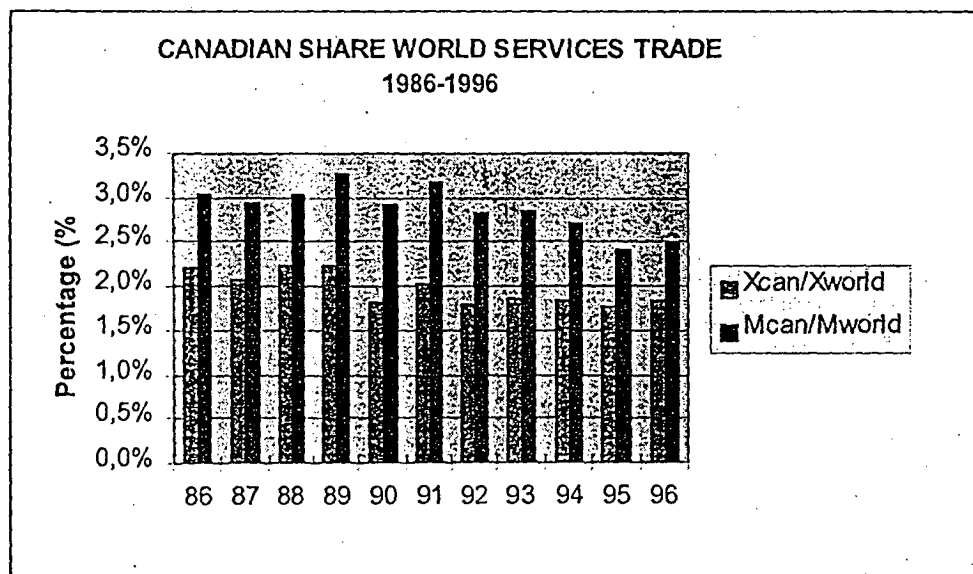


SECTION 5

CANADIAN TRADE IN SERVICES

This next section focuses on the trends and characteristics of Canadian trade in services.⁹² Chart 6 illustrates that Canada's share of world exports of services has been relatively steady since 1991 whereas the share of imports began to increase in 1996 after three years of decline. Canada's share of global services exports was 1.8% while its share of imports was 2.5% in 1996.

CHART 6



Source: WTO Annual Report 1997

⁹² Statistics Canada compiles services data based upon information provided in surveys by Canadian companies (the coverage of services statistics obtained from surveys is supplemented by administrative sources. The remaining services are estimated by benchmark studies and/or derived from other indicators.) Statistics collected are processed and reported in various categories of services transactions, exports (receipts) and imports (payments). Statistics Canada data published in *Canada's International Transactions in Services* are based on the IMF Fifth Balance of Payments Manual (BPM5). It has adopted the BPM5 classification and reorganized and reclassified services data to conform to those of the IMF. This new system is aimed at facilitating international comparison of services transactions.

In recent years, Statistics Canada has made huge efforts to improve the measurement of services statistics, especially for commercial services. An extended statistical coverage of sectors such as insurance and legal services has permitted the Agency to obtain more accurate information on services sectors. Efforts will continue to be made to improve statistics of the current thirty-six breakouts of services sectors to further include sectors such as accounting, commercial education, etc. Their next major challenge will be to attempt to measure sales of Canadian foreign affiliates that are not currently measured in balance of payments statistics.