Question: Is food provided by airlines on board to passengers considered a good or a service in international trade statistics?

Food provided by airlines is considered a Transportation Service, included under “passenger services.” According to the Manual on Statistics of International Trade in Services 2010 (MSITS 2010), “passenger services” includes fares and other expenditure related to the carriage of passengers, including food, drink or other items consumed or purchased on board carriers (MSITS 2010, para. 3.94 - 3.95).

On the merchandise trade side, it depends on whether the goods exceed customs thresholds. According to IMTS 2010 (para. 1.16 and 1.49a), goods acquired by all categories of travellers in amounts or values not exceeding those established by national law (e.g., below customs thresholds) are recommended for exclusion from merchandise trade as they are to be included in trade in services (i.e., to be included under Transportation, passenger services in the case of fares and food provided by airlines -- or otherwise to be included under Travel services in the case of hotel accommodations, restaurant meals, souvenirs, etc.). If however, such goods acquired by travellers are of a significant scale as defined by national law (or exceeding values established by national law), they are to be included in merchandise trade.

Thus, assuming the food costs are not excessive, food provided by airlines should be excluded from merchandise trade statistics.

Trade Knowledgebase
http://unstats.un.org/unsd/tradekb/Knowledgebase/50662/Food-provided-on-airlines-Transportation-Services