

Monthly Trade Bulletin

Volume 3 Number 12

February 2002

Key Monthly Trade Indicators (December 2001)

Highlights

- With merchandise imports falling faster than exports, Canada's overall trade surplus with the world increased in December.
- Similarly, merchandise imports from the U.S. fell faster than merchandise exports to the U.S., resulting in a widening of the bilateral trade surplus in December.
- The Canadian dollar lost nearly 0.8 US¢ in value over the month as it fell to a value that was 3.9 US¢ below its level of December 2000.

	\$ millions	% change over	
		previous month	previous year
Exports	32,014	-1.2	-13.7
- Exports to U.S.	26,803	-0.1	-15.7
Imports	27,474	-1.8	-11.4
- Imports from U.S.	20,039	-1.6	-11.2
Trade Balance*	4,540	4,414	6,133
- Balance with U.S.*	6,763	6,476	9,208
Commodity Prices**	87.8	-3.4	-27.1
Canadian Dollar (US¢)*	62.8	63.6	66.7
Export Prices***	101.4	-1.4	-11.8
Import Prices***	104.6	-1.0	-1.1

* Data in levels only.

** Index (1982-90 = 100)

*** Index 1997 = 100

Source: DFAIT compilations based on Statistics Canada data.

This Month's Feature Report: Canada's Trade Linkages with the U.S. North-East

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Ministère des Affaires étrangères
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Industry
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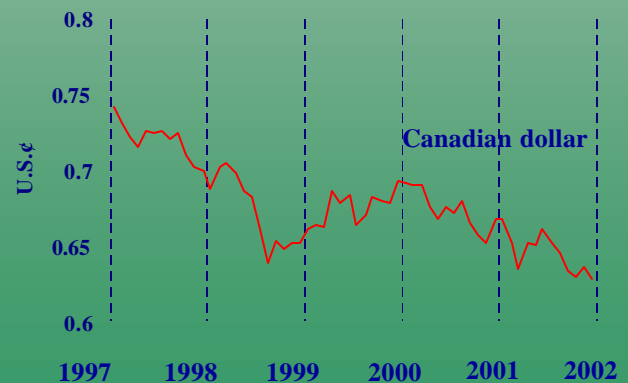
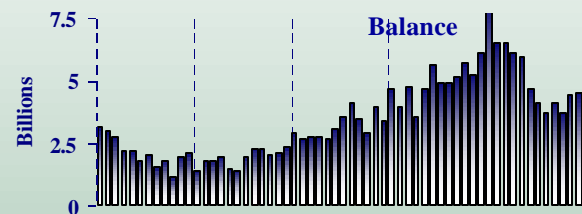
Merchandise Trade

The overall trade balance rises ...

- The overall trade surplus was up \$126 million dollars to \$4.5 billion in December.
 - ▶ The monthly surplus with the U.S. widened in December after two monthly contractions. The balance rose \$287 million to just below \$6.8 billion in December.
- Monthly trade balances with all other major trading partners deteriorated over the month, and remain in deficit. Our deficit with the EU widened \$370 million to \$1.25 billion for December, while the balance with Japan broadened some \$59 million to a \$168 million deficit.

... while the value of the Canadian dollar resumed its flight downwards

- The Canadian dollar fell almost 0.8 US¢ in value over the month of December, to settle at a value that is more than 3.9 US¢ lower than its level in December 2000.
- In lock-step with the decline in the value of the Canadian dollar, export, import, and commodity prices fell across the board.



Source: Statistics Canada, Bank of Canada

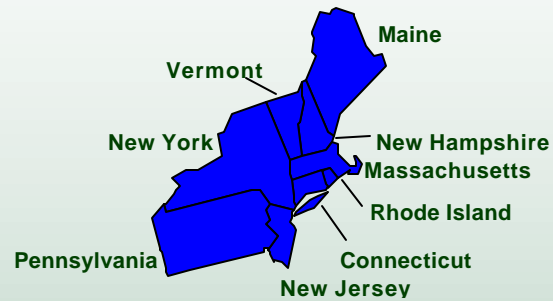
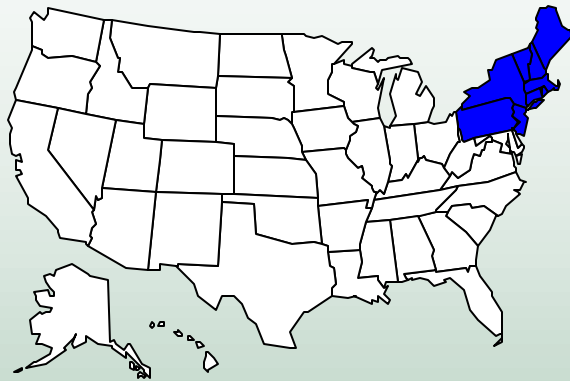
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Canada's Trade Linkages with the U.S. North-East

North-East Region is a large and prosperous market for Canadian exports



North-East Region

	Population	GDP (millions U.S.\$, 1999)	GDP per Capita (\$)	Land Area (miles sq.)	GDP Growth (% 1995-1999)
NEW YORK	18,976,457	728,908	38,411	47,214	4.6
PENNSYLVANIA	12,281,054	364,899	29,712	44,817	3.1
MASSACHUSETTS	6,349,097	251,861	39,669	7,840	5.9
NEW JERSEY	8,414,350	315,425	37,487	7,417	3.5
VERMONT	608,827	16,592	27,252	9,250	4.1
MAINE	1,274,923	32,306	25,340	30,862	3.4
CONNECTICUT	3,405,565	145,274	42,658	4,845	4.7
NEW HAMPSHIRE	1,235,786	43,469	35,175	8,968	7.4
RHODE ISLAND	1,048,319	30,631	29,219	1,045	0.0
TOTAL	53,594,378	1,929,365	35,999	162,258	4.2

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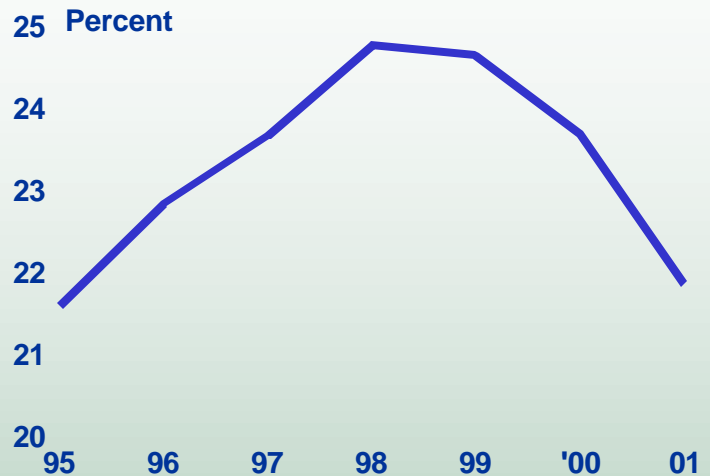
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Canada's Trade Linkages with the U.S. North-East

But, it's share of total Canadian merchandise exports to the U.S. fell significantly in recent years

- Canadian merchandise exports to the region were up almost \$29 billion since 1995 and stood at \$70.8 billion in 2001 (about 22% of our total exports to the U.S.)
- But, the North-East region's share of total Canadian merchandise exports fell by nearly three percentage points between 1998 and 2001, after rising about the same amount in the three years prior.

North-East Region's Share of Canada's Total Merchandise Exports to the U.S.

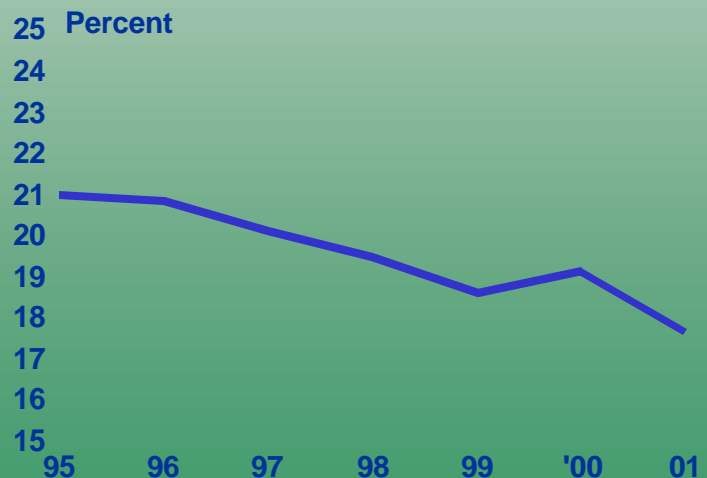


Source: Industry Canada compilations based on Statistics Canada Data

Similarly, its share of total Canadian merchandise imports has steadily declined in importance

- Canada imported \$38.2 billion from the North-East region in 2001, only slightly more than \$31.3 billion imported in 1995.
- The North-East region's share of total Canadian merchandise imports has steadily declined from 21% in 1995 to less than 18% in 2001.
- Canada enjoys huge trade surplus with the North-East of \$32.6 billion, the largest of any U.S. region.

North-East Region's Share of Canada's Total Merchandise Imports from the U.S.



Source: Industry Canada compilations based on Statistics Canada Data

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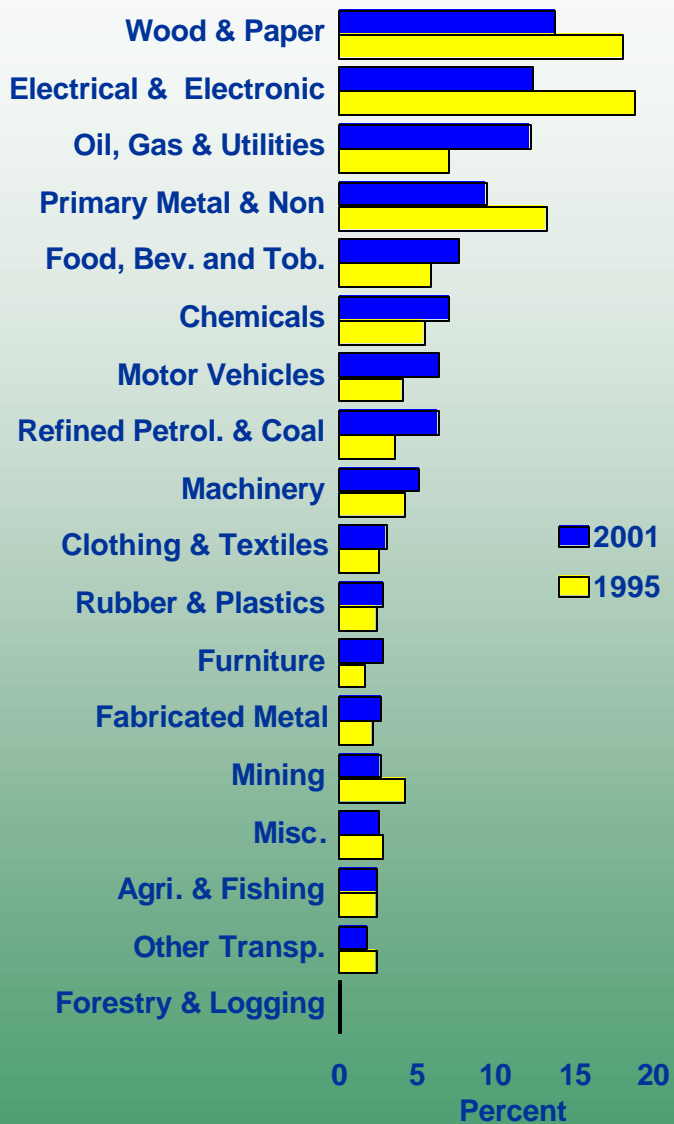
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Canada's Trade Linkages with the U.S. North-East

Resource and Resource-Based industries dominate Canada's exports to the North-East...

- Four of the top five industries that export to the North-East are still Resource or Resource-Based: Wood & Paper; Oil, Gas & Utilities; Primary & Non-ferrous metals; and Food, Beverages & Tobacco.
- The importance of Wood & Paper; Primary & Non-ferrous Metals and Electrical & Electronic products in Canadian exports to North-East declined significantly between 1995 and 2001. On the other hand, the shares of Oil, Gas & Utilities; Chemicals; Motor Vehicles; Refined Petroleum & Coal; and Machinery increased significantly.

Industrial Distribution of Canada's Exports to the North-East



Source: Industry Canada compilations based on Statistics Canada data

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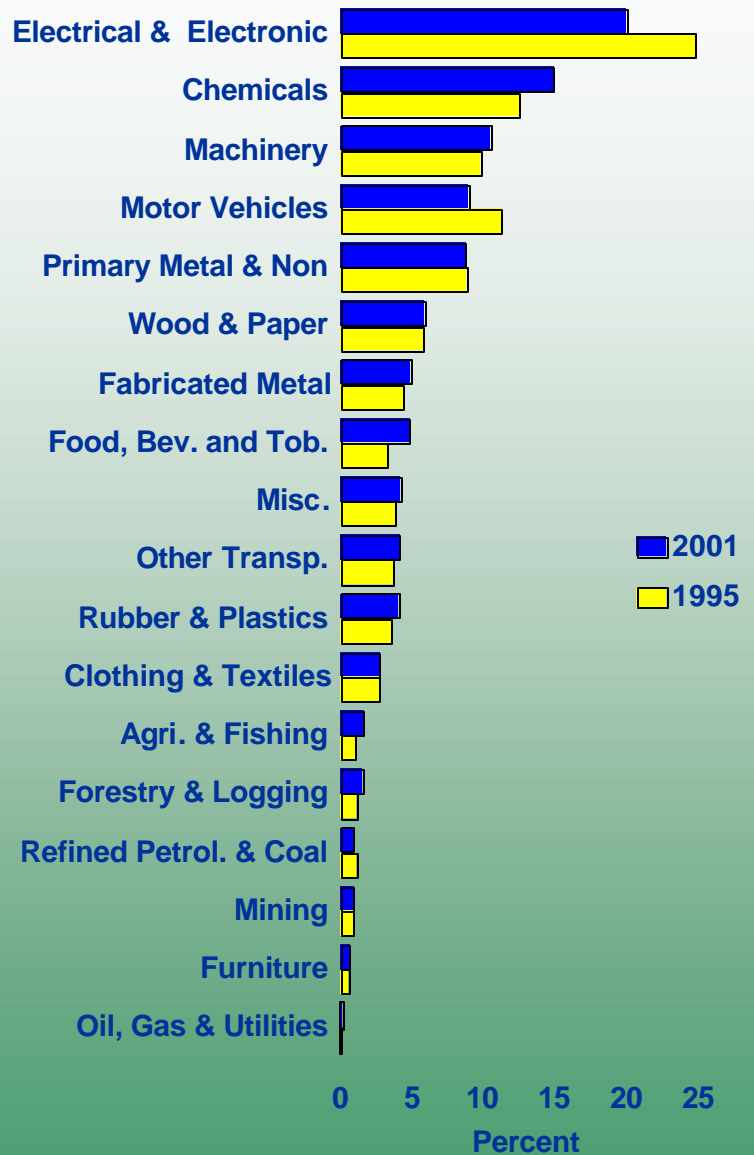
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Canada's Trade Linkages with the U.S. North-East

...however, we mainly import manufactured goods

- The four largest industries account for more than half of Canada's total merchandise imports from the North-East. These are; Electrical & Electronic products, Chemicals, Machinery, and Motor Vehicles.
- However, this share has fallen slightly from 1995, largely as a result of a decline in share in the Electrical & Electronics industry.

Industrial Distribution of Canada's Imports from the North-East



Source: Industry Canada compilations based on Statistics Canada data

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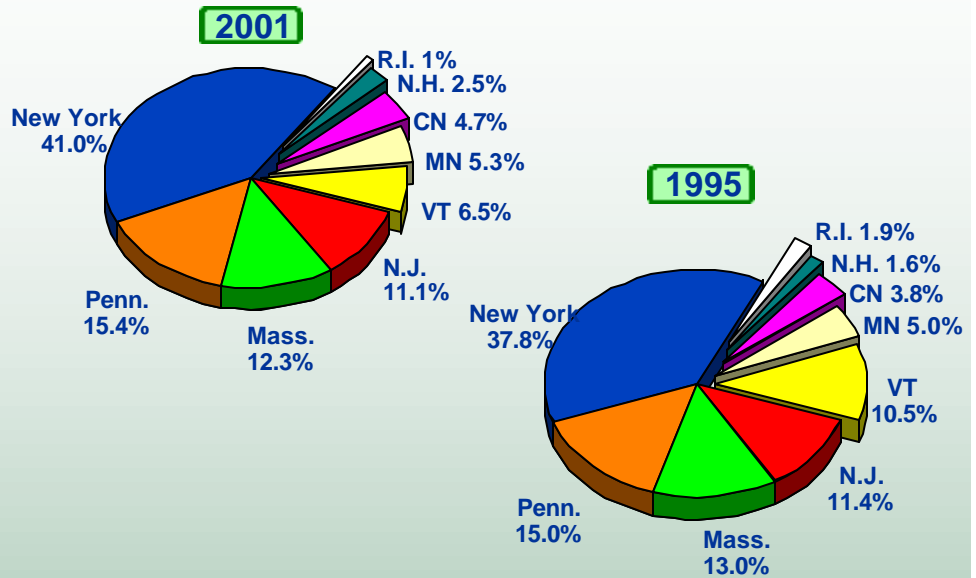
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Canada's Trade Linkages with the U.S. North-East

Share by States in Canadian Exports to U.S. North-East Region

New York is the main destination for Canadian exports...

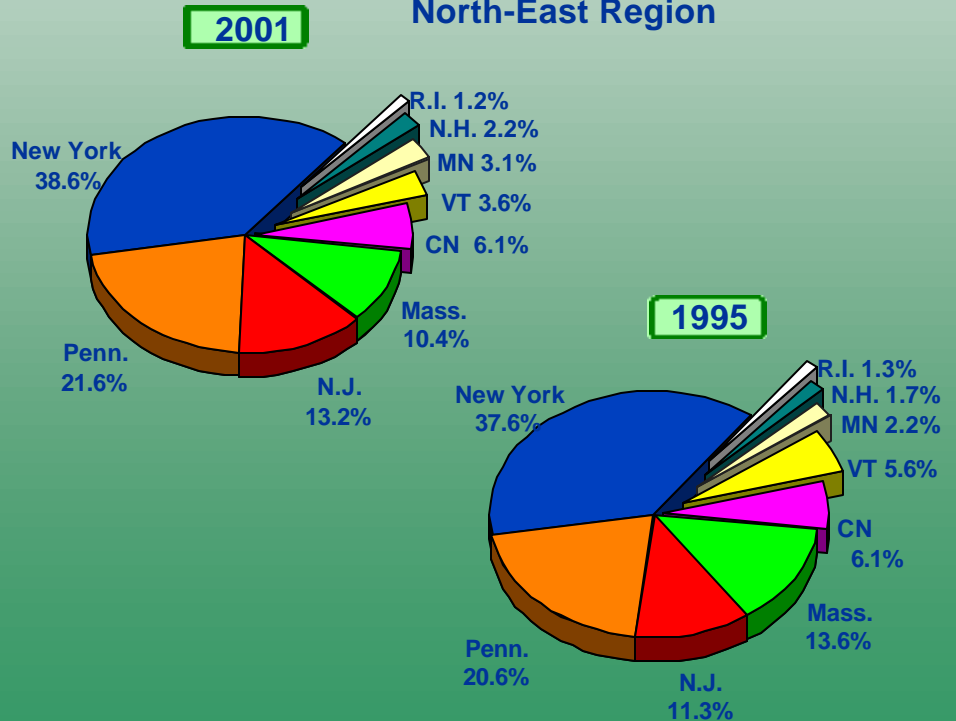
- New York state represents about two-fifths of Canada's trade with the North-East region, and this share has increased since 1995.
- ▶ The share of Vermont in Canada's merchandise exports to the North-East declined by almost half between 1995 and 2001.



Share by States in Canadian Imports from North-East Region

...as well as the origin of Canadian imports

- New York also accounts for the largest share of Canadian imports from the North-East.



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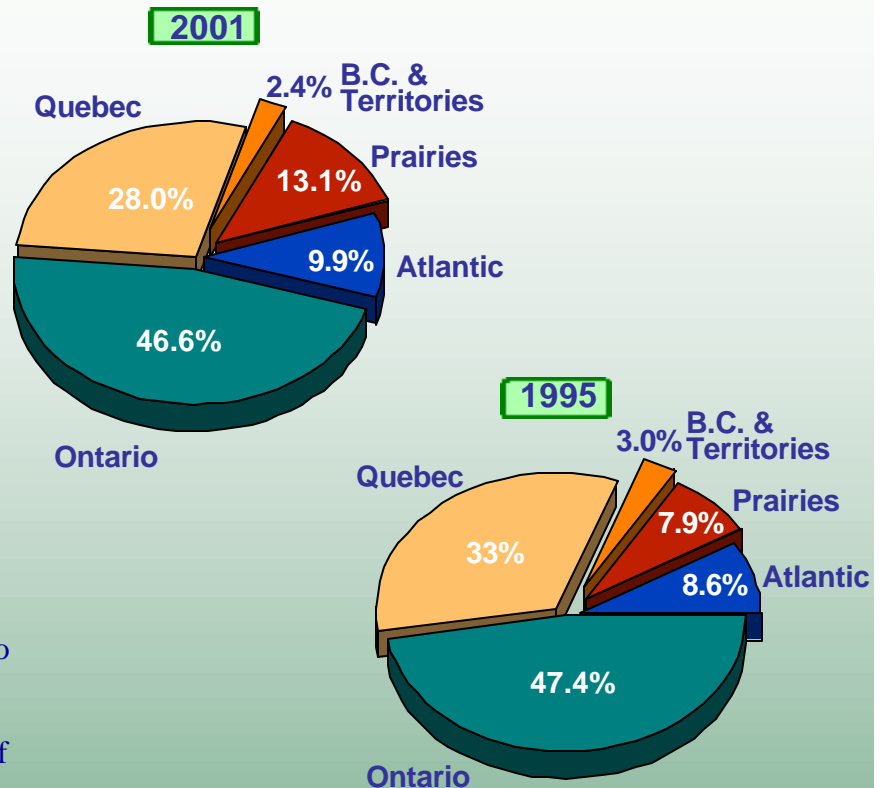
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Canada's Trade Linkages with the U.S. North-East

Distribution of Canada's Exports by Province to U.S. North-East

The Atlantic and Prairie provinces have increased their share of Canada's exports to the North-East Region

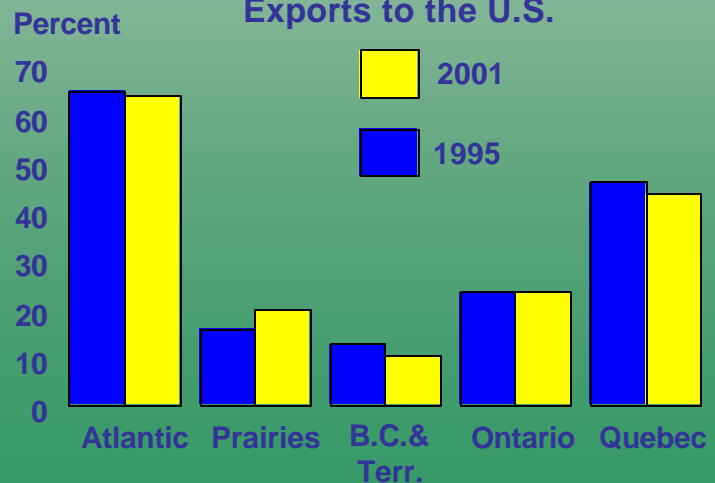
- Ontario and Quebec still represent almost 75% of Canada's exports to the region. But, both provinces lost ground between 1995 and 2001.
- On the other hand, the Atlantic and especially the Prairie provinces have seen a significant increase in their share.
 - ▶ The Atlantic provinces saw their share increase from 8.6% in 1995 to 9.9% in 2001 while the Prairie provinces saw an even more substantial increase as their share of export increased from 7.9% to 13.1%.



Nearly 65% of Atlantic Canada's exports to the U.S. are bound for the North-East region of the U.S.

- At 45%, Quebec also sent a considerable portion of its exports to the North-East region in 2001, down from 50% in 1995.
- All other provinces send less than one-fifth of their exports to the North-East region.

North-East's Share of Canadian Exports to the U.S.



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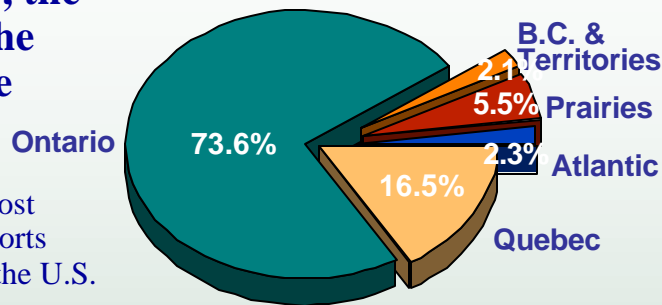
Canada's Trade Linkages with the U.S. North-East

Distribution of Canada's Imports by Province from U.S. North-East

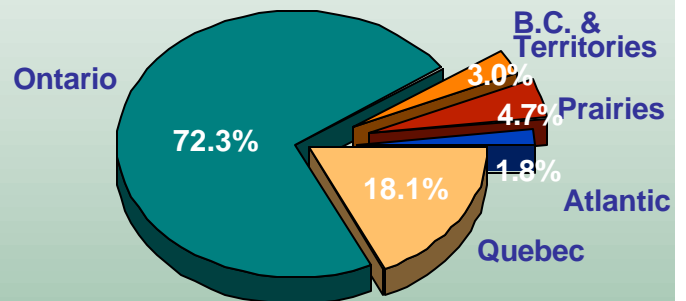
Ontario remains, by far, the largest importer from the North-East region of the U.S.

- Ontario alone accounts for almost three-quarters of Canada's imports from the North-East region of the U.S. and this share has not changed considerably since 1995.
- ▶ The Atlantic and Prairie provinces saw an increase in their share of imports from the North-East region between 1995 and 2001, but not to the same extent as their exports.

2001



1995



Quebec is the most dependant region on imports from the U.S. South

- In 2001, 34% of Atlantic Canada's imports from the U.S. came from the North-East region.
- ▶ This is down from 39% in 1995.
- But, Quebec is most dependant on imports from the North-East at 49% of total imports.
- Ontario also depends relatively heavily on imports from the North-East region at 29%.

North-East's Share of Total Canadian Imports from the U.S.

