

Annual international trade in services, 2021

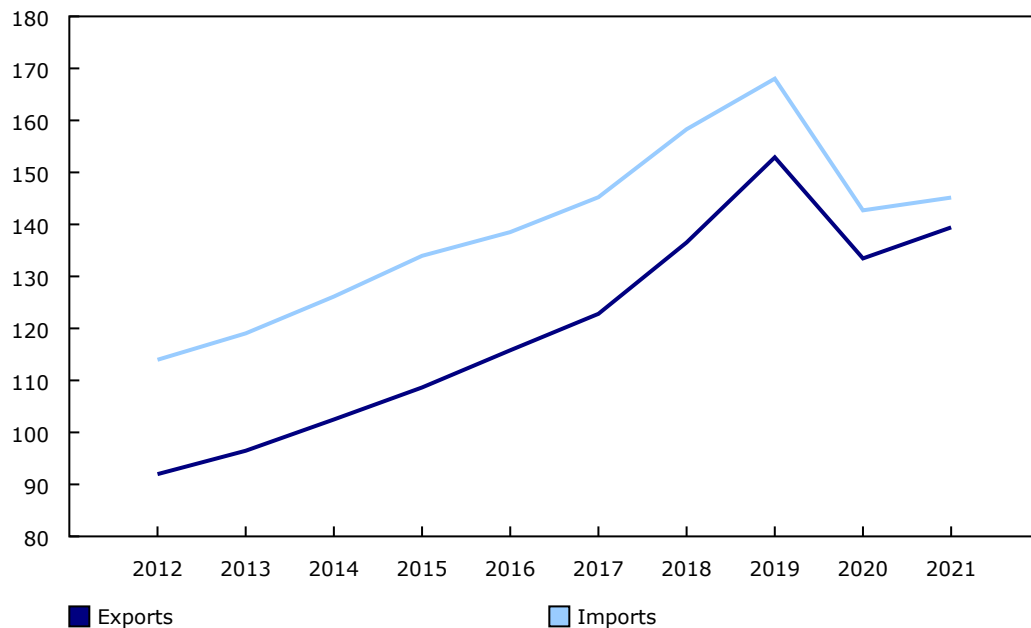
Released at 8:30 a.m. Eastern time in *The Daily*, Thursday, November 10, 2022

Following unprecedented declines in 2020, Canada's exports and imports of services both increased in 2021. Exports of services totalled \$139.4 billion in 2021, a 4.5% gain from 2020. Meanwhile, imports amounted to \$145.2 billion, up by 1.7% compared with 2020. Commercial and transport services both contributed to higher services exports and imports in 2021.

Despite these gains, exports and imports of services remained below their pre-pandemic levels of 2019. The impact of the COVID-19 pandemic on global tourism activities continued to dampen travel activity in 2021, notably imports of travel services by Canadians that were at their lowest levels in over 30 years.

Chart 1 International trade in services

billions of dollars



Source(s): Table 36-10-0007-01.

As a result, Canada's deficit on international transactions in services narrowed from \$9.2 billion in 2020 to \$5.7 billion in 2021, the lowest trade in services deficit since 2005. The travel services balance, traditionally in a deficit position, recorded a second consecutive surplus reaching \$8.2 billion, up by \$6.2 billion. Meanwhile, the transport, commercial, and government services deficits all expanded.

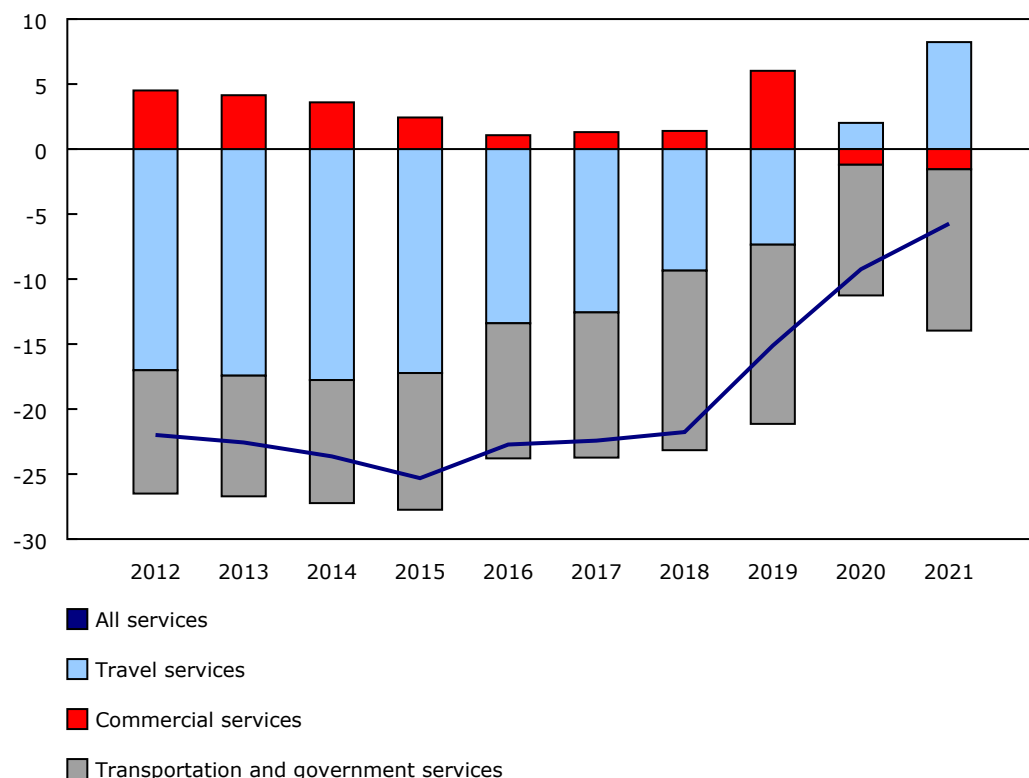
Travel and transportation services are heavily affected by the pandemic

Exports of travel services edged down by \$0.1 billion in 2021 to \$18.1 billion mainly because of the effect of lower expenses incurred by foreign students in Canada. These expenses represented a share of 82.7% of all travel exports in 2021, compared with 40.8% in 2019 before the pandemic. In the meantime, imports fell by \$6.3 billion to \$9.9 billion in 2021 after losing \$30.7 billion in 2020. Because of global travel restrictions put in place in 2020, the number of international travellers entering or returning to Canada has been very low during most of 2021.

Exports of transport services were up by \$1.2 billion in 2021 mainly because of higher receipts from transport of merchandise by water and land. On the other hand, imports of transport services were up by \$3.4 billion, led by higher payments related to the transport of merchandises by water. This increase was partially offset by lower payments related to the transport of passengers. Shipping costs rose sharply at the global level in 2021, notably for water transport, and this largely contributed to the increase in transport services. Despite these increases, both exports and imports of transport services registered in 2021 were still about 20% lower than their respective levels of 2019.

Chart 2
Services balances

billions of dollars



Source(s): Tables [36-10-0007-01](#), [36-10-0004-01](#) and [36-10-0006-01](#).

Management services account for the largest share of commercial services exports and imports

Both commercial services imports and exports increased in 2021. Imports rose by 5.1% to \$106.6 billion while exports were up by 4.8% to \$105.0 billion.

For imports, the largest increases were in charges for the use of intellectual property, research and development, and advertising and related services. A decline in imports of financial services moderated the overall increase as fees related to the issuance of Canadian bonds abroad were down after reaching a record-high in 2020. Together, management services and charges for the use of intellectual property accounted for nearly 40% of all imports of commercial services in 2021, two categories for which transactions are mostly conducted between affiliated parties.

On the exports side, charges for the use of intellectual property, financial services, and architectural, engineering, scientific, and other technical services recorded the largest gains in 2021 was still management services. Lower exports of maintenance and repair services partially offset the overall increase because of reduced activities in the aviation sector. The top category of commercial services exports was still management services in 2021. However, computer and information services has posted the largest growth over the recent past years and accounted for 17.8% of all exports in 2021, up from a share of 10.6% in 2016.

Exports of services increase in most regions

On a geographical basis, exports of services were up in most major regions in 2021. Meanwhile, although total imports increased, a reduction was recorded for the United States. While exports to the United States were up by 5.9%, imports edged down by 0.3% mainly because of lower travel services.

Exports to countries other than the United States advanced by 2.7% on stronger trade in commercial services, notably for charges for use of intellectual property as well as architectural, engineering, scientific, and other technical services. Imports from countries other than the United States were up by 4.5%, led by commercial and transport services. However, imports of travel services were down, notably from Central America and the Caribbean.

The United States remained Canada's largest trading partner in 2021, accounting for 55.7% of total exports and 56.9% of total imports of services. In comparison, the United States represented a larger share of Canada's goods exports (74.9%) and imports (62.2%).

Exports of information and communication technology services increase

In 2021, Canada's exports of information and communication technology (ICT) services which include telecommunication services, computer services, and charges for the use of intellectual property related to computer software were up by 5.7% to \$23.4 billion. ICT services represented 16.7% of all exports of services in 2021. About two-thirds were exported to the United States and one-sixth to European Union countries, in particular to the United Kingdom, France, Germany, and Ireland.

Imports of ICT services totalled \$17.2 billion in 2021, up by 5.2% from 2020 and representing 11.8% of all services imports. Slightly more than 60% of these imports were from the United States and 20.0% were from European Union countries, with Ireland being the largest partner.

Note to readers

This is the annual release of Canada's detailed international transactions in services. This release contains details by country and service category for international transactions in services. Trade in services covers transactions in travel services, transportation services, a range of business and professional services (referred to as commercial services), and government services.

The results for the 2021 reference year are preliminary and were derived from a combination of the latest 2020 benchmark surveys and 2021 quarterly surveys.

Revisions and coverage

Generally, revisions reflect the integration of the most recent information from surveys and administrative data sources. In this release, revisions were applied to reference years 2019 and 2020.

More specifically, the coverage of enterprises in the digital economy continued to be enhanced, as was coverage of imports of digital products and services. Notably, starting from reference year 2020, estimates on the value of digital services purchased by Canadian households have been refined through the use of new administrative data. Revisions were mostly related to audio and video streaming (included in audiovisual services) and downloaded software activities (part of computer services). Also, starting with reference year 2020, the coverage of imports of advertising services has been expanded significantly to better capture the extent of Canadian payments to foreign entities for online advertising made on social media, Internet browsers, etc.

This expanded coverage may introduce breaks in more recent years for some detailed statistical series. These series will eventually be revisited to ensure consistency and coherence over time. These changes are part of a broader initiative to better measure digital services provided and consumed by Canadians. This initiative is in keeping with the work conducted at the international level to enhance the methodologies, and share expertise and best practices in the measurement of such emerging issues.

Table 1
Trade in services by category

	2015	2016	2017	2018	2019	2020	2021
	millions of dollars						
Total services, exports	108,641	115,792	122,800	136,526	152,902	133,458	139,423
Travel services	25,996	29,961	32,446	35,391	39,547	18,217	18,123
Commercial services	65,524	67,913	71,292	81,370	92,991	100,231	105,041
Transportation services	15,556	16,317	17,403	18,082	18,581	13,684	14,842
Government services	1,565	1,600	1,658	1,683	1,783	1,325	1,417
Total services, imports	133,956	138,519	145,229	158,295	168,023	142,702	145,160
Travel services	43,223	43,360	45,010	44,740	46,901	16,203	9,895
Commercial services	63,095	66,846	69,988	79,976	86,972	101,438	106,596
Transportation services	26,367	27,018	28,960	32,033	32,616	23,547	26,973
Government services	1,270	1,295	1,271	1,546	1,535	1,514	1,696
Total services, balances	-25,315	-22,728	-22,429	-21,769	-15,121	-9,244	-5,737
Travel services	-17,228	-13,399	-12,565	-9,349	-7,354	2,014	8,228
Commercial services	2,430	1,067	1,304	1,394	6,019	-1,207	-1,555
Transportation services	-10,811	-10,701	-11,556	-13,951	-14,034	-9,863	-12,132
Government services	294	305	388	137	248	-188	-278

Source(s): Tables [36-10-0004-01](#), [36-10-0005-01](#), [36-10-0006-01](#) and [36-10-0007-01](#).

Table 2
Trade in services by region

	2015	2016	2017	2018	2019	2020	2021
	millions of dollars						
All regions, services exports	108,641	115,792	122,800	136,526	152,902	133,458	139,423
United States	59,633	63,835	67,753	74,164	81,679	73,336	77,669
Europe	20,850	22,846	22,426	26,527	28,975	25,229	26,987
Central and East Asia	13,747	15,532	17,114	20,179	23,779	19,188	19,297
All other regions	14,411	13,579	15,507	15,656	18,469	15,705	15,470
All regions, services imports	133,956	138,519	145,229	158,295	168,023	142,702	145,160
United States	73,494	75,866	79,251	85,963	92,179	82,898	82,651
Europe	27,448	28,995	31,024	33,413	35,213	28,859	30,563
Central and East Asia	15,556	16,176	16,738	19,722	21,312	16,961	19,439
All other regions	17,458	17,482	18,216	19,197	19,319	13,984	12,507
All regions, services balances	-25,315	-22,728	-22,429	-21,769	-15,121	-9,244	-5,737
United States	-13,861	-12,030	-11,498	-11,799	-10,499	-9,562	-4,982
Europe	-6,599	-6,149	-8,598	-6,887	-6,238	-3,630	-3,575
Central and East Asia	-1,808	-643	376	456	2,467	2,227	-142
All other regions	-3,047	-3,906	-2,709	-3,539	-851	1,721	2,962

Source(s): Table [36-10-0007-01](#).

Available tables: [12-10-0141-01](#), [12-10-0145-01](#) and [36-10-0004-01](#) to [36-10-0007-01](#) .

Definitions, data sources and methods: survey number [1536](#).

The updated *Canada and the World Statistics Hub* ([13-609-X](#)) is available online. It illustrates the nature and extent of Canada's economic and financial relationship with the world using interactive charts 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, Japan, Belgium, Italy, the Netherlands and Spain.

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; infostats@statcan.gc.ca) or Media Relations (statcan.mediahotline-ligneinfomedias.statcan@statcan.gc.ca).