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TRADE AND INVESTMENT



Canada–Colombia

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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 Colombia totalled almost \$1.4 billion, comprised of \$644.4 million in exports to, and \$717.4 million in imports from, Colombia.

Colombia was Canada's 29th largest destination for exports worldwide in 2010, and its second largest export destination in Latin America, a region that includes 44 countries. The country was Canada's 45th largest source of imports globally, and its sixth largest source in Latin America in that year.

The value of Canada's trade with Colombia as a share of the value of Canada's total trade has remained relatively constant over time. The value of Canada's exports to the country as a share of the value of Canada's total exports increased from 0.15% in 1995 to 0.16% in 2010, while the value of Canada's imports from Colombia as a share of the value of Canada's total imports increased from 0.16% in 1995 to 0.18% in 2010.

Over the 2005 to 2010 period, the value of Canada's exports to Colombia increased at an average annual rate of 7.5%, compared to a 1.8% decrease worldwide. The value of Canada's imports from the country increased at an average annual rate of 4.2% over the period, which exceeded the 1.2% increase worldwide.

Saskatchewan, Alberta and Quebec accounted for more than two thirds of the value of Canada's exports to Colombia in 2010, with exports valued at \$157.4 million, \$148.8 million and \$139.2 million respectively.

Nova Scotia, Alberta and Saskatchewan were the fastest-growing provincial exporters to Colombia over the 2005 to 2010 period, with average annual growth rates of 33%, 26% and 19% respectively.

Figure 1

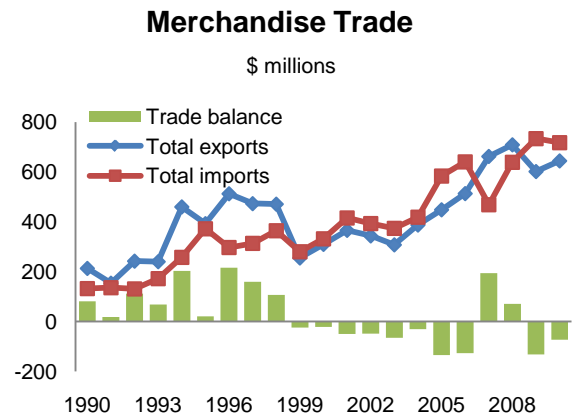


Figure 2

Importance to Canada

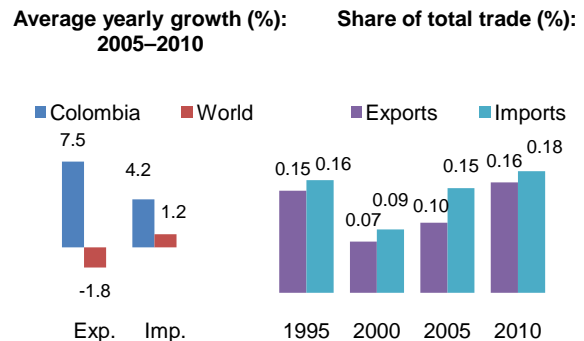
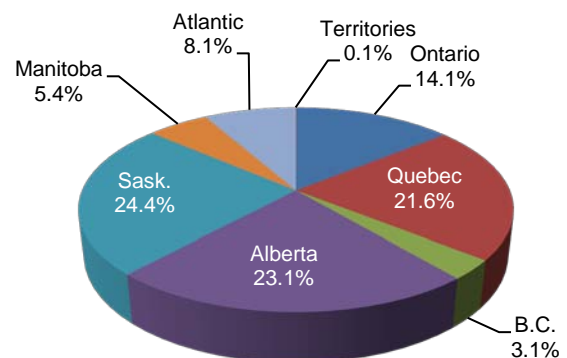


Figure 3

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 accounted for 55% of the value of Canada's exports to Colombia, while resource-based goods represented the remaining 45%. This composition differs from that of 2005, when manufactured goods and resource-based goods accounted for 69% and 31% respectively of the value of Canada's exports to the country.

Canada's highest-valued exports to Colombia in 2010 were wheat, lentils and potassium chloride. The value of Canadian wheat exports to the country increased from \$57.9 million in 2005 to \$127.8 million in 2010, while the value of lentil exports rose from \$22.1 million in 2005 to \$61.5 million in 2010. The value of Canadian potassium chloride exports to Colombia increased from \$28.3 million in 2005 to \$36.4 million in 2010.

In 2010, resource-based goods accounted for 84% of the value of Canada's imports from Colombia, while manufactured goods represented the remaining 16%. This composition differs from that of 2005, when resource-based goods and manufactured goods accounted for 70% and 30% respectively of the value of Canada's imports from the country.

Canada's highest-valued imports from Colombia in 2010 were coffee, coal and crude petroleum oil, at \$162.1 million, \$139.7 million and \$108.9 million respectively. The value of Canadian crude petroleum oil imports from the country has experienced significant growth in recent years, increasing from just \$4,000 in 2006.

In 2010, Canada was a net importer from Colombia of products in the agriculture and food as well as the metals, mines and energy categories. Canada had trade surpluses with the country in forest products, machinery and equipment, and transportation equipment in that year.

Figure 4

Major Export Products

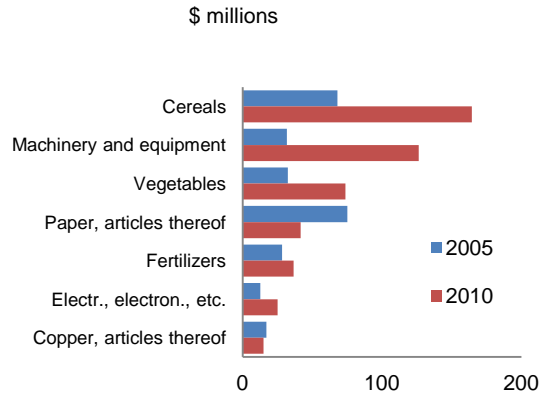


Figure 5

Major Import Products

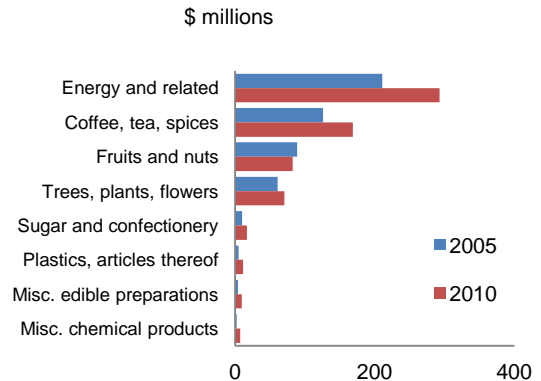
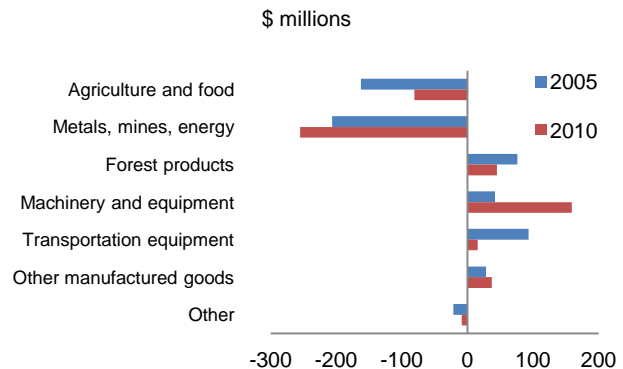


Figure 6

Balance by Category



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Services and Investment

Canada's services trade with Colombia was small relative to its merchandise trade in 2009, the most recent year for which data are available. The value of bilateral services trade was \$154.0 million in 2009, with \$101.0 million in Canadian exports to, and \$53.0 million in imports from, the country.

While the growth in the value of bilateral services trade has been somewhat volatile in recent years, the value of Canada's services exports to Colombia grew by 2% from 2008 to 2009, led by commercial services. In 2009, exports of travel services, commercial services, and transportation and government services were valued at \$45.0 million, \$31.0 million and \$26.0 million.

The value of Canada's services imports from the country declined by 7.0% from 2008 to 2009, predominantly because of a decline in the value of travel services, with other services categories experiencing moderate growth. In 2009, imports of travel services, transportation and government services, and commercial services from Colombia were valued at \$29.0 million, \$16.0 million and \$8.0 million respectively.

Canada had trade surpluses with Colombia in all services categories in 2009, the largest of which was in commercial services. Over the 2004 to 2009 period, Canada consistently had trade surpluses with the country in commercial services and in transportation and government services. The trade balance between Canada and Colombia in travel services has been relatively variable over time; that said, Canada had a trade surplus in this category each year in the 2006 to 2009 period.

The stock of Canadian direct investment in Colombia totalled \$824.0 million in 2010, making it the 38th largest destination for Canadian investment abroad, and Canada's fifth largest destination in South and Central America. Canadian direct investment in Colombia increased by 43% from 2009 to 2010, but has not returned to its 2008 peak of \$1.1 billion.

Colombian direct investment in Canada is negligible, with stock totalling \$1.0 million in 2010.

Figure 7

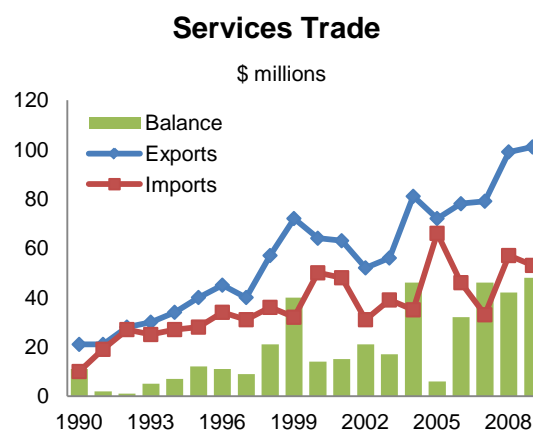


Figure 8

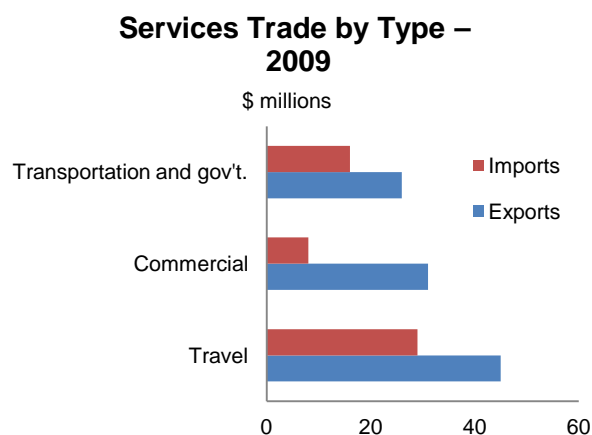
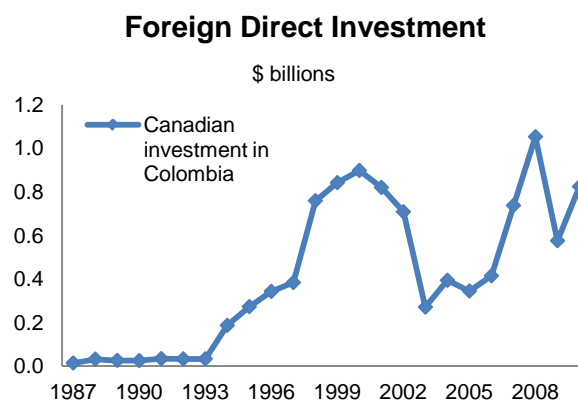


Figure 9



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