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# TRADE AND INVESTMENT



## *Canada–Mexico*

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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–Mexico merchandise trade totalled \$30.1 billion, comprised of \$5.5 billion in Canadian exports to, and \$24.6 billion in imports from, Mexico.

The value of Canada’s exports to Mexico increased by 9.3% between 2010 and 2011, while the value of Canada’s imports from the country increased by 11.1% over the period.

Mexico was Canada’s fifth largest export destination globally in 2011, after the United States, the United Kingdom, China and Japan. In that year, Mexico was Canada’s third largest source of imports globally, after the United States and China.

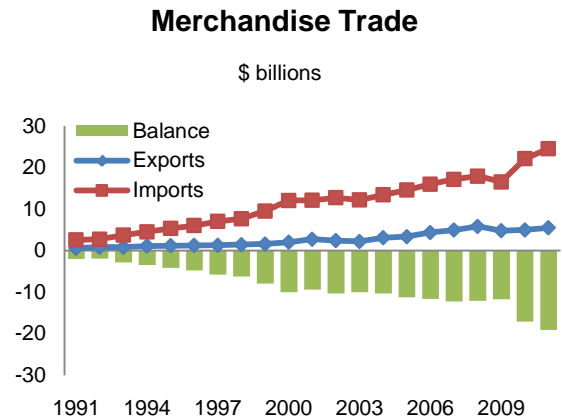
Over the 2006 to 2011 period, the value of Canada’s exports to Mexico grew at an average annual rate of 4.6%, compared to 0.3% worldwide. The value of Canada’s exports to Mexico as a share of the value of Canada’s total exports grew from 1.0% in 2006 to 1.2% in 2011.

The value of Canada’s imports from Mexico increased at an average annual rate of 8.9% over the 2006 to 2011 period, compared to an increase of 2.4% worldwide. The value of Canada’s imports from Mexico as a share of the value of Canada’s total imports grew from 4.0% in 2006 to 5.5% in 2011.

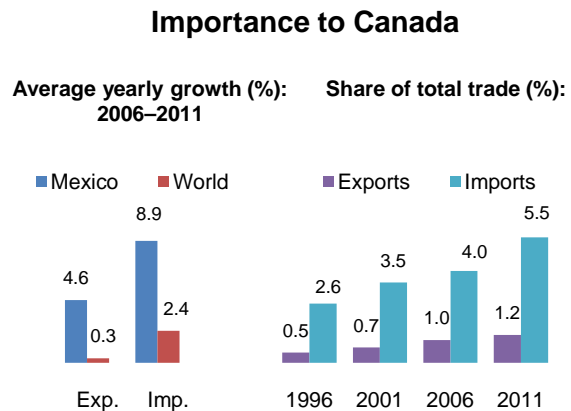
At the provincial/territorial level, Ontario, Quebec and Alberta together accounted for 77.0% of the value of Canada’s exports to Mexico in 2011, with exports valued at \$2.3 billion, \$1.0 billion and \$951.2 million respectively.

Over the 2006 to 2011 period, the fastest-growing provincial/territorial exporters to Mexico were New Brunswick, Manitoba and Saskatchewan, which had average annual growth rates of 22.3%, 13.1% and 12.6% respectively.

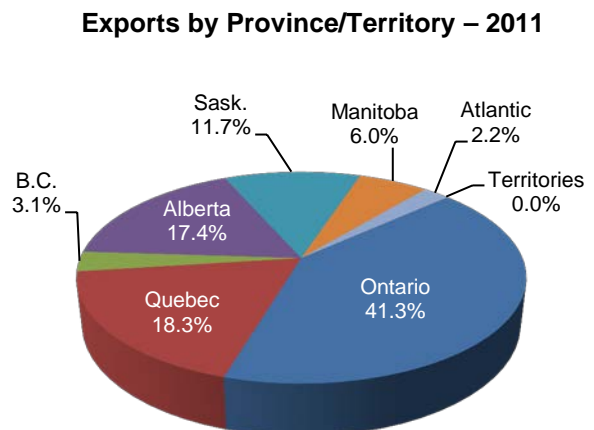
## Figure 1



## 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, manufactured goods accounted for 74.6% of the value of Canada's exports to Mexico, with resource-based goods accounting for the remaining 25.4%. This composition had changed since 2006, when manufactured goods and resource-based goods accounted for 82.8% and 17.2% respectively of the value of Canada's exports to the country.

Canada's highest-valued exports to Mexico in 2011 were canola seeds, electronic integrated circuits and cars, which together accounted for 28.3% of the value of Canada's exports to the country. The value of Canadian canola seed and electronic integrated circuit exports to Mexico increased from \$333.4 million and \$110.7 million respectively in 2006 to \$838.9 million and \$410.7 million respectively in 2011. The value of Canadian car exports declined from \$336.6 million to \$301.8 million over the period.

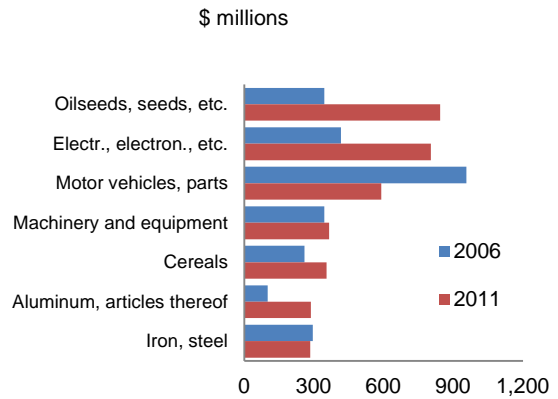
In 2011, manufactured goods represented 89.6% of the value of Canada's imports from Mexico, with resource-based goods accounting for the remaining 10.4%. This composition is almost identical to that of 2006.

Canada's highest-valued imports from Mexico in 2011 were cars, trucks, telephone sets, and monitors and projectors, which collectively accounted for 33.5% of the value of Canada's imports from the country. The value of Canadian imports of cars, trucks, telephone sets, and monitors and projectors from Mexico increased from \$1.5 billion, \$1.0 billion, \$545.6 million and \$1.5 billion respectively in 2006 to \$2.4 billion, \$2.1 billion, \$2.0 billion and \$1.7 billion respectively in 2011.

In 2011, Canada was a net exporter to Mexico of agriculture and food products, and a net importer in every other product category.

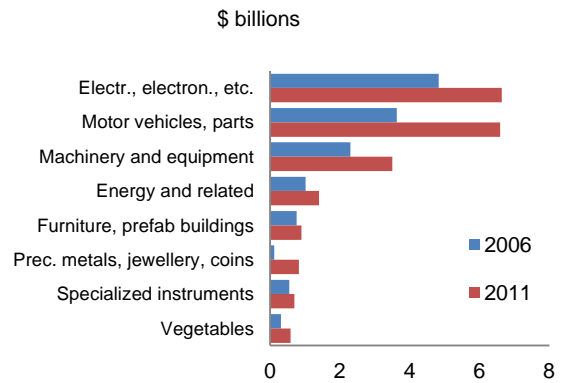
**Figure 4**

**Major Export Products – 2011**



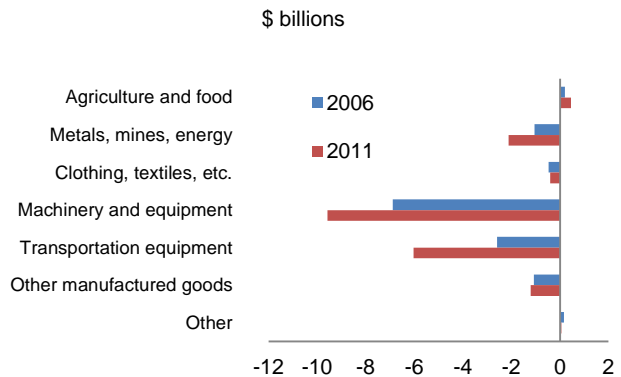
**Figure 5**

**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–Mexico services trade totalled \$2.5 billion, comprised of \$674.0 million in exports to, and \$1.8 billion in imports from, Mexico.

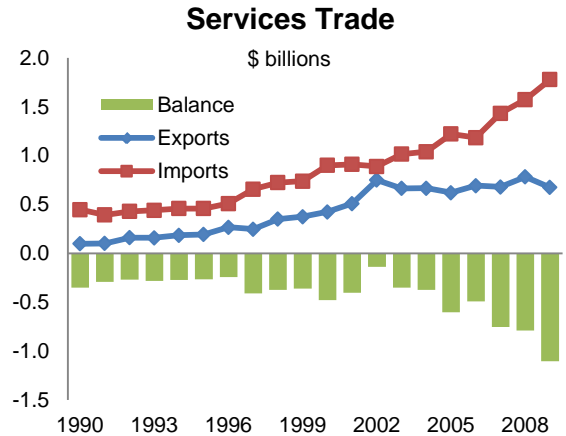
The value of Canada’s services exports to Mexico decreased by 13.9% from 2008 to 2009, while the value of Canada’s services imports from the country increased by 13.0% over the period.

In 2009, Canada’s trade deficit in services with Mexico was the result of trade in travel services. In that year, Canada imported \$1.5 billion in travel services from Mexico, compared to \$280.0 million in travel services exported to Mexico. During that same year, Canada imported \$174.0 million in transportation and government services to Mexico, compared to exports of \$97.0 million. Canada exported \$298.0 million in commercial services to Mexico in 2009, compared to imports of \$140.0 million.

The stock of Canadian direct investment in Mexico totalled \$4.2 billion in 2011, making it Canada’s 21<sup>st</sup> largest destination for foreign investment abroad. Canadian direct investment in the country declined by 13.6% between 2010 and 2011.

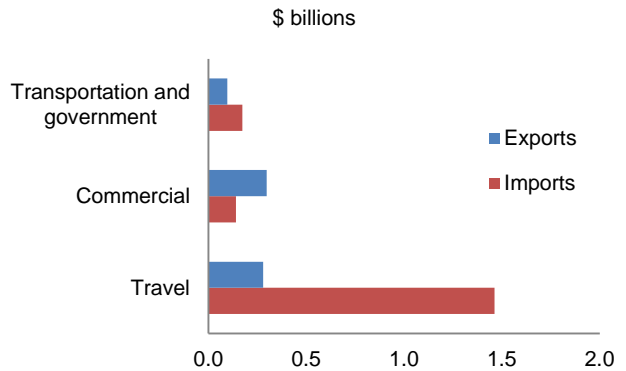
In 2011, the stock of Mexican direct investment in Canada totalled \$216.0 million, making it the 29<sup>th</sup> largest source of foreign investment in Canada. Mexican direct investment in Canada increased by 13.1% between 2010 and 2011.

**Figure 7**



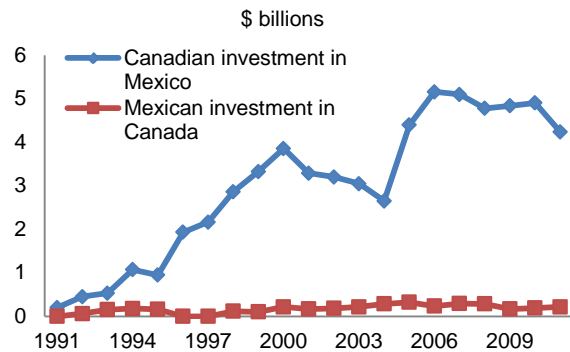
**Figure 8**

**Services Trade by Type – 2009**



**Figure 9**

**Foreign Direct Investment**



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