

- Canada's current account surplus declined by \$12.7 billion in 2002, from \$30.0 billion to \$17.3 billion. A \$9.8 billion narrowing of the merchandise trade balance and a \$2.8 billion widening of the deficit on investment income accounted for a majority of the decline of this important international economic indicator.

Trade by regions

- Canadian trade with the United States declined slightly in 2002. Exports of goods and services fell \$1.9 billion (or 0.5 per cent) to \$382.5 billion, while imports were unchanged at \$295.2 billion (up a marginal \$28 million). The U.S. was the destination of 81.6 per cent of total Canadian exports in 2002 (unchanged from 2001) and was the source of 69.9 per cent of all imports (down from 71.0 per cent).
 - ▶ Goods exports to the U.S. fell 0.8 per cent to \$348.0 billion, a decline of \$2.9 billion. Partially offsetting the decline in goods exports was an increase in services exports, which rose 2.8 per cent (\$0.9 billion) to \$34.4 billion.
 - ▶ Services imports from the U.S. rose 0.9 per cent (\$367 million) to \$40.5 billion while merchandise imports were down 0.1 per cent (\$340 million) to \$254.7 billion.
- Exports of goods and services to the EU fell 2.6 per cent (\$0.8 billion) to \$31.1 billion in 2002 while total imports from the EU rose 2.0 per cent (\$0.9 billion) to \$46.7 billion.
 - ▶ A 4.9 per cent decline (\$1.1 billion) in merchandise exports outweighed a 2.8 per cent increase (\$0.3 billion) in services exports.
 - ▶ Gains in merchandise imports (up 3.0 per cent or \$1.1 billion, to \$36.1 billion) more than compensated for declines in services imports (down 1.3 per cent or \$0.1 billion, to \$10.6 billion).
- Total exports to Japan in 2002 were up 2.1 per cent (\$240 million) to \$11.5 billion on the strength of increased exports of both goods and services. Imports of goods and services from Japan were up strongly in 2002, climbing 9.6 per cent (\$1.2 billion) to \$13.8 billion.
 - ▶ Exports of goods to Japan increased by 2.4 per cent (\$226 million) to \$9.7 billion while exports of services edged up 0.9 per cent (\$15 million) to \$1.8 billion.
 - ▶ Imports of Japanese goods into Canada jumped 10.9 per cent to \$11.7 billion, or almost all of the \$1.2 billion increase to total goods and services imports. Imports of services from Japan were up 2.8 per cent (\$57 million) to \$2.1 billion.

Trade by commodities

- Exports of automotive products rose 4.5 per cent to \$97.1 billion for the year. They accounted for 23.6 per cent of total Canadian exports in 2002, up from 22.4 per cent the year before.
 - ▶ Exports of machinery and equipment (M&E) fell 5.0 per cent to \$94.7 billion for 2002. M&E is now the second largest export commodity grouping, at 23.1 per cent of total exports, down from 24.1 per cent a year earlier.
 - ▶ Industrial goods and materials recorded a 3.9 per cent increase in exports in 2002 over 2001, to \$69.4 billion. They accounted for 16.9 per cent of total exports compared to a 16.1 per cent share a year earlier.