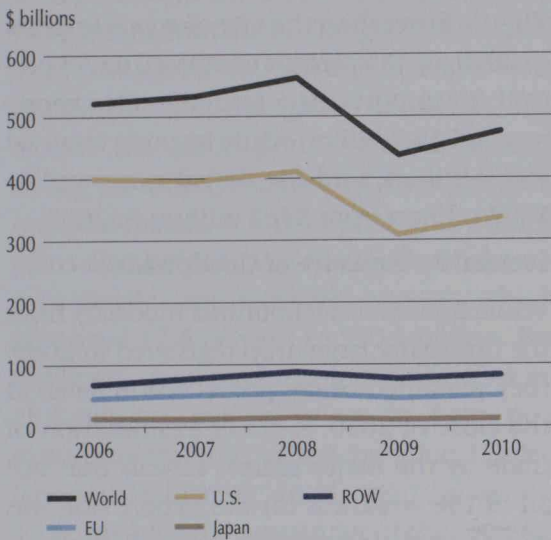


**FIGURE 4-1**

**Canada's Exports of Goods and Services by Major Area, 2006-2010**



Source: Statistics Canada.

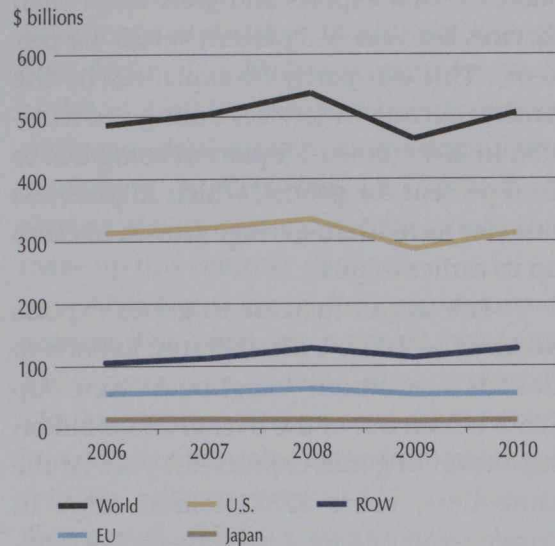
last year. For the EU, where Canadian imports only increased by 2.4 percent in 2010, the share drop was somewhat larger, falling 0.7 percentage point to 10.9 percent last year. Picking up share in total Canadian imports was the ROW, as imports from that region were up 12.8 percent over the year. As a result, the share of the ROW in Canada's overall imports increased from 24.3 percent to 25.1 percent in 2010.

The \$31.9-billion trade deficit in goods and services in 2010 was some \$4.6 billion more than the \$27.2 billion registered in 2009. Improvements in the trade balance for the United States, the EU and Japan were more than offset by an enlarging trade deficit with the ROW.

Exports to and imports from the United States grew at a similar pace last year to the previous year, leading to a \$1.2-billion increase in the bilateral trade surplus. For Japan, it was a case of faster-growing (but smaller) exports expanding a bit more than

**FIGURE 4-2**

**Canada's Imports of Goods and Services by Major Area, 2006-2010**



Source: Statistics Canada.

slower-growing (but larger) imports as the trade deficit with that country narrowed by \$32 million to \$786 million. With the EU, fast-growing exports (up 10.4 percent) outpaced slow-growing imports (up 2.4 percent) to narrow the bilateral trade deficit by \$3.3 billion to \$6.1 billion. However, offsetting these gains was a \$9.2-billion deterioration in Canada's trade balance with the ROW. Canada exports less to this region than it imports: in 2010, growth in Canadian exports to the region, at 6.9 percent, was considerably lower than the 12.8-percent pace of imports into Canada from the region. This resulted in a widening of the bilateral trade balance. Thus, the \$4.6 billion in gains to the trade balance with the United States, the EU and Japan offset the \$9.2-billion deterioration in the trade balance with the ROW to yield the \$4.6-billion net increase in the overall 2010 trade deficit.