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## TRADE AND INVESTMENT



### *Canada–Peru*

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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.

\* Raphaël Guévin-Nicoloff, formerly of the Library of Parliament, contributed to the preparation of this document.

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## Merchandise Trade

In 2010, Canada's bilateral merchandise trade with Peru totalled \$4.1 billion, comprised of \$479.0 million in Canadian exports to, and \$3.6 billion in imports from, Peru.

Peru was Canada's 35<sup>th</sup> largest export destination worldwide in 2010, and its fifth largest export destination in Latin America, a region that includes 44 countries. It was Canada's 11<sup>th</sup> largest source of imports in the world in that year, and its second largest source of imports in Latin America, behind Mexico.

The value of Canada's exports to Peru as a share of the value of Canada's total exports worldwide rose from 0.06% in 1995 to 0.12% in 2010. The value of Canada's imports from the country as a share of the value of Canada's global imports rose from 0.04% in 1995 to 0.90% in 2010.

The value of Canada's exports to Peru grew at an average annual rate of 12.6% over the 2005 to 2010 period, compared to a decrease of 1.8% worldwide. The value of Canada's imports from the country grew at an annual average rate of 21.8% over the period, compared to 1.2% globally.

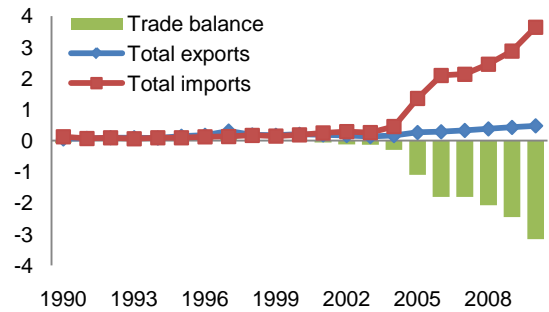
Saskatchewan was Canada's largest provincial exporter to Peru in 2010, followed by Alberta and Ontario. The value of their exports to the country in that year were \$136.1 million, \$100.9 million and \$86.8 million.

Nova Scotia and Manitoba were the fastest-growing provincial exporters to Peru over the 2005 to 2010 period, with average annual growth rates of 36% and 25% respectively.

## Figure 1

Merchandise Trade

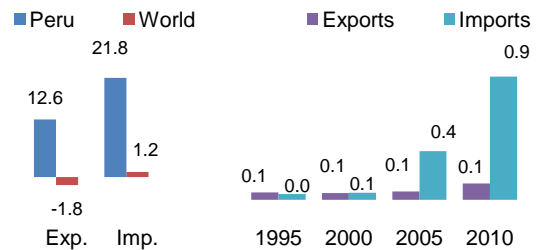
\$ billions



## Figure 2

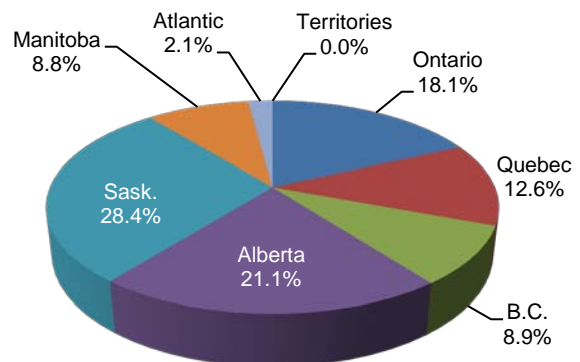
Importance to Canada

Average yearly growth (%): 2005–2010



## Figure 3

Exports by Province/Territory – 2010



All figures were prepared by the author using Statistics Canada annual figures as of spring 2011. The merchandise trade data are customs-based; the services trade and foreign direct investment data are balance of payments-based.

**Products**

In 2010, resource-based goods accounted for 51% of the value of Canada's exports to Peru, while manufactured goods represented the remaining 49%. This composition had changed slightly since 2005, when Canada's exports of resource-based goods and manufactured goods accounted for 46% and 54% respectively of the value of exports to the country.

At \$196.7 million, Canada's highest-valued export to Peru in 2010 was wheat. Cereals accounted for 43% of the value of Canada's exports to the country in that year. Other major exports were pulses, newsprint, helicopters and mobile phones, valued at \$24.6 million, \$13.1 million, \$11.3 million and \$10.5 million respectively.

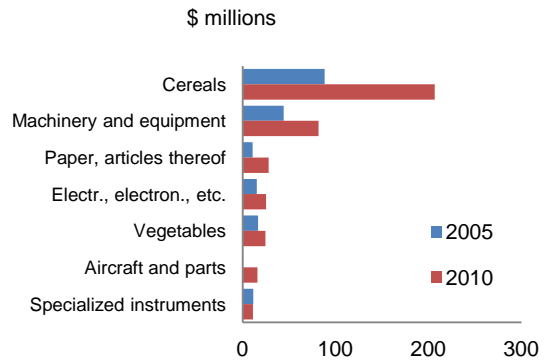
In 2010, resource-based goods represented 86% of the value of Canada's imports from Peru, with manufactured goods accounting for the remaining 14%. This composition had changed slightly since 2005, when resource-based goods and manufactured goods represented 84% and 16% respectively of the value of Canada's imports from the country.

Canada's highest-valued imports from Peru in 2010 were gold, petroleum oils, and ores of copper, lead and other precious metals, valued at \$2.6 billion, \$362.4 million, \$131.2 million, \$120.2 million and \$104.8 million respectively. The value of Canadian gold imports from the country grew by 189% over the 2005 to 2010 period. In recent years, Canadian mining companies have had an increased presence in Peru and have shipped gold to Canada for processing.

Gold, which was Canada's dominant import from Peru in 2010, entirely accounted for Canada's trade deficit with the country in that year. Net Canadian imports from Peru in the metals, mines and energy category totalled \$3.4 billion in that year, and Canada was a small net exporter to Peru in nearly all other product categories.

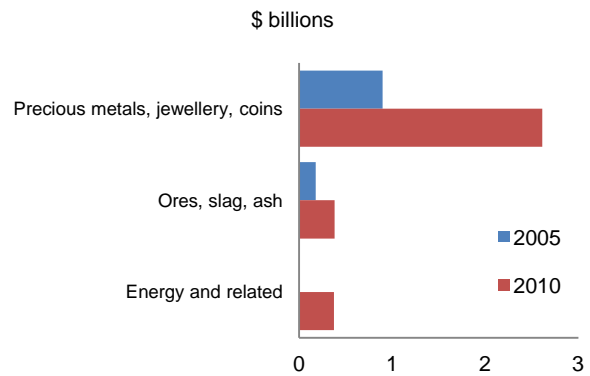
**Figure 4**

**Major Export Products**



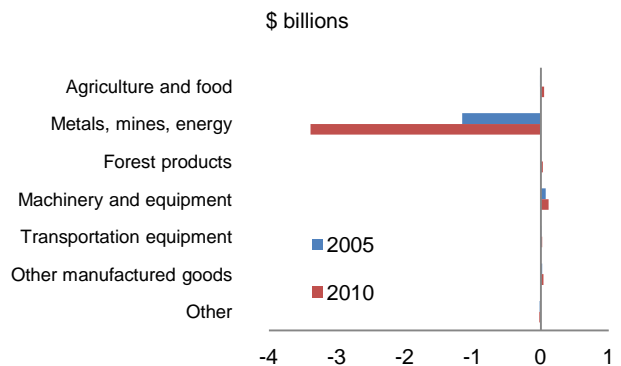
**Figure 5**

**Major Import Products**



**Figure 6**

**Balance by Category**



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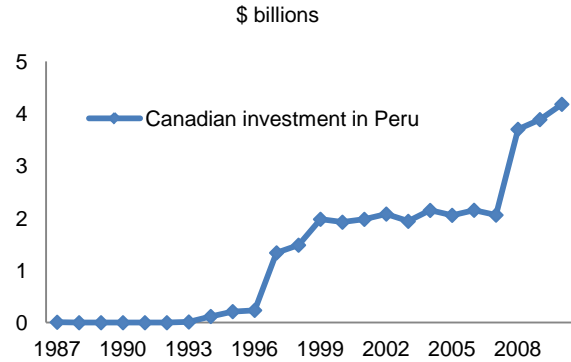
## Services and Investment

In 2010, Canadian direct investment in Peru totalled \$4.2 billion, making it Canada's 21<sup>st</sup> largest destination for Canadian direct investment abroad. Mining and related supplier and service companies comprise a significant share of Canada's investment presence in that country.

*Data on Canadian services trade with Peru and Peruvian investment in Canada are not available.*

## Figure 7

### Foreign Direct Investment



All figures were prepared by the author using Statistics Canada annual figures as of spring 2011. The merchandise trade data are customs-based; the services trade and foreign direct investment data are balance of payments-based.