



LIBRARY of PARLIAMENT  
BIBLIOTHÈQUE du PARLEMENT

## TRADE AND INVESTMENT



### Canada–South Korea

Publication No. 2013-56-E  
2 July 2013

**Pascal Tremblay**

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–South Korea*  
(Trade and Investment Series)

Publication No. 2013-56-E

Ce document est également publié en français.

## CONTENTS

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



## Merchandise Trade

In 2012, Canada–South Korea merchandise trade totalled \$10.1 billion, comprised of \$3.7 billion in Canadian exports to, and \$6.4 billion in imports from, South Korea.

The value of Canada's exports to South Korea decreased by 27.2% between 2011 and 2012, while the value of Canada's imports from the country declined by 3.7%.

South Korea was Canada's seventh largest export destination worldwide in 2012. In that year, it was also Canada's seventh largest source of imports globally.

Over the 2007 to 2012 period, the value of Canada's exports to South Korea grew at an average annual rate of 4.3%, 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 0.7% in 2007 to 0.8% in 2012.

The value of Canada's imports from South Korea increased at an average annual rate of 3.5% 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 1.3% in 2007 to 1.4% in 2012.

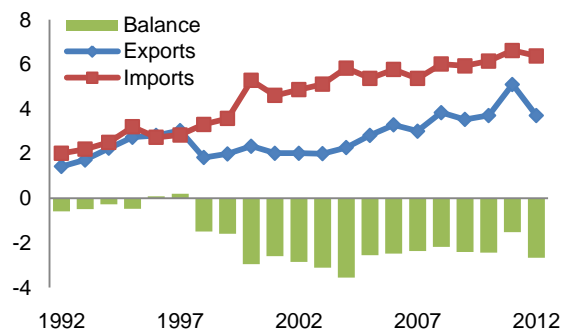
At the provincial/territorial level, British Columbia and Alberta together accounted for 67.7% of the value of Canada's exports to South Korea in 2012, with exports valued at \$1.9 billion and \$621.6 million respectively.

Over the 2007 to 2012 period, the fastest-growing provincial/territorial exporters to South Korea were Yukon, Prince Edward Island and Saskatchewan, with average annual growth rates of 282.9%, 36.1% and 29.5% respectively.

### Figure 1

#### Merchandise Trade

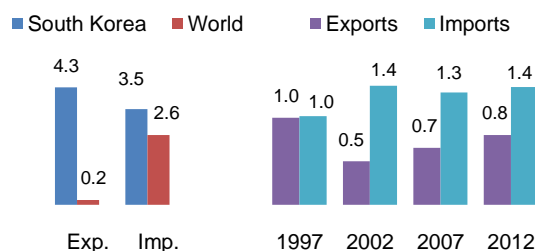
(\$ billions)



### Figure 2

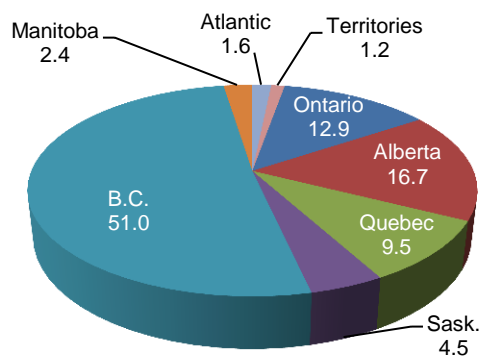
#### Importance to Canada

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, manufactured goods accounted for 50.2% of the value of Canada's exports to South Korea, with resource-based goods representing the remaining 49.8%. This composition had changed since 2007, when manufactured goods and resource-based goods accounted for 70.7% and 29.3% respectively of the value of Canada's exports to the country.

Canada's highest-valued exports to South Korea in 2012 were coal, copper ore and aluminum, which together accounted for 40.4% of the value of Canada's exports to the country. The value of Canadian coal, copper ore and aluminum exports to South Korea increased from \$555.0 million, \$84.0 million and \$144.4 million respectively in 2007 to \$1.1 billion, \$201.6 million and \$167.3 million respectively in 2012.

In 2012, manufactured goods represented 98.8% of the value of Canada's imports from South Korea, with resource-based goods accounting for the remaining 1.2%. This composition had changed slightly since 2007, when manufactured goods and resource-based goods represented 99.9% and 0.1% respectively of the value of Canada's imports from the country.

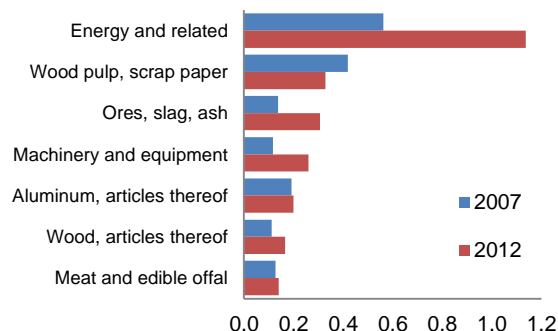
Canada's highest-valued imports from South Korea in 2012 were motor vehicles, electronic integrated circuits and motor vehicle parts, which together accounted for 44.0% of the value of Canada's imports from the country. The value of Canadian motor vehicle and motor vehicle part imports from South Korea increased from \$1.5 billion and \$162.5 million respectively in 2007 to \$2.2 billion and \$288.6 million respectively in 2012. The value of Canadian electronic integrated circuit imports from the country decreased from \$626.3 million in 2007 to \$293.2 million in 2012.

In 2012, Canada had trade surpluses with South Korea in all resource-based product categories, and trade deficits in all other product categories.

### Figure 4

#### Major Export Products

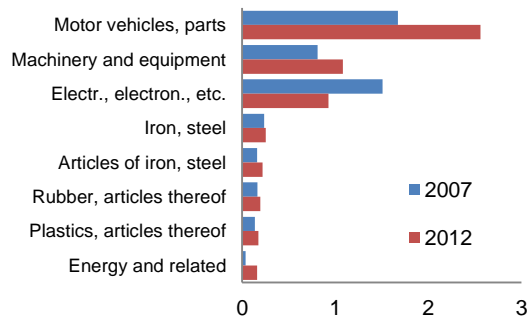
(\$ billions)



### Figure 5

#### Major Import Products

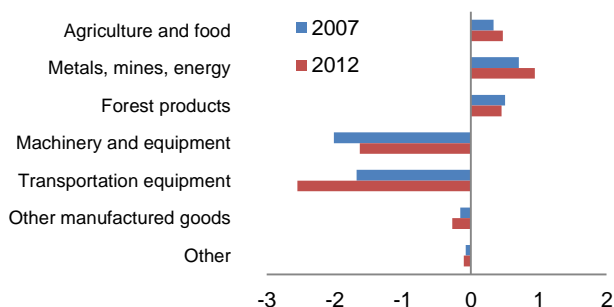
(\$ billions)



### Figure 6

#### Balance by Category

(\$ 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.

## Services and Investment

In 2010, the most recent year for which data are available, Canada–South Korea services trade totalled almost \$1.2 billion, comprised of \$788.0 million in Canadian exports to, and \$376.0 million in imports from, South Korea.

The value of Canada's services exports to South Korea increased by 10.8% between 2009 and 2010, while the value of Canada's services imports from the country declined by 4.1%.

In 2010, Canada had trade surpluses in all services categories with South Korea. In that year, Canada exported \$350.0 million, \$303.0 million and \$135.0 million respectively in transportation and government services, travel services and commercial services to the country. Canada imported \$249.0 million, \$87.0 million and \$39.0 million respectively in transportation and government services, travel services and commercial services from South Korea in 2010.

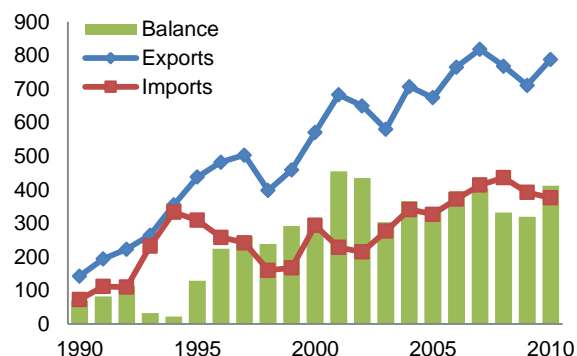
The stock of Canadian direct investment in South Korea totalled \$569.0 million in 2012, making it Canada's 43<sup>rd</sup> largest destination for foreign investment among the 58 countries for which data were available. Canadian direct investment in the country increased by 15.9% between 2011 and 2012.

In 2012, the stock of South Korean direct investment in Canada totalled \$5.8 billion, making it the 11<sup>th</sup> largest source of foreign investment in Canada among the 39 countries for which data were available. South Korean direct investment in Canada increased by 3.4% between 2011 and 2012.

### Figure 7

#### Services Trade

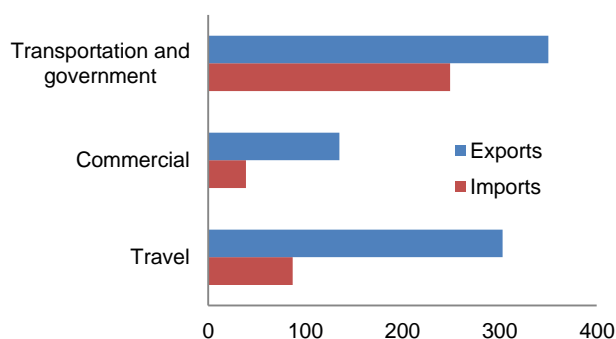
(\$ millions)



### Figure 8

#### Services Trade by Type – 2010

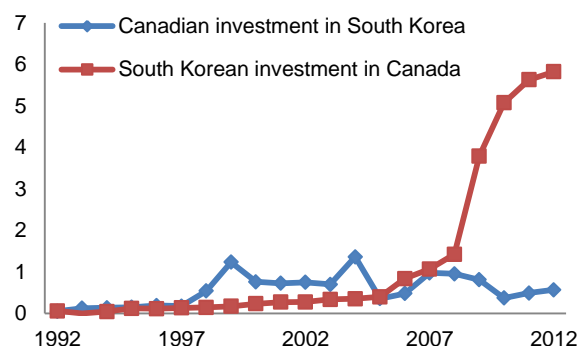
(\$ millions)



### 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.