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TRADE AND INVESTMENT



Canada–Chile

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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.

* Simon Lapointe, formerly of the Library of Parliament, contributed to the preparation of this document.

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Merchandise Trade

In 2010, Canada's bilateral merchandise trade with Chile totalled \$2.5 billion, comprised of \$587.4 million in Canadian exports to, and \$1.9 billion in imports from, Chile.

Chile was Canada's 32nd largest destination for exports globally in 2010, and its third largest destination in South America, after Brazil and Colombia. In that year, it was Canada's 25th largest source of imports worldwide, and its third largest source in South America, after Peru and Brazil.

The value of Canada's exports to Chile as a share of the value of Canada's total exports has remained constant over time, at 0.1% in both 1995 and 2010. The value of Canada's imports from Chile as a share of the value of Canada's total imports has increased over time, rising from 0.1% in 1995 to 0.5% in 2010.

Over the 2005 to 2010 period, the value of Canada's exports to Chile increased at an average annual rate of 7.1%, compared to a decrease of 1.8% worldwide. The value of Canada's imports from Chile increased at an average annual rate of 2.4% over the period, double the 1.2% rate worldwide. That said, from 2009 to 2010, while the value of Canada's imports from Chile grew by 8%, the value of exports to the country decreased by 9%.

At the provincial level, Quebec and Ontario accounted for more than half the value of Canada's exports to Chile in 2010, at \$174.0 million and \$153.0 million respectively.

Exports to Chile from Prince Edward Island, Quebec and Saskatchewan experienced relatively fast growth over the 2005 to 2010 period, with the value of their exports increasing at average annual rates of 27%, 16% and 15% respectively.

Figure 1

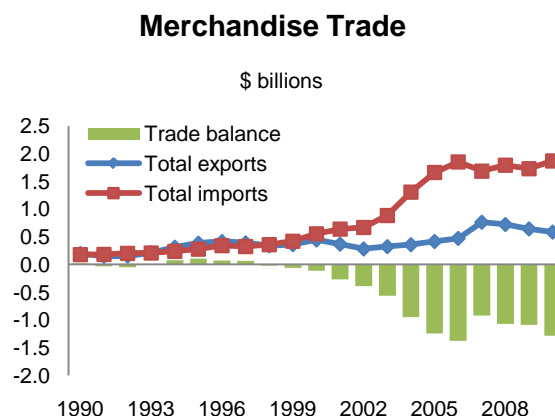


Figure 2

Importance to Canada

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

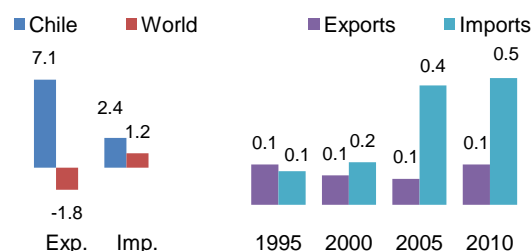
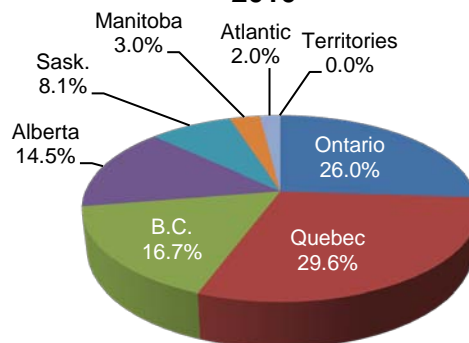


Figure 3

Exports by Province/Territory – 2010



All figures were prepared by the authors 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

In 2010, manufactured goods represented 76% of the value of Canada's exports to Chile, while resource-based goods comprised the remaining 24%. This composition was consistent with that of 2005, when manufactured goods and resource-based goods accounted for 77% and 23% respectively of the value of Canada's exports to the country.

Canada's highest-valued exports to Chile in 2010 were coal, wheat and machinery parts. While the value of Canadian coal exports to the country in 2010, at \$51.3 million, remained relatively consistent with the 2005 value of \$49.8 million, the value of exports of wheat and of machinery parts grew from 2005 to 2010. Canadian wheat exports to Chile increased in value from \$18.8 million in 2005 to \$42.7 million in 2010, while the value of exports of machinery parts rose from \$11.3 million to \$31.3 million.

Resource-based goods represented 54% of the value of Canada's imports from Chile in 2010, while manufactured goods comprised the remaining 46%. This composition has changed since 2005, when resource-based goods and manufactured goods accounted for 34% and 66% respectively of the value of Canada's imports from the country.

Canada's highest-valued imports from Chile in 2010 were gold, unrefined copper and silver. The value of Canadian gold imports from the country increased from \$169.0 million in 2005 to \$384.9 million in 2010, and silver imports rose in value from \$4.2 million in 2005 to \$177.4 million in 2010. The value of Canadian unrefined copper imports from Chile decreased from \$599.4 million in 2005 to \$311.1 million in 2010.

In 2010, Canada had a relatively large trade deficit with Chile in the metals, mines and energy category and the agriculture and food category. In that year, it had relatively smaller trade deficits in forest products and transportation equipment, and a trade surplus in the machinery and equipment category and in the category of "other" products.

Figure 4

Major Export Products

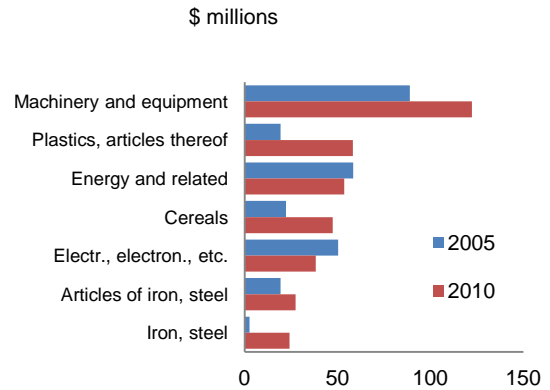


Figure 5

Major Import Products

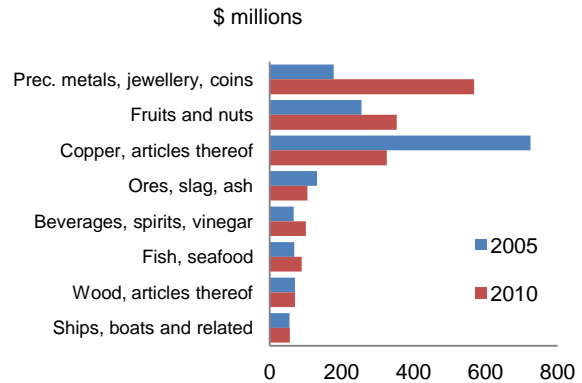
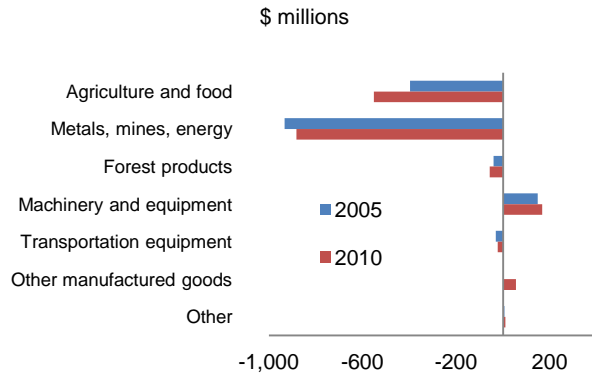


Figure 6

Balance by Category



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Services and Investment

Canada was a net importer of services from Chile in 2009, the most recent year for which data are available. In that year, the value of Canadian services exports to Chile was \$131.0 million, while imports from the country totalled \$168.0 million.

From 2008 to 2009, the value of Canada's services trade with Chile increased significantly. The value of Canada's services exports to the country increased by 38% from 2008 to 2009, predominantly due to an increase of \$38.0 million in the value of commercial services exports. In 2009, exports of commercial services, travel services, and transportation and government services to Chile were valued at \$96.0 million, \$22.0 million and \$13.0 million respectively. The value of Canada's exports of travel services to Chile experienced a relatively small increase from 2008 to 2009, while the value of transportation and government services exports decreased.

The value of Canada's services imports from Chile increased by 155% from 2008 to 2009. Canada's travel services imports from the country were valued at \$25.0 million in 2009, a figure that remained constant over the 2001 to 2009 period. *Data on Canadian imports of commercial services and of transportation and government services from the country are not available.*

In 2009, Canada had a trade deficit of \$3.0 million with Chile in travel services.

The stock of Canadian direct investment in Chile was \$13.3 billion in 2010, making it Canada's ninth largest destination for direct investment abroad. The stock of Canadian direct investment in the country grew by 9% from 2009 to 2010.

Data are not available on Chilean investment in Canada.

Figure 7

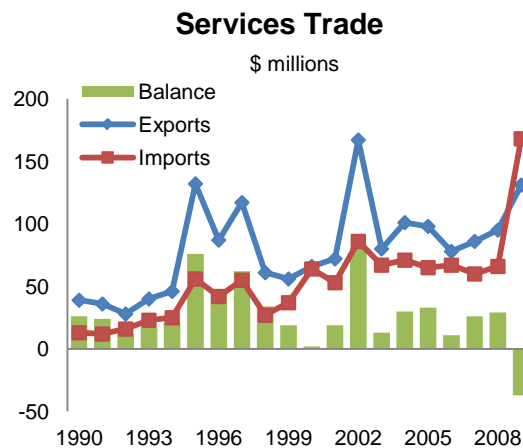


Figure 8

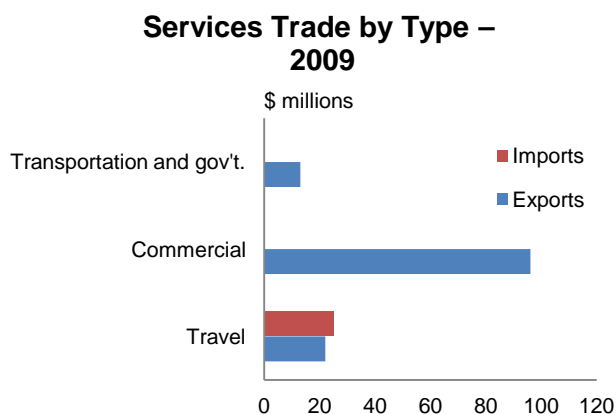
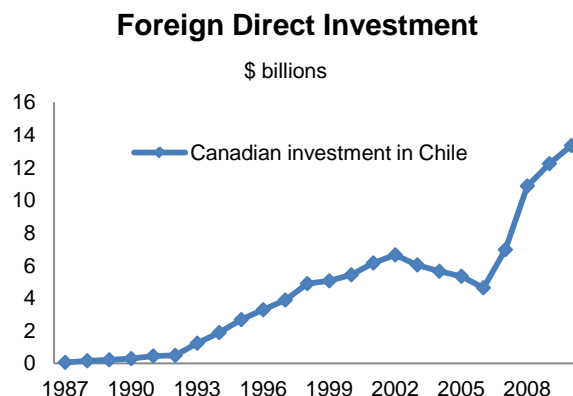


Figure 9



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