

This is because, as noted above, our merchandise export statistics for the United States are based on U.S. import statistics. Import declarations must be filed in order for goods to enter the United States. Our export statistics for the rest of the world, however, are based on export declarations which are increasingly not filed to a significant extent. In addition, some of our exports recorded as exports to the United States are in fact being shipped through the United States to other markets. In other words, it is certain that the U.S. took modestly less than the 80% of total merchandise exports reported by Statistics Canada in 1993. As a result, our perception of changes in Canadian trade patterns has been somewhat distorted, particularly when attempting to track trends in our trade relations with countries other than the U.S..

Thus, reported statistics may be modestly misleading because of problems in export reporting. If it is assumed that unreported exports and exports transhipped through a third country to their final destination were distributed throughout the world in patterns approximating those of our recorded exports, then the real changes in the shares of total exports will be somewhat different from those presented officially. The shares of total Canadian exports to Asia Pacific, Latin America and the Middle East likely declined modestly less than is shown in the available data. The effect of these considerations for Europe is ambiguous. Without adequate information, we cannot measure the relative effects of export under-reporting, which would increase Europe's export share, and of export transshipment through Europe to third markets, which would decrease Europe's export share.

● Business Services

For their part, services statistics have been collected for only a relatively short time and are certainly less standardized than merchandise trade statistics. The data problems with services trade are probably greater than the difficulties with merchandise trade. Services trade is broken down into several broad categories: business services, travel, freight and shipping, government services and "other" services. Canadian services trade statistics are only available at any useful level of geographic detail for business services and travel. These two categories make up the greater part of Canadian services trade. In this paper, I have used Statistics Canada business services statistics which are part of the Balance of Payments statistics. I have used Statistics Canada data on tourism to look at travel services trade because these statistics are available on a fairly detailed, geographic level.

The GATT Secretariat compiles statistics on world business services trade and has published some interesting material on problems with the data. There are limits to the usefulness of these statistics, as they are based on national statistics