

# Experimental monthly estimates of international trade in services

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International trade in services is becoming an increasingly important indicator of Canadian economic growth. Currently, Statistics Canada releases annual and quarterly measures of international trade in services. Over the last year, the agency has conducted research into various data sources and research methods aimed at producing monthly estimates of trade in services.

This release highlights the results of this research by presenting users with a set of provisional estimates of monthly international trade in services. Feedback from users will be taken into consideration, and incorporated where possible. These statistics will remain experimental until the approach is refined over the next several months.

Ultimately, once the methods have been fully developed, monthly international trade in services statistics will be disseminated at the same time as the monthly Canadian international merchandise trade figures, about 35 days after the end of the reference period.

This month's release includes data for the month of October 2018 as well as historical information starting from January 2007. New monthly trade in services estimates are available on both a raw and a seasonally adjusted basis for four principal categories of international services at the country level: commercial, travel, transport, and government services. This information is now available upon request.

The purpose of this new product is to provide more timely indicators on trade in services, supplementing the current detailed quarterly and annual statistics on trade in services already included in the balance of payments. It will also provide a more comprehensive picture of Canada's overall international trade activity on a monthly basis, complementing the already existing information on goods.

## Results

In October 2018, the estimated monthly deficit in international trade in services narrowed by \$0.3 billion to \$1.8 billion. Exports of services rose \$0.2 billion to \$10.2 billion in October, while imports of services were down \$0.1 billion to \$12.0 billion. Commercial services, travel, and transport services all contributed to the lower services deficit in the month.

In comparison, total exports of goods reached \$49.3 billion in October while imports amounted to \$50.5 billion, resulting in a goods deficit of \$1.2 billion. This followed a deficit of \$0.9 billion in September.

Overall, Canada's total estimated trade in goods and services deficit remained at \$2.9 billion in October. A lower deficit on services completely offset a higher deficit on goods in the month.

Total exports and imports of services accounted for 15.8% of all trade in goods and services in 2007. Since 2009, this share has remained relatively stable at around 18%.



### Note to readers

Since several data sources used in the compilation of the international trade in services program are only available on a quarterly or an annual basis, the monthly statistics on Canada's international trade in services are generated using projections when up-to-date information are not available. This is in keeping with the methodology used in many countries producing monthly trade in services data when lacking required information.

In general, for most of the commercial services, travel, and some of the transport services, the projection of monthly estimates follows a three-step approach. First, quarterly values for the upcoming quarter are forecasted using statistical models (auto-regressive integrated moving average). Then, in a second step, indicator series of monthly movement of trade in services are identified through the relationship with other economic indicators, such as merchandise trade or gross domestic product by industry. Finally, a temporal disaggregation method (referred to as the Denton-Cholette method) is applied to distribute the projected quarterly services to each month using predicted values of monthly services generated in step two. Adjustments are also made monthly as new information is made available.

A longer summary of the methodologies currently used will soon be available upon request.

### Future work

Over the next months, the monthly international trade in services statistics will be produced and disseminated no later than 60 days following the end of the reference period. During this time, work will continue to enhance the methodologies when possible and necessary.

Further data sources will be studied to evaluate their capacity to better predict monthly movements of trade in services. Principal users will continue to be consulted regularly over the course of next year for their comments and proposals on ways to improve results and minimize revisions. Feedback from users will be taken into consideration, and where possible, incorporated. These statistics will remain experimental until the approach is refined over the next several months.

Ultimately the monthly services statistics will be disseminated at the same time as the monthly Canadian international merchandise trade figures, approximately 35 days after the end of the reference period, in order to provide a more comprehensive measure of Canada's trade activity with the rest of the world on a monthly basis. Projection models will be recalibrated or re-evaluated on a yearly basis to provide more accurate results.

**Table 1**  
**Experimental monthly estimates of international trade in services – Seasonally adjusted**

	June 2018	July 2018	August 2018	September 2018	October 2018
	millions of dollars				
<b>Total services, exports</b>	<b>10,008</b>	<b>10,044</b>	<b>10,039</b>	<b>10,009</b>	<b>10,206</b>
Commercial services	6,009	6,086	6,067	6,089	6,110
Travel	2,365	2,333	2,355	2,307	2,482
Transportation	1,506	1,496	1,487	1,483	1,483
Government services	128	129	129	130	131
<b>Total services, imports</b>	<b>12,353</b>	<b>12,180</b>	<b>11,907</b>	<b>12,048</b>	<b>11,977</b>
Commercial services	6,088	5,949	5,612	5,822	5,737
Travel	3,554	3,475	3,568	3,506	3,576
Transportation	2,607	2,652	2,622	2,615	2,558
Government services	105	105	105	105	106
<b>Total services, balances</b>	<b>-2,345</b>	<b>-2,136</b>	<b>-1,868</b>	<b>-2,039</b>	<b>-1,770</b>
Commercial services	-78	138	455	267	374
Travel	-1,189	-1,142	-1,212	-1,198	-1,094
Transportation	-1,101	-1,156	-1,135	-1,132	-1,075
Government services	23	24	24	25	25

Source(s): Canada's Balance of International Payments (1534) and Canada's International Transactions in Services (1536).

The updated [Canada and the World Statistics Hub \(13-609-X\)](#) is available online. This product illustrates the nature and extent of Canada's economic and financial relationship with the world using interactive graphs and tables. This product provides easy access to information on trade, investment, employment and travel between Canada and a number of countries, including the United States, the United Kingdom, Mexico, China and Japan.

The *Methodological Guide: Canadian System of Macroeconomic Accounts (13-607-X)* is available.

The *User Guide: Canadian System of Macroeconomic Accounts (13-606-G)* is also available. This publication will be updated to maintain its relevance.

For more information, contact us (toll-free 1-800-263-1136; 514-283-8300; [STATCAN.infostats-infostats.STATCAN@canada.ca](mailto:STATCAN.infostats-infostats.STATCAN@canada.ca)).

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