

One of the most important components related to commercial services is trade with foreign affiliates. Table 7 shows the relationship between Canadian trade of commercial services by percentage of trade with foreign affiliates and by country of control. There are several interesting features to be noticed in the table. First, for the years 1993 and 1996, Canada ran a global trade deficit with affiliated companies for commercial services (i.e. there are more trade from foreign affiliates in Canada than from Canadian affiliates abroad) as shown by the numbers in brackets.

Second, since 1993 there has been a marginal decrease of Canadian exports and imports of commercial services with affiliates. The share of Canadian exports to all affiliates abroad remained fairly steady at 35% between 1993 and 1996 while imports declined from 51.2% to 50%. Since 1993, there have been generally more arms' length transactions by Canada with its trading partners, i.e., more exports and imports are being traded with non-affiliated enterprises, except for exports with the US.

TABLE 7

**COMMERCIAL SERVICES TRADE WITH AFFILIATES BY COUNTRY OF CONTROL
AND MAIN TRADING PARTNERS**
(Billion of Can \$ and percentage)

	1993		1996	
Total trade of commercial services	Exports 13.1\$B	Imports 16.9\$B	Exports 19.5\$B	Imports 22.5\$B
Share of commercial services trade by main trading partners				
-All countries	100% (35.6)	100% (51.2)	100% (35.4)	100% (49.7)
-United States	63.5% (39.9)	71.4% (59.0)	62.2% (41.6)	72.7% (56.2)
-European Union	11.7% (37.6)	12.3% (41.2)	13.7% (35.5)	11.8% (36.8)
-Other countries	24.8% (23.8)	16.3% (24.4)	24.1% (19.2)	15.5% (28.7)
Share of commercial services trade by country of control				
-Canada	68.8% (21.4)	45.6% (14.3)	67.7% (23.2)	44.7% (12.6)
-United States	21.2% (66.8)	43.7% (85.0)	22.1% (60.0)	42.3% (84.7)
-Other countries	10.0% (67.0)	10.7% (70.7)	10.2% (63.2)	13.0% (63.0)

Source: Statistics Canada # 67-203

N.B.: Numbers in brackets represent the percentage of foreign affiliates.