



MINERAL TRADE

Canada's Mineral Trade Reduced by Recession in 2009

Mineral production and trade respond to trends in the broader economy. The March 2010 Mineral Production Information Bulletin noted that the recession of 2008/09 had significantly reduced Canada's mineral production.¹ Reduced demand led to reduced prices for mineral products. The volume of mineral and metal products traded followed suit. Canada's total mineral exports declined by 33% from \$95.1 billion in 2008 to \$66.4 billion in 2009. Imports declined by a somewhat smaller percentage (21%) from \$69.6 billion to \$55.2 billion over the same period.

TRADE BY COUNTRY

The United States continues to be Canada's leading partner in the trade of mining and mineral commodities, accounting for 52.6% of total Canadian exports in 2009 (down from 56.8% in 2008) and 54.9% of total imports (down from 57.3% in 2008).² As a fraction of total mineral exports, Canada's exports to the United States have been declining steadily since 2000 when the figure was 77.8%.

The EU-27, China, and Japan, in that order, are the next largest destinations for Canada's mineral exports. China, the European Union, Peru, and Mexico are the leading sources of Canada's mineral imports after the United States. Table 1 provides total mineral export and import values for Canada's leading trade partners in 2009.

Balance of Trade

The balance of trade for Canada's mineral and mining processing industry declined from a surplus of \$25.8 billion in 2008 to \$11.2 billion in 2009 (Figure 1). Table 1 reveals that Canada continues to maintain a positive balance of trade with its traditional export markets in the United States, the EU, and Japan. However, Canada's imports from China, Mexico, Peru, and Brazil exceed its exports to these countries.

TRADE BY MANUFACTURING STAGE

Table 2 shows Canada's minerals and metals trade by production stage. Canada traditionally runs large, positive balances of trade in Stages 1 (15% in 2009³) and 2 (24%). Balances are neutral to slightly negative in Stage 3 (-4%) (surpluses in nonmetals trade offset the negative balances in semi-fabrication) with a negative balance in Stage 4 (-19%). This trade pattern reflects Canada's relative strengths in minerals and metals activities; the country tends to export ore and primary metals, and import more highly fabricated metal.

¹ For trade purposes, Natural Resources Canada (NRCan) divides the mining and mineral processing industry into stages according to the degree of processing or manufacturing corresponding to the product's Harmonized System Classification Code. The 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 and Fabricating Industries. For more information, please visit <http://mmsd.mms.nrcan.gc.ca/stat-stat/trad-comm/menu-menu-eng.aspx>.

² Full details on the methods used in computing Canadian exports and imports of minerals are available on the Internet at <http://mmsd.mms.nrcan.gc.ca/stat-stat/trad-comm/menu-menu-eng.aspx>.

³ This figure is based on the formula: balance of trade/average of total trade, where total trade = exports + imports.

Canada's balance of trade has followed the traditional pattern described above since 2007, but across all four stages, exports and imports in 2009 declined from 2008 figures.

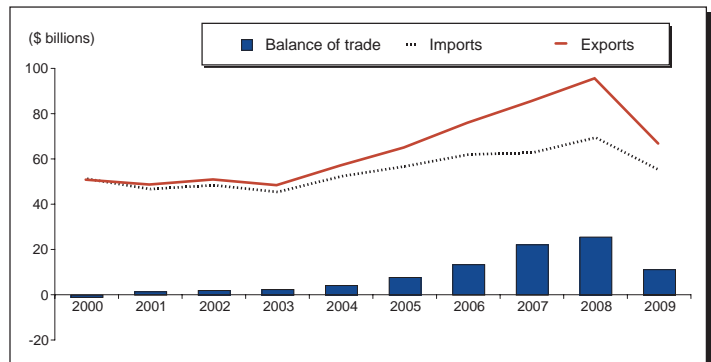
TRADE BY MINERAL CATEGORY

Figure 2 shows 2009 exports and imports of metals, nonmetals, and coal.

Metallic Products

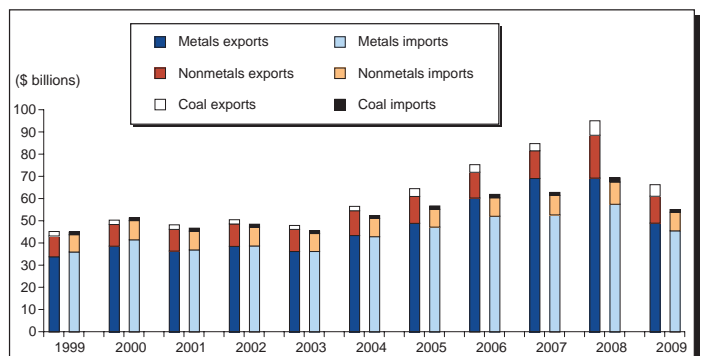
Metals account for the bulk of Canada's mineral exports (74%) and imports (82.6%). Metal exports dropped substantially (29.3%) from \$69.4 billion in 2008 to \$49.1 billion in 2009. Table 3 provides details by metal. Most metal exports declined, with 2009 nickel and molybdenum

Figure 1
Mining and Mineral Processing Industry Trade by Value, 2000-2009



Sources: Natural Resources Canada; Statistics Canada.
Note: Data current as of March 11, 2010.

Figure 2
Canada, Value of Trade in Mining and Mineral Processing Industry Products, 1999-2009



Sources: Natural Resources Canada; Statistics Canada.
Notes: Stages 1 to 4 for metals and nonmetals; Stages 1 to 3 for coal. Data current as of March 11, 2010.

values at less than 50% of their 2008 value. The strikes at Vale Inco operations also contributed to the reduced production and exports. However, gold, silver, manganese, and iron ore fought against the trend to end 2009 with a greater volume of exports than in 2008.

Imports of metals also fell, but proportionately less than exports, dropping by 21% from 2008 to 2009. Iron ore, manganese, molybdenum, and platinum group metals all showed substantial declines. Gold and uranium/thorium saw slight increases in imports over 2008 while silver imports showed a substantial increase.

Nonmetallic Products

Export trade in nonmetallic products also declined substantially (by 37.3%) from \$19.3 billion in 2008 to \$12.1 billion in 2009. Declines in potash (down 42%), diamonds (32%), and nitrogen (fertilizer) (35%) — all major nonmetallic exports — account for much of the overall export reduction in this category. Salt was the major product to counter the trend with exports increasing from \$633 million to \$740 million.

Nonmetallic imports declined but, following the same pattern as metals, they declined proportionately less (16%) than exports. Almost all

nonmetallic product groups experienced reduced imports, but prominent reductions were in nitrogen (more than 50%) and diamonds (44.5%).

Coal Products

Coal exports declined from \$6.6 billion to 5.2 billion while coke exports declined from \$70.6 million to \$60.2 million. Coal imports dropped 23% from \$1.45 billion to \$1.11 billion, while coke imports dropped precipitously from \$488 million to \$76 million.

TRADE BY PROVINCE AND TERRITORY

Trade retrenchment in 2009 is examined by region in Table 4, which also highlights the importance of mining and processing to the Canadian economy. Mineral product exports accounted for virtually all exports from the Northwest Territories and for 97.4% of exports from the Yukon, demonstrating the importance of mining to these two northern territories. For Nunavut, Alberta, New Brunswick, Nova Scotia, and P.E.I., mineral exports comprise 10% or less of their total exports. For the other six provinces, mineral exports ranged from 16% to 33% of the total export value. Exports declined from 2008 to 2009 in all provinces and territories, except P.E.I., where exports increased from \$10.5 million to \$18.3 million.

TABLE 1. VALUE OF CANADIAN MINERAL TRADE BY COUNTRY, 2009

Country	Total Imports	Total Exports	Total	Balance of Trade
	(\$000)			
United States	30 305 780	36 615 452	66 921 233	6 309 672
EU-27	4 662 912	12 862 149	17 525 061	8 199 237
China	5 025 196	3 913 254	8 938 450	-1 111 942
Japan	979 956	2 910 054	3 890 010	1 930 098
Mexico	2 059 995	599 335	2 659 329	-1 460 660
Peru	2 438 537	18 863	2 457 400	-2 419 674
South Korea	571 482	1 884 972	2 456 454	1 313 490
Norway	90 154	1 473 526	1 563 681	1 383 372
Brazil	1 024 027	500 051	1 524 078	-523 976
India	437 267	827 500	1 264 768	390 233
Chile	943 895	165 221	1 109 116	-778 674
Taiwan	669 441	423 280	1 092 721	-246 161
Australia	10 032 048	4 814 043	998 087	-5 218 005
Total Canada	59 240 690	67 007 700	121 589 153	7 767 010

Sources: Natural Resources Canada; Statistics Canada.
Notes: Mineral trade includes coal. Totals may not add due to rounding. Data current as of March 11, 2010.

TABLE 3. VALUE OF CANADIAN METAL EXPORT TRADE BY COMMODITY, 2008 AND 2009

Commodity	2008	2009
	(\$000)	
Iron and steel	17 003 013	10 313 075
Gold	8 968 838	9 381 023
Aluminum	11 848 355	7 650 155
Miscellaneous metal products	6 289 748	4 669 160
Copper	6 585 103	4 099 917
Nickel	7 468 721	3 470 382
Iron ore	3 086 186	3 369 454
Uranium and thorium	2 037 647	1 747 656
Zinc	1 885 066	1 424 778
Silver	806 280	813 884
Lead	652 893	524 854
Vanadium	373 850	346 019
Cobalt	765 992	321 340
Molybdenum	560 138	250 962
All other metals	1 048 798	736 821
Total metal exports	69 380 629	49 119 479

Sources: Natural Resources Canada; Statistics Canada.
Notes: Totals may not add due to rounding. Data current as of March 11, 2010.

TABLE 2. VALUE OF CANADIAN MINERAL TRADE, 2009

	Domestic Exports	Total Exports	Total Imports	Balance of Trade
	(\$000)			
Stage 1	19 714 503	19 890 588	6 959 352	12 931 236
Stage 2	21 873 693	22 049 792	7 740 236	14 309 556
Stage 3	12 389 174	13 155 479	15 272 430	-2 116 951
Stage 4	10 086 131	11 304 476	25 216 798	-13 912 322
Total	64 063 501	66 400 335	55 188 816	11 211 519

Sources: Natural Resources Canada; Statistics Canada.
Notes: Mineral trade includes coal. Totals may not add due to rounding. Data current as of March 11, 2010.

TABLE 4. VALUE OF CANADIAN MINERAL TRADE BY PROVINCE/TERRITORY OF ORIGIN, 2009

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	1 803 910	152 356	1 651 554	8 513 983	21.2
Prince Edward Island	18 280	23 630	-5 350	860 952	2.1
Nova Scotia	244 557	495 354	-250 797	4 277 913	5.7
New Brunswick	732 768	652 552	80 216	9 936 137	7.4
Quebec	14 462 872	9 265 267	5 197 605	58 171 554	24.9
Ontario	28 116 439	32 816 036	-4 699 597	147 661 692	19.0
Manitoba	1 717 336	2 074 433	-357 097	10 730 213	16.0
Saskatchewan	5 087 110	1 237 997	3 849 113	21 827 245	23.3
Alberta	4 136 685	2 990 308	1 146 377	69 984 590	5.9
British Columbia	8 462 805	5 479 100	2 983 705	25 791 073	32.8
Yukon	125 177	1 765	123 412	128 572	97.4
Northwest Territories	1 491 981	13	1 491 968	1 496 005	99.7
Nunavut	414	5	409	3 994	10.4
Total Canada	66 400 334	55 188 816	11 211 518	359 383 923	(a) 18.5

Sources: Natural Resources Canada; Statistics Canada.
(a) Percentage of Canadian total.
Notes: Mineral trade includes coal. Totals may not add due to rounding. The export data in this table are attributed to the province or territory of origin, and the import data are attributed to the province of clearance. As an example, gold mined in the Yukon that is refined in Ontario would be attributed to Ontario. Data current as of March 11, 2010.

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

