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Canada–Turkey

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* Émilie Gravelle, formerly of the Library of Parliament, contributed to the preparation of this document.

CONTENTS

MERCHANDISE TRADE.....	1
PRODUCTS	2
SERVICES AND INVESTMENT	3

Merchandise Trade

In 2010, Canada's bilateral merchandise trade with Turkey totalled \$1.6 billion, consisting of more than \$0.8 billion in exports to, and more than \$0.7 billion in imports from, Turkey.

Turkey was Canada's third largest export destination in the Middle East in 2010 (the Middle East region comprises 22 countries), and its 24th largest export destination worldwide. In that year, Turkey was Canada's fourth largest source of imports from the Middle East and its 47th largest source of imports in the world.

The value of Canadian exports to Turkey increased each year between 2001 and 2008, with an average annual growth rate of 33% over the period. Since 2008, when the value of Canadian exports to Turkey peaked at \$1.2 billion, the value has decreased every year.

Exports to Turkey from Quebec, British Columbia and Saskatchewan together accounted for three quarters of Canada's exports to the country in 2010. These exports were valued at \$261.4 million, \$194.7 million and \$181.2 million respectively.

Since 2005, Saskatchewan has experienced a notable increase in trade with Turkey, due predominantly to growth in leguminous vegetable exports to the country. Saskatchewan's exports to the country grew at an average annual rate of 47% over the 2005 to 2010 period.

Figure 1

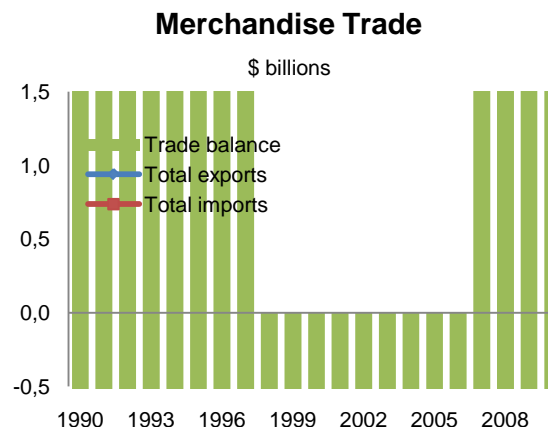


Figure 2

Importance to Canada

Average yearly growth (%): 2005–2010 Share of total trade (%):

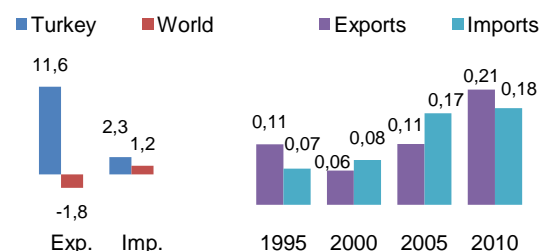
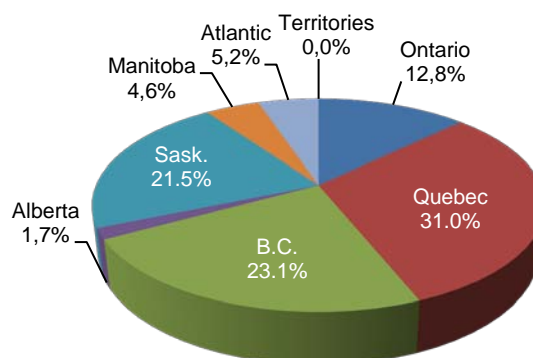


Figure 3

Exports by Province/Territory – 2010



All figures were prepared by the author using Statistics Canada annual figures as of spring 2011.
The merchandise trade data are customs-based; the services trade and foreign direct investment data are balance of payments-based.

Products

Manufactured goods accounted for approximately 90% of Canadian exports to Turkey in 2010, a decrease from 99% in 2009. The two major export product categories in those years were dried and shelled leguminous vegetables, and coal and fuels manufactured from coal. These categories were valued at \$184.8 million and \$183.9 million respectively in 2010. Canadian exports of leguminous vegetables to Turkey have increased by nearly 585% since 2005.

Canada's most significant import product categories from Turkey in 2010 were fruits and nuts, iron and iron products, and motor vehicles and parts, with a value of \$84.6 million, \$77.7 million and \$72.6 million respectively. With the exception of fruits and nuts, these product categories have been significant Turkish imports for Canada since at least the mid-2000s.

Canada's trade balance with Turkey has changed in recent years. In 2005, Canada was a net importer in most major product categories and its trade deficit with Turkey totalled \$150.6 million. In 2010, Canada was a net exporter in the agriculture and food and the metals, mines and energy product categories – categories in which it had a trade deficit in 2005 – as well as the machinery and equipment category, and its trade surplus with Turkey totalled \$127.7 million.

Figure 4

Major Export Products

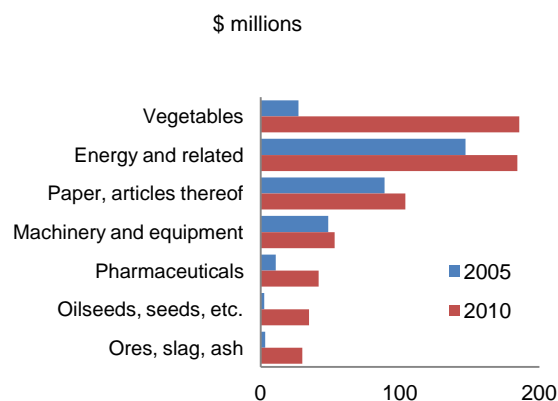


Figure 5

Major Import Products

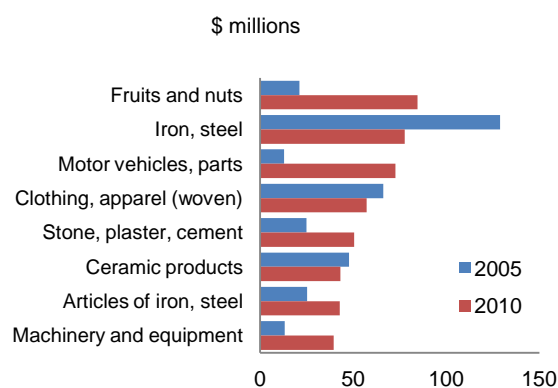
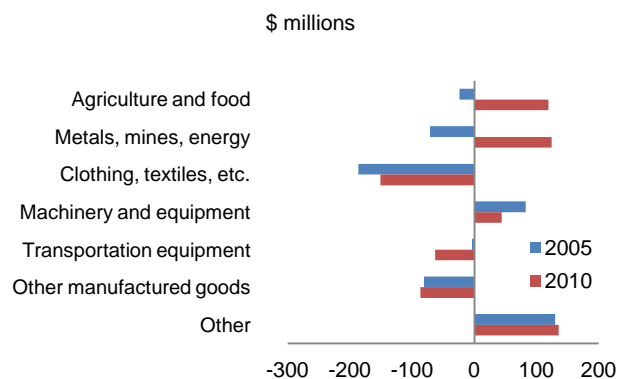


Figure 6

Balance by Category



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Services and Investment

In 2009, the most recent year for which data are available, bilateral trade in services between Canada and Turkey totalled \$174.0 million, consisting of \$63.0 million in services exports to, and \$111.0 million in services imports from, Turkey.

In 2009, Canadian exports of transportation and government services to Turkey, at \$27.0 million, were relatively more significant than exports of either travel or commercial services, which were valued at \$20.0 million and \$15.0 million respectively. Fluctuations in Canadian services exports to Turkey since the early 1990s can generally be attributed to changes in commercial services exports.

Canadian services imports from Turkey consisted primarily of travel services in 2009, with a value of \$75.0 million. In that year, Canadian imports of transportation and government services as well as of commercial services from Turkey were, at \$29.0 million and \$7.0 million respectively, of a relatively lower value.

Canada had a trade deficit in services with Turkey of \$48.0 million in 2009. Except for 1998, 2001 and 2002, Canada has had a trade deficit in services with Turkey every year since 1990.

The stock of Canadian direct investment in Turkey was not significant until 2000, when it was valued at \$687.0 million, a significant increase from the 1999 value of \$76.0 million. The increase from 1999 to 2000 was, in part, attributable to investments in the communications industry. By 2010, the stock of Canadian investment in Turkey had reached \$1.9 billion. The average annual growth rate of Canadian investment in Turkey between 2000 and 2010 was 11%.

Data on Turkish direct investment in Canada are not available.

Figure 7

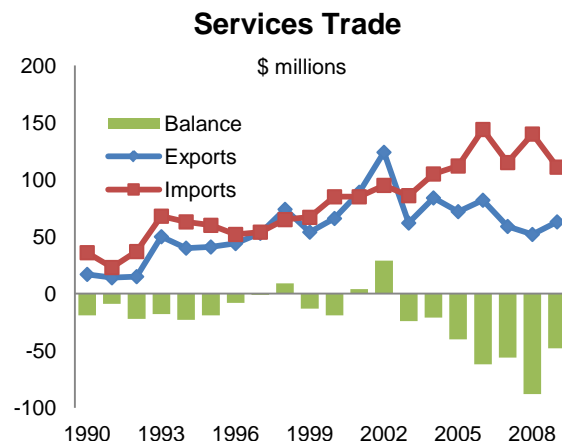


Figure 8

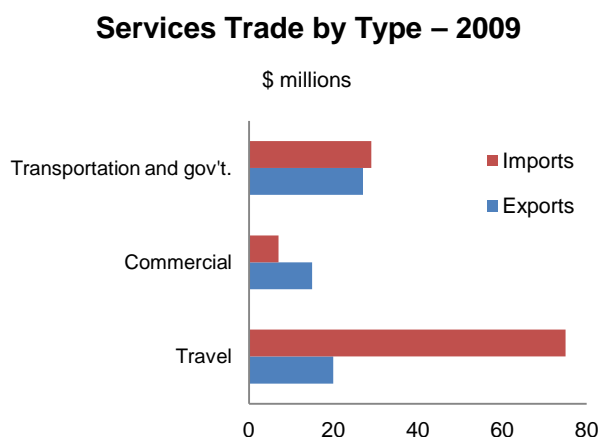
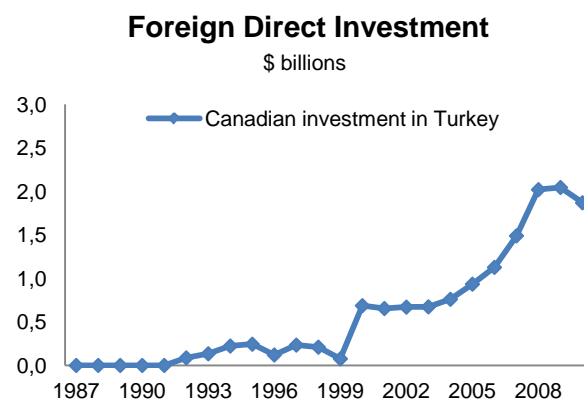


Figure 9



All figures were prepared by the author using Statistics Canada annual figures as of spring 2011.
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