

U.S. International Services

Trade in Services in 2015 and Services Supplied Through Affiliates in 2014

TO PROVIDE a broad perspective on services provided by and to the United States in international markets, this article presents information on services provided through two channels: (1) conventional trade in services and (2) services supplied by affiliates of multinational enterprises (MNEs).¹

In this article, trade in services refers to exports and imports of services that are included in the U.S. international transactions accounts (ITAs). Services supplied through affiliates refers to services supplied by MNEs through the channel of direct investment; this category covers transactions between majority-owned foreign affiliates of U.S. companies and foreign residents, both in the host country and in other foreign markets, and transactions between majority-owned U.S. affiliates of foreign companies and U.S. residents.² Because of the importance of physical proximity to customers in the delivery of many types of services, many MNEs serve foreign markets partly or wholly through their affiliates located in, or close to, the markets they serve rather than through trade. As in previ-

ous years, the majority of services both provided by and to the United States internationally in 2014 was through affiliates (table A and chart 1).³

3. It is difficult to precisely compare trade in services with services supplied through affiliates because of differences in coverage and classification. For example, distributive services are included in services supplied through affiliates but not in services trade. Also, statistics on trade in services are collected and published by type of service, but services supplied through affiliates are collected and published by the affiliate's primary industry. More information on the difficulty of comparing trade in services with services supplied through affiliates is available on BEA's Web site.

1. More information on the definitions and coverage of trade in services and services supplied through affiliates is available at the Bureau of Economic Analysis (BEA) Web site. For the definitions and methodology of the major categories of trade in services, see "Part III: Statistical Methodologies" in *International Economic Accounts: Concepts and Methods*.

2. The term "affiliates" in this article refers to majority-owned affiliates. The statistics on services supplied through affiliates cover the full value of services provided by majority-owned affiliates, irrespective of the percentage of ownership.

Table A. Services Supplied to Foreign and U.S. Persons Through Trade and Through Affiliates

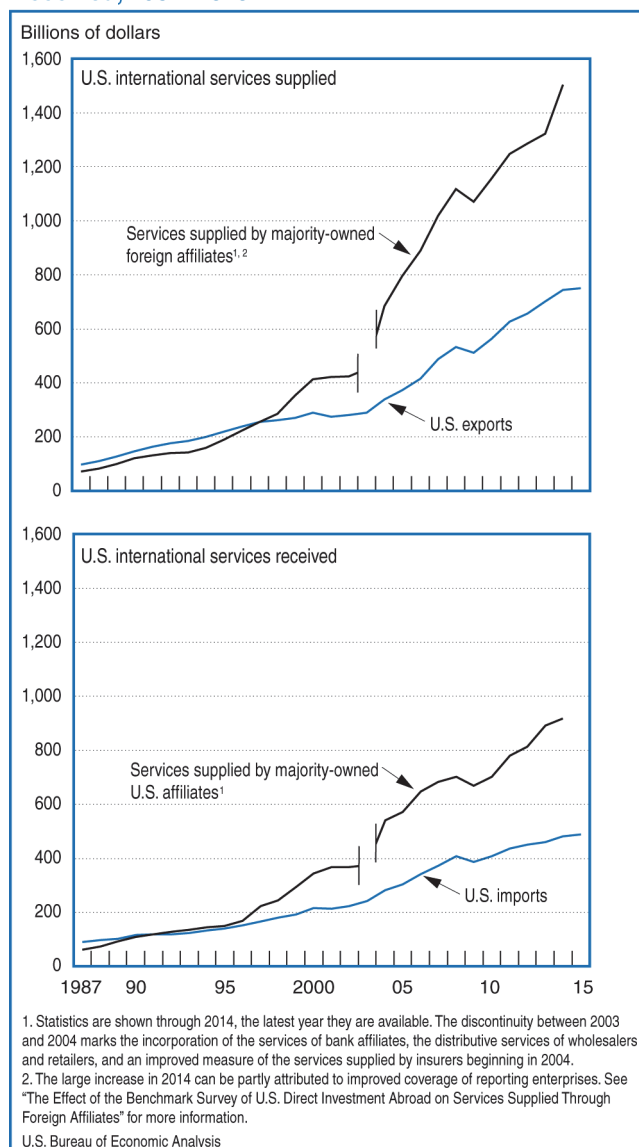
	To foreign markets		To U.S. market	
	Through trade (U.S. exports)	Through foreign affiliates of U.S. companies	Through trade (U.S. imports)	Through U.S. affiliates of foreign companies
Billions of dollars				
2013	701.5	1,321.5	461.1	891.9
2014	743.3	1,503.4 ¹	481.3	918.7
2015	750.9	n.a.	488.7	n.a.
Percent change from preceding year				
2013	6.9	2.8	2.0	9.7
2014	6.0	13.8 ¹	4.4	3.0
2015	1.0	n.a.	1.5	n.a.

n.a. Not available

1. The large increase in recorded services supplied through foreign affiliates of U.S. companies in 2014 can be partly attributed to improved coverage of reporting enterprises on BEA's 2014 Benchmark Survey of U.S. Direct Investment Abroad; see "The Effect of the Benchmark Survey of U.S. Direct Investment Abroad on Services Supplied Through Foreign Affiliates."

NOTE: Historical statistics for 1986 forward are available on BEA's Web site.

Chart 1. U.S. International Services Supplied and Received, 1987–2015



1. Statistics are shown through 2014, the latest year they are available. The discontinuity between 2003 and 2004 marks the incorporation of the services of bank affiliates, the distributive services of wholesalers and retailers, and an improved measure of the services supplied by insurers beginning in 2004.

2. The large increase in 2014 can be partly attributed to improved coverage of reporting enterprises. See "The Effect of the Benchmark Survey of U.S. Direct Investment Abroad on Services Supplied Through Foreign Affiliates" for more information.

U.S. Bureau of Economic Analysis

Alexis N. Grimm and Maya Ortiz prepared this report.

In October 2016, the Bureau of Economic Analysis (BEA) expanded the geographic detail it presents in its annual trade in services statistics by increasing the number of countries and areas from 49 to 90, beginning with statistics for 2013 (chart 2). These statistics now separately present all countries with which the United States has a free trade agreement in force or under negotiation and other trading partners with significant transactions.⁴ In addition, BEA updated statistics on trade in information and communications technology (ICT) and potentially ICT-enabled services that were first introduced in the May 2016 SURVEY OF CURRENT BUSINESS article, “Trends in U.S. Trade in Information and Communications Technology (ICT) Services and in ICT-Enabled Services.” These statistics complement BEA’s standard presentation of international trade in services statistics by providing insight into the

4. Services trade statistics were published separately for the first time for the following countries: Austria, Bahrain, Belgium, Brunei, Bulgaria, Colombia, Costa Rica, Croatia, Cyprus, Czech Republic, Denmark, Dominican Republic, El Salvador, Estonia, Finland, Greece, Guatemala, Honduras, Hungary, Jordan, Latvia, Lithuania, Luxembourg, Malta, Morocco, Nicaragua, Nigeria, Oman, Panama, Peru, Poland, Portugal, Romania, Russia, Slovakia, Slovenia, Turkey, and Vietnam. The following groups of countries were published for the first time: CAFTA-DR countries (Dominican Republic-Central America-United States Free Trade Agreement countries, which includes Costa Rica, Dominican Republic, El Salvador, Guatemala, Honduras, and Nicaragua); NAFTA countries (North American Free Trade Agreement countries, which includes Canada and Mexico); and United Kingdom Islands, Caribbean (which comprises the British Virgin Islands, the Cayman Islands, Montserrat, and the Turks and Caicos Islands).

extent that ICT may be used to facilitate trade in services.

Data Availability

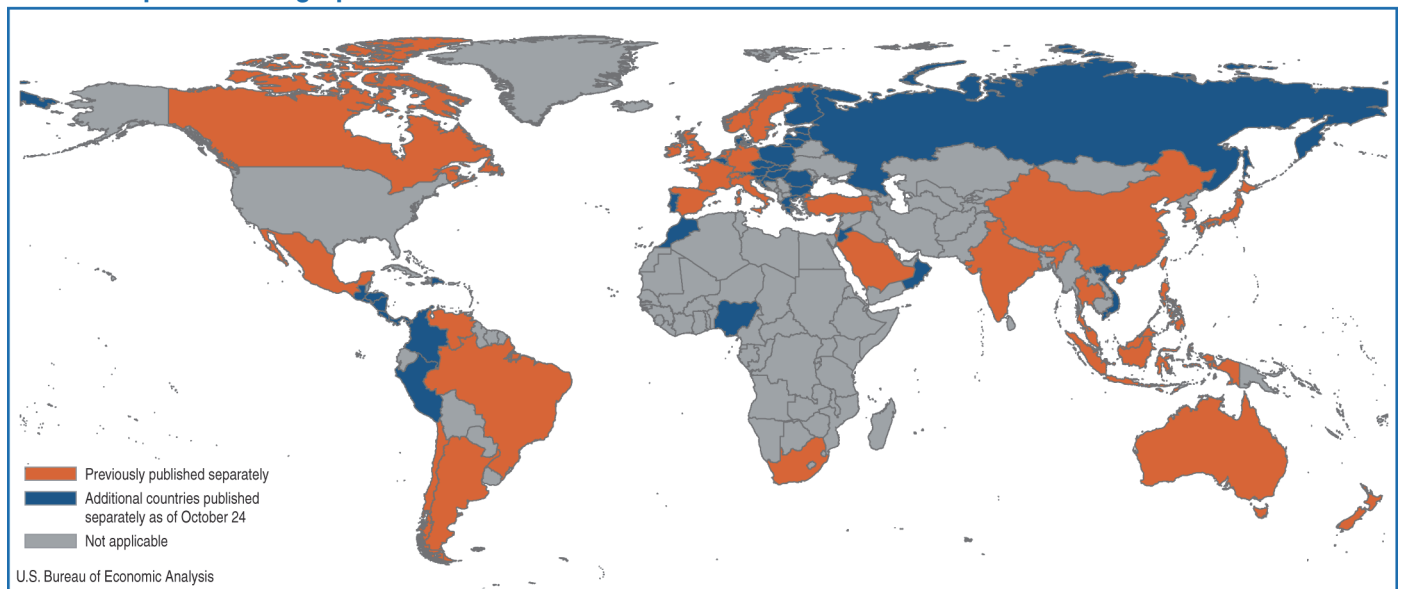
Detailed statistics on U.S. international services accompany this article in tables 1.1–5.4. Trade in services statistics and statistics on services supplied internationally through majority-owned affiliates can also be accessed through BEA’s [interactive tables](#). The interactive tables cover additional years of data and supplemental detail not available in the tables that accompany this article.

With this year’s release, BEA introduced expanded geographic detail and statistics on information and communications technology (ICT) and potentially ICT-enabled services to its trade in services statistics.

With this year’s release of statistics on services supplied through affiliates, BEA also introduced table 5.4, which presents services supplied by U.S. affiliates of foreign multinational enterprises by major industry category for more than 70 countries and areas.

In addition, BEA renumbered tables 3.1–4.3 as tables 4.1–5.3 to permit the introduction of tables on trade in ICT and potentially ICT-enabled services into the U.S. international services statistics as tables 3.1–3.3.

Chart 2. Expanded Geographic Detail for Trade in Services Statistics



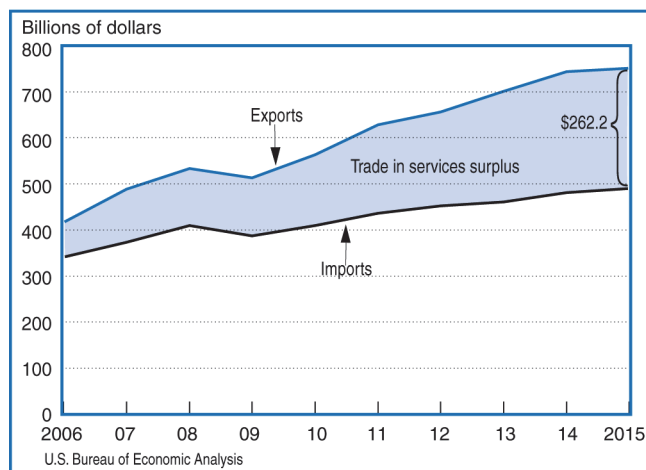
In 2015, U.S. exports of services were \$750.9 billion, and U.S. imports of services were \$488.7 billion, resulting in a services trade surplus of \$262.2 billion (chart 3).⁵ The United States retained its position as the world's leader in international trade in services, accounting for 15 percent of the world's exports—more than double that of China, the second-largest exporter—and 10 percent of the world's imports.⁶ In 2014—the latest year for which statistics are available—services supplied to foreign markets through foreign affiliates of U.S. MNEs were \$1,503.4 billion. Services supplied to the United States through U.S. affiliates of foreign MNEs were \$918.7 billion. A discussion of U.S. trade in services in 2015 begins in the next section and includes a section on trade in ICT and po-

5. The statistics in this article are consistent with the less detailed statistics published in table 3.1 of the international transactions accounts.

6. World Trade Organization (WTO) and United Nations Conference on Trade and Development (UNCTAD) Quarterly Trade in Commercial Services.

tentially ICT-enabled services; a discussion of services supplied through affiliates in 2014 begins on page 21.

Chart 3. U.S. International Services Trade Surplus, 2006–2015



Acknowledgments

The estimates of trade in services and services supplied through affiliates were prepared by the following staff members of the Balance of Payments Division and the Direct Investment Division.

Estimates of trade in services were prepared under the guidance of Molly E. Garber and Christopher J. Stein. Travel and air passenger transport estimates were prepared by Laura L. Brokenbaugh, Edward F. Dozier, Alexis N. Grimm, and Charu S. Krishnan. Transport estimates were prepared by Edward F. Dozier, C. Omar Kebbeh, and Steven J. Muno. Estimates for services other than travel and transport were prepared by Pamela N. Aiken, Suhail Ally, Felix Anderson, Damon C. Battaglia, Jeffrey R. Bogen, Faith M. Brannam, Kiesha V. Brown, Jamela DesVignes, Michael D. Flinch, Andre Garber, Brian C. Goddard, Tara N. Ingram, Nazre Jamil, Hope R. Jones, C. Omar Kebbeh, EddieLee Key, Patricia A. Mosley, Steven J. Muno, Michelle Murillo, Maya Ortiz, Alyssa N. Reinland, Mark P. Samuel, and John A. Sondheimer. Ami V. Adjoh-Baliki, Shari A. Allen, Elye Bliss, John Bockrath, Nathan Hansen, Mai-Chi Hoang, Benjamin P. Kavanaugh, Daniel H. Meier, Theodore W. Peck, Alice K. Ramey, John W. Sperry, Christopher Steiner, Yiran Xin, and Daniel R. Yorgason contributed to the review of the new geographic detail.

Results from the 2014 Benchmark Survey of Financial Services Transactions were processed and incorporated into BEA's statistics on trade in financial services by Suhail Ally, Faith M. Brannam, Kiesha V. Brown, Jamela DesVignes, Edward F. Dozier, Hope R. Jones, Benjamin P.

Kavanaugh, Fritz H. Mayhew, Michelle Murillo, Mark P. Samuel, Mitchell N. Shabani, and Christopher J. Stein.

The processing of the survey data used to prepare the estimates of services supplied through majority-owned affiliates was conducted by the following staff members of the Direct Investment Division, under the guidance of Mark D. Goddard and Jennifer Rodriguez: Catherine Ama, Mills Ayisi, George Bogachevsky, Chardae Barron, Gregory Brace, Kirsten Brew, Polly Cheung, Stephen Corsiglia, James Crim, Constance Deve, Laura Downey, Kenneth Grier, Kiara Hughes, Nazre Jamil, Peterson Kimani, James Lashley, Qi Lee, Andrew Makoge, Sonya Marsh, Demetria McCormick, Marcia Miller, Yetunde Olayinka, Terri Perdue, Amanda Petersen, Kevin Reagan, Makia Riley, Ann Robinson, Larisa Rondon, Roberto Ruiz, Myriam Rullan, Aqeel Sahibzada, Terri Southern, John Starnes, Dwayne Torney, Howard Trumbo, and Daniel Wakjira. Alexis N. Grimm performed additional calculations to prepare the statistics on services supplied through affiliates.

The information in tables 1.1–2.3 was compiled by John Sondheimer, the information in tables 3.1–3.3 was compiled by Alexis N. Grimm, and the information in tables 1.1 and 4.1–5.4 was compiled by Neeta B. Kapoor. The interactive tables were compiled by Danielle N. Clavon, Benjamin P. Kavanaugh, and Mitchell N. Shabani. Computer programming for data estimation and suppression and the generation of the tables was provided by Carole J. Henry, Neeta Kapoor, Fritz H. Mayhew, Daniel Powell, and Gary Sowers.

U.S. Trade in Services in 2015

The United States has historically recorded a surplus on trade in services, and since 2003, the U.S. surplus has grown each year. Both of these trends continued in 2015, but the surplus grew at a slower pace than in 2014. The U.S. surplus on trade in services increased less than 1 percent, to \$262.2 billion, after increasing 9 percent in 2014 (chart 3). Growth in exports of services slowed to 1 percent in 2015 from 6 percent in 2014, and growth in imports of services slowed to 2 percent in 2015 from 4 percent in 2014 (table A). These slowdowns occurred as the real gross domestic product (GDP) of the United States and of some of its major trading partners grew at a slower rate in 2015 than in 2014 (chart 4). In addition, in 2015, the U.S. dollar appreciated relative to the currencies of many major U.S. trading partners (chart 5).

Five of the nine major services categories in BEA's standard presentations contributed to the surplus on trade in services in 2015 (chart 6). The largest surplus was in travel, \$91.7 billion, of which 71 percent was accounted for by personal travel, a category that includes health-related, education-related, and other personal travel. The surplus in charges for the use of intellectual property was \$85.2 billion, of which 65 percent was accounted for by a combined surplus on trade in intellectual property associated with industrial processes and computer software. The surplus in charges for the use of intellectual property partly reflects the high level of re-

search and development (R&D) performed in the United States. The United States remained the world leader in research and development expenditure in 2013 (the most recent year for which statistics are available), accounting for 27 percent of total R&D performed worldwide.¹

For services exports, four of the nine major services categories grew in 2015. Three of these categories grew at

1. National Science Board, "Research and Development: National Trends and International Comparisons," in *Science and Engineering Indicators 2016* (Arlington, VA: National Science Foundation, 2016): 4–5.

Chart 5. Foreign Currency Price of the U.S. Dollar

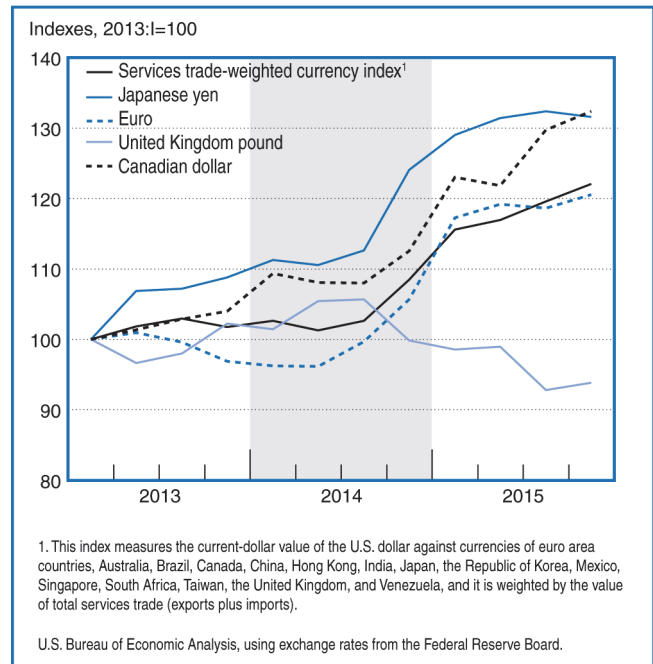


Chart 4. Growth in Real GDP by Major Area

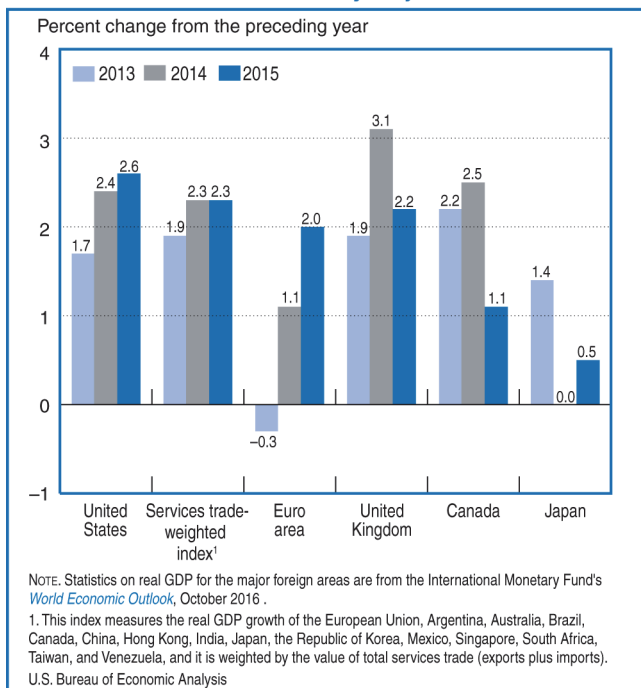
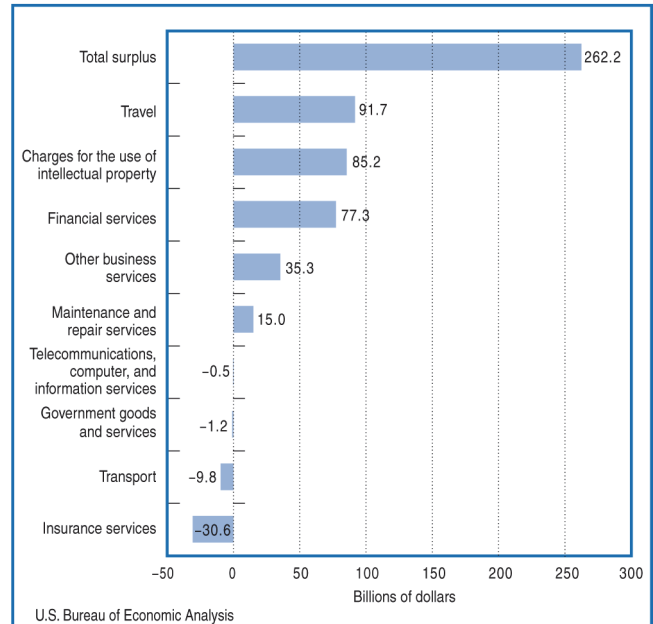


Chart 6. Composition of Trade in Services Surplus, 2015



U.S. Trade in Services

a slower pace than in 2014 (table B). The largest percentage increases were in maintenance and repair services, 9 percent, and in travel, 7 percent. The growth in travel reflected an increase in personal travel that was partly offset by a decrease in business travel.

For services imports, six of the nine major services categories grew in 2015, most at a slower pace than in 2014 (table B). The largest percentage increases were in maintenance and repair services, 20 percent, and in travel, 7 percent. The growth in travel reflected an increase in personal travel that was partly offset by a decrease in business travel.

The value of U.S. services exported to the top 10 recipient countries accounted for 55 percent of total services exports in 2015 (table C).² By major region, Europe remained the largest market, followed by the Asia and Pacific region. By country, the United Kingdom was the

2. Because of the expanded geographic detail that is now available, some of the additional countries that were included, but not identified, in regional groups may now be included in the top 10 ranks in tables C and E–N. Previously, data for the newly added countries were included indistinguishably in regional groupings of unpublished countries such as other Europe and other South and Central America.

largest market for U.S. exports in 2015; the top categories of exports to the United Kingdom were financial services

Table B. Change From Preceding Year in Trade in Services

	Exports		Imports	
	2014	2015	2014	2015
Billions of dollars				
Total services	41.8	7.6	20.2	7.4
Maintenance and repair services n.i.e.	3.6	1.9	0.1	1.5
Transport.....	3.9	-3.5	3.5	2.9
Travel (for all purposes including education).....	13.8	13.2	7.4	7.3
Insurance services.....	0.6	-0.2	-1.6	-4.1
Financial services.....	12.6	-5.3	3.4	0.3
Charges for the use of intellectual property n.i.e.	1.9	-5.2	3.3	-2.7
Telecommunications, computer, and information services....	0.6	0.9	1.3	0.1
Other business services.....	7.3	5.8	3.9	4.8
Government goods and services n.i.e.	-2.5	-0.1	-1.1	-2.7
Percent				
Total services	6.0	1.0	4.4	1.5
Maintenance and repair services n.i.e.	19.2	8.6	1.4	19.6
Transport.....	4.5	-3.8	3.9	3.1
Travel (for all purposes including education).....	7.8	6.9	7.6	7.0
Insurance services.....	3.7	-1.0	-3.0	-7.8
Financial services.....	13.2	-4.9	15.6	1.0
Charges for the use of intellectual property n.i.e.	1.4	-4.0	8.6	-6.4
Telecommunications, computer, and information services....	1.8	2.4	3.7	0.3
Other business services.....	6.0	4.5	4.2	5.1
Government goods and services n.i.e.	-10.9	-0.3	-4.4	-11.2

Table C. U.S. Trade in Services by Type and Country, 2015

[Millions of dollars]

	Total services	Maintenance and repair services n.i.e.	Transport	Travel (for all purposes including education) ²	Insurance services	Financial services	Charges for the use of intellectual property n.i.e.	Telecommunications, computer, and information services	Other business services	Government goods and services n.i.e.
Exports										
All countries	750,860	24,036	87,221	204,523	17,142	102,461	124,664	35,895	134,648	20,270
Total exports for the top 10 countries ¹	415,936	10,061	46,755	108,424	9,332	69,333	73,842	(D)	(D)	2,472
United Kingdom.....	66,930	2,699	7,874	12,920	2,703	14,341	9,246	4,708	12,228	211
Canada.....	56,436	1,787	8,285	17,356	1,904	6,155	8,349	3,076	9,171	353
China.....	48,444	1,507	4,895	27,728	328	3,034	5,967	679	3,743	563
Japan.....	44,315	1,089	9,443	11,620	1,870	3,452	7,492	1,402	7,461	487
Ireland.....	41,909	65	669	1,516	588	3,061	17,853	(D)	(D)	11
United Kingdom Islands, Caribbean.....	37,373	158	74	176	502	32,708	207	86	3,460	1
Mexico.....	31,509	829	4,140	16,784	458	1,374	3,379	1,038	3,099	407
Switzerland.....	31,112	312	2,150	2,040	283	1,266	11,048	1,634	12,332	48
Germany.....	29,762	915	4,839	7,212	234	2,243	6,529	1,347	6,236	206
Brazil.....	28,146	700	4,386	11,072	462	1,699	3,772	4,136	1,734	185
Other countries	334,924	13,975	40,466	96,099	7,810	33,128	50,822	(D)	(D)	17,798
Imports										
All countries	488,657	8,996	97,050	112,873	47,772	25,162	39,495	36,440	99,354	21,515
Total imports for the top 10 countries ¹	268,213	5,107	41,663	44,800	39,158	15,659	30,109	26,792	55,268	9,655
United Kingdom.....	52,891	2,504	7,932	7,622	4,513	9,196	3,964	2,496	13,847	816
Germany.....	31,668	288	7,754	2,999	2,404	486	4,516	888	7,388	4,944
Japan.....	29,411	126	8,381	2,802	364	1,261	9,910	359	3,131	3,077
Canada.....	28,992	1,528	5,826	6,301	498	1,813	1,203	4,229	7,306	287
Bermuda.....	25,051	(*)	1,155	328	22,595	575	16	149	231	2
India.....	24,693	13	533	3,132	38	508	378	14,158	5,890	43
Mexico.....	21,930	230	2,685	13,659	30	302	652	1,017	3,234	122
Switzerland.....	21,323	107	2,372	1,040	5,517	523	4,945	663	5,953	203
France.....	16,372	297	4,093	5,069	485	721	2,460	528	2,572	147
Ireland.....	15,882	14	932	1,848	2,714	274	2,065	2,305	5,716	14
Other countries	220,444	3,889	55,387	68,073	8,614	9,503	9,386	9,648	44,086	11,860

(*) An asterisk indicates a value between zero and \$500,000.

D Data are suppressed to avoid the disclosure of the data of individual companies. n.i.e. Not included elsewhere

1. The rank is based on the total value in 2015.

2. All travel purposes include (1) business travel, including expenditures by border, seasonal, and other short-term workers and (2) personal travel, including health-related and education-related travel.

U.S. Trade in Services

and travel. Canada was the second-largest market for exports in 2015; the top categories of exports to Canada were travel and “other” business services (mainly professional and management consulting services). The United Kingdom Islands, Caribbean—which comprises the British Virgin Islands, the Cayman Islands, Montserrat, and the Turks and Caicos Islands—was among the 10 largest recipients for U.S. exports in 2015. The top category of exports to the United Kingdom Islands, Caribbean was financial services, accounting for 32 percent of total U.S. exports of financial services.

The total value of U.S. imports from the top 10 source countries accounted for 55 percent of total services imports in 2015. By major region, Europe remained the largest source of U.S. services imports, followed by the Asia and Pacific region. By country, the United Kingdom was the largest provider of services to the United States in 2015; the top categories of imports from the United Kingdom were “other” business services (mainly professional and management consulting services and financial services). Germany was the second-largest provider of services to the United States in 2015; the top categories of imports from Germany were transport and “other” busi-

ness services (mainly research and development services).

Services trade includes trade between unaffiliated parties and trade within MNEs (affiliated trade). Unaffiliated trade accounted for 71 percent, and affiliated trade for 29 percent, of both exports and imports of services in 2015; these shares are nearly unchanged from the 2014 shares (table D). Growth in unaffiliated services exports slowed to 1 percent from 5 percent, and growth in affiliated services exports slowed to 1 percent from 8 percent. Growth in unaffiliated services imports slowed to 1 percent from 4 percent, and growth in affiliated services imports slowed to 2 percent from 6 percent.

Table D. Trade in Services by Affiliation Type, 2014–2015

	Millions of dollars		Percent change from preceding year		Percent of total trade in services	
	2014	2015	2014	2015	2014	2015
Exports of services						
Total exports of services	743,257	750,860	6.0	1.0	.....	.....
Unaffiliated	525,492	531,420	5.2	1.1	70.7	70.8
Affiliated	217,766	219,439	8.0	0.8	29.3	29.2
U.S. parents exports to their foreign affiliates	179,050	177,694	10.6	-0.8	24.1	23.7
U.S. affiliates exports to their foreign parent groups	38,716	41,745	-2.6	7.8	5.2	5.6
Imports of services						
Total imports of services	481,264	488,657	4.4	1.5	.....	.....
Unaffiliated	342,836	347,402	3.6	1.3	71.2	71.1
Affiliated	138,428	141,255	6.4	2.0	28.8	28.9
U.S. parents imports from their foreign affiliates	87,159	90,502	8.6	3.8	18.1	18.5
U.S. affiliates imports from their foreign parent groups	51,270	50,753	2.9	-1.0	10.7	10.4

Summary Statistics

Summary statistics on trade in services by category and the five largest countries in each category are presented following this section in tables E–N and charts 7–12. For more detailed statistics, see tables 1.1–2.3 that accompany this article.

U.S. Trade in Services—Maintenance and Repair Services

Table E. Maintenance and Repair Services n.i.e.

	2013	2014	2015	Change 2014–2015	
	Millions of dollars			Millions of dollars	Percent
Maintenance and repair services n.i.e. exports	18,568	22,132	24,036	1,904	8.6
Exports by country:					
Total exports for the top five countries ¹	6,163	7,655	8,771	1,116	14.6
United Kingdom.....	2,325	2,412	2,699	287	11.9
Canada.....	1,454	1,803	1,787	-16	-0.9
France	745	1,246	1,622	376	30.2
China	782	1,331	1,507	176	13.2
Saudi Arabia.....	857	863	1,156	293	34.0
Other countries	12,405	14,477	15,265	788	5.4
Maintenance and repair services n.i.e. imports	7,420	7,521	8,996	1,475	19.6
Imports by country:					
Total imports for the top five countries ¹	5,650	5,666	6,538	872	15.4
United Kingdom.....	2,487	1,845	2,504	659	35.7
Canada.....	1,287	1,428	1,528	100	7.0
Brazil	1,108	1,448	1,522	74	5.1
Singapore.....	589	580	543	-37	-6.4
Netherlands.....	179	365	441	76	20.8
Other countries	1,770	1,855	2,458	603	32.5

n.i.e. Not included elsewhere

1. The rank is based on the total value in 2015.

Exports of maintenance and repair services increased in 2015, mainly reflecting increased exports to Europe and to the Middle East.

The largest increases were in exports to France, Saudi Arabia, and the United Kingdom. The increases to these three countries accounted for 50 percent of the total increase in maintenance and repair services.

Imports of maintenance and repair services increased, reflecting increased imports from Europe and the Asia and Pacific region.

The largest increases were in imports from the United Kingdom, France, and China. The increases from these three countries accounted for 61 percent of the total increase in imports of maintenance and repair services.

U.S. Trade in Services—Transport

Table F. Transport

	2013	2014	2015	Change 2014–2015	
	Millions of dollars			Millions of dollars	Percent
Transport exports	86,776	90,701	87,221	-3,480	-3.8
Sea services.....	17,325	18,161	18,044	-117	-0.6
Freight.....	4,031	4,325	3,816	-509	-11.8
Port.....	13,294	13,836	14,228	392	2.8
Air services.....	64,894	68,053	64,672	-3,381	-5.0
Passenger.....	41,013	44,071	41,704	-2,367	-5.4
Freight.....	14,321	14,261	12,906	-1,355	-9.5
Port.....	9,560	9,721	10,062	341	3.5
Other modes.....	4,557	4,487	4,505	18	0.4
Exports by country:					
Total exports for the top five countries ¹	35,031	36,665	35,336	-1,329	-3.6
Japan.....	9,272	9,844	9,443	-401	-4.1
Canada.....	8,270	8,602	8,285	-317	-3.7
United Kingdom.....	7,873	8,109	7,874	-235	-2.9
China.....	4,773	5,055	4,895	-160	-3.2
Germany.....	4,843	5,055	4,839	-216	-4.3
Other countries.....	51,745	54,036	51,885	-2,151	-4.0
Transport imports	90,634	94,160	97,050	2,890	3.1
Sea services.....	36,264	36,254	37,295	1,041	2.9
Freight.....	34,207	34,013	35,005	992	2.9
Port.....	2,057	2,241	2,290	49	2.2
Air services.....	50,104	53,697	55,851	2,154	4.0
Passenger.....	32,029	34,890	35,494	604	1.7
Freight.....	6,325	7,197	7,895	698	9.7
Port.....	11,750	11,610	12,462	852	7.3
Other modes.....	4,266	4,209	3,904	-305	-7.2
Imports by country:					
Total imports for the top five countries ¹	34,020	35,073	35,743	670	1.9
Japan.....	7,912	7,928	8,381	453	5.7
United Kingdom.....	7,570	7,856	7,932	76	1.0
Germany.....	7,431	7,828	7,754	-74	-0.9
Korea, Republic of.....	5,351	5,568	5,850	282	5.1
Canada.....	5,756	5,893	5,826	-67	-1.1
Other countries.....	56,614	59,087	61,307	2,220	3.8

1. The rank is based on the total value in 2015.

Exports of transport services decreased in 2015, led by a 5 percent decrease in air services, which accounted for 74 percent of exports of transport services in 2015 (chart 7).

Exports of air passenger services decreased, reflecting a decrease in average airfares that was partly offset by an increase in the number of foreign passengers on U.S. airlines.

By country, the largest decreases in total transport services exports were in exports to Japan, Canada, and the United Kingdom; these three countries were also the top three in terms of total export value in 2015.

Exports to countries other than the top five in terms of export value decreased, with the largest decreases in exports to France, Russia, and Brazil.

Imports of transport services increased, led by a 4 percent increase in air services, which accounted for 58 percent of imports of transport services in 2015 (chart 8).

Imports of air port services increased 7 percent. By country, the largest increases were in imports from Japan, China, and Canada.

The Republic of Korea replaced Canada as the fourth-largest source of U.S. imports of transport services.

Imports from countries other than the top five increased, with the largest increases in imports from Mexico, Denmark, and Taiwan.

Chart 7. Transport Exports by Type, 2015

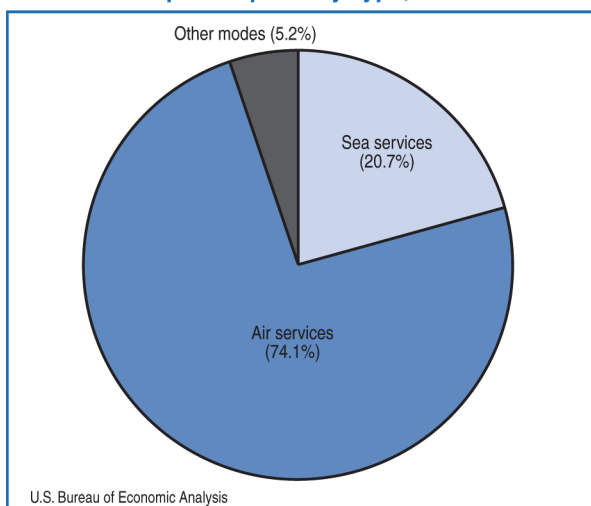
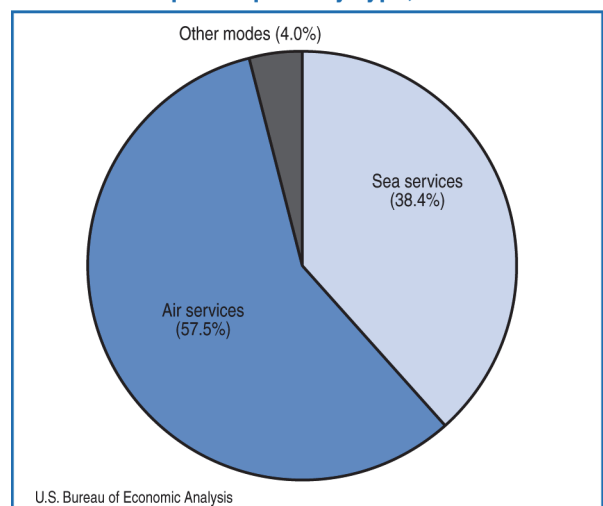


Chart 8. Transport Imports by Type, 2015



U.S. Trade in Services—Travel (for All Purposes Including Education)

Table G. Travel (for All Purposes Including Education)

	2013	2014	2015	Change 2014–2015	
	Millions of dollars			Millions of dollars	Percent
Travel exports	177,484	191,325	204,523	13,198	6.9
Business	44,876	43,509	42,754	-755	-1.7
Expenditures by border, seasonal, and other short-term workers	7,301	7,654	8,184	530	6.9
Other business travel	37,575	35,855	34,570	-1,285	-3.6
Personal	132,608	147,816	161,769	13,953	9.4
Health related	3,312	3,468	3,597	129	3.7
Education related	27,418	30,966	35,760	4,794	15.5
Other personal travel	101,877	113,382	122,412	9,030	8.0
Exports by country:					
Total exports for the top five countries ¹	78,324	82,241	86,408	4,167	5.1
China	19,244	23,725	27,728	4,003	16.9
Canada	22,219	20,468	17,356	-3,112	-15.2
Mexico	15,139	15,810	16,784	974	6.2
United Kingdom	10,177	11,019	12,920	1,901	17.3
Japan	11,545	11,219	11,620	401	3.6
Other countries	99,160	109,084	118,115	9,031	8.3
Travel imports	98,120	105,529	112,873	7,344	7.0
Business	19,615	17,271	15,920	-1,351	-7.8
Expenditures by border, seasonal, and other short-term workers	1,186	1,249	1,315	66	5.3
Other business travel	18,429	16,022	14,605	-1,417	-8.8
Personal	78,505	88,258	96,952	8,694	9.9
Health related	1,443	1,624	1,828	204	12.6
Education related	6,511	6,992	7,278	286	4.1
Other personal travel	70,551	79,642	87,846	8,204	10.3
Imports by country:					
Total imports for the top five countries ¹	34,431	37,684	39,201	1,517	4.0
Mexico	10,635	12,668	13,659	991	7.8
United Kingdom	6,642	7,200	7,622	422	5.9
Italy	5,458	5,957	6,550	593	10.0
Canada	7,475	7,239	6,301	-938	-13.0
France	4,221	4,620	5,069	449	9.7
Other countries	63,689	67,845	73,672	5,827	8.6

Exports of travel services increased in 2015, mainly reflecting increased exports to travelers from the Asia and Pacific region and from Europe (chart 9).

Education-related travel exports increased as both the number of international students studying in the United States and their average expenditures increased. By country, the largest increases were in exports to China and India, which combined accounted for 60 percent of total education-related travel exports.

Exports to China, the United Kingdom, India, and Mexico accounted for the largest increases in total travel exports. The increases to these four countries accounted for two-thirds of the total increase in travel exports.

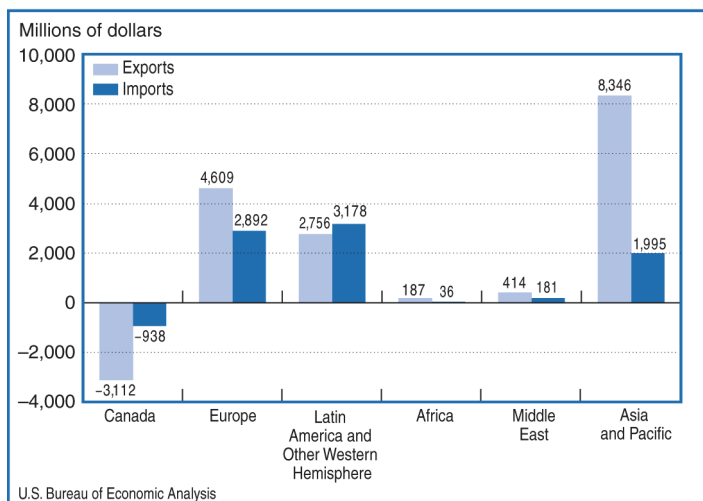
Imports of travel services increased, reflecting increases in imports of U.S. residents traveling in Latin America and Other Western Hemisphere and in Europe (chart 9).

Mexico remained the largest market for U.S. travel abroad in 2015, accounting for 12 percent of U.S. imports of travel services.

Collectively, imports from countries other than the top five countries increased; the largest increases were in imports from the Dominican Republic, China, and Spain.

1. The rank is based on the total value in 2015.

Chart 9. Travel Exports and Imports by Region: Change From 2014 to 2015



U.S. Trade in Services—Insurance Services

Table H. Insurance Services

	2013	2014	2015	Change 2014–2015	
	Millions of dollars			Millions of dollars	Percent
Insurance services exports	16,696	17,312	17,142	-170	-1.0
Reinsurance	11,291	11,448	11,895	447	3.9
Direct insurance	3,618	3,974	3,346	-628	-15.8
Auxiliary insurance services	1,787	1,890	1,901	11	0.6
Exports by country:					
Total exports for the top five countries ¹	10,003	10,792	10,282	-510	-4.7
Bermuda	2,635	2,901	2,747	-154	-5.3
United Kingdom	1,796	1,965	2,703	738	37.6
Canada	2,961	2,949	1,904	-1,045	-35.4
Japan	1,731	2,111	1,870	-241	-11.4
Australia	880	866	1,058	192	22.2
Other countries	6,693	6,520	6,860	340	5.2
Insurance services imports	53,420	51,824	47,772	-4,052	-7.8
Reinsurance	47,547	45,495	41,709	-3,786	-8.3
Direct insurance	4,562	4,793	4,183	-610	-12.7
Auxiliary insurance services	1,311	1,536	1,880	344	22.4
Imports by country:					
Total imports for the top five countries ¹	44,376	43,561	40,093	-3,468	-8.0
Bermuda	(D)	24,172	22,595	-1,577	-6.5
Switzerland	6,623	6,458	5,517	-941	-14.6
United Kingdom Islands, Caribbean	(D)	4,871	4,754	-117	-2.4
United Kingdom	4,992	5,003	4,513	-490	-9.8
Ireland	2,202	3,057	2,714	-343	-11.2
Other countries	9,044	8,263	7,679	-584	-7.1

Exports of insurance services decreased in 2015, reflecting a decrease in direct insurance that was mostly offset by increases in reinsurance and in auxiliary insurance services. By region, the overall decrease mainly reflected a decrease in exports to Canada that was mostly offset by an increase in exports to Europe.

Exports to the top five countries accounted for 60 percent of total insurance services exports.

Exports to Canada decreased, reflecting a 47 percent decrease in direct insurance and auxiliary insurance services and a 12 percent decrease in reinsurance.

Imports of insurance services decreased, reflecting an 8 percent decrease in reinsurance, mainly from the Other Western Hemisphere region (primarily Bermuda) and from Europe.

Imports from the top five countries accounted for 84 percent of total insurance services imports.

Insurance imports from Bermuda decreased, mainly reflecting a 7 percent decrease in reinsurance.

D Data are suppressed to avoid the disclosure of data of individual companies.

1. The rank is based on the total value in 2015.

U.S. Trade in Services—Financial Services

Table I. Financial Services

	2013	2014	2015	Change 2014–2015	
	Millions of dollars			Millions of dollars	Percent
Financial services exports	95,131	107,712	102,461	-5,251	-4.9
Brokerage	9,203	10,672	9,632	-1,040	-9.7
Underwriting	1,936	2,735	2,173	-562	-20.5
Credit card and other credit-related	17,970	20,435	19,714	-721	-3.5
Management	44,557	49,694	47,281	-2,413	-4.9
Advisory	6,962	7,677	7,250	-427	-5.6
Other ¹	14,504	16,500	16,410	-90	-0.5
Exports by country:					
Total exports for the top five countries ²	56,613	65,083	60,681	-4,402	-6.8
United Kingdom Islands, Caribbean	31,300	35,722	32,708	-3,014	-8.4
United Kingdom	12,829	14,695	14,341	-354	-2.4
Canada	5,894	6,731	6,155	-576	-8.6
Luxembourg	3,436	3,886	4,025	139	3.6
Japan	3,154	4,049	3,452	-597	-14.7
Other countries	38,518	42,629	41,780	-849	-2.0
Financial services imports	21,545	24,906	25,162	256	1.0
Brokerage	3,527	3,804	3,662	-142	-3.7
Underwriting	649	748	750	2	0.3
Credit card and other credit-related	5,690	6,122	6,346	224	3.7
Management	7,200	8,745	8,705	-40	-0.5
Advisory	2,131	2,709	2,820	111	4.1
Other ¹	2,349	2,778	2,880	102	3.7
Imports by country:					
Total imports for the top five countries ²	12,467	14,823	14,926	103	0.7
United Kingdom	7,784	9,185	9,196	11	0.1
Canada	1,541	1,903	1,813	-90	-4.7
Hong Kong	1,217	1,473	1,509	36	2.4
Japan	1,065	1,133	1,261	128	11.3
United Kingdom Islands, Caribbean	860	1,129	1,147	18	1.6
Other countries	9,078	10,083	10,236	153	1.5

Financial services exports decreased in 2015, partly reflecting a decrease in financial management services. Nearly 60 percent of the decrease was accounted for by a decrease in exports to the United Kingdom Islands, Caribbean.

Exports of financial services to the United Kingdom Islands, Caribbean decreased 8 percent in 2015 after increasing 14 percent in 2014.

Exports to countries other than the top five countries decreased. The largest decreases were in exports to France, Russia, and Brazil.

Financial services imports increased, mainly reflecting an increase in credit card and other credit-related services. By region, the increase in total financial services imports mainly reflected an increase in imports from the Asia and Pacific region.

The United Kingdom continued to be the largest source country for U.S. imports of financial services.

Imports from countries other than the top five countries increased. The largest increases were in imports from Switzerland, Singapore, and China.

1. Includes securities lending, electronic funds transfers, and other financial services.

2. The rank is based on the total value in 2015.

U.S. Trade in Services—Charges for the Use of Intellectual Property

Table J. Charges for the Use of Intellectual Property n.i.e.

	2013	2014	2015	Change 2014–2015	
	Millions of dollars			Millions of dollars	Percent
Charges for the use of intellectual property n.i.e., exports	128,034	129,890	124,664	-5,226	-4.0
Industrial processes	44,935	48,497	45,898	-2,599	-5.4
Computer software	42,549	39,197	36,752	-2,445	-6.2
Trademarks	15,950	16,760	15,329	-1,431	-8.5
Franchise fees	6,094	5,784	5,253	-531	-9.2
Audio-visual and related products	18,400	19,569	21,308	1,739	8.9
Other intellectual property	107	83	125	42	50.6
Exports by affiliation:					
Unaffiliated	49,553	47,403	46,792	-611	-1.3
Affiliated	78,481	82,487	77,872	-4,615	-5.6
By U.S. parents to their foreign affiliates	72,788	77,517	72,043	-5,474	-7.1
By U.S. affiliates to their foreign parents	5,693	4,970	5,829	859	17.3
Exports by country:					
Total exports for the top five countries ¹	53,340	56,431	53,988	-2,443	-4.3
Ireland	14,991	18,663	17,853	-810	-4.3
Switzerland	10,126	10,806	11,048	242	2.2
United Kingdom	9,024	9,593	9,246	-347	-3.6
Canada	9,668	8,729	8,349	-380	-4.4
Japan	9,531	8,640	7,492	-1,148	-13.3
Other countries ²	74,694	73,459	70,676	-2,783	-3.8
Charges for the use of intellectual property n.i.e., imports	38,860	42,208	39,495	-2,713	-6.4
Industrial processes	22,569	23,851	20,868	-2,983	-12.5
Computer software	6,474	6,717	6,723	6	0.1
Trademarks	4,253	3,704	3,692	-12	-0.3
Franchise fees	189	174	76	-98	-56.3
Audio-visual and related products	5,248	7,648	7,955	307	4.0
Other intellectual property	128	114	181	67	58.8
Imports by affiliation:					
Unaffiliated	11,477	13,710	11,335	-2,375	-17.3
Affiliated	27,382	28,498	28,160	-338	-1.2
By U.S. parents from their foreign affiliates	6,287	6,865	6,956	91	1.3
By U.S. affiliates from their foreign parents	21,095	21,633	21,205	-428	-2.0
Imports by country:					
Total imports for the top five countries ¹	26,762	28,405	25,795	-2,610	-9.2
Japan	11,610	12,454	9,910	-2,544	-20.4
Switzerland	5,528	5,315	4,945	-370	-7.0
Germany	3,957	4,275	4,516	241	5.6
United Kingdom	3,669	3,996	3,964	-32	-0.8
France	1,998	2,365	2,460	95	4.0
Other countries ²	12,098	13,803	13,700	-103	-0.7

Exports associated with the use of intellectual property decreased in 2015. The decrease mainly reflected decreases in charges associated with industrial processes and with computer software (chart 10).

Charges associated with industrial processes decreased, mainly reflecting decreases in exports to China, South Korea, and the Netherlands.

Charges associated with computer software decreased, mainly reflecting decreases in exports to Japan, Brazil, and Canada.

Charges associated with audio-visual and related products increased, mainly reflecting increases in exports to India, Brazil, and Venezuela.

Exports to Ireland decreased, but Ireland continued to be the largest recipient of U.S. exports associated with the use of intellectual property.

Collectively, exports to countries other than the top five decreased, with the largest decreases in exports to the Netherlands, Russia, and China.

Imports associated with the use of intellectual property decreased, mainly reflecting a decrease in charges associated with industrial processes (chart 11).

The top five countries accounted for 65 percent of total imports associated with the use of intellectual property.

Imports from Japan decreased, mainly reflecting a decrease in charges associated with industrial processes.

n.i.e. Not included elsewhere

1. The rank is based on the total value in 2015.

2. "Other countries" includes international organizations, and payments to these organizations for the use of intellectual property are often substantial.

Chart 10. Charges for the Use of Intellectual Property Exports by Type

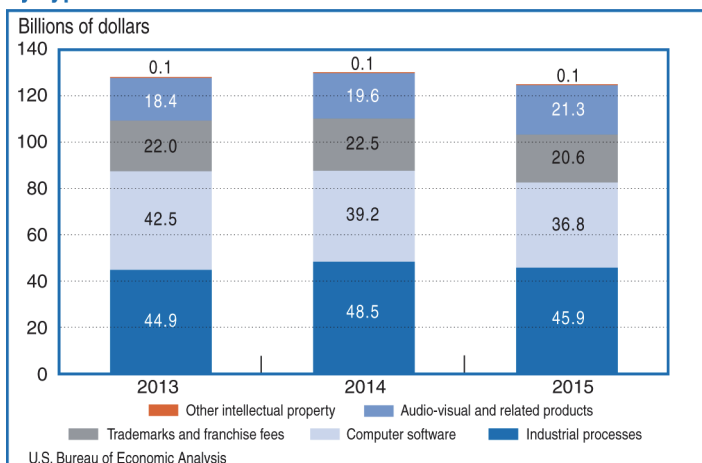
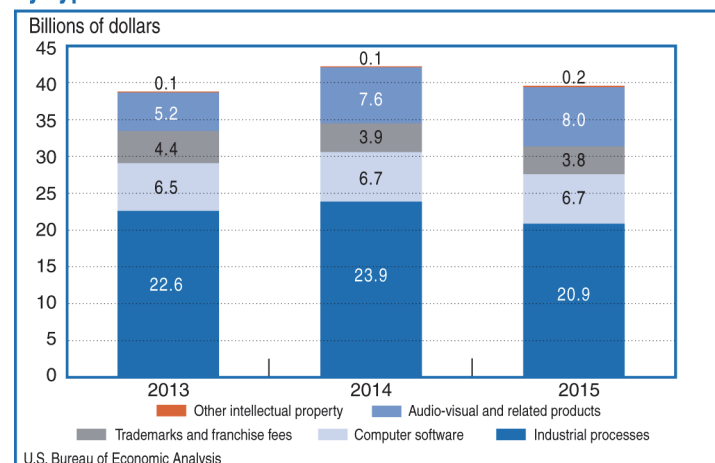


Chart 11. Charges for the Use of Intellectual Property Imports by Type



U.S. Trade in Services—Telecommunications, Computer, and Information Services

Table K. Telecommunications, Computer, and Information Services

	2013	2014	2015	Change 2014–2015	
	Millions of dollars			Millions of dollars	Percent
Telecommunications, computer, and information services exports	34,419	35,044	35,895	851	2.4
Telecommunications services	14,471	13,736	12,645	-1,091	-7.9
Computer services.....	13,178	14,152	15,951	1,799	12.7
Information services.....	6,770	7,156	7,299	143	2.0
Exports by country:					
Total exports for the top five countries ¹	14,828	15,107	15,131	24	0.2
United Kingdom.....	4,990	4,777	4,708	-69	-1.4
Brazil	4,455	4,612	4,136	-476	-10.3
Canada.....	2,703	3,056	3,076	20	0.7
Switzerland.....	1,369	1,365	1,634	269	19.7
Argentina.....	1,311	1,297	1,577	280	21.6
Other countries	19,591	19,937	20,764	827	4.1
Telecommunications, computer, and information services imports	35,034	36,313	36,440	127	0.3
Telecommunications services	7,341	6,759	6,242	-517	-7.6
Computer services.....	25,652	27,093	27,785	692	2.6
Information services.....	2,041	2,461	2,413	-48	-2.0
Imports by country:					
Total imports for the top five countries ¹	21,020	23,494	24,389	895	3.8
India	11,727	12,875	14,158	1,283	10.0
Canada.....	5,423	4,988	4,229	-759	-15.2
United Kingdom.....	2,376	2,653	2,496	-157	-5.9
Ireland	241	1,741	2,305	564	32.4
Philippines.....	1,253	1,237	1,201	-36	-2.9
Other countries	14,014	12,819	12,051	-768	-6.0

1. The rank is based on the total value in 2015.

Exports of telecommunications, computer, and information services increased in 2015 for the thirteenth consecutive year. By region, the largest increase was in exports to the Asia and Pacific region.

Telecommunications services decreased, mainly reflecting decreases in exports to Brazil, the United Kingdom, and Sweden.

Computer services increased; nearly half of the increase was accounted for by increases in exports to Switzerland, Germany, Japan, Bermuda, and India.

Collectively, exports to countries other than the top five countries increased. The largest increases were in exports to Singapore, India, and Bermuda. Increases to these three countries accounted for nearly two-thirds of the total increase in exports.

Imports of telecommunications, computer, and information services increased slightly, mainly reflecting increases in imports from India and Ireland that were partly offset by a decrease in imports from Canada.

The top five countries accounted for two-thirds of total telecommunications, computer, and information services imports.

The increase in imports from India mainly reflected an increase in computer services.

U.S. Trade in Services—Other Business Services Exports

Table L. Other Business Services Exports

	2013	2014	2015	Change 2014–2015	
	Millions of dollars			Millions of dollars	Percent
Other business services exports	121,530	128,817	134,648	5,831	4.5
Research and development services	29,236	32,946	34,526	1,580	4.8
Professional and management consulting services	55,596	59,623	64,912	5,289	8.9
Legal services	9,032	9,112	9,047	-65	-0.7
Accounting, auditing, and bookkeeping services	1,202	1,395	1,465	70	5.0
Business and management consulting and public relations services	36,795	39,284	42,838	3,554	9.0
Advertising	8,566	9,832	11,561	1,729	17.6
Technical, trade-related, and other business services	36,699	36,248	35,210	-1,038	-2.9
Architectural and engineering services	12,744	12,115	11,417	-698	-5.8
Construction	2,104	1,816	2,526	710	39.1
Industrial engineering	3,382	4,071	2,460	-1,611	-39.6
Operating leasing services	8,399	7,261	6,891	-370	-5.1
Other ¹	10,070	10,984	11,916	932	8.5
Exports by affiliation:					
Unaffiliated	47,943	50,096	49,769	-327	-0.7
Affiliated	73,587	78,721	84,879	6,158	7.8
By U.S. parents to their foreign affiliates	46,431	51,680	55,330	3,650	7.1
By U.S. affiliates to their foreign parents	27,156	27,041	29,549	2,508	9.3
Exports by country:					
Total exports for the top five countries ²	49,426	(D)	(D)	(D)	(D)
Ireland	11,390	(D)	(D)	(D)	(D)
Switzerland	10,246	10,981	12,332	1,351	12.3
United Kingdom	10,552	11,259	12,228	969	8.6
Canada	9,284	9,328	9,171	-157	-1.7
Japan	7,954	8,109	7,461	-648	-8.0
Other countries	72,104	(D)	(D)	(D)	(D)

Exports of “other” business services increased, mainly reflecting increases in professional and management consulting services and in research and development services (chart 12).

Exports of business and management consulting and public relations services increased, reflecting a relatively large increase in exports to Europe, particularly to Ireland, Switzerland, and the United Kingdom.

Exports of industrial engineering services to all major geographic regions decreased.

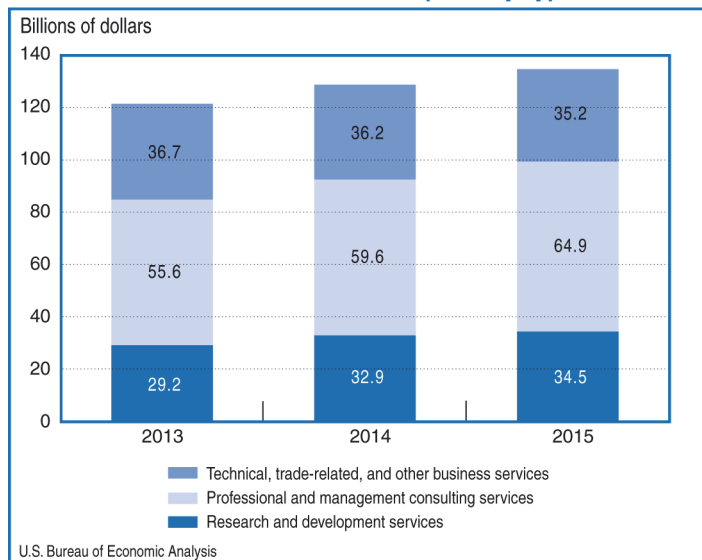
The largest increases in exports of “other” business services to countries other than the top five were in exports to Singapore, Germany, and Bermuda. Increases to these three countries accounted for nearly two-thirds of the increase in “other” business services exports.

D Data are suppressed to avoid the disclosure of data of individual companies.

1. This category includes mining, trade-related services, sports and performing arts, training services, and other business services n.i.e. (not included elsewhere)

2. The rank is based on the total value in 2015

Chart 12. Other Business Services Exports by Type



U.S. Trade in Services—Other Business Services Imports

Table M. Other Business Services Imports

	2013	2014	2015	Change 2014–2015	
	Millions of dollars			Millions of dollars	Percent
Other business services imports	90,714	94,568	99,354	4,786	5.1
Research and development services.....	30,475	30,902	32,022	1,120	3.6
Professional and management consulting services	34,439	38,937	40,436	1,499	3.8
Legal services	1,981	2,111	2,167	56	2.7
Accounting, auditing, and bookkeeping services	2,449	2,668	2,944	276	10.3
Business and management consulting and public relations services.....	26,784	30,280	31,388	1,108	3.7
Advertising	3,224	3,877	3,937	60	1.5
Technical, trade-related, and other business services	25,801	24,730	26,896	2,166	8.8
Architectural and engineering services	5,097	5,413	5,623	210	3.9
Construction	2,532	2,165	2,942	777	35.9
Industrial engineering.....	3,263	2,690	2,699	9	0.3
Operating leasing services.....	3,441	3,549	3,603	54	1.5
Other ¹	11,468	10,912	12,029	1,117	10.2
Imports by affiliation:					
Unaffiliated	26,342	27,477	31,191	3,714	13.5
Affiliated	64,372	67,091	68,163	1,072	1.6
By U.S. parents from their foreign affiliates	46,480	48,687	50,470	1,783	3.7
By U.S. affiliates from their foreign parents	17,892	18,405	17,693	-712	-3.9
Imports by country:					
Total imports for the top five countries ²	37,216	38,177	40,384	2,207	5.8
United Kingdom.....	12,526	13,597	13,847	250	1.8
Germany	6,811	7,070	7,388	318	4.5
Canada.....	7,649	6,903	7,306	403	5.8
Switzerland.....	5,511	5,456	5,953	497	9.1
India	4,719	5,151	5,890	739	14.3
Other countries	53,498	56,391	58,970	2,579	4.6

Imports of “other” business services increased in all major subcategories in 2015 (chart 13).

Imports of research and development services increased, mainly reflecting an increase in imports from Europe, particularly from Ireland.

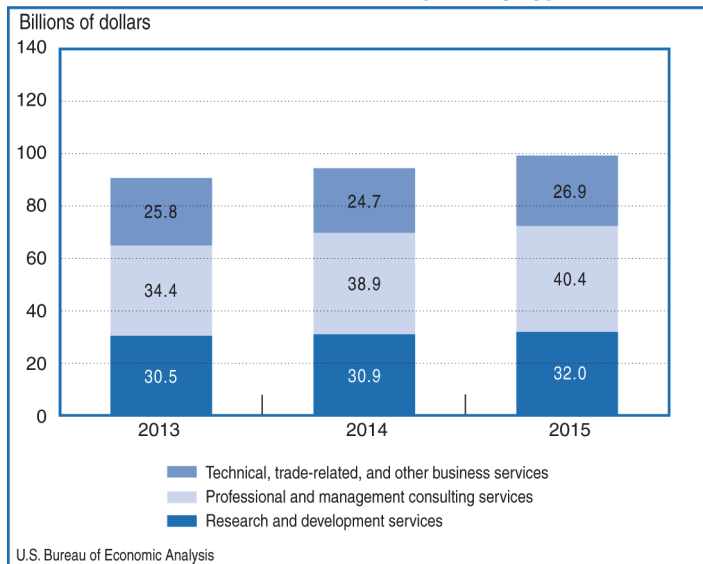
Imports of business and management consulting and public relations services increased, mainly reflecting increases in imports from the Asia and Pacific region, particularly from Japan and India, and from Europe, particularly from Switzerland, Germany, and Luxembourg.

Collectively, imports from countries other than the top five countries increased. The largest increases were in imports from Ireland, Peru, and Mexico.

1. This category includes mining, trade-related services, sports and performing arts, training services, and other business services n.i.e. (not included elsewhere)

2. The rank is based on the total value in 2015.

Chart 13. Other Business Services Imports by Type



U.S. Trade in Services—Government Goods and Services

Table N. Government Goods and Services n.i.e.

	2013	2014	2015	Change 2014–2015	
	Millions of dollars			Millions of dollars	Percent
Government goods and services n.i.e. exports	22,816	20,325	20,270	-55	-0.3
Total exports by region ¹	22,816	20,325	20,270	-55	-0.3
Asia and Pacific	11,777	9,165	8,055	-1,110	-12.1
Middle East	3,656	3,739	4,564	825	22.1
Europe	2,427	2,508	2,579	71	2.8
International organizations and unallocated	2,293	2,382	2,356	-26	-1.1
Latin America and Other Western Hemisphere	1,411	1,380	1,423	43	3.1
Africa.....	856	800	940	140	17.5
Canada	397	351	353	2	0.6
Government goods and services n.i.e. imports	25,341	24,236	21,515	-2,721	-11.2
Total imports by region ¹	25,341	24,236	21,515	-2,721	-11.2
Europe	11,297	10,745	9,352	-1,393	-13.0
Asia and Pacific	8,852	8,780	7,615	-1,165	-13.3
Middle East	3,604	3,166	3,111	-55	-1.7
Latin America and Other Western Hemisphere	707	648	602	-46	-7.1
Africa.....	635	603	542	-61	-10.1
Canada	246	293	287	-6	-2.0
International organizations and unallocated	0	(*)	6	6	n/a

Exports of government goods and services decreased, mainly reflecting a decrease in exports to the Asia and Pacific region. The largest increases were in exports to the Middle East and to Africa.

Imports of government goods and services decreased, mainly reflecting decreases in imports from Europe and from the Asia and Pacific region. Imports from all major geographic areas decreased in 2015.

(*) An asterisk indicates a nonzero value between -\$500,000 and \$500,000 n.i.e. Not included elsewhere

1. The rank is based on the total value in 2015.

ICT Services and Potentially ICT-Enabled Services in 2015

The Bureau of Economic Analysis (BEA) introduced statistics on trade in information and communications technology (ICT) and potentially ICT-enabled services in the May 2016 Survey article, “Trends in U.S. Trade in Information and Communications Technology (ICT) Services and in ICT-Enabled Services.” These statistics complement BEA’s standard presentation of international trade in services statistics by providing insight into the extent to which ICT may be used to facilitate trade in services. ICT services are those services that are used to facilitate information processing and communication; ICT-enabled services are services delivered over ICT networks.¹ It is not possible to precisely identify services trade that is ICT-enabled, because BEA collects data on trade in services by services category based on the Extended Balance of Payments Services classification (EBOPS 2010), which is based on the type of service

1. ICT services include three categories of services from BEA’s published statistics on international trade in services: telecommunications services, computer services, and charges for the use of intellectual property associated with computer software. For a detailed description of how ICT and potentially ICT-enabled statistics are defined, see Alexis N. Grimm, “Trends in U.S. Trade in Information and Communications Technology (ICT) Services and in ICT-Enabled Services,” SURVEY OF CURRENT BUSINESS 96 (May 2016).

traded and not the mode of delivery.² BEA therefore measures a related, but more broadly defined, concept, potentially ICT-enabled services, which include services that can predominantly be delivered remotely over ICT networks, without identifying the services that are delivered over ICT networks.³ Potentially ICT-enabled services include ICT services.

In 2015, exports of ICT services decreased 3 percent to \$65.3 billion after decreasing 4 percent in 2014. Imports of ICT services grew less than 1 percent to \$40.7 billion after growing 3 percent in 2014. The decrease in exports and the increase in imports resulted in a \$1.9 billion contraction of the ICT services trade surplus to \$24.6 billion in 2015 (chart 14 and table O). Exports of potentially ICT-enabled services decreased 1 percent to \$398.7 bil-

2. EBOPS guidelines were established by the *Manual on Statistics of International Trade in Services (MSITS)* (Geneva: United Nations Department of Economic and Social Affairs, 2010) and *Balance of Payments and International Investment Position Manual Sixth Edition* (Washington, DC: International Monetary Fund, 2009).

3. Statistics on potentially ICT-enabled services are composed of BEA’s published statistics on international trade in insurance services; financial services; charges for the use of intellectual property n.i.e.; telecommunications, computer, and information services; and certain other services included in “other” business services.

Chart 14. ICT and Potentially ICT-Enabled Services Share of Total Trade in Services, 2015

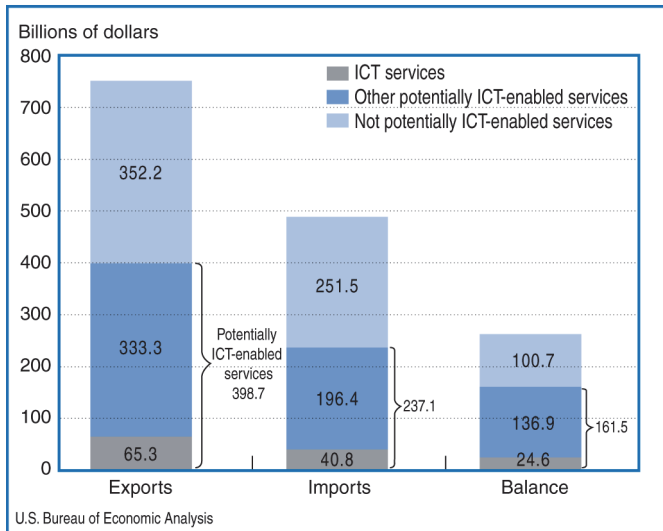


Table O. Change From Preceding Year in Trade in Services, Potentially ICT-Enabled Services, and ICT Services

	Exports		Imports	
	2014	2015	2014	2015
Billions of dollars				
Total services	41.8	7.6	20.2	7.4
Potentially ICT-enabled	23.8	-4.9	10.8	-2.9
ICT services	-3.1	-1.7	1.1	0.2
Other potentially ICT-enabled services	26.9	-3.2	9.7	-3.1
Not potentially ICT-enabled services	18.0	12.5	9.4	10.3
Percent				
Total services	6.0	1.0	4.4	1.5
Potentially ICT-enabled	6.3	-1.2	4.7	-1.2
ICT services	-4.4	-2.6	2.8	0.4
Other potentially ICT-enabled services	8.7	-0.9	5.1	-1.6
Not potentially ICT-enabled services	5.6	3.7	4.1	4.3

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NOTE. Potentially ICT-enabled services include ICT services.

ICT Services and Potentially ICT-Enabled Services in 2015

lion after growing 6 percent in 2014. Imports of potentially ICT-enabled services contracted 1 percent to \$237.1 billion after growing 5 percent in 2014. The larger decrease in exports than in imports resulted in a \$2.0 billion contraction in the trade surplus in potentially ICT-enabled services to \$161.5 billion.

By type of service, more than half of the exports of ICT services were exports associated with the use of intellectual property in computer software; more than two-thirds of the imports were imports of computer services. For potentially ICT-enabled services by type of service, the largest dollar and percentage decreases in exports were in financial services and in charges for the use of intellectual property (table P and chart 15). These decreases were partly offset by strong increases in exports of services considered potentially ICT-enabled in “other” business services—primarily professional and management consulting services, research and development services, and architectural and engineering services. For imports, the largest dollar and percentage decreases were in insurance services and in charges for the use of intellectual property. Imports of potentially ICT-enabled services in “other” business services—primarily

professional and management consulting services, research and development services, and “other” business

Chart 15. Growth in ICT and Potentially ICT-Enabled Exports by Major Service Category

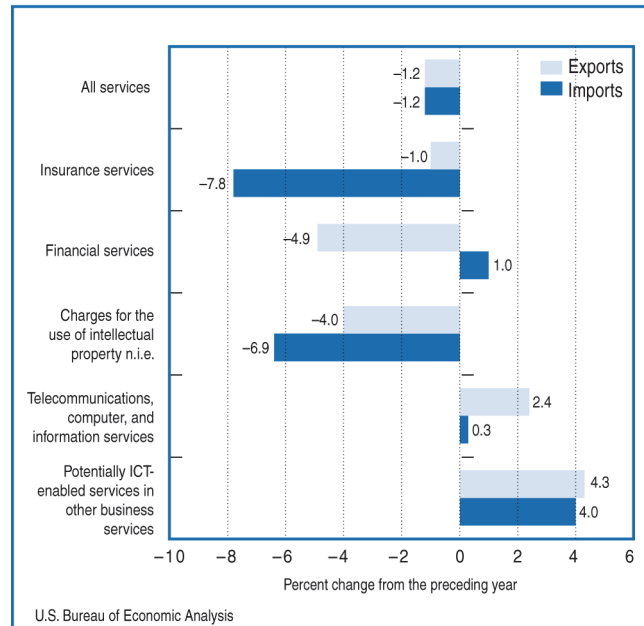


Table P. Trade in ICT Services and in Potentially ICT-Enabled Services by Major Service Category and Affiliation, 2014–2015

(Millions of dollars)

	Total			Unaffiliated			Affiliated		
	Level		Change	Level		Change	Level		Change
	2014	2015	2014–2015	2014	2015	2014–2015	2014	2015	2014–2015
Exports									
ICT services	67,085	65,348	-1,737	30,247	29,916	-331	36,838	35,432	-1,406
Potentially ICT-enabled services	403,594	398,669	-4,925	(D)	(D)	(D)	(D)	(D)	(D)
Insurance services ¹	17,312	17,142	-170	17,312	17,142	-170			
Financial services.....	107,712	102,461	-5,251	68,893	64,536	-4,357	38,819	37,925	-894
Charges for the use of intellectual property n.i.e.....	129,890	124,664	-5,226	47,403	46,792	-611	82,487	77,872	-4,615
Telecommunications, computer, and information services ²	35,044	35,895	851	19,252	19,713	461	15,792	16,181	389
Potentially ICT-enabled services in other business services.....	113,637	118,507	4,870	(D)	(D)	(D)	(D)	(D)	(D)
Imports									
ICT services	40,569	40,750	181	11,338	10,333	-1,005	29,231	30,417	1,186
Potentially ICT-enabled services	240,094	237,144	-2,950	110,331	105,133	-5,198	129,763	132,011	2,248
Insurance services ¹	51,824	47,772	-4,052	51,824	47,772	-4,052			
Financial services.....	24,906	25,162	256	11,146	10,987	-159	13,760	14,175	415
Charges for the use of intellectual property n.i.e.....	42,208	39,495	-2,713	13,710	11,335	-2,375	28,498	28,160	-338
Telecommunications, computer, and information services ²	36,313	36,440	127	11,181	10,178	-1,003	25,132	26,262	1,130
Potentially ICT-enabled services in other business services.....	84,844	88,275	3,431	22,471	24,861	2,390	62,373	63,414	1,041
Addenda									
Total services exports	743,257	750,860	7,603	525,491	531,421	5,930	217,766	219,439	1,673
Total services imports	481,264	488,657	7,393	342,836	347,402	4,566	138,428	141,255	2,827

..... Not applicable

n.i.e. Not included elsewhere

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1. Insurance services transactions are considered to be unaffiliated even when they are between affiliated companies because the services are considered to be provided to the policyholders who pay the insurance premiums and who are unaffiliated with either company. The only insurance services considered to be affiliated are primary insurance transactions between a U.S. company that is not an insurance company and an affiliated foreign insurance company, such as a captive

foreign insurance affiliate. Data on these affiliated insurance services are not separately available.

2. Transactions in basic telecommunications services are considered to be unaffiliated, even when the services flow through affiliated channels, because they represent the distribution of revenues collected from unaffiliated customers. Other types of telecommunications services, such as value-added services, may flow through either affiliated or unaffiliated channels, and are recorded accordingly.

NOTE. Potentially ICT-enabled services include ICT services.

ICT Services and Potentially ICT-Enabled Services in 2015

services—increased. The 2015 surplus on trade in potentially ICT-enabled services was largest for charges for the use of intellectual property and for financial services (chart 16).

By major region, the largest markets for exports of ICT services in 2015 were Europe, Asia and Pacific, and Latin America and Other Western Hemisphere, the same areas, in order, that were the largest markets for all services exports (table Q). More than half of the exports of ICT services to Europe and to Asia and Pacific were exports associated with the use of intellectual property in computer software. For exports to Latin America and Other Western Hemisphere, the largest component of ICT services was communications services. The largest sources of ICT imports were Asia and Pacific, Europe, and Canada. Nearly 90 percent of ICT imports from Asia and Pacific were imports of computer services, most of which were from India. Computer services was also the largest component of ICT services imports from Europe and Canada.

For some regions and countries, exports and imports of potentially ICT-enabled services were suppressed to

avoid the disclosure of data of individual companies. In 2015, the values of potentially ICT-enabled exports for Latin America and Other Western Hemisphere, Africa, and Middle East and the values of potentially ICT-enabled imports for Africa and Middle East are suppressed. For major regions in which one or more component of potentially ICT-enabled services exports or imports was suppressed, a range of feasible values is presented to facilitate the discussion of potentially ICT-enabled services exports, imports, and trade balances for the major regions (table Q and chart 17).⁴ The largest markets for potentially ICT-enabled services exports in 2015 were

4. All of the values of potentially ICT-enabled services exports, imports, and trade balance that are suppressed for major areas in 2013–2015 are suppressed because certain categories that fall under the aggregate “technical, trade-related, and other business services” (TTO) are suppressed. In most cases, the categories that are suppressed are relatively small parts of the total. For major areas where one or more components are suppressed, table Q and chart 17 include an upper bound and lower bound that establish a range of possible values. The lower bound is equal to the sum of all unsuppressed services included in potentially ICT-enabled services. The upper bound is calculated as the sum of the unsuppressed services that are considered potentially ICT-enabled and do not fall under TTO and TTO less any unsuppressed subcategories of TTO that are not considered potentially ICT-enabled services.

Chart 16. Trade in Potentially ICT-Enabled Services by Major Service Category, 2015

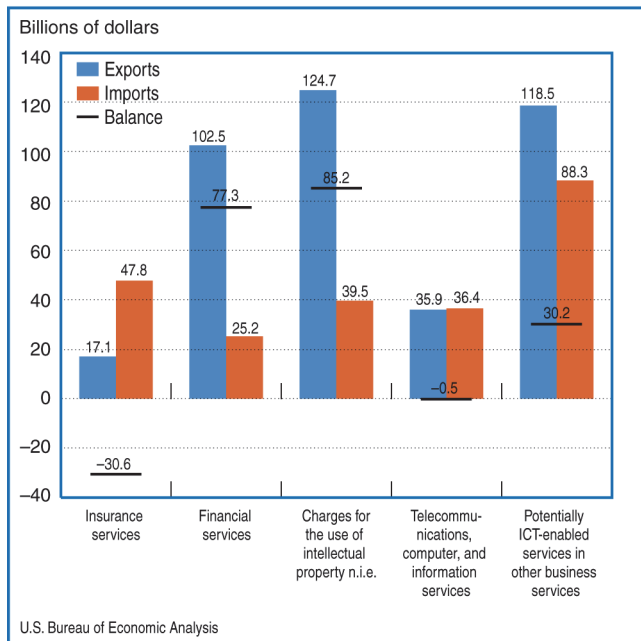
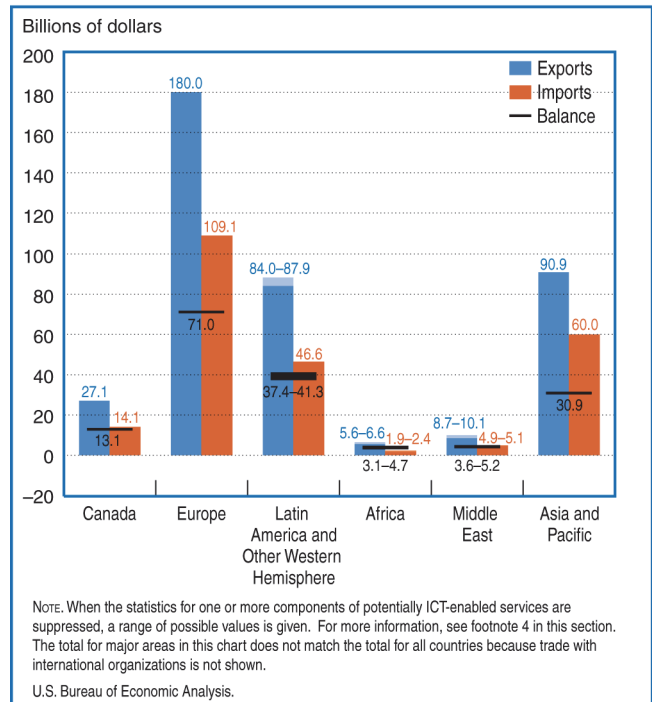


Chart 17. Trade in Potentially ICT-Enabled Services by Major Area, 2015



ICT Services and Potentially ICT-Enabled Services in 2015

Europe, Asia and Pacific, and Latin America and Other Western Hemisphere. For exports to Europe, the largest major categories of potentially ICT-enabled services were the potentially ICT-enabled services in “other” business services and charges for the use of intellectual property. For Asia and Pacific, the largest major categories of potentially ICT-enabled services were charges for the use of intellectual property and the potentially ICT-enabled services in “other” business services. More than half of exports of potentially ICT-enabled services to Latin America and Other Western Hemisphere were financial services.

The largest sources of imports of potentially ICT-enabled services were Europe, Asia and Pacific, and Latin America and Other Western Hemisphere. For imports from Europe, the largest major categories of services were the potentially ICT-enabled services in “other” business services and charges for the use of intellectual property. For Asia and Pacific, the largest major categories were the potentially ICT-enabled services in “other” business services and telecommunications services. For Latin America and Other Western Hemisphere, more than half of imports of potentially ICT-enabled services were insurance imports.

Table Q. Trade in ICT Services and Potentially ICT-Enabled Services by Major Area, 2013–2015

	2013			2014			2015			
	ICT services	Potentially ICT-enabled services ¹		ICT services	Potentially IC-enabled services ¹		ICT services	Potentially ICT-enabled services ¹		
		Point value	Upper bound		Lower bound	Point value		Upper bound	Lower bound	Point value	Upper bound	Lower bound
Exports										
All countries	70,198	379,808	.....	67,085	403,594	.....	65,348	398,669	.....	.....
Canada	5,217	29,291	.....	5,107	29,533	.....	4,838	27,130	.....	.....
Europe	27,403	164,873	.....	27,196	178,627	.....	25,997	180,044	.....	.....
Latin America and Other Western Hemisphere	16,214	82,330	.....	15,637	88,602	.....	15,504	(D) 83,979	87,939	.....
Africa.....	1,121	(D) 5,721	6,883	914	(D) 5,686	6,955	842	(D) 5,557	6,644	.....
Middle East	1,289	(D) 9,025	10,299	926	(D) 8,905	10,336	1,004	(D) 8,746	10,081	.....
Asia and Pacific.....	18,954	86,882	.....	17,304	90,400	.....	17,162	90,934	.....	.....
International organizations and unallocated	(*)	383	.....	(*)	178	.....	(*)	98	.....	.....
Imports										
All countries	39,467	229,308	.....	40,569	240,094	.....	40,750	237,144	.....	.....
Canada	5,370	15,074	.....	4,957	14,719	.....	4,203	14,064	.....	.....
Europe	13,180	103,443	.....	14,477	109,439	.....	14,530	109,076	.....	.....
Latin America and Other Western Hemisphere	3,199	48,851	.....	3,197	48,702	.....	3,097	46,627	.....	.....
Africa.....	417	2,460	.....	311	(D) 2,021	2,576	242	(D) 1,915	2,445	.....
Middle East	657	4,031	.....	1,035	(D) 4,547	4,806	1,072	(D) 4,876	5,106	.....
Asia and Pacific.....	16,645	55,385	.....	16,592	59,026	.....	17,605	60,043	.....	.....
International organizations and unallocated	(*)	64	.....	0	1,073	.....	0	23	.....	.....
Balance										
All countries	30,730	150,500	.....	26,517	163,500	.....	24,598	161,525	.....	.....
Canada	-153	14,217	.....	150	14,814	.....	635	13,066	.....	.....
Europe	14,223	61,430	.....	12,719	69,188	.....	11,467	70,968	.....	.....
Latin America and Other Western Hemisphere	13,014	33,479	.....	12,440	39,900	.....	12,407	(D) 37,352	41,312	.....
Africa.....	704	(D) 3,261	4,423	604	(D) 3,110	4,934	600	(D) 3,112	4,729	.....
Middle East	632	(D) 4,994	6,268	-109	(D) 4,099	5,789	-68	(D) 3,640	5,205	.....
Asia and Pacific.....	2,310	31,497	.....	713	31,374	.....	-443	30,891	.....	.....
International organizations and unallocated	(*)	319	.....	(*)	-895	.....	(*)	75	.....	.....

0 Transactions are possible, but they are zero for this period.

D Data are suppressed to avoid the disclosure of the data of individual companies.

..... Not applicable

(*) An asterisk indicates a nonzero value between -\$500,000 and \$500,000.

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1. When the statistics for one or more components of potentially ICT-enabled services exports are suppressed to avoid the disclosure of the data of individual companies, a range of possible values is given in the upper and lower bounds. For more information, see footnote 4 in this section.

Note. Potentially ICT-enabled services include ICT services.

Services Supplied Through Affiliates in 2014

U.S. international services delivered via the channel of direct investment consist of (1) services supplied to the host country and other foreign markets by foreign affiliates of U.S. multinational enterprises (MNEs) and (2) services supplied to the U.S. market by U.S. affiliates of foreign MNEs. In 2014, the recorded value of services supplied by U.S. MNEs to foreign markets through their affiliates increased to \$1,503.4 billion from \$1,321.5 billion in 2013.¹ Services supplied by foreign MNEs to the U.S. market through their U.S. affiliates increased to \$918.7 billion from \$891.9 billion. The difference between international services supplied through affiliates to foreign markets and the services supplied to the U.S. market was \$584.7 billion in 2014, compared with \$429.7 billion in 2013.²

The recorded value of services supplied abroad through foreign affiliates of U.S. MNEs was \$1,503.4 billion in 2014, 14 percent higher than in 2013. This increase can be largely attributed to improved coverage of reporting enterprises on BEA's 2014 Benchmark Survey of U.S. Direct Investment Abroad; therefore, it should not be interpreted to reflect an actual increase in services supplied. For this reason, the change from 2013 to 2014 is not discussed in detail in this article. The net increase in 2014 that can be attributed to the acquisition or establishment of new affiliates in 2014, changes in existing operations, and sales or liquidations of foreign affiliates was two percent. The increase in 2014 attributable to the improved coverage from the benchmark survey was 12 percent.

Many of the major markets served by affiliates experienced stronger economic growth in 2015. Japan was a notable exception; it experienced no economic growth in 2014 (chart 4). In Europe, gross domestic product (GDP) in the euro area grew modestly after contracting for 2 consecutive years, and the United Kingdom's growth increased to more than 3 percent. Canada's eco-

nomical growth increased slightly. GDP growth in emerging markets and developing economies was little changed overall in 2014, but as in recent years, growth in emerging markets still outpaced growth in advanced economies. In Mexico, in particular, GDP growth picked up by nearly 1 percentage point in 2014.

The value of the dollar relative to the currencies of many of the U.S.'s largest trading partners strengthened in 2014, resulting in a decrease in the dollar value of a given foreign-currency amount of services provided by foreign affiliates (chart 5). Absent any other changes (for example, in the quantity of services supplied by ongoing affiliates or changes in the composition of the universe of affiliates), this would tend to reduce the recorded value of services supplied.

Services supplied abroad through affiliates were highest for affiliates in Europe, followed by Asia and Pacific and Latin America and Other Western Hemisphere in 2014. Affiliates in Europe accounted for just over half of all services supplied by affiliates worldwide. Within Europe, services supplied through affiliates were highest for affiliates in the United Kingdom (the top country worldwide in terms of services supplied by foreign affiliates in 2014), Ireland, and Switzerland (table R). For affiliates in Europe, the top major industries for services supplied were information, "other" industries, and wholesale trade. In Asia and Pacific, services supplied were highest for affiliates in Singapore, Japan, and China; the top major industries were wholesale trade, "other" industries, and finance and insurance. In Latin America and Other Western Hemisphere, services supplied were highest for affiliates in Brazil, Mexico, and the United Kingdom Islands, Caribbean; the top major industries were finance and insurance, "other" industries, and professional, scientific, and technical services.

By major industry, services supplied by foreign affiliates were highest for affiliates in "other" industries, wholesale trade, and professional, scientific, and technical services. For affiliates in "other" industries, services supplied was highest in transportation and warehousing; administration, support, and waste management; and accommodation and food services. For affiliates in wholesale trade, services supplied were highest for wholesalers of durable goods, particularly professional and commercial equipment and supplies. The top coun-

1. The increase can be partly attributed to improved coverage of reporting enterprises on BEA's 2014 Benchmark Survey of U.S. Direct Investment Abroad. See the next paragraph and the box "[The Effect of the Benchmark Survey of U.S. Direct Investment Abroad on Services Supplied Through Foreign Affiliates](#)" for details.

2. It is not meaningful to highlight the difference between services supplied through affiliates to foreign markets and to U.S. markets by industry partly because of differences in the level of industry consolidation between foreign affiliates of U.S. companies and U.S. affiliates of foreign companies.

Services Supplied Through Affiliates in 2014

tries for services supplied by affiliates in wholesale trade were Switzerland, Singapore, and the United Kingdom. For affiliates in professional, scientific, and technical services, services supplied were highest in computer systems design and related services; architectural, engineering, and related services; and management, scientific, and technical consulting. The top countries for services supplied by affiliates in professional, scientific, and technical services were the United Kingdom, Canada, and Ireland.

Foreign affiliates not only supply services to foreign markets (the focus of this section), but they also supply services to the U.S. market; these transactions are considered U.S. imports of services. Services supplied to foreign markets, which include the local markets in which the affiliate is located and other foreign markets, accounted for 90 percent of the \$1,663.6 billion of services supplied worldwide by foreign affiliates in 2014; services supplied to the U.S. market accounted for the remaining 10 percent. In 2014, transactions in the affiliates' local markets

accounted for 69 percent of services supplied worldwide by affiliates, while transactions with parties in other foreign markets accounted for 22 percent.

Services supplied to the U.S. market by U.S. affiliates of foreign MNEs grew 3 percent in 2014, a rate of growth similar to that of the U.S. economy, after growing 10 percent in 2013. Services supplied through affiliates increased for affiliates with ultimate beneficial owners (UBOs) in all major regions.³ Affiliates with UBOs in Europe contributed three-quarters of the total increase in services supplied. For affiliates with UBOs in Europe, more than half of the increase was accounted for by affiliates with UBOs in Germany. Services supplied by European-owned affiliates increased in all major industry

3. The UBO of a U.S. affiliate is that person or entity, proceeding up the affiliate's ownership chain, beginning with and including the foreign parent, that is not owned by more than 50 percent by another person. Unlike the foreign parent, the UBO of an affiliate may be located in the United States. The UBO of each affiliate ultimately owns or controls the U.S. affiliate and therefore ultimately derives the benefits from ownership or control.

Table R. Services Supplied to Foreign Persons by Industry and by Country of the Foreign Affiliate and to U.S. Persons by Industry of the U.S. Affiliate and by Country of the Ultimate Beneficial Owner (UBO), 2014

[Millions of dollars]

	All industries	Manu- facturing	Wholesale trade	Retail trade	Infor- mation	Finance and insurance	Real estate and rental and leasing	Professional, scientific, and technical services	Other industries
Services supplied to foreign persons by U.S. MNEs through their majority-owned foreign affiliates by country of the foreign affiliate									
All countries	1,503,368	33,217	259,468	113,794	228,396	230,792	58,536	234,697	344,467
Total for the top 10 countries¹	935,818	20,748	169,176	74,098	166,307	131,603	41,793	152,158	179,935
United Kingdom	222,326	7,329	20,016	22,703	29,326	54,560	5,631	35,792	46,968
Canada	134,517	2,203	19,835	24,035	8,725	12,424	5,132	18,655	43,507
Ireland	107,543	(D)	6,600	132	59,291	8,589	7,492	17,407	(D)
Singapore	85,302	(D)	27,837	2,355	21,049	11,657	2,500	7,736	(D)
Switzerland	76,484	271	28,408	4,373	6,051	1,928	(D)	17,217	(D)
Germany	73,294	2,145	16,237	6,249	12,086	5,215	2,698	10,973	17,691
Japan	70,612	414	12,205	5,289	7,505	23,391	1,064	14,767	5,975
Netherlands	59,413	3,338	12,433	1,937	10,900	4,918	(D)	8,563	(D)
China	54,917	1,272	18,264	5,128	2,993	1,655	475	7,934	17,196
Australia	51,411	946	7,341	1,896	8,380	7,266	1,741	13,114	10,725
Other countries	567,550	12,470	90,291	39,697	62,089	99,189	16,743	82,539	164,532
Services supplied to U.S. persons by foreign MNEs through their majority-owned U.S. affiliates by country of the UBO									
All countries	918,707	89,715	154,032	48,815	111,869	184,438	24,679	101,453	203,706
Total for the top 10 countries²	752,677	79,300	108,993	39,546	98,017	168,113	20,799	85,413	152,496
Japan	146,744	14,297	62,921	6,704	(D)	13,538	1,567	4,420	(D)
United Kingdom	139,804	15,814	7,248	3,994	21,286	28,395	5,826	15,542	41,700
Germany	135,034	22,323	15,393	7,084	(D)	26,072	3,301	(D)	24,638
France	89,225	6,130	4,237	3,056	3,599	18,645	38	33,628	19,891
Canada	88,996	4,738	4,898	8,911	7,682	33,074	4,862	6,527	18,304
Switzerland	52,579	7,472	3,694	(D)	125	21,327	247	1,048	(D)
Netherlands	41,137	3,936	5,607	9,025	3,986	(D)	674	2,495	(D)
Australia	22,476	740	303	(D)	71	9,573	4,203	3,542	(D)
Ireland	18,474	2,882	1,698	5	35	(D)	21	(D)	(D)
Bermuda	18,209	970	2,993	4	(D)	5,352	60	(D)	(D)
Other countries	166,031	10,414	45,040	9,268	13,852	16,325	3,880	16,040	51,211

0 Transactions are possible, but they are zero for this period.

D Suppressed to avoid disclosure of data of individual companies.

MNEs Multinational enterprises

1. The rank is based on the total value of services supplied to foreign persons by U.S. MNEs

through their majority-owned foreign affiliates.

2. The rank is based on the total value of services supplied to U.S. persons by foreign MNEs through their majority-owned U.S. affiliates.

Services Supplied Through Affiliates in 2014

categories; the largest increases were in “other” industries, particularly in transportation and warehousing and in mining. For affiliates with UBOs in Asia and Pacific, increases in services supplied by affiliates with UBOs in South Korea, Australia, and India together more than offset a decrease in services supplied by affiliates with UBOs in Japan. Despite the decrease, Japan remained the top UBO country for services supplied by U.S. affiliates in 2014 (table R). Services supplied by affiliates with UBOs in Asia and Pacific grew in most major industries. The largest increase was in wholesale trade; this increase combined with increases in professional, scientific, and technical services and in finance and insurance more than offset a large decrease in information services. For affiliates with UBOs in Canada, the increase in services supplied reflected an increase in finance and insurance, which, along with a significant increase in retail trade, offset a large decrease in “other” services, particularly in rail transportation.

Services supplied by U.S. affiliates of foreign MNEs increased in all major industry categories except information; the largest increases were in finance and insurance and in wholesale trade. In finance and insurance, the increase in services supplied through affiliates was largest in insurance; this increase was more than accounted for by an increase in insurance carriers except life insurance carriers, particularly among affiliates with UBOs in Canada. The increase in finance reflected an increase in non-depository financial institutions, especially among European-owned affiliates. In wholesale trade, the increase was also more than accounted for by increases in

services supplied by merchant wholesalers of motor vehicles and motor vehicle parts and supplies and of other durable goods. The increase in wholesale trade was more than accounted for by affiliates with UBOs in Asia and Pacific, particularly Japan. Services supplied by U.S. affiliates in “other” industries and in manufacturing also increased significantly.⁴ The increase in “other” industries was led by increases in mining, particularly among affiliates with UBOs in Other Western Hemisphere and Europe. The increase in manufacturing was mostly in transportation equipment and machinery and was concentrated in affiliates with UBOs in Europe. The decrease in information reflected a drop in services supplied by Japanese-owned affiliates in wireless telecommunications.

U.S. affiliates not only supply services to the U.S. market (the focus of this section), but they also supply services to other markets; these transactions are considered U.S. exports of services). However, U.S. market transactions account for the vast majority of the services supplied by U.S. affiliates worldwide. In 2014, U.S. market transactions accounted for 90 percent of U.S. affiliates’ \$1,019.3 billion in services supplied worldwide. This large share reflects the dominant size of the U.S. market, compared with the sizes of other nearby markets. Services supplied by U.S. affiliates worldwide grew 4 percent in 2014; services supplied to the U.S. market grew 3 percent, and services supplied to foreign markets grew 15 percent.

4. Some affiliates that are primarily manufacturers also deliver services as a secondary activity.

Services Supplied Through Affiliates in 2014

The Effect of the Benchmark Survey of U.S. Direct Investment Abroad on Services Supplied Through Foreign Affiliates of U.S. Multinational Enterprises

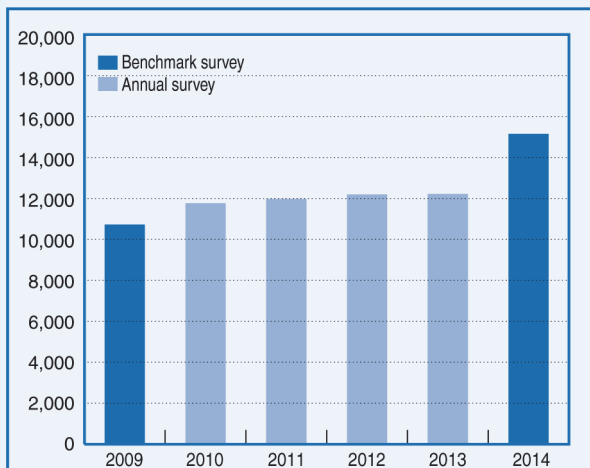
The Bureau of Economic Analysis (BEA) estimates of services supplied through foreign affiliates of U.S. MNEs are based on preliminary results from the 2014 Benchmark Survey of U.S. Direct Investment Abroad.¹ Benchmark surveys, which are conducted every 5 years, are BEA's most comprehensive surveys of U.S. direct investment abroad in terms of both the number of companies covered and the amount of information gathered. In the benchmark year of 2014, a sizable increase in the number of reporting enterprises largely accounted for most of the large increase in services supplied. The number of affiliates estimated in the benchmark statistics to have sup-

plied services to foreign markets increased 24 percent from the 2013 annual survey (chart I). On average, these new affiliates supplied fewer services than the foreign affiliates in the 2013 survey.

The change in services supplied through affiliates from 2013 to 2014 are the net effect of changes that result from several factors: (1) foreign affiliates entering the MNE universe by being newly acquired or established; (2) changes in the existing operations of affiliates; (3) affiliates leaving the MNE universe because they were sold or liquidated; and (4) other changes (table I). In 2014, the increase in services supplied by foreign affiliates was mostly related to "other changes," which largely reflect improvements in coverage in the benchmark survey. The increase also reflected growth among existing foreign affiliates and the inclusion of the services supplied of newly acquired or established affiliates. These increases more than offset decreases due to exits of affiliates from the MNE universe.

1. For additional results from the benchmark survey as well as a technical note on the increased reporting and its effects on the statistics, see Sarah Scott, "Activities of U.S. Multinational Companies in the United States and Abroad: Preliminary Results From the 2014 Benchmark Survey," SURVEY OF CURRENT BUSINESS⁹⁶ (December 2016).

Chart I. Number of Majority-Owned Foreign Affiliates That Supplied Services to Foreign Markets, 2009–2014



NOTE: The number of affiliates includes only majority-owned affiliates with assets, sales, or net income greater than \$25 million or less than -\$25 million. All other services supplied statistics presented in this article are for all majority-owned affiliates, regardless of size.
U.S. Bureau of Economic Analysis

Table I. Sources of Change in Services Supplied by Affiliates of Majority-Owned Foreign Affiliates, 2013–2014
[Millions of dollars]

Line		
1	Revised level for 2013	1,321,548
2	Total changes	181,820
3	New affiliates	8,887
	<i>Of which:</i>	
4	Acquired by U.S. parents	4,503
5	Established by U.S. parents	4,384
6	Changes in existing operations ¹	36,555
7	Sales or liquidations of foreign affiliates	-23,427
8	Other changes ²	159,805
9	Preliminary level for 2014	1,503,368

1. Includes changes resulting from affiliates' acquiring, establishing, selling, or liquidating parts of their consolidated operations. BEA generally requires survey respondents to fully consolidate their U.S. parent operations, but it does not generally permit respondents to consolidate affiliate operations unless they are in the same country and the same industry or they are integral parts of a single business operation.

2. Other changes are calculated residually as the difference between total changes (line 2) and the sum of lines 3, 6, and 7, and include changes that could not be allocated, such as the inclusion of services supplied by affiliates that were required to report on earlier surveys but that did not.

Services Supplied by Affiliates—To Foreign Persons Through Foreign Affiliates

Table S. Services Supplied to Foreign Persons by U.S. MNEs Through Their Majority-Owned Foreign Affiliates by Selected Country of the Affiliate

[Millions of dollars]

	2013	2014
All countries	1,321,548	1,503,368
Canada.....	124,863	134,517
Europe.....	654,877	757,045
Germany.....	67,100	73,294
Ireland.....	86,051	107,543
Luxembourg.....	14,248	23,416
Netherlands.....	49,148	59,413
Switzerland.....	63,322	76,484
United Kingdom.....	197,306	222,326
Latin America and Other Western Hemisphere.....	162,424	188,080
South and Central America.....	125,926	135,204
Brazil.....	39,577	46,970
Mexico.....	43,554	45,946
Other Western Hemisphere.....	36,498	52,877
United Kingdom Islands, Caribbean.....	11,625	18,419
Africa.....	14,379	15,174
Middle East.....	17,536	21,561
Asia and Pacific.....	347,468	386,991
Australia.....	52,774	51,411
China.....	42,323	54,917
Hong Kong.....	33,268	34,299
Japan.....	71,210	70,612
Korea, Republic of.....	12,636	14,014
Singapore.....	63,017	85,302

MNEs Multinational enterprises

In Canada, services supplied by affiliates were largest in “other” industries in 2014, particularly in utilities and in transportation and warehousing.

In Europe, affiliates in the United Kingdom, Ireland, and Switzerland accounted for more than half of all services supplied. The top major industry for services supplied was information, and more than 40 percent of all services supplied were supplied by affiliates in Ireland. Europe’s share of all services supplied to foreign persons was more than half of the worldwide total for the first time since 2011 (chart 18).

In Switzerland, three-fourths of all services supplied in 2014 were in wholesale trade; professional, scientific, and technical services; and real estate and rental and leasing.

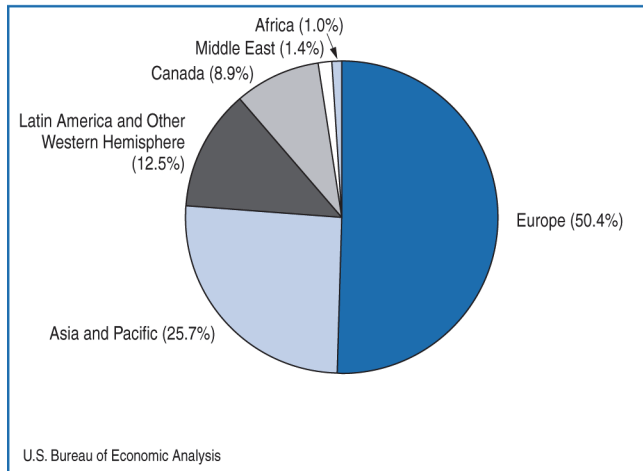
In Brazil, services supplied were highest in information and “other” industries. In 2014, Brazil overtook Mexico as the top market for services supplied by affiliates in South and Central America.

In Other Western Hemisphere, services supplied were highest in finance and insurance; professional, scientific, and technical services; and “other” industries.

In China, services supplied were highest in wholesale trade, “other” industries, and professional, scientific, and technical services.

In Singapore, services supplied were highest in wholesale trade, information, and finance and insurance. In 2014, Singapore surpassed Japan as the top market in Asia and Pacific for services supplied by foreign affiliates.

Chart 18. Services Supplied to Foreign Persons Through Affiliates by Major Area of Affiliate, 2014



Services Supplied by Affiliates—To Foreign Persons Through Foreign Affiliates

Table T. Services Supplied to Foreign Persons by U.S. MNEs Through Their Majority-Owned Foreign Affiliates by Selected Industry
[Millions of dollars]

	2013	2014
All industries	1,321,548	1,503,368
Manufacturing.....	30,686	33,217
Wholesale trade	242,525	259,468
Professional and commercial equipment and supplies.....	75,587	76,460
Retail trade	104,606	113,794
Information	179,372	228,396
Publishing industries.....	53,414	78,771
Broadcasting (except internet).....	16,558	(D)
Finance and insurance	223,606	230,792
Finance	158,368	165,713
Insurance carriers and related activities	65,239	65,079
Real estate and rental and leasing.....	41,503	58,536
Professional, scientific, and technical services	195,422	234,697
Architectural, engineering, and related services.....	(D)	34,950
Computer systems design and related services.....	82,787	102,073
Management, scientific, and technical consulting.....	24,060	(D)
Other industries	303,827	344,468
Mining	51,516	55,826
Utilities	34,926	33,822
Transportation and warehousing.....	63,165	(D)
Health care and social assistance	5,224	6,941
Accommodation and food services.....	52,830	57,664

D Data are suppressed to avoid the disclosure of data of individual companies.
MNEs Multinational enterprises

In wholesale trade, services supplied were highest for affiliates in Switzerland, Singapore, and the United Kingdom. Except for “other” industries, wholesale trade is the largest major industry category for services supplied to foreign persons through affiliates of U.S. MNEs (chart 19).

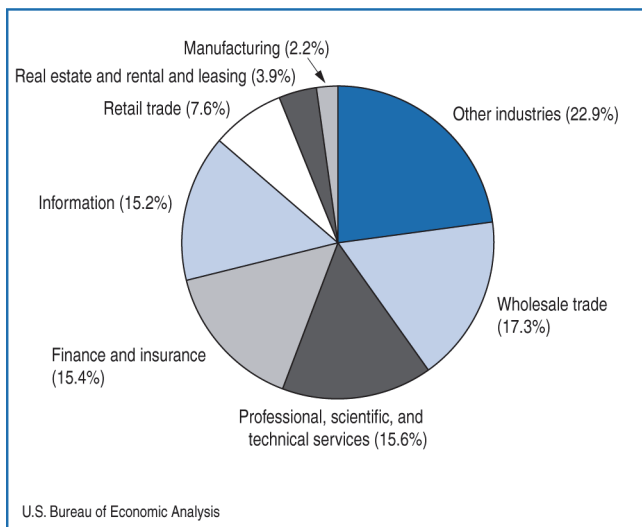
In publishing industries, affiliates in Ireland, Singapore, and the United Kingdom together accounted for more than half of all services supplied.

In real estate and rental and leasing, most services supplied were in rental and leasing; services supplied were highest in Switzerland, Ireland, and the United Kingdom.

In computer systems design and related services, services supplied were highest in the United Kingdom, Ireland, and Japan.

In accommodation and food services, services supplied were highest in China, the United Kingdom, and Canada.

Chart 19. Services Supplied to Foreign Persons Through Affiliates by Major Industry of Affiliate, 2014



Services Supplied by Affiliates—To U.S. Persons Through U.S. Affiliates

Table U. Services Supplied to U.S. Persons by Foreign MNEs Through Their Majority-Owned U.S. Affiliates by Selected Country of the UBO

	2013	2014	Change 2013-2014	
	Millions of dollars		Millions of dollars	Percent
All countries	891,891	918,707	26,816	3.0
Canada	87,311	88,996	1,685	1.9
Europe	515,292	535,413	20,121	3.9
France	87,723	89,225	1,502	1.7
Germany	122,645	135,034	12,389	10.1
Ireland	14,618	18,474	3,856	26.4
Netherlands.....	44,820	41,137	-3,683	-8.2
Spain	10,320	11,521	1,201	11.6
Switzerland.....	52,217	52,579	362	0.7
United Kingdom.....	136,470	139,804	3,334	2.4
Latin America and Other Western Hemisphere	48,552	49,659	1,107	2.3
South and Central America	10,734	11,809	1,093	10.0
Mexico.....	7,483	8,491	1,008	13.5
Other Western Hemisphere.....	37,818	37,851	33	0.1
Bermuda	18,075	18,209	134	0.7
Africa.....	302	320	18	6.0
Middle East.....	10,169	10,430	261	2.6
Asia and Pacific	219,300	222,160	2,860	1.3
Australia	21,331	22,476	1,145	5.4
China	4,247	4,830	583	13.7
India	12,352	13,407	1,055	8.5
Japan.....	149,155	146,744	-2,411	-1.6
Korea, Republic of.....	16,140	17,602	1,462	9.1
United States	10,965	11,728	763	7.0

MNEs Multinational enterprises
UBO Ultimate beneficial owner

In 2014, growth in services supplied decreased for the top three UBO regions of U.S. affiliates—Europe, Asia and Pacific, and Canada. These regions accounted for more than 90 percent of all services supplied to the United States through U.S. affiliates (charts 20 and 21).

Services supplied by U.S. affiliates with German UBOs increased in 2014, and the increases were widespread across industries. The largest increases were in finance and insurance and in information.

For the Netherlands, services supplied decreased; the decrease reflected foreign parents' partial divestment in some life insurance affiliates so that the affiliates became minority owned rather than majority owned, and BEA's statistics on services supplied include only the services of majority-owned affiliates.

For Mexico, services supplied increased, and nearly four-fifths of the increase was due to an increase in sales by affiliates in "other" telecommunications, which includes affiliates that resell or provide specialized telecommunications services.

For Japan, services supplied decreased, reflecting a decrease in sales by existing telecommunications affiliates, particularly in wireless telecommunications. That offset a significant increase in services supplied by affiliates in wholesale trade.

For Korea, services supplied increased, and the increase was almost entirely accounted for by an increase in services supplied by affiliates in wholesale trade, particularly in motor vehicles and motor vehicle parts and supplies.

Chart 20. Growth in Services Supplied to U.S. Persons Through Affiliates by Major Area of Ultimate Beneficial Owner, 2013 and 2014

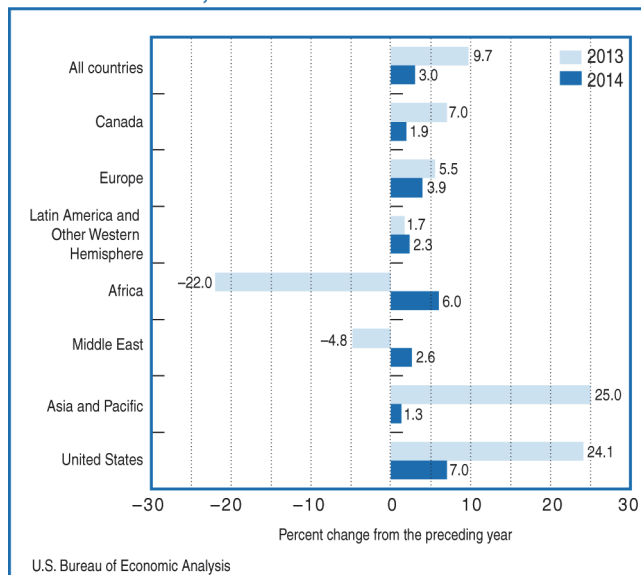
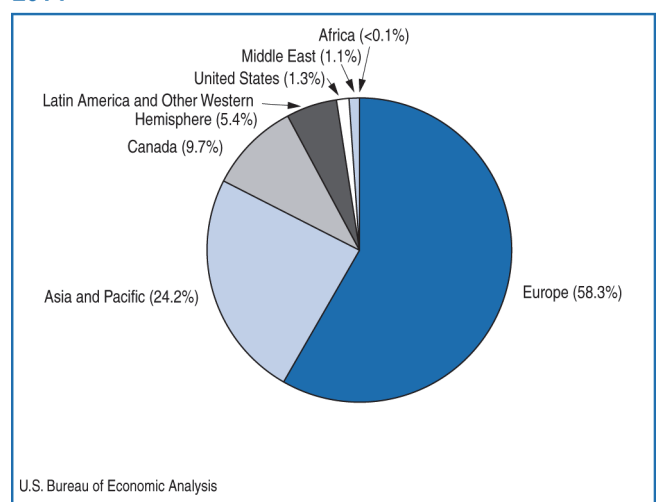


Chart 21. Services Supplied to U.S. Persons Through Affiliates by Major Area of Ultimate Beneficial Owner, 2014



Services Supplied by Affiliates—To U.S. Persons Through U.S. Affiliates

Table V. Services Supplied to U.S. Persons by Foreign MNEs Through Their Majority-Owned U.S. Affiliates by Selected Industry

	2013	2014	Change 2013-2014	
	Millions of dollars		Millions of dollars	Percent
All industries	891,891	918,707	26,816	3.0
Manufacturing.....	85,231	89,715	4,484	5.3
Transportation equipment	26,825	28,972	2,147	8.0
Wholesale trade	147,282	154,032	6,750	4.6
Motor vehicles and motor vehicle parts and supplies	34,358	39,237	4,879	14.2
Professional and commercial equipment and supplies	16,811	18,142	1,331	7.9
Retail trade	46,427	48,815	2,388	5.1
Information	117,243	111,869	-5,374	-4.6
Telecommunications	73,550	67,156	-6,394	-8.7
Finance and insurance	175,281	184,438	9,157	5.2
Finance	108,002	111,675	3,673	3.4
Insurance carriers and related activities	67,278	72,762	5,484	8.2
Real estate and rental and leasing.....	23,277	24,679	1,402	6.0
Professional, scientific, and technical services	97,943	101,453	3,510	3.6
Architectural, engineering, and related services.....	13,529	13,518	-11	-0.1
Computer systems design and related services.....	25,374	27,283	1,909	7.5
Advertising and related services.....	35,785	36,509	724	2.0
Other industries.....	199,208	203,706	4,498	2.3
Mining	34,356	37,275	2,919	8.5
Transportation and warehousing.....	53,909	53,334	-575	-1.1
Administration, support, and waste management.....	37,474	38,657	1,183	3.2
Accommodation and food services.....	30,215	31,461	1,246	4.1

MNEs Multinational enterprises

Some affiliates that are primarily manufacturers also deliver services as a secondary activity. In manufacturing, services supplied by U.S. affiliates increased in 2014, and the increase was largest for services supplied by manufacturers of transportation equipment and machinery, particularly for affiliates with UBOs in Europe.

In wholesale trade, services supplied increased. The largest increase was in services supplied by wholesalers of motor vehicles and motor vehicle parts and supplies, particularly affiliates with UBOs in Asia and Pacific.

In telecommunications, services supplied decreased, reflecting a decrease in services supplied by wireless telecommunications affiliates with UBOs in Japan. The resulting decrease in services supplied by affiliates in information contrasts with a sharp increase in information in 2013 (chart 22).

In finance and insurance, services supplied increased, and the increase was mostly accounted for by German and Canadian affiliates. Except for “other” industries, finance and insurance was the top major industry category for services supplied to the United States by U.S. affiliates of foreign MNEs in 2014 (chart 23).

In real estate and rental and leasing, services supplied increased, and the increase was mostly in rental and leasing by affiliates with UBOs in Europe and in real estate by affiliates with UBOs in Canada and in Asia and Pacific.

In computer systems design and related services, services supplied increased. More than half of the increase was accounted for by growth in services supplied by existing affiliates with UBOs in India.

Chart 22. Growth in Services Supplied to U.S. Persons Through Affiliates by Major Industry of Affiliate, 2013 and 2014

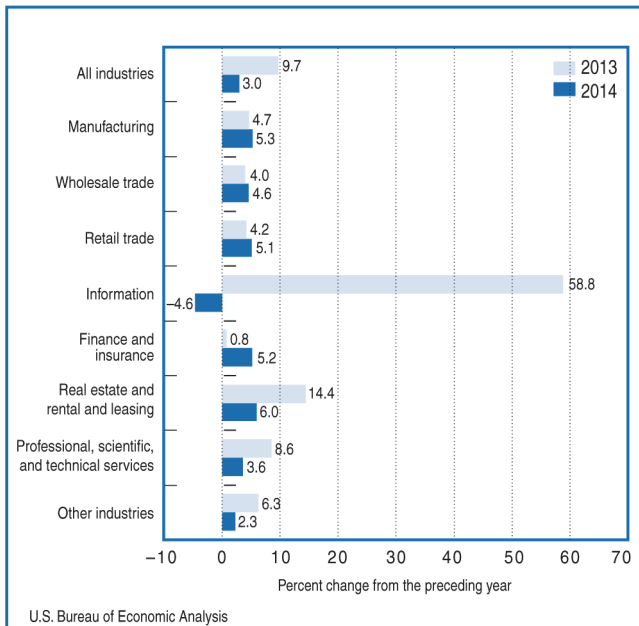
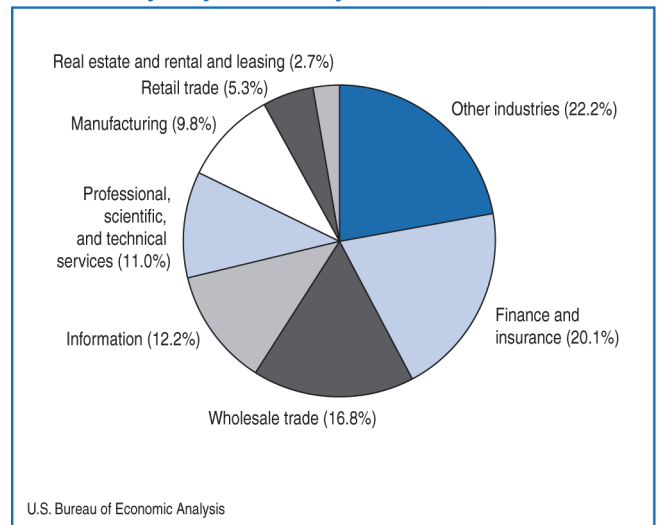


Chart 23. Services Supplied to U.S. Persons Through Affiliates by Major Industry of Affiliate, 2014



Updates and Improvements to the International Services Statistics

The updated statistics presented in this article supersede those presented in the October 2015 *SURVEY OF CURRENT BUSINESS*.

Trade in services. The statistics on trade in services in this article correspond to the less detailed statistics by type of service published in June and highlighted in the July 2016 Survey article “Annual Revision of the U.S. International Transactions Accounts.”

As noted in the July 2016 article, exports and imports for 2013–2015 were updated to incorporate newly available and revised source data from (1) the Bureau of Economic Analysis (BEA) quarterly surveys of international trade in services, (2) BEA’s 2014 Benchmark Survey of Financial Services Transactions Between U.S. Financial Services Providers and Foreign Persons, and (3) other source data. In addition, the methodology for estimating average expenditures of foreign travelers was refined, resulting in revisions to 2013–2015.

Total exports were revised upward for each year in 2013–2015; total imports were revised downward for 2013 and 2015 and revised upward for 2014 (table W). Exports were revised upward 2.0 percent (\$13.6 billion) for 2013, 4.6 percent (\$32.7 billion) for 2014, and 5.7 percent (\$40.7 billion) for 2015. Imports were revised downward 0.6 percent (\$2.6 billion) for 2013, revised upward 0.8 percent (\$3.8 billion) for 2014, and revised downward 0.4 percent (\$2.0 billion) for 2015.

For exports, the main contributor to the upward revisions for 2013 and 2014 was financial services, largely due to the incorporation of the results of the 2014 benchmark survey. For 2015, the main contributor to the upward revision was travel. For imports, the main contributor to the downward revisions for 2013 and 2015 was travel, which was revised as a result of the refinement to the methodology for estimating average traveler expenditures. For 2014, the main contributor to the upward revision in imports was financial services, largely reflecting the incorporation of the results of the 2014 benchmark survey. For additional information on these changes, see the July 2016 *SURVEY* article “Annual Revision of the U.S. International Transactions Accounts.”

Services supplied through affiliates. The statistics on services supplied through affiliates for 2014 are preliminary. The statistics for 2013 were updated to incorporate newly available and revised source data from BEA’s surveys of multinational enterprises (MNEs). For 2013, services supplied to foreign persons by U.S. MNEs through their majority-owned foreign affiliates were revised upward 0.1 percent (\$0.7 billion) (table X). Services supplied to the United States by foreign MNEs through their majority-owned U.S. affiliates were revised upward 1.5 percent (\$13.4 billion).

Table W. Revisions to Trade in Services, 2013–2015

[Billions of dollars unless otherwise noted]

	2013	2014	2015
Exports			
Revised	701.5	743.3	750.9
Previously published	687.9	710.6	710.2
Amount of revision	13.6	32.7	40.7
Percent revision	2.0	4.6	5.7
Imports			
Revised	461.1	481.3	488.7
Previously published	463.7	477.4	490.6
Amount of revision	-2.6	3.8	-2.0
Percent revision	-0.6	0.8	-0.4

Table X. Revisions to Services Supplied Through Affiliates, 2013

[Billions of dollars unless otherwise noted]

	2013
To foreign persons through foreign affiliates	
Revised	1,321.5
Previously published	1,320.9
Amount of revision	0.7
Percent revision	0.1
To U.S. persons through U.S. affiliates	
Revised	891.9
Previously published	878.5
Amount of revision	13.4
Percent revision	1.5

Future Enhancements to the International Services Statistics

The Bureau of Economic Analysis (BEA) continues efforts to improve its international economic account statistics.¹ It continues to research potential estimation methodologies that would allow it to further align its trade in services statistics more closely with international statistical guidelines in the coming years by

- Introducing manufacturing services on physical inputs owned by others,
- Introducing financial intermediation services indirectly measured (FISIM),
- Introducing a personal, cultural, and recreational services category, and
- Reclassifying certain transactions related to intellectual property.

For a discussion of the above changes, see “Improving

1. See the “[Summary of Major Revisions to the U.S. International Accounts, 1976–2009](#)” on BEA’s Web site. For changes implemented from 2009 to 2014, see the appendixes on improvements in each October Survey article in this series. See also Jeffrey R. Bogen, Mai-Chi Hoang, Kristy L. Howell, and Erin M. Whitaker, “[Comprehensive Restructuring and Annual Revision of the U.S. International Transactions Accounts](#),” *SURVEY OF CURRENT BUSINESS* 94 (July 2014) and C. Omar Kebbeh and Eric Bryda, “[Annual Revision of the U.S. International Transactions Accounts](#),” *SURVEY* 96 (July 2016).

the International Services Statistics” in the October 2014 article in this series.²

BEA is also researching ways to further expand the detail it provides by country and by type of service by

- Extending the expanded geographic detail introduced this year for the annual services statistics for years before 2013,
- Accelerating the release of geographic detail by publishing bilateral statistics for more countries in the quarterly international transactions accounts,
- Expanding the type of service detail for existing categories, including research and development, intellectual property, financial services, and potentially ICT-enabled services, and
- Considering the feasibility of developing statistics that present international services in different ways, such as by industry of the transactor or by the way that services are delivered.

2. Alexis N. Grimm and Charu S. Krishnan, “[U.S. International Services](#),” *SURVEY* 94 (October 2014).

Data Sources

The statistics in this article are largely based on data collected from surveys conducted by the Bureau of Economic Analysis (BEA). Statistics for some services are based on data from a variety of other sources, including U.S. Customs and Border Protection, other federal surveys, private sources, and partner countries.

BEA conducts mandatory surveys of trade in services, some of which are targeted to specific services industries. Data on many types of services are collected on the Quarterly Survey of Transactions in Selected Services and Intellectual Property with Foreign Persons (BE-125) and on the related benchmark survey (BE-120). All of BEA's surveys of international services and a guide to the reporting requirements for the surveys are available on BEA's Web site. For additional information on these sur-

veys, on surveys from other sources, and on definitions and methodology used for the trade in services statistics, see *U.S. International Economic Accounts: Concepts and Methods*.

The data on services supplied through majority-owned affiliates are collected on BEA's benchmark and annual surveys of the activities of multinational enterprises (MNEs). All of BEA's surveys of U.S. MNEs and of U.S. affiliates of foreign MNEs and a guide to reporting requirements for the surveys are available on BEA's Web site. For the methodologies for these surveys, see *Foreign Direct Investment in the United States: Final Results From the 2012 Benchmark Survey* and *U.S. Direct Investment Abroad: Final Results From the 2009 Benchmark Survey* on BEA's Web site.