



LIBRARY of PARLIAMENT
BIBLIOTHÈQUE du PARLEMENT

TRADE AND INVESTMENT



Canada–Saudi Arabia

Publication No. 2011-147-E
15 November 2011

Alexandre Gauthier*

International Affairs, Trade and Finance Division
Parliamentary Information and Research Service

Canada–Saudi Arabia
(Trade and Investment Series)

HTML and PDF versions of this publication are available on IntraParl
(the parliamentary intranet) and on the Parliament of Canada website.

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.

* Andrew Deruga, 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 Saudi Arabia totalled \$3.0 billion, consisting of \$1.0 billion in Canadian exports to, and \$2.0 billion in imports from, Saudi Arabia.

Saudi Arabia was Canada's 23rd largest export destination worldwide in 2010, and its second largest export destination – after the United Arab Emirates – in the Middle East, a region that includes 22 countries. It was Canada's 22nd largest source of imports in the world in that year, and its largest import source in the Middle East.

Over the 2005 to 2010 period, the value of Canada's exports to Saudi Arabia increased at an average annual rate of 17.4%, compared to a decrease of 1.8% worldwide. The value of Canada's exports to the country decreased by 16% between 2009 and 2010.

The value of Canada's imports from Saudi Arabia increased at an average annual rate of 3.5% over the 2005 to 2010 period, compared to 1.2% worldwide. The value of Canada's imports from the country increased by 32% between 2009 and 2010.

Collectively, Ontario and Quebec accounted for 60% of the value of Canada's exports to Saudi Arabia in 2010, with exports worth \$325.3 million and \$256.3 million respectively. Saskatchewan and Alberta together accounted for 25% of the value of Canada's exports to the country in that year, with exports worth \$121.5 million and \$121.4 million respectively.

Over the 2005 to 2010 period, the value of Saskatchewan's exports to Saudi Arabia grew at an average annual rate of 32%. Ontario, Alberta and Quebec experienced average annual growth rates of 19%, 15% and 12% respectively in the value of their exports to the country over the period.

Figure 1

Merchandise Trade

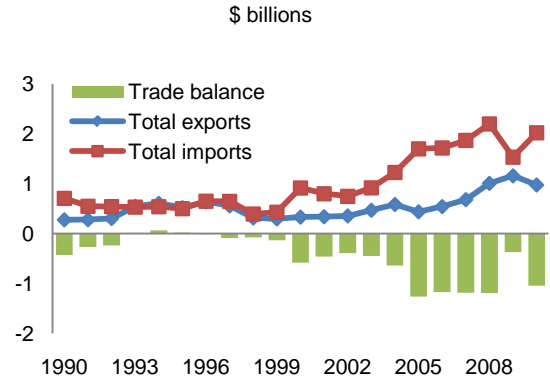


Figure 2

Importance to Canada

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

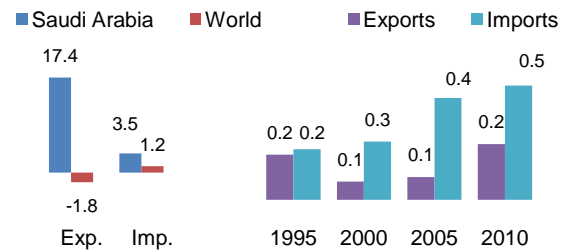
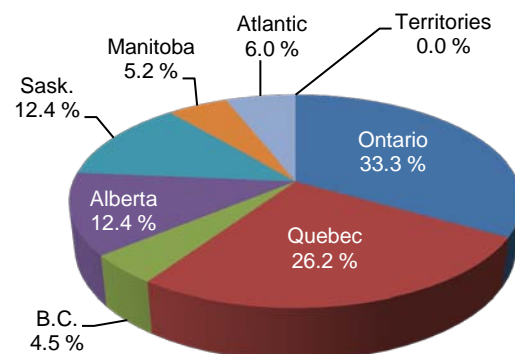


Figure 3

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

In 2010, manufactured goods accounted for 74% of the value of Canada's exports to Saudi Arabia, while resource-based goods represented the remaining 26%. This composition was somewhat different from that of 2005, when manufactured goods and resource-based goods accounted for 80% and 20% respectively of the value of Canada's exports to the country.

Canada's highest-valued exports to Saudi Arabia in 2010 were wheat, rail locomotives and barley, valued at \$163.9 million, \$90.7 million and \$59.7 million respectively. The value of wheat exports decreased by 57% between 2009 and 2010, while the value of barley exports increased by 241%. Canada exported rail locomotives to Saudi Arabia for the first time in 2010.

In 2010, resource-based goods represented 95% of the value of Canada's imports from the country – nearly all of it in crude petroleum oils, worth \$1.9 billion. Manufactured goods accounted for the remaining 5% of imports from Saudi Arabia. This composition was somewhat different from that of 2005, when resource-based goods and manufactured goods represented 92% and 8% respectively of the value of Canada's imports from the country.

In 2010, Canada's trade deficit with Saudi Arabia was largely attributable to significant Canadian imports of energy and related products.

Figure 4

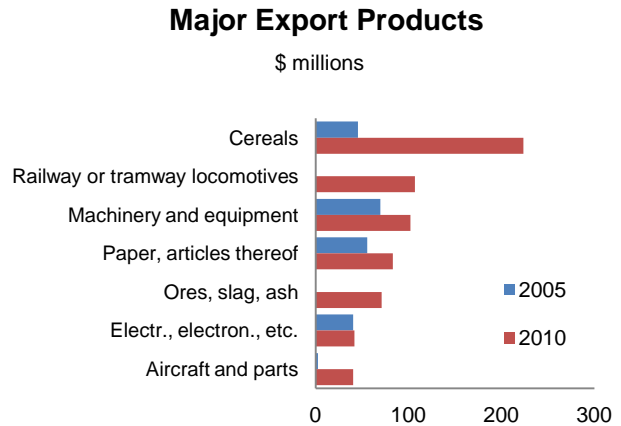


Figure 5

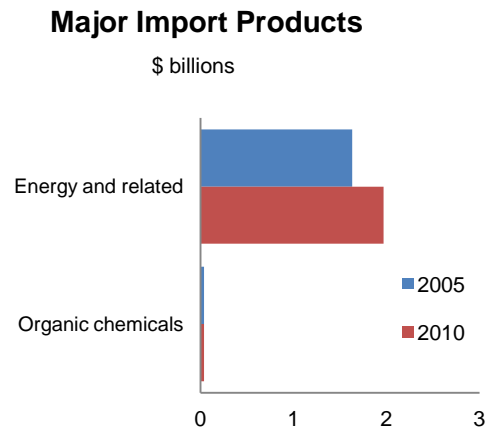
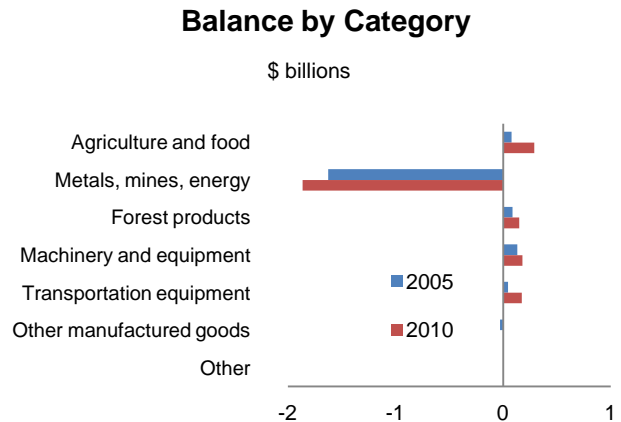


Figure 6



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.

Services and Investment

In 2009, the most recent year for which data are available, Canada–Saudi Arabia services trade totalled \$395.0 million, comprised of \$151.0 million in exports to, and \$244.0 million in imports from, Saudi Arabia.

Since 1998, Canada has been a net importer of services from Saudi Arabia. In 2009, Canada's trade deficit in services with Saudi Arabia was the result of trade in transportation and government services. In that year, Canada imported \$194.0 million in transportation and government services from Saudi Arabia, compared to \$24.0 million in transportation and government services exported to Saudi Arabia. In that year, Canada imported \$44.0 million in commercial services from Saudi Arabia, compared to exports of \$39.0 million. Canada had a trade surplus of \$81.0 million with Saudi Arabia in travel services in 2009, with travel services exports to, and imports from, the country valued at \$88.0 million and \$7.0 million respectively.

Data on Saudi Arabian direct investment in Canada and Canadian direct investment in Saudi Arabia are not available.

Figure 7

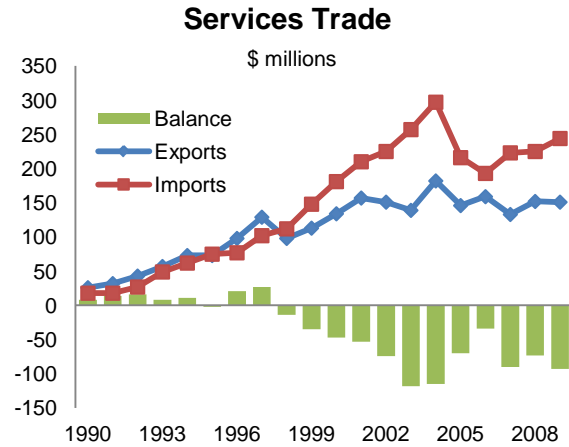
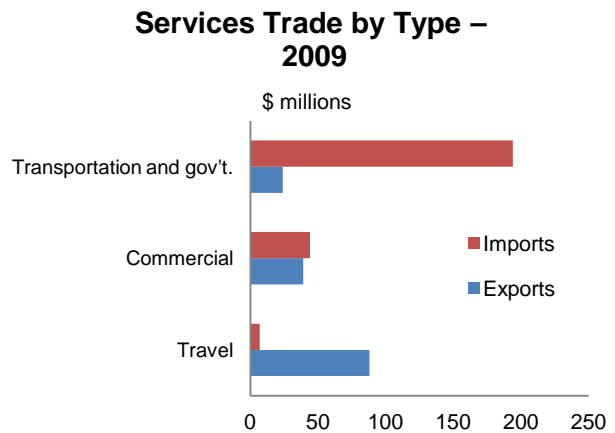


Figure 8



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.