

MARKET PROFILE — SERVICES

CHAPTER 1: OVERVIEW OF THE SECTOR

[This chapter contains basic information about the sector and its sub-sectors.]

Section A: Definition of the sector

[This section is intended to offer a concise description of the sector, its economic role and its component sub-sectors or specific products. The importance of the sector in the country and how promising it is in terms of future growth prospects.]

Description of the services sector

- How is the services sector defined?

[This is a critical determination because, unlike the goods sector where there is a common global standard (e.g. the Harmonized System) data concerning the services sector does not conform to a common standard. For example, data about a specific service, even within countries, can be recorded in one category for the current account — imports and exports — and be recorded in a different category, in terms of domestic output. In Canada, imports and exports are defined according to five broad industry classifications: travel, freight and shipping, business services, government services and other services. Comparable domestic categories for these current account categories are not available in all cases. The standards which will allow meaningful analysis of data are only now being developed. The corresponding numbers for these evolving standards will not be available for some time. Therefore, a careful definition must be made which allows for the optimal use of existing data within Canada and the target country for opportunity identification and comparative purposes.]

- What are the characteristics of the service sector?
- What are the principle sub-sectors and specific services covered in the sector?
- What needs do the services fulfill?
- How is the services sector positioned within the overall economy?
 - identify the growth patterns of this sector relative to the economy as a whole (in terms of employment and output)
- Describe the nature of the services (essential, non-essential, desirable)
 - the stage they are along the “service life cycle”

Size of the total market

- What is the total contribution to GDP of the services sector?
- How does the market of the target country compare to the Canadian market for the same sector in terms of annual output and as a percentage of the economy?

Recent trends

- Is the sector growing or contracting?
- What will be the effect of increased out-sourcing of “non-core” services from manufacturing and service companies?
- What is the impact of multinational development of service industries?