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## TRADE AND INVESTMENT



### ***Canadian Trade and Investment Activity: Canada–Taiwan***

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***Canadian Trade and Investment Activity:  
Canada–Taiwan  
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The Library of Parliament ***Trade and Investment*** series provides information on Canada's trade and investment relationship with selected countries. Particular attention is paid to bilateral merchandise trade, trade in services, and foreign investment. These publications are prepared by the Parliamentary Information and Research Service, which carries out research for and provides information and analysis to parliamentarians and Senate and House of Commons committees and parliamentary associations.

## Merchandise Trade

In 2009, Canada's bilateral merchandise trade with Taiwan totalled \$4.4 billion, consisting of \$1.1 billion in Canadian exports to, and \$3.3 billion in imports from, Taiwan.

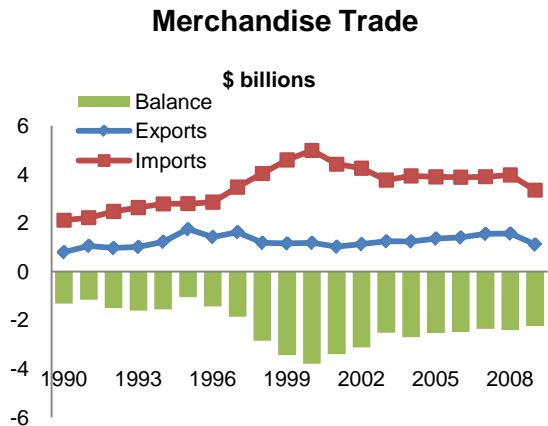
Taiwan is falling in importance as a trading partner for Canada. In 1999, Taiwan was Canada's 12<sup>th</sup> largest export destination and its 9<sup>th</sup> largest source of imports. In 2009, however, Taiwan was Canada's 21<sup>st</sup> largest export destination and its 13<sup>th</sup> largest source of imports.

The decline in Canada–Taiwan trade in 2009 was a result of the global economic recession. The value of Canadian exports to Taiwan in 2009 fell to its lowest level since 2001, while the value of imports from Taiwan was at its lowest level since 1997.

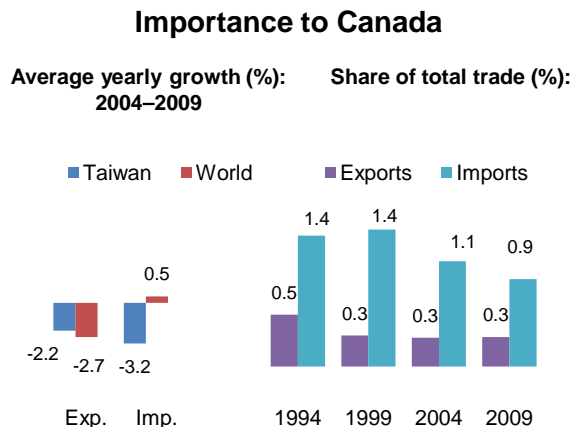
British Columbia accounted for almost half of Canada's exports to Taiwan in 2009. That province exported \$475.9 million in goods to Taiwan in that year, followed by Ontario, at \$197.2 million.

For many provinces, growth in exports to Taiwan has fallen in recent years. From 2004 to 2009, only Newfoundland and Labrador, Prince Edward Island and Manitoba did not experience a decline in the growth of their exports to Taiwan.

**Figure 1**

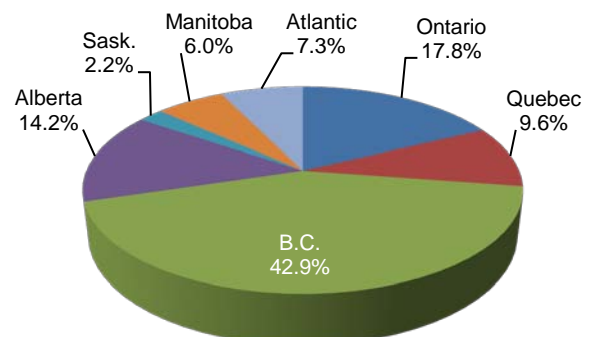


**Figure 2**



**Figure 3**

## Exports by Province/Territory – 2009



## Products

Resource-based goods made up 73% of Canada's exports to Taiwan in 2009, an increase of 10% since 2004. Canada has experienced a relatively large increase in coal exports and in exports of pork products to Taiwan in recent years. Other major export products include iron ores, and raw hides and skins.

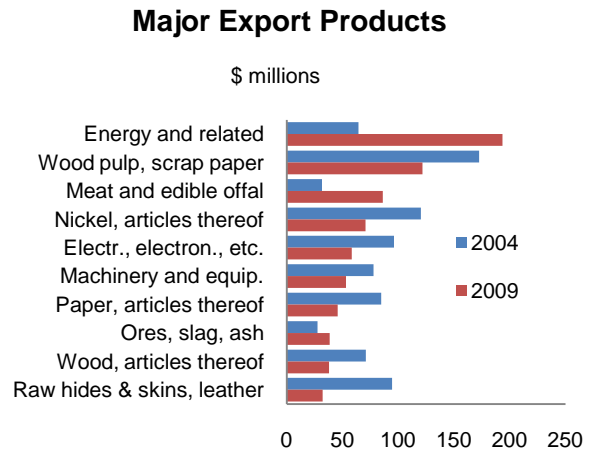
Canadian imports from Taiwan are mostly comprised of manufactured goods. In 2009, manufactured products accounted for 78% of total imports from that country; this share is essentially unchanged since 2004.

Canadian imports of electrical and electronic machinery and equipment totalled \$1.2 billion in 2009. Within that category, electronic integrated circuits, radar and radio navigational articles, and telephone sets accounted for \$700 million of Canada's imports from Taiwan in 2009.

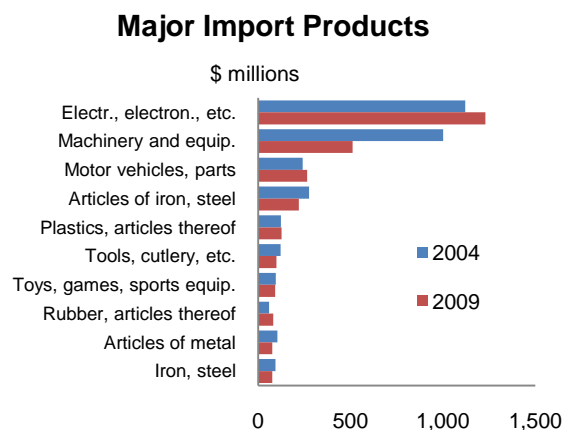
Canada is a large net exporter of resource products to Taiwan – especially of energy and wood products – while Taiwan is a large net exporter to Canada of manufactured goods.

Apart from forest products, and agriculture and food products, Canada has a trade deficit with Taiwan in all other product categories.

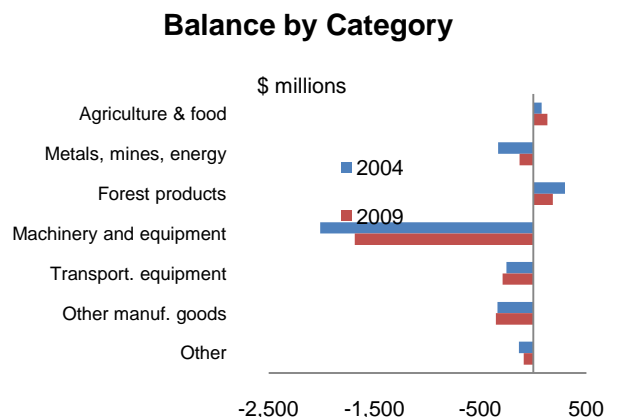
### Figure 4



### Figure 5



### Figure 6



All figures were prepared by the author using Statistics Canada annual figures as of spring 2010.

The merchandise trade data are customs-based; the services trade and foreign direct investment data are balance of payments-based.

## Services and Investment

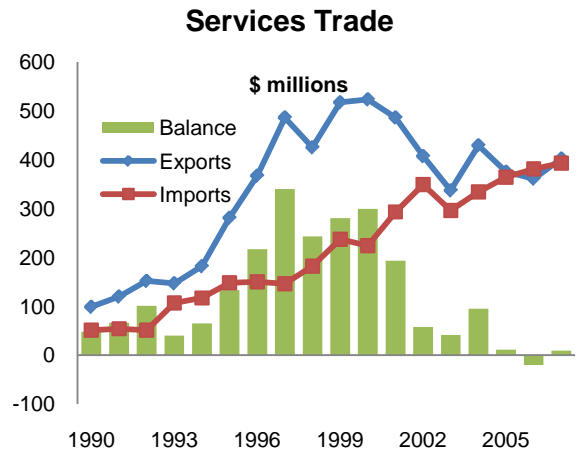
Canada has traditionally been a net exporter of services to Taiwan. Import and export levels of services have been almost identical since 2005. In 2007, the most recent year for which data are available, Canadian services exports to Taiwan totalled \$402 million, while services imports were valued at \$393 million. Services exports have fallen by 23% since 2000, while services imports have increased by 75% over the same period.

Transportation and government services made up about half of all services trade between Canada and Taiwan in 2007. Canada had a notable trade deficit in this sector. The opposite situation existed for commercial services and travel services, sectors in which Canada had trade surpluses in 2007.

Taiwan is not a significant destination for Canadian foreign direct investment (FDI) abroad. Despite \$531 million in FDI in 2008, a level that was 670% higher than the 2004 level, Taiwan ranked only 41<sup>st</sup> in terms of destinations for Canadian FDI in 2008.

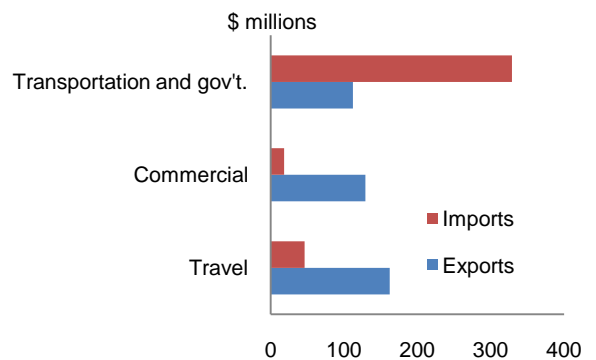
Similarly, Taiwan is not a major source of investment in Canada. The stock of Taiwanese FDI in Canada reached \$93 million in 2008, making Taiwan the 34<sup>th</sup> largest source of FDI in Canada.

### Figure 7



### Figure 8

#### Services Trade by Type – 2007



### Figure 9

#### Foreign Direct Investment

