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Canadian Trade and Investment Activity: Canada–Colombia

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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 Colombia totalled \$1.3 billion, consisting of \$602 million in Canadian exports and \$734 million in imports.

Although Colombia is among Canada's largest trading partners in Latin America, it is not a significant export destination, nor a major source of imports on a global scale. Colombia is Canada's fifth-largest export destination in Latin America, but the 32nd largest export destination worldwide. It is Canada's fifth-largest source of imports in Latin America, but the 42nd largest source of imports worldwide.

Canada's trade with Colombia has expanded rapidly in recent years. From 2004 to 2009, both exports to and imports from Colombia have outpaced Canada's overall trade growth by a considerable margin. This trend could accelerate in the future should Canada and Colombia implement the bilateral free trade agreement signed in 2008.

At the provincial level, Alberta, Saskatchewan and Quebec accounted for nearly two-thirds of Canada's total exports to Colombia in 2009. Each of these provinces exported between \$130 and \$131 million that year.

Nova Scotia and Alberta have seen the fastest growth in exports to Colombia over the past five years. From 2004 to 2009, average export growth from Nova Scotia was 38% per year, and from Alberta was 17%.

Figure 1

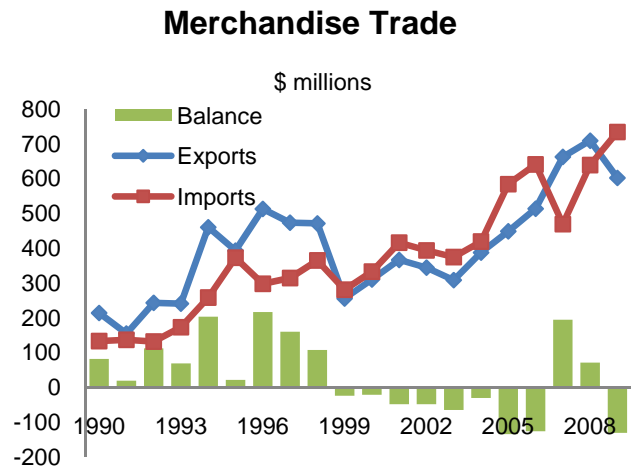


Figure 2

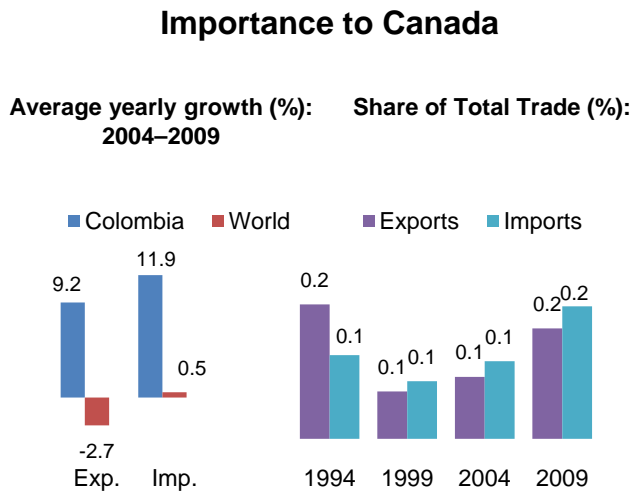
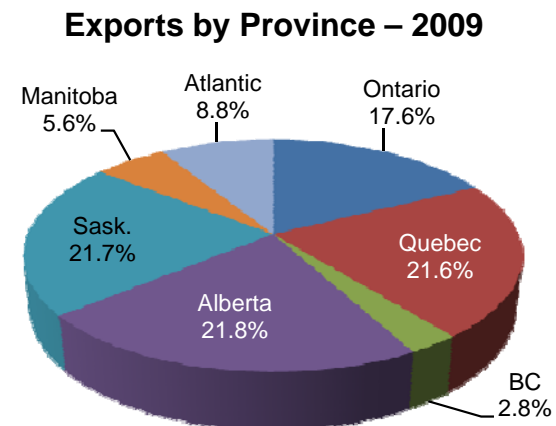


Figure 3



All figures were prepared by the author using annual data from Statistics Canada. The merchandise trade data are customs-based; the services trade and foreign direct investment data are balance of payments-based.

Products

Resource-based goods made up a significant share – 58% – of Canada’s total exports to Colombia in 2009, with manufactured goods accounting for the remaining 42%. Wheat is Canada’s largest export product to Colombia, accounting for about 20% of total exports in 2009. Other leading export products included lentils and other pulses, newsprint, barley and mining equipment.

Imports from Colombia are dominated by agricultural goods and energy. Resource-based goods made up 92% of Canada’s imports from that country in 2009. Canada’s single largest import from Colombia was coal, which accounted for 26% of total imports that year. Coffee made up 18% of imports. Other important import products included crude oil, bananas and cut flowers.

Although Canada-Colombia trade is largely in agricultural- and other resource-based goods, trade is largely complementary; there is little overlap in the type of goods traded between the two countries.

On the whole, Canada is a net importer of agricultural and extractive industry products from Colombia and a net exporter of manufactured goods.

Figure 4

Major Export Products

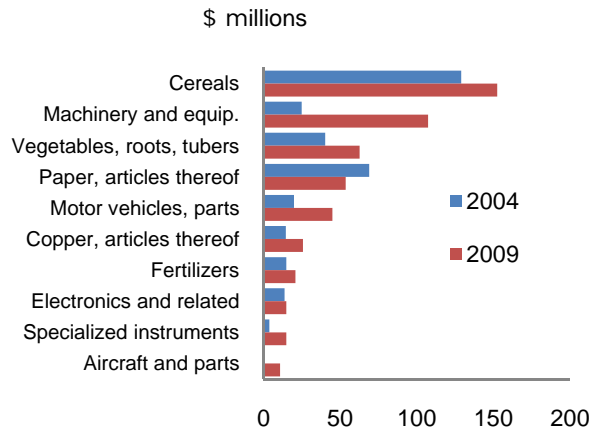


Figure 5

Major Import Products

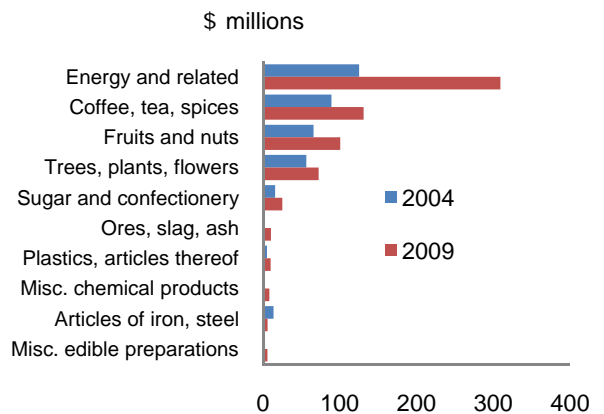
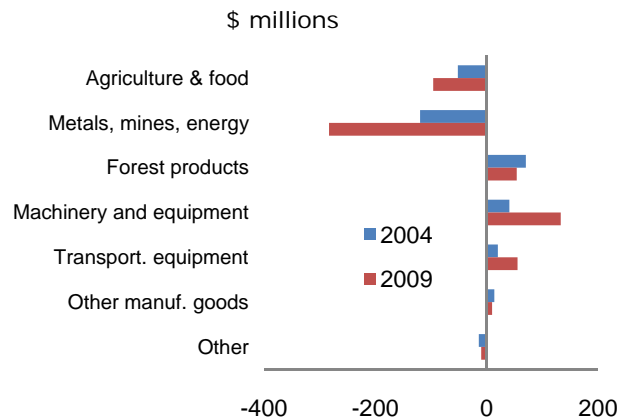


Figure 6

Balance by Category



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Services and Investment

Canada's services trade relationship with Colombia is not well-developed. In 2007, the most recent year for which data are available, Canadian services exports to Colombia totalled \$80 million. Services imports from Colombia were lower, at \$35 million. Although starting from a low base, services exports have grown steadily since the 1990s.

Canadian services exports are relatively evenly divided across the three major services categories. Travel services exports were valued at \$34 million in 2007, while exports of transportation and government services, and of commercial services, were worth \$26 million and \$20 million respectively.

Transportation and travel services have driven the growth in Canadian services exports in recent years. Commercial services exports to Colombia are well below 2000 levels.

Colombia is not a major destination for Canadian foreign direct investment (FDI). In 2009, Canadian direct investment in Colombia was \$773 million. There has, however, been a considerable increase in Canadian investment interest in Colombia in recent years. This trend may be accelerated should the Canada-Colombia free trade agreement enter into force.

Colombian direct investment in Canada is negligible.

Figure 7

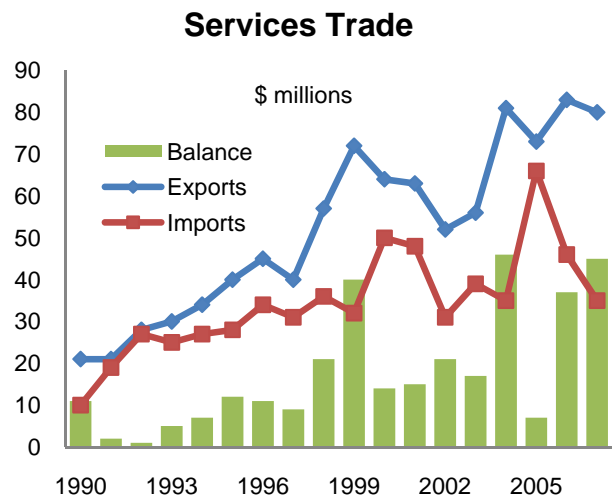


Figure 8

Services Trade by Type – 2007

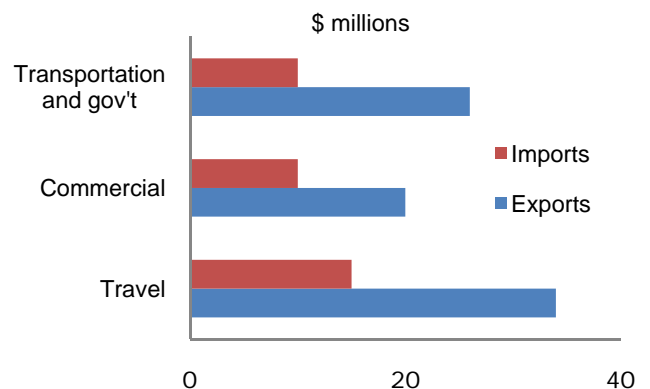
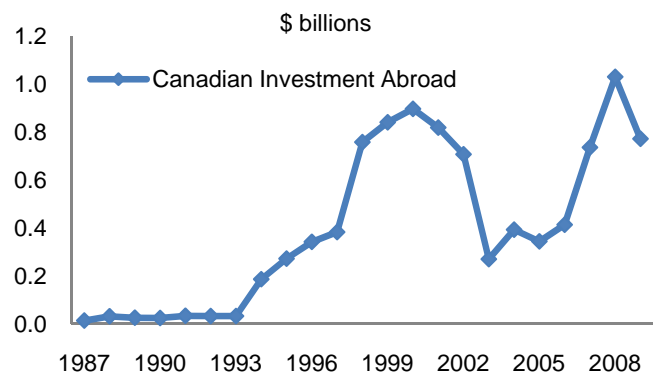


Figure 9

Foreign Direct Investment



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