FIGURE 4-11A
Top-10 Merchandise Exports to Mexico, 2007

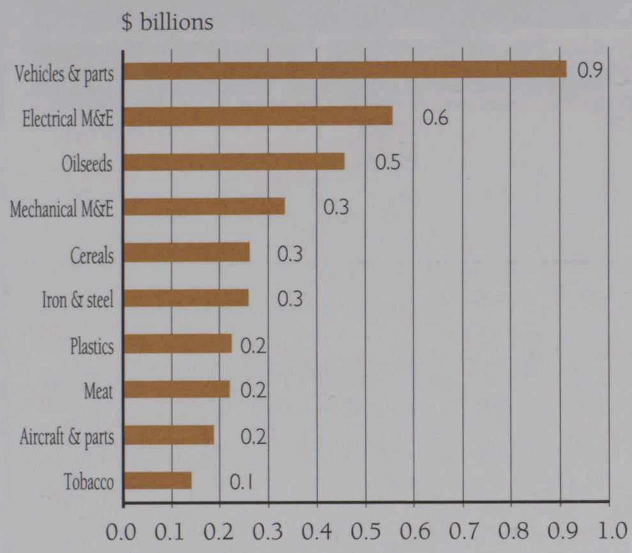
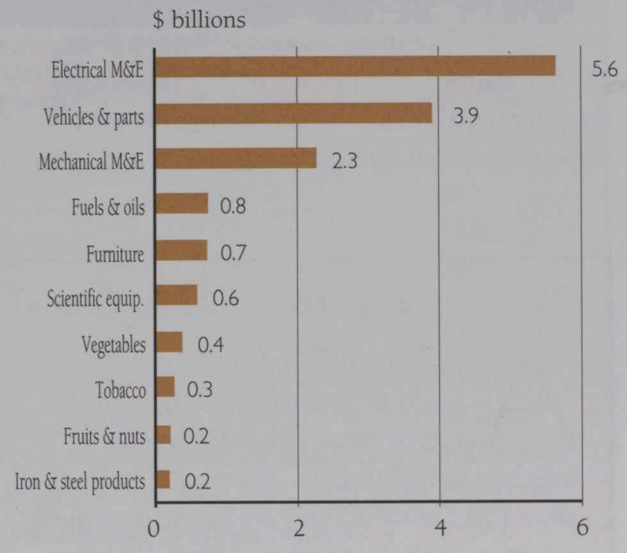


FIGURE 4-11B
Top-10 Merchandise Imports from Mexico, 2007



in 2007 compared with $881.0 million a year earlier. Exports of oilseeds (up 92.3 percent), fertilizers (up 69.9 percent), and nickel products (up 42.8 percent) all contributed to the gains. While these resource-based exports provided the largest boost, there was also a rise of 15.4 percent in mechanical machinery exports. These gains were offset by declines for motor vehicles (down 22.4 percent) and electrical machinery and equipment (down 5.9 percent).

Canadian merchandise imports from China rose at a slower pace than exports in 2007, up 11.0 percent to $38.3 billion. All of the 10 largest import categories registered positive growth rates last year, with the sole exception of mechanical machinery and equipment. Mechanical machinery, electrical machinery and equipment, and toys and sports equipment comprise the three largest import categories (Figure 4-10b), while toys and sports equipment (up 25.0 percent), electrical machinery (up 16.9 percent) and knitted apparel (up 16.5 percent) were the growth leaders. China has been the second-largest single country source for Canadian imports since 2002.

Mexico

On an individual country basis, Mexico is the Canada's fifth largest merchandise export market and third largest import market. Merchandise exports to Mexico last year advanced at a robust 13.2 percent to $5.0 billion, from $4.4 billion in 2006[6]. Ten commodities accounted for almost three-quarters of all exports to Mexico, led by motor vehicles (18.6 percent), electrical machinery (11.3 percent), and oilseeds (9.3 percent) (Figure 4-11a). Of the top 10 exports to Mexico, aircraft and spacecrafts products posted a growth rate of over 100 percent in 2007, at 137.0 percent. Exports of tobacco products also rose sharply in 2007 (at 72.2 percent).

6 As in previous years, discrepancies between Canadian and Mexican statistics were significant in 2007. Mexico's imports from Canada exceeded Canada's exports to Mexico by $3.6 billion. Similarly, Canadian imports from Mexico were greater than Mexican exports to Canada by $10.2 billion. Reconciliation studies between Canada and Mexico identified misallocation and export undercoverage as the major causes for discrepancies. Country misallocation is the attribution of trade to a country that is not the final destination of goods, resulting in the situation where the two countries credit trade to different countries. For example, Canada may ship goods through the United States to the final destination of Mexico. Undercoverage is a situation in which trade is not reported to the compiling country and is therefore missing entirely from its officially published statistics.