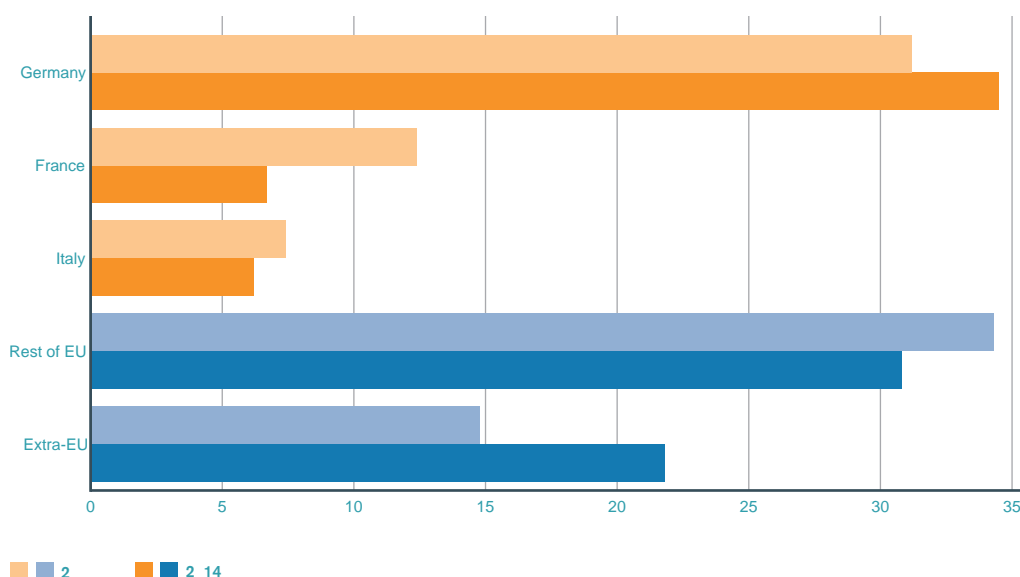
Chart 4.26 shows how the geographical origin of value-added content in EU exports of motor vehicles changed between 2000 and 2014. Germany, a major exporter of automotive products, is the only economy that increased its value-added contribution to EU exports of vehicles, from 31.2 per cent in 2000 to 34.5 per cent in 2014. The value-added share from French companies declined sharply during the same period, from 12.4 per cent to 6.7 per cent.

EU car makers, especially German companies, have relocated some steps in the automotive production process to Eastern European countries that are increasingly providing labour force and skills in this sector. Hence, the value added from Eastern European economies in EU exports of motor vehicles increased substantially from 3 per cent in 2000 to 7.5 per cent in 2014.

Overall, non-EU economies are contributing more and more to the production and exports of EU motor vehicles. Their value-added share in EU total automotive exports increased from 14.8 per cent in 2000 to 21.8 per cent in 2014.

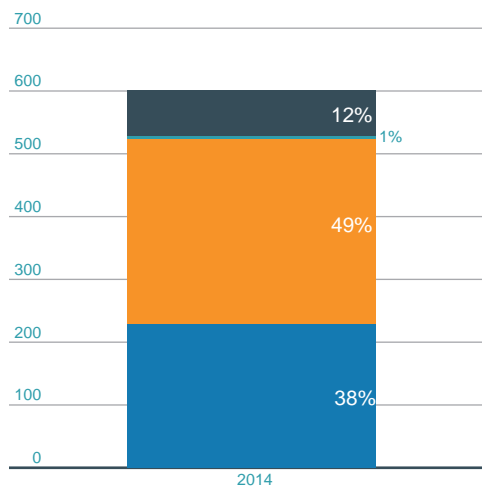
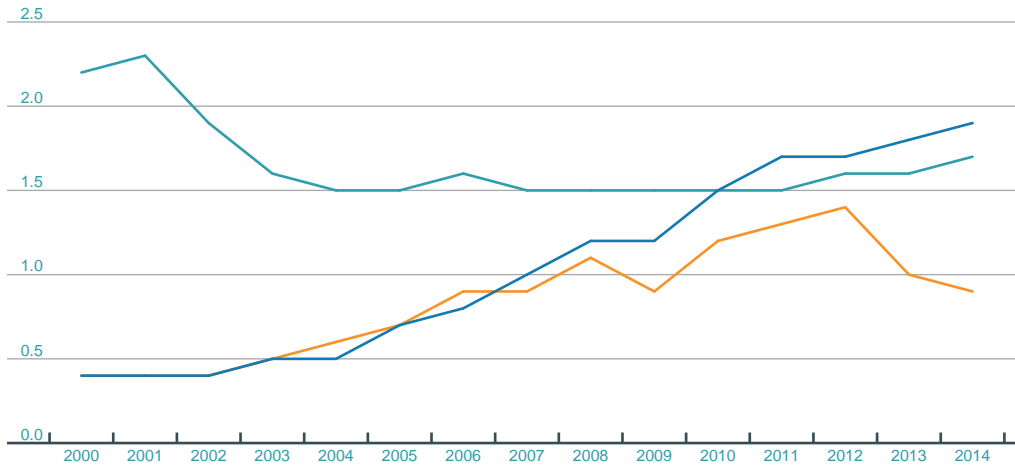
Chart 4.27 highlights the increasing level of Chinese value added in EU exports of motor vehicles, its share growing from 0.5 per cent in 2000 to 2 per cent in 2014. The contribution of Russia to EU automotive exports increased over this period but it remained

Chart 4.26
Value-added origin in EU exports of automotive products, 2000-2014
 (Percentage share)



Source: UIBE GVC Index database.

1/3
 Germany provides about 1/3 of the value added content of EU automotive exports.



Introduction

New technologies enabling electronic transactions in goods and services have had a significant impact on domestic and international trade. The international statistical