



- ▶ Forestry products, energy products, and agriculture and fishing products experienced declines in their 2002 exports compared with the previous year. The declines were 6.8 per cent, 7.9 per cent, and 1.1 per cent, respectively.
- Imports of machinery and equipment fell 5.9 per cent to \$105.8 billion in 2002. They accounted for 29.7 per cent of total imports, down from 32.1 per cent in 2001.
  - ▶ Automotive imports were next in importance in 2002, at 22.9 per cent of total imports. Auto imports climbed 12.3 per cent to \$81.4 billion for the year.
  - ▶ Imports of industrial goods and materials managed a 0.5 per cent increase in 2002, to \$68.8 billion, equal to 19.3 per cent of total merchandise imports.
  - ▶ Forestry products and agriculture and fishing products experienced increased imports in 2002, up 8.6 per cent and 7.0 per cent, respectively. Imports of energy products fell 7.3 per cent over the year.

### Foreign direct investment

- The outflow of Canadian foreign direct investment and the inflow of foreign direct investment into Canada were both down by about 20 per cent in the year 2002.
  - ▶ As was the case last year, the outflow of Canadian direct investment exceeded the inflow of foreign direct investment — \$43.9 billion compared to \$33.6 billion.
- The cumulative stock of Canadian direct investment abroad (CDIA) rose 10.8 per cent to \$431.8 billion in 2002. The U.S. accounted for 46.7 per cent of this investment followed by the United Kingdom at 10.5 per cent last year. The Barbados was the third largest recipient of CDIA at 5.5 per cent of the total. Ireland, with a stunning 87.6 per cent leap in its stock of CDIA from 2001 to 2002, moved into fourth place at 3.8 per cent of the total, displacing the Netherlands (3.2 per cent) to round out the top five destinations for Canadian direct investment abroad.
- As regards the stock of foreign direct investment (FDI) in Canada, the U.S. accounted for 64.2 per cent of the \$349.4 billion total in 2002. France (9.2 per cent), the U.K. (7.5 per cent), the Netherlands (3.9 per cent), and Japan (2.5 per cent) held on to the second-through-fifth spots.
- Total CDIA in the EU was \$99.9 billion with FDI in Canada from the EU at \$94.0 billion last year. The region accounts for 23.1 per cent of the total outward stock of FDI and 26.9 per cent of the inward stock of FDI.

### Trends

- Over most of the 1990s, both exports and imports of goods and services grew faster than GDP; their respective ratios relative to GDP climbed to peak levels in the year 2000, from 25.7 per cent in 1990 to 45.3 per cent of GDP for exports and from 25.6 per cent to 40.2 per cent of GDP for imports. Since 2000, overall Canadian economic activity has continued to expand while trade levels have fallen off somewhat, resulting in both exports and imports playing less of a role in total Canadian economic activity. As noted above, exports of goods and services as a share of GDP fell to 43.2 per cent in 2001 and to 41.0 per cent in 2002 while the corresponding shares for imports were 38.1 per cent and 37.0 per cent, respectively.