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TRADE AND INVESTMENT



Canadian Trade and Investment Activity: Canada–Panama

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The Library of Parliament ***Trade and Investment*** series provides information on Canada's trade and investment relationship with selected countries. Particular attention is paid to bilateral merchandise trade, trade in services, and foreign investment. 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.

Merchandise Trade

In 2009, Canada's bilateral merchandise trade with Panama totalled \$132.0 million, consisting of \$91.0 million in Canadian exports to, and \$41.0 million in imports from, Panama. Both exports and imports have increased relatively significantly over the last 10 years, with a 76% increase for exports and a 39% increase for imports. It should be noted, however, that bilateral trade has varied considerably from year to year.

Panama is neither a significant export destination nor a major source of imports for Canada. Panama was Canada's 7th largest export destination in Latin America in 2009, and its 75th largest export destination worldwide. It was Canada's 11th largest source of imports from Latin America in that year, and its 93rd largest source of imports worldwide.

At the provincial level, Quebec and Ontario accounted for two-thirds of Canada's total exports to Panama in 2009. In that year, Quebec exported \$30.0 million in goods to Panama and Ontario exported \$29.0 million.

Prince Edward Island and New Brunswick have seen the fastest growth in exports to Panama in recent years. From 2004 to 2009, exports from Prince Edward Island grew an average of 33% per year, while growth from New Brunswick was 21% annually.

Figure 1

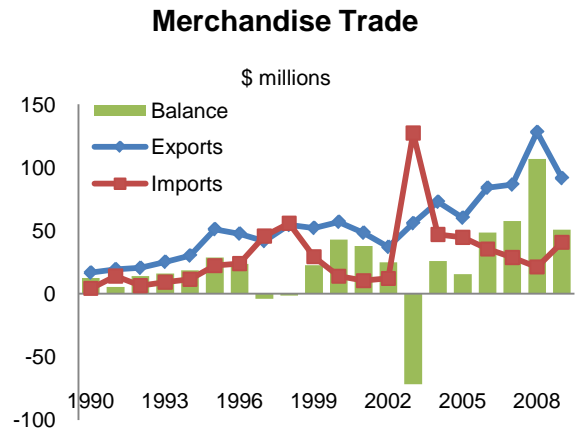


Figure 2

Importance to Canada

Average yearly growth (%):
2004–2009

Share of total trade (%):

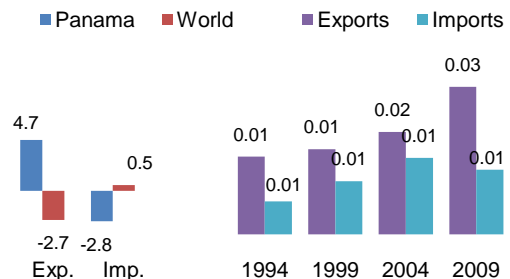
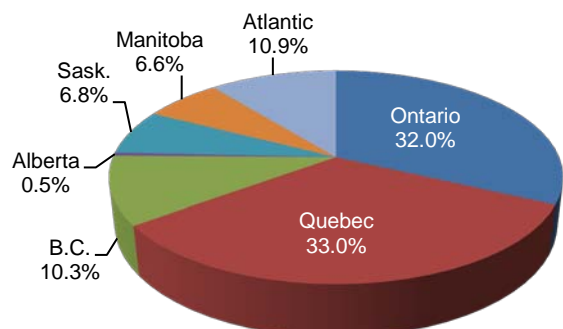


Figure 3

Exports by Province/Territory – 2009



All figures were prepared by the author using Statistics Canada annual figures as of spring 2010.

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

Products

Canadian exports to Panama were largely comprised of pharmaceuticals and specialized goods in 2009. In that year, Panama was the top Latin American market for Canadian drug products, and was Canada's fifth-largest market worldwide for coins. Other significant Canadian exports to Panama include pulses, potatoes and meat.

Imports from Panama are dominated by gold. In 2009, gold imports from Panama were valued at \$33.0 million, comprising nearly 81% of Canada's total imports from that country. The other significant imported product from Panama in 2009 was bananas, with a value of \$2.0 million.

Because of Canada's gold imports from Panama, Canada is a net importer of extractive industry products. For all other product categories, Canada has a trade surplus with Panama.

Figure 4

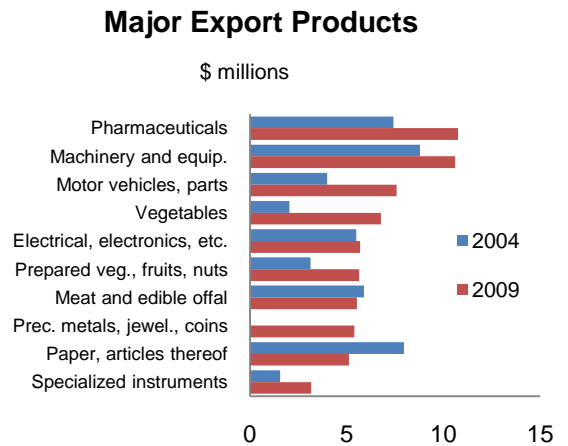


Figure 5

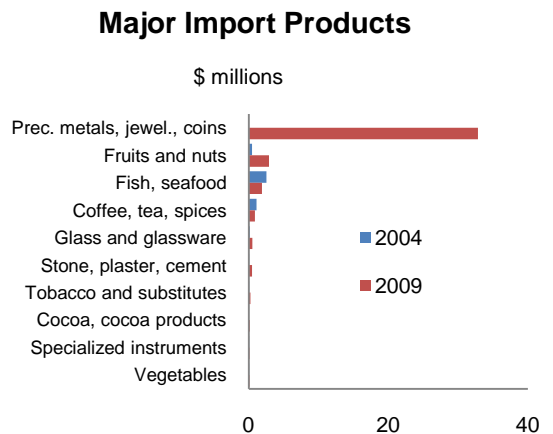
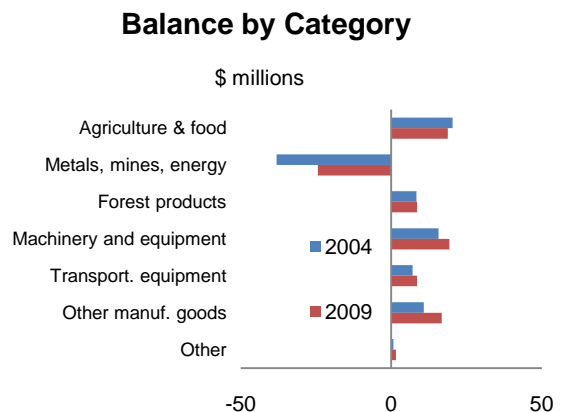


Figure 6



All figures were prepared by the author using Statistics Canada annual figures as of spring 2010.

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

Investment

Panama is not a major destination for Canadian foreign direct investment. The stock of Canadian investment in Panama has been decreasing steadily since 2000. Panama was the 58th largest international destination for Canadian investors in 2008, the latest year for which data are available.

The stock of Panamanian direct investment in Canada, on the other hand, has increased relatively significantly in recent years, rising from \$49.0 million in 2006 to \$386.0 million in 2008.

Data on trade in services between Canada and Panama are not available.

Figure 7

Foreign Direct Investment

