

Box B: Trade and Investment with Africa

Building a new and strengthened partnership with Africa is a key priority for the Kananaskis G-8 Summit to be hosted by Canada in June this year. In the interest of providing background information from a Canadian perspective, this section analyzes Canada's trade and investment relationship with Africa in the context of global developments.

- ◆ In 2001, Canada's trade with Africa represented less than 1 percent of Canada's global merchandise exports and imports. From the perspective of Africa's global trade, however, the African-Canadian bilateral relationship is much more important.
- ◆ Over the last two decades, the pattern of Canada's trade with Africa has undergone substantial changes. A distinct feature is that Canada's merchandise imports from Africa (based on the latest IMF customs data measured in U.S. dollars) have grown substantially, while exports were essentially unchanged over the last 20 years—in contrast to developments in Canada's trade with the rest of the world. Over much of the 1980s, Canada recorded a merchandise trade surplus in transactions with Africa. With imports increasing more than 300 percent over the last two decades, Canada's balance turned into growing deficits to the tune of US\$1.1 billion by 2000.
- ◆ With little growth in exports to Africa, in combination with rapid expansion in Canada's exports to the rest of the world, the share of Canada's exports to Africa has declined steadily from 1.4 percent in the early 1980s to only 0.3 percent in 2000. On the other hand, Canada's imports from Africa have kept pace with the rapid growth in Canada's global imports over time. As a result, Africa's share in Canada's merchandise imports from the world did not experience any decline over the last two decades.
- ◆ One factor behind the sluggish performance of Canada's exports to Africa is the slow growth in Africa's overall import demand from the world. In the context of Africa's trade with the world, imports from Canada only edged down from 1.3 percent of the region's overall merchandise imports in the early 1980s to 0.9 percent by 2000.
- ◆ The expansion in African exports to Canada over the last two decades has been much more robust than that in the region's exports to the rest of the world. As a result, Canada's share in African exports to the world rose from 0.5 percent in the early 1980s to 1.3 percent by 2000.

Table B. 1: Canada's Trade with Africa (US\$ millions) 1980 -2000

Trade	1980	1982	1984	1986	1988	1990	1992	1994	1996	1998	2000
Africa's merchandise trade with the world											
Exports	64,854	65,118	66,333	54,506	64,324	82,275	81,623	80,079	102,786	92,935	121,435
Imports	60,991	74,329	60,286	55,270	65,260	83,618	92,841	91,110	108,642	110,106	114,562
Balance	3,863	-9,211	6,047	-764	-936	-1,343	-11,218	-11,031	-5,856	-17,171	6,873
Canada's merchandise trade with Africa											
Exports	918	987	916	650	927	851	594	694	907	940	912
Imports	504	588	806	752	815	1,033	940	1,238	1,653	1,490	2,011
Balance	415	400	110	-101	112	-182	-346	-544	-746	-550	-1,099
Share of Canada's merchandise trade with Africa (Canada as the reporting country)											
Exports	1.4%	1.4%	1.0%	0.7%	0.8%	0.7%	0.4%	0.4%	0.5%	0.4%	0.3%
Imports	0.8%	0.9%	1.0%	0.8%	0.7%	0.8%	0.7%	0.7%	0.9%	0.7%	0.8%
Share of Canada's merchandise trade with Africa (Africa as the reporting country)											
Exports	1.1%	1.5%	1.0%	0.8%	0.8%	0.6%	0.8%	1.1%	1.1%	1.1%	1.3%
Imports	0.5%	0.6%	0.7%	0.4%	0.4%	1.2%	0.9%	1.1%	1.0%	1.2%	0.9%
Canada's merchandise trade with the world											
Exports	67,730	71,237	90,293	89,706	116,418	126,447	133,447	161,269	200,146	211,355	275,183
Imports	67,105	62,389	83,521	91,639	121,110	131,640	137,314	166,670	187,042	219,150	262,721

Source: IMF, *Direction of Trade Statistics*, Customs valuation.