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Canada–Taiwan

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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.

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Merchandise Trade

In 2010, Canada's bilateral merchandise trade with Taiwan totalled \$5.3 billion, consisting of \$1.3 billion in Canadian exports to, and \$4.0 billion in imports from, Taiwan.

Taiwan was Canada's 18th largest export destination and its 10th largest source of imports in 2010. In 2009, Taiwan was Canada's 21st largest export destination and its 13th largest source of imports. Taiwan has long been Canada's fourth largest trading partner in Asia, behind China, Japan and South Korea.

After a decline in Canada-Taiwan merchandise trade in 2009 as a result of the global economic recession, both Canadian exports to, and imports from, Taiwan increased in 2010. While Canadian imports from Taiwan have returned to their pre-recession level, Canadian exports to Taiwan have not reached their 2008 level of \$1.6 billion.

At \$505.3 million in goods, British Columbia accounted for close to 40% of Canada's exports to Taiwan in 2010. Ontario followed with exports worth \$226.7 million.

For a number of provinces, growth in exports to Taiwan has fallen in recent years. From 2005 to 2010, only Newfoundland and Labrador, Manitoba and Nova Scotia did not experience a decline in the average annual growth of their exports to Taiwan.

Figure 1

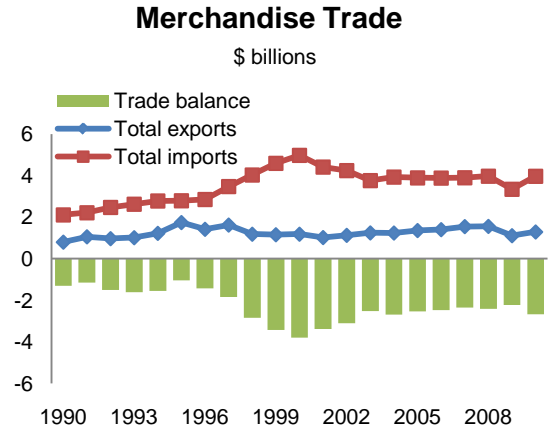


Figure 2

Importance to Canada

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

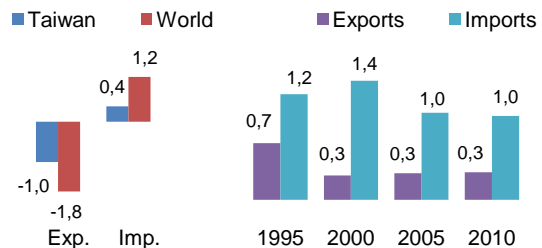
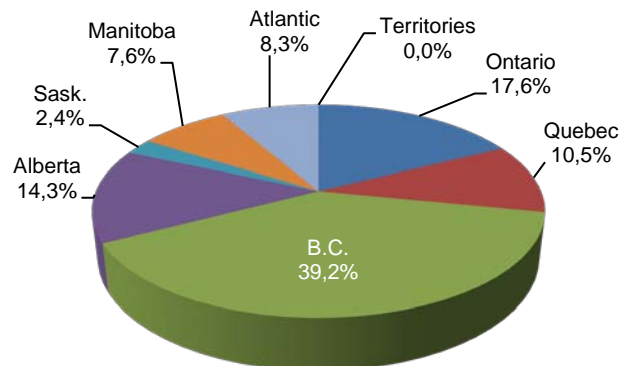


Figure 3

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 made up 77% of Canada's exports to Taiwan in 2010. Even though processed coal led Canadian products exported to Taiwan in that year, with a total value of \$140.8 million, exports of that product were down from their historic level of \$250.0 million in 2008. Other major export products in 2010 included wood pulp, nickel, iron ores and pork.

Canadian imports from Taiwan are comprised almost exclusively of manufactured goods. In 2010, manufactured products accounted for 97% of Canada's total imports from that country; this share is essentially unchanged since 2005.

Canadian imports of electrical and electronic machinery and equipment totalled \$1.5 billion in 2010. Within that category, electronic integrated circuits, telephone sets, and monitors and projectors accounted for \$775.9 million. Motor vehicle parts, articles of iron or steel and silver are other major Canadian import products from Taiwan.

Canada is a net exporter of resource products to Taiwan, while Taiwan is a large net exporter of manufactured goods to Canada. Canada has a trade deficit with Taiwan in all product categories apart from forest products, and agriculture and food products.

Figure 4

Major Export Products

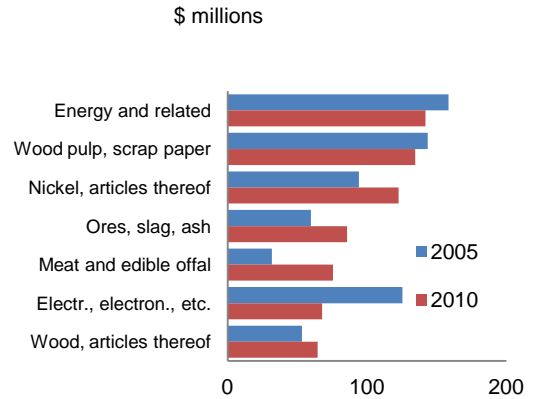


Figure 5

Major Import Products

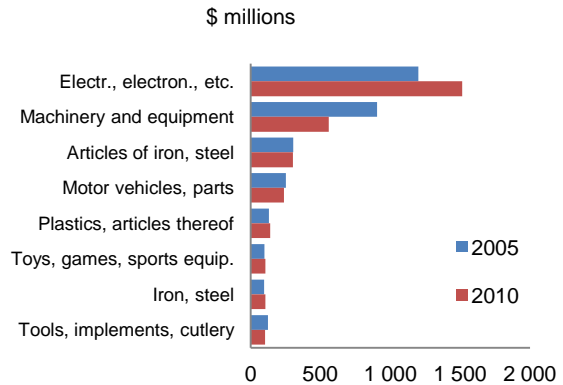
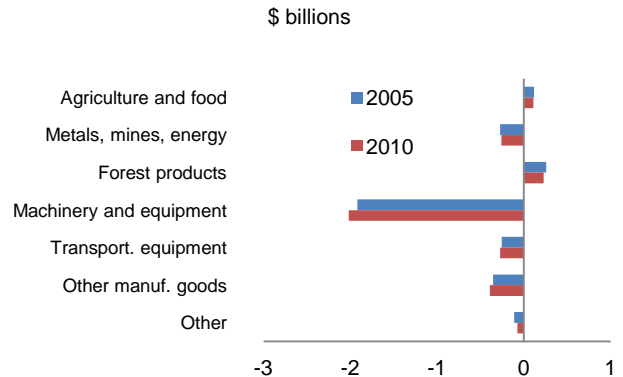


Figure 6

Balance by Category



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

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Services and Investment

Canada has traditionally been a net exporter of services to Taiwan, although this trend has changed considerably over the last decade. In 2009, the latest year for which data are available, Canadian services exports to Taiwan totalled \$313.0 million, while services imports were valued at \$482.0 million. Services exports fell by 40% over the 2000–2009 period, while services imports increased by 115% over the same period.

Transportation and government services, valued at \$500.0 million, made up 63% of all services trade between Canada and Taiwan in 2009. Canada had a notable trade deficit in this sector in that year. The opposite situation existed for travel services and for commercial services, sectors in which Canada had trade surpluses in 2009.

Taiwan is not a significant destination for Canadian foreign direct investment abroad. Despite a stock of \$483.0 million in Canadian direct investment in 2010, a level that was 331% higher than the 2005 level, Taiwan ranked 42nd in terms of destinations for Canadian direct investment abroad in 2010.

Similarly, Taiwan is not a major source of investment in Canada. The stock of Taiwanese direct investment in Canada reached \$110.0 million in 2010, making Taiwan the 34th largest source of foreign direct investment in Canada.

Figure 7

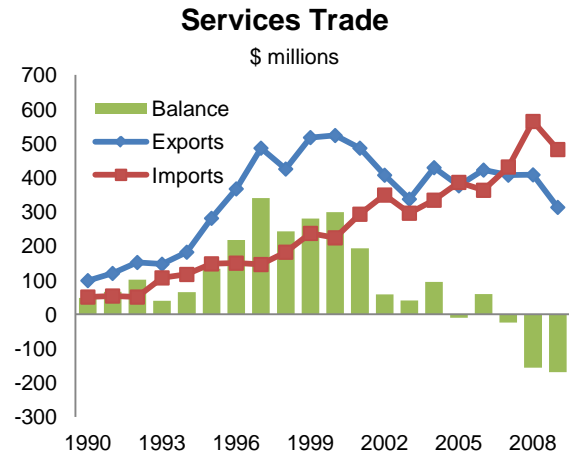


Figure 8

Services Trade by Type – 2009

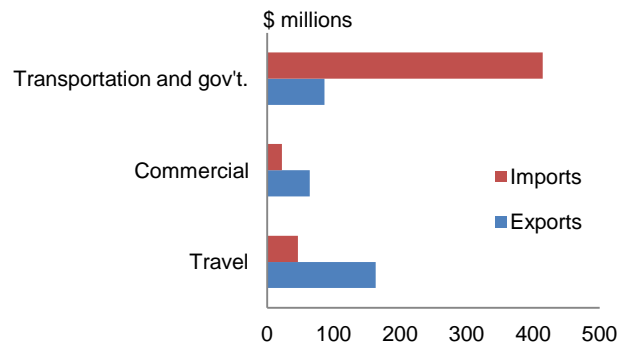
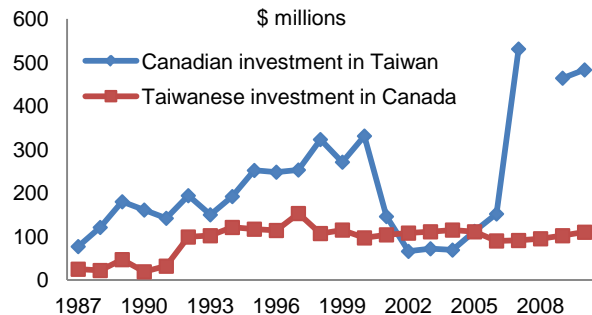


Figure 9

Foreign Direct Investment



Note: Data for Canadian investment in Taiwan are not available for 2008.

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