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Tourism makes a significant contribution to Canada's trade in services. The tourism industry comprises a number of business sectors which rely totally or partially on tourism for their revenues. The accommodation, transportation, travel and tour operation sectors rely for the major part on tourism, and the food service, amusement and recreation sectors are dependent on tourism for 15 to 20 per cent of their revenues.

Canada and the United States are each other's most important tourism customers. U.S. visitors account for 85 to 90 per cent of all the tourism revenue generated by foreign visitors in Canada. For many provinces, tourism is an important part of the provincial economy. Estimated tourism revenue from international visitors and the percentage from the United States by province and territory are shown in Table 3.6.

Current statistics do not capture all services which support the sales of goods. For example, sales of services embodied in goods are captured in the value of goods exports. As well, service trade statistics do not account fully for dividends, profits and other remittances to Canada by subsidiaries operating in the United States selling services which require direct contact between the producer and consumer. Thus, Canada's trade in services with the United States is much greater than Table 3.5 indicates. In light of the dynamic, fast expanding nature of trade in services, their inclusion is an essential and integral part of the Canada-U.S. Free Trade Agreement.