

British Columbia Trade in Services Methodology

SUPPLEMENTARY INFORMATION
FOR TRADE IN SERVICES
TABLES AND REPORTS



BCStats

Copyright © 2025, Province of British Columbia. All rights reserved.

This material is owned by the Government of British Columbia and protected by copyright law. It may not be reproduced or redistributed without the prior written permission of the Province of British Columbia. To request permission to reproduce all or part of this material, please complete the copyright permission request form available at <https://www2.gov.bc.ca/gov/content/home/copyright>.

Contents

- DEFINITION AND APPROACH..... 4
 - Commercial Services 4
 - Government Services 6
 - Travel Services..... 6
 - Transportation Services 7

- METHODOLOGY..... 8
 - Commercial Services 9
 - Government Services 9
 - Travel Services..... 9
 - Transportation Services 10

- WORLD REGIONS..... 11

- SERVICES..... 12

Definition and Approach

Services cover a wide variety of transactions on products that are generally intangible in nature. While international trade in services is a major part of the economy, it is also inherently difficult to measure. Unlike physical goods, services aren't reported by customs officials when they cross political borders. Nevertheless, Statistics Canada gathers information from many sources and this report estimates B.C.'s share of it.

Based on surveys filled out by companies and travellers and a wide variety of administrative records, Statistics Canada produces estimates of the value of the nation's international transactions in services in its annual international trade in services data release. Using a classification system established by the United Nations to facilitate international comparisons, Statistics Canada's groups services into four broad categories (commercial services, government services, travel services and transportation services) and numerous sub-categories.

This report uses those estimates of international trade in services as a foundation. It estimates B.C.'s portion using a custom methodology and presents the results in the same scheme as Statistics Canada's annual international trade in services data release.

Commercial Services

Commercial services cover international transactions primarily by non-governmental entities for services which are not covered in other categories. They include:

- *Maintenance and repair services*, such as for office and accounting equipment, transport machinery.
- *Telecommunications services*, which include fees for telephone, internet telecommunications, broadcasting, programming and programme distribution services.
- *Construction services*, mainly for construction projects done abroad by Canadian companies and construction services provided in Canada by non-residents.
- *Insurance services*, such as life insurance, freight insurance, accident and health insurance, motor vehicle insurance, property insurance, travel insurance, and

reinsurance. Also included are pension services for individual and group pensions.

- *Financial services*, not including insurance and pension services, such as investment banking services.
- *Computer and information services*, which include charges for computer software such as original software or online software/games/downloads. This category includes IT consulting, design and development for applications, networks and systems; hosting and information technology infrastructure; network management services; maintenance and repair services of computers and peripheral equipment, and education and training services. It includes fees for news agency services such as online newspapers and periodicals, directories and mailing lists, adult content, web search portal content, and original compilations of facts or information.
- *Charges for the use of intellectual property*, including for royalties and licences, patents and industrial designs, trademarks, and franchises.
- *Non-financial commissions*, also called *trade-related services*, includes activities such as international wholesaling or retailing (buying and selling goods, internet retail trade), commodities trading, etc.
- *Equipment rentals*, also called *operating leasing services*, which may be for machinery and equipment (typically without an operator), household items, vehicles, etc.
- *Management services*, includes administrative, business and management consulting and public relations services, legal services, accounting, auditing, book keeping, tax consultancy, etc.
- *Advertising and related services*, such as provision of advertising space or time, advertising and related photography services, market research and public opinion polling.
- *Research and development services*, which are provision of customized and non-customized research and experimental development in physical sciences, natural sciences, social science, industrial design services, and technical testing and analysis services. Also includes the sale of proprietary rights arising from research and development.
- *Architecture, engineering, and other technical services*, which may include scientific services such as those incidental to agriculture, forestry, fishing, mining and oil

and gas extraction, waste treatment and decontamination; may include manufacturing services on physical inputs owned by others (contract production).

- *Miscellaneous services to businesses*, which may include trade services of buildings, real estate services on a fee or contract basis, event photography, interior design, translations, employment services, investigation and security services, cleaning services, credit reporting services.
- *Audiovisual services*, including online audio and video content, and licenses to reproduce and/or distribute audiovisual products.
- *Other personal, cultural and recreational services*, including performing arts and other live entertainment, event presentation and promotions, services of performing and other artists, online books, health services, heritage and recreational services, education and training services, sports and recreational sports, services of athletes, social services, domestic services, etc.

Government Services

Government services cover international transactions arising largely from official representation and military activities, as well as commercial activities of governments not allocated to other accounts. They include expenses of staff at embassies and missions, and of individuals stationed on military bases. Exports chiefly comprise expenditures in Canada by foreign governments and their staff recruited abroad. Exports also include overhead expenses to administer official assistance. Imports cover expenditures abroad of both the Canadian federal and provincial governments and their staff recruited in Canada.

Travel Services

Travel services cover expenses for the acquisition of goods and services by foreigners while travelling outside their home country, primarily of food, lodging, recreation, gifts and other incidentals, as well as local transportation in the country of travel. It excludes passenger fares for international travel, which are included in transportation services.

Spending by non-residents in Canada is recorded as exports while spending by Canadians abroad is recorded as imports.

For the United States, separate estimates are made based on a person's reason for travel: business, education, health, or personal reasons.

The main sources used to estimate travel services are surveys completed by Canadian and non-Canadian travellers, the National Travel Survey and Visitor Travel Survey, respectively, in combination with Frontier Counts. Statistics on enrollments are used to estimate spending by foreign students from the United States.

Transportation Services

Transportation covers international revenues (exports) and expenses (imports) arising from the transportation of goods and of cross-border travellers, as well as from supporting services related to transportation. It includes the cross-border air transport of goods and passengers, water transport (largely of goods), and land and other transport. The latter includes transport of goods and passengers by road as well as miscellaneous types of transportation such as cross-border electricity transmission, pipelines, and post and courier services.

Methodology

The main sources of data for this report are Statistics Canada's *annual international trade in services* release ([link](#)), the provincial *supply-use tables*, and B.C.'s *official economic accounts*. Supplementary data sources are also used, as summarized below. These estimates are preliminary and may be subject to revision as the methodology is refined and/or more information becomes available.

Statistics Canada's *trade in services* release groups services into four broad categories (commercial services, government services, travel services and transportation services) and numerous sub-categories and gives estimates for transactions with specific countries. Notably this source gives estimates only for Canada as a whole. This report estimates B.C.'s portion and presents its results in the same classification scheme. This classification scheme is based on Central Product Classification (CPC), developed by the United Nations to facilitate international comparisons.

The *supply-use tables* are the most detailed picture we have of the Canadian and provincial economies and are integral to the System of National Accounts. This report uses them as the first step to estimate B.C.'s share of total Canadian trade in services. For each category and sub-category of trade in services we assemble similar groups in the supply-use tables and compare B.C.'s export and import of those to the national totals. The supply-use tables don't become available until almost three years after the reference date, so a major assumption we rely on is that B.C.'s shares haven't changed significantly in the two most recent reference years.

Additional data sources include trade in goods by mode of transport, Air Canada revenue data frontier accounts, travel surveys, visitor surveys and education enrollment data. We take advantage of the best available data to allocate and adjust the B.C. estimates for the various categories and sub-categories of trade in services with specific countries and regions.

Finally, export totals are adjusted to match the estimates of international service imports and exports found in B.C.'s official economic accounts of gross domestic product.

Commercial Services

BC Stats' methodology of estimating BC's exports and imports of commercial services to particular countries takes available data from Statistics Canada's surveys of international transactions in commercial services and estimates the B.C. portion using (1) the supply-use tables' ratios of BC-to-Canada's exports of a given service, (2) B.C. service exports and imports by industry to the U.S. and areas outside the U.S., and (3) normalizes it to the components of B.C.'s official GDP. The assumptions we rely on are that (1) B.C.'s shares of exports for particular services haven't changed significantly since the latest reference year in the supply-use tables; and (2) that, because of limitations in data sources, B.C.'s share of Canadian trade is the same for all non-U.S. countries.

Government Services

Government services include services purchased by embassies or military bases located abroad and services purchased from foreign providers by any level of the Canadian government. Government services also cover services sold to non-residents by the government such as visas and working permits.

The estimate of BC's exports and imports of government services to specific countries uses the same method as for trade in commercial services.

Travel Services

Travel services cover expenses for the acquisition of goods and services by foreigners while travelling outside their home country. Spending by non-residents in Canada is recorded as exports while spending by Canadians abroad is imports.

However, the cost of international transportation (for example plane tickets between Canada and Europe) is accounted as transportation services (passenger fares) rather than travel services.

For the United States, Separate estimates are made based on a person's reason for travel, that is: business, education, health, or personal reasons.

B.C.'s shares with particular countries are calculated using multiple methods, including proportions calculated using the Visitor Travel Survey, the National Travel Survey, the Frontier Counts program, and counts of foreign postsecondary student enrolment (for the U.S. and non-U.S.). The calculated totals are normalized so that they are compatible with the estimate derived from the supply-use tables and B.C.'s official GDP estimate of trade in services. Estimates for travel services rely on the assumption that the various surveys used accurately reflect the spending habits, reasons for travel and destinations of foreign and Canadian travellers.

Transportation Services

B.C.'s shares for the United States are derived using trade in good by mode of transport, the National Travel Survey, the Frontier Counts program, and counts of foreign postsecondary student enrolment. B.C.'s shares for individual countries are derived using trade in goods by mode of transport data. The calculated totals are normalized so that they add up to the total estimated according to both B.C.'s share of total Canadian travel services (as estimated by ratios derived from the supply-use tables), and B.C.'s official GDP estimate of trade in services. The assumptions we rely on are that the supply-use tables accurately reflect B.C.'s share of trade in travel services by reason of travel; and that the various source surveys accurately reflect the spending habits, reasons for travel and destinations of foreign and Canadian travellers.

World Regions

REGIONS AND COUNTRIES

United States

Mexico

United Kingdom

Australia

New Zealand

Switzerland

EUROPEAN UNION

Austria

Belgium

Bulgaria

Croatia

Cyprus

Czech Republic

Denmark

Estonia

Finland

France

Germany

Greece

Hungary

Ireland

Italy

Latvia

Lithuania

Luxembourg

Malta

Netherlands

Poland

Portugal

Romania

Slovakia

Slovenia

Spain

Sweden

ASIA

Hong Kong

India

Indonesia

Japan

Mainland China

Malaysia

Pakistan

Philippines

South Korea

Singapore

Taiwan

Thailand

Vietnam

Services

SERVICE SUB SECTORS AND THEIR COMPONENTS

COMMERCIAL

- Maintenance and Repair
- Telecommunications
- Construction
- Insurance
- Financial
- Computer and Information
- Charges for the Use of Intellectual Property
- Non-Financial Commissions
- Equipment Rentals
- Management
- Advertising
- Research and Development
- Architecture, Engineering, Other Technical
- Miscellaneous Services to Businesses
- Audio-Visual
- Other Personal, Cultural and Recreational.

GOVERNMENT

TRANSPORTATION

- Water Transport
- Air Transport
- Land and Other Transport

TRAVEL

- Business Travel
- Health-Related Travel
- Education-Related Travel
- Other Personal Travel



BCStats

BC Stats is the provincial government's leader in statistical and economic research, information and analysis essential for evidence-based decision-making. The goal is to increase overall business intelligence—information decision makers can use.

9410 Stn Prov Govt
Victoria, B.C.
V8V 9V1

Contact Us:

<https://dpdd.atlassian.net/servicedesk/customer/portal/12>

Web:

<https://www2.gov.bc.ca/gov/content/data/statistics/bc-stats>