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## TRADE AND INVESTMENT



### ***Canada–South Korea***

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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 2011, Canada–South Korea merchandise trade totalled \$11.7 billion, comprised of \$5.1 billion in Canadian exports to, and \$6.6 billion in imports from, South Korea.

The value of Canada’s exports to South Korea increased by 37.5% between 2010 and 2011, while the value of Canada’s imports from the country grew by 7.5%.

South Korea was Canada’s sixth largest export destination worldwide in 2011. In that year, it was Canada’s seventh largest source of imports globally.

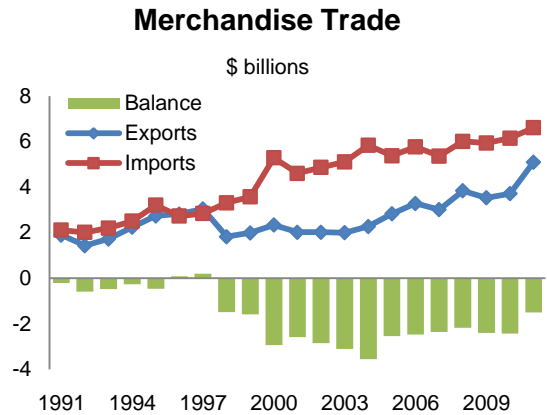
Over the 2006 to 2011 period, the value of Canada’s exports to South Korea grew at an average annual rate of 9.2%, compared to 0.3% worldwide. The value of Canada’s exports to the country as a share of the value of Canada’s total exports increased from 0.7% in 2006 to 1.1% in 2011.

The value of Canada’s imports from South Korea increased at an average annual rate of 2.8% over the 2006 to 2011 period, compared to 2.4% worldwide. In 2011, as in 2006, the value of Canada’s imports from the country as a share of the value of Canada’s total imports was 1.5%.

At the provincial/territorial level, British Columbia and Alberta together accounted for 67.8% of the value of Canada’s exports to South Korea in 2011, with exports valued at \$2.7 billion and \$712.0 million respectively.

Over the 2006 to 2011 period, the fastest-growing provincial/territorial exporters to South Korea were Saskatchewan, Manitoba and British Columbia, with average annual growth rates of 24.4%, 22.4% and 14.7% respectively.

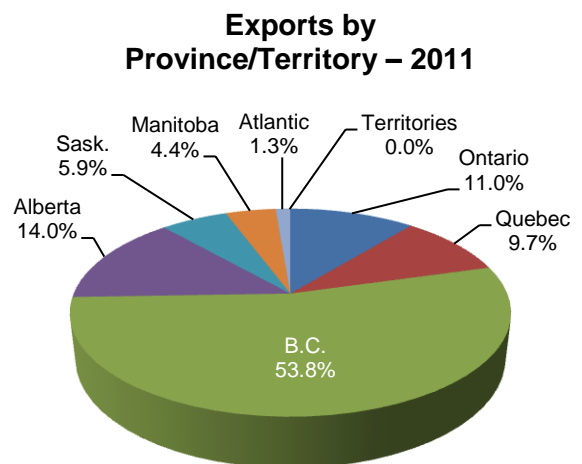
**Figure 1**



**Figure 2**



**Figure 3**



All figures were prepared using 2011 data, based on Statistics Canada annual figures released in spring 2012. The merchandise trade data are customs-based; the services trade and foreign direct investment data are balance of payments-based.

**Products**

In 2011, resource-based goods accounted for 59.8% of the value of Canada's exports to South Korea, with manufactured goods representing the remaining 40.2%. This composition had changed relatively significantly since 2006, when manufactured goods and resource-based goods accounted for 67.8% and 32.2% respectively of the value of Canada's exports to the country.

Canada's highest-valued exports to South Korea in 2011 were coal, wheat and copper ore, which together accounted for 51.7% of the value of Canada's exports to the country. The value of Canadian coal, wheat and copper ore exports to South Korea increased from \$555.0 million, \$24.3 million and \$84.0 million respectively in 2006 to \$1.9 billion, \$475.9 million and \$251.1 million respectively in 2011.

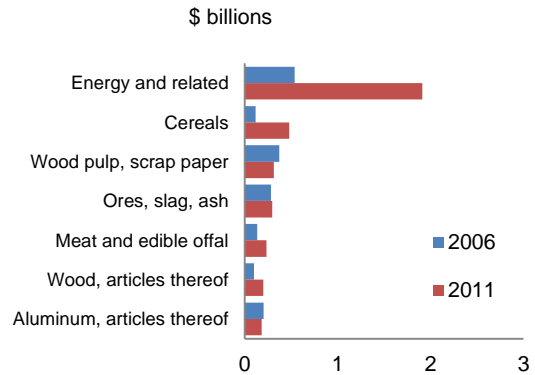
In 2011, manufactured goods represented 98.6% of the value of Canada's imports from South Korea, with resource-based goods accounting for the remaining 1.4%. This composition was relatively unchanged from 2006, when manufactured goods and resourced-based goods represented 99.9% and 0.1% respectively of the value of Canada's imports from the country.

Canada's highest-valued imports from South Korea in 2011 were motor vehicles and electronic integrated circuits, which together accounted for 35.5% of the value of Canada's imports from the country. The value of Canadian motor vehicle and electronic integrated circuit imports from South Korea increased from \$1.5 billion and \$626.3 million respectively in 2006 to \$1.6 billion and \$703.7 million respectively in 2011.

In 2011, Canada had trade surpluses with South Korea in all resource-based product categories, and trade deficits in all manufactured product categories.

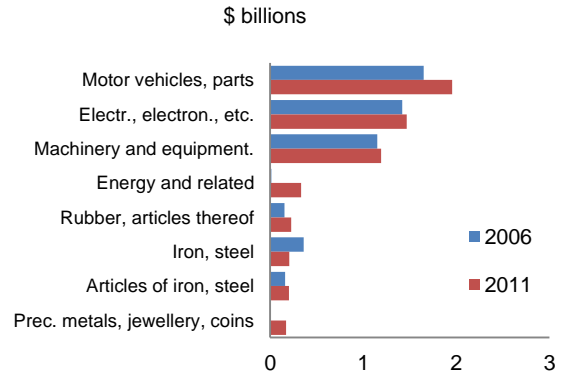
**Figure 4**

**Major Export Products – 2011**



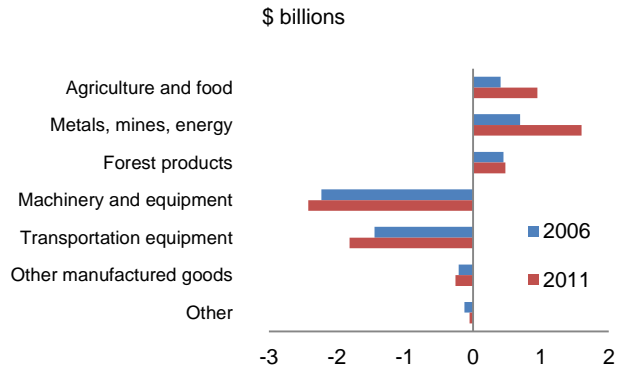
**Figure 5**

**Major Import Products – 2011**



**Figure 6**

**Balance by Category – 2011**



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**Services and Investment**

In 2009, the most recent year for which data are available, Canada–South Korea services trade totalled \$1.1 billion, comprised of \$695.0 million in Canadian exports to, and \$389.0 million in imports from, South Korea.

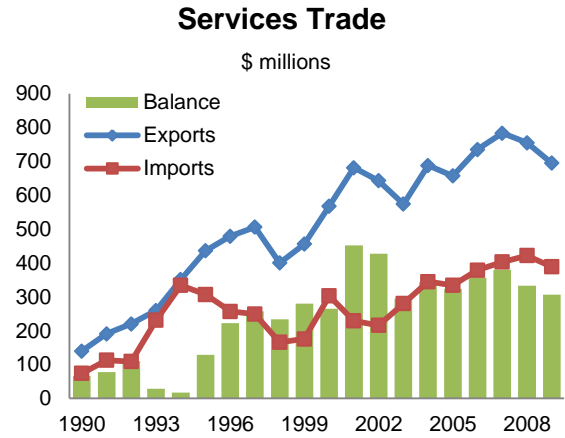
The value of Canada’s services exports to South Korea decreased by 7.9% from 2008 to 2009, while the value of Canada’s services imports from the country declined by 7.8%.

In 2009, Canada had trade surpluses in all services categories with South Korea. In that year, Canada exported \$283.0 million, \$257.0 million and \$155.0 million respectively in transportation and government services, travel services and commercial services to the country. In 2009, Canada imported \$214.0 million, \$104.0 million and \$71.0 million respectively in transportation and government services, travel services and commercial services from South Korea.

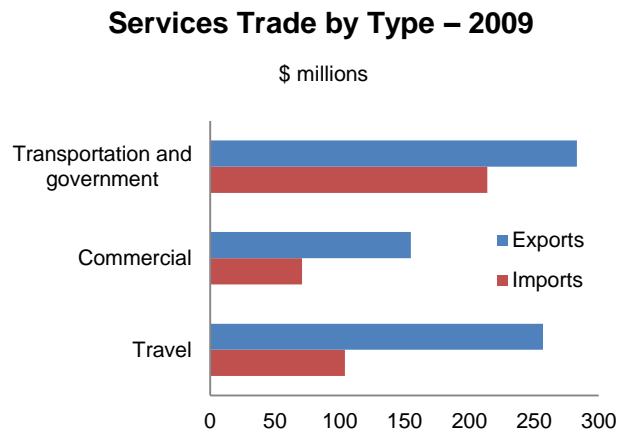
The stock of Canadian direct investment in South Korea totalled \$365.0 million in 2011, making it Canada’s 47<sup>th</sup> largest destination for foreign investment abroad. Canadian direct investment in the country decreased by 2.1% between 2010 and 2011.

In 2011, the stock of South Korean direct investment in Canada totalled \$6.1 billion, making it the 11<sup>th</sup> largest source of foreign investment in Canada. South Korean direct investment in Canada increased by 19.8% between 2010 and 2011.

**Figure 7**



**Figure 8**



**Figure 9**



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