

The other major manufacturing sectors in Quebec continued to expand in 2001, as shown by the following data:

| | 2000 (\$ billions) | 2001 (9 months) (\$ billions) |
|--------------------------|-----------------------|-------------------------------------|
| Transportation equipment | 15.2 | 11.4 |
| Food products | 12.7 | 9.9 |
| Paper | 12.0 | 9.1 |
| Chemical products | 7.1 | 6.1 |

nine months of 2001. The computer and electronic products subsector had shipments worth \$15.06 billion in 2000, versus only \$6.35 billion for the first nine months of 2001.

In terms of industrial investment, total capital spending by Quebec industries increased by 0.4% to \$33.6 billion in 2001, despite current economic conditions. However, this growth rate is well below the average annual rate of 3.3% achieved between 1992 and 2000.

To encourage investment, Quebec enjoys the benefit of reliable, low-cost electrical energy. This investment advantage was a factor in the launch of some 13 major capital projects in 2000-2001, including Alcan's Alma plant (\$2.4 billion — aluminum), Magnola (\$730 million — magnesium), Interquisa (\$700 million — petrochemicals), QIT (\$430 million — iron and titanium), Avestor (\$340 million — lithium cells) and Bombardier's Mirabel plant (\$170 million — regional jets).

International Trade

In 2000, Quebec's international exports entered their ninth consecutive year of growth. The 19.4% increase for that year was well above the average of 10.8% achieved for the 1990-2000 period. After the first eight months of 2001 the upward trend was continuing, but at a much slower pace of 2.1%.

The drop in demand already being felt in the U.S. market in late 2000 was the main reason for the slowdown in Quebec's export growth. The United States is a key market for Quebec exporters as it accounts for

The following is a list of Quebec's primary exporting industries and the value of their exports in 2000 and the first eight months of 2001:

| | 2000 (\$ billions) | 2001 (8 months) (\$ billions) |
|------------------------------------|-----------------------|-------------------------------------|
| Electrical and electronic products | 15.9 | 6.7 |
| Transportation equipment | 13.1 | 9.7 |
| Paper and related products | 7.9 | 5.2 |
| Primary metal industries | 7.5 | 5.3 |
| Wood | 4.4 | 2.9 |
| Chemical products | 2.7 | 1.9 |
| Machinery | 2.3 | 1.5 |

For a number of years, high-tech products have been appreciably increasing their share of exports, reflecting the rapid shift of Quebec's industrial structure toward high value-added products.

over 85% of their foreign sales. The development of the Smart Border will make it easier for exporters to get their products to cross the border and will contribute to even greater integration of the North American economies.

From 1990 to 2000, Quebec's exports to the U.S. market grew at an average annual rate of 12.2%, with the value of exported goods rising from \$20 billion to over \$60 billion. After the first eight months of 2001, Quebec's exports of goods to the United States stood at \$40.5 billion. The lower growth rate is largely attributable to the decline in the relative value of the Canadian dollar and unfavourable economic conditions, but also to the fall-out from the softwood lumber dispute.

For the manufacturing sector as a whole, Quebec's exports abroad reached \$68.8 billion in 2000, and \$43.9 billion for the first eight months of 2001. Of these amounts, durable goods accounted for \$46.7 billion in 2000 and \$28.5 billion in the first eight months of 2001.