

FEATURES SECTION

Machinery and Equipment Exports Keep Growing

The most noticeable change in Canada's trade pattern in the 1990s has been the steady increase in the share of merchandise exports accounted for by machinery and equipment — from 19.0 per cent in 1990 to 22.6 per cent in 1997. This trend became even more pronounced in the first three quarters of 1998, with growth of 24.8 per cent in the export share of machinery and equipment, which is now Canada's largest export sector.

The strong performance of machinery and equipment exports is in large part due to solid demand from the United States, which absorbed 85.2 per cent of Canadian machinery and equipment exports. This performance also reflects Canada's specialization in several high-tech, knowledge-intensive industries such as telecommunications equipment, special industrial equipment, aircraft, office machines and equipment.

Canada's open trade policy has been a major factor in the diversification of its export profile, particularly to the U.S., and has helped create many high-paid and high-skill jobs in Canada. The recently released Statistics Canada labour market study shows that during the 1990s high-skill jobs grew by 22 per cent in Canada,

Canadian Exports of Machinery and Equipment by Major Groups				
	Exports in 1997 (billion \$)	Share of Total M&E Exports	Average Growth Rates: 90-97 (%)	Growth Rates in the First 3 Quarters 98/97 (%)
Other Equipment and Tools	13.7	20.2	15.5	16.8
Industrial Machinery	13.1	19.2	14.1	14.4
TV, Telecom. & Related Equip.	12.5	18.4	17.5	8.2
Aircraft, Aircraft Engines & Parts	8.2	12.1	11.5	28.5
Office Machines and Equipment	8.1	11.9	15.1	13.4
Other End Products	6.1	8.9	14.7	16.8
Other Transportation Equipment	4.7	6.9	13.2	20.9
Agricultural Machinery	1.7	2.4	9.1	9.3
Total Machinery and Equipment	68.0		14.2	16.8
Total Exports	301.1		9.6	5.7

Source: Statistics Canada

compared to 2 per cent in sales and services jobs and a 1-per-cent drop in blue-collar jobs.¹

Canada's strong performance in machinery and equipment exports was mirrored by an increase of Canadian imports of machinery and equipment, which now account for over 30 per cent of total merchandise imports, attesting to the high levels of investment in the economy.

¹ Source: Statistics Canada, Catalogue no. 71-005-XPB, "Labour Force Update: Canada-US Labour Market Comparison."

For more information, visit the DFAIT Web site at <http://www.dfait-maeci.gc.ca>
Canadian exporters may also call 1-888-811-1119 or visit <http://exportsource.gc.ca>

The Department of Foreign Affairs and International Trade has 130 offices and 828 trade officers around the world to help Canadian companies in their trade and investment efforts. In 1997, the Department assisted Canadian companies on 151,000 separate occasions. The Department also negotiates and administers a broad range of trade and investment agreements for Canada and helps resolve trade disputes on behalf of Canadian industries. Our market access initiatives open doors abroad for Canadian companies, and our trade promotion initiatives help Canadian firms take advantage of these commercial opportunities.

Main source of data: Statistics Canada

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