

Ontario

In value terms, Ontario was the undisputed leader in export and import trade in the 1990s. As Canada's manufacturing heartland, Ontario is the base for many of the nation's firms in the automotive, machinery, equipment and electronics industries. Exports of manufactured goods skyrocketed in the decade, boosted by the integration of industrial production and specialization associated with the Canada-U.S. Free Trade Agreement. Merchandise exports grew at an annual compound rate of 13.3 percent, spurred by the robust growth of the U.S. economy. Manufactured goods accounted for 80 percent of Ontario's exports, with 40 percent consisting of exports of transportation equipment and parts. Much of the manufacturing production required extensive imports of automotive parts from the United States for large-scale production of a small number of designated motor vehicle models. With expansion of the information economy, Ontario's high-tech sector grew rapidly despite an intensely competitive global environment. In particular, from 1992 annual growth averaged 14 percent in the production of telephone and related communications equipment, computers, peripheral equipment and office machinery. Among other manufactured goods contributing significantly to exports were metal fabricated products, chemicals, and rubber and finished plastic products. Merchandise import growth averaged 11.8 percent from 1992 to 1999. Accounting for 80 percent of all imports in 1999 were manufactured products, dominated by automotive products and by machinery and equipment. The merchandise trade surplus reached a record high of \$18.7 billion in 1999; trade growth was substantially stronger in exports (13.6 percent) than imports (8.6 percent). Ontario outstrips all other provinces in service exports, benefiting from the growth in international exports of manufactured goods. Favourable exchange rates boosted the merchandise trade balance and helped generate strong growth in exports of travel and business-related services. As a result, the chronic services trade deficit narrowed in recent years.

Prince Edward Island

Agriculture, fishing and tourism accounted for a major share of PEI's exports in the 1990s. Major exports were frozen vegetables, such as French fries and other processed potato products and fish products. A leading exporter of manufactured goods was the aerospace industry. The 1997 completion of the Confederation Bridge, connecting PEI with New Brunswick, provided a strong boost to tourism and exports to the United States. Imports typically consisted of machinery and equipment, and electrical and communications products. In most of the 1990s, PEI recorded a surplus in both merchandise and services trade with the rest of the world. The 13.6 percent growth in merchandise exports substantially exceeded the 8.3 percent growth in imports over the decade. In 1999, merchandise exports rose by 21.3 percent, with imports growing by only 9.1 percent.

Quebec

Quebec's exports grew at a robust annual rate of 12.5 percent in the 1990s. With the province's highly industrialized economy, the export growth was led by manufactured goods, such as transportation equipment. The strong sales in this sector reflected the retooling at General Motor's plant in Sainte-Thérèse and the success of Bombardier, a manufacturer of commuter aircraft, railway cars, snowmobiles and sea-doo's. Other sectors that were major contributors to exports were aluminum, electronics and communications equipment, paper, lumber, and chemical products. However, increased global competition hurt exports of clothing and of knitted and other textile products. Merchandise imports also grew strongly, by 8.3 percent per year. The growth was led by imports of machinery and equipment, and automotive and aircraft parts, much of which were used in the manufacture of exports. Quebec's international trade was in surplus in most years in the 1990s, despite its persistent services trade deficit. The merchandise trade balance swung to a small deficit of \$0.35 billion in 1999; exports grew at a more modest rate of 7.8 percent, outstripped by the 11.8 percent growth in imports.

