

International trade — first half year

In the first six months of 1973 Canada's exports, after seasonal adjustment, were \$11.9 billion, a gain of almost \$1.6 billion, or more than 15 per cent over the amount exported in the latter half of 1972. At the same time imports increased more than \$1.4 billion, or 15 per cent, to \$11.1 billion. The trade balance widened to \$865 million from some \$705 million in the July-December period of 1972.

Canadian exports to the United States in the first half of 1973 grew sharply by 16 per cent to \$8.3 billion. This increase of some \$1.16 billion accounted for nearly three-quarters of the total gain. Sales to Japan rose about \$310 million and, apart from a small decline to Latin America, exports increased moderately to Britain, the old European Economic Community and other countries.

Most of the increase in imports, 72 per cent, was from the U.S. Purchases from that country increased \$1.0 billion to nearly \$7.8 billion. Imports from the EEC rose more than \$100 million; increases from Britain and Latin America exceeded \$50 million each; and imports from Japan rose \$20 million.

On an unadjusted basis, Canada's exports advanced 23 per cent to \$12.0 billion in the first six months of 1973 from \$9.8 billion in the same months of 1972. About 69 per cent of this gain was in trade with the U.S., with shipments increasing 23 per cent to \$8.5 billion from \$7.0 billion. Trade with Japan added another 15 per cent. Other areas, except Latin America, made smaller contributions to the increase. Canadian imports expanded 22 per cent to \$11.3 billion from \$9.2 billion, with 82 per cent of the increase originating with the U.S. The balance of the rise was distributed over other areas, except for a slight decline in imports from Japan.

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U.S. trade

Automotive and related products contributed almost \$350 million to the \$1.5-billion export increase to the U.S. Shipments of engines and parts accounted for over \$200 million. Exports of lumber rose \$245 million and crude petroleum \$213 million. Fairly large gains were recorded also in shipments of several other commodities: newsprint (up \$86 million), machinery (\$73 million), iron ore (\$37 million), steel materials (\$29 million), fish (\$24 million), and aircraft and parts (\$22 million). Among the commodities registering declines were nickel ores and metal, down some \$50 million, and aluminum and office machinery.

Imports from the U.S. increased 27 per cent to \$8.1 billion, led by a sharp rise in purchases of automotive and related products, machinery and aircraft, as delivery of numerous large commercial aircraft took place in 1973. These groups of commodities accounted for about \$1 billion of the total \$1.7-billion increase.

Imports of food, industrial materials and communication equipment increased more moderately.

Japan

In trade with Japan, exports increased 76 per cent to some \$750 million in 1973, making this country the second largest market for Canada's goods. Imports, on the other hand, dipped to \$522 million. The growth of Japanese demand has been concentrated on food and industrial materials. Exports of copper were higher by some \$80 million, and increases in the range of \$25 million to \$35 million were recorded each by wheat, oil seeds, coal and lumber. Price rises have also contributed to the enhanced values.

Deliveries of passenger cars from Japan declined some \$30 million in value in the first five months of 1973, despite an increase of 16 per cent in average prices. There were, however, partially offsetting increases in imports of machinery, trucks and communication equipment.

Britain and the EEC

Trade with Britain was little changed from that of 1972, with exports increasing 3 per cent to some \$695 million and imports at a slightly higher rate to \$515 million.

Exports to the original EEC group of countries were 12 per cent higher at about \$600 million, as shipments of iron and non-ferrous ores, asbestos, pulp (up to \$20 million), and copper increased. Grain exports were lower in 1973. Imports rose 22 per cent to \$660 million, with generally small increases covering a broad range of commodities, including machinery, motor vehicles, fabrics and apparel.

Commonwealth countries

Exports to Commonwealth and preferred countries, other than Britain, rose 30 per cent to nearly \$400 million, largely owing to higher wheat shipments (in particular to India). Smaller increases were recorded for oil seeds, forestry products, fertilizers, motor vehicle parts and communication equipment.

Imports from the Commonwealth and preferred group were 15 per cent higher at some \$400 million, with meat, sugar, and dairy products accounting for much of the rise, supplemented by a more moderate increase in crude petroleum. Imports of metal ores were lower.

Other countries

Exports to all other countries increased 32 per cent to some \$735 million. Grain shipments to the U.S.S.R. and the People's Republic of China, higher both in volume and average price, as well as larger exports of such commodities as nickel ores and metal, oil seeds, asbestos, pulp, steel materials and communication equipment contributed to the export growth. Exports of copper ores and trucks, however, declined in the first half of 1973. Increased purchases of crude petroleum, food, fabrics, chemicals, machinery, communication equipment and apparel led to a 19 per cent growth in imports to a level of about \$690 million. □