

TABLE 4-2

Canada's merchandise exports and imports by area

Canada's merchandise exports by area (\$ billions and percent)				
Country	2006	2007	2007 share	2007 annual growth
World	440.3	450.3	100.0	2.3
U.S.	359.3	356.0	79.1	-0.9
U.K.	10.1	12.8	2.8	26.3
China	7.7	9.3	2.1	21.3
Japan	9.4	9.2	2.0	-2.5
Mexico	4.4	5.0	1.1	13.2
Netherlands	3.1	4.0	0.9	32.0
Germany	4	3.9	0.9	-1.8
Norway	1.9	3.7	0.8	95.0
France	2.9	3.1	0.7	8.5
Korea	3.3	3.0	0.7	-7.9
EU	29.2	34.8	7.7	19.4
Canada's merchandise imports by area (\$ billions and percent)				
Country	2006	2007	2007 share	2007 annual growth
World	396.6	406.6	100.0	2.5
U.S.	217.6	220.4	54.2	1.3
China	34.5	38.3	9.4	11.0
Mexico	16.0	17.2	4.2	7.2
Japan	15.3	15.4	3.8	0.8
Germany	11.1	11.5	2.8	3.7
U.K.	10.9	11.5	2.8	5.6
Korea	5.8	5.4	1.3	-6.9
Norway	5.4	5.3	1.3	-2.1
France	5.2	5.1	1.3	-1.9
Italy	4.9	5.1	1.3	3.3
EU	49.3	49.4	12.1	0.2

Source: Statistics Canada

Merchandise trade with principal trading partners

As noted above, in recent years, Canada has been diversifying its trade away from the United States. Last year, Canada's total merchandise exports to the United States declined 0.9 percent to \$356.0 billion⁵. As a result, the U.S. share in total merchandise exports fell 2.6 percentage points to 79.1 percent, the first time it has been below 80 percent since 1995. However, merchandise exports to non-U.S. destinations grew 16.5 percent.

Table 4-2 shows the 10 largest individual country trading partners for Canada. Growth in Canadian merchandise exports was the strongest with respect to Norway (95.0 percent), the Netherlands (32.0 percent), and the U.K. (26.3 percent). Rising prices and exports of metals, particularly nickel, were responsible for the strong growth in exports to these three European destinations, as this metal accounted for nearly 90 percent of the total increase in exports to Norway, about one-third of the increase in exports to the Netherlands, and about 30 percent of the increase to the U.K. Canada's

⁵ As noted previously, the term "merchandise trade" is used to refer to commodity trade on a Customs basis in contrast with "goods trade" which refers to trade on a Balance of Payments basis. The Customs data is produced on an internationally harmonized commodity classification system (HS) that is broken down into chapters numbered from 1 to 99. Chapters 98 and 99 of the HS system represent special transactions and are excluded from the following analysis.