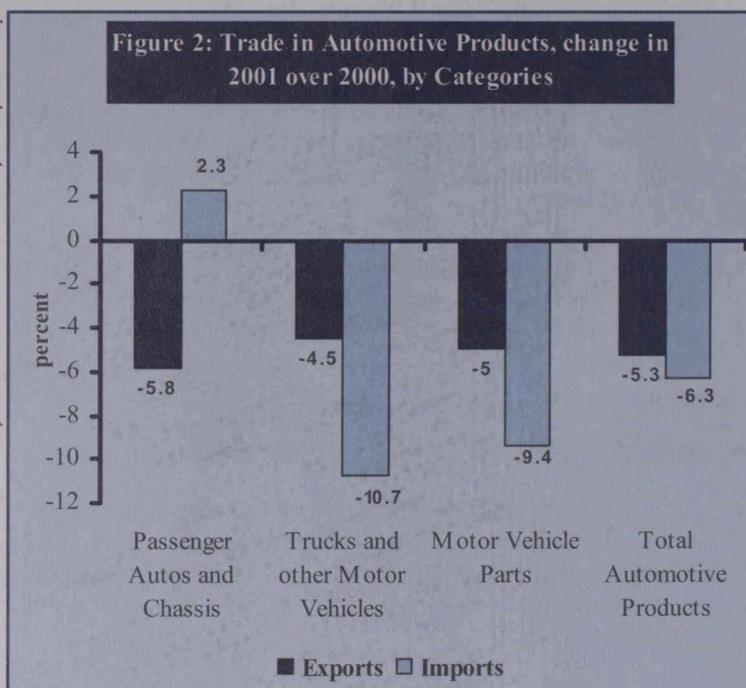


**Machinery and equipment**

- ◆ In 2001, machinery and equipment (M&E) exports fell by 7.6 percent, the largest rate of decline among all major exports. Despite this decline, exports in this sector remained at a near-peak level of \$98.8 billion. Within this category, exports of “other machinery” (which includes telecommunications equipment, computers and other office machines), fell by 17.6 percent, led by a 39 percent decrease in exports of telecommunications equipment in the wake of the global reductions in M&E investment spending. Despite the impact of September 11, exports of aircraft and parts for the year as a whole increased by 26.3 percent, moderating the decline in other M&E exports.
- ◆ M&E imports also decreased sharply, by 8.4 percent, to \$112.4 billion. Imports of communications equipment declined most substantially among the various subcategories of M&E, by 29.7 percent, reversing the increase observed in 2000.<sup>7</sup>
- ◆ Canada’s deficit in trade in machinery and equipment dropped from \$15.8 billion in 2000 to \$13.6 billion in 2001, the lowest level since 1991.
- ◆ In 2001, M&E represented 24 percent of merchandise exports and 32 percent of merchandise imports, remaining as the most important among all major groups of exports and imports.

**Automotive products**

- ◆ After attaining a record high in 2000, exports of automotive products fell by 5.3 percent in 2001, reflecting falling demand from the United States as the year progressed, as well as the interruption of cross-border shipping of merchandise (Figure 2). This decline was widespread among shipments of passenger autos, trucks, and motor vehicle parts.
- ◆ Imports of automotive products also fell in 2001 by 6.3 percent from a record high in 2000. Imports of trucks and motor vehicle parts fell sharply, but imports of passenger autos rose by 2.3 percent.
- ◆ In 2001, trade in automotive products accounted for 22.5 percent of exports and 20.7 percent of imports.
- ◆ Canada’s surplus in automotive trade eased to \$20.2 billion in 2001, from \$20.5 billion in 2000.



Source: Statistics Canada, *Canadian International Merchandise Trade* no. 65-001-XPB, December 2001

**Consumer goods other than motor vehicles<sup>8</sup>**

- ◆ Exports of consumer products, an item representing less than 4 percent of merchandise exports, grew by 6.7 percent in 2001, in continuation of a decade of exceptional growth.
- ◆ Imports of consumer goods rose 7.1 percent to a new record high in 2001, reflecting buoyant consumer spending in Canada.
- ◆ Historically, Canada runs a deficit in consumer goods trade; in 2001, the deficit widened further to \$27.1 billion.

<sup>7</sup> For a review of Canada’s position in global high-tech trade, see pp. 23-28 of the 2001 issue of *the Annual Report on Canada’s State of Trade*, Department of Foreign Affairs and International Trade, May 2001.

<sup>8</sup> Consumer goods include furniture and other household goods, apparel, footwear, photographic goods, medicinal and pharmaceutical products and other personal items.