

Sources of Canadian Imports

Growth in Canada's imports was broadly distributed across trading partners in 1999. Imports from the U.S. increased by 6.7 percent, from Japan by 9.7 percent, and from the EU by 12.1 percent. Imports also rose rapidly from Asia (+9.7 percent), and from Latin America (+14.2 percent), two regions whose products gained in competitiveness from generally weaker exchange rates. As a result, the U.S. share of Canada's total imports decreased to 76.3 percent from 77 percent in 1998. Table 10 provides an historical perspective on the evolution of the structure of imports by origin. As can be seen, Canada's import markets are more diversified than its export markets; in the 1990s about one quarter of Canada's imports came from countries other than the U.S. However, the shares of the EU and Japan have fallen in the 1990s, partly to the benefit of the U.S. and partly to other countries as well.

Table 10: Canada's Merchandise Imports, 1950-1999

| | 1950-1959 | 1960-1969 | 1970-1979 | 1980-1989 | 1990-1999 | 1997 | 1998 | 1999 |
|--------------------------|-----------|-----------|-----------|-----------|-----------|------|------|------|
| Share (%) | | | | | | | | |
| U.S. | 71.6 | 70.8 | 70.1 | 70.4 | 74.6 | 76.1 | 77.0 | 76.3 |
| ROW | 28.4 | 29.2 | 29.9 | 29.6 | 25.4 | 23.9 | 23.0 | 23.7 |
| • EU | n.a. | n a | 9.5 | 10.0 | 8.8 | 8.7 | 8.4 | 8.7 |
| • Japan | n.a. | n a | 4.2 | 5.8 | 4.0 | 3.1 | 3.2 | 3.2 |
| Annual Growth (%) | | | | | | | | |
| U.S. | | 10.4 | 16.1 | 7.5 | 9.8 | 17.3 | 10.5 | 6.7 |
| ROW | | 8.1 | 15.4 | 7.4 | 6.0 | 14.9 | 5.3 | 11.1 |
| • EU | | n. a. | n. a. | 11.5 | 2.4 | 17.8 | 5.0 | 12.1 |
| • Japan | | n. a. | n. a. | 6.6 | 10.3 | 20.5 | 10.8 | 9.7 |

Source: Statistics Canada, CANSIM, Matrix no. 3651: *Merchandise Imports on a Balance of Payments Basis by 63 Major Groups and by 6 Principal Trading Areas Based on the Standard Commodity Classification*. n.a. = not available.

Merchandise Trade: Sectoral Developments

The main developments in the sectoral composition of Canada's exports in 1999 included:

- Apart from industrial goods and materials, the value of exports expanded in all of the major sectors.
- The surge in automotive exports restored this sector's traditional position as Canada's leading export sector, after having been displaced in 1998 by M&E.
- The sharp rise in energy prices in the latter part of the year resulted in a sharp increase in the value of energy exports.

