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# TRADE AND INVESTMENT



## Canada–Asia-Pacific

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**Pascal Tremblay**

Economics, Resources and International Affairs Division  
Parliamentary Information and Research Service

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## INTRODUCTION

In this paper, the Asia-Pacific region is comprised of Asia-Pacific Economic Cooperation member countries, excluding Canada. These countries consist of the following: Australia, Brunei Darussalam, Chile, the People's Republic of China, Hong Kong, Indonesia, Japan, Malaysia, Mexico, New Zealand, Papua New Guinea, Peru, the Philippines, Russia, Singapore, South Korea, Taiwan, Thailand, the United States and Vietnam.



## Merchandise Trade

In 2013, Canada's trade with the Asia-Pacific region totalled \$786.9 billion, comprised of \$414.8 billion in Canadian exports to, and \$372.1 billion in imports from, the region.

The value of Canada's exports to the Asia-Pacific region increased by 5.8% between 2012 and 2013, while the value of Canada's imports from the region grew by 4.6%.

Over the 2008 to 2013 period, the value of Canada's exports to the Asia-Pacific region decreased at an average annual rate of 0.2%, compared to 0.5% worldwide. The value of Canada's exports to the region as a share of the value of Canada's total exports increased from 86.9% in 2008 to 87.9% in 2013.

The value of Canada's imports from the Asia-Pacific region increased at an average annual rate of 2.3% over the 2008 to 2013 period, compared to 1.8% worldwide. The value of Canada's imports from the region as a share of the value of Canada's total imports increased from 76.3% in 2008 to 78.2% in 2013.

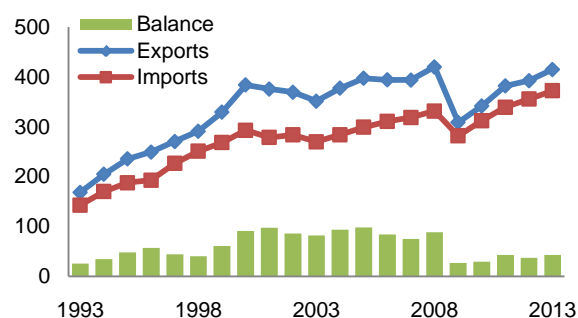
At the provincial/territorial level, Ontario, Alberta and Quebec together accounted for 77.0% of the value of Canada's exports to the Asia-Pacific region in 2013, with exports valued at \$165.3 billion, \$99.6 billion and \$54.6 billion respectively.

Over the 2008 to 2013 period, the fastest-growing provincial exporters to the Asia-Pacific region were New Brunswick, Saskatchewan and Prince Edward Island, with average annual growth rates of 4.3%, 3.1% and 1.2% respectively.

### Figure 1

#### Merchandise Trade

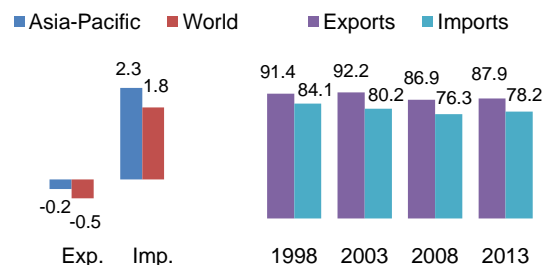
(\$ billions)



### Figure 2

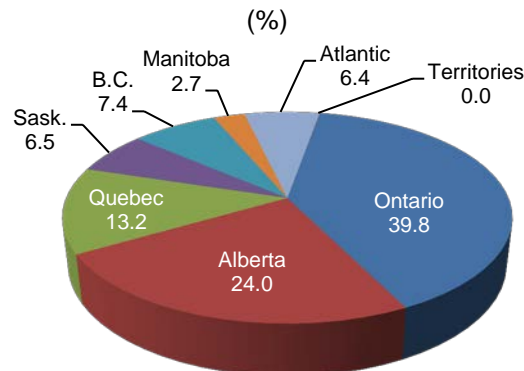
#### Importance to Canada

Average yearly growth (%): 2008–2013      Share of total trade (%):



### Figure 3

#### Exports by Province/Territory – 2013



All figures were prepared using Statistics Canada data available in fall 2014.

The merchandise trade data are customs-based; the services trade and foreign direct investment data are balance of payments-based. Numbers in this paper have been rounded.

## Products

In 2013, manufactured goods accounted for 66.4% of the value of Canada's exports to the Asia-Pacific region, with resource-based goods representing the remaining 33.6%. This composition was virtually unchanged from 2008, when manufactured goods and resource-based goods accounted for 66.7% and 33.3% respectively of the value of Canada's exports to the region.

Canada's highest-valued exports to the Asia-Pacific region in 2013 were crude petroleum oil and motor vehicles, which together accounted for 30.5% of the value of Canada's exports to the region. The value of Canada's crude petroleum oil and motor vehicle exports to the Asia-Pacific region increased from \$67.4 billion and \$34.1 billion respectively in 2008 to \$80.9 billion and \$45.8 billion respectively in 2013.

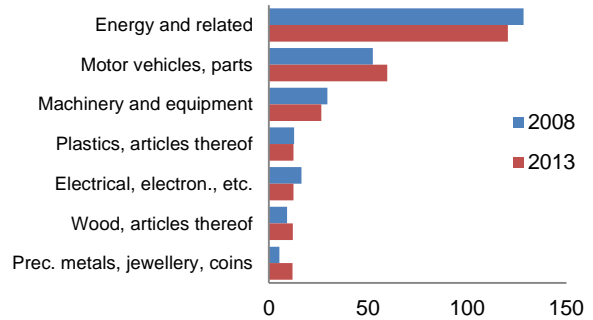
In 2013, manufactured goods represented 92.6% of the value of Canada's imports from the Asia-Pacific region, with resource-based goods accounting for the remaining 7.4%. This composition was virtually unchanged from 2008, when manufactured goods and resource-based goods represented 92.9% and 7.1% respectively of the value of Canada's imports from the region.

Canada's highest-valued imports from the Asia-Pacific region in 2013 were motor vehicles and motor vehicle parts, which together accounted for 11.8% of the value of Canada's imports from the region. The value of Canada's motor vehicle imports from the Asia-Pacific region decreased from \$23.1 billion in 2008 to \$22.7 billion in 2013, while the value of motor vehicle part imports increased from \$18.2 billion to \$21.2 billion over the period.

In 2013, Canada had trade surpluses with the Asia-Pacific region in the product categories of metals, mines and energy, forest products, and agriculture and food. It had trade deficits with the region in all other product categories in that year.

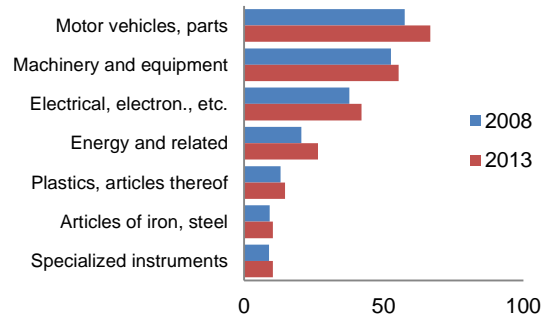
### Figure 4

#### Major Export Products (\$ billions)



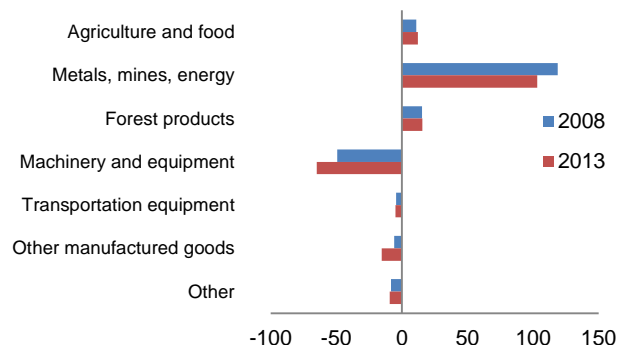
### Figure 5

#### Major Import Products (\$ billions)



### Figure 6

#### Balance by Category (\$ billions)



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Numbers in this paper have been rounded.



## Trading Partners

In 2013, the United States, China and Japan were Canada's largest export destinations in the Asia-Pacific region, with exports valued at \$358.1 billion, \$20.5 billion and \$10.6 billion respectively. Together, these countries accounted for 93.8% of the value of Canada's exports to the region in that year; the United States accounted for 86.3% of the value.

The United States, China and Mexico were Canada's largest sources of imports from the Asia-Pacific region in 2013, with imports valued at \$247.8 billion, \$52.7 billion and \$26.7 billion respectively. Together, these countries accounted for 88.0% of the value of Canada's imports from the region in that year; the United States accounted for 66.6% of the value.

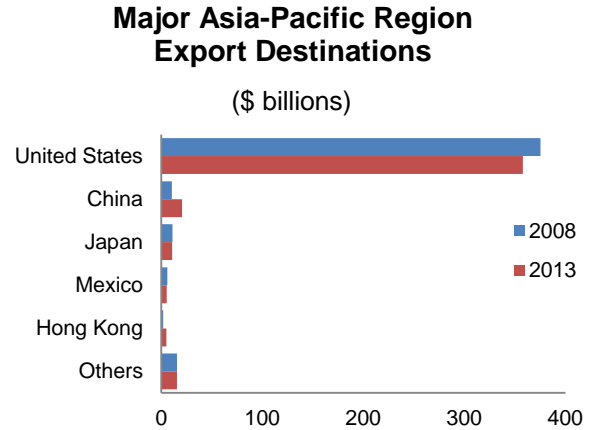
Over the 2008 to 2013 period, the value of Canada's exports to the United States decreased at an average annual rate of 0.9%, compared to an increase of 5.0% for the other countries in the Asia-Pacific region combined.

The value of Canada's imports from the United States increased at an average annual rate of 1.7% over the 2008 to 2013 period, compared to 3.6% for the other countries in the Asia-Pacific region combined.

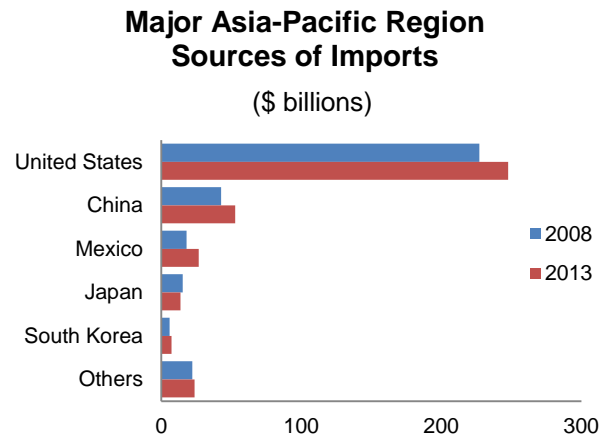
The value of Canada's exports to countries in the Asia-Pacific region other than the United States, as a share of the value of Canada's total exports to the region, increased from 10.6% in 2008 to 13.7% in 2013.

The value of Canada's imports from countries in the Asia-Pacific region other than the United States, as a share of the value of Canada's total imports from the region, increased from 31.4% in 2008 to 33.4% in 2013.

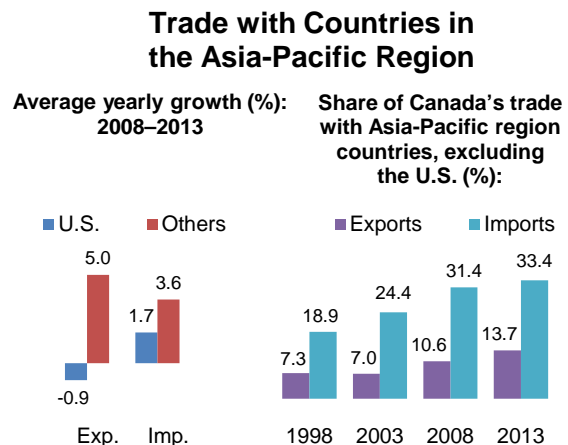
### Figure 7



### Figure 8



### Figure 9



All figures were prepared using Statistics Canada data available in fall 2014.

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Numbers in this paper have been rounded.

## Services

In 2013, trade in services between Canada and the Asia-Pacific region totalled \$137.6 billion, comprised of \$58.3 billion in Canadian exports to, and \$79.3 billion in imports from, the Asia-Pacific region.

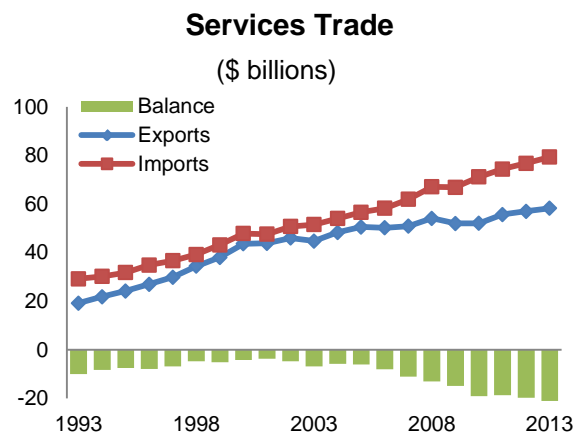
The value of Canada's services exports to the Asia-Pacific region increased by 2.2% between 2012 and 2013, while the value of Canada's services imports from the region grew by 3.4%.

In 2012, the latest year for which data are available for all Asia-Pacific countries, Canada had trade deficits with the Asia-Pacific region in the travel, as well as the transportation and government, services categories; the deficits were \$14.3 billion and \$6.8 billion respectively. Canada had a trade surplus with the region of \$1.3 billion in the commercial services category in that year.

In 2013, the United States, Hong Kong and China were Canada's largest services trade partners in the Asia-Pacific region. Canada's services exports to these countries were valued at \$46.1 billion, \$1.7 billion and \$2.3 billion respectively in that year, while its services imports from these countries totalled \$64.2 billion, \$3.4 billion and \$2.1 billion respectively. Moreover, in 2013, these three countries together accounted for 86.0% of the value of Canada's services exports to, and 87.9% of the value of services imports from, the Asia-Pacific region. The United States accounted for 79.2% of Canada's services exports to, and 80.9% of the value of services imports from, the region in that year.

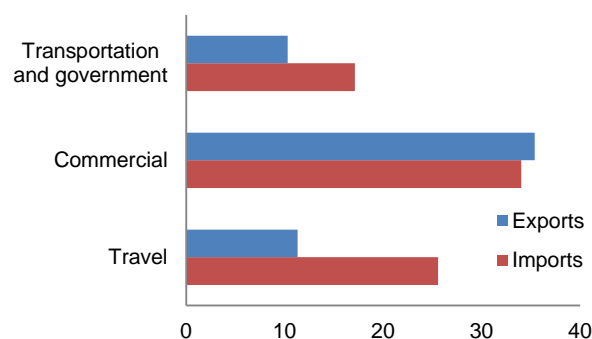
*Data for trade in services for Brunei Darussalam, Papua New Guinea and Peru are not available.*

### Figure 10



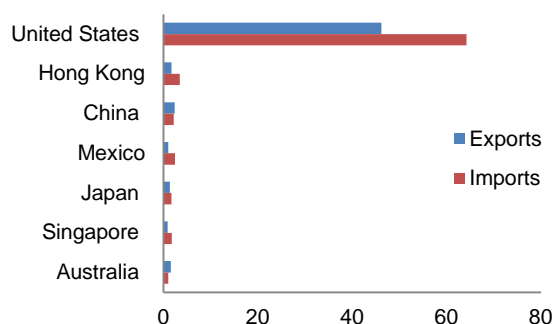
### Figure 11

**Services Trade by Type – 2012**  
(\$ billions)



### Figure 12

**Services Trade Partners – 2013**  
(\$ billions)



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Numbers in this paper have been rounded.

## Investment

Subject to the data limitations outlined below, the stock of Canadian direct investment in the Asia-Pacific region totalled \$404.1 billion in 2013. Canadian direct investment in the region increased by 8.5% between 2012 and 2013.

The United States, Australia and Chile were Canada's largest destinations for direct investment in the Asia-Pacific region in 2013, with stocks of \$318.3 billion, \$23.4 billion and \$16.6 billion respectively. Together, these countries accounted for 88.7% of Canada's stock of direct investment in the region in that year.

In 2013, the stock of direct investment in Canada from the Asia-Pacific region was \$398.8 billion. Direct investment in Canada from the region increased by 9.0% between 2012 and 2013.

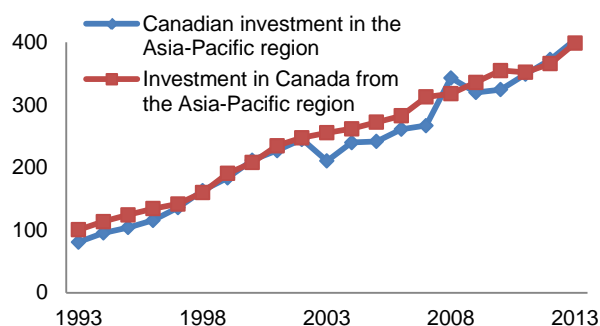
The United States, Japan and China were Canada's largest sources of foreign direct investment from the Asia-Pacific region in 2013, with stocks of \$352.1 billion, \$17.3 billion and \$16.7 billion respectively. Together, these countries accounted for 96.8% of the stock of direct investment in Canada from the region in that year.

Canada's direct investment in the Asia-Pacific region as a share of Canada's total foreign direct investment decreased from 53.5% in 2008 to 51.9% in 2013. Over that period, direct investment in Canada from the region as a share of total foreign direct investment in Canada increased from 57.7% to 58.1%.

*Outward investment data for Brunei Darussalam, Papua New Guinea, the Philippines, Taiwan and Vietnam are not available for 2013. Inward investment data for Brunei Darussalam, Chile, Hong Kong, New Zealand, Papua New Guinea, Peru, the Philippines, Russia and Vietnam are not available for 2013.*

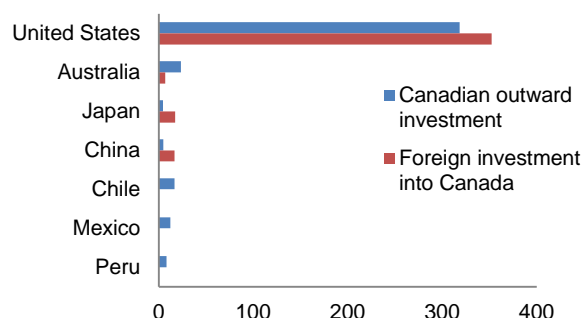
### Figure 13

#### Stocks of Foreign Direct Investment (\$ billions)



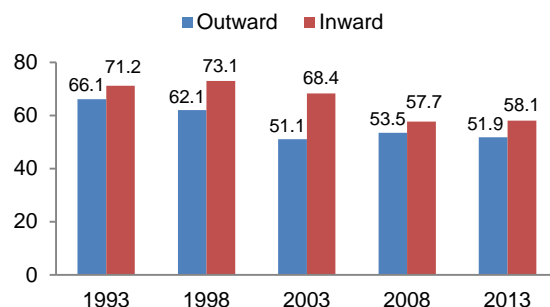
### Figure 14

#### Investment by Country – 2013 (\$ billions)



### Figure 15

#### Asia-Pacific Region's Share of Canadian Foreign Direct Investment (% of total direct investment)



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