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## TRADE AND INVESTMENT



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

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***Canadian Trade and Investment Activity:  
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(Trade and Investment Series)***

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*Ce document est également publié en français.*

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 Egypt totalled \$753.5 million, consisting of \$639.3 million in Canadian exports to, and \$114.2 million in imports from, Egypt.

Egypt is Canada's 28<sup>th</sup> largest export destination, and its 80<sup>th</sup> largest source of imports worldwide.

Two-way trade with Egypt has expanded rapidly in the last five years because of a relatively significant increase in exports. From 2004 to 2009, Canadian exports to Egypt grew at an annual average rate of 26% while Canada's overall exports declined by 2.7% per year on average during that period. Imports from Egypt, on the other hand, declined by an annual average rate of 10% during the same period.

In 2009, Canada's global exports were 26% below their 2008 level. By comparison, Canadian exports to Egypt were 1% higher in 2009 than in 2008. Canadian imports from Egypt in 2009 were 18% below their 2008 level, a figure that is comparable to the 16% decline in global imports from 2008 to 2009.

At the provincial level, Quebec and Ontario together accounted for more than 63% of Canada's total exports to Egypt in 2009. Manitoba and Prince Edward Island have had the fastest growth in exports to Egypt in recent years. Between 2004 and 2009, exports from Manitoba and Prince Edward Island grew at an average rate of 60% and 57% respectively each year.

### Figure 1

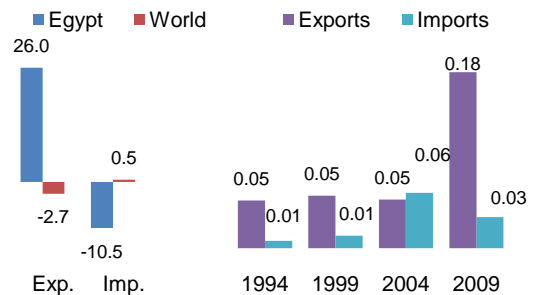


### Figure 2

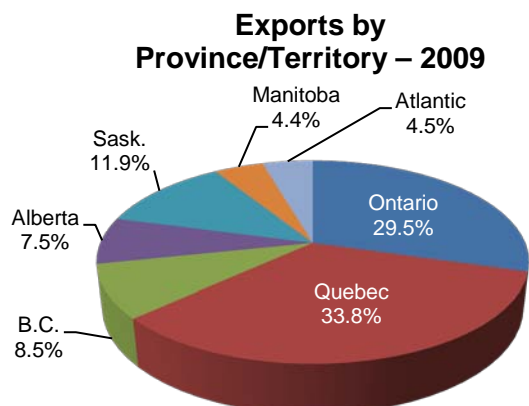
## Importance to Canada

**Average yearly growth (%):  
2004–2009**

**Share of total trade (%):**



### Figure 3



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.

## Products

Rail transportation, at 23%, made up a significant share of Canada's total exports to Egypt in 2009. Iron and steel was the second most important export category, with 14% of total exports in that year. Other leading export products at that time included machinery parts and equipment, vegetables (particularly lentils) and iron ores.

Nearly two thirds of Canadian exports to Egypt were resource-based goods in 2009, down from 72% five years earlier. In 2009, exports of resource-based goods totalled \$391.1 million.

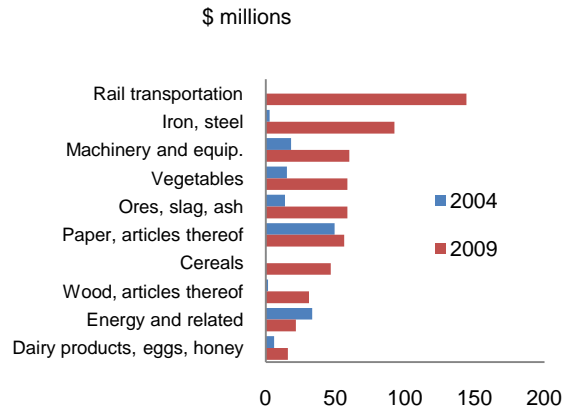
In 2009, imports from Egypt consisted primarily of fertilizers, representing 30% of Canadian imports from that country. Carpets, oil and textile products were the other leading Egyptian products exported to Canada in that year.

Trade between Canada and Egypt is largely complementary with little overlap in the types of goods traded between the two countries.

Canada holds a considerable, and growing, trade surplus with Egypt in almost all product categories.

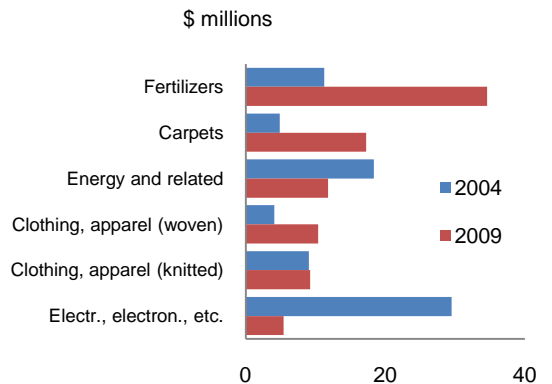
## Figure 4

**Major Export Products**



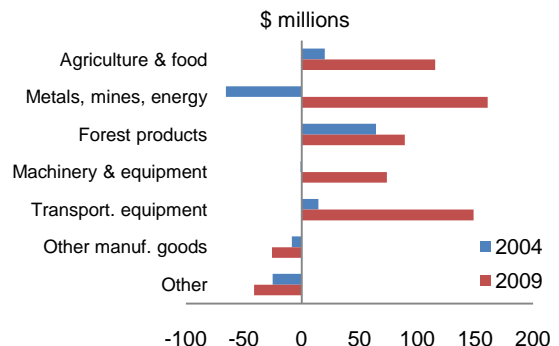
## Figure 5

**Major Import Products**



## Figure 6

**Balance by Category**



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## Services and Investment

Compared to its trade in goods, Canada's trade relationship in services with Egypt is not well developed. In 2008, the most recent year for which data are available, Canadian services exports to Egypt totalled \$86 million. Services imports from Egypt in that year were lower, at \$26 million. Although starting from a low level, Canadian services exports to Egypt have grown significantly since the 1990s.

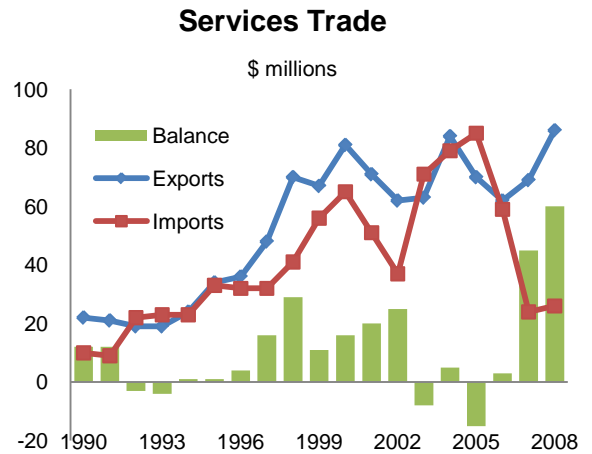
Canadian services exports to Egypt are relatively evenly distributed across the three major services categories at this time. Travel services, along with transportation and government services, have led the growth in Canadian services exports to that country in recent years, and totalled \$29 million and \$27 million respectively in 2008. At present, commercial services exports to Egypt are well below 2000 levels, at \$30 million in 2008, down from \$55 million in 2000.

In 2008, imports of services from Egypt were minimal and consisted mostly of travel services.

While Egypt is not a major destination for Canadian foreign direct investment, the total amount of monies invested in recent years has grown rapidly, rising from \$24 million in 2004 to \$383 million in 2009. Egypt ranked as Canada's 49<sup>th</sup> largest destination for foreign direct investment in 2009.

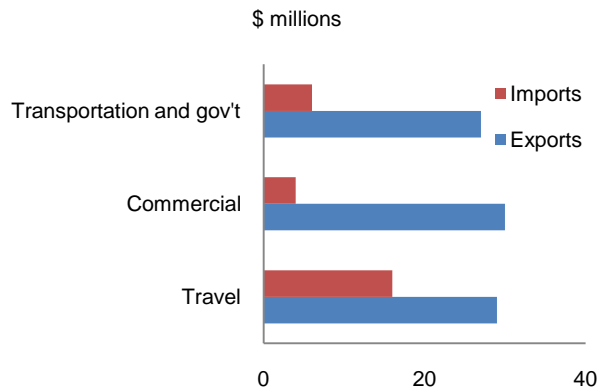
*Data on Egyptian investment in Canada are not available.*

### Figure 7



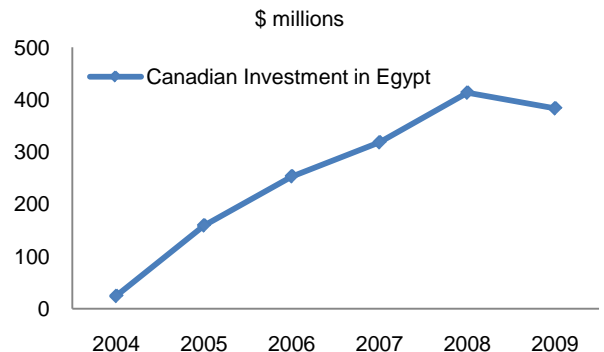
### Figure 8

#### Services Trade by Type – 2008



### Figure 9

#### Foreign Direct Investment



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