

In Japan, GDP increased in the first two quarters of 1999 in real terms, led by fiscal stimulus, which was directed predominantly to domestic infrastructure projects. However, as the direct effects of the fiscal stimulus waned, domestic demand was insufficient to sustain growth, and the economy slumped in the second half of the year. For the year as a whole, Japan managed only 0.1 percent growth on an annual average basis. Accordingly, demand conditions in Japan were not conducive to increasing exports to that market. As a result, Canada's exports to Japan fell by 3.4 percent.

Table 6: Canada's Merchandise Exports to East Asian Economies (\$ billions), 1989-1999

Economies	1989-1992	1993-1996	1997	1998	1999
Japan	7.93	10.38	11.17	8.65	8.39
South Korea	1.63	2.38	3.03	1.82	1.98
People's Republic of China	1.78	2.62	2.41	2.50	2.66
Hong Kong	0.85	1.25	1.75	1.43	1.10
Taiwan	0.95	1.35	1.62	1.18	1.14
Indonesia	0.35	0.64	0.80	0.55	0.55
Malaysia	0.25	0.41	0.70	0.48	0.42
Philippines	0.21	0.25	0.43	0.26	0.30
Singapore	0.35	0.45	0.55	0.42	0.37
Thailand	0.39	0.48	0.47	0.30	0.30
Nine Major East Asian economies	6.76	9.83	11.76	8.94	8.82
Total East Asia	14.70	20.21	22.92	17.59	17.21

Source: Statistics Canada, *Canadian International Merchandise Trade 1999*. Catalogue no. 65-001-XPB, December 1999.

Table 7: East Asian Economies' Share of Canada's Merchandise Exports (%), 1989-1999

Economies	Average 1989-1992	Average 1993-1996	1997	1998	1999
Japan	5.32	4.36	3.75	2.72	2.36
South Korea	1.10	0.99	1.02	0.57	0.56
People's Republic of China	1.18	1.08	0.81	0.78	0.75
Hong Kong	0.58	0.52	0.59	0.45	0.31
Taiwan	0.64	0.56	0.54	0.37	0.32
Indonesia	0.24	0.26	0.27	0.17	0.15
Malaysia	0.17	0.17	0.23	0.15	0.12
Philippines	0.14	0.11	0.14	0.08	0.08
Singapore	0.23	0.19	0.18	0.13	0.10
Thailand	0.26	0.20	0.16	0.09	0.08
Nine East Asian economies	4.54	4.13	3.75	2.72	2.36
Total East Asia	9.89	8.46	7.69	5.48	4.85

Source: Statistics Canada, *Canadian International Merchandise Trade 1999*. Catalogue no. 65-001-XPB, December 1999.

