



LIBRARY of PARLIAMENT
BIBLIOTHÈQUE du PARLEMENT

TRADE AND INVESTMENT



Canada–Japan

Publication No. 2013-53-E
18 June 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–Japan
(Trade and Investment Series)

Publication No. 2013-53-E

Ce document est également publié en français.

CONTENTS

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

Merchandise Trade

In 2012, Canada–Japan merchandise trade totalled \$25.4 billion, comprised of \$10.4 billion in Canadian exports to, and \$15.0 billion in imports from, Japan.

The value of Canada's exports to Japan decreased by 2.9% between 2011 and 2012, while the value of Canada's imports from the country increased by 15.0%.

Japan was Canada's fourth largest export destination worldwide in 2012, after the United States, China and the United Kingdom. In that year, it was also Canada's fourth largest source of imports globally, after the United States, China and Mexico.

Over the 2007 to 2012 period, the value of Canada's exports to Japan increased at an average annual rate of 2.3%, 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 grew from 2.0% in 2007 to 2.3% in 2012.

The value of Canada's imports from Japan decreased at an average annual rate of 0.6% over the 2007 to 2012 period, compared to an increase of 2.6% worldwide. The value of Canada's imports from the country as a share of the value of Canada's total imports declined from 3.8% in 2007 to 3.3% in 2012.

At the provincial/territorial level, British Columbia and Alberta together accounted for 59.2% of the value of Canada's exports to Japan in 2012, with exports valued at \$4.2 billion and \$2.0 billion respectively.

Over the 2007 to 2012 period, the fastest-growing provincial exporters to Japan were Saskatchewan, New Brunswick and Alberta, which had average annual growth rates of 14.0%, 8.4% and 6.2% respectively.

Figure 1

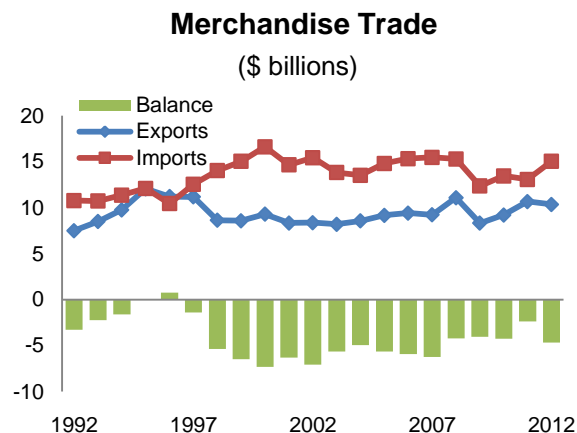


Figure 2

Importance to Canada

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

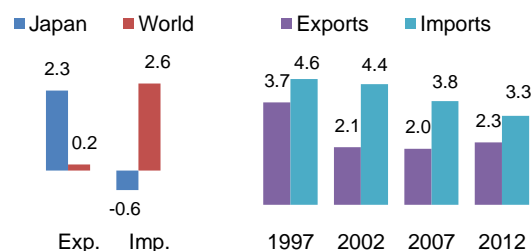
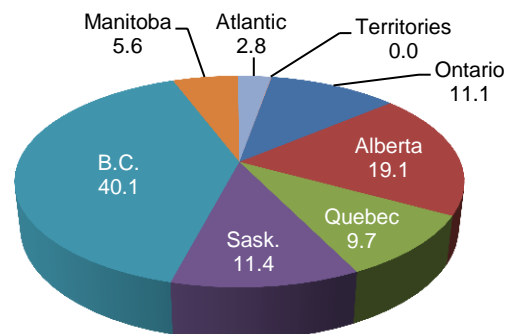


Figure 3

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 56.3% of the value of Canada's exports to Japan, with manufactured goods representing the remaining 43.7%. This composition had changed since 2007, when manufactured goods and resource-based goods accounted for 57.5% and 42.5% respectively of the value of Canada's exports to the country.

Canada's highest-valued exports to Japan in 2012 were coal, canola seeds and copper ore, which together accounted for 41.4% of the value of Canada's exports to the country. The value of Canadian coal, canola seed and copper ore exports to Japan increased from \$967.5 million, \$864.6 million and \$791.8 million respectively in 2007 to \$1.8 billion, \$1.5 billion and \$952.1 million respectively in 2012.

In 2012, as in 2007, manufactured goods represented close to 100% of the value of Canada's imports from Japan.

Canada's highest-valued imports from Japan in 2012 were motor vehicles and motor vehicle parts, which collectively accounted for 38.5% of the value of Canada's imports from the country. The value of Canadian motor vehicle imports from Japan decreased from \$4.9 billion in 2007 to \$3.8 billion in 2012, while the value of Canadian motor vehicle part imports from the country increased from \$1.2 billion in 2007 to \$2.0 billion in 2012.

In 2012, Canada had trade surpluses in all resource-based product categories with Japan. It had trade deficits with the country in all manufactured product categories in that year. Canada's trade in the "other" category with Japan was balanced in 2012.

Figure 4

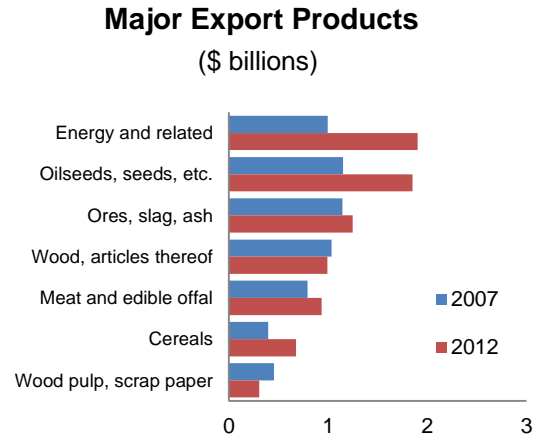


Figure 5

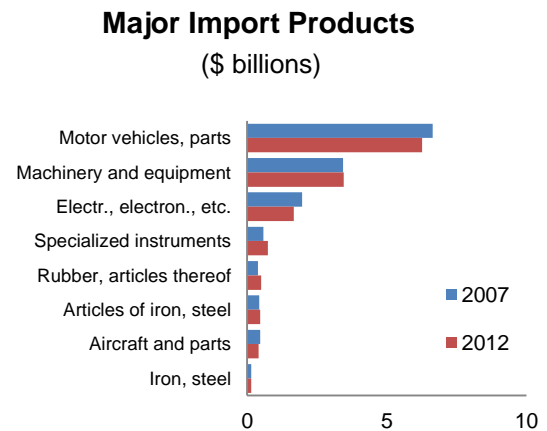
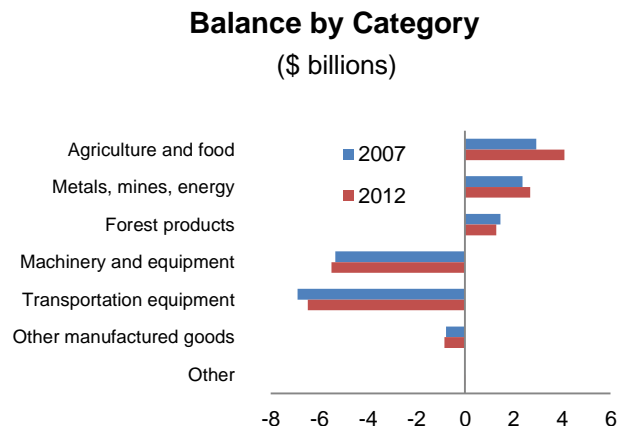


Figure 6



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 2012, Canada–Japan services trade totalled \$2.8 billion, comprised of \$1.2 billion in exports to, and \$1.6 billion in imports from, Japan.

The value of Canada's services exports to Japan increased by 2.0% between 2011 and 2012, while the value of Canada's services imports from the country increased by 10.4%.

In 2012, Canada's trade deficit in services with Japan was largely the result of trade in commercial services; Canada imported \$758.0 million of commercial services from, and exported \$292.0 million of commercial services to, the country. Canada also had a trade deficit with Japan in transportation services in that year. In 2012, Canada had a trade surplus with the country in government services and in travel services.

The stock of Canadian direct investment in Japan totalled \$6.4 billion in 2012, making it Canada's 16th largest destination for foreign investment among the 58 countries for which data were available. Canadian direct investment in the country decreased by 11.3% between 2011 and 2012.

In 2012, the stock of Japanese direct investment in Canada totalled \$17.5 billion, making it the sixth largest source of foreign investment in Canada among the 39 countries for which data were available. Japanese direct investment in Canada increased by 13.4% between 2011 and 2012.

Figure 7

Services Trade

(\$ billions)

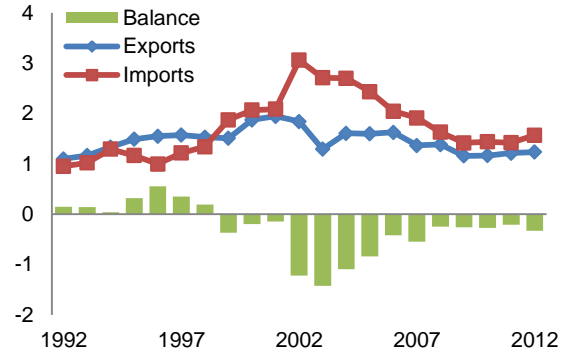


Figure 8

Services Trade by Type – 2012

(\$ millions)

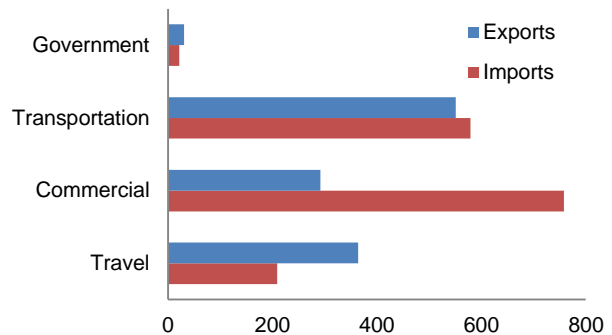
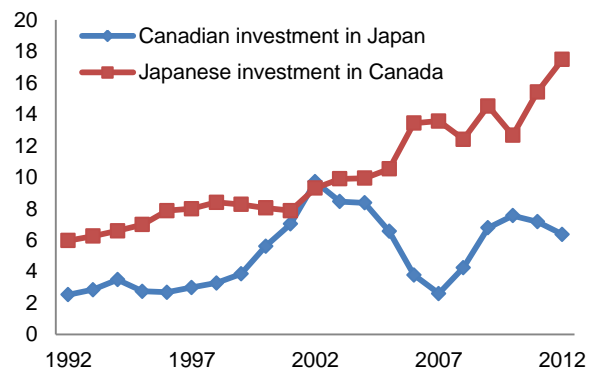


Figure 9

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.