



# TRADE AND INVESTMENT

## CANADA—10 OTHER TRANS-PACIFIC PARTNERSHIP COUNTRIES

### NOTABLE TRADE AND INVESTMENT AGREEMENTS

Notable trade and investment agreements between Canada and the other *Comprehensive and Progressive Agreement for Trans-Pacific Partnership* (CPTPP) countries:

- *Canada–United States–Mexico Agreement* (2020) with Mexico
- *Comprehensive and Progressive Agreement for Trans-Pacific Partnership* (2018)
- *Canada–Pacific Alliance Free Trade Agreement* (under negotiation) with Mexico, Chile and Peru
- *Canada–Peru Free Trade Agreement* (2009)
- *Canada–Peru Foreign Investment Promotion and Protection Agreement* (2007)
- *Canada–Chile Free Trade Agreement* (1997)
- *Canada–Japan Economic Partnership Agreement* (under negotiation)



### FUNDAMENTALS

#### The Series

The Library of Parliament's Trade and Investment series:

- provides information on Canada's trade and investment relationship with the world and with selected countries;
- describes the trade relationship of each of Canada's 10 provinces and three territories with the world; and
- presents Canada's merchandise trade relationship with each of the United States' 50 states.

All dollar amounts are in Canadian dollars unless otherwise noted.

Numbers have been rounded.

Definitions appear at the end of the profile.

#### This Profile

The merchandise trade data are customs-based; the services trade data and foreign direct investment data are balance of payments–based.

Services trade data do not include Brunei Darussalam and Peru because data for Canada's services trade with these countries are not available for 2018.

Data on foreign direct investment stocks in Canada do not include Brunei Darussalam and Viet Nam because data for these countries are not available for 2019.

The five most highly valued merchandise export and import categories have been identified using values for 2019.

All figures were prepared using Statistics Canada data available in summer 2020.

For the data tables used to generate the figures, see the HTML version of this profile at [Trade and Investment Series 2019](#).

Detailed economic and population data on CPTPP countries are provided at the end of this profile.

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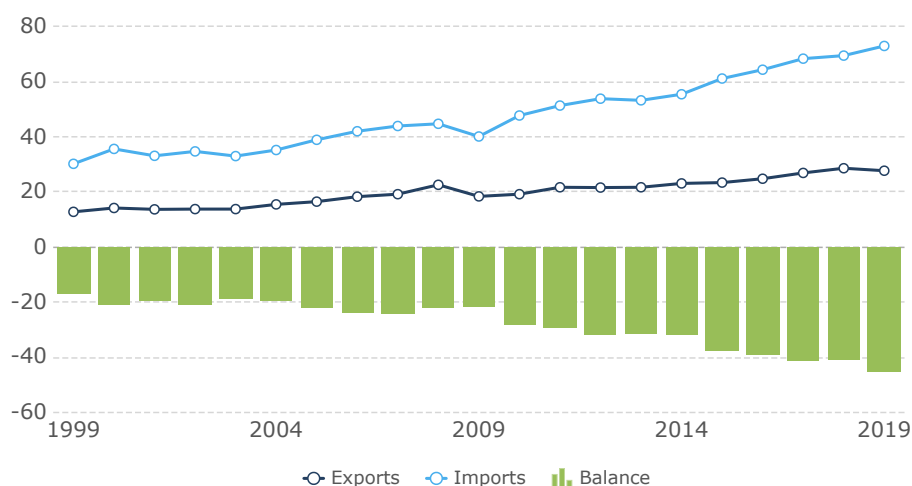
Economics, Resources and International Affairs Division  
Parliamentary Information and Research Service

Publication No. 2020-500-E  
2 October 2020

## CANADA'S MERCHANDISE TRADE WITH THE OTHER CPTPP COUNTRIES

### Merchandise Trade

(\$ billions)

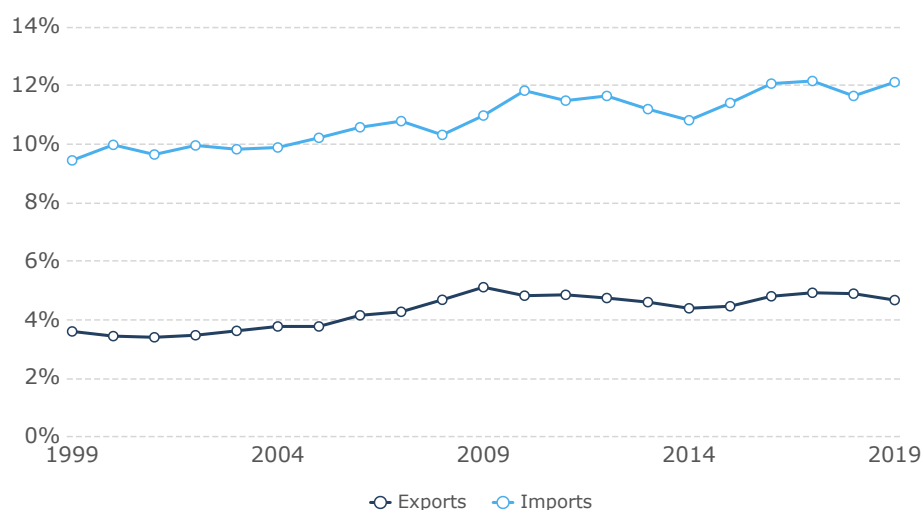


Bilateral merchandise trade in 2019: \$100.5 billion

- Exports: \$27.7 billion, a 3.1% decrease from 2018
- Imports: \$72.9 billion, a 5.1% increase from 2018

Trade deficit in 2019: \$45.2 billion, an increase from \$40.8 billion in 2018

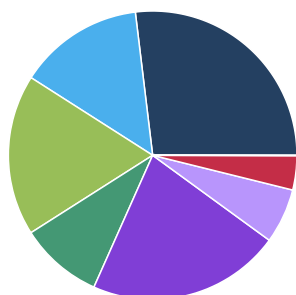
### Share of the Total Value of Canadian Trade



Exports in 2019: 4.7% of the total value of Canadian exports, a decrease from 4.9% in 2018

Imports in 2019: 12.1% of the total value of Canadian imports, an increase from 11.6% in 2018

### Share of Exports by Province/Territory



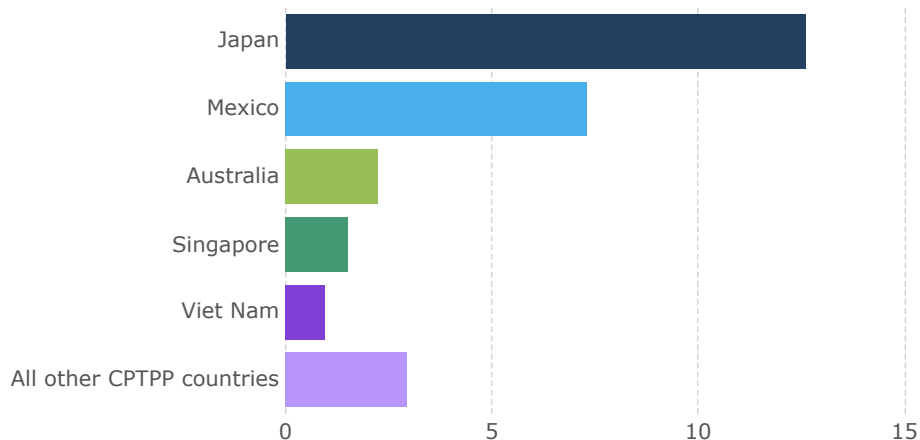
Ontario
Alberta
Quebec
Saskatchewan
British Columbia
Manitoba
Atlantic provinces
Territories

Highest-valued exporters to the other CPTPP countries in 2019:

- Ontario – \$7.4 billion, unchanged from 2018
- British Columbia – \$6.0 billion, a decrease from \$6.6 billion in 2018

## Destinations for Merchandise Exports by Country

(\$ billions)

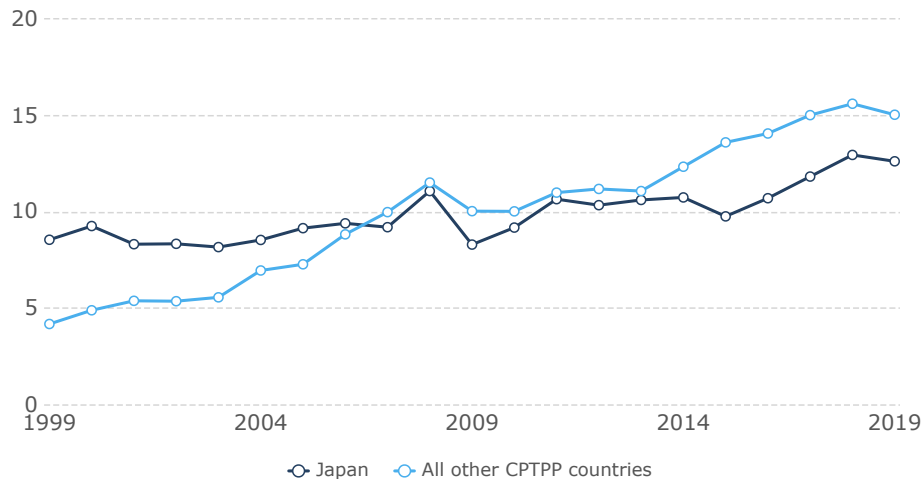


Destinations for merchandise exports to the other CPTPP countries, by country, in 2019:

- Japan – 45.6%
- Mexico – 26.5%
- Australia – 8.2%
- Singapore – 5.5%
- Viet Nam – 3.6%
- All other CPTPP countries – 10.7%

## Destinations for Merchandise Exports by Region

(\$ billions)

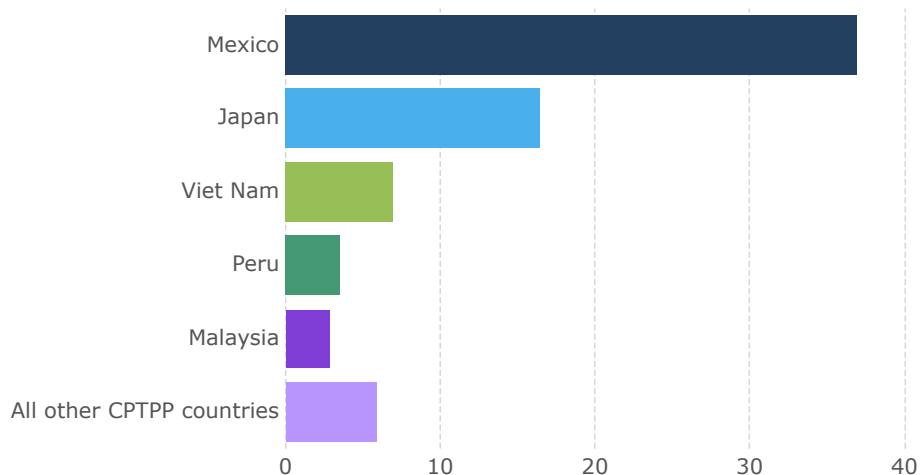


Merchandise exports to Japan and to all other CPTPP countries in 2019:

- Japan – \$12.6 billion, a decrease from \$13.0 billion in 2018
- All other CPTPP countries – \$15.0 billion, a decrease from \$15.6 billion in 2018

## Sources of Merchandise Imports by Country

(\$ billions)

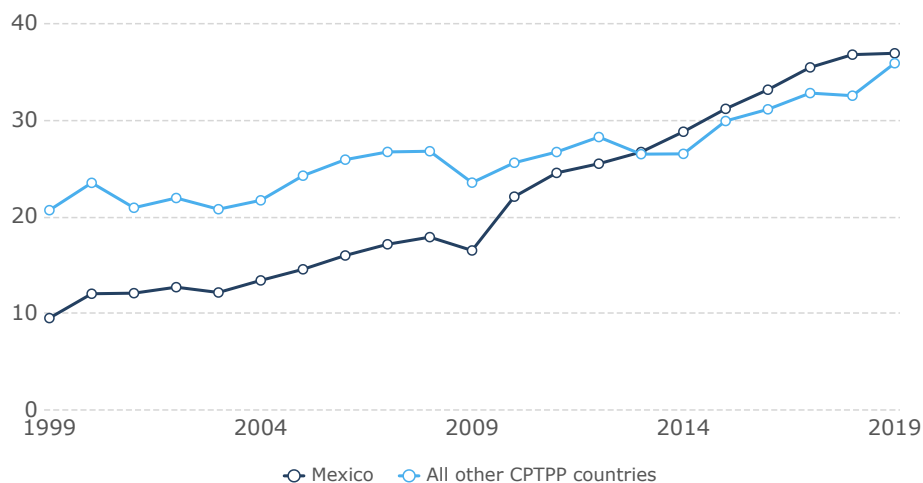


Sources of merchandise imports from the other CPTPP countries, by country, in 2019:

- Mexico – 50.7%
- Japan – 22.7%
- Viet Nam – 9.6%
- Peru – 4.9%
- Malaysia – 3.9%
- All other CPTPP countries – 8.2%

## Sources of Merchandise Imports by Region

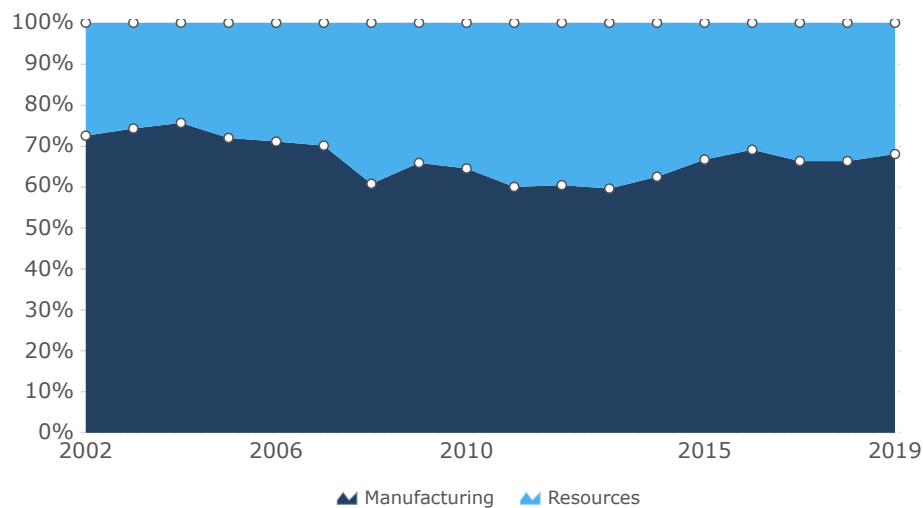
(\$ billions)



Merchandise imports from Mexico and from all other CPTPP countries in 2019:

- Mexico – \$36.9 billion, an increase from \$36.8 billion in 2018
- All other CPTPP countries – \$35.9 billion, an increase from \$32.6 billion in 2018

## Share of Exports by Sector

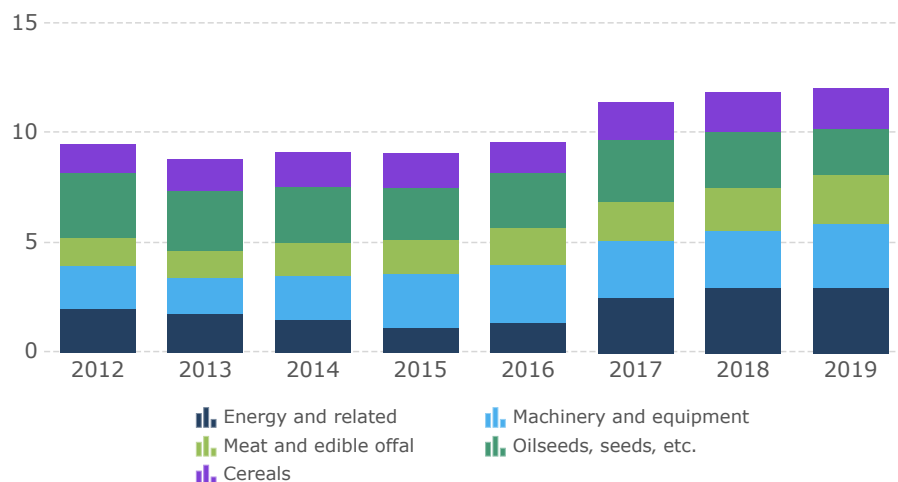


Exports in 2019:

- Resource-based goods – 32.0%, a decrease from 33.7% in 2018
- Manufactured goods – 68.0%, an increase from 66.3% in 2018

## Most Highly Valued Exports by Product Category

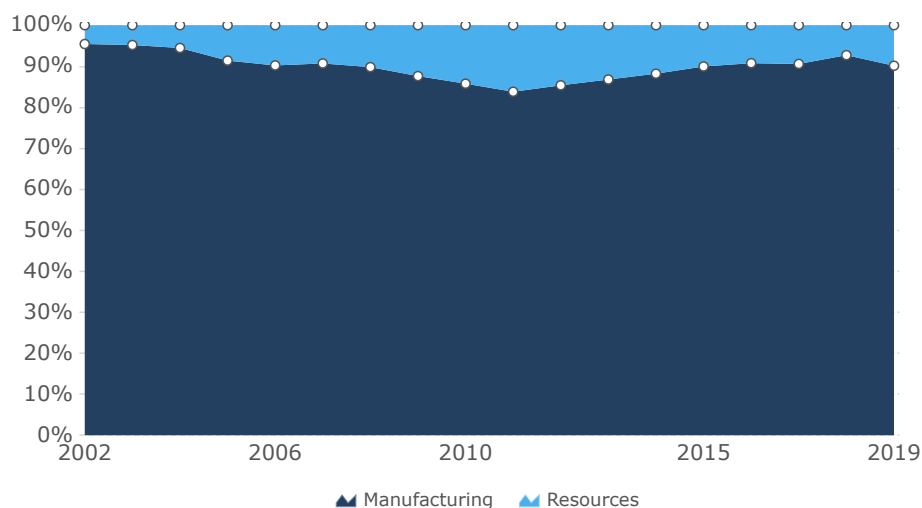
(\$ billions)



Highest-valued exports in 2019: Coal and wheat, together accounting for 13.6% of the total value of Canadian exports to the other CPTPP countries

- Coal: \$2.1 billion, a decrease from \$2.3 billion in 2018
- Wheat: \$1.6 billion, unchanged from 2018

## Share of Imports by Sector

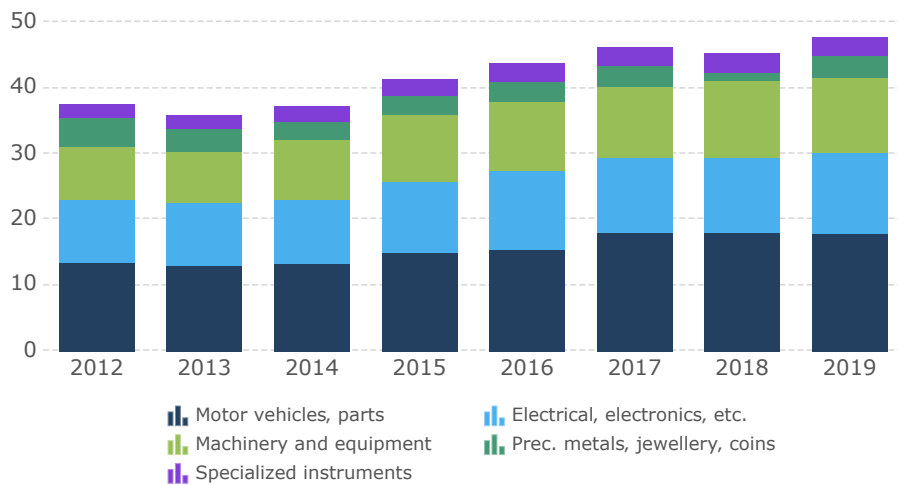


Imports in 2019:

- Resource-based goods – 9.9%, an increase from 7.3% in 2018
- Manufactured goods – 90.1%, a decrease from 92.7% in 2018

## Most Highly Valued Imports by Product Category

(\$ billions)



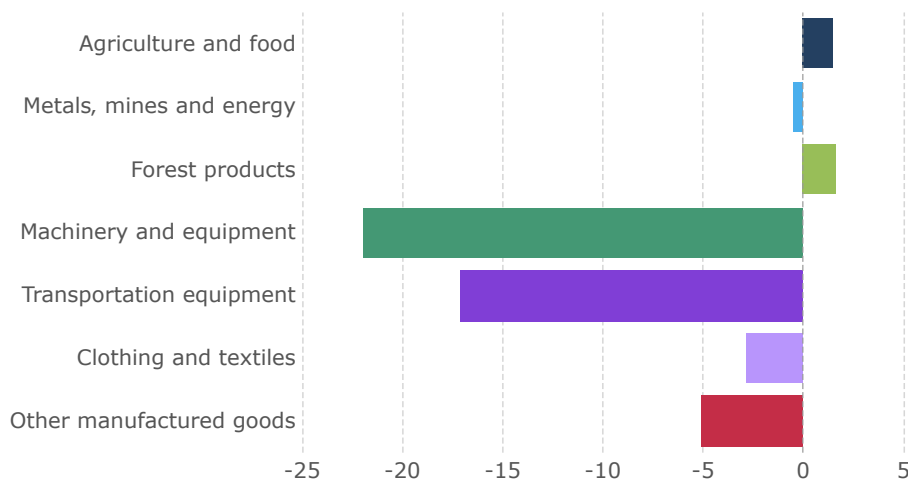
Highest-valued imports in 2019:

Motor vehicles and motor vehicle parts, together accounting for 18.9% of the total value of Canadian imports from the other CPTPP countries

- Motor vehicles: \$9.5 billion, an increase from \$9.4 billion in 2018
- Motor vehicle parts: \$4.3 billion, an increase from \$3.7 billion in 2018

## Trade Balance by Product Category

(\$ billions)



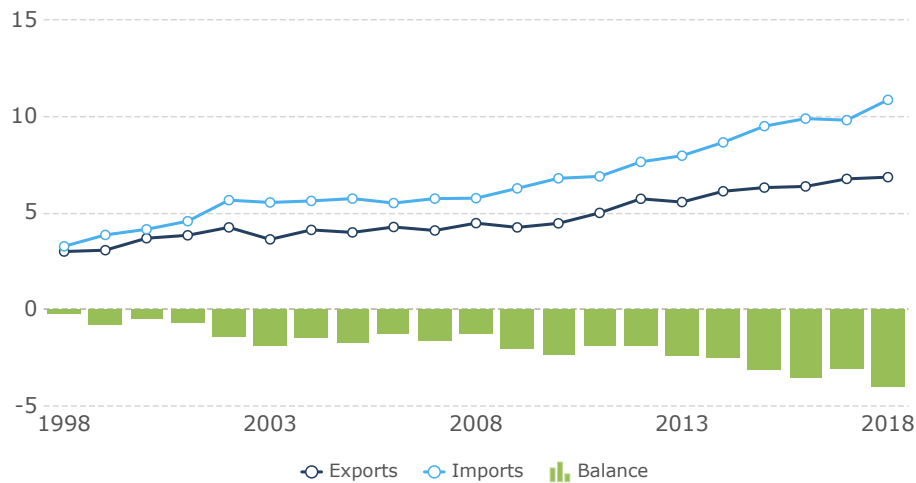
Largest merchandise trade deficit in 2019: Machinery and equipment, at \$22.0 billion

Largest merchandise trade surplus in 2019: Forest products, at \$1.7 billion

## CANADA'S SERVICES TRADE WITH THE OTHER CPTPP COUNTRIES

### Services Trade

(\$ billions)



Services trade between Canada and selected other CPTPP countries in 2018: \$17.7 billion

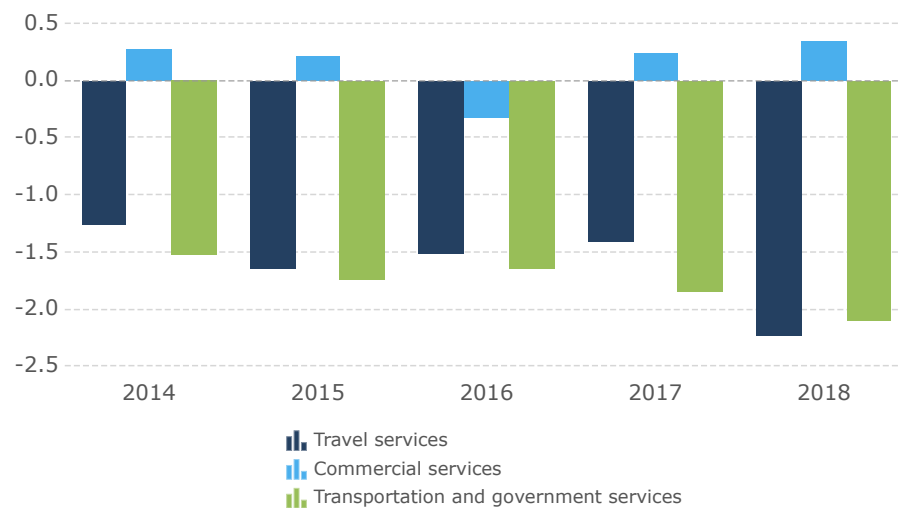
- Exports: \$6.9 billion, a 1.2% increase from 2017
- Imports: \$10.9 billion, a 10.6% increase from 2017

Trade deficit in 2018: \$4.0 billion, an increase from \$3.0 billion in 2017

*Services trade data do not include Brunei Darussalam and Peru because data for Canada's services trade with these countries are not available for 2018*

### Services Trade by Type

(\$ billions)



Services trade deficit in 2018:  
Largely due to travel services trade

Travel services

- Exports: \$2.8 billion
- Imports: \$5.0 billion

Commercial services

- Exports: \$2.6 billion
- Imports: \$2.2 billion

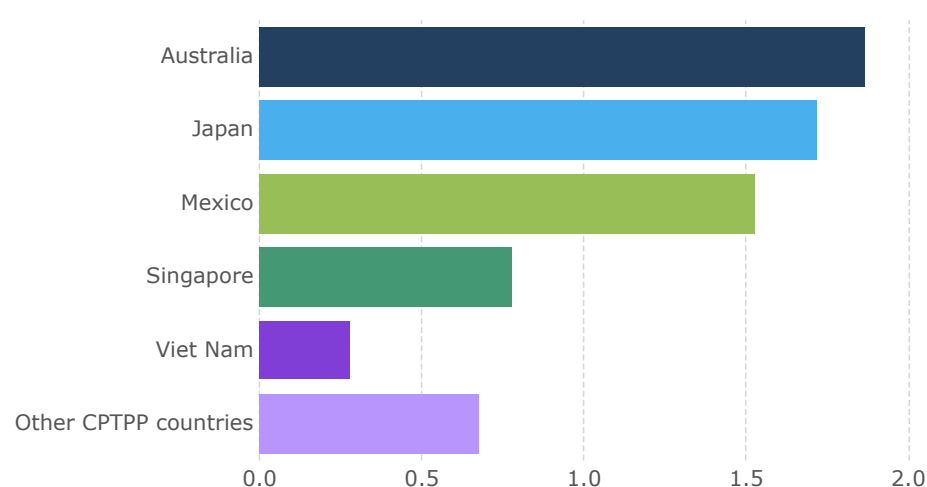
Transportation and government services

- Exports: \$1.5 billion
- Imports: \$3.6 billion

*Services trade data do not include Brunei Darussalam and Peru because data for Canada's services trade with these countries are not available for 2018*

### Destinations for Services Exports

(\$ billions)



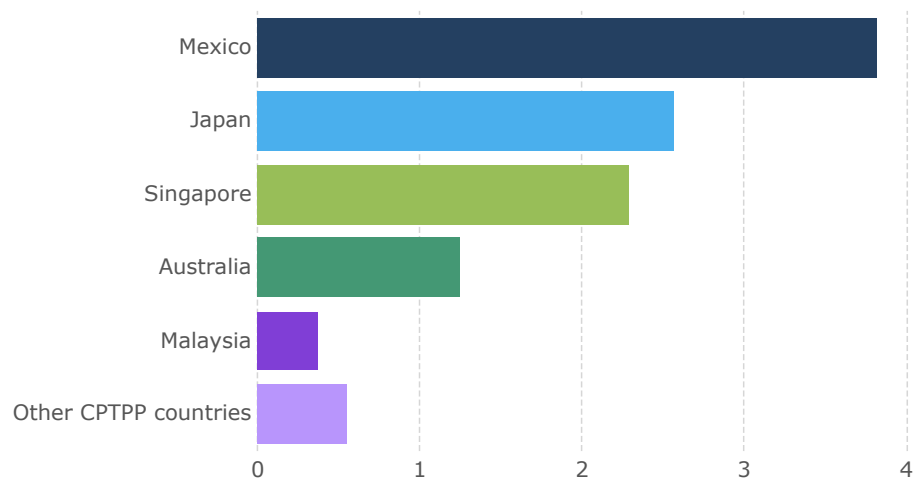
Destinations for services exports to selected other CPTPP countries in 2018:

- Australia – 27.3%
- Japan – 25.0%
- Mexico – 22.3%
- Singapore – 11.4%
- Viet Nam – 4.0%
- Other CPTPP countries – 9.9%

*Services trade data do not include Brunei Darussalam and Peru because data for Canada's services trade with these countries are not available for 2018*

## Sources of Services Imports

(\$ billions)



Sources of services imports from selected other CPTPP countries in 2018:

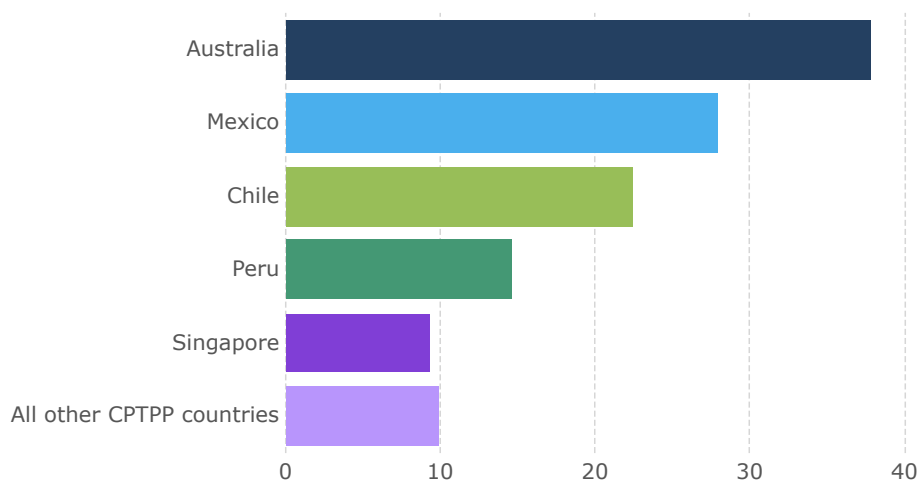
- Mexico – 35.2%
- Japan – 23.7%
- Singapore – 21.1%
- Australia – 11.5%
- Malaysia – 3.5%
- Other CPTPP countries – 5.1%

*Services trade data do not include Brunei Darussalam and Peru because data for Canada's services trade with these countries are not available for 2018*

## CANADA'S FOREIGN DIRECT INVESTMENT WITH THE OTHER CPTPP COUNTRIES

### Destinations for Canadian Direct Investment

(\$ billions)

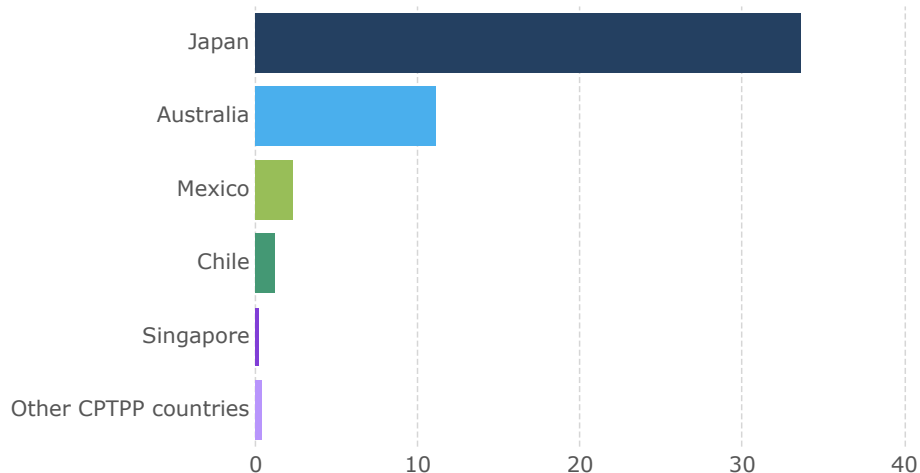


Destinations for Canadian foreign direct investment in the other CPTPP countries in 2019:

- Australia – 30.9%
- Mexico – 22.9%
- Chile – 18.4%
- Peru – 12.0%
- Singapore – 7.6%
- All other CPTPP countries – 8.2%

### Sources of Foreign Direct Investment in Canada

(\$ billions)



Sources of foreign direct investment in Canada from selected other CPTPP countries in 2019:

- Japan – 68.5%
- Australia – 22.8%
- Mexico – 4.8%
- Chile – 2.5%
- Singapore – 0.5%
- Other CPTPP countries – 0.9%

*Data on foreign direct investment stocks in Canada do not include Brunei Darussalam and Viet Nam because data for these countries are not available for 2019*

## PROFILE OF THE CPTPP COUNTRIES

On 8 March 2018, Australia, Brunei Darussalam, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore and Viet Nam signed the CPTPP. The agreement entered into force on 30 December 2018 for Australia, Canada, Japan, Mexico, New Zealand and Singapore, followed by Viet Nam on 14 January 2019.

CPTPP Countries				
Country	GDP at PPP (2019, US\$)	GDP per Capita at PPP (2019, US\$)	Population (2019)	Merchandise Exports and Imports as a Percentage of GDP at Official Exchange Rates (2019)
Australia	1.4 trillion	53,300	25.4 million	35.4%
Brunei Darussalam	28.0 billion	64,700	433,300	80.6%
Canada	1.9 trillion	51,300	37.6 million	52.4%
Chile	476.7 billion	25,200	19.0 million	49.3%
Japan	5.5 trillion	43,200	126.3 million	28.1%
Malaysia	943.3 billion	29,500	31.9 million	121.5%
Mexico	2.6 trillion	20,400	127.6 million	73.8%
New Zealand	216.1 billion	44,000	4.9 million	39.5%
Peru	435.0 billion	13,400	32.5 million	39.7%
Singapore	578.2 billion	101,400	5.7 million	201.6%
Viet Nam	807.8 billion	8,374	96.5 million	197.8%
<b>CPTPP (estimates)</b>	<b>14.8 trillion</b>	<b>29,200</b>	<b>507.7 million</b>	<b>n/a</b>
<p>Notes: Gross domestic product (GDP) at purchasing power parity (PPP) for the CPTPP countries collectively was calculated by summing the values for the 11 CPTPP countries.</p> <p>GDP per capita at PPP was calculated by dividing the estimated GDP at PPP for the CPTPP countries collectively by the estimated population of the CPTPP countries collectively.</p> <p>The estimated population for the CPTPP countries collectively was calculated by summing the population for the 11 CPTPP countries.</p> <p>Source: World Bank's World Development Indicators database.</p>				

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## DEFINITIONS

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### Definitions Used Throughout the Series

#### Balance of payments–based data

Data that calculate trade flows using surveys of the international trade and investment activity of firms and other entities.

#### Customs-based data

Data compiled from declarations that are filed with the Canada Border Services Agency and that are used to track the flow of goods into and out of Canada, with one exception: exports to the United States. Since 1990, customs-based data on most Canadian exports to the United States have been based on declarations filed with U.S. Customs and Border Protection.

#### Gross domestic product (GDP)

Measure of an economy's total production in a given year.

#### Manufactured goods

Finished or semi-finished products resulting from the transformation of materials and substances into new products (North American Industry Classification System, or NAICS, codes 31 to 33), and the output of establishments primarily engaged in operating electric, gas and water utilities (NAICS code 22).

#### Merchandise trade

Trade in physical goods, such as cars, wheat and iron ore.

#### Resource-based goods

Products of the agriculture, forestry, fishing and hunting sector (North American Industry Classification System, or NAICS, code 11), and of the mining, quarrying, and oil and gas extraction sector (NAICS code 21).

#### Services trade

Trade in travel, transportation, government and commercial services. Travel services are goods and services purchased abroad by travellers, with one exception: cross-border transportation. Transportation services are the transportation of goods and cross-border travellers, and related services. Government services arise largely from official representation and military activities, and some governmental commercial activities. Commercial services are all other services, such as management, financial or engineering services; this category also includes charges for the use of intellectual property.

#### Trade balance

Difference between the value of exports and the value of imports. There is a trade surplus if the value of exports exceeds the value of imports. There is a trade deficit if the value of imports exceeds the value of exports.

### Definitions Specific to the Profiles for Countries and Regions

#### Foreign direct investment (FDI)

Investment that provides an investor with ownership of at least 10% voting equity in an enterprise that is located in a country other than the investor's country of residence. The stock of FDI is the value of the accumulated equity owned by investors abroad; the stock changes from year to year based on flows of FDI.

#### Purchasing power parity (PPP)

Ratio of the prices in two countries for identical goods and services. It is used to adjust economic indicators to account for international price differences. With a calculation of GDP at PPP, a given good or service has the same price in each country.

### Definition Specific to the Profile for Canada's Foreign Direct Investment Relationship with the World

#### Foreign majority-owned affiliates

Enterprises in which a foreign business owns more than 50% of voting shares.

### Definitions Specific to the Profile for the European Union

#### EU-13

The 13 countries that joined the European Union between 2004 and 2013: Bulgaria, Croatia, Cyprus, Czechia, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Romania, Slovakia and Slovenia.

#### EU-14

Fourteen of the 15 countries that became members of the European Union before 2004: Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, the Netherlands, Portugal, Spain and Sweden; the 15<sup>th</sup> country, the United Kingdom, withdrew from the European Union on 31 January 2020.

### Definitions Specific to the Profiles for Provinces and Territories

#### Basic prices

Prices received by sellers. They exclude both taxes and subsidies on products.

#### Market prices

Prices paid by buyers. They include taxes net of subsidies on products.