REGIONAL SHARES OF CANADA'S TRADE IN GOODS AND SERVICES, 2003 AND 2007 (PERCENT)

	Exports		Imports		Total Trade	
	2003	2007	2003	2007	2003	2007
World	100.0	100.0	100.0	100.0	100.0	100.0
U.S.	79.1	73.5	68.2	63.7	74.0	68.8
EU	7.5	9.9	11.3	11.5	9.3	10.7
Japan	2.4	2.2	3.2	3.1	2.8	2.6
Other OECD	3.6	4.4	5.7	5.7	4.6	5.1
Non-OECD	7.5	10.0	11.6	16.0	9.4	12.9

Diversification of Canada's trade

Over the past five years, the share of the United States in Canada's trade has declined quite markedly, although the U.S. is still by far our largest trading partner. U.S. shares in both exports and imports of Canadian goods and services have declined by about 5 percentage points, bringing the U.S. share in our total trade to 68.8 percent. Japan's share in Canada's trade has also declined, although only slightly. The EU has gained share, principally on the exports side. But the biggest gainer in share has been the rest of the world, particularly the non-OECD countries, now accounting for 12.9 percent of total Canadian trade, a 3.5 percentage point increase in the past five years.

the rest of the world narrowed, falling to $32.5 billion last year, compared with $35.8 billion in 2006.

With imports of goods and services outpacing exports of goods and services (3.2 percent versus 1.9 percent), the overall balance on Canadian goods and services trade narrowed by $6.0 billion in 2007 to $30.2 billion. Both the goods balance (down $1.7 billion) and the services balance (down $4.3 billion) retracted, as imports grew faster than exports for both the goods and services components. The deterioration in the deficit on services trade was more than double the decline in the goods surplus.