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TRADE AND INVESTMENT



Canada–Panama

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* Simon Lapointe, 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 Panama totalled \$213.7 million, consisting of \$129.5 million in Canadian exports to, and \$84.2 million in imports from, Panama. Exports and imports have increased relatively significantly over the 2000 to 2010 period, with increases of 128% in exports and 505% in imports. However, bilateral trade has varied considerably from year to year over that period.

Panama is neither a significant export destination nor a major source of imports for Canada. Panama was Canada's ninth largest export destination in Latin America in 2010, and its 67th largest export destination worldwide. It was Canada's 17th largest source of imports from Latin America in that year, and its 86th largest source of imports worldwide.

At the provincial level, Quebec and Ontario accounted for more than three quarters of Canada's total exports of goods to Panama in 2010. In that year, Ontario and Quebec exported \$74.3 million and \$25.7 million respectively to Panama.

From 2005 to 2010, exports from Ontario to Panama grew at an average rate of 25% per year. From 2009 to 2010, these exports grew by 153%.

Figure 1

Merchandise Trade

\$ millions

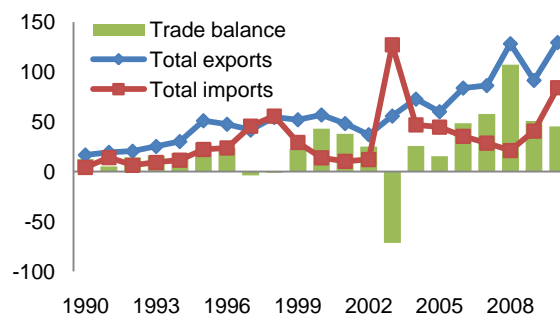


Figure 2

Importance to Canada

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

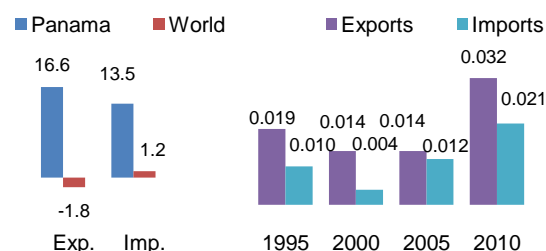
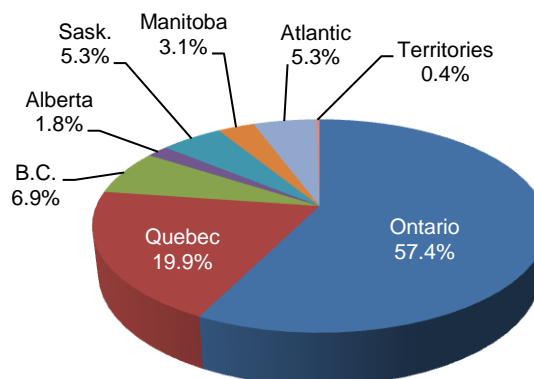


Figure 3

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

Canadian exports to Panama were largely comprised of aircraft and parts in 2010, with a value of \$44.5 million. That year was the second time in 20 years that Canada exported aircraft to Panama, the other time being in 2005, when aircraft exports were valued at less than \$600,000. Other significant export products in 2010 included meat and edible offal, machinery and equipment, and electric and electronic equipment.

In recent years, Panama has been an important market in Latin America for exports of pharmaceutical products. However, Canadian exports of these products to Panama decreased by 64% between 2009 and 2010.

Imports from Panama are dominated by precious metals, particularly gold. In 2010, gold imports from Panama were valued at \$70.9 million, comprising about 84% of Canada's total imports from that country.

Because of Canada's gold imports from Panama, Canada is a net importer of metals, mines and energy products. For all other product categories, Canada has a trade surplus with Panama.

Figure 4

Major Export Products

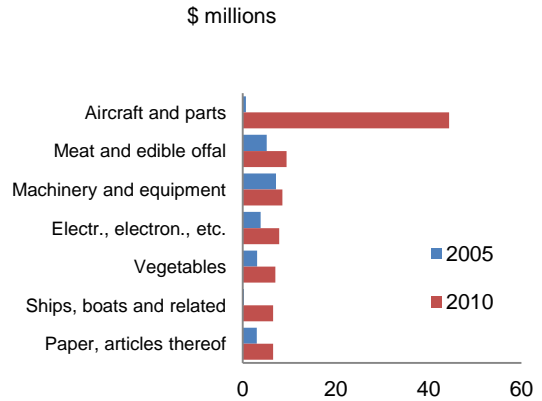


Figure 5

Major Import Products

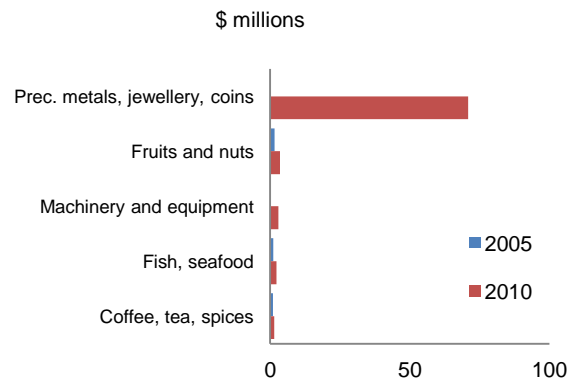
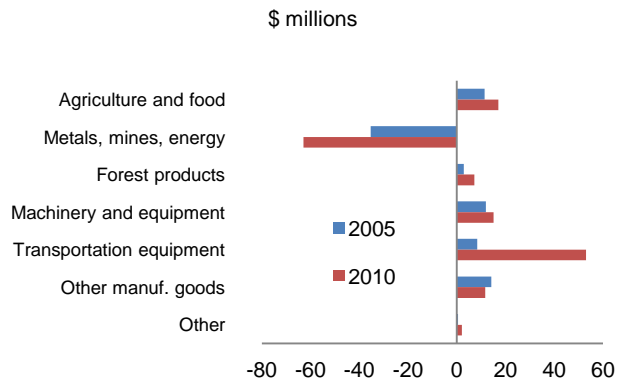


Figure 6

Balance by Category



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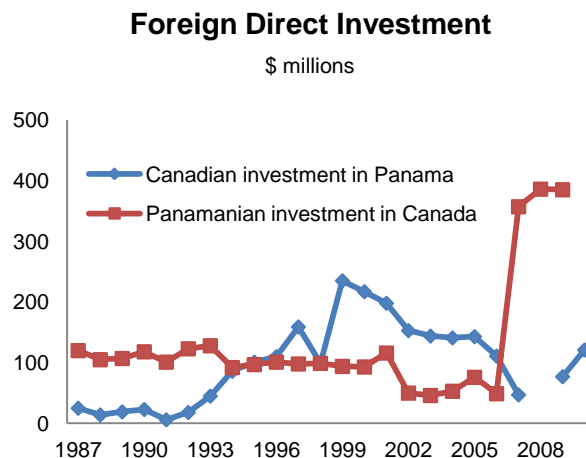
Services and Investment

Panama is not a major destination for Canadian foreign direct investment. The stock of Canadian investment in Panama decreased steadily from 2000 to at least 2007, but increased in 2009 and 2010; data for 2008 are not available. Panama was the 60th largest foreign destination for Canadian investors in 2010, when the stock of direct investment in the country totalled \$121.0 million. That said, the stock remains below its level of \$217.0 million in 2000.

The stock of Panamanian direct investment in Canada has increased relatively significantly in recent years, rising from \$49.0 million in 2006 to \$385.0 million in 2009, the latest year for which data are available.

Data on trade in services between Canada and Panama are not available.

Figure 7



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