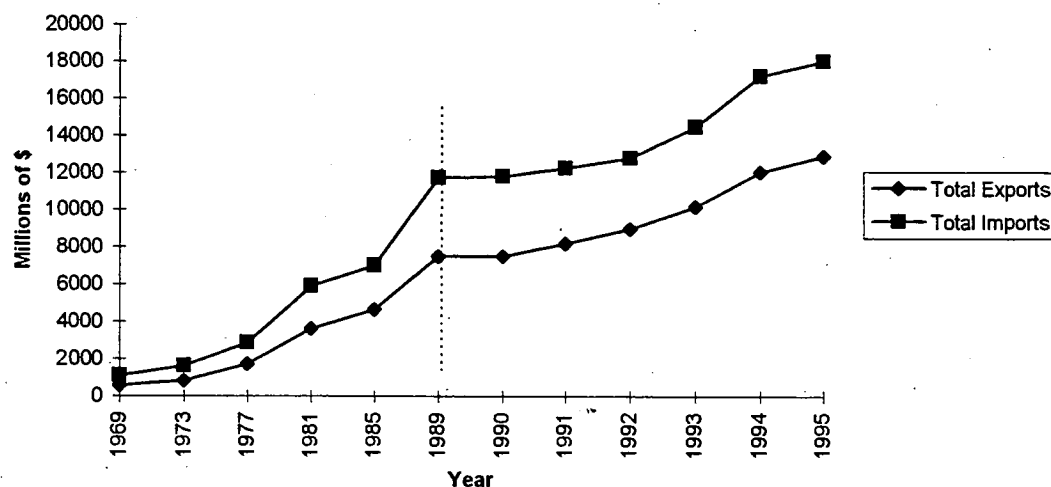


7.1 Intra-industry Trade in Business Services.

Chart 5 below presents evidence of an upward trend in Canada's imports and exports of commercial services for the 1969 to 1995 period. Since 1969, Canada has consistently run a trade deficit in commercial services. What does this pattern imply for the resource or non-resource base of Canadian businesses?

Chart 5: Total Canadian Exports and Imports of Commercial Services



During 1989-94, Canadian exports of all commercial services grew at the average year-over-year rate of 9%. In the absence of detailed data on trade in services by industry, we have compiled Canadian commercial services trade by categories and present their recent behaviour in Chart 6 below. We define the categories (as well as their export and import shares) as follows:

- **Tele-computers:** represents trade in communication, computer and information services. (This category had an average share of 12% in Canadian exports of all commercial services during the 1989-94 period, relative to its 10% share during the 1983-88 years. However, the import share also increased to about 10.5% during 1989-94 from its 6.5% share during the 1983-88 period.)