



LIBRARY of PARLIAMENT
BIBLIOTHÈQUE du PARLEMENT

TRADE AND INVESTMENT



Canada–Brazil

Publication No. 2013-47-E
24 May 2013

Alexandre Gauthier

Economics, Resources and International Affairs Division
Parliamentary Information and Research Service

The Library of Parliament ***Trade and Investment*** series provides information on Canada's trade and investment relationship with the world and with selected countries. The series also describes the merchandise trade relationship that each of Canada's 10 provinces and three territories has with the world. 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.

© Library of Parliament, Ottawa, Canada, 2013

Canada–Brazil
(Trade and Investment Series)

Publication No. 2013-47-E

Ce document est également publié en français.

CONTENTS

MERCHANDISE TRADE.....	1
PRODUCTS	2
SERVICES AND INVESTMENT	3

Merchandise Trade

In 2012, Canada–Brazil merchandise trade totalled \$6.6 billion, comprised of \$2.6 billion in Canadian exports to, and \$4.0 billion in imports from, Brazil.

The value of Canada's exports to Brazil decreased by 9.2% between 2011 and 2012, while the value of Canada's imports from the country grew by 3.5%.

Brazil was Canada's 10th largest export destination worldwide in 2012. In that year, it was Canada's 12th largest source of imports globally.

Over the 2007 to 2012 period, the value of Canada's exports to Brazil grew at an average annual rate of 11.3%, compared to 0.2% worldwide. The value of Canada's exports to the country as a share of the value of Canada's total exports increased from 0.3% in 2007 to 0.6% in 2012.

The value of Canada's imports from Brazil increased at an average annual rate of 3.7% over the 2007 to 2012 period, compared to 2.6% worldwide. The value of Canada's imports from the country as a share of the value of Canada's total imports increased from 0.8% in 2007 to 0.9% in 2012.

At the provincial/territorial level, Saskatchewan, Quebec, Ontario and British Columbia together accounted for 84.5% of the value of Canada's exports to Brazil in 2012, with exports valued at \$638.6 million, \$542.5 million, \$520.2 million and \$477.6 million respectively.

Over the 2007 to 2012 period, the fastest-growing provincial exporters to Brazil were Newfoundland and Labrador, Prince Edward Island and Saskatchewan, with average annual growth rates of 78.1%, 33.6% and 23.4% respectively.

Figure 1

Merchandise Trade

(\$ billions)

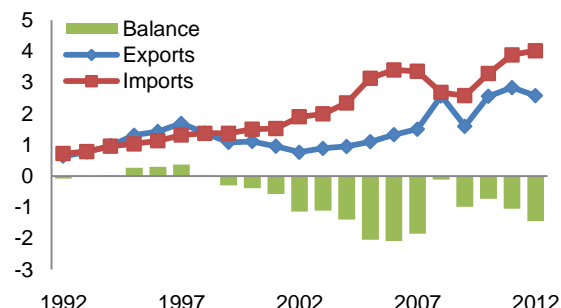


Figure 2

Importance to Canada

Average yearly growth (%): 2007–2012 Share of total trade (%):

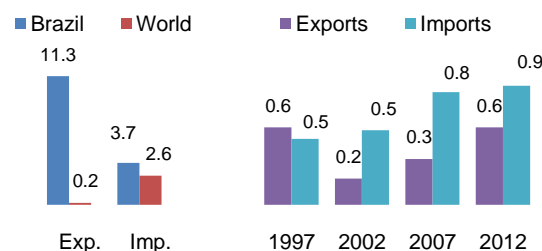
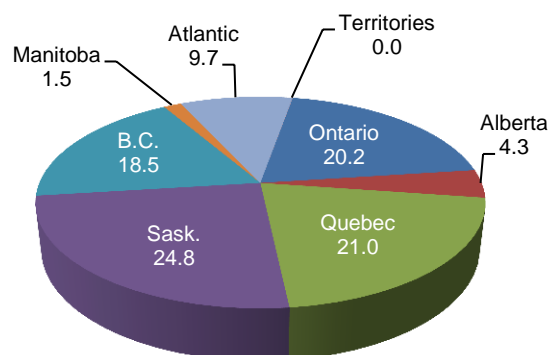


Figure 3

Exports by Province/Territory – 2012

(%)



All figures were prepared using Statistics Canada data available in spring 2013.

The merchandise trade data are customs-based; the services trade and foreign direct investment data are balance of payments-based.

Products

In 2012, resource-based goods accounted for 50.7% of the value of Canada's exports to Brazil, with manufactured goods representing the remaining 49.3%. This composition had changed since 2007, when manufactured goods and resource-based goods accounted for 61.8% and 38.2% respectively of the value of Canada's exports to the country.

Canada's highest-valued exports to Brazil in 2012 were potash, coal and newsprint, which together accounted for 54.2% of the value of Canada's exports to the country. The value of Canadian potash, coal and newsprint exports to Brazil increased from \$215.3 million, \$164.4 million and \$152.8 million respectively in 2007 to \$802.2 million, \$393.8 million and \$202.5 million respectively in 2012.

In 2012, manufactured goods represented 68.2% of the value of Canada's imports from Brazil, with resource-based goods accounting for the remaining 31.8%. This composition had changed since 2007, when manufactured goods and resource-based goods represented 91.4% and 8.6% respectively of the value of Canada's imports from the country.

Canada's highest-valued imports from Brazil in 2012 were crude oil, aluminium oxides and sugar, which together accounted for 52.4% of the value of Canada's imports from the country. The value of Canadian crude oil, aluminium oxide and sugar imports from Brazil increased from \$0, \$358.4 million and \$233.7 million respectively in 2007 to \$836.0 million, \$793.7 million and \$478.0 million respectively in 2012.

In 2012, Canada had a trade surplus with Brazil in the machinery and equipment, forest products, and transportation equipment product categories, and a trade deficit in all other product categories.

Figure 4

Major Export Products (\$ millions)

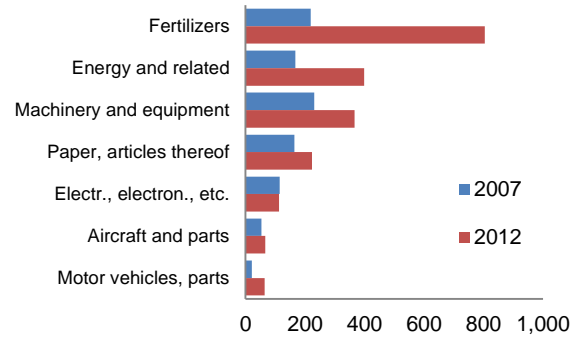


Figure 5

Major Import Products (\$ millions)

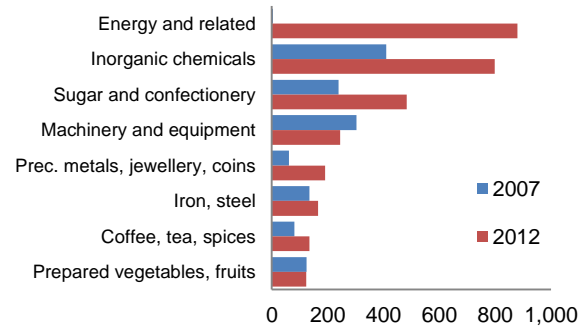
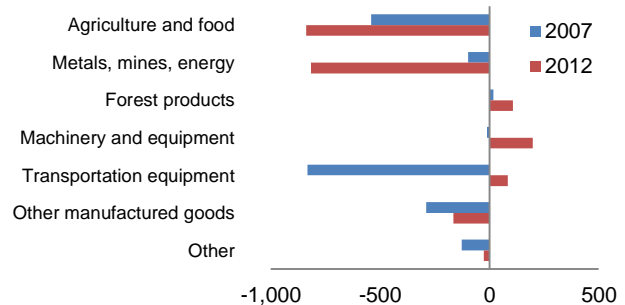


Figure 6

Balance by Category (\$ millions)



All figures were prepared using Statistics Canada data available in spring 2013.

The merchandise trade data are customs-based; the services trade and foreign direct investment data are balance of payments-based.

Services and Investment

In 2010, the most recent year for which data are available, Canada–Brazil services trade totalled \$721.0 million, comprised of \$437.0 million in Canadian exports to, and \$284.0 million in imports from, Brazil.

The value of Canada's services exports to Brazil decreased by 10.5% between 2009 and 2010, while the value of Canada's services imports from the country increased by 44.2%.

In 2010, Canada's trade surplus in services with Brazil was the result of trade in travel services, and in transportation and government services. In that year, Canada's exports to the country of travel services, and of transportation and government services, were valued at \$178.0 million and \$118.0 million respectively, while such imports from the country were valued at \$45.0 million and \$88.0 million respectively. Canada had a trade deficit with Brazil in commercial services in 2010.

The stock of Canadian direct investment in Brazil totalled \$9.8 billion in 2012, making it Canada's 12th largest destination for foreign investment among the 58 countries for which data were available. Canadian direct investment in the country decreased by 0.8% between 2011 and 2012.

In 2012, the stock of Brazilian direct investment in Canada totalled \$15.8 billion, making it the seventh largest source of foreign investment in Canada among the 39 countries for which data were available. Brazilian direct investment in Canada increased by 8.8% between 2011 and 2012.

Figure 7

Services Trade

(\$ millions)

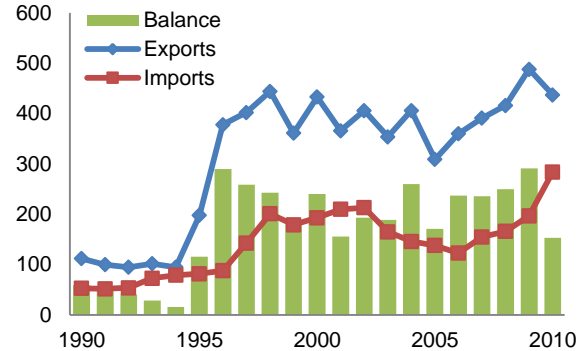


Figure 8

Services Trade by Type – 2010

(\$ millions)

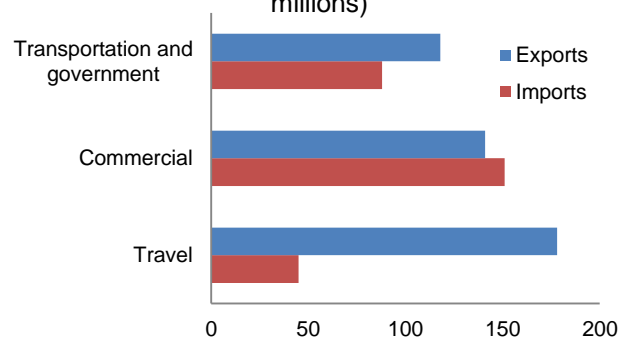
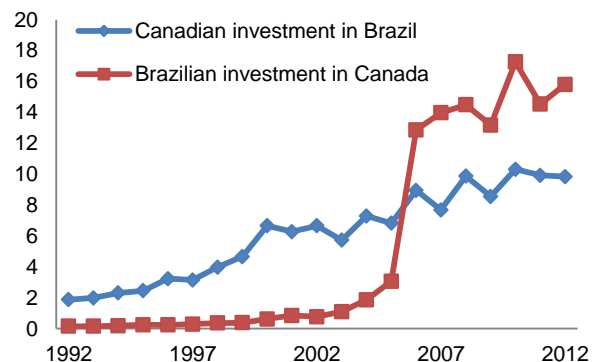


Figure 9

Foreign Direct Investment

(\$ billions)



All figures were prepared using Statistics Canada data available in spring 2013.

The merchandise trade data are customs-based; the services trade and foreign direct investment data are balance of payments-based.