

analysis in the LAC region, but in Mexico it ranks third out of 53 commodities (considerably higher than before 2008).

## 2.2 Brazil

Key Over-Exports	Key Under-Exports
<ul style="list-style-type: none"> <li>• Fertilizers</li> <li>• Sulfur, salt and minerals</li> <li>• Paper and print</li> </ul>	<ul style="list-style-type: none"> <li>• Power-generating machinery</li> <li>• Ores and concentrates</li> <li>• Inorganic chemicals (incl. uranium)</li> <li>• Meat, fish, animals and their products</li> <li>• Wood and woodpulp</li> </ul>

Brazil is Canada's third-largest merchandise export market among emerging countries and the largest economy in the region.

In Brazil, the **agri-food** sector is severely under-exporting relative to the global benchmark, posting an NRCA of practically zero. This is primarily due to the weak exports of meat, fish, animals and their products (-25 under benchmark). An unusually high comparative advantage is shown in the **chemicals** sector, which in combination with the negative benchmark leads to large over-exports. Over-exporting occurs primarily for fertilizers (+6), although inorganic chemicals are under-exported (-27). The advantage in fertilizers has grown tremendously over last eight years; in 2000 it was negative.

By contrast, in 2000 Canada was competitive in the **machinery and electrical** equipment sector in Brazil. In 2008, however, this was an area of disadvantage close to the global benchmark, partly due to the under-exports of power-generating machinery (-35). In the **metals and minerals** sector, sulphur, salt and minerals were over-exported to Brazil (+12), but ores and concentrates were under-exported (-32). Competitiveness in the **wood and paper**

sector trailed our performance in the rest of the world yet displayed a mixed picture: paper and print were over-exported (+8) while wood and wood pulp were under-exported (-16).

Some other commodities that show over-trading include: ships and boats, furniture and bedding, miscellaneous (non-medical/optical) scientific instruments, all in the **miscellaneous manufacturing** sector while the **aerospace** sector is under-exporting considerably.

## 2.3 Venezuela

Key Over-Exports	Key Under-Exports
<ul style="list-style-type: none"> <li>• Fruit and vegetable preparations</li> <li>• Paper and print</li> <li>• Energy</li> </ul>	<ul style="list-style-type: none"> <li>• Power-generating machinery</li> <li>• Fertilizers</li> <li>• Inorganic chemicals (incl. uranium)</li> <li>• Wood and woodpulp</li> </ul>

Venezuela is our biggest market for cereals in the Western hemisphere after the United States. It ranks 11th among emerging countries as a destination for Canadian merchandise exports.

In the **agri-food** sector, our cereals exports dominate, as expected, but it is the high competitiveness of fruit and vegetable preparations (+17) that is interesting. The Canadian **energy** sector seems to be over-exporting to Venezuela as well (+31). Overall **metals and minerals** performance is lower than the benchmark, partly based on nickel under-exports (-6). Paper and print is over-exported (+9), but under-exports of wood and wood pulp cause the **wood and paper** sector to under-export overall. Under-exports of fertilizers (-24) and inorganic chemicals (-18) are behind the weaker **chemicals** performance, while under-exporting power-generating machinery (-25) does not prevent overall exports in the **machinery and electrical** equipment sector from being on par with the global benchmark.