

17 September 2020

**International Trade in Services Survey (ITSS)**  
Second quarter of 2020. Provisional data

**Exports of Services decrease 18.0% in the annual rate and reach 14,602.1 million euros**

**Services imports go down 13.1% and stand at 11,019.7 million euros**

**Effects of COVID-19 on ITSS second quarter data**

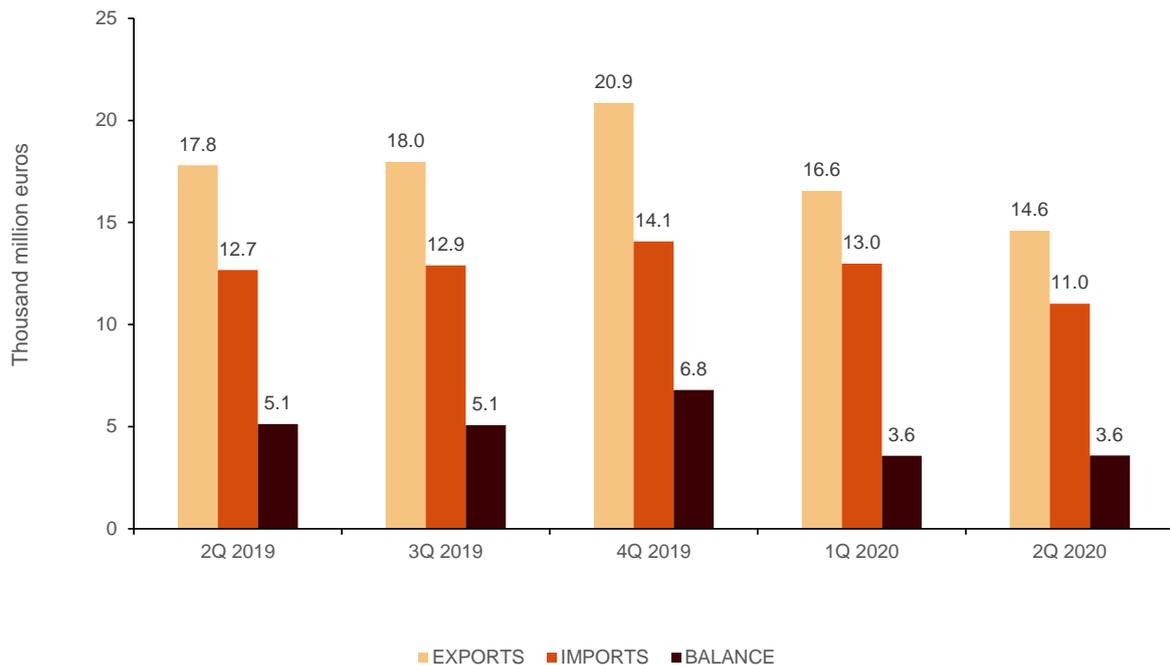
- Because of the state of alarm, enterprises performance went down importantly during second quarter, impacting International Trade in Services figures. The exports fall was higher than imports, causing 30.0% balance decrease as compared with the same quarter of 2019.
- Services exports decreased by 18.0% in the annual rate. The services with the greatest contributions to this annual decrease were *Telecommunications, computer and information* (with an annual variation of -39.1%), and *Transport* (with an annual variation rate of -28.5%, very dynamic in previous quarters, but aligned with the international trade in goods decrease by the covid-19 pandemic).
- In turn, *Financial* (7.6%) and *Business* (4.2%) services exports showed positive rates.
- Services imports decreased by 13.1% on a yearly basis. *Business* and *Charges for the use of intellectual property* were the greatest contributors to this decrease, by falling -21.2% and -39.1%, respectively.
- *Insurance and pensions* (24.1%) and *Telecommunications, computer and information* (3.0%) were the only services items with positive annual rates for imports.
- Services exports by geographical destination went down for all geo areas and countries. The Euro Zone (with an annual rate of -15.6%) and America (-20.5%) were the areas that contributed the most to the exports decrease.

Services exports decreased by 18.0% during the second quarter as compared with the same period of 2019, reaching 14,602.1 million euros.

On the other hand, Services imports went down by 13.1% in the annual rate and reached a total of 11,019.7 million euros.

The balance, or difference between exports and imports, stood at 3,582.4 million euros, with an annual variation of -30.0%.

## Quarterly evolution of exports and imports of Services



## International Trade in Services by type of service

Services exports decreased by 18.0% in the second quarter. The services with positive contribution<sup>1</sup> to this annual rate were:

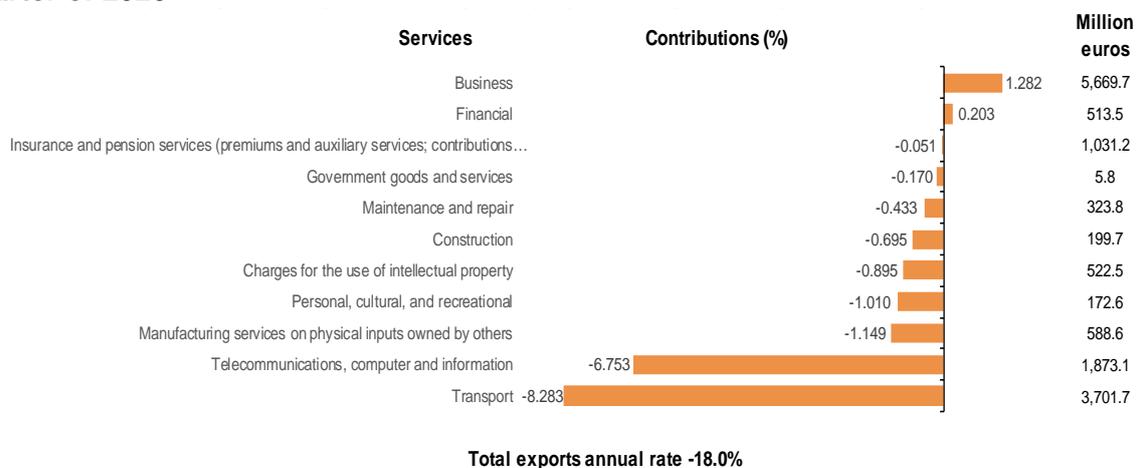
- **Business**, with exports valued at 5,669.7 million (38.8% of the total) and an annual variation of 4.2%.
- **Financial**, with 513.5 million euros of exports (3.5% of the total) and an annual rate of 7.6%.

<sup>1</sup> Contribution refers to the weight of a specific service (or geographical area) to the annual variation rate of total exports / imports, expressed in percentage points. Said contribution depends on the weight of the exports / imports of each service (or geographical area) over the total, and on its own annual rate.

In turn, the services with the greatest negative contributions were:

- **Transport**, with 3,701.7 million euros in exports (25.4% of the total) and an annual variation of  $-28.5\%$ .
- **Telecommunications, computer and information**, with exports valued at 1,873.1 million (12.8% of the total), indicating a decrease of  $39.1\%$  as compared with the same quarter of the previous year.
- **Manufacturing services on physical inputs owned by others**, whose exports amounted to 588.6 million (4.0% of the total) with a decrease of  $-25.8\%$ .

### Contributions to the annual rate and value of exports by type of service. Second quarter of 2020



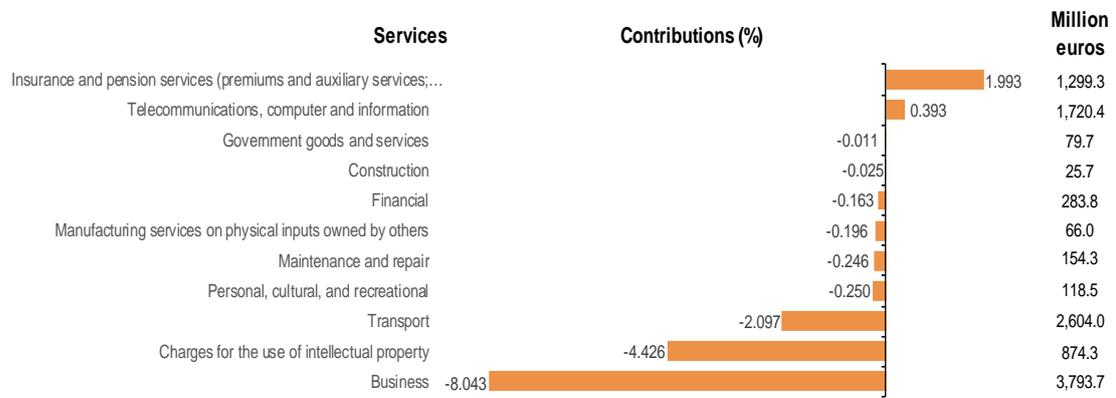
On the other hand, services imports decreased  $13.1\%$  in the second quarter. The services with positive contributions to this annual rate were:

- **Insurance and pension services (premiums and auxiliary services; contributions to pension funds)**, whose imports amounted to 1,299.3 million (11.8% of the total), with an increase of  $24.1\%$  as compared with the same quarter of the previous year.
- **Telecommunications, computer and information**, with 1,720.4 million euros of imports (15.6% of the total) and an annual rate of  $3.0\%$ .

In turn, the services with the greatest negative contribution were:

- **Business**, whose imports amounted to 3,793.7 million (34.4% of the total) with a decrease of  $21.2\%$  as compared with the same quarter of the previous year.
- **Charges for the use of intellectual property**, with imports valued at 874.3 million (7.9% of the total) and an annual variation rate of  $-39.1\%$ .
- **Transport**, with imports valued at 2,604.0 million (23.6% of the total), indicating a decrease of  $9.3\%$  as compared with the same quarter of the previous year.

**Contributions to the annual rate and value of imports by type of service. Second quarter of 2020**



**Total imports annual rate -13.1%**

## International Trade in Services by geographical destination and origin

Services exports to Europe reached 9,754.8 million euros in the second quarter. Exports to the European Union (EU-27) stood at 6,635.7 million of euros, of which exports for the Euro Zone as a whole had a very significant weight (valued in 6,148.8 million euros).

Regarding Services imports, those whose origin was Europe reached 8,180.2 million euros, with values for the European Union (EU-27) and the total Euro Zone of 6,084.8 and 5,466.8 million, respectively.

The geographical zone that contributed the most to the annual variation rate of total exports and imports was Europe, with -10.043 and -10.150 points, respectively.

### Exports and imports of services by geographical destination and origin. Second quarter of 2020

	Exports		Imports	
	Million euros	Contribution to annual rate (%)	Million euros	Contribution to annual rate (%)
<b>WORLD</b>	<b>14,602.1</b>	<b>-18.0</b>	<b>11,019.7</b>	<b>-13.1</b>
1. EUROPE	9,754.8	-10.043	8,180.2	-10.150
1.1 EU-27*	6,635.7	-7.139	6,084.8	-8.118
1.1.1. Euro Area	6,148.8	-6.403	5,466.8	-6.817
1.2 Rest of Europe	3,119.1	-2.904	2,095.5	-2.032
2. AMERICA	3,152.6	-4.573	1,785.9	-1.605
3. AFRICA	407.8	-0.887	173.2	-0.564
4. ASIA	1,239.2	-2.277	832.9	-0.671
5. OCEANIA	47.7	-0.175	47.5	-0.080

\* With the entry into force of Brexit as of January 2020, the aggregate EU-27 substitutes to the EU-28 one in all tables provided from the first quarter 2020 on. The United Kingdom figures have been subtracted from EU and added to the aggregate 1.2 Rest of Europe

### Review and update of data

The data published today are provisional and will be made final when the data for the next quarter are released. All results are available on INEBase.

## **Note on the effect of COVID-19 on the statistical operation International Trade in Services Survey (ITSS)**

The entry into force of the Royal Decree 463/2020 of March 14 declaring the state of alarm to manage the health crisis caused by COVID-19, has made that many enterprises whose production was not considered key, have shut down or suspended or temporarily reduced their activity through the request of temporary layoffs proceedings. The overall result being a drop in the production from that date onwards.

The collection of information referred to the International Trade in Services Survey (ITSS) started when the reference period was over, in this case during July and August, when many enterprises were still closed, even after finalizing the state of alarm. However, the use of e-mail and phone to contact surveyed units, together with the good work of our respondents, has resulted in a similar performance of the survey as compared to previous quarters.

Our respondents have understood how important the provision of information is right now, especially for the statistical authority to produce short-term business indicators. Because of that, the ITSS response rate is very acceptable and reaches 87,0%, 3.4 percent points lower than the one of the revised first quarter of 2020 (90.4%).

From INE's side, we want to sincerely thank to all enterprises and other surveyed units the big effort made to provide us with the information required despite this extraordinary situation.

Despite the good response rate, INE has modified some aspects of its imputation methodology to add, when possible, information coming from the Tax Agency's VAT returns on intra-EU services transactions, aiming at imputing intra-EU exports and imports of services more accurately.

On the other hand, INE has started to publish sampling errors as of first quarter 2020 on a quarterly basis, measured by the coefficients of variation estimated for variables exports and imports of services, for the different services items and geo breakdowns quarterly published. For the second quarter, these coefficients of variation were 2.78% and 1.86% for total exports and imports of services, respectively. For the revised first quarter, these coefficients of variation were 2.26% and 2.12%.

As a consequence of that, **the second quarter data quality is similar to the one of the first quarter or another previous quarter.**

## Methodological note

The main goal of the International Trade in Services Survey (ITSS) is to provide information on the value of exports and imports of non-tourist services, carried out between resident and non-resident units in Spain. The data obtained is used as a basic statistical source in the compilation of statistics regarding Balance of Payments and Spanish National Accounts.

It is a continuous quarterly statistical operation with dissemination of quarterly and annual data. On a quarterly basis, the ITSS provides information on exports and imports for the main types of services (excluding tourist services) according to the Extended Balance of Payments Services Classification (EBOPS), as well as by geographical areas and counterpart countries. On an annual level, it presents the same more disaggregated quarterly information, on a geographical level and of types of services, and with other variables that allow characterizing companies that trade services internationally. In addition, information is presented by modes of supply of the services.

**Type of survey:** quarterly continuous survey.

**Population scope:** set of entities (companies or other institutions) that have the status of residents in Spain, including Spanish embassies and consulates in the rest of the world.

**Geographical scope:** the entire national territory.

**Reference period:** calendar quarter.

**Sample size:** 8,617 units.

**Collection method:** questionnaire addressed directly to companies that can reply and send it by post mail, fax or e-mail or reply through the IRIA software application.

**Comparison with other sources:** this information is complementary to that published by the Bank of Spain in its Balance of Payments statistics referring to the exchange of this type of services. The adjustments made by the Bank of Spain to the ITSS data for the purposes of the Balance of Payments for Services include the following: the estimation of the weight of operators with all their international service operations below the threshold of 50,000 euros, the National Accounts estimates of the freight service based on foreign trade data of goods consistent with the correct f.o.b. valuation of transported goods, the value of the insurance service (as the ITSS only collects gross premiums and claims) and of illegal activities, the incorporation into financial services of Bank of Spain estimates of financial intermediation services indirectly measured (FISIM) and the inclusion of government services charges for the collection of EU traditional own resources.

For more information you can access the methodology at:

[https://www.ine.es/metodologia/t37/t373019801\\_en.pdf](https://www.ine.es/metodologia/t37/t373019801_en.pdf)

And the standardized methodological report at:

<https://www.ine.es/dynt3/metadatos/es/RespuestaDatos.html?oe=30198>

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## International Trade in Services Survey Second quarter 2020

Provisional data

### 1. Exports by type of service

	Value (million euros)	Weight (%)	Annual variation rate	
			Variation (%)	Contribution (%)
<b>TOTAL</b>	<b>14,602.1</b>	<b>100.0</b>	<b>-18.0</b>	<b>-18.0</b>
1. Manufacturing services on physical inputs owned by others	588.6	4.0	-25.8	-1.149
2. Maintenance and repair	323.8	2.2	-19.2	-0.433
3. Transport	3,701.7	25.4	-28.5	-8.283
4. Construction	199.7	1.4	-38.2	-0.695
5. Insurance and pension services (premiums and auxiliary services; contributions to pension funds)	1,031.2	7.1	-0.9	-0.051
6. Financial	513.5	3.5	7.6	0.203
7. Charges for the use of intellectual property	522.5	3.6	-23.4	-0.895
8. Telecommunications, computer and information	1,873.1	12.8	-39.1	-6.753
9. Business	5,669.7	38.8	4.2	1.282
9.1. R+D	424.3	2.9	20.7	0.409
9.2. Professional and management consulting	1,663.2	11.4	-7.3	-0.731
9.3. Technical, trade-related and other business services	3,582.3	24.5	8.7	1.603
10. Personal, cultural, and recreational	172.6	1.2	-51.0	-1.010
11. Government goods and services	5.8	0.0	-83.9	-0.170

### 2. Imports by type of service

	Value (million euros)	Weight (%)	Annual variation rate	
			Variation (%)	Contribution (%)
<b>TOTAL</b>	<b>11,019.7</b>	<b>100.0</b>	<b>-13.1</b>	<b>-13.1</b>
1. Manufacturing services on physical inputs owned by others	66.0	0.6	-27.4	-0.196
2. Maintenance and repair	154.3	1.4	-16.8	-0.246
3. Transport	2,604.0	23.6	-9.3	-2.097
4. Construction	25.7	0.2	-11.0	-0.025
5. Insurance and pension services (premiums and auxiliary services; contributions to pension funds)	1,299.3	11.8	24.1	1.993
6. Financial	283.8	2.6	-6.8	-0.163
7. Charges for the use of intellectual property	874.3	7.9	-39.1	-4.426
8. Telecommunications, computer and information	1,720.4	15.6	3.0	0.393
9. Business	3,793.7	34.4	-21.2	-8.043
9.1. R+D	122.6	1.1	-19.2	-0.230
9.2. Professional and management consulting	1,162.1	10.5	-22.1	-2.608
9.3. Technical, trade-related and other business services	2,509.1	22.8	-20.8	-5.206
10. Personal, cultural, and recreational	118.5	1.1	-21.1	-0.250
11. Government goods and services	79.7	0.7	-1.7	-0.011

### 3. Exports by geographical destiny

	Value (million euros)	Weight (%)	Annual variation rate	
			Variation (%)	Contribution (%)
<b>WORLD</b>	<b>14,602.1</b>	<b>100.0</b>	<b>-18.0</b>	<b>-18.0</b>
1. EUROPE	9,754.8	66.8	-15.5	-10.043
1.1 EU-28	6,635.7	45.4	-16.1	-7.139
1.1.1. Euro Area	6,148.8	42.1	-15.6	-6.403
Germany	1,365.0	9.3	-16.9	-1.560
Belgium	336.2	2.3	-10.4	-0.218
The Netherlands	964.9	6.6	-1.9	-0.105
France	1,475.0	10.1	-19.0	-1.946
Italy	452.7	3.1	-21.9	-0.715
Portugal	559.3	3.8	-10.4	-0.364
Rest of Euro Area	995.7	6.8	-21.1	-1.495
1.1.2 Rest of EU-27	486.9	3.3	-21.2	-0.736
1.2 Rest of Europe	3,119.1	21.4	-14.2	-2.904
1.2.1 United Kingdom	1,775.1	12.2	-4.3	-0.448
2. AMERICA	3,152.6	21.6	-20.5	-4.573
2.1 North and Central America	2,068.1	14.2	-20.5	-2.989
2.2 South America	1,084.5	7.4	-20.6	-1.584
3. AFRICA	407.8	2.8	-27.9	-0.887
4. ASIA	1,239.2	8.5	-24.6	-2.277
5. OCEANIA	47.7	0.3	-39.5	-0.175

### 4. Imports by geographical origin

	Value (million euros)	Weight (%)	Annual variation rate	
			Variation (%)	Contribution (%)
<b>WORLD</b>	<b>11,019.7</b>	<b>100.0</b>	<b>-13.1</b>	<b>-13.1</b>
1. EUROPE	8,180.2	74.2	-13.6	-10.150
1.1 EU-28	6,084.8	55.2	-14.5	-8.118
1.1.1. Euro Area	5,466.8	49.6	-13.7	-6.817
Germany	1,466.8	13.3	-8.4	-1.058
Belgium	188.6	1.7	-40.8	-1.024
The Netherlands	525.3	4.8	-19.8	-1.023
France	1,220.4	11.1	-20.4	-2.467
Italy	463.2	4.2	-3.3	-0.124
Portugal	512.3	4.6	1.0	0.040
Rest of Euro Area	1,090.2	9.9	-11.9	-1.162
1.1.2 Rest of EU-27	618.0	5.6	-21.1	-1.301
1.2 Rest of Europe	2,095.5	19.0	-10.9	-2.032
1.2.1 United Kingdom	1,308.1	11.9	-18.3	-2.316
2. AMERICA	1,785.9	16.2	-10.2	-1.605
2.1 North and Central America	1,399.0	12.7	-11.6	-1.447
2.2 South America	386.9	3.5	-4.9	-0.158
3. AFRICA	173.2	1.6	-29.2	-0.564
4. ASIA	832.9	7.6	-9.3	-0.671
5. OCEANIA	47.5	0.4	-17.6	-0.080