



## MINERAL TRADE

# Canada's Mineral Trade Surplus Soars to \$21.5 Billion in 2007

Trade in the mining and mineral processing industry<sup>1</sup> continues to have a strong impact on Canada's international trade position, accounting for 18.7% of total exports and 15.4% of total imports in 2007. The mineral trade surplus soared to \$21.5 billion in 2007, a 67.3% increase from 2006.

Exports and imports increased in each of the past five years. In 2007, the value of Canada's total exports for the mining and mineral processing industry increased 12.6% to \$84.3 billion, while the value of imports rose 1.2% to \$62.8 billion.

The United States continues to be Canada's leading trading partner, accounting for over 58.0% of both exports and imports.

### Total Exports

Commodities covered by the mineral extraction, and smelting and refining industries (Stages 1 and 2) comprised 59.5% of exports, or \$50.2 billion, a 20.1% increase from 2006. The semi-fabricating and fabricating industries accounted for 23.3% and 17.1%, respectively.

### Metallic Products

Total exports of metallic products rose by 14.6% to \$68.7 billion, compared to \$59.9 billion in 2006, and accounted for 81.5% of total exports. Exports of iron and steel and aluminum were \$14.5 billion and \$12.4 billion, respectively. Nickel exports increased by 81.6% to \$10.7 billion, largely due to price increases. These three commodities accounted for 54.8% of total metallic exports.

### Nonmetallic Products

Export trade in nonmetallic products increased by 7.6% to \$12.4 billion, accounting for 14.7% of total export trade in 2007; half of the exports were of extracted goods (Stage 1). The top three exports of nonmetallic products were potash and potassium compounds at \$3.0 billion, up 23.9% from 2006, diamonds at \$2.0 billion, and nitrogenous fertilizer compounds at \$1.5 billion, in total accounting for 52.6% of nonmetallic exports.

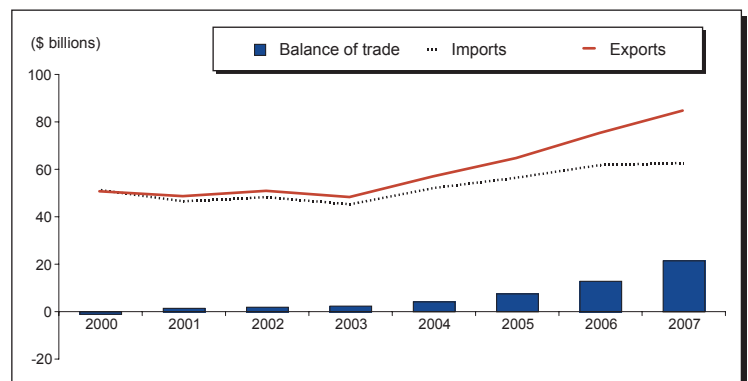
### Coal Products

Total exports of coal and coke commodities decreased by 7.7% to \$3.2 billion, accounting for 3.8% of 2007 exports. Extracted coal accounted for 92.5%.

<sup>1</sup> For trade purposes, NRCAN divides the mining and mineral processing industry into stages according to the degree of processing or manufacturing corresponding to the product Harmonized System Classification Code. These four stages include Stage 1 - Mineral Extraction and Concentrating, Stage 2 - Smelting and Refining, Stage 3 - Nonmetals and Metals-Based Semi-Fabricating industries, and Stage 4 - Metals Fabricating industries. For more information, please visit [http://mmsd1.mms.nrcan.gc.ca/mmsd/trade/default\\_e.asp](http://mmsd1.mms.nrcan.gc.ca/mmsd/trade/default_e.asp).

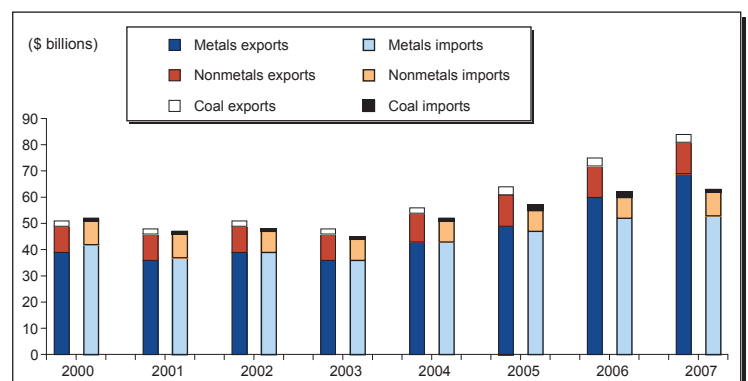
The United States remained Canada's largest export-trading partner of mining and mineral processing products, accounting for 58.6% of exports in 2007; iron and steel and aluminum products accounted for 38.2%. The total share of goods exported to the United States, however, has fallen from 73.2% in 2003.

Figure 1  
Mining and Mineral Processing Industry Trade by Value, 2000-2007



Sources: Natural Resources Canada; Statistics Canada.

Figure 2  
Canada, Value of Trade in Mining and Mineral Processing Industry Products, 2000-2007



Sources: Natural Resources Canada; Statistics Canada.  
Note: Stages 1 to 4 for metals and nonmetals; Stages 1 to 3 for coal.

In 2007, exports destined for the European Union increased 49.0% from 2006 to \$17.1 billion, representing 20.3% of mining and mineral processing exports; five years ago the EU's share was 12.5%. Rounding out the top five export-trading partners were Norway, Japan, and China.

### Total Imports

Three quarters of all imports, or \$47.3 billion, were semi-fabricated and fabricated goods. The remainder was roughly evenly divided between the extractive, and smelting and refining industries.

### Metallic Products

At \$52.7 billion, metallic products accounted for 83.9% of the total import trade in 2007, a slight rise from 2006. Four commodities accounted for two thirds of all metal imports in 2007: iron and steel at \$20.6 billion, aluminum at \$6.0 billion, gold at \$4.5 billion, and copper at \$3.7 billion. Trade in these goods, except for gold, declined somewhat from 2006—aluminum and iron and steel by roughly 4.0% and copper by 8.2%.

### Nonmetallic Products

Nonmetal imports rose to \$8.8 billion in 2007, up 5.2% from 2006. Glass and glassware products (\$2.3 billion), and clay and clay products (\$1.2 billion), accounted for 39.5% of total nonmetal imports in 2007.

### Coal Products

In 2007, coal imports decreased by 14.8% to \$1.2 billion and coke imports rose by 26.8% to \$141.8 million.

Shipments of goods from the United States accounted for 58.2% of total imports. The EU, China, Mexico, and Peru rounded out the top five import-trading partners.

### Balance of Trade

The mineral and mining processing industry balance of trade surplus in 2007 reached \$21.5 billion, compared to \$12.9 billion in 2006. The industry has contributed positively to Canada's balance of trade for the past 20 years, except for 2000.

The largest trade surplus was with the United States, \$12.9 billion, followed closely by the EU with \$11.4 billion. These were offset by trade deficits with China (\$2.4 billion), Peru (\$1.8 billion), and Mexico (\$1.5 billion).

The trade surplus from Stage 1 and Stage 2 industries exceeded the trade deficit in

fabricated products. Historically, there has always been a significant balance of trade deficit in Stage 4.

### Provincial/Territorial Trade Activities

The majority of Canada's 2007 mineral trade flowed to and from Ontario and Quebec. Ontario and Quebec accounted for 45.8% and 22.9% of total exports in mining and mineral processing products and for 58.5% and 18.3% of total imports. British Columbia, Alberta, Saskatchewan, and Manitoba accounted for 25.5% of exports and 21.4% of imports.

Exports of mining and mineral processing products represented a significant portion of exports for most provinces and territories, accounting for almost all exports from the Northwest Territories and for 76.1% of those from the Yukon.

All provinces and territories except Nova Scotia and Prince Edward Island had a positive balance of mineral trade.

**TABLE 1. VALUE OF CANADIAN MINERAL TRADE, 2007**

|         | Domestic Exports | Total Exports | Total Imports | Balance of Trade |
|---------|------------------|---------------|---------------|------------------|
|         | (\$000)          |               |               |                  |
| Stage 1 | 17 857 010       | 17 937 741    | 7 816 289     | 10 121 452       |
| Stage 2 | 32 073 507       | 32 248 242    | 7 652 613     | 24 595 629       |
| Stage 3 | 17 712 505       | 19 654 059    | 19 511 764    | 142 296          |
| Stage 4 | 13 077 894       | 14 443 915    | 27 776 702    | -13 332 787      |
| Total   | 80 720 916       | 84 283 958    | 62 757 368    | 21 526 589       |

Sources: Natural Resources Canada; Statistics Canada.  
Notes: Mineral trade includes coal. Totals may not add due to rounding.

**TABLE 2. VALUE OF CANADIAN MINERAL TRADE BY COUNTRY, 2007**

| Country                | Total Exports | Total Imports | Balance of Trade |
|------------------------|---------------|---------------|------------------|
|                        | (\$000)       |               |                  |
| United States          | 49 387 083    | 36 514 650    | 12 872 433       |
| United Kingdom         | 8 591 753     | 665 820       | 7 925 933        |
| EU-27 (excluding U.K.) | 8 482 764     | 5 044 397     | 3 438 367        |
| Norway                 | 3 421 422     | 137 518       | 3 283 904        |
| Japan                  | 3 366 114     | 1 084 134     | 2 281 980        |
| China                  | 3 020 437     | 5 436 651     | -2 416 213       |
| South Korea            | 1 337 447     | 678 601       | 658 846          |
| Mexico                 | 693 536       | 2 193 978     | -1 500 443       |
| Brazil                 | 568 108       | 938 619       | -370 511         |
| Peru                   | 19 096        | 1 805 460     | -1 786 364       |
| Other countries        | 5 396 197     | 8 257 539     | -2 861 343       |
| Total Canada           | 84 283 958    | 62 757 368    | 21 526 589       |

Sources: Natural Resources Canada; Statistics Canada.  
Notes: Mineral trade includes coal. Totals may not add due to rounding.

**TABLE 3. VALUE OF CANADIAN MINERAL TRADE BY PROVINCE/TERRITORY OF ORIGIN, 2007**

| Province/Territory        | Total Exports | Total Imports | Balance of Trade | Total Economy Total Exports | Total Exports as a Percentage of Provincial Total |
|---------------------------|---------------|---------------|------------------|-----------------------------|---|
|                           | (\$000)       |               |                  |                             | (%)   |
| Newfoundland and Labrador | 1 723 891     | 103 466       | 1 620 424        | 11 593 804                  | 14.9  |
| Prince Edward Island      | 10 917        | 21 902        | -10 985          | 802 749                     | 1.4   |
| Nova Scotia               | 329 961       | 483 531       | -153 570         | 5 451 341                   | 6.1   |
| New Brunswick             | 952 373       | 478 854       | 473 519          | 11 181 151                  | 8.5   |
| Quebec                    | 19 283 825    | 11 489 315    | 7 794 510        | 69 926 014                  | 27.6  |
| Ontario                   | 38 618 284    | 36 731 759    | 1 886 525        | 202 410 502                 | 19.1  |
| Manitoba                  | 3 120 124     | 2 189 544     | 930 581          | 11 830 742                  | 26.4  |
| Saskatchewan              | 4 962 446     | 1 298 851     | 3 663 595        | 19 970 690                  | 24.8  |
| Alberta                   | 5 414 868     | 3 424 363     | 1 990 505        | 82 883 234                  | 6.5   |
| British Columbia          | 7 986 340     | 6 533 895     | 1 452 446        | 32 413 581                  | 24.6  |
| Yukon                     | 17 185        | 1 876         | 15 309           | 22 570                      | 76.1  |
| Northwest Territories     | 1 863 492     | 12            | 1 863 480        | 1 882 022                   | 99.0  |
| Nunavut                   | 251           | —             | 251              | 5 554                       | 4.5   |
| Total Canada              | 84 283 958    | 62 757 368    |                  | 450 373 955                 | 18.7  |

Sources: Natural Resources Canada; Statistics Canada.  
— Nil.

Notes: Mineral trade includes coal. Totals may not add due to rounding. Data in this table are attributed to the last province or territory where the mineral was transformed, e.g., gold mined in the Yukon that is refined in Ontario would be attributed to Ontario.

More facts on mining can be found at <http://miningstats.nrcan.gc.ca>

