

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

In August, imports of services increased \$198 million to \$12.4 billion, following a \$145 million decrease in July. Exports of services rose \$48 million to \$10.6 billion. As a result, Canada's estimated monthly deficit in international trade in services widened by \$150 million to \$1.8 billion.

The increase in imports was a result of higher payments by Canadian residents for both travel services and transportation services, as commercial services and government services were little changed in August.

The rise in exports came from higher receipts of transportation services reported for the month of August. The increase in both imports and exports of transportation services was driven by higher passenger fares.

In comparison, total imports of goods reached \$51.5 billion in August, while exports totalled \$50.6 billion, resulting in a goods deficit of \$1.0 billion. When combined, the trade balance for goods and services amounted to a deficit of \$2.8 billion in August, down \$276 million from July.

The services trade deficit for July, first reported at \$1.7 billion, was revised down by \$25 million this month. Imports of services for July were revised up by \$17 million, on higher imports of transportation services and commercial services. Exports of services for July were revised up by \$42 million, mostly due to higher commercial services.



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

	April 2019	May 2019	June 2019	July 2019	August 2019
	millions of dollars				
Total services, exports	10,466	10,516	10,412	10,561	10,609
Commercial services	6,303	6,345	6,347	6,357	6,367
Travel services	2,458	2,471	2,436	2,525	2,525
Transportation services	1,568	1,564	1,495	1,547	1,586
Government services	137	136	134	132	131
Total services, imports	12,182	12,284	12,381	12,236	12,434
Commercial services	5,789	5,730	5,889	5,876	5,871
Travel services	3,635	3,772	3,750	3,602	3,740
Transportation services	2,635	2,655	2,614	2,631	2,696
Government services	123	127	128	127	127
Total services, balances	-1,716	-1,767	-1,969	-1,675	-1,825
Commercial services	514	615	458	481	496
Travel services	-1,177	-1,301	-1,314	-1,077	-1,215
Transportation services	-1,066	-1,090	-1,119	-1,084	-1,110
Government services	14	9	6	4	4

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, or to enquire about the concepts, methods or data quality of this release, contact us (toll-free 1-800-263-1136; 514-283-8300; STATCAN.infostats-infostats.STATCAN@canada.ca) or Media Relations (613-951-4636; STATCAN.mediahotline-ligneinfomedias.STATCAN@canada.ca).