

fastest growing category of services imports. Although not nearly as high as for merchandise trade, the U.S. share of our Commercial Services trade is the highest among major categories of services trade at 61.0 percent for exports and 73.0 percent for imports. The U.S. also accounts for 173.0 percent of our deficit in Commercial Services trade, meaning that Canada runs a trade surplus with countries other than the U.S. And while this deficit has grown considerably, from \$3.2 billion in 1989 to \$6.2 billion in 2002, as a share of our total commercial services trade with the U.S., it has actually declined substantially, from 22.4 percent to 14.7 percent.

Table 2.3.2
Canada's Transportation Trade with the U.S.

	Millions of current dollars			CAGR*, %			Share of World, %		
	1989	1994	2002	1989-94	1994-02	1989-02	1989	1994	2002
Exports	1,911	3,301	5,802	11.55	7.30	8.92	40.65	49.43	52.94
Imports	2,392	4,004	5,558	10.85	4.18	6.70	38.38	38.03	38.78
Balance	-480	-703	244	N/A	N/A	N/A	31.33	18.26	-7.24

* Compound annual growth rate

Source: Statistics Canada, Balance of Payments

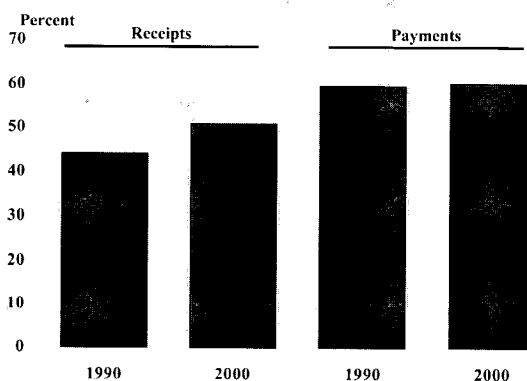
Table 2.3.3
Canada's Commercial Services Trade with the U.S.

	Millions of current dollars			CAGR*, %			Share of World, %		
	1989	1994	2002	1989-94	1994-02	1989-02	1989	1994	2002
Exports	5,547	9,843	18,828	12.15	8.45	9.86	65.42	63.54	64.23
Imports	8,747	13,706	24,022	9.40	7.27	8.08	72.92	69.92	72.8
Balance	-3,200	-3,862	-5,194	N/A	N/A	N/A	91.01	93.97	140.64

* Compound annual growth rate

Source: Statistics Canada, Balance of Payments

Among our commercial services trade with the U.S., Management & Business services account for the largest share of both exports (21.8 percent) and imports (29.4 percent), and while our trade deficit has shrunk, it is still by far the largest within commercial services. On the other hand, R&D services have been among the fastest growing component, posting average annual growth rates of 11.5 percent of exports and 12.5 percent for imports, both outpacing the average growth rates for merchandise trade. This sector also posted, by far, the largest surplus within commercial services. Related to R&D, Royalty

Figure 2.3.9
Commercial Services Trade with U.S. by Affiliates


Source: Trade and Economic Analysis Division (EET), DFAIT
Data: Statistics Canada