



Figure 4-8
Major Merchandise Market Exports in 2000 and 2005

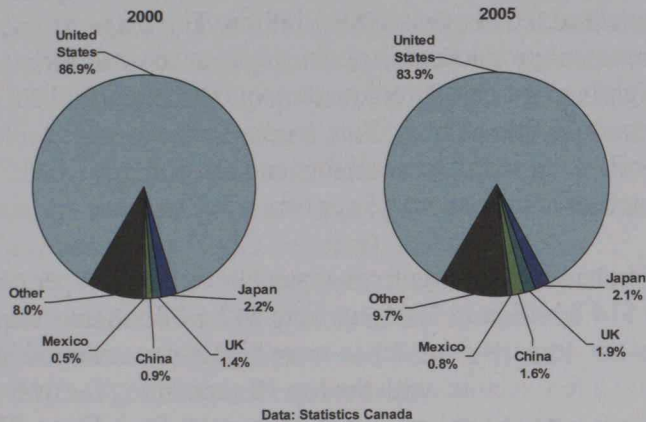


Figure 4-9a
Top-10 Merchandise Exports to the US, 2005

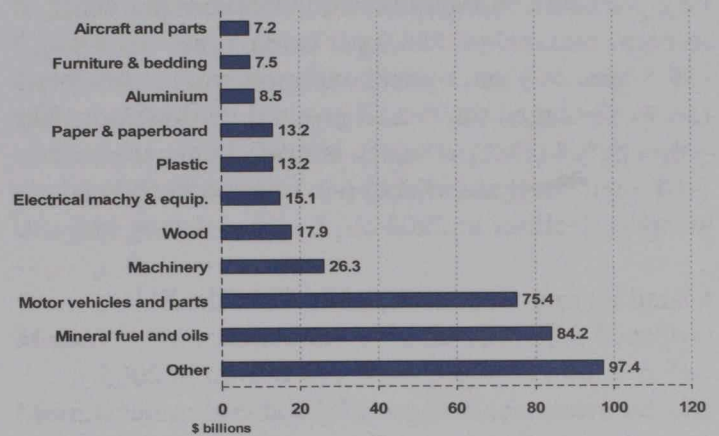
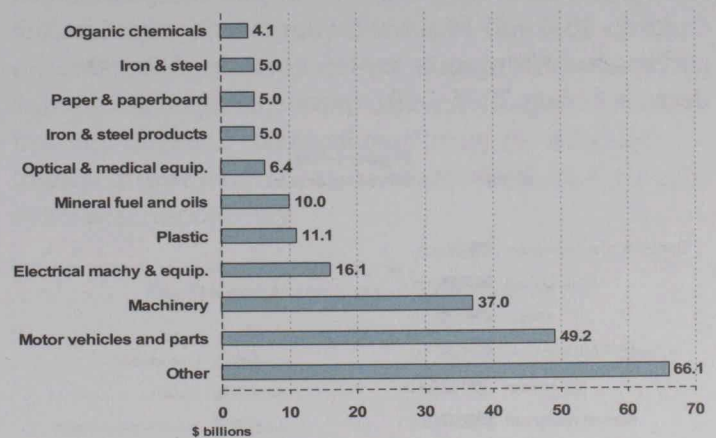


Figure 4-9b
Top-10 Merchandise Imports from the US, 2005



The picture for imports is somewhat different from that of exports. The U.S., although still dominant, accounts for a much smaller share of Canadian merchandise imports at 56.5 per cent in 2005 than it does for exports. The combined Canadian merchandise imports from China, Mexico and Korea are about the same as Canadian imports from the EU-25.

Merchandise Trade by Sector with Selected Major Trading Partners

The United States

Canada's total merchandise exports to the United States grew by 5.1 per cent to \$365.7 billion in 2005. Despite this increase, the U.S. share in total merchandise exports fell 0.6 per cent to 83.9 per cent. Canadian merchandise exports to the U.S. are dominated by mineral fuel and oil, motor vehicles and machinery which together accounted for about 51 per cent of all merchandise exports to the U.S. The share of Canada's top 10 exports amounted to 73.4 per cent of all exports to the U.S., or \$268.3 billion.

As mentioned earlier, rising commodity prices have been driving the increasing value of Canadian exports and imports up over the past few years. For example, the export value of mineral fuel and oil increased by 26.5 per cent in 2005, the highest growth of all exports.

On the import side, Canadian merchandise imports from the U.S. expanded by 2.9 per cent to \$215.1 billion in 2005. At this level, the U.S. accounted for 56.5 per cent of all merchandise imports, down 2.2 per cent from a year earlier. Motor vehicles and machinery

and equipment — both mechanical and electrical — accounted for 47.6 per cent of all merchandise imports from the U.S. in 2005. The combined top 10 merchandise imports at the HS-2 digit level accounted for about 69.3 per cent of total merchandise imports from the U.S. or \$149.0 billion of the \$215.1 billion total.

Once again, commodity imports exhibited the fastest increases in 2005, with mineral fuel and oil, iron and steel, and iron/steel products rising by 37.2, 16.9 and 11.2 per cent, respectively.

The European Union

Canadian merchandise exports in 2005 to the EU-25 were up by 8.2 per cent to \$24.7 billion, from \$ 22.8 billion in 2004. The top 10 products accounted for 68.4 per cent, led by precious stones and metals (16.4 per cent), mechanical machinery (12.1 per cent), and electrical machinery