

## The United States continues to lead in all three market-oriented, knowledge-intensive service industries.

Figure 20.1. World share of value-added revenues for market-oriented knowledge-intensive services, selected countries: 1985 – 2005

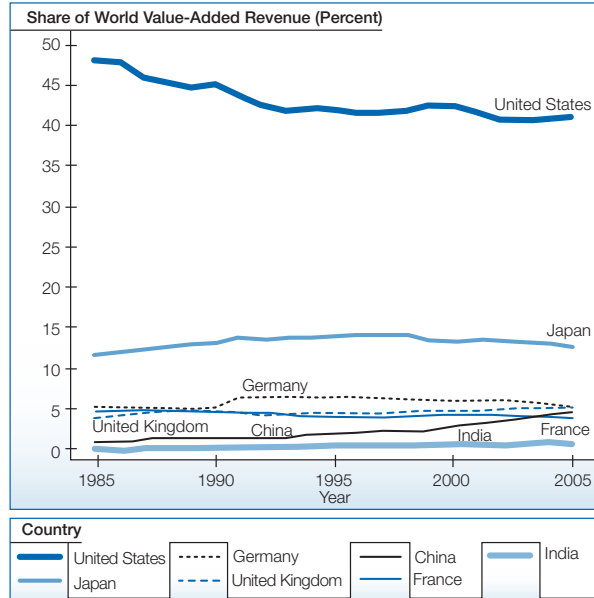
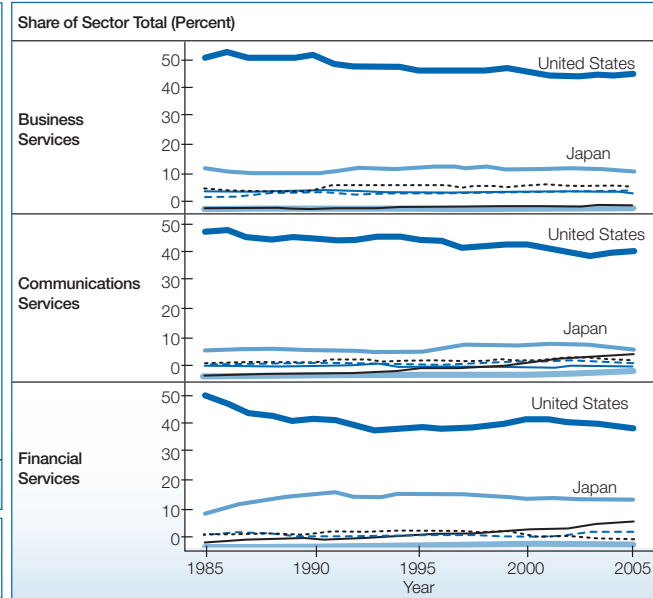


Figure 20.2. Value-added revenue in the three market-oriented knowledge-intensive sectors, selected countries: 1985 – 2005



SOURCE: Appendix Tables 6-4 and 6-5, *Science and Engineering Indicators 2008*, National Science Foundation.

### Why is this indicator important?

- The U.S. economy and the economies of other developed countries are increasingly dominated by service industries. U.S. market share in these industries is an indicator of its competitiveness.

### Key Observations

- The U.S. share of world market-oriented knowledge-intensive service value-added revenue remained constant at around 40% between 1995 and 2005.
  - While the U.S. share of business and financial service revenue remained constant or increased between 1996 and 2005, the U.S. share of communications services revenue declined from 42 to 39% between 1996 and 2005.
- China’s financial services sector has historically been that country’s highest grossing market-oriented, knowledge-intensive sector, accounting for 8% of the world financial services value-added and ranking third behind Japan’s financial services sector in 2005.
  - China’s communications service industry grew at an average annual rate of nearly 20% between 1995 and 2005, reaching 7% of the world communications service value-added in 2005.

### Related Discussion

- The service sector is driving economic activity around the world, accounting for nearly 70% of global economic activity in 2003 (*SEI 2008* Figure 6-5).
- Market-oriented, knowledge-intensive services are driving the growth in the service sector, accounting for 30% of gross service revenue in 2005, with an average annual growth rate of 4.8% between 1986 and 2005 (*SEI 2008* Table 6-4).