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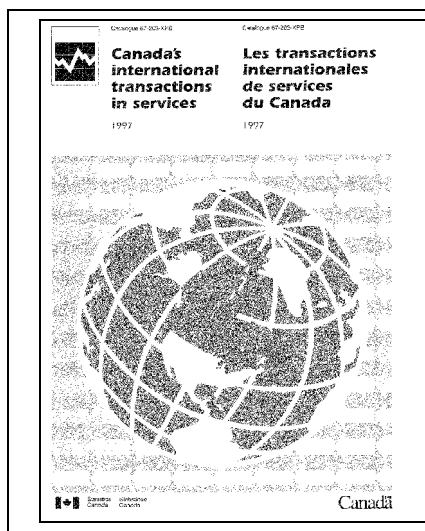
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Canada's international transactions in services 1997

Canadian service exports reached a new high of \$41.6 billion in 1997 while service imports passed the \$50.3 billion mark. The continuing deficit on services shrank again in 1997 but increased in the first quarter of 1998.

The latest annual details of Canada's services trade are available for 1997, including more 1997 breakouts for the United States. Also available are new breakouts of service exports and imports on a quarterly basis from the first quarter of 1995 to the first quarter of 1998.

All tables are revised from 1993 and are available electronically on June 30 through CANSIM. A list of CANSIM numbers is available on request. For further information, contact Denis Caron (613-951-1861; caroden@statcan.ca).

Canada's international transactions in services, 1997 (67-203-XPB, \$37) is now available. See *How to order publications*. For further information on this release, contact Hugh Henderson (613-951-9049; hendhug@statcan.ca), Balance of Payments and Financial Flows Division.



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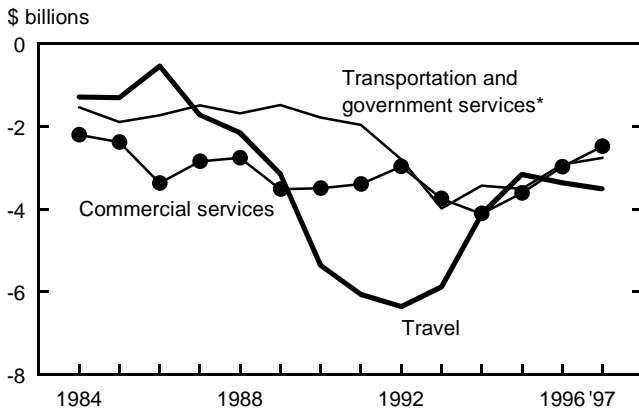
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MAJOR RELEASES

Canada's international transactions in services 1997

Canada exported a record \$41.6 billion in travel, transportation, commercial and government services during 1997, narrowing its trade deficit in services to the lowest level in eight years.

Major sources of services deficit, 1984 to 1997



* Predominantly transportation.

The deficit, which is the difference between the services Canada exports and the payments it makes to foreign suppliers of services, fell to \$8.7 billion in 1997 from \$9.3 billion in 1996. The deficit has narrowed for four consecutive years since 1993 when it peaked at \$13.5 billion.

Service exports increased 4% in 1997 to \$41.6 billion, compared with 2% for service imports which reached \$50.3 billion.

Canada's services exporters have now incurred record sales every year since 1983. Imports have increased every year since 1982.

Commercial services lead the way

Reductions in the services deficit came mainly from commercial services (to the business and professional

community) during the last two years. In addition, transportation services showed a slightly lower deficit in 1997, falling to \$3.2 billion.

The deficit on commercial services was \$2.5 billion in 1997, down \$0.5 billion from the year before. This reflected a smaller deficit for several types of services in which Canadian residents have been net importers. Mainly, the commercial services deficit declined for tooling and other miscellaneous business services, which typically vary, and it also fell for most management services.

Only services in research and development, computer services, and architectural and engineering services generated surpluses of any size.

The perennial travel deficit widened marginally to \$3.5 billion. Canadian travellers increased their spending mainly overseas. On the other hand, there was a small increase in spending by foreign travellers

Quarterly results: Services deficit widened in first three months of 1998

New quarterly data on transactions in services show that Canada's services deficit hit \$2.4 billion in the first quarter of 1998, up \$0.4 billion from the fourth quarter of 1997. This increase followed declines in all four quarters during 1997.

The higher deficit on services was widespread, resulting mainly from commercial services. The increase in the commercial services deficit was due to higher net payments for management, royalties, and a lower surplus on engineering and scientific services. Transport by water and personal travel were further sources. Results in general reflected lower receipts in these sectors, while payments rose somewhat.

Available on CANSIM: matrices 3178, 3180-3186, 3188-3190, 3192-3195 and 3197.

Canada's international transactions in services, 1997 (67-203-XPB, \$37) is now available. See How to order publications.

For further information on this release, contact Hugh Henderson (613-951-9049; hendhug@statcan.ca), Balance of Payments and Financial Flows Division. □

International transactions in services

	First quarter 1997	Second quarter 1997	Third quarter 1997	Fourth quarter 1997	First quarter 1998	1996	1997
Seasonally adjusted							
\$ millions							
Receipts							
Travel total:	2,992	3,025	3,017	3,107	2,999	11,759	12,141
Business	570	567	564	574	574	2,182	2,276
Personal	2,422	2,458	2,453	2,533	2,425	9,576	9,865
Transportation total:	2,051	2,088	2,110	2,075	2,046	7,778	8,323
Water transport	480	478	471	453	442	1,865	1,883
Air transport ¹	887	869	861	858	858	3,239	3,475
Land and other transport	684	741	778	763	746	2,674	2,965
Commercial services total:	4,776	4,995	5,159	5,170	5,012	19,519	20,100
Communications services	475	468	474	500	516	1,956	1,917
Construction services	23	18	18	20	27	155	78
Insurance services	928	932	954	948	950	3,628	3,762
Other financial services	277	316	288	278	314	971	1,160
Computer and information services	402	406	454	459	439	1,681	1,721
Royalties and licence fees	145	172	190	179	147	681	686
Non-financial commissions	168	171	183	184	159	564	705
Equipment rentals	56	52	57	56	55	220	221
Management services	444	500	496	526	460	1,684	1,966
Advertising and related services	46	58	57	52	52	221	212
Research and development	393	457	481	443	477	1,678	1,774
Architectural, engineering, and other technical services	611	606	683	677	591	2,649	2,578
Miscellaneous services to business ²	582	595	601	613	611	2,487	2,391
Audio-visual services	226	244	222	235	214	942	927
Government services	251	252	252	253	261	958	1,008
All services	10,070	10,361	10,537	10,604	10,318	40,014	41,572
Payments							
Travel total:	3,856	3,919	3,960	3,914	3,877	15,122	15,649
Business	834	838	886	870	846	3,301	3,428
Personal	3,022	3,081	3,073	3,044	3,032	11,821	12,220
Transportation total:	2,871	2,816	2,905	2,922	2,997	11,072	11,514
Water transport	1,003	910	904	960	1,096	3,781	3,778
Air transport ¹	1,307	1,313	1,377	1,357	1,288	5,069	5,354
Land and other transport	561	593	624	604	613	2,223	2,382
Commercial services total:	5,595	5,717	5,646	5,618	5,738	22,497	22,576
Communications services	442	438	446	489	500	1,843	1,814
Construction services	30	30	44	29	31	91	133
Insurance services	1,188	1,209	1,229	1,256	1,211	4,642	4,882
Other financial services	349	419	439	419	362	1,570	1,626
Computer and information services	248	236	234	223	241	802	942
Royalties and licence fees	731	722	665	648	710	2,626	2,766
Non-financial commissions	135	143	131	121	131	483	531
Equipment rentals	102	107	111	106	116	445	426
Management services	696	691	690	687	704	2,725	2,765
Advertising and related services	115	123	158	128	141	547	523
Research and development	185	196	210	211	213	781	802
Architectural, engineering, and other technical services	256	204	229	205	231	935	894
Miscellaneous services to business ²	832	866	772	815	831	3,768	3,285
Audio-visual services	285	332	288	282	318	1,240	1,187
Government services	145	145	143	144	146	583	577
All services	12,467	12,597	12,655	12,597	12,758	49,274	50,316

¹ International passenger fares by water included under Air transport.

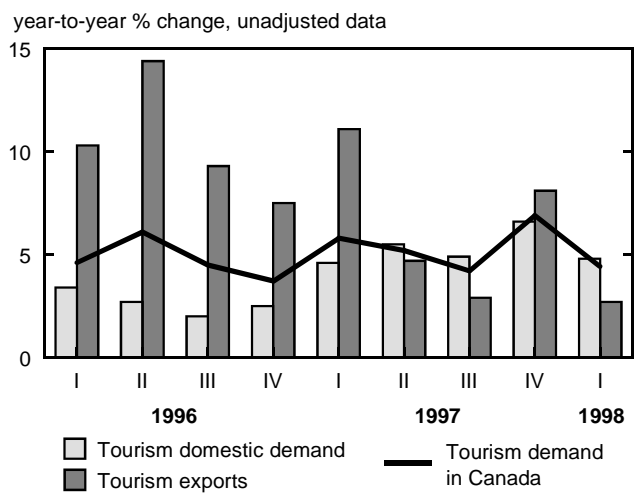
² Including Personal, cultural and recreational services.

National tourism indicators

First quarter 1998

Tourism expenditures in Canada reached \$8.8 billion during the first quarter of 1998, up 4.4% from the same quarter last year. However, weaker non-resident spending contributed to a slowing in demand. Spending by Canadians returned as the main source of growth in the first quarter, whereas in the fourth quarter, outlays by non-residents had dominated.

Domestic demand main source of growth



Strong domestic demand for tourism

Spending by Canadians on tourism in Canada rose by 4.8% from the first quarter of 1997 to \$7.1 billion in the first quarter of 1998. Growth was recorded in every major spending category, notably transportation. This advance stemmed from a 10% increase in air transportation, resulting more from steeper ticket prices than increased passenger traffic.

Continued weakness in the dollar, against its U.S. counterpart contributed to fewer trips south of the border. Canadians made 9.8 million trips to the United States during the first quarter, down 14% from a year ago and continuing the downward trend which began in the third quarter of 1996. Fewer trips abroad, coupled with generally favourable economic conditions in Canada (higher incomes, brighter job and business prospects, the continuation of low interest rates and inflation), translated into relatively strong domestic demand for tourism.

Domestic spending on tourism, adjusted for inflation and seasonal variation, advanced 0.8%

Note to readers

The data are unadjusted for seasonality and expressed at current prices, unless noted otherwise.

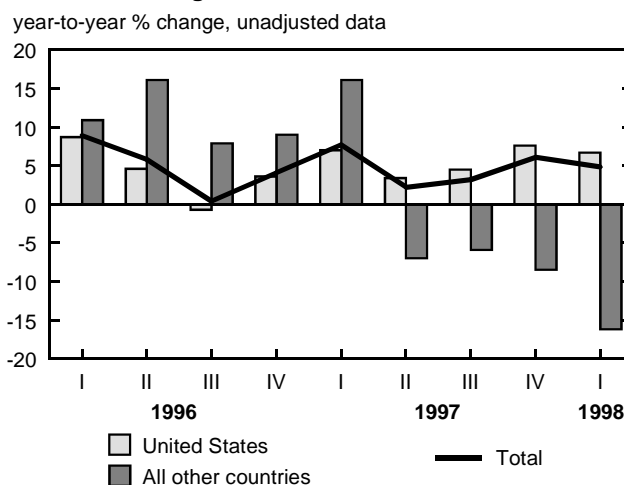
between the fourth quarter of 1997 and the first quarter 1998; a similar gain to that between the third and fourth quarters, and the fifth consecutive quarterly increase.

Foreign spending grew slowly

Expenditures by non-residents (or tourism exports) grew by a modest 2.7% to \$1.7 billion, the lowest year-to-year increase since the first quarter of 1993. The slowdown of growth was recorded across all major categories of tourism spending. However, tourism exports remain significant as one in every five tourism dollars spent in the country came from the 7.9 million non-residents who travelled to Canada from January to March.

Travellers from the United States continued to take advantage of the cheap Canadian dollar and made 5.6 million same-day trips and 1.8 million overnight visits, up 7.0% and 5.7% respectively from last year. This marks the sixth consecutive quarterly increase and a return to the situation where the gain in less expensive same-day trips outpaced the increase in overnight stays.

Number of U.S. visitors remains strong: Overseas market declines



However, these increases were partially offset by a substantial decline in trips by visitors from countries other than the United States. Some 0.5 million visitors

from outside the United States came to Canada in the first quarter — the lowest level since the first quarter of 1995. Most notably, the number of visitors from the Asia-Pacific region fell by more than 30% compared with last year, possibly a result of the economic turmoil in that part of the world. Canada also saw the number of visitors coming from the European market, as a whole, declining by 4%. The exceptions were the United Kingdom and France.

After adjusting for seasonality and inflation, the weakness in tourism demand by non-residents was also apparent, with outlays down 0.2% from the fourth quarter of 1997.

Gains in employment continued

Employment generated by tourism reached 490,000 in the first quarter of 1998, up 4.7% from a year ago. The gains were widespread, with a

notable increase of 9% in transportation, especially air transport, which corresponds with the higher expenditures.

On a seasonally adjusted basis, the upward trend over the past five quarters continued, with employment up 1.0% from the fourth quarter of 1997. At this rate, employment in tourism grew at a faster pace than the overall business sector employment.

The first quarter 1998 issue of *National tourism indicators* (13-009-XPB, \$21/\$70) is now available. To order the publication, contact the client services officer (613-951-3640; fax 613-951-3618), Income and Expenditure Accounts Division.

For further information on this release, contact Katharine Kemp (613-951-3814) or Jacques Delisle (613-951-3796), Income and Expenditure Accounts Division. □

Tourism expenditures

	1996	1997	1996 to 1997	Fourth quarter 1997	First quarter 1998	Fourth quarter 1997 to first quarter 1998
	\$ millions at current prices		% change	\$ millions at current prices (seas. adj.)		% change
Tourism expenditures						
Tourism demand in Canada	41,773	43,987	5.3	11,226	11,254	0.2
Tourism exports	12,102	12,734	5.2	3,254	3,238	-0.5
Tourism domestic demand	29,671	31,253	5.3	7,972	8,016	0.6
Transportation						
Tourism demand in Canada	16,539	17,627	6.6	4,525	4,520	-0.1
Tourism exports	3,205	3,347	4.4	864	842	-2.5
Tourism domestic demand	13,334	14,280	7.1	3,661	3,678	0.5
Accommodation						
Tourism demand in Canada	5,928	6,188	4.4	1,537	1,557	1.3
Tourism exports	2,588	2,813	8.7	700	703	0.4
Tourism domestic demand	3,340	3,375	1.0	837	854	2.0
Food and beverage services						
Tourism demand in Canada	6,766	7,085	4.7	1,808	1,812	0.2
Tourism exports	2,759	2,911	5.5	749	749	0.0
Tourism domestic demand	4,007	4,174	4.2	1,059	1,063	0.4
Other tourism commodities						
Tourism demand in Canada	4,160	4,444	6.8	1,148	1,150	0.2
Tourism exports	1,132	1,169	3.3	304	306	0.7
Tourism domestic demand	3,028	3,275	8.2	844	844	0.0
Other commodities						
Tourism demand in Canada	8,380	8,643	3.1	2,208	2,215	0.3
Tourism exports	2,418	2,494	3.1	637	638	0.2
Tourism domestic demand	5,962	6,149	3.1	1,571	1,577	0.4
	\$ millions at 1992 prices		% change	\$ millions at 1992 prices (seas. adj.)		% change
Tourism expenditures						
Tourism demand in Canada	38,685	39,659	2.5	10,049	10,104	0.5
Tourism exports	11,210	11,617	3.6	2,967	2,962	-0.2
Tourism domestic demand	27,475	28,042	2.1	7,082	7,142	0.8
Transportation						
Tourism demand in Canada	15,305	15,677	2.4	3,959	4,012	1.3
Tourism exports	2,990	3,111	4.0	800	801	0.1
Tourism domestic demand	12,314	12,566	2.0	3,159	3,211	1.6
Accommodation						
Tourism demand in Canada	5,361	5,470	2.0	1,379	1,386	0.5
Tourism exports	2,333	2,479	6.2	626	625	-0.2
Tourism domestic demand	3,028	2,991	-1.2	753	761	1.1
Food and beverage services						
Tourism demand in Canada	6,396	6,592	3.1	1,670	1,663	-0.4
Tourism exports	2,606	2,706	3.8	692	688	-0.6
Tourism domestic demand	3,789	3,886	2.5	978	975	-0.3
Other tourism commodities						
Tourism demand in Canada	3,767	3,932	4.4	1,009	1,008	-0.1
Tourism exports	1,015	1,020	0.5	263	264	0.4
Tourism domestic demand	2,752	2,912	5.8	746	744	-0.3
Other commodities						
Tourism demand in Canada	7,856	7,988	1.7	2,032	2,035	0.1
Tourism exports	2,265	2,301	1.6	586	584	-0.3
Tourism domestic demand	5,591	5,687	1.7	1,446	1,451	0.3

Tourism expenditures

	First quarter 1997	Second quarter 1997	Third quarter 1997	Fourth quarter 1997	First quarter 1998	First quarter 1997 to First quarter 1998
	\$ millions at current prices, unadjusted for seasonality					% change
Tourism expenditures						
Tourism demand in Canada	8,396	10,695	16,210	8,686	8,766	4.4
Tourism exports	1,635	3,369	5,629	2,101	1,679	2.7
Tourism domestic demand	6,761	7,326	10,581	6,585	7,087	4.8
Transportation						
Tourism demand in Canada	3,609	4,256	5,916	3,846	3,846	6.6
Tourism exports	399	869	1,548	531	411	3.0
Tourism domestic demand	3,210	3,387	4,368	3,315	3,435	7.0
Accommodation						
Tourism demand in Canada	1,038	1,613	2,475	1,062	1,059	2.0
Tourism exports	393	793	1,203	424	401	2.0
Tourism domestic demand	645	820	1,272	638	658	2.0
Food and Beverage Service						
Tourism demand in Canada	1,238	1,795	2,714	1,338	1,272	2.7
Tourism exports	394	769	1,225	523	407	3.3
Tourism domestic demand	844	1,026	1,489	815	865	2.5
Other tourism commodities						
Tourism demand in Canada	1,006	1,045	1,610	783	1,052	4.6
Tourism exports	152	311	511	195	157	3.3
Tourism domestic demand	854	734	1,099	588	895	4.8
Other commodities						
Tourism demand in Canada	1,505	1,986	3,495	1,657	1,537	2.1
Tourism exports	297	627	1,142	428	303	2.0
Tourism domestic demand	1,208	1,359	2,353	1,229	1,234	2.2



OTHER RELEASES

Sales of refined petroleum products

May 1998 (preliminary)

Sales of refined petroleum products totalled 7 231 000 cubic metres in May, down 5.2% from the same month a year earlier. Sales decreased for six of the seven major product groups over the same period in 1997. The largest declines were recorded for heavy fuel oil (-122 700 cubic metres or -21.9%), light fuel oil (-113 800 cubic metres or -37.2%) and diesel fuel oil (-74 800 cubic metres or -3.9%). The decline in petrochemical feedstocks during May (-32 000 cubic metres or -7.1%), was due to the planned shutdown of a few refineries for routine maintenance.

Sales of refined petroleum products

	May 1997	May 1998	May 1997 to May 1998
	thousands of cubic metres		% change
Total, all products	7 630.4	7 231.0	-5.2
Motor gasoline	3 141.1	3 161.3	0.6
Diesel fuel oil	1 912.2	1 837.4	-3.9
Light fuel oil	305.9	192.1	-37.2
Heavy fuel oil	560.4	437.7	-21.9
Aviation turbo fuels	509.5	480.8	-5.6
Petrochemical feed- stocks ¹	450.0	418.0	-7.1
All other refined products	751.3	703.7	-6.3
	Jan. to May 1997	Jan. to May 1998	Jan.-May 97 to Jan.-May 98
	thousands of cubic metres		% change
Total, all products	36 168.4	36 955.6	2.2
Motor gasoline	14 311.8	14 796.4	3.4
Diesel fuel oil	8 307.3	8 561.0	3.1
Light fuel oil	3 135.6	2 596.8	-17.2
Heavy fuel oil	2 928.4	3 373.4	15.2
Aviation turbo fuels	2 186.2	2 315.4	5.9
Petrochemical feed- stocks ¹	2 010.8	2 014.5	0.2
All other refined products	3 288.3	3 298.1	0.3

¹ Materials produced by refineries that are used by the petrochemical industry to produce chemicals, synthetic rubber and a variety of plastics.

Despite the decreases recorded in May, year-to-date sales of refined petroleum products were up 787 200 cubic metres or 2.2% over the same period in 1997. Sales increased for six of the seven major product groups. Milder than normal temperatures

and lower retail prices contributed to the increase of motor gasoline consumption (+484 600 cubic metres or +3.4%). The increase for heavy fuel oil (+445 000 cubic metres or +15.2%) was due to greater use of the product for the generation of electricity. As a result of milder temperatures, sales of light fuel oil, usually in demand during the heating period, was the only product to register a decline (-538 800 cubic metres or -17.2%).

Available on CANSIM: matrices 628-642 and 644-647.

The May 1998 issue of *Refined petroleum products* (45-004-XPB, \$21/\$206), will be available in August. See *How to order publications*.

For further information about this release, contact Gérard O'Connor (613-951-3562; Internet: oconger@statcan.ca), Energy Section, Manufacturing, Construction and Energy Division. ■

Stocks of frozen meat products

June 1998

There were 43,635 tonnes of frozen meat in cold storage at the opening of the first business day of June, compared with 44,274 tonnes last month and 37,136 tonnes a year ago.

Available on CANSIM: matrices 87 and 9517-9525.

Available free on the Internet at <http://www.statcan.ca>. (23-009-XIE). The menu path is "Products and services," "Downloadable publications," "Index of downloadable publications".

For further information on this release, contact Tony Dupuis (613-951-2511; duputon@statcan.ca), Agriculture Division. ■

Asphalt roofing

May 1998

Production of asphalt shingles totalled 4 386 389 metric bundles in May, up 4.0% from 4 218 205 metric bundles produced a year earlier.

January-to-May 1998 production was 17 555 712 (revised) metric bundles, down 12.8% from 20 120 176 metric bundles produced during the same period in 1997.

Available on CANSIM: matrices 32 and 122 (series 27).

The May 1998 issue of *Asphalt roofing* (45-001-XPB, \$7/\$62) will be available shortly. See *How to order publications*.

For further information on this release, contact Liisa Pent (613-951-3531; pentlii@statcan.ca), Manufacturing, Construction and Energy Division. ■

Restaurant caterer and tavern receipts

January-to-April 1998 (preliminary)

Estimates for restaurant caterer and tavern receipts from January to April 1998 are now available.

For further information on this release, contact W. H. Birbeck (613-951-3506; fax: 613-951-6696) in Services Division. ■

PUBLICATIONS RELEASED

Sawmills and planing mills, April 1998
Catalogue number 35-003-XPB
 (Canada: \$12/\$114; outside Canada: US\$12/US\$114).

Canada's international transactions in services, 1997
Catalogue number 67-203-XPB
 (Canada: \$37; outside Canada: US\$37).

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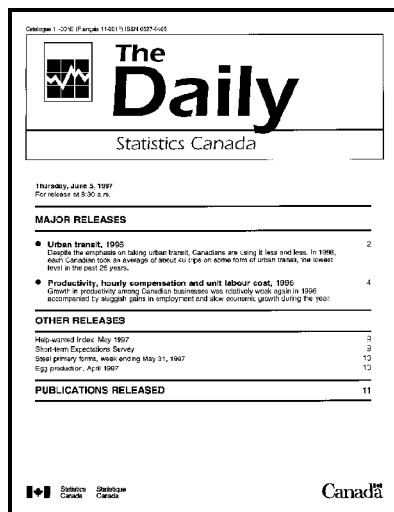
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