

*Table 5B: Intra-EU Merchandise Trade and Imports from Selected Trading Partners, 1989-1999*

	1989-1990	1993-1994	1998-1999
<i>Share of EU-15 Imports from major trading partners (percent)</i>			
Intra-EU	62.9	59.8	60.2
EU - ROW	37.1	40.2	39.8
<i>Percentage breakdown of EU-15 imports from ROW</i>			
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
Canada	2.4	1.8	1.8
U.S.	20.2	19.4	20.3
Japan	12.1	11.3	9.2
China	2.2	4.3	5.4
Switzerland	8.1	7.7	6.6
Other countries	55.0	55.5	56.7

Source: International Monetary Fund, *Direction of Trade Statistics*, various issues.

As can be seen, intra-EU trade only edged up to 60.2 percent of the EU's total imports between 1998 and 1999 from 59.8 percent over 1993-1994. However, Canada's share in total EU imports from non-member countries fell to 1.8 percent in the post-1992 period, from 2.4 percent in 1989-1990. The market share of the United States, the EU's largest supplier, recovered during 1998-1999. China's market presence continued to expand rapidly. By contrast, Japan's market share dropped sharply in the 1990s. The commodity and product structure of trade and the fluctuations in exchange rates played an important role in shaping this observed geographical distribution of trade.

#### *East Asian Economies*

Exports to Canada's major markets in East Asia have staged a marked recovery from the financial and economic crisis that hit the region in 1997-1998. Over the course of 2000, all crisis-affected economies returned to positive growth rates as economic conditions progressively improved, even though there was renewed weakness in the Japanese economy during the second half of 2000. Note that trade with East Asian countries is very sensitive to prices of exporters and competitors, and is also very responsive to competitive exchange rate depreciation as well as economic growth. Table 6 summarizes the consequences of these developments for Canada's merchandise exports.

