

TRADE AND INVESTMENT

CANADA'S SERVICES TRADE WITH THE WORLD



NOTES

The Library of Parliament's Trade and Investment series provides information on Canada's trade and investment relationship with the world and with selected countries. It also describes the trade relationship of each of Canada's 10 provinces and three territories with the world. In addition, it presents Canada's merchandise trade relationship with each of the United States' 50 states.

All figures were prepared using Statistics Canada data available in summer 2017, with three exceptions: "Share of Global Services Exports and Imports," "Exports as a Percentage of Gross Domestic Product" and "Imports as a Percentage of Gross Domestic Product." Those figures use services trade data from the World Trade Organization and gross domestic product (GDP) data from the International Monetary Fund.

To see the data tables used to generate the figures, view the HTML version of this profile at <u>Trade and Investment Series 2016</u>.

The services trade data are balance of payments—based.

Numbers in this profile have been rounded.

Definitions appear at the end of this profile.

All dollar amounts are in Canadian dollars unless otherwise noted.

In the "Destinations for Exports by Region" and "Sources of Imports by Region" figures, the "other" category includes trade with international institutions and transactions that could not be allocated to any geographical area.

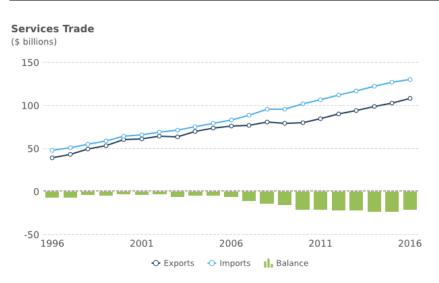
The categories identified in the "Commercial Services by Selected Categories" figure are the seven highest-valued services export categories in 2016.

Michael Lambert-Racine

Economics, Resources and International Affairs Division Parliamentary Information and Research Service

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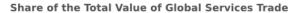
CANADA'S SERVICES TRADE WITH THE WORLD

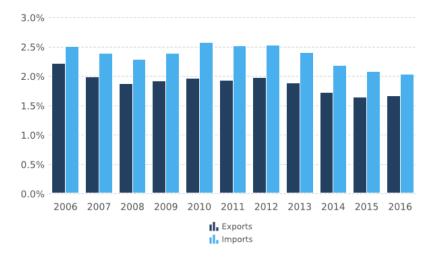


Canada's services trade with the world in 2016: \$236.8 billion

- Exports: \$107.4 billion, a 5.0% increase from 2015
- Imports: \$129.4 billion, a 2.1% increase from 2015

Services trade deficit in 2016: \$22.0 billion, a decrease from \$24.5 billion in 2015

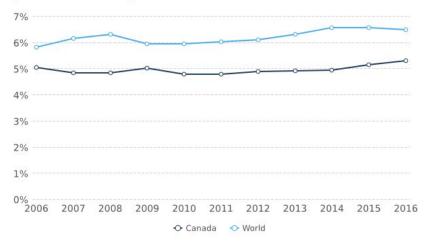




Exports in 2016: 1.7% of the total value of global exports, an increase from 1.6% in 2015

Imports in 2016: 2.0% of the total value of global imports, a decrease from 2.1% in 2015

Exports as a Percentage of Gross Domestic Product



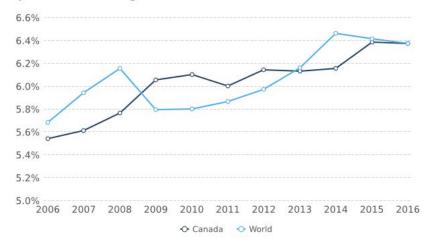
Canada's exports as a percentage of Canadian GDP in 2016: 5.3%, an increase from 5.2% in 2015

Global exports as a percentage of global GDP in 2016: 6.5%, a decrease from 6.6% in 2015

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CANADA'S SERVICES TRADE WITH THE WORLD

Imports as a Percentage of Gross Domestic Product

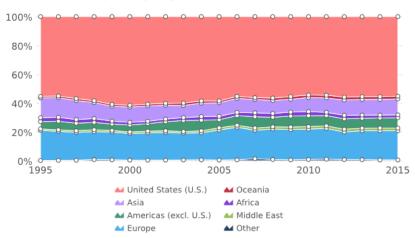


Canada's imports as a percentage of Canadian GDP in 2016: 6.4%, unchanged from 2015

Global imports as a percentage of global GDP in 2016: 6.4%, unchanged from 2015

CANADA'S SERVICES TRADE DESTINATIONS AND SOURCES

Destinations for Exports by Region

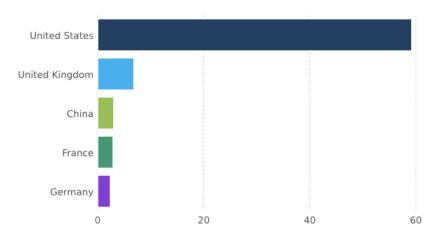


Major destinations for services exports, by region, in 2015:

- United States 55.2%, with a value of \$56.5 billion
- Europe 20.2%, with a value of \$20.7 billion
- Asia 11.0%, with a value of \$11.3 billion
- Americas (excluding the United States) – 7.2%, with a value of \$7.3 billion
- Africa 2.0%, with a value of \$2.1 billion

Major Destinations for Exports by Country

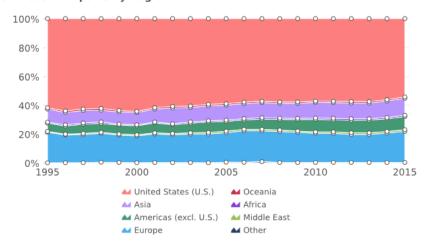
(\$ billions)



Major destinations for services exports, by country, in 2016:

- United States 55.1%
- United Kingdom 6.3%
- China 2.8%
- France 2.6%
- Germany 2.2%

Sources of Imports by Region



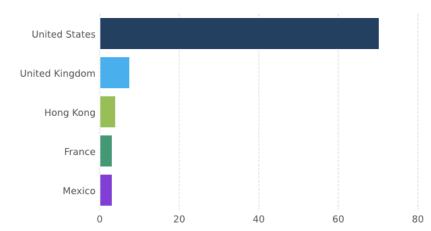
Major sources of services imports, by region, in 2015:

- United States 54.3%,
 with a value of \$68.8 billion
- Europe 21.6%, with a value of \$27.3 billion
- Asia 11.8%, with a value of \$14.9 billion
- Americas (excluding the United States) – 9.1%, with a value of \$11.5 billion
- Middle East 1.2%, with a value of \$1.5 billion

CANADA'S SERVICES TRADE WITH THE WORLD

Major Sources of Imports by Country

(\$ billions)

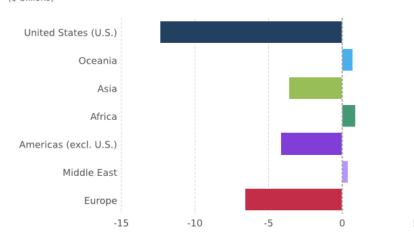


Major sources of services imports, by country, in 2016:

- United States 54.2%
- United Kingdom 5.9%
- Hong Kong 3.1%
- France 2.5%
- Mexico 2.4%

Trade Balance by Region

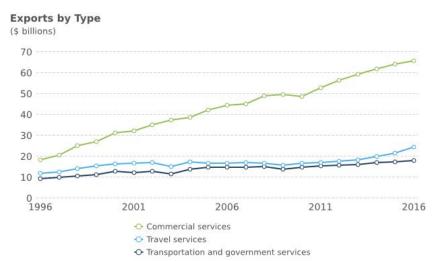
(\$ billions)



Largest services trade deficit in 2015: United States, at \$12.4 billion

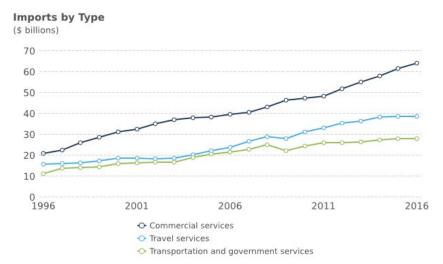
Largest services trade surplus in 2015: Africa, at \$910 million

CANADA'S SERVICES TRADE BY TYPE



Canada's services exports to the world in 2016:

- Commercial services \$65.3 billion, a 2.2% increase from 2015
- Travel services \$24.1 billion, a 14.0% increase from 2015
- Transportation and government services – \$17.9 billion, a 4.3% increase from 2015

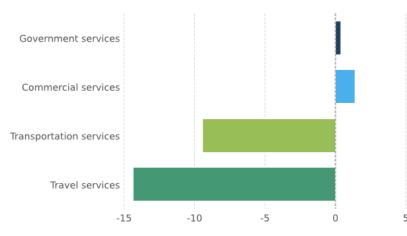


Canada's services imports from the world in 2016:

- Commercial services \$64.0 billion, a 4.4% increase from 2015
- Travel services \$38.5 billion, unchanged from 2015
- Transportation and government services \$27.8 billion, a 0.2% decrease from 2015



(\$ billions)



Services trade deficits in 2016:

- Travel services:
 \$14.4 billion, a decrease from \$17.3 billion in 2015
- Transportation services: \$9.4 billion, a decrease from \$10.2 billion in 2015

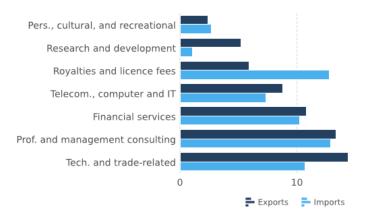
Services trade surpluses in 2016:

- Commercial services \$1.4 billion, a decrease from \$2.7 billion in 2015
- Government services \$370.0 million, a decrease from \$389.0 million in 2015

CANADA'S SERVICES TRADE WITH THE WORLD

Commercial Services by Selected Categories

(\$ billions)



Highest-valued categories of commercial services exports in 2016:

- Technical and trade-related services – \$14.4 billion
- Professional and management consulting services – \$13.4 billion

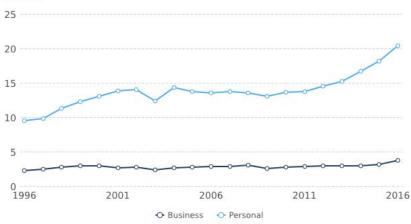
Highest-valued categories of commercial services imports in 2016:

- Professional and management consulting services – \$12.9 billion
- Royalties and licence fees \$12.7 billion

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Travel Services Exports by Category

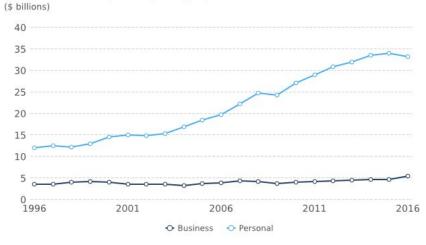




Travel services exports in 2016:

- Personal \$20.4 billion,
 a 12.9% increase from 2015
- Business \$3.7 billion, a 20.5% increase from 2015

Travel Services Imports by Category



Travel services imports in 2016:

- Personal \$33.2 billion,
 a 2.2% decrease from 2015
- Business \$5.3 billion,
 a 16.0% increase from 2015

CANADA'S SERVICES TRADE WITH THE WORLD

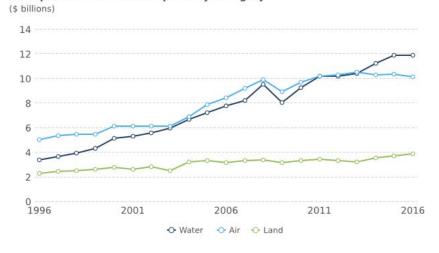
Transportation Services Exports by Category



Transportation services exports in 2016:

- Air \$7.4 billion,
 a 7.6% increase from 2015
- Land \$5.8 billion, a 5.0% increase from 2015
- Water \$3.1 billion,
 a 2.2% decrease from 2015

Transportation Services Imports by Category



Transportation services imports in 2016:

- Air \$10.1 billion,
 a 2.3% decrease from 2015
- Water \$11.8 billion, unchanged from 2015
- Land \$3.8 billion, a 4.7% increase from 2015

CANADA'S SERVICES TRADE WITH THE WORLD

DEFINITIONS

Balance of payments—based data: Balance of payments—based data calculate trade flows using surveys of international trade and investment activity of firms and other entities.

Balance of trade: The trade balance is the difference between the value of exports and the value of imports. There is a trade surplus if the value of exports exceeds the value of imports. There is a trade deficit if the value of imports exceeds the value of exports.

Gross domestic product (GDP): GDP measures an economy's total production in a given year. As one entity's income is another entity's spending, GDP is equal to the total value of final sales or to the total value of incomes.

Services trade: Services trade is trade in travel, transportation and government, and commercial services. Travel services are goods and services purchased abroad by travellers, with one exception: cross-border transportation. Transportation services are the transportation of goods and cross-border travellers, and related services. Government services arise largely from official representation and military activities, and some governmental commercial activities. Commercial services are all other services, such as management, financial or engineering services; the category also includes charges for the use of intellectual property.