



AUSTRALIA'S SERVICES TRADE WITH THE EUROPEAN UNION

Australia's two-way services trade with the European Union (EU) was valued at \$29.1 billion in 2016 and accounted for almost 20 per cent of Australia's total services trade.

Australia recorded a net services trade deficit of \$8.0 billion in 2016.

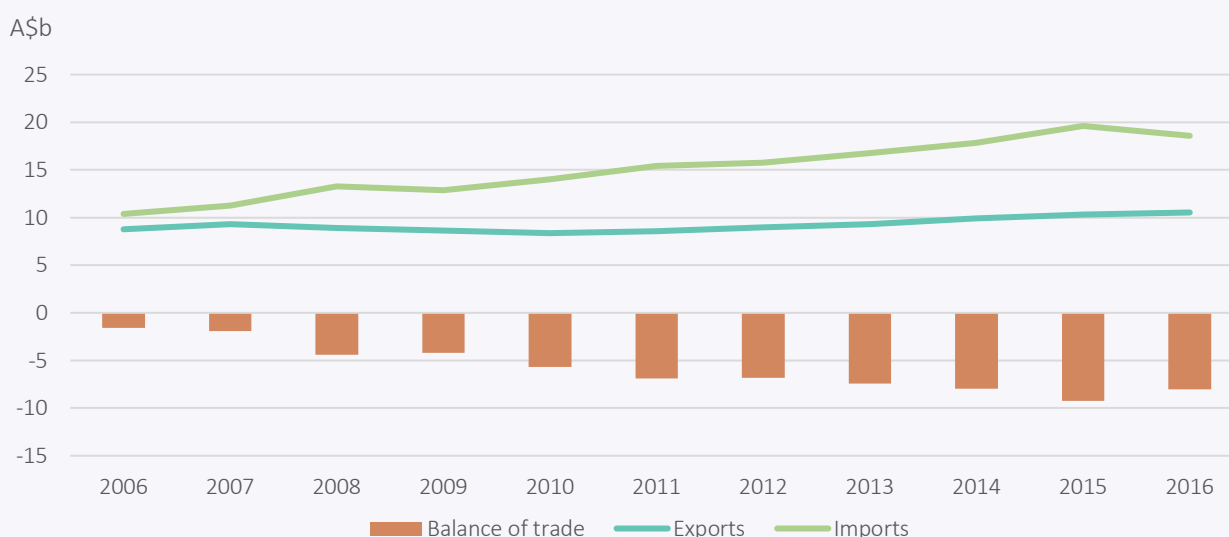
Australia's major services exports to the EU were Personal travel services (excluding education-related), Other business services and Education-related travel services, while the major imports from the EU were Personal travel services (excluding education-related), Transport services and Other business services.

Introduction

Australia has a significant two-way services trade relationship with the European Union 28 (EU), with exports valued at \$10.5 billion in 2016 (14.8 per cent share of total Australian services exports) and imports valued at \$18.6 billion (24.6 per cent of total services imports). Australia recorded a net services trade deficit with the EU valued at \$8.0 billion in 2016.

Services exports to the EU rose in 2016 (up 1.9 per cent) while imports from the EU fell by 5.4 per cent. Services exports have increased by an average annual rate of 4.5 per cent over the past five years while services imports have risen at a rate of 4.8 per cent.

Chart 1: Australia's services trade with the EU¹

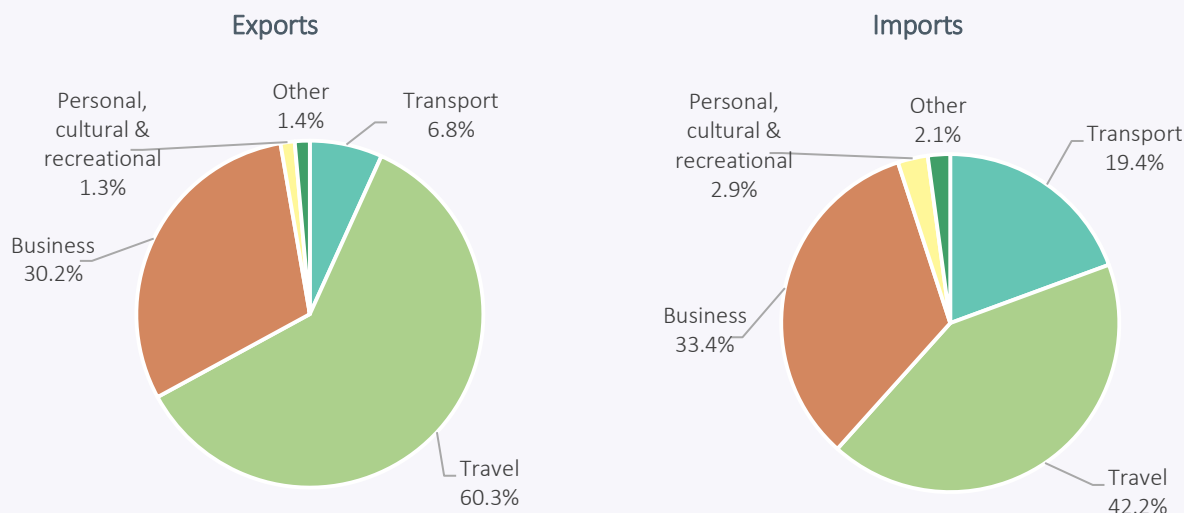


Based on ABS catalogue 5368.0.55.004.

¹ EU25 for 2006, EU 27 for 2007 to August 2013 and the EU 28 from September 2013 onwards.

Services trade by activity

Chart 2: Australia's services trade to the EU by major type



Based on ABS trade data on DFAT STARS database and ABS catalogue 5368.0.55.004.

Australia's largest services export to the EU was *Travel services* valued at \$6.3 billion with almost 1.5 million short-term visitor trips to Australia from EU countries in 2016. *Travel services* exports accounted for 60.3 per cent of Australia's total services exports to the EU. *Business travel services* was valued at \$813 million, *Education-related travel services* at \$1.4 billion and *Personal travel services (excluding education-related)* - mainly recreational travel - valued at \$4.1 billion.

*Business services*² exports to the EU were valued at \$3.2 billion in 2016. The largest category was *Other business services* (which includes professional, technical and other business services) valued at \$1.5 billion. Other major *Business services* exports to the EU included *Telecommunications, computer & information services* valued at \$747 million and *Financial services* valued at \$743 million.

The other major services export to the EU was *Transport services* valued at \$713 million in 2016.

Australia's largest service imports from the EU was also *Travel services* valued at \$7.8 billion with almost 1.5 million Australian short-term visitor trips to EU in 2016. *Business travel services* was valued at \$759 million, *Education-related travel services* at \$374 million and *Personal travel services (excluding education-related)* valued at \$6.7 billion.

*Business services*² imports from the EU were valued at \$6.2 billion in 2016. The largest category was *Other business services* valued at \$2.5 billion. Other major *Business services* imports from the EU included *Charges for intellectual property (or royalties)* valued at \$1.8 billion, *Telecommunications, computer & information services* valued at \$869 million, *Financial services* valued at \$543 million and *Insurance services* valued at \$465 million.

The other major services import from the EU included *Transport services* valued at \$3.6 billion in 2016 and *Personal, cultural & recreational services* valued at \$533 million.

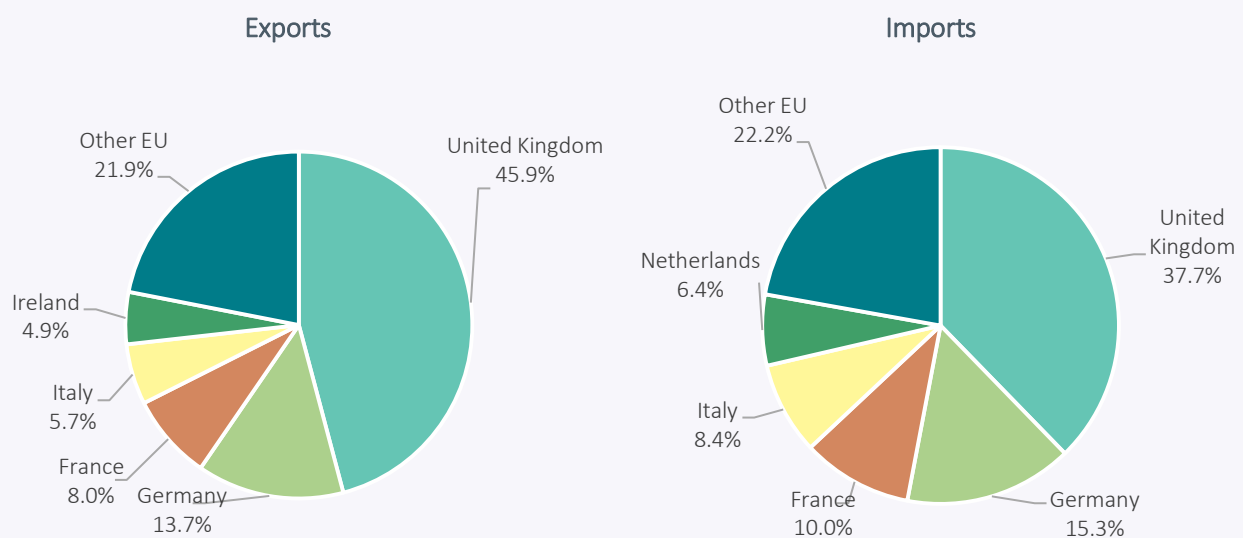
² Business services includes: *Construction services; Financial & insurance services; Charges for the use of intellectual property; Telecommunication, computer & information services; and Other business services.*

Country composition of services trade with the EU

Australia's largest services export market within the EU was the United Kingdom with exports valued at \$4.8 billion in 2016 and accounted for 45.9 per cent of Australia's services exports to the EU. Germany followed with exports valued at \$1.4 billion, France (\$841 million), Italy (\$595 million) and Ireland (\$511 million). The top 5 markets accounted for 78.1 per cent of Australia's services exports to EU.

Australia's largest services import source within the EU was also the United Kingdom with imports valued at \$7.0 billion in 2016 and accounted for 37.7 per cent of Australia's services imports from the EU. Germany followed with imports valued at \$2.8 billion, France (\$1.9 billion), Italy (\$1.6 billion) and the Netherlands (\$1.2 billion). The top 5 sources accounted for 77.8 per cent of Australia's services imports from the EU.

Chart 3: Australia's services trade with the EU by major EU country



Based on ABS catalogue 5368.0.55.004.

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