

Experimental monthly estimates of international trade in services, June 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 June, as well as revised figures for January to May 2019.

In June, exports of services decreased \$99 million to \$10.4 billion, while imports were down \$70 million to \$12.4 billion. Most of these reductions came from lower exports and imports of transport services. As a result, Canada's estimated monthly deficit in international trade in services widened by \$30 million to \$2.0 billion.

In comparison, total exports of goods reached \$50.3 billion in June, while imports amounted to \$50.2 billion, resulting in a goods surplus of \$0.1 billion. When combined, the trade in goods and services deficit totalled \$1.9 billion in June, up \$0.5 billion from May.

The services trade deficit for May, originally published at \$1.5 billion, was revised to \$2.0 billion. Revisions resulted in an increase of \$351 million in the travel services deficit, and reflect the inclusion of more up-to-date quarterly travel services figures. The transportation services deficit was also revised up, by \$103 million.



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 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.

Experimental estimates are currently published no later than 60 days after the end of the reference month. As the program is further developed and regularized, monthly international trade in services statistics will eventually be disseminated at the same time as the monthly Canadian international merchandise trade figures, about 35 days after the end of the reference period.

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 in cases where 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.

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, values for the upcoming quarter are estimated using statistical models (auto-regressive integrated moving average). Then, in a second step, indicator series proxying the monthly movement of trade in services are identified through relationships 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 modelled quarterly services on a monthly basis using the predicted values of monthly services generated in the second step. Adjustments are made each month as new information is made available.

A more detailed description of estimation methodology for monthly trade in services 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

	February 2019	March 2019	April 2019	May 2019	June 2019
millions of dollars					
Total services, exports	10,304	10,342	10,517	10,497	10,398
Commercial services	6,240	6,288	6,263	6,251	6,222
Travel services	2,402	2,398	2,550	2,550	2,542
Transportation services	1,523	1,518	1,565	1,560	1,500
Government services	138	139	137	136	134
Total services, imports	12,234	12,355	12,204	12,462	12,392
Commercial services	5,785	5,799	5,837	5,835	5,860
Travel services	3,692	3,696	3,549	3,773	3,815
Transportation services	2,643	2,741	2,692	2,725	2,590
Government services	115	119	126	128	126
Total services, balances	-1,931	-2,012	-1,687	-1,965	-1,995
Commercial services	455	489	427	415	361
Travel services	-1,290	-1,298	-999	-1,223	-1,273
Transportation services	-1,120	-1,223	-1,127	-1,165	-1,091
Government services	24	20	12	8	8

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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