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TRADE AND INVESTMENT



Canada–United Kingdom

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The Library of Parliament ***Trade and Investment*** series provides information on Canada's trade and investment relationship with the world and with selected countries. The series also describes the merchandise trade relationship that each of Canada's 10 provinces and three territories has with the world. 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.

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Ce document est également publié en français.

CONTENTS

MERCHANDISE TRADE.....	1
PRODUCTS	2
SERVICES AND INVESTMENT	3

Merchandise Trade

In 2013, Canada–United Kingdom merchandise trade totalled \$22.4 billion, comprised of \$14.0 billion in Canadian exports to, and \$8.4 billion in imports from, the United Kingdom.

The value of Canada's exports to the United Kingdom decreased by 25.5% between 2012 and 2013, while the value of Canada's imports from the country declined by 1.3%.

The United Kingdom was Canada's third largest export destination worldwide in 2013, after the United States and China. In that year, it was Canada's sixth largest source of imports globally.

Over the 2008 to 2013 period, the value of Canada's exports to the United Kingdom grew at an average annual rate of 1.5%, compared to a decrease of 0.5% worldwide. The value of Canada's exports to the country as a share of the value of Canada's total exports increased from 2.7% in 2008 to 3.0% in 2013.

The value of Canada's imports from the United Kingdom decreased at an average annual rate of 7.7% over the 2008 to 2013 period, compared to an increase of 1.8% worldwide. The value of Canada's imports from the country as a share of the value of Canada's total imports declined from 2.9% in 2008 to 1.8% in 2013.

At the provincial/territorial level, Ontario accounted for 77.2% of the value of Canada's exports to the United Kingdom in 2013, with exports valued at \$10.8 billion.

Over the 2008 to 2013 period, the fastest-growing provincial exporters to the United Kingdom were Newfoundland and Labrador, Ontario and Manitoba, with average annual growth rates of 38.6%, 6.3% and 2.9% respectively.

Figure 1

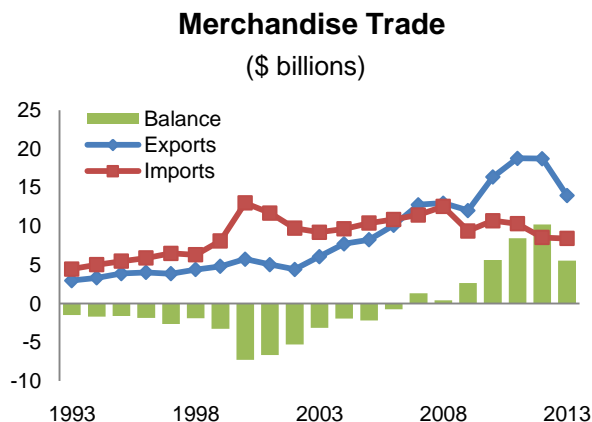


Figure 2

Importance to Canada

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

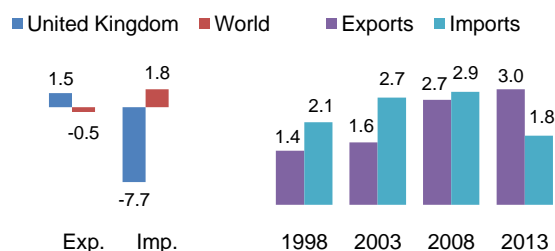
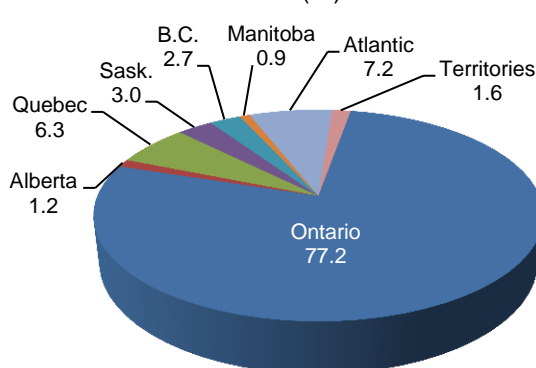


Figure 3

Exports by Province/Territory – 2013



All figures were prepared using Statistics Canada data available in spring 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, resource-based goods accounted for 65.8% of the value of Canada's exports to the United Kingdom, with manufactured goods representing the remaining 34.2%. This composition had changed since 2008, when manufactured goods and resource-based goods each accounted for 50.0% of the value of Canada's exports to the country.

Canada's highest-valued exports to the United Kingdom in 2013 were gold, uranium and nickel intermediate products, which together accounted for 65.8% of the value of Canada's exports to the country. The value of Canadian gold exports to the United Kingdom increased from \$4.4 billion in 2008 to \$7.6 billion in 2013. The value of Canadian uranium and nickel intermediate product exports to the country decreased from \$1.0 billion and \$784.7 million respectively in 2008 to \$922.8 million and \$712.0 million respectively in 2013.

In 2013, manufactured goods represented 81.6% of the value of Canada's imports from the United Kingdom, with resource-based goods accounting for the remaining 18.4%. This composition had changed since 2008, when manufactured goods and resource-based goods accounted for 57.1% and 42.9% respectively of the value of Canada's imports from the country.

Canada's highest-valued imports from the United Kingdom in 2013 were crude oil, aircraft parts and medications, which together accounted for 29.1% of the value of Canada's imports from the country. The value of Canadian crude oil, aircraft part and medication imports from the United Kingdom decreased from \$5.2 billion, \$872.1 million and \$798.0 million respectively in 2008 to \$1.2 billion, \$729.5 million and \$567.2 million respectively in 2013.

In 2013, Canada had a trade surplus with the United Kingdom in the product categories of metals, mines and energy, as well as forest products. It had a trade deficit with the country in all other product categories in that year.

Figure 4

Major Export Products (\$ billions)

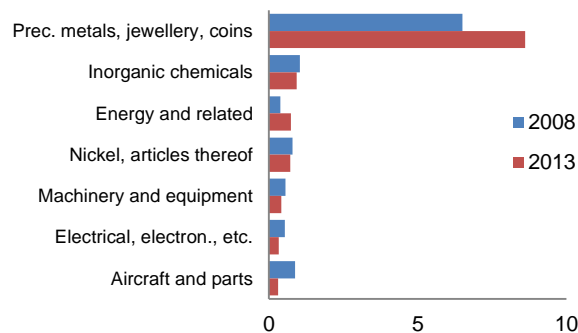


Figure 5

Major Import Products (\$ billions)

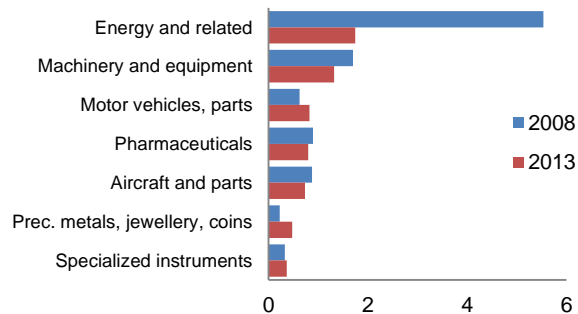
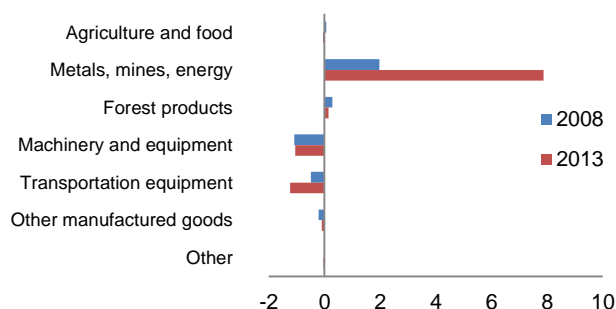


Figure 6

Balance by Category (\$ billions)



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

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Services and Investment

In 2013, Canada–United Kingdom services trade totalled \$10.0 billion, comprised of \$4.7 billion in Canadian exports to, and \$5.3 billion in imports from, the United Kingdom.

The value of Canada's services exports to the United Kingdom decreased by 2.8% between 2012 and 2013, while the value of Canada's services imports from the country declined by 2.6%.

In 2013, Canada's trade deficit in services with the United Kingdom was the result of trade in transportation services and in travel services. In that year, Canada imported \$1.6 billion and \$1.2 billion in transportation services and travel services respectively from, and exported \$933.0 million and \$836.0 million respectively in such services to, the country. In 2013, Canada had a trade surplus with the United Kingdom in commercial services and in government services.

The stock of Canadian direct investment in the United Kingdom totalled \$86.1 billion in 2013, making it Canada's second largest destination for foreign investment among the 53 countries for which data were available. The stock of Canadian direct investment in the country increased by 12.4% between 2012 and 2013.

In 2013, the stock of British direct investment in Canada totalled \$56.7 billion, making it the third largest source of foreign investment in Canada among the 39 countries for which data were available. British direct investment in Canada increased by 16.6% between 2012 and 2013.

Figure 7

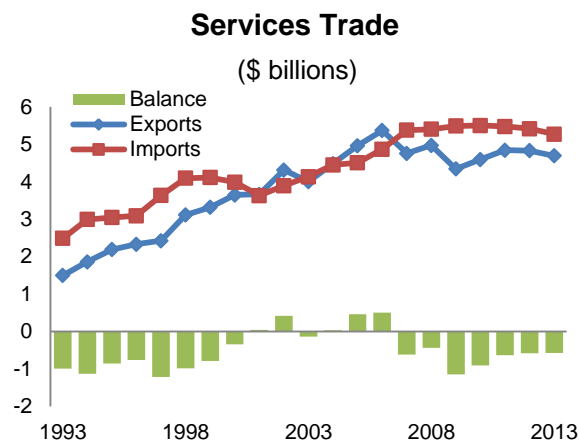


Figure 8

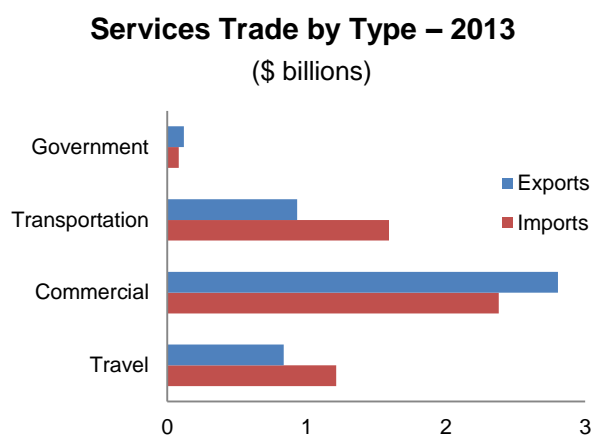
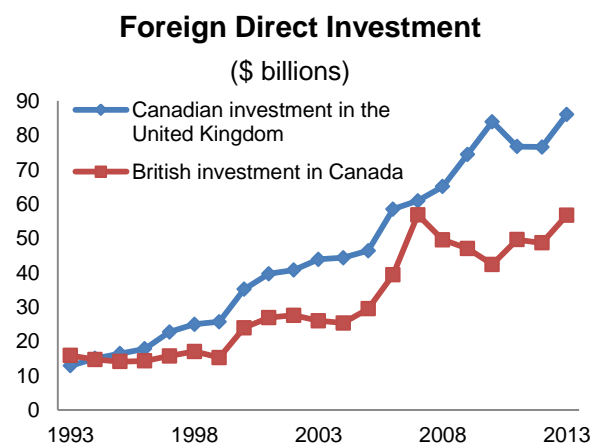


Figure 9



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