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TRADE AND INVESTMENT



Canada–Egypt

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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.

* Simon Lapointe, 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 Egypt totalled \$926.6 million, comprised of \$628.4 million in exports to, and \$298.2 million in imports from, Egypt.

Egypt was Canada's 30th largest destination for exports worldwide in 2010, and its fourth largest destination in the Middle East, a region that includes 22 countries. In that year, it was Canada's 63rd largest source of imports, and its sixth largest source in the Middle East.

Over the 2005 to 2010 period, the value of Canada's exports to Egypt grew at an average annual rate of 14.8%, compared to a decrease of 1.8% worldwide. The value of Canada's exports to the country decreased by almost 2% between 2009 and 2010.

The value of Canada's imports from Egypt grew at an average annual rate of 16.0% over the 2005 to 2010 period, compared to 1.2% worldwide. The value of Canada's imports from the country increased by 161% between 2009 and 2010.

With exports valued at \$295.0 million, Quebec was the largest Canadian exporter to Egypt in 2010, accounting for nearly half the value of Canada's exports to the country. In that year, Saskatchewan and Ontario exported \$87.1 million and \$63.4 million respectively to Egypt.

Over the 2005 to 2010 period, New Brunswick, Manitoba, Quebec and Saskatchewan were the fastest-growing provincial exporters to Egypt. The value of their exports grew at average annual rates of 96%, 65%, 27% and 27% respectively over the period.

Figure 1

Merchandise Trade

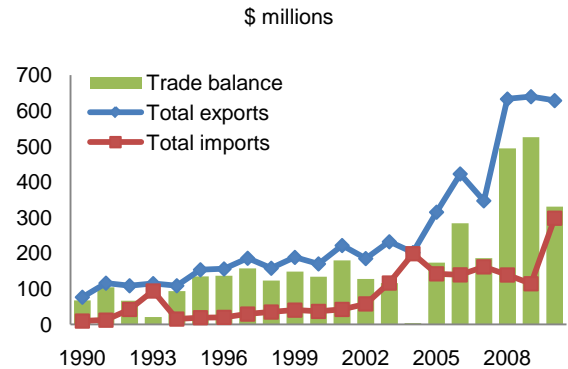


Figure 2

Importance to Canada

Average yearly growth (%): 2005–2010 Share of total trade (%):

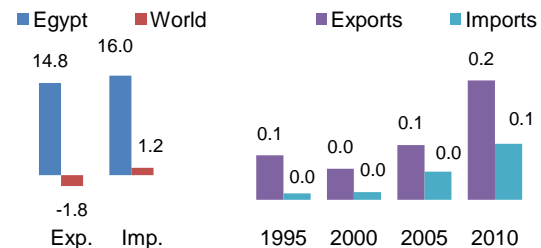
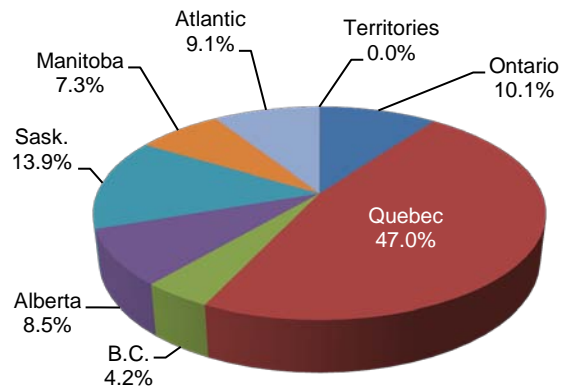


Figure 3

Exports by Province/Territory – 2010



All figures were prepared by the authors 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, manufactured goods and resource-based goods each accounted for 50% of the value of Canada's exports to Egypt. This composition had changed since 2005, when manufactured goods represented 62% of the value of Canada's exports to the country, with resource-based goods accounting for the remaining 38%.

Canada's highest-valued exports to Egypt in 2010 were ferrous waste and scrap, wheat and iron ore, valued at \$180.2 million, \$76.1 million and \$53.9 million respectively. The value of Canadian exports of ferrous waste to the country has experienced relatively significant growth in recent years, increasing at an average annual rate of 153% over the 2005 to 2010 period. The value of Canadian wheat exports to Egypt increased from a negligible amount in 2005 to \$76.1 million in 2010.

In 2010, resource-based goods represented 56% of the value of Canada's imports from Egypt, while manufactured goods accounted for the remaining 44%. This composition had changed significantly since 2005, when manufactured goods and resource-based goods accounted for 99% and 1% respectively of the value of Canada's imports from the country.

Canada's highest-valued imports from Egypt in 2010 were gold, mineral or chemical fertilizers and carpets, valued at \$162.2 million, \$56.9 million and \$13.9 million respectively. Over the 2005 to 2010 period, the value of these products increased at average annual rates of 1,510%, 25% and 29% respectively.

Canada was a net exporter to Egypt in 2010, with trade surpluses in most product categories. In that year, it had a trade deficit with the country in the other manufactured goods category, as well as in the category of "other" goods.

Figure 4

Major Export Products

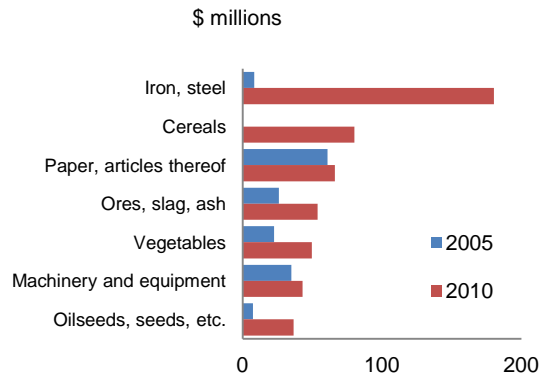


Figure 5

Major Import Products

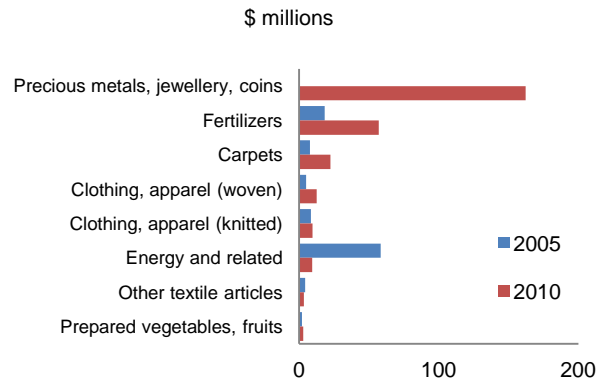
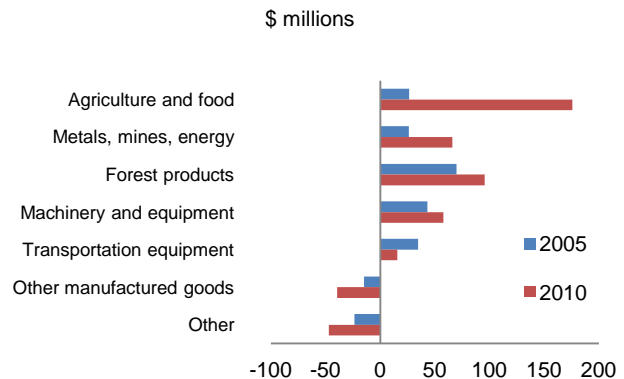


Figure 6

Balance by Category



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Services and Investment

In 2009, the most recent year for which data are available, Canada's bilateral services trade with Egypt totalled \$115.0 million, comprised of \$91.0 million in exports to, and \$24.0 million in imports from, Egypt.

The values of Canada's services exports to, and imports from, Egypt have been volatile in recent years. The value of Canada's services exports to the country increased by 6% from 2008 to 2009, led by growth in the values of travel services and commercial services.

In 2009, Canadian exports of commercial services, travel services, and transportation and government services to the country were valued at \$33.0 million, \$30.0 million and \$28.0 million respectively. Imports of travel services, transportation and government services, and commercial services from the country were valued at \$16.0 million, \$5.0 million and \$3.0 million respectively in that year.

Canada had trade surpluses with Egypt in all services trade categories in 2009, the largest of which was in commercial services. The sizes of the surpluses have grown in recent years. As recently as 2005, Canada was a net importer of services from Egypt, with trade deficits in commercial services and in transportation and government services.

The stock of Canadian direct investment in Egypt totalled \$322.0 million in 2010, making it Canada's 51st largest destination for direct investment abroad. The stock of Canadian direct investment in Egypt has increased relatively substantially since 2004; that said, it has decreased each year since 2008, when it was valued at \$404.0 million.

Data on Egyptian direct investment in Canada are not available.

Figure 7

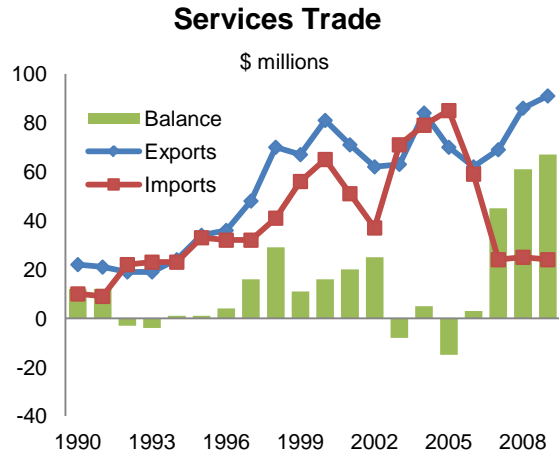


Figure 8

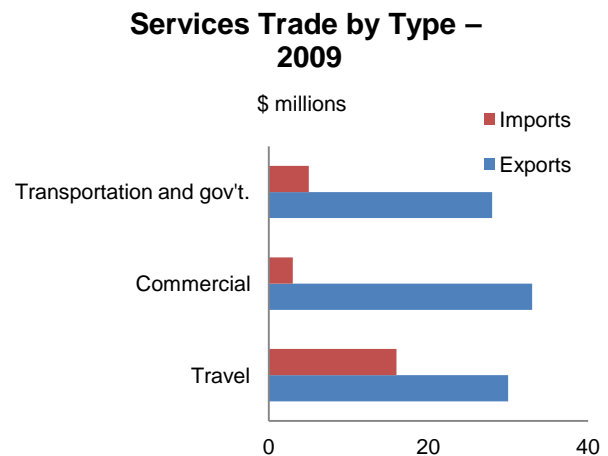
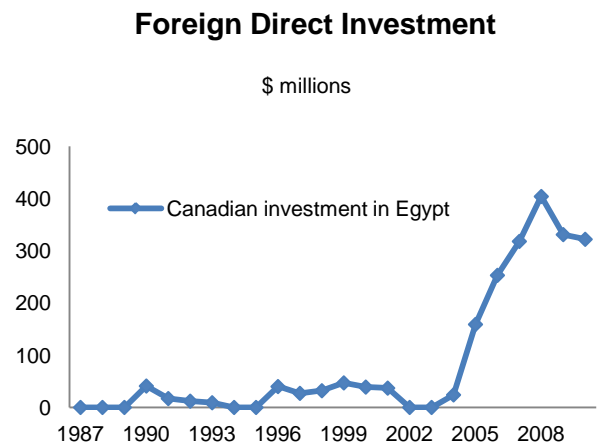


Figure 9



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