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TRADE AND INVESTMENT



Canada–European Union

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Ce document est également publié en français.

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INTRODUCTION

The European Union (EU) is comprised of the following 27 member states: Austria, Belgium, Bulgaria, Cyprus, the Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, the Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden and the United Kingdom. Croatia is set to become the 28th member on 1 July 2013.

In this publication, the “EU-15” refers to the following countries: Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, the Netherlands, Portugal, Spain, Sweden and the United Kingdom.

In this publication, the “New EU-12” refers to the following countries: Bulgaria, the Czech Republic, Cyprus, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Romania, Slovakia and Slovenia.

Merchandise Trade

In 2012, Canada's trade with the European Union (EU) totalled \$89.2 billion, comprised of \$38.7 billion in Canadian exports to, and \$50.5 billion in imports from, the EU.

The value of Canada's exports to the EU decreased by 3.5% between 2011 and 2012, while the value of Canada's imports from the region declined by 2.9%.

Collectively, the 27 countries in the EU were Canada's second largest export destination worldwide in 2012, second to the United States. In that year, these countries were also the second largest source of imports globally, second to the United States.

Over the 2007 to 2012 period, the value of Canada's exports to the EU increased at an average annual rate of 2.1%, compared to 0.2% worldwide. The value of Canada's exports to the region as a share of the value of Canada's total exports grew from 7.7% in 2007 to 8.5% in 2012.

The value of Canada's imports from the EU increased at an average annual rate of 0.5% over the 2007 to 2012 period, compared to 2.6% worldwide. The value of Canada's imports from the region as a share of the value of Canada's total imports decreased from 12.1% in 2007 to 10.9% in 2012.

At the provincial/territorial level, Ontario and Quebec together accounted for 73.6% of the value of Canada's exports to the EU in 2012, with exports valued at \$21.0 billion and \$7.4 billion respectively.

Over the 2007 to 2012 period, the fastest-growing provincial exporters to the EU were Newfoundland and Labrador, Ontario and New Brunswick, with average annual growth rates of 9.1%, 7.4% and 7.4% respectively.

Figure 1

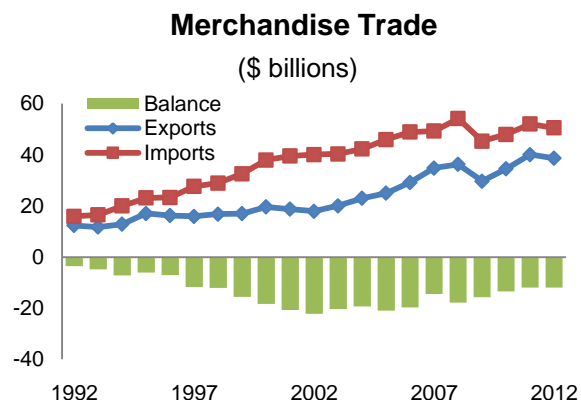


Figure 2

Importance to Canada

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

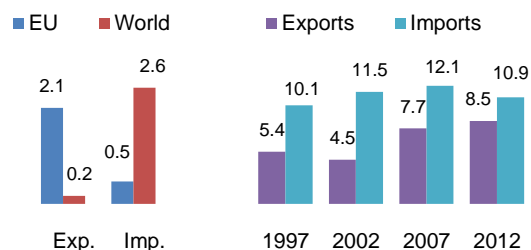
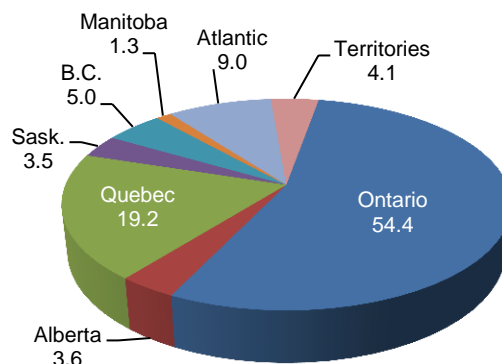


Figure 3

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 51.4% of the value of Canada's exports to the EU, with resource-based goods representing the remaining 48.6%. This composition had changed significantly since 2007, when manufactured goods and resource-based goods accounted for 73.1% and 26.9% respectively of the value of Canada's exports to the region.

Canada's highest-valued exports to the EU in 2012 were gold, non-crude petroleum oil and diamonds, which together accounted for 40.8% of the value of Canada's exports to the region. The value of Canada's gold, non-crude petroleum oil and diamond exports to the EU increased from \$2.9 billion, \$253.1 million and \$1.8 billion respectively in 2007 to \$11.7 billion, \$2.1 billion and \$2.0 billion respectively in 2012.

In 2012, manufactured goods represented 95.8% of the value of Canada's imports from the EU, with resource-based goods accounting for the remaining 4.2%. This composition had changed somewhat since 2007, when manufactured goods and resource-based goods represented 88.7% and 11.3% respectively of the value of Canada's imports from the region.

Canada's highest-valued imports from the EU in 2012 were medications, motor vehicles and non-crude petroleum oil, which together accounted for 24.8% of the value of Canada's imports from the region. The value of Canada's motor vehicle and non-crude petroleum oil imports from the EU increased from \$3.2 billion and \$2.1 billion respectively in 2007 to \$4.3 billion and \$3.8 billion respectively in 2012. The value of Canada's medication imports from the region decreased from \$4.8 billion in 2007 to \$4.4 billion in 2012.

In 2012, Canada had trade surpluses with the EU in the product categories of metals, mines and energy, and forest products. It had trade deficits with the region in all other product categories in that year.

Figure 4

Major Export Products (\$ billions)

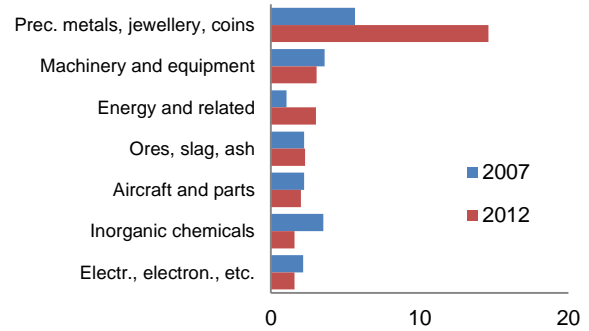


Figure 5

Major Import Products (\$ billions)

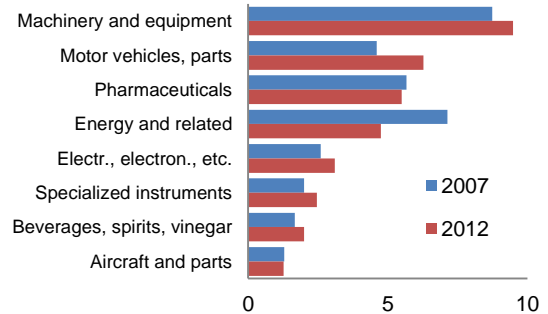
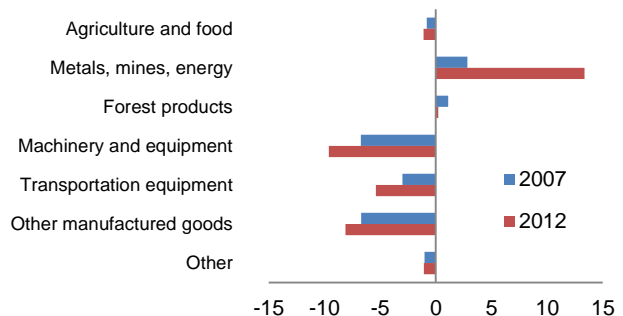


Figure 6

Balance by Category (\$ billions)



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Trading Partners

In 2012, the United Kingdom, the Netherlands and Germany were Canada's largest export destinations within the EU, with exports valued at \$18.8 billion, \$4.5 billion and \$3.6 billion respectively. Together, these three countries accounted for 69.5% of the value of Canada's exports to the region in that year.

In 2012, Germany, the United Kingdom and Italy were Canada's largest sources of imports from the EU, with imports valued at \$14.3 billion, \$8.5 billion and \$5.2 billion respectively. Together, these three countries accounted for 55.5% of the value of Canada's imports from the region in that year.

Between 2004 and 2012, 12 countries joined the EU; however, these 12 EU members (EU-12) accounted for a relatively small proportion of the value of Canada's total trade with the region. Exports to, and imports from, the EU-12 in 2012 accounted for 3.7% and 6.2% respectively of the total value of Canada's exports to, and imports from, the EU.

Over the 2007 to 2012 period, average annual growth in the value of Canada's exports to the EU-12, at 2.4%, exceeded average annual growth in the value of Canada's exports to the 15 countries in the EU prior to 2004 (EU-15), at 2.1%. Similarly, over the period, average annual growth in the value of Canada's imports from the EU-12, at 9.0%, exceeded average annual growth in the value of Canada's imports from the EU-15, at 0.1%.

Figure 7

Major EU Export Destinations (\$ billions)

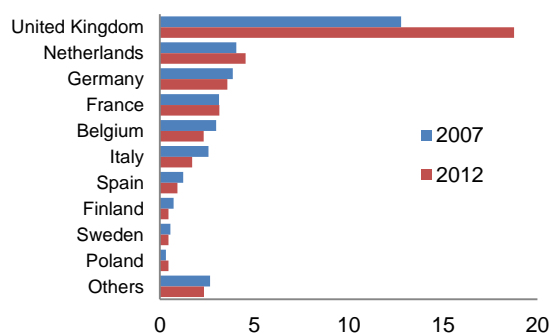


Figure 8

Major EU Sources of Imports (\$ billions)

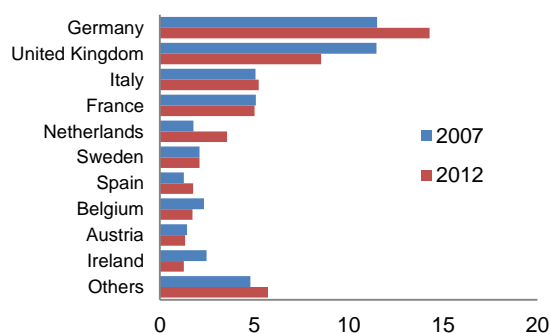
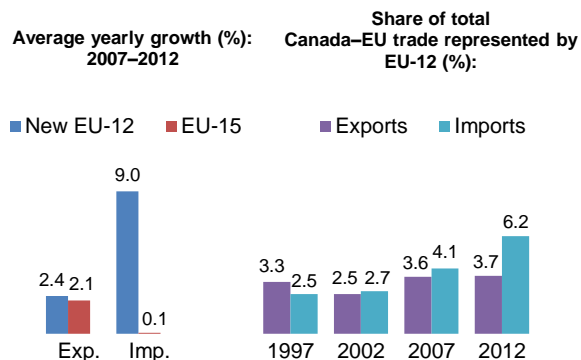


Figure 9

Trade with EU Members



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

In 2012, Canada–EU services trade totalled \$31.3 billion, comprised of \$14.5 billion in Canadian exports to, and \$16.8 billion in imports from, the EU.

The value of Canada's services exports to the EU decreased by 3.4% between 2011 and 2012, while the value of Canada's services imports from the region declined by 2.4%.

In 2012, Canada's services trade deficit with the EU was the result of trade in travel services and transportation services. Canada's travel services exports to, and imports from, the region were valued at \$3.0 billion and \$4.7 billion respectively in 2012, while Canada's transportation services exports to and imports from the EU were valued at \$3.3 billion and \$4.9 billion respectively. The value of Canada's commercial services exports to the region, at \$7.9 billion in 2012, exceeded the value of its imports of commercial services from the EU, at \$6.9 billion. Canada's government services exports to, and imports from, the region were \$225.0 million and \$339.0 million respectively in that year.

In 2010, the most recent year for which country-specific data are available, the United Kingdom, France and Germany were Canada's largest services trade partners within the EU. Canada's services exports to these countries were valued at \$4.5 billion, \$2.2 billion and \$1.8 billion respectively in that year, while its services imports from those countries totalled \$5.3 billion, \$2.3 billion and \$2.1 billion respectively.

In 2010, the United Kingdom, France and Germany together accounted for 58.9% of the value of Canada's services exports to the EU, and 57.7% of the value of services imports from the region.

Figure 10

Services Trade

(\$ billions)

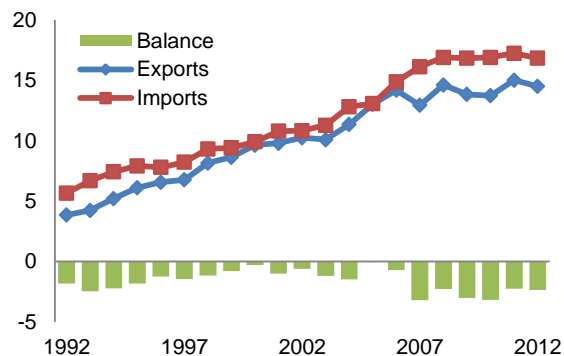


Figure 11

Services Trade by Type – 2012

(\$ billions)

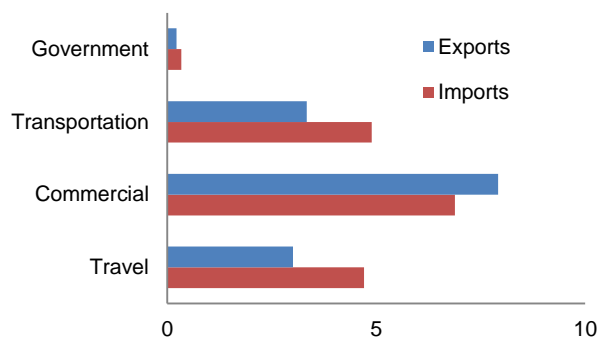
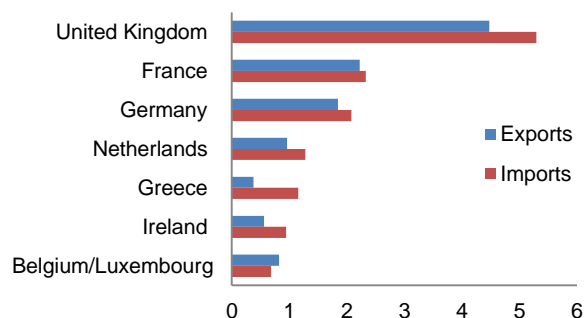


Figure 12

Services Trade Partners – 2010

(\$ billions)



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Investment

The stock of Canadian direct investment in the 27 countries in the EU totalled \$171.5 billion in 2012, making these countries – collectively – Canada's second largest destination for foreign investment abroad, behind the United States. Canadian direct investment in the EU increased by 3.1% between 2011 and 2012.

The United Kingdom, Luxembourg and Ireland were Canada's largest destinations for direct investment abroad in 2012, with stocks of \$86.8 billion, \$19.7 billion and \$15.8 billion respectively. Together, these countries accounted for 71.3% of Canada's stock of direct investment in the EU in that year.

In 2012, the stock of EU direct investment in Canada was \$180.9 billion, making the region the second largest source of foreign investment in Canada, behind the United States. EU direct investment in Canada increased by 8.2% between 2011 and 2012.

In 2012, the Netherlands, the United Kingdom and Luxembourg were Canada's largest sources of foreign direct investment from the EU, with stocks of \$61.4 billion, \$54.6 billion and \$24.6 billion respectively. Collectively, these countries accounted for 77.7% of the stock of EU direct investment in Canada in that year.

Canada's direct investment in the EU as a share of Canada's total foreign direct investment declined from 26.2% in 2007 to 24.1% in 2012. Over that period, EU direct investment in Canada as a share of total foreign direct investment in Canada grew from 27.7% to 28.5%.

Figure 13

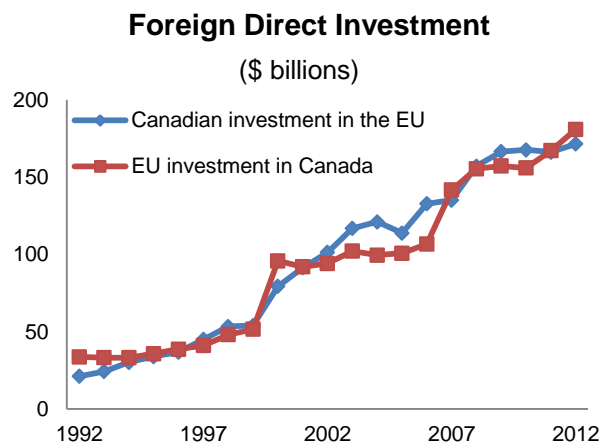


Figure 14

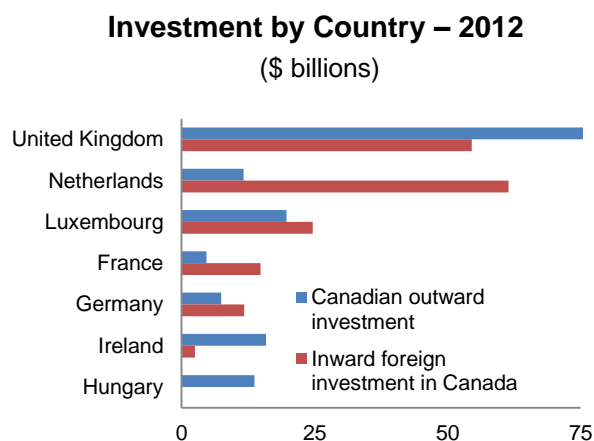
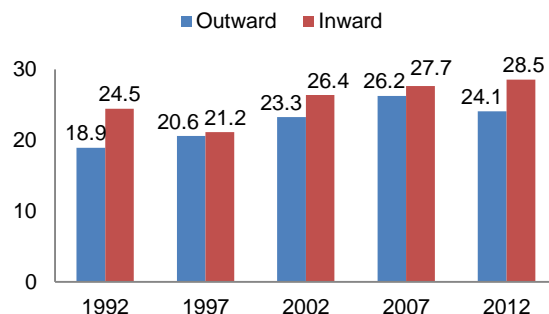


Figure 15

EU's Share of Canadian Foreign Direct Investment
(% of total direct investment)



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