



Merchandise Trade³

In 2005, 83.9 per cent of merchandise exports were destined for or through the U.S. Only 5.7, 2.1, 1.9 and 1.6 per cent of merchandise exports were bound for the EU, Japan, the UK and China, respectively. As shown in Table 4-2, the growth of Canada's merchandise exports was the strongest with respect to Korea (23.7 per cent), Germany (21.0 per cent), the Netherlands (13.6 per cent), and Mexico (8.7 per cent),

respectively; Canada's exports to China rose by only 6.1 per cent in 2005. However, the share of major export markets has changed somewhat in the last six years. Figure 4-8 reveals that, among the top-five destinations, market share has increased for all markets, except for the U.S. and Japan. While the U.S. share decreased, Japan's share remained stable.

Table 4-2: Canada's merchandise exports and imports by area
Canada's Merchandise Export by Area (\$ in billions)

Country	2004	2005	Share in 2005	% Change 2005/2004
World	411.8	435.8	100.0	5.8
U.S.	348.1	365.7	83.9	5.1
Japan	8.6	9.1	2.1	6.6
UK	7.7	8.2	1.9	6.7
China	6.7	7.1	1.6	6.1
Mexico	3.0	3.3	0.8	8.7
Germany	2.7	3.2	0.7	21.0
Korea	2.3	2.8	0.6	23.7
France	2.4	2.5	0.6	6.5
Belgium	2.3	2.3	0.5	0.7
Netherlands	1.9	2.2	0.5	13.6
EU 25-	22.8	24.7	5.7*	8.2

Canada's Merchandise Imports by Area (\$ in billions)

Country	2004	2005	Share in 2005	% Change 2005/2004
World	356.1	380.7	100.0	6.9
U.S.	209.0	215.1	56.5	2.9
China	24.1	29.5	7.8	22.4
Japan	13.5	14.8	3.9	9.4
Mexico	13.4	14.6	3.8	8.6
UK	9.7	10.4	2.7	7.7
Germany	9.4	10.3	2.7	9.0
Norway	5.0	6.1	1.6	22.3
Korea	5.8	5.4	1.4	-7.7
France	5.3	5.0	1.3	-6.4
Italy	4.6	4.6	1.2	0.1
EU-25	42.0	45.6	12.0*	8.5

*Includes Germany, France, Belgium and Netherlands

Source: Statistics Canada

³ The term "merchandise trade" is used to refer to commodity trade on a Customs basis in contrast with "goods trade" that references 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.