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TRADE AND INVESTMENT



Canada–United Kingdom

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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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Ce document est également publié en français.

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Merchandise Trade

In 2012, Canada–United Kingdom merchandise trade totalled \$27.3 billion, comprised of \$18.8 billion in Canadian exports to, and \$8.5 billion in imports from, the United Kingdom.

The value of Canada's exports to the United Kingdom decreased by 0.2% between 2011 and 2012, while the value of Canada's imports from the country declined by 17.3%.

The United Kingdom was Canada's third largest export destination worldwide in 2012, behind the United States and China. In that year, it was Canada's sixth largest source of imports globally.

Over the 2007 to 2012 period, the value of Canada's exports to the United Kingdom grew at an average annual rate of 8.0%, 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 2.8% in 2007 to 4.1% in 2012.

The value of Canada's imports from the United Kingdom decreased at an average annual rate of 5.7% 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 2.8% in 2007 to 1.8% in 2012.

At the provincial/territorial level, Ontario accounted for 80.1% of the value of Canada's exports to the United Kingdom in 2012, with exports valued at \$15.0 billion.

Over the 2007 to 2012 period, the fastest-growing provincial/territorial exporters to the United Kingdom were Newfoundland and Labrador, Ontario and the Northwest Territories, with average annual growth rates of 22.3%, 13.2% and 2.1% respectively.

Figure 1

Merchandise Trade

(\$ billions)

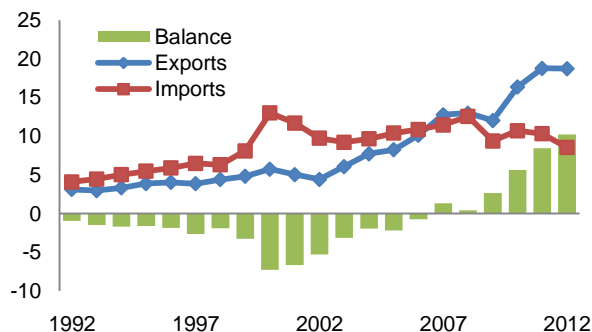


Figure 2

Importance to Canada

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

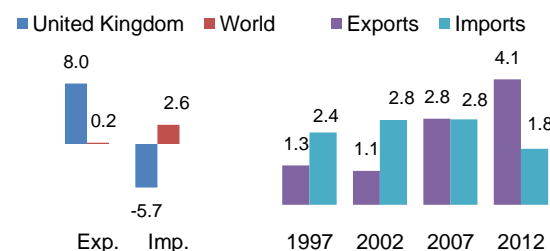
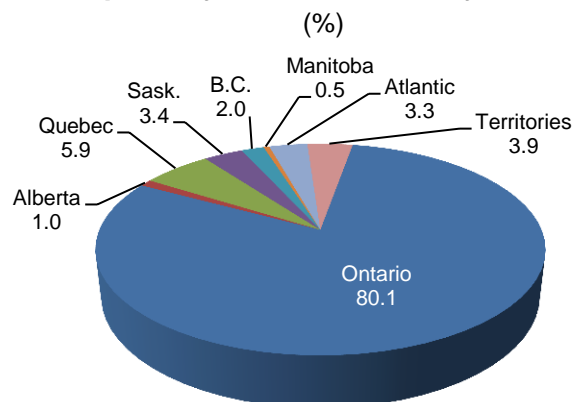


Figure 3

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, resource-based goods accounted for 71.5% of the value of Canada's exports to the United Kingdom, with manufactured goods representing the remaining 28.5%. This composition had changed significantly since 2007, when manufactured goods and resource-based goods accounted for 67.3% and 32.7% respectively of the value of Canada's exports to the country.

Canada's highest-valued exports to the United Kingdom in 2012 were gold, diamonds and uranium, which together accounted for 73.5% of the value of Canada's exports to the country. The value of Canadian gold and diamond exports to the country increased from \$2.9 billion and \$657.9 million respectively in 2007 to \$11.7 billion and \$1.1 billion respectively in 2012. The value of Canadian uranium exports to the United Kingdom decreased from \$2.1 billion in 2007 to \$982.2 million in 2012.

In 2012, manufactured goods represented 82.4% of the value of Canada's imports from the United Kingdom, with resource-based goods representing the remaining 17.6%. This composition had changed significantly since 2007, when manufactured goods and resource-based goods accounted for 59.9% and 40.1% respectively of the value of Canada's imports from the country.

Canada's highest-valued imports from the United Kingdom in 2012 were crude oil, medications and non-crude oil, which collectively accounted for 24.7% of the value of Canada's imports from the country. The value of Canadian crude oil and medication imports from the United Kingdom decreased from \$4.4 billion and \$961.5 million respectively in 2007 to \$803.0 million and \$665.8 million respectively in 2012. The value of Canadian non-crude oil imports increased from \$114.9 million in 2007 to \$643.4 million in 2012.

In 2012, Canada had a trade surplus with the United Kingdom in the product categories of metals, mines and energy, as well as forest products. It had a trade deficit with the country in all other product categories in that year.

Figure 4

Major Export Products (\$ billions)

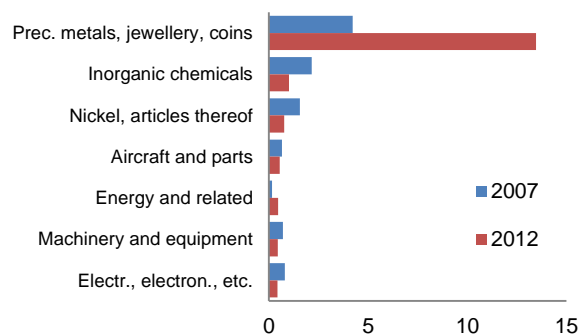


Figure 5

Major Import Products (\$ billions)

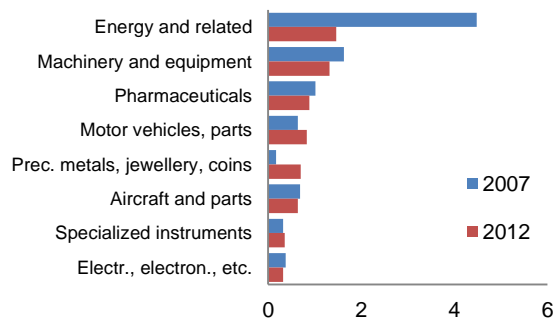
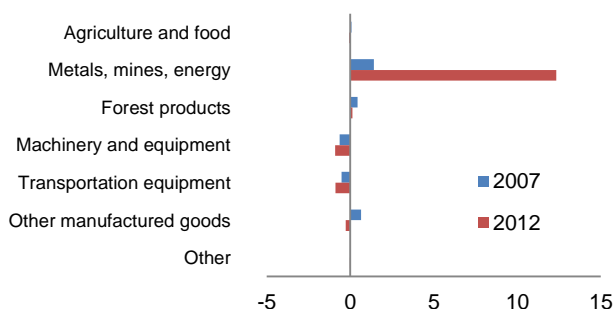


Figure 6

Balance by Category (\$ billions)



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

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Services and Investment

In 2012, Canada–United Kingdom services trade totalled \$10.1 billion, comprised of \$4.8 billion in Canadian exports to, and \$5.3 billion in imports from, the United Kingdom.

The value of Canada's services exports to the United Kingdom decreased by 1.5% between 2011 and 2012, while the value of Canada's services imports from the country declined by 5.7%.

In 2012, Canada's trade deficit in services with the United Kingdom was the result of trade in transportation services and travel services. In that year, Canada imported \$1.6 billion and \$1.2 billion in transportation services and travel services respectively from, and exported \$1.2 billion and \$820.0 million respectively in such services to, the country. In 2012, Canada had a trade surplus with the United Kingdom in commercial services and government services.

The stock of Canadian direct investment in the United Kingdom totalled \$86.8 billion in 2012, making it Canada's second largest destination for foreign investment among the 58 countries for which data were available. Canadian direct investment in the country increased by 8.4% between 2011 and 2012.

In 2012, the stock of British direct investment in Canada totalled \$54.6 billion, making it the third largest source of foreign investment in Canada, among the 39 countries for which data were available. British direct investment in Canada increased by 15.5% between 2011 and 2012.

Figure 7

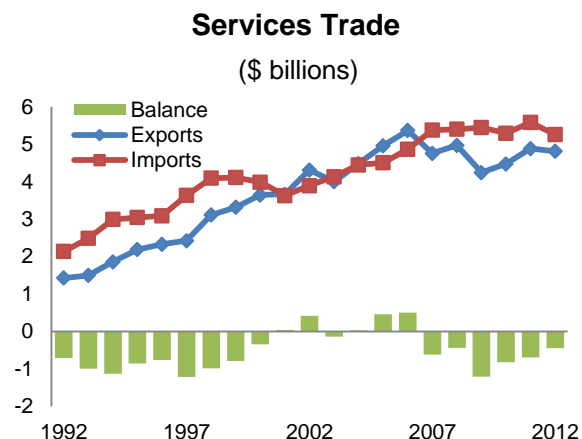


Figure 8

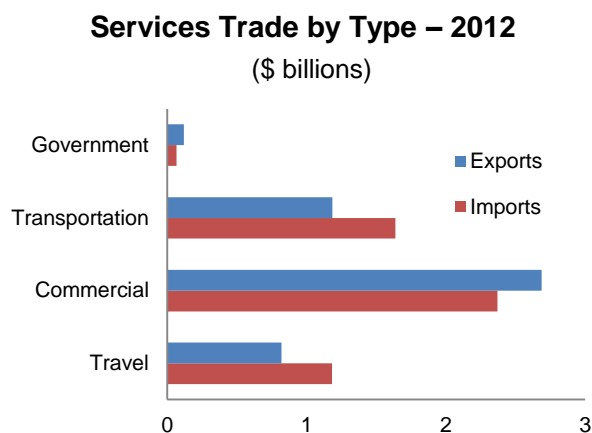
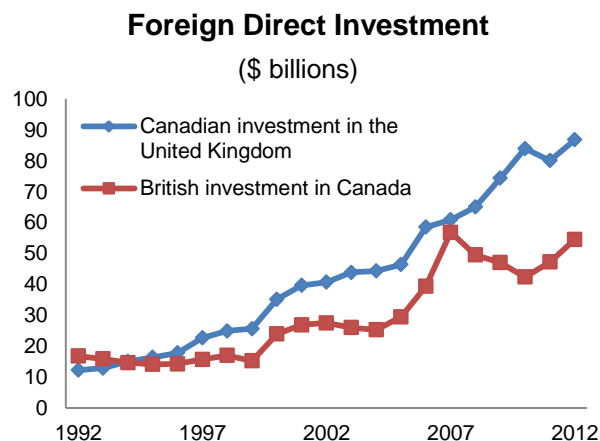


Figure 9



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.