

## B REAL MERCHANDISE TRADE AND OUTPUT DEVELOPMENTS

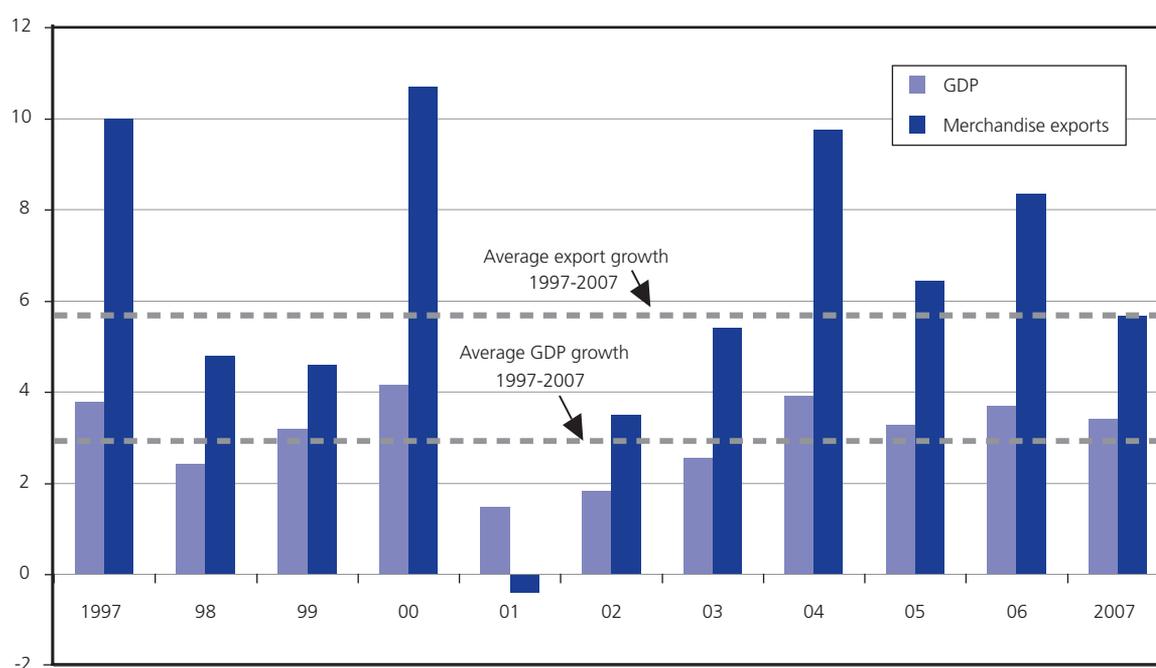
The slowdown in economic activity in developed countries was the major factor in the reduced expansion of global trade in 2007. Real merchandise export growth is provisionally estimated at 5.5 per cent in 2007, nearly 3 percentage points less than in 2006 but still close to the average rate of trade expansion over the last decade (1997-2007). The expansion of real trade exceeded global output growth by 2 percentage points (See Chart 2).

In 2007, the variation in real trade growth among regions remained large, reflecting marked differences in economic activity and relative price developments. Major terms-of-trade gains could be observed again in countries and regions exporting primarily fuels or minerals. More recently net-food exporters have also enjoyed gains from favourable terms-of-trade movements. Unsurprisingly, thanks to their faster income growth and increased international purchasing power, net exporters of mining products (fuels and minerals) recorded a double-digit rise in their imports, while exports tended to increase less than the global average.

South and Central America and the CIS increased their real merchandise imports by about 20 per cent, more than three times the global average in 2007. South and Central American exports were up by 5 per cent and those of the CIS by 6 per cent (See Table 1 and Chart 3). As mining products account for more than half of African and Middle East merchandise exports, these regions have been major beneficiaries of relative price changes over the last three years. Consequently, these regions increased their import volume by about 12 per cent while their exports almost stagnated in real terms.

Exports from Asia rose by 11.5 per cent in real terms, again exceeding significantly the region's import growth (8.5 per cent). Within the Asian region very large variations could be observed on the import side. While China and India recorded double-digit import growth, the comparable figure for Japan was practically stagnant (1 per cent). The trade performance of the four so-called newly industrialized economies – Hong Kong, China; Republic of Korea; Singapore and Chinese Taipei – continued to be less dynamic than that of the region as a whole, but still

**Chart 2**  
**Growth in the volume of world merchandise trade and GDP, 1997-2007**  
(Annual percentage change)



Source: WTO Secretariat.

**Table 1**  
**GDP and merchandise trade by region, 2005-07**  
 (Annual percentage change at constant prices)

|   | GDP  |      |      | Exports |      |      | Imports |      |      |
|---|------|------|------|---------|------|------|---------|------|------|
|   | 2005 | 2006 | 2007 | 2005    | 2006 | 2007 | 2005    | 2006 | 2007 |
| World   | 3.3  | 3.7  | 3.4  | 6.5     | 8.5  | 5.5  | 6.5     | 8.0  | 5.5  |
| North America                                   | 3.1  | 3.0  | 2.3  | 6.0     | 8.5  | 5.5  | 6.5     | 6.0  | 2.5  |
| United States                                   | 3.1  | 2.9  | 2.2  | 7.0     | 10.5 | 7.0  | 5.5     | 5.5  | 1.0  |
| South and Central America <sup>a</sup>          | 5.6  | 6.0  | 6.3  | 8.0     | 4.0  | 5.0  | 14.0    | 15.0 | 20.0 |
| Europe  | 1.9  | 2.9  | 2.8  | 4.0     | 7.5  | 3.5  | 4.5     | 7.5  | 3.5  |
| European Union (27)                             | 1.8  | 3.0  | 2.7  | 4.5     | 7.5  | 3.0  | 4.0     | 7.0  | 3.0  |
| Commonwealth of Independent States (CIS)        | 6.7  | 7.5  | 8.4  | 3.5     | 6.0  | 6.0  | 18.0    | 21.5 | 18.0 |
| Africa and Middle East                          | 5.6  | 5.5  | 5.5  | 4.5     | 1.5  | 0.5  | 14.5    | 6.5  | 12.5 |
| Asia  | 4.2  | 4.7  | 4.7  | 11.0    | 13.0 | 11.5 | 8.0     | 8.5  | 8.5  |
| China   | 10.4 | 11.1 | 11.4 | 25.0    | 22.0 | 19.5 | 11.5    | 16.5 | 13.5 |
| Japan <sup>b</sup>                              | 1.9  | 2.4  | 2.1  | 5.0     | 10.0 | 9.0  | 2.5     | 2.5  | 1.0  |
| India   | 9.0  | 9.7  | 9.1  | 21.5    | 11.0 | 10.5 | 28.5    | 9.5  | 13.0 |
| Newly industrialized economies (4) <sup>c</sup> | 4.9  | 5.5  | 5.6  | 8.0     | 12.5 | 8.5  | 5.0     | 8.5  | 7.0  |

a Includes the Caribbean.

b Trade volume data are derived from customs values deflated by standard unit values and an adjusted price index for electronic goods.

c Hong Kong, China; Republic of Korea; Singapore and Chinese Taipei.

Source: WTO Secretariat.

recorded an excess of export growth over import growth (8.5 per cent and 7 per cent respectively).

North America's real merchandise exports rose somewhat less than global trade but more than twice as fast as imports. The excess of regional export growth over import growth can be attributed largely to the United States, where import volumes increased only marginally (1 per cent), while exports expanded by 7 per cent in 2007. Canada and Mexico, two net exporters of mining products, with currencies strongly appreciating against the US dollar, increased their merchandise imports much faster than exports.

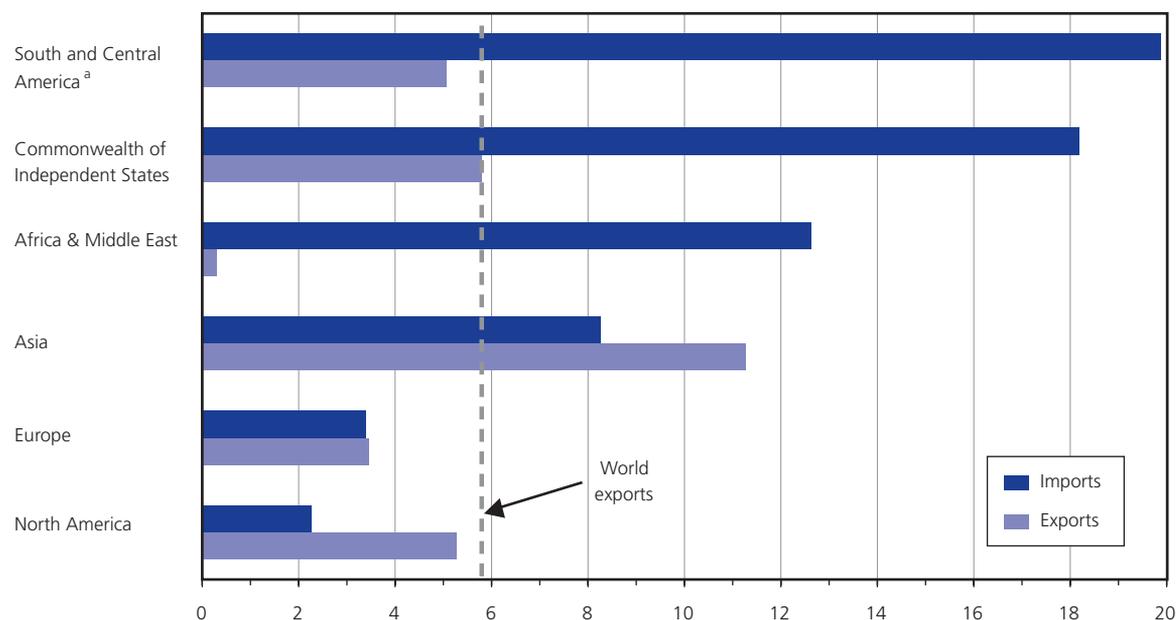
European trade performance was somewhat atypical in 2007. A slight deceleration in economic growth (by 0.1 percentage points) is reported, together

with a sharp reduction in the expansion rate of both exports and imports (3.5 percentage points). The slowdown in Europe's trade is particularly pronounced for intra-EU trade.<sup>7</sup>

Europe's real merchandise export and import growth of 3.5 per cent in 2007 continued to lag behind the global rate of trade expansion, as has been the case since 2002. Within Europe, individual countries' trade performances differed widely in 2007. Three groups can be distinguished. First, most of the new EU members and Turkey expanded exports and imports by more than 10 per cent. Second, Germany, the Netherlands, Austria, Belgium and Switzerland registered trade growth of about 5 per cent. The third group's trade was almost stagnant (eg, France, Spain, Ireland and Malta).

**Chart 3**  
**Real merchandise trade growth by region, 2007**

(Annual percentage change)



<sup>a</sup> Includes the Caribbean.

Source: WTO Secretariat.

## C NOMINAL TRADE DEVELOPMENTS IN 2007<sup>8</sup>

### 1. MERCHANDISE TRADE

The structure of world merchandise exports in dollar value terms was strongly affected by developments in relative prices and exchange rates in 2007. Price developments differed widely by sector and region in the course of the year.

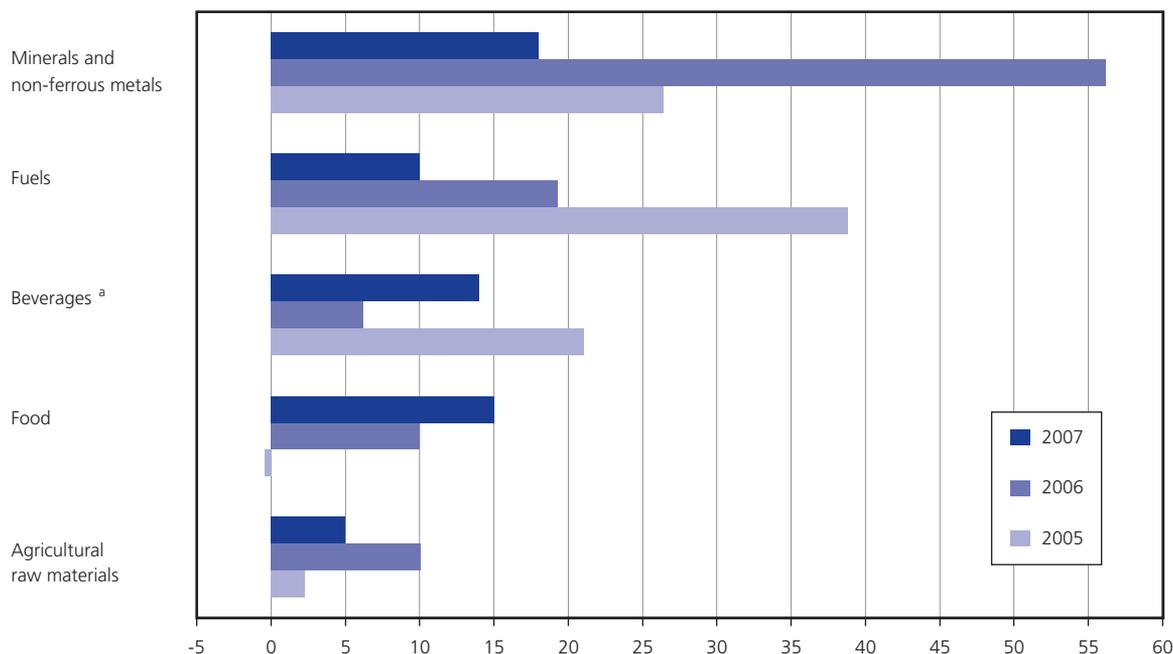
According to the International Monetary Fund (IMF) world export prices of fuels, food and beverages increased sharply in the course of the year while prices for agricultural raw materials ended the year at a lower level than at the start. Prices for metals, which had risen by more than one half in 2006, continued to rise to new record levels in the first half before falling back by December to the level reached in January 2007. Comparing the

annual averages, prices increased by 18 per cent for metals, 15 per cent for food and beverages, 10 per cent for fuels and only 5 per cent for agricultural raw materials (See Chart 4).

Export prices of manufactured goods are estimated to have increased by about 9 per cent in 2007.<sup>9</sup> Different types of manufactured goods saw quite different price movements. Export prices for iron and steel products rose at double-digit rates, while those of office and telecom equipment were estimated to have decreased again. Available information on export prices for chemicals point to a faster increase in this product group than for the average of manufactured goods, while prices for automotive products increased somewhat below average.

**Chart 4**  
**Export prices of selected primary products, 2005-07**

(Annual percentage change)



<sup>a</sup> Comprising coffee, cocoa beans and tea.

Source: IMF, International Financial Statistics.

Prices of manufactured goods remained less strong than those of primary products for the fourth consecutive year. These shifts in relative prices had a significant impact on regional export unit values (prices) which ranged from increases of about 10 to 13 per cent for the CIS, Africa and the Middle East, to between 4 and 5 per cent in Asia and North America. Information on price developments in world commercial services trade is not available. However, the price deflators for US services exports and imports increased by 3 per cent in 2007, somewhat less strongly than in the preceding year.

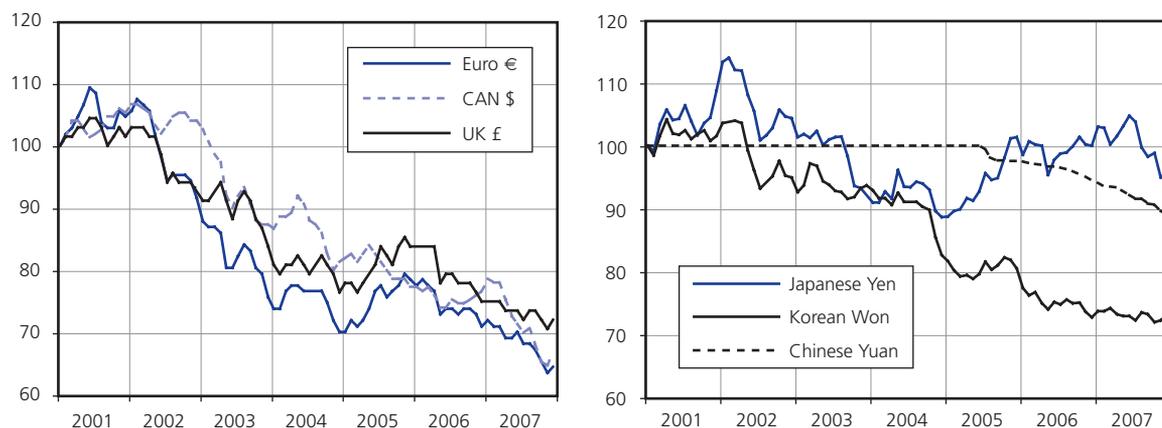
Exchange rate developments in 2007 had a major impact on the dollar price level of internationally traded goods. Contrary to developments in 2006, the US dollar depreciated strongly (in terms of annual averages) against the major European currencies and the currencies of major exporters of mining products (such as Canada, Australia and Russia).

In Asia the picture was mixed. The currencies of Japan, Hong Kong, China; and Chinese Taipei remained practically unchanged against the US dollar (annual averages) while those of India, Thailand and the Philippines increased by about 10 per cent. An intermediate development can be observed for the currencies of China, Singapore and Malaysia, which appreciated by about 5 per cent against the US dollar (See Chart 5).

The combination of an export structure concentrated largely on electronic goods and other manufactures and a moderate average appreciation of the Asian currencies against the US dollar kept Asian export prices at about half the world average in 2007. In marked contrast, European dollar export prices rose at double-digit rates, largely due to exchange rate changes.

**Chart 5**  
**Dollar exchange rates of selected major currencies, 2001-07**

(Indices, January 2001=100)



Source: IMF, International Financial Statistics.

World merchandise exports in dollar terms rose by 15 per cent to US\$13.6 trillion in 2007. Almost two thirds of this change in the dollar value can be attributed to inflation. Commercial services exports rose by 18 per cent to US\$3.3 trillion. The increase in commercial services exports in 2007 was markedly faster than in the preceding year and somewhat faster than that of merchandise trade, which expanded slightly less than in 2006 (See Table 2).

Merchandise exports by region in dollar terms are the result of a combination of factors including demand, prices, exchange rates and capital flows. The region with the highest expansion of both exports and imports in 2007 was the CIS, which benefited from strong domestic demand, favourable relative price developments over the last three years and increases in FDI inflows. Imports into the region rose by one third in 2007, twice as fast as world trade, while exports rose by close to 20 per cent. Consequently in 2007 the share of the CIS in world merchandise exports and imports rose to its highest level since 1990 (See Appendix Table 1).

The very high levels of primary commodity prices, in particular those of oil and metals, underpinned the strong expansion of South and Central America's merchandise trade values. The region continued to record a merchandise trade surplus, although imports rose by nearly one quarter while exports registered an increase of around 15 per cent. Brazil, which alone accounts for one third of the region's exports, reported import growth of nearly one third as compared to about half that level in respect of export growth. Argentina, Colombia and Peru also recorded a strong trade performance in dollar terms, with imports and exports growing faster than the regional average.

Europe was the only region reporting a stronger increase in the dollar value of its exports in 2007 than in 2006 (16 per cent and 13 per cent respectively). Import growth was only slightly less than export growth, and also somewhat faster than in the preceding year. This acceleration in nominal trade growth is entirely due to the strong appreciation of the European currencies *vis-à-vis* the US dollar in 2007.<sup>10</sup> There were major differences

**Table 2**  
**World exports of merchandise and commercial services, 2007**

(Billion dollars and percentage)

|                     | Value | Annual percentage change |      |      |      |
|---------------------|-------|--------------------------|------|------|------|
|                     | 2007  | 2000-07                  | 2005 | 2006 | 2007 |
| Merchandise         | 13570 | 12                       | 14   | 16   | 15   |
| Commercial services | 3260  | 12                       | 12   | 12   | 18   |

Source: WTO Secretariat.

among European traders. Some countries reported stagnation in their trade (e.g. the United Kingdom) while most of the new EU members recorded dollar value growth rates in excess of 20 per cent. These dynamic traders benefited not only from FDI inflows but also from their proximity to the booming CIS region.<sup>11</sup>

Due to the sharp deceleration in US import growth, North American imports rose by only 6 per cent, the smallest increase of all regions in 2007. China replaced Canada for the first time as the United States' leading supplier, although US imports from its partners in the North American Free Trade Agreement (NAFTA, ie, Canada and Mexico) and Asia increased both roughly in line with total imports. United States imports from China rose by 12 per cent, more than twice as fast as total imports, despite very weak US import demand in electronic goods (-4 per cent) and clothing (3 per cent), two prominent sectors of US imports from China.

In contrast to the strong import growth from China, US imports from Japan and other Asian economies declined or stagnated. United States merchandise exports to the world rose twice as much as its imports, despite sluggish exports to NAFTA partners and Japan. The expansion of US exports to Europe (16 per cent) and China (18 per cent) exceeded the growth in bilateral imports (6 per cent and 12 per cent respectively). United States exports were even more dynamic to the mineral exporting regions, rising by one fifth to Central and South America and the Middle East, and by one quarter to Africa.

For the first time since 2002 Africa's merchandise exports rose less than its imports. The figures for 2007 were 15 per cent for exports and 22 per cent for imports. Exports to China alone increased by one quarter, and imports by 40 per cent. South Africa, the region's largest merchandise trader, reported a deceleration of its import growth and an acceleration of its export growth, in marked contrast to the other African countries. Somewhat unexpected is the preliminary finding that imports of the non-oil exporting African countries increased as rapidly as those of the oil-exporting countries.

The Middle East's merchandise exports are estimated to have grown by 10 per cent in 2007, roughly in line with the increase in crude oil prices. Yet oil prices do not explain all export developments in this region, and the leading exporters in the region, Saudi Arabia and the United Arab Emirates,

recorded below average growth while Israel and Jordan (both non-oil exporters) expanded their shipments more than the average growth rate for the region. Merchandise imports are estimated to have increased by 23 per cent. Imports of Saudi Arabia and Qatar increased by about one third, while those of Iran and Yemen rose at rates well below the average.

Asia's merchandise exports continued to expand slightly more than world exports and also slightly more than the region's imports, further widening the region's merchandise trade surplus despite a stronger increase in import prices than in export prices. In 2007, the trade performance of Asian economies again showed major differences. While China, India and Viet Nam recorded export and import growth rates above 20 per cent, Japan and the four Asian newly industrialized economies (NIEs – Hong Kong, China; Republic of Korea; Singapore and Chinese Taipei) expanded their trade by about 10 per cent (See Appendix Table 1). China further advanced its pre-eminence among Asian traders in 2007. For the first time its trade (exports plus imports) exceeded the combined trade of Japan and the Republic of Korea, the second and third largest merchandise traders in Asia.<sup>12</sup>

From the regional review above it is apparent that the developing countries fared well in the expansion of trade in 2007. Their combined merchandise exports rose by 16 per cent, to US\$5.0 trillion, and imports rose by 18 per cent, resulting in an aggregate surplus in excess of US\$450 billion. The share of developing countries in world merchandise trade reached 34 per cent, an all-time record level.

For the least-developed countries, thanks largely to higher commodity prices, the expansion of merchandise exports was even stronger than for the developing countries over the last seven years. Least-developed country exports are estimated to have increased by about 16 per cent, to US\$120 billion in 2007. At 0.9 per cent, their share in world merchandise exports remained at its highest level since 1980 (the first year for which records were kept).

Developing countries' merchandise imports rose by 17 per cent, somewhat faster than world trade. But these countries show differences in commodity composition, individual country performance, and relative country size. Therefore, grouping them as developing countries or least-developed countries

is becoming less meaningful for trade analysis (See Appendix Table 1).

## 2. COMMERCIAL SERVICES TRADE

World commercial services exports rose by 18 per cent to US\$3.3 trillion in 2007.<sup>13</sup> The acceleration in services exports could be observed in all major regions and in all three services categories.<sup>14</sup>

Much of this acceleration is due to exchange rate movements and in some cases also to higher costs of transportation fuels. It can be assumed that exchange rate changes played a stronger role in the dollar value change of services trade than in merchandise trade, as Europe (with its appreciating currencies) accounts for a larger share of services than merchandise exports.

Among the three broad commercial services categories, transportation, travel and “other commercial services”, the last of these has been the fastest growing category over the last seven years and accounts for slightly more than one half of total services exports. In 2007, other commercial services expanded by 19 per cent, again more than transportation and travel. Higher fuels cost contributed to the relatively sharp rise in the dollar value of transportation services (See Table 3).

Commercial services trade by region is presented in Appendix Table 2. Europe’s commercial services exports and imports were up by 19 per cent and 17 per cent respectively, consolidating Europe’s leading position in world services trade by region.<sup>15</sup> Europe’s other commercial services and transportation services expanded markedly more than travel services for both exports and imports. For the latter category, the preliminary data indicate that Europe’s travel receipts lagged somewhat behind the expansion rate of global travel receipts.

The United Kingdom and Germany, the two largest services traders in Europe, experienced an increase in their services exports in line with European exports. The increase in France, Italy and the Netherlands was weaker than the European average, but much stronger than the average in Spain, Ireland, Sweden, Switzerland and Poland. On the import side Spain, Denmark and Sweden recorded services import growth in excess of 20 per cent.

The CIS registered the highest export and import growth in commercial services trade of all regions in 2007, but still has the smallest share in world services trade.

Asia’s commercial services trade rose only slightly faster than the world total in 2007. Exports of all three services categories expanded at roughly the same rate, while on the import side travel expenditure is estimated to have been much weaker than the other two services categories. The development of commercial services trade differed widely among the Asian economies. Somewhat weak export and import growth in dollar terms was reported for Japan and Chinese Taipei, while growth remained moderate for Hong Kong, China; and Singapore. Services exports and imports rose by more than 20 per cent in China, Malaysia and Australia.<sup>16</sup> India is estimated to have one of the strongest import expansion rates for commercial services in Asia, while its services exports rose less than the global average for the first time since 1996.

North America’s commercial services trade recorded the weakest export and import expansion of all regions in dollar value terms in 2007. Although exports rose more than in the preceding year, annual growth lagged behind that of global trade expansion, for the seventh year in a row. US services imports grew by 9 per cent, one of the smallest increases among the 30 leading traders reported

**Table 3**  
**World exports of commercial services trade by major category, 2007**  
(Billion dollars and percentage change)

|                           | Value |         | Annual percentage change |      |      |
|---------------------------|-------|---------|--------------------------|------|------|
|                           | 2007  | 2000-07 | 2005                     | 2006 | 2007 |
| Commercial services       | 3260  | 12      | 12                       | 12   | 18   |
| Transport                 | 742   | 11      | 13                       | 9    | 18   |
| Travel                    | 862   | 9       | 7                        | 9    | 14   |
| Other commercial services | 1653  | 14      | 14                       | 15   | 19   |

Source: WTO Secretariat.

in Appendix Table 2. US services exports rose by 14 per cent, contributing to a rise in the US trade surplus in commercial services of US\$120 billion. Canada's services exports were among those most affected by the slowdown in the US economy, rising by a mere 6 per cent in 2007. The appreciation of the Canadian dollar stimulated Canadian travel expenditure in the United States and contributed to a rise in services imports of 11 per cent.

In South and Central America commercial services imports expanded more than exports in 2007. According to preliminary data this development was largely due to the travel account, as it is estimated that travel expenditure in the region rose by about one quarter, or twice as fast as receipts. Brazil, the leading services trader of the region, was also one of the most dynamic, as exports and imports rose by about one quarter in 2007.

## Endnotes

- <sup>1</sup> Measured with GDP at constant prices and market exchange rates. Measured with GDP at purchasing power parities (PPP) the contribution of the developing regions to global output exceeded one half.
- <sup>2</sup> Armenia, Azerbaijan, Belarus, Georgia, Kazakhstan, Kyrgyz Republic, Moldova, Russia, Tajikistan, Turkmenistan, Ukraine, Uzbekistan.
- <sup>3</sup> UNCTAD, UNCTAD Investment Brief, No.1, 2008.
- <sup>4</sup> The Institute for International Finance observed a strong increase in net private capital flows to emerging markets, driven largely by portfolio flows. Official net flows to emerging markets were negligible in 2007 following a net outflow in 2006. (Institute for International Finance, Capital Flows to Emerging Market Economies, 6 March 2008).
- <sup>5</sup> The ratio of the US current account deficit to US GDP is estimated to have decreased from its peak of 6.2 per cent in 2006 to 5.5 per cent in 2007.
- <sup>6</sup> JP Morgan, Real broad effective exchange rate indices. Direct communication to the WTO Secretariat. Estimates for current account balances are taken from IMF, World Economic Outlook April 2008.
- <sup>7</sup> It seems that the accuracy of trade between countries within Europe, as reported by some countries, has been severely affected by irregular trade transactions related to value-added-tax (VAT) fraud. In 2007, UK merchandise exports and imports contracted sharply although the overall growth in the economy remained unchanged between 2006 and 2007. The recent trade decline is most likely due more to a cut in trade flows related to VAT fraud than to changes in demand or regular business transactions.
- <sup>8</sup> Merchandise trade values for 2007 were estimated on the basis of monthly customs data while commercial services data are derived from balance-of-payments statistics. The latter are typically available later than merchandise trade data, contributing to greater uncertainty in the estimates for services than for merchandise trade in 2007.
- <sup>9</sup> Among leading traders, dollar export prices of manufactured goods increased at highly different rates in 2007. German prices rose by 10.2 per cent. US prices rose by 3.2 per cent, while Japan's edged up marginally and the Republic of Korea's decreased slightly. China's export unit value index for manufactured goods rose by nearly 5 per cent in 2007.
- <sup>10</sup> In euro terms Europe's merchandise exports slowed from 13 per cent growth in 2006 to 6 per cent in 2007. The figures for imports were 15 per cent in 2006, down to 5.5 per cent in 2007.
- <sup>11</sup> The overall increase in Europe's trade in 2007 might be understated due to difficulties in accurately recording trade flows within the EU.
- <sup>12</sup> China's customs trade data include shipments which temporarily leave China and are re-imported afterwards. Recorded as China's "imports from China" they amounted to US\$86 billion or 9 per cent of total imports (corresponding to 7 per cent of exports).
- <sup>13</sup> Commercial services data are derived from balance-of-payments statistics which do not include sales of majority-owned foreign affiliates abroad (commercial presence). Balance-of-payments data are reported with a greater delay than customs merchandise trade data which implies that the preliminary information on commercial services given in this report is less certain than for merchandise trade.
- <sup>14</sup> According to preliminary estimates the Middle East is the only region in which services trade expanded less rapidly in 2007 than a year earlier.
- <sup>15</sup> Measured in euro terms Europe's commercial services exports and imports rose by 8 per cent and 7 per cent respectively in 2007.
- <sup>16</sup> In the first half of 2007 China's commercial services exports reportedly increased by 39 per cent while imports rose by one quarter.

**Appendix Table 1**  
**World merchandise trade by region and selected country, 2007**  
 (Billion dollars and percentage)

|   | Exports |                          |      |      |      | Imports |                          |      |      |      |
|---|---------|--------------------------|------|------|------|---------|--------------------------|------|------|------|
|   | Value   | Annual percentage change |      |      |      | Value   | Annual percentage change |      |      |      |
|   | 2007    | 2000-07                  | 2005 | 2006 | 2007 | 2007    | 2000-07                  | 2005 | 2006 | 2007 |
| World   | 13570   | 12                       | 14   | 16   | 15   | 13940   | 11                       | 14   | 15   | 14   |
| North America                                   | 1854    | 6                        | 12   | 13   | 11   | 2704    | 7                        | 14   | 11   | 6    |
| United States                                   | 1163    | 6                        | 10   | 15   | 12   | 2017    | 7                        | 14   | 11   | 5    |
| Canada  | 418     | 6                        | 14   | 8    | 8    | 390     | 7                        | 15   | 11   | 9    |
| Mexico  | 272     | 7                        | 13   | 17   | 9    | 297     | 7                        | 12   | 16   | 11   |
| South and Central America <sup>a</sup>          | 496     | 14                       | 25   | 21   | 15   | 455     | 12                       | 23   | 22   | 26   |
| Brazil  | 161     | 17                       | 23   | 16   | 17   | 127     | 12                       | 17   | 23   | 32   |
| Other South and Central America <sup>a</sup>    | 335     | 13                       | 26   | 24   | 14   | 328     | 12                       | 25   | 21   | 23   |
| Europe  | 5769    | 12                       | 9    | 13   | 16   | 6055    | 12                       | 10   | 15   | 16   |
| European Union (27)                             | 5314    | 12                       | 8    | 13   | 16   | 5569    | 12                       | 10   | 14   | 15   |
| Germany   | 1327    | 13                       | 7    | 14   | 20   | 1059    | 11                       | 9    | 17   | 17   |
| France  | 552     | 8                        | 3    | 7    | 11   | 613     | 9                        | 7    | 7    | 13   |
| United Kingdom <sup>b</sup>                     | 436     | 6                        | 11   | 17   | -3   | 617     | 9                        | 9    | 17   | 3    |
| Netherlands                                     | 551     | 13                       | 14   | 14   | 19   | 491     | 12                       | 14   | 15   | 18   |
| Commonwealth of Independent States (CIS)        | 508     | 20                       | 28   | 25   | 19   | 377     | 24                       | 25   | 31   | 34   |
| Russian Federation                              | 355     | 19                       | 33   | 25   | 17   | 223     | 26                       | 29   | 31   | 35   |
| Africa  | 422     | 16                       | 30   | 19   | 15   | 355     | 15                       | 21   | 14   | 22   |
| South Africa                                    | 70      | 13                       | 12   | 13   | 20   | 91      | 17                       | 17   | 24   | 18   |
| Africa less South Africa                        | 352     | 17                       | 34   | 20   | 14   | 264     | 15                       | 23   | 11   | 24   |
| Oil exporters <sup>c</sup>                      | 247     | 19                       | 44   | 21   | 14   | 97      | 18                       | 28   | 9    | 25   |
| Non oil exporters                               | 105     | 13                       | 15   | 17   | 16   | 167     | 13                       | 21   | 11   | 24   |
| Middle East                                     | 721     | 15                       | 35   | 21   | 10   | 462     | 16                       | 21   | 13   | 23   |
| Asia  | 3798    | 13                       | 16   | 18   | 16   | 3528    | 13                       | 17   | 16   | 14   |
| China   | 1218    | 25                       | 28   | 27   | 26   | 956     | 23                       | 18   | 20   | 21   |
| Japan   | 713     | 6                        | 5    | 9    | 10   | 621     | 7                        | 13   | 13   | 7    |
| India   | 145     | 19                       | 30   | 21   | 20   | 217     | 23                       | 43   | 23   | 24   |
| Newly industrialized economies (4) <sup>d</sup> | 936     | 10                       | 12   | 15   | 11   | 935     | 9                        | 13   | 16   | 12   |
| Memorandum items:                               |         |                          |      |      |      |         |                          |      |      |      |
| Developing economies                            | 4967    | 15                       | 22   | 20   | 16   | 4517    | 14                       | 18   | 17   | 18   |
| MERCOSUR  | 224     | 15                       | 21   | 16   | 18   | 184     | 11                       | 20   | 23   | 31   |
| ASEAN   | 863     | 10                       | 15   | 18   | 12   | 773     | 11                       | 17   | 14   | 12   |
| EU (27) extra-trade                             | 1695    | 12                       | 11   | 11   | 16   | 1949    | 11                       | 15   | 16   | 15   |
| Least Developed Countries (LDCs)                | 120     | 19                       | 36   | 24   | 16   | 118     | 15                       | 21   | 15   | 17   |

<sup>a</sup> Includes the Caribbean. For composition of groups see the Technical Notes of WTO, International Trade Statistics, 2007.

<sup>b</sup> The 2007 annual change is affected by a reduction in trade associated with fraudulent VAT declaration. For further information, refer to the special notes of the monthly UK Trade First Release ([www.statistics.gov.uk/StatBase/Product.asp?vlnk=1119](http://www.statistics.gov.uk/StatBase/Product.asp?vlnk=1119)).

<sup>c</sup> Algeria, Angola, Cameroon, Chad, Congo, Equatorial Guinea, Gabon, Libya, Nigeria, Sudan.

<sup>d</sup> Hong Kong, China; Republic of Korea; Singapore and Chinese Taipei.

Source: WTO Secretariat.

Appendix Table 2

**World exports of commercial services by region and selected country, 2007**

(Billion dollars and percentage)

|   | Exports |                          |      |      |      | Imports |                          |      |      |      |
|---|---------|--------------------------|------|------|------|---------|--------------------------|------|------|------|
|   | Value   | Annual percentage change |      |      |      | Value   | Annual percentage change |      |      |      |
|   | 2007    | 2000-07                  | 2005 | 2006 | 2007 | 2007    | 2000-07                  | 2005 | 2006 | 2007 |
| World   | 3260    | 12                       | 12   | 12   | 18   | 3060    | 11                       | 11   | 11   | 16   |
| North America                                   | 533     | 7                        | 11   | 9    | 13   | 440     | 7                        | 9    | 9    | 9    |
| United States                                   | 454     | 7                        | 11   | 10   | 14   | 336     | 7                        | 9    | 9    | 9    |
| Canada  | 61      | 7                        | 11   | 7    | 6    | 80      | 9                        | 11   | 11   | 11   |
| Mexico  | 17      | 4                        | 15   | 2    | 6    | 24      | 5                        | 9    | 7    | 9    |
| South and Central America <sup>a</sup>          | 91      | 10                       | 20   | 13   | 16   | 97      | 8                        | 22   | 15   | 18   |
| Brazil  | 23      | 14                       | 28   | 21   | 25   | 34      | 12                       | 39   | 21   | 24   |
| Europe  | 1662    | 13                       | 10   | 10   | 19   | 1434    | 12                       | 9    | 9    | 17   |
| European Union (27)                             | 1512    | 13                       | 9    | 10   | 19   | 1337    | 12                       | 9    | 9    | 17   |
| United Kingdom                                  | 263     | 12                       | 6    | 10   | 17   | 193     | 10                       | 10   | 7    | 13   |
| Germany   | 197     | 14                       | 10   | 12   | 18   | 245     | 9                        | 6    | 6    | 15   |
| France  | 130     | 7                        | 5    | -0   | 11   | 120     | 11                       | 8    | 2    | 12   |
| Italy   | 109     | 10                       | 6    | 10   | 12   | 117     | 11                       | 8    | 11   | 19   |
| Spain   | 127     | 14                       | 10   | 12   | 21   | 97      | 17                       | 13   | 17   | 24   |
| Commonwealth of Independent States (CIS)        | 64      | 20                       | 20   | 23   | 25   | 90      | 21                       | 18   | 17   | 29   |
| Russian Federation                              | 38      | 22                       | 21   | 24   | 25   | 57      | 20                       | 18   | 15   | 30   |
| Africa  | 84      | 15                       | 13   | 19   | 21   | 97      | 15                       | 21   | 14   | 19   |
| Egypt   | 18      | 10                       | 3    | 10   | 16   | 12      | 7                        | 27   | 8    | 15   |
| South Africa                                    | 13      | 15                       | 15   | 7    | 8    | 16      | 16                       | 18   | 18   | 14   |
| Middle East                                     | 79      | 13                       | 17   | 16   | 15   | 125     | 14                       | 20   | 19   | 17   |
| Israel  | 21      | 5                        | 9    | 10   | 10   | 18      | 6                        | 7    | 9    | 24   |
| Asia  | 745     | 13                       | 15   | 17   | 19   | 778     | 11                       | 12   | 14   | 17   |
| Japan   | 136     | 9                        | 14   | 14   | 11   | 157     | 5                        | 2    | 9    | 9    |
| China   | 127     | ...                      | 19   | 24   | ...  | 129     | ...                      | 16   | 21   | ...  |
| India   | 86      | ...                      | ...  | 35   | 15   | 78      | ...                      | ...  | 33   | 24   |
| Newly industrialized economies (4) <sup>b</sup> | 243     | 11                       | 11   | 13   | 15   | 230     | 11                       | 11   | 13   | 15   |

<sup>a</sup> Includes the Caribbean. For composition of groups see Chapter IV Metadata of WTO International Trade Statistics, 2007.

<sup>b</sup> Hong Kong, China; Republic of Korea; Singapore and Chinese Taipei.

Note: While provisional full year data were available in early March 2008 for 33 countries accounting for more than 60 per cent of world commercial services trade, estimates for most other countries are based on data for the first three quarters (the first six months in the case of China).

Source: WTO Secretariat.