

Statistical Bulletin

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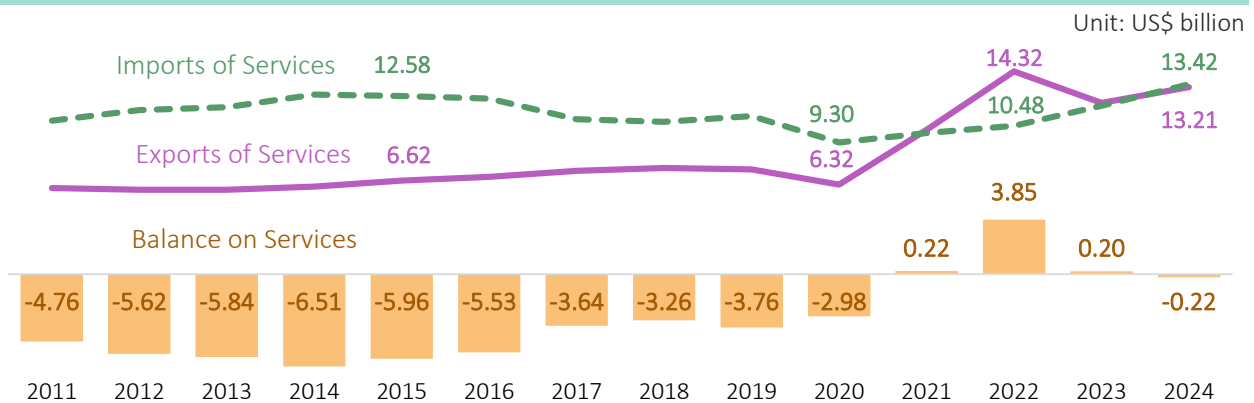


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Taiwan's services trade with the United States shifted from a long-term deficit to near balance over the past four years, driven primarily by growth in transport surplus.

1. International trade in services, distinct from merchandise trade, refers to the cross-border exchange of intangible products. It includes traditional activities such as transport and travel, as well as professional and knowledge-intensive services like financial and insurance services, information technology, and intellectual property. The services trade balance is calculated as exports minus imports; a positive balance indicates a surplus, while a negative balance indicates a deficit. According to U.S. statistics, Taiwan recorded a long-term services trade deficit with the United States. From 2011 to 2016, this deficit ranged from US\$4.8 billion to US\$6.5 billion, narrowing to between US\$3.0 billion and US\$3.8 billion during 2017 to 2020. From 2021 to 2023, Taiwan registered three consecutive years of surplus, with the largest surplus of US\$3.85 billion recorded in 2022. Although Taiwan returned to a slight deficit of US\$0.22 billion in 2024, the amount remained well below historical averages.

Taiwan's Services Trade with the United States, 2011–2024



2. A closer look at Taiwan's services trade balance with the United States by major categories shows that, except for transport, most categories recorded deficits. The largest deficit came from charges for the use of intellectual property. The United States has long been Taiwan's primary source of technology purchases. From 2011 to 2016, Taiwan's annual deficit in charges for the use of intellectual property averaged about US\$5 billion. However, starting in 2017, due to the lawsuit involving international firms Apple and Qualcomm, several Taiwanese manufacturers suspended royalty payments,

leading to a significant decline in the intellectual property deficit, which mostly stayed under US\$2.5 billion in the following years. This shift contributed markedly to the overall narrowing of Taiwan's services trade deficit with the United States from 2017 onward.

3. Since 2021, notable growth in Taiwan's transport surplus, along with the easing of the travel deficit, has further contributed to the shift. Following the post-pandemic recovery in global trade and supply chain disruptions, international shipping rates surged, boosting Taiwan's freight revenues. Additionally, the rise of AI-related opportunities over the past two years significantly expanded Taiwan's merchandise exports to the United States, further enhancing freight income for Taiwanese carriers. From 2021 to 2024, Taiwan's transport surplus with the United States expanded to between US\$5.3 billion and US\$9.2 billion, reaching the four highest levels on record. Meanwhile, with the reopening of borders and the resumption of international travel, the number of U.S. visitors to Taiwan—including both tourists and business travelers—surpassed pre-pandemic levels, leading to increased onshore spending. Over the past two years, Taiwan's travel deficit with the United States remained below US\$0.3 billion, a significant decrease compared to previous periods.

Taiwan's Services Trade Balance with the United States by Selected Categories										
Category ⁽¹⁾	Unit: US\$ billion									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Total	-5.96	-5.53	-3.64	-3.26	-3.76	-2.98	0.22	3.85	0.20	-0.22
Transport	2.41	2.25	2.57	2.85	2.98	2.75	6.25	9.22	5.34	6.17
Charges for the use of intellectual property n.i.e. ⁽²⁾	-5.14	-4.51	-2.86	-1.85	-2.33	-2.11	-2.45	-2.40	-2.11	--
Travel	-1.42	-1.45	-1.54	-1.59	-1.67	-0.92	-0.77	-0.76	-0.13	-0.26
Maintenance and repair services n.i.e.	-0.83	-0.88	-0.47	-1.14	-1.16	-0.95	-0.94	-0.95	-1.30	-1.58
Financial services	-0.57	-0.58	-0.49	-0.49	-0.87	-1.12	-1.31	-1.04	-0.98	-1.20
Telecommunications, computer, and information services	-0.10	-0.10	-0.17	-0.17	-0.15	-0.18	-0.19	-0.22	-0.30	-0.28

Data Source : U.S. Bureau of Economic Analysis (BEA).

Notes : (1) In addition to the categories listed, other services include manufacturing services on physical inputs owned by others; construction; insurance services; other business services; and personal, cultural, and recreational services.

(2) Due to data confidentiality in 2024, certain figures are not disclosed. Based on estimates, the deficit that year was approximately US\$2 billion.