

# Experimental monthly estimates of international trade in services, February 2019

*Released at 8:30 a.m. Eastern time in The Daily, Thursday, April 18, 2019*

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Experimental estimates of Canada's international trade in services are now available upon request. This month's release includes data for February as well as revised figures for January 2018 to January 2019.

In February, imports of services were down \$321 million to \$12.3 billion, while exports edged down \$45 million to \$10.2 billion. As a result, Canada's estimated monthly deficit in international trade in services narrowed by \$275 million to \$2.1 billion. By category of services, the main contributors were the increase in the commercial services surplus and the decrease in the transportation services deficit. Imports of transport services were down \$161 million in February due to lower imports of merchandise by water and a decline in passenger fares payments.

The services trade deficit for January was essentially unchanged from its originally published value at \$2.3 billion. The travel services deficit was revised down by \$67 million, but was almost completely offset by a \$49 million downward revision to the commercial services surplus and an \$18 million upward revision to the transportation services deficit.

In comparison, total exports of goods reached \$48.0 billion in February, while imports amounted to \$50.9 billion, resulting in a goods deficit of \$2.9 billion. When combined, the trade in goods and services deficit reached \$5.0 billion in February, down \$467 million from January.

## Data availability

These monthly trade in services estimates are available on a raw and on a seasonally adjusted basis for four principal categories of international services at the total country level: commercial services, travel, transport and government services.

The experimental estimates are currently published no later than 60 days after the end of the reference month. Ultimately, 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.

The purpose of this new product is to provide more timely indicators on trade in services, supplementing the 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.



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### **Note to readers**

*Because 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 models when up-to-date information is not available. This is in keeping with the methodology used in many countries that produce monthly trade in services data when they lack required information.*

*In general, for most of the commercial services, travel, and some of the transport services, the modelling of monthly estimates follows a three-step approach. First, quarterly values for the upcoming quarter are modelled 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 modelled quarterly services to each month using predicted values of monthly services generated in the second step. Adjustments are also made monthly as new information is made available.*

*A longer summary of the methodologies currently used is 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 the 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, monthly international trade in 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, to provide a more comprehensive measure of Canada's trade activity with the rest of the world on a monthly basis. Estimation 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**

	October 2018	November 2018	December 2018	January 2019	February 2019
	millions of dollars				
<b>Total services, exports</b>	<b>10,294</b>	<b>10,222</b>	<b>10,233</b>	<b>10,275</b>	<b>10,230</b>
Commercial services	6,170	6,102	6,150	6,130	6,168
Travel	2,508	2,507	2,494	2,529	2,494
Transportation	1,483	1,479	1,455	1,481	1,432
Government services	134	134	134	135	136
<b>Total services, imports</b>	<b>12,256</b>	<b>12,301</b>	<b>12,385</b>	<b>12,626</b>	<b>12,305</b>
Commercial services	5,978	5,909	5,715	6,034	5,903
Travel	3,572	3,652	3,796	3,710	3,680
Transportation	2,596	2,630	2,765	2,774	2,613
Government services	110	110	110	109	110
<b>Total services, balances</b>	<b>-1,961</b>	<b>-2,079</b>	<b>-2,152</b>	<b>-2,351</b>	<b>-2,076</b>
Commercial services	192	193	436	96	265
Travel	-1,064	-1,145	-1,302	-1,181	-1,186
Transportation	-1,113	-1,151	-1,311	-1,293	-1,181
Government services	24	24	25	27	26

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

**Definitions, data sources and methods: survey numbers 1534 and 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.

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