

The Growing Importance of Digital Trade for Washington

March 2026

\$37B

WA services exports in 2024

+40%

Growth since 2015

\$15.5B

ICT services exports

2,700%

Cloud computing growth

1 Introduction

Airplanes and agriculture may be the first Washington exports that come to mind, but services — and digitally enabled services in particular — are becoming ever more important. **In 2024, Washington exported \$37 billion in services, an increase of more than \$10 billion (40%) since 2015.** Services exports became relatively more important to Washington as goods exports declined over that period due to falling aerospace exports.

When thinking about digital trade, services exports are often broken into three main categories:

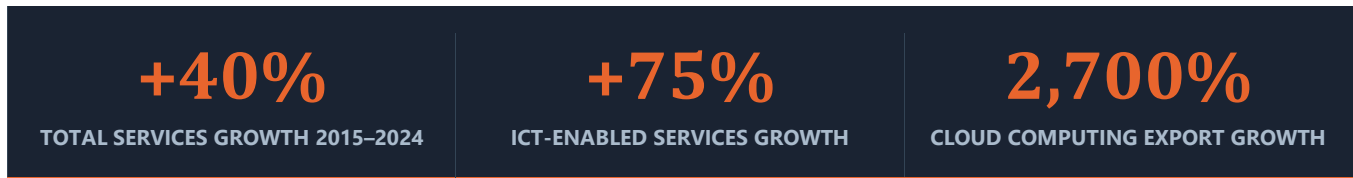
Information and communications technology (ICT) services — exports where the digital service is the “product,” such as software and software design services, cloud computing or data storage, or telecom services.

Potential ICT-enabled services — more traditional services that increasingly can be digitized and delivered digitally, such as financial services, consulting, legal services, and audio-visual services (e.g., streaming music or movies).

In-person services — services where exports typically involve foreigners coming to the United States to spend money (e.g., travel, education) or U.S. companies traveling overseas (e.g., construction, freight).

The first two categories, collectively referred to as digitally enabled services, have been growing rapidly and are particularly important for Washington. Yet it is these digitally enabled services that are most at risk of new rules or barriers in areas like cross-border data flows.

2 Services Export Trends



Washington services exports increased significantly from 2015 to 2024, but not all categories grew equally. Exports of in-person services declined by 2%, driven primarily by rules and restrictions associated with the Covid-19 pandemic, from which many such exports have not fully recovered.

However, the global dynamics that slowed in-person services, along with continued technological advancements, led to an explosion of digitally enabled services exports. **ICT services exports grew to \$15.5 billion (51%) and potential ICT-enabled services exports grew to \$12.6 billion (75%).** In-person services accounted for just 23% of Washington's total services exports in 2024, compared to 33% back in 2015.

3 Drivers of ICT Services Growth

Royalties from computer software services — money paid by overseas customers for ready-to-use programs or platforms — has long been Washington's largest services export. In 2024, these exports totaled **\$11.6 billion**, accounting for nearly one-third of Washington's total services exports. While software royalties are consistently large, they grew by only 20% from 2015 to 2024.

Instead, custom computer software design and cloud computing/data storage services are Washington's fastest-growing ICT services. **Custom software services exports grew 437%** from \$377 million in 2015 to over \$2 billion in 2024. **Cloud computing/data storage grew an incredible 2,700%** — from \$41 million in 2015 to \$1.15 billion in 2024.

4 Drivers of ICT-Enabled Services Growth

A similar dynamic plays out in potential ICT-enabled services: research and development (R&D) services have long been the largest export category, but are not growing nearly as fast as other categories. In 2024, Washington R&D services exports were around **\$4.8 billion**, an increase of 39% since 2015 but down from a peak of \$5.3 billion in 2022.

Business management and consulting services and database and other information services are Washington's fastest-growing potential ICT-enabled services. **Management and consulting services exports grew 276%** from \$439 million to \$1.65 billion. Over the same period, **database and info services exports grew 236%** from \$428 million to \$1.44 billion.

5 Top Markets for Digital Services

Europe dominates the top markets for ICT services, with Ireland, Germany, and the United Kingdom leading the way. Brazil and Japan round out the top five, with exports to Ireland and Brazil almost exclusively comprising software royalties.

The top five markets for potential ICT-enabled services were Singapore, Ireland, the United Kingdom, Switzerland, and Canada.

RANK	MARKET	CATEGORY	2024 VALUE
1	Ireland	ICT Services	\$3.8B
2	Germany	ICT Services	\$1.0B
3	United Kingdom	ICT Services	\$1.0B
4	Brazil	ICT Services	\$943M
5	Japan	ICT Services	\$936M
1	Singapore	ICT-Enabled	\$1.6B
2	Ireland	ICT-Enabled	\$1.5B
3	United Kingdom	ICT-Enabled	\$1.3B
4	Switzerland	ICT-Enabled	\$1.2B
5	Canada	ICT-Enabled	\$713M

6 Conclusions

ICT and potential ICT-enabled services exports have continued to grow even while certain major goods (e.g., aerospace) and in-person services (e.g., travel, certain port services) remain below their historical highs. While services data are only available annually, it seems likely these trends will continue given continued technological advancements and shocks to international goods trade in 2025. The regulatory environment governing cross-border data flows will be a critical factor to watch for Washington's digital trade future.