

areas is becoming a greater challenge with the aging of the Western Canada Sedimentary Basin. On the positive side, Canada's Sable Island has natural gas reserves of 85 billion cubic metres. Over the longer term, Canada has an abundant natural gas supply. Developments are ongoing to deliver gas from Deep Panuke, a new field, and from deep-water projects on the East Coast. There are also unconventional sources of natural gas from drilling coalbed methane wells and liquefied natural gas (LNG). There is also tremendous natural gas potential from the Grand Banks and from offshore British Columbia.

Conclusion

Energy is an extremely important contributor to Canada's merchandise trade surplus. Movements in world energy prices play a dominant role in Canada's surplus of energy trade. However, the impacts associated with crude petroleum prices alone are much smaller relative to those associated with natural gas and electricity export prices because of the high level of Canada's petroleum imports.

Prospects for Canada's energy exports appear excellent in view of the country's abundant supply potential, combined with the needs of its largest market, the United States. This development should further boost Canada's future surpluses in energy trade.

Table 12: Value, Share and Growth of Canada's Goods Trade, (Balance of Payments Basis)

Industry	Level (\$ billions)			Share of total in percent			Cumulative % Growth 1989-2001	Growth 2000-2001 (percent)
	1989	2000	2001	1989	2000	2001		
Exports								
Total	147.0	422.6	412.5	100.0	100.0	100.0	180.7	-2.4
Agricultural & fishing	11.6	27.4	30.8	7.9	6.5	7.5	166.2	12.6
Energy	13.7	52.9	55.3	9.3	12.5	13.4	303.0	4.5
Forestry	21.5	41.8	38.6	14.6	9.9	9.4	80.0	-7.5
Industrial	32.3	65.9	66.3	22.0	15.6	16.1	105.3	0.5
M&E	24.0	106.9	98.8	16.3	25.3	24.0	312.4	-7.6
Automotive	34.0	97.9	92.7	23.1	23.2	22.5	172.9	-5.3
Consumer goods	2.6	14.8	15.8	1.8	3.5	3.8	499.0	6.7
Imports								
Total	139.2	363.3	351.0	100.0	100.0	100.0	152.1	-3.4
Agricultural & fishing	8.3	18.6	20.4	5.9	5.1	5.8	146.6	9.7
Energy	6.2	17.9	17.7	4.5	4.9	5.0	184.7	-0.9
Forestry	1.4	3.1	2.9	1.0	0.8	0.8	112.6	-5.8
Industrial	26.9	70.5	68.5	19.3	19.4	19.5	154.2	-2.9
M&E	43.3	122.7	112.4	31.1	33.8	32.0	159.6	-8.4
Automotive	31.9	77.4	72.5	22.9	21.3	20.7	127.1	-6.3
Consumer goods	15.0	40.1	42.9	10.8	11.0	12.2	185.7	7.1
Balance								
Total	7.7	59.3	61.5					
Agricultural & fishing	3.3	8.8	10.5					
Energy	7.5	35.1	37.6					
Forestry	20.1	38.7	35.7					
Industrial	5.3	-4.6	-2.2					
M&E	-19.3	-15.8	-13.6					
Automotive	2.0	20.5	20.2					
Consumer goods	-12.4	-25.3	-27.1					

Source: Statistics Canada, *Canadian International Merchandise Trade*. Catalogue no. 65-001-XPB, December 2001. Note: Sums may not add up to 100 because special transactions and inland freight and other balance of payments adjustments figures, which are part of the merchandise trade account, are not included.