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TRADE AND INVESTMENT



Canada–Sweden

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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 Sweden totalled \$2.6 billion, comprised of \$473.1 million in exports to, and \$2.1 billion in imports from, Sweden.

Sweden was Canada's 36th largest export destination globally in 2010, and its eighth largest in the European Union (EU), a region that includes 27 countries. In that year, it was Canada's 21st largest source of imports worldwide, and its fifth largest import source in the EU.

The value of Canada's trade with Sweden as a share of the value of Canada's total trade has been relatively constant over time. In particular, the value of Canada's exports to the country as a share of the value of Canada's total trade was 0.1% in 1995 and in 2010, while the value of Canada's imports from Sweden as a share of the value of Canada's total imports fell slightly from 0.6% in 1995 to 0.5% in 2010.

Over the 2005 to 2010 period, the value of Canada's exports to Sweden declined at an average annual rate of 0.4%, compared to 1.8% worldwide. The value of Canada's imports from the country fell at an average annual rate of 1.8% over the period, compared to an increase of 1.2% worldwide.

Ontario and Quebec were the driving forces being Canadian exports to Sweden in 2010, with exports valued at \$161.0 million and \$117.9 million respectively. Together, the value of exports from the Atlantic provinces to the country was \$108.2 million in that year.

Over the 2005 to 2010 period, the fastest-growing provincial exporters to Sweden were Manitoba, Prince Edward Island and Saskatchewan. They had average annual growth rates of 40%, 35% and 26% respectively in the value of their exports to the country over that period.

Figure 1

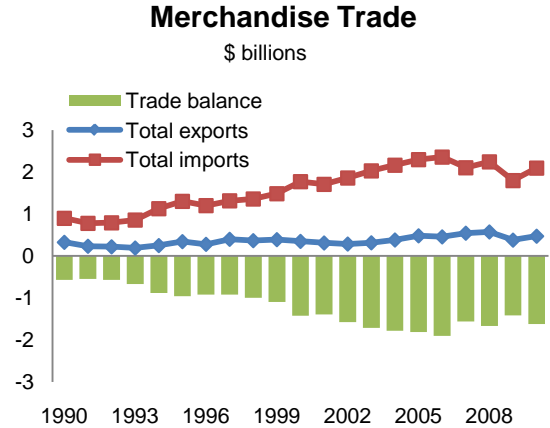


Figure 2

Importance to Canada

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

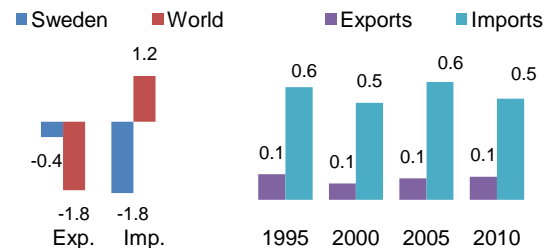
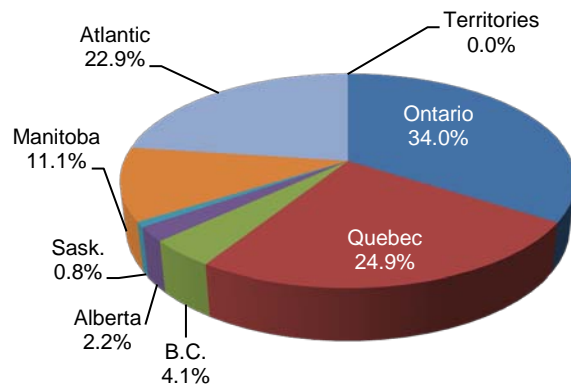


Figure 3

Exports by Province/Territory – 2010



All figures were prepared by the 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 77% of the value of Canada's exports to Sweden, while resource-based goods represented the remaining 23%. This composition was relatively consistent with 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 Sweden in 2010 were copper ores, turbojets and crustaceans, at \$102.8 million, \$21.9 million and \$18.1 million respectively. Over the 2005 to 2010 period, the value of these products grew at average annual rates of 4%, 17% and 24% respectively.

In 2010, manufactured goods represented 97% of the value of Canada's imports from Sweden, with resource-based goods accounting for the remaining 3%. This composition was largely unchanged from 2005, when manufactured goods and resource-based goods represented 98% and 2% respectively of the value of Canada's imports from the country.

Canada's highest-valued imports from Sweden in 2010 were medications, non-crude petroleum oils and machinery parts, at \$541.4 million, \$155.6 million and \$116.9 million respectively. Over the 2005 to 2010 period, the value of Canadian imports of medications and non-crude petroleum oils from the country increased at average annual rates of 3% and 7% respectively, while the value of Canadian imports of machinery parts from Sweden remained largely unchanged.

Canada had a trade deficit with Sweden in most product categories in 2010; the largest deficits occurred in respect of machinery and equipment as well as other manufactured goods. While Canada had a relatively small trade surplus with the country in forest products in 2005, it had a small trade deficit in 2010.

Figure 4

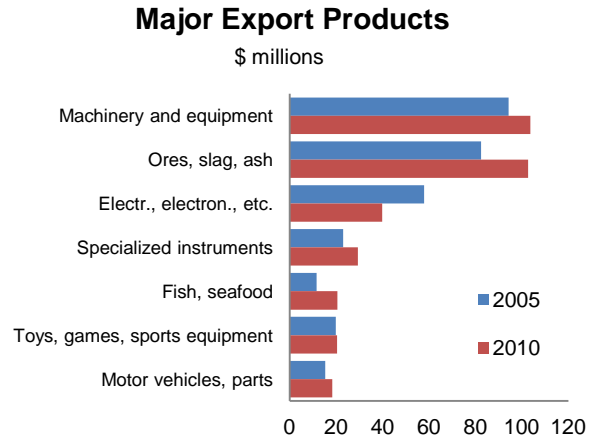


Figure 5

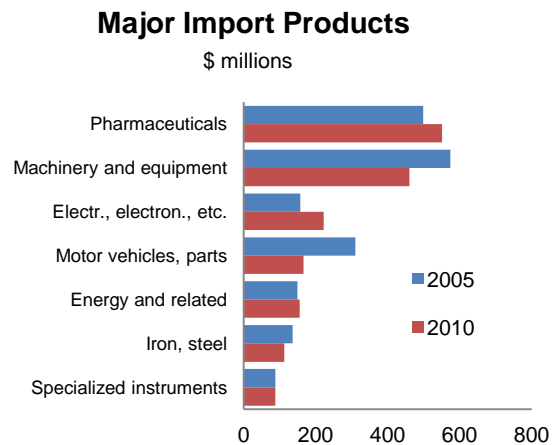
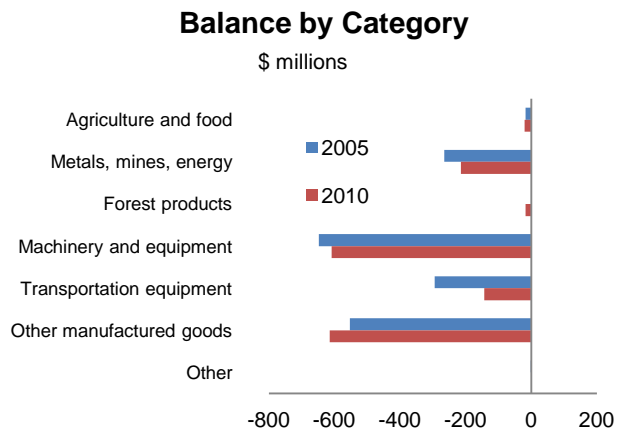


Figure 6



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Services and Investment

In 2009, the most recent year for which data are available, Canada–Sweden services trade totalled \$680.0 million – \$329.0 million in exports to, and \$351.0 million in imports from, Sweden.

The value of Canada's services exports to Sweden decreased by 3% from 2008 to 2009, primarily because of declines in travel services as well as in transportation and government services; the value of commercial services exports increased during that period. In 2009, Canada's exports of commercial services, travel services, and transportation and government services to the country were valued at \$229.0 million, \$58.0 million and \$42.0 million respectively.

From 2008 to 2009, the value of Canada's services imports from Sweden increased by 17%, largely because of a \$55.0-million increase in the value of commercial services. The value of Canada's transportation and government services imports rose by a small amount, while the value of travel services imports declined. In 2009, Canada's imports of commercial services, transportation and government services, and travel services from the country were valued at \$229.0 million, \$76.0 million and \$47.0 million respectively. The value of Canada's services imports from Sweden more than doubled between 2005 and 2009.

In 2009, Canada had a trade deficit with Sweden in transportation and government services, and a trade surplus in travel services. Bilateral commercial services trade – which accounted for 67% of the value of Canada–Sweden services trade – was balanced in that year.

The stock of Canadian direct investment in Sweden was \$1.2 billion in 2010, making it Canada's 33rd largest destination for direct investment abroad. This stock was markedly lower than its 2003 peak of \$2.1 billion.

With a 3% increase from 2009 to 2010, Swedish direct investment in Canada totalled \$2.7 billion in 2010, making it the 15th largest source of foreign investment in Canada. This stock was markedly lower than its 2007 peak of \$5.0 billion.

Figure 7

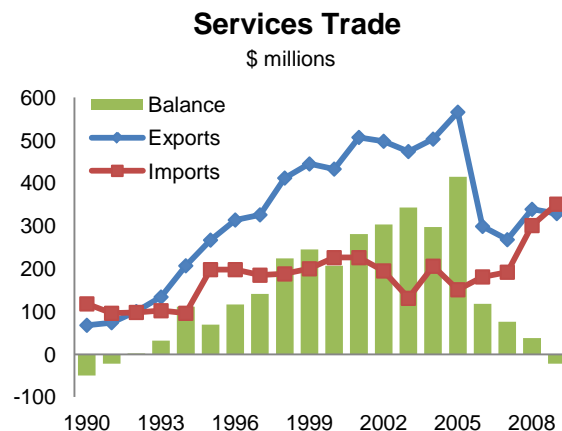


Figure 8

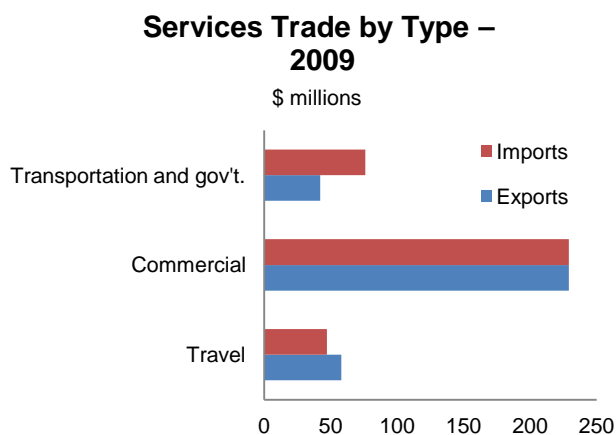
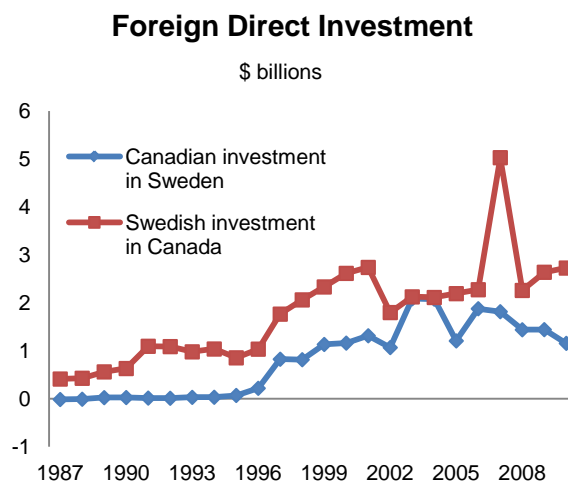


Figure 9



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.