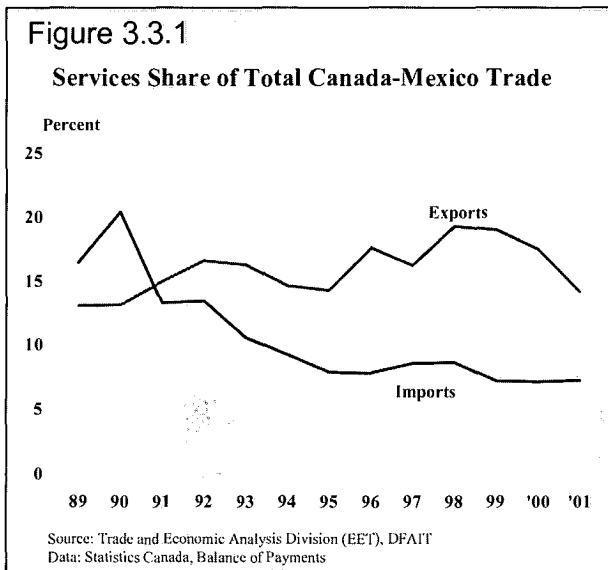


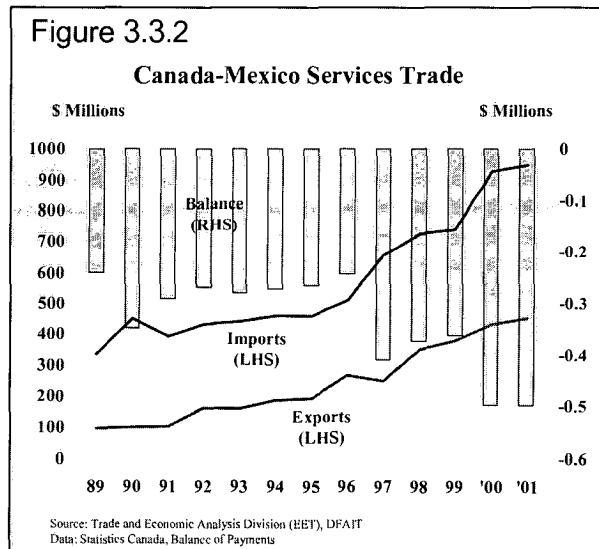
3.3 SERVICES TRADE³³



Unlike Canada's service exports to the U.S., services account for a relatively large and growing share of Canada's exports to Mexico. In 2001, 14.1 percent of Canada's exports to Mexico were services, up from 13.0 percent in 1989. The opposite is true for imports, however, with the share of services falling almost 9.0 percentage points between 1989 and 2001 and now accounting for only 7.2 percent of our total imports from Mexico. It was more the result of a rapid increase in merchandise imports from Mexico over this period, rather than slow growth of services, that contributed to this observed decline.

have increased tremendously. Exports more than quadrupled since 1989, to reach \$453 million in 2001, while imports more than doubled to \$950 million. As has been reported throughout this report, Canada still imports far more than it exports to Mexico with our trade deficit in 2001 exceeding our exports. Overall, Canada's services trade with Mexico outpaced that with other countries as can be seen from Mexico's rising share of our total services trade.

Similar to trends in trade with other countries, Commercial services is the fastest growing and largest sector of Canada's services exports to Mexico, accounting for 39.7 percent of our total services exports in 2001, up from about one-third in 1989. On the import side, however, Travel accounts for nearly four fifths of Canada's services imports from Mexico.



³³ The most current data for services trade with Mexico at the time of printing was 2001.