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# TRADE AND INVESTMENT



## Canada–India

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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.

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## Merchandise Trade

In 2012, Canada-India merchandise trade totalled just over \$5.2 billion, comprised of \$2.4 billion in Canadian exports to, and \$2.9 billion in imports from, India.

The value of Canada's exports to India decreased by 10.2% between 2011 and 2012, while the value of Canada's imports from the country grew by 12.7%.

India was Canada's 12<sup>th</sup> largest export destination worldwide in 2012. In that year, it was Canada's 20<sup>th</sup> largest source of imports globally.

Over the 2007 to 2012 period, the value of Canada's exports to India grew at an average annual rate of 5.7%, 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 0.4% in 2007 to 0.5% in 2012.

The value of Canada's imports from India increased at an average annual rate of 7.6% 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 0.5% in 2007 to 0.6% in 2012.

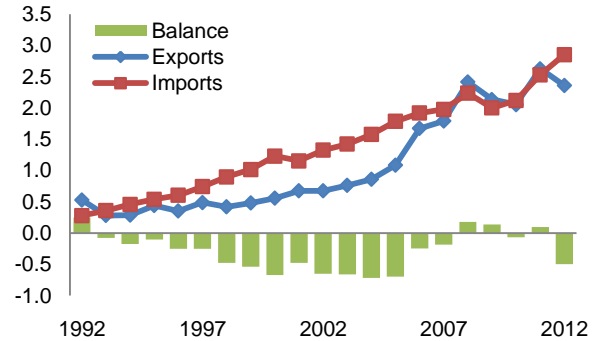
At the provincial/territorial level, Saskatchewan, Quebec and Ontario together accounted for 66.0% of the value of Canada's exports to India in 2012, with exports valued at \$601.5 million, \$485.0 million and \$471.7 million respectively.

Over the 2007 to 2012 period, the fastest-growing provincial/territorial exporters to India were the Northwest Territories, Quebec and Ontario, which had average annual growth rates of 48.2%, 11.8% and 8.1% respectively.

### Figure 1

#### Merchandise Trade

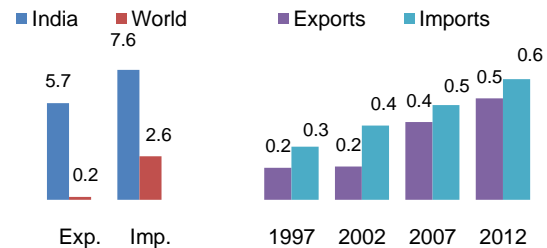
(\$ billions)



### Figure 2

#### Importance to Canada

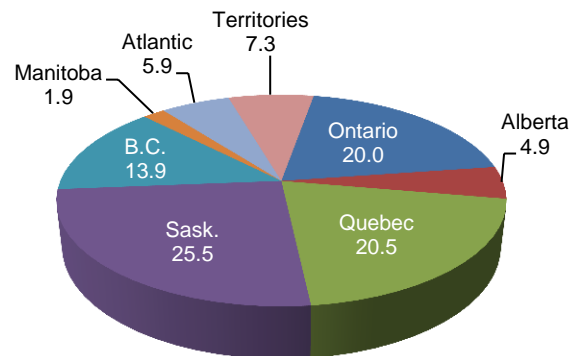
Average yearly growth (%): 2007–2012      Share of total trade (%):



### 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 51.6% of the value of Canada's exports to India, with resource-based goods representing the remaining 48.4%. This composition was relatively consistent with 2007, when manufactured goods and resource-based goods accounted for 51.8% and 48.2% respectively of the value of Canada's exports to the country.

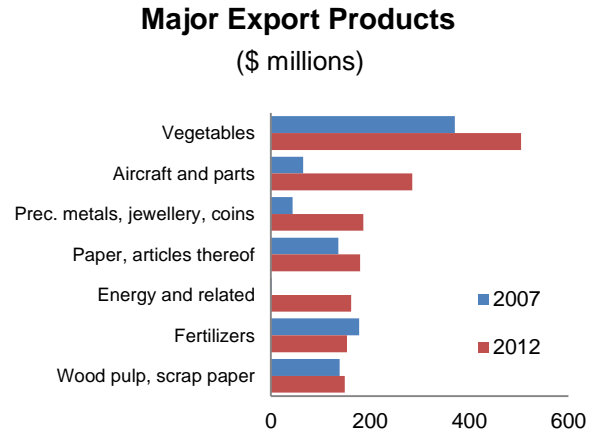
Canada's highest-valued exports to India in 2012 were leguminous vegetables, aircraft, diamonds and newsprint, which together accounted for 47.6% of the value of Canada's exports to the country. The value of Canadian exports to India of leguminous vegetables, aircraft, diamonds and newsprint increased from \$371.0 million, \$43.0 million, \$25.6 million and \$132.1 million respectively in 2007 to \$504.4 million, \$270.3 million, \$175.0 million and \$173.3 million respectively in 2012.

In 2012, manufactured goods represented 97.0% of the value of Canada's imports from India, with resource-based goods accounting for the remaining 3.0%. This composition is almost identical to that of 2007.

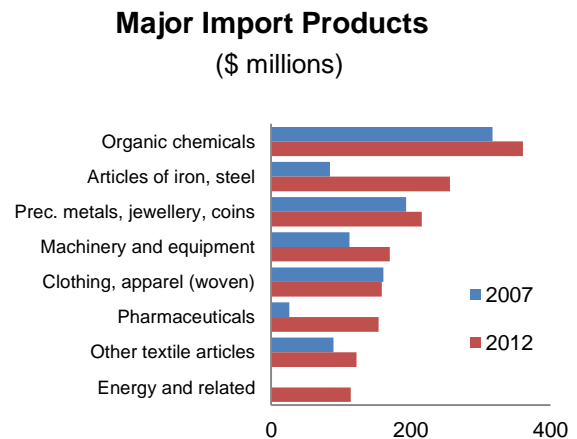
Canada's highest-valued imports from India in 2012 were medications, oil products, jewellery and diamonds, which collectively accounted for 16.4% of the value of Canada's imports from the country. The value of Canadian imports from India of medications, oil products and jewellery increased from \$20.2 million, \$0.1 million and \$59.7 million respectively in 2007 to \$148.5 million, \$113.1 million and \$107.6 million respectively in 2012. The value of Canadian diamond imports from the country declined from \$123.4 million in 2007 to \$98.8 million in 2012.

In 2012, Canada had a trade surplus with India in the transportation equipment, agriculture and food, and "other" product categories. In that year, Canada had a trade deficit in the product categories of clothing and textiles; metals, mines and energy; machinery and equipment; and other manufactured goods.

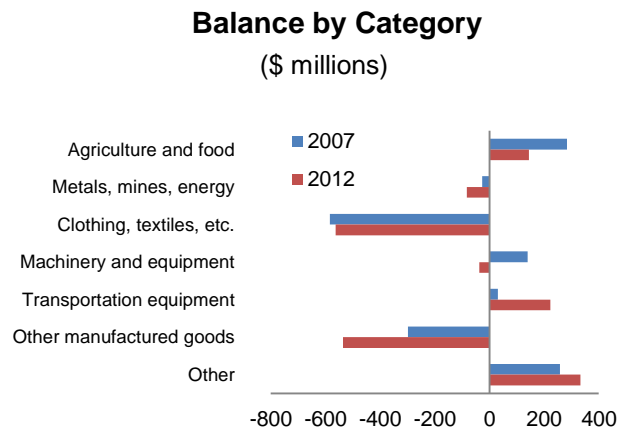
### Figure 4



### 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 2010, the most recent year for which data are available, Canada-India services trade totalled just under \$1.2 billion, comprised of \$446.0 million in Canadian exports to, and \$722.0 million in imports from, India.

The value of Canada's services exports to India increased by 0.5% between 2009 and 2010, while the value of Canada's services imports from the country grew by 12.5% over that period.

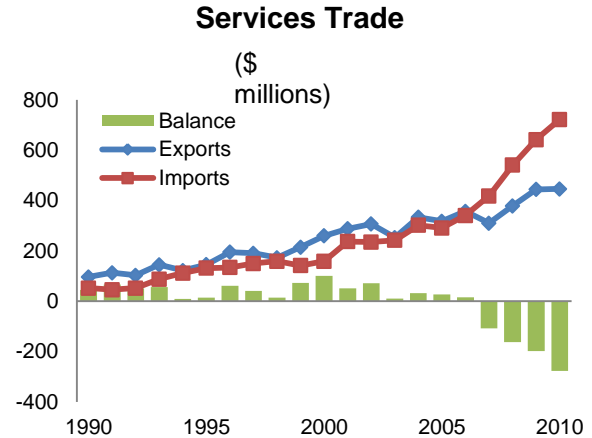
In 2010, Canada's trade deficit in services with India was the result of trade in commercial services, as well as in transportation and government services. In that year, Canada imported \$383.0 million and \$249.0 million respectively in commercial services and in transportation and government services from India, and exported \$83.0 million and \$130.0 million respectively in such services to the country. In 2010, Canada exported \$233.0 million in travel services to, and imported \$90.0 million in these services from, India.

The stock of Canadian direct investment in India totalled \$644.0 million in 2012, making it Canada's 41<sup>st</sup> largest destination for foreign investment among the 58 countries for which data were available. Canadian direct investment in the country declined by 1.7% between 2011 and 2012.

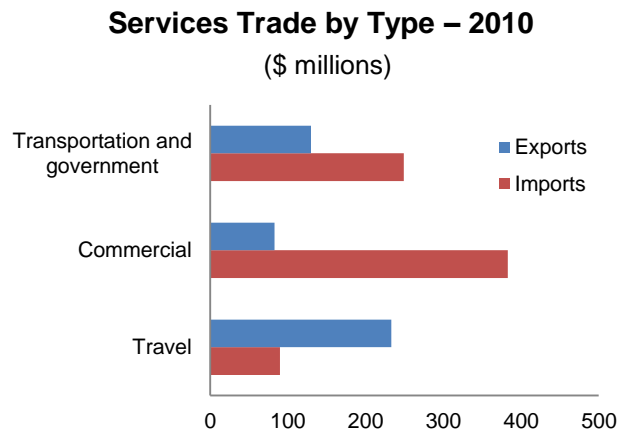
The stock of Indian direct investment in Canada was \$3.7 billion in 2012, making it Canada's 15<sup>th</sup> largest source of foreign investment among the 39 countries for which data were available. Indian direct investment in Canada decreased by 0.1% between 2011 and 2012.

*Data on Indian direct investment in Canada from 1992 to 1998, as well as for 2000, were not available.*

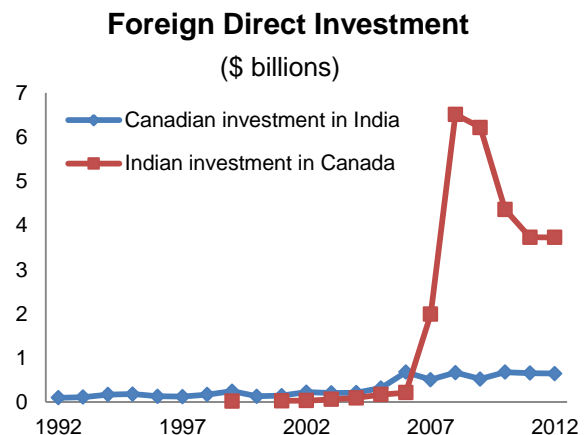
### Figure 7



### Figure 8



### Figure 9



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