

Experimental monthly estimates of international trade in services, May 2019

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

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

In May, exports of services increased \$173 million to \$10.5 billion, while imports were down \$163 million to \$12.0 billion. As a result, Canada's estimated monthly deficit in international trade in services narrowed by \$335 million to \$1.5 billion. By category of services, lower deficits on travel and transportation services accounted for all the reduction in the deficit in May.

The services trade deficit for April, originally published at \$2.0 billion, was revised to \$1.8 billion. Revisions resulted in a reduction of \$171 million in the travel services deficit, and reflect the inclusion of more up-to-date information on the number of travellers.

In comparison, total exports of goods reached \$53.1 billion in May, while imports amounted to \$52.3 billion, resulting in a goods surplus of \$0.8 billion. When combined, the trade in goods and services deficit totalled \$0.7 billion in May, down \$2.2 billion from April.



Note to readers

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 published information on goods.

Methodology

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 coming 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.

More data sources will be studied to evaluate whether they enable better predictions of 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.

By the end of this year, 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. New data tables will be accessible through Statistics Canada's website. 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

	January 2019	February 2019	March 2019	April 2019	May 2019
millions of dollars					
Total services, exports	10,366	10,279	10,311	10,284	10,457
Commercial services	6,185	6,224	6,279	6,250	6,260
Travel	2,480	2,406	2,397	2,366	2,479
Transportation	1,569	1,515	1,499	1,533	1,582
Government services	132	134	135	135	135
Total services, imports	12,405	12,209	12,323	12,116	11,953
Commercial services	5,915	5,785	5,787	5,825	5,836
Travel	3,672	3,679	3,691	3,490	3,351
Transportation	2,705	2,630	2,728	2,681	2,644
Government services	113	115	118	120	121
Total services, balances	-2,038	-1,930	-2,012	-1,831	-1,496
Commercial services	269	439	492	425	424
Travel	-1,191	-1,272	-1,293	-1,124	-872
Transportation	-1,136	-1,115	-1,228	-1,148	-1,062
Government services	20	18	17	16	15

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.

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

To enquire about the concepts, methods or data quality of this release, contact Denis Caron (613-808-2278; denis.caron@canada.ca), International Accounts and Trade Division.