Trends

- Over most of the 1990s, both exports and imports of goods and services grew faster than GDP. As a consequence of these developments, their respective ratios relative to GDP climbed steadily to reach 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, trade levels have fallen off somewhat while overall Canadian economic activity has continued to expand, 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 are now at 37.7 per cent while the corresponding share for imports is 33.7 per cent.

- Exports of goods and services to the U.S. increased more rapidly than total Canadian exports over the 1990s (11.9 per cent *vs.* 10.3 per cent) while the importance of the United States in Canadian exports increased to 80.8 per cent. Since the year 2000, exports of goods and services to the U.S. have fallen faster than overall exports (-2.5 per cent *vs.* -2.2 per cent) and the U.S share in Canada's overall exports has started to shrink — to 79.7 per cent in 2003.

- Imports of goods and services from the U.S. also increased more quickly than total imports of goods and services over the past decade. In 2000, they represented 72.1 per cent of total imports. Since then, imports of goods and services from the U.S. have also fallen faster than total imports (-3.1 per cent compared to -1.4 per cent) while the share of imports from the U.S. in total imports has fallen to 68.4 per cent, a decline of 3.7 percentage points.

- With exports growing faster than imports over the 1990s, Canada's trade balance moved from deficits in the early 1990s to surpluses by the late 1990s. With total exports falling faster than total imports since the year 2000, the overall trade surplus, while still strongly positive, has begun to narrow.

- Similarly, with exports to the U.S. growing more quickly than imports from that country, the bilateral trade surplus expanded from \$1.1 billion in 1991 to \$86.9 billion in 2000. However, since then, with exports falling faster than imports from that country, the bilateral surplus has begun to diminish. Canada's bilateral trade surplus with the U.S. stood at \$84.9 billion last year.