

Canada and the European Community in World Trade

The Community is the world's largest trading entity, while Canada ranks fourth (following the USA and Japan). On a per capita basis, however, Canada's exports are almost three times larger than those of the Community. As the following illustrates, the structure of their respective trade as well as its distribution among their various trading partners are also different.

The Community's total exports (excluding intra-Community trade) reached about 187 billion dollars in 1977.⁽¹⁾ More than 70 percent of its sales abroad were in the field of fully manufactured goods. Machinery and transport equipment were the main component in this sector. The remainder of its exports were mainly in the semi-fabricated sector (e.g. chemicals, plastic materials, textiles, iron and steel). Agricultural products accounted for less than 10 percent of the total (see Annex 2). The Community's major customer by far is the United States. Its other important markets are found particularly in Western Europe (e.g. Switzerland, Sweden, Austria, Spain, Norway), and to a lesser extent in Eastern Europe and the Mideast and Africa.

The European Community's total imports reached 194 billion dollars in 1977. Almost 30 percent of these imports are concentrated in energy products and more than one-quarter of them in food products (mainly cereals) and raw materials (forest products, metals and minerals). The remainder of the imports are mainly in the semi-fabricated and machinery and transport equipment sectors. The Community is a major market for a number of countries; its main supplier is the United States, while other major suppliers are in the Middle-East (e.g. Saudi Arabia, Iran), in Western Europe (e.g. Sweden, Switzerland), in the Pacific area (e.g. Japan) and in Eastern Europe (e.g. Soviet Union). These countries supply about 45 percent of the Community's total imports.

Canada's total exports reached over 41 billion dollars in 1977. They consist largely of semi-fabricated products (metals, lumber, woodpulp, newsprint paper, chemicals) and end products (mainly transportation equipment and machinery) each accounting for one-third of the total. Crude materials (mainly minerals) make up over 20 percent of Canada's total exports while food and agricultural products (mainly cereals and fisheries products)

account for about 10 percent (see Annex 3). Canada's major export market, the United States, absorbs over two-thirds of all Canadian exports. It is followed by the European Community and Japan which respectively take 12 percent and 6 percent of total Canadian exports.

Canada's total imports reached over 39 billion dollars in 1977. About 60 percent of them were in the end products sector (mainly machinery and transportation equipment). The semi-fabricated and crude materials sectors account respectively for 18 percent and 14 percent of total Canadian imports, while food and agricultural products make up only about 7 percent of the total. On the import side, the USA — again followed by the European Community and Japan — is also Canada's most important trading partner with between 67 percent and 70 percent of Canadian imports in recent years. Of course, the relative importance of the major commodities in total Canadian imports varies from one country to another.

(1) For comparison purposes, all values in the present study are expressed in U.S. dollars, except when indicated otherwise.