

3.2 percent in 2011 (\$1.9 billion) to reach a record \$59.6 billion. Volumes accounted for most of the increase as prices moved very little in 2011. The two main contributors to import growth were apparel, with a gain of 9.2 percent, or \$0.9 billion, and miscellaneous end products, with a gain of 5.5 percent, or \$1.3 billion.

Imports of **energy products** grew significantly in 2011 (29.7 percent). That increase of \$12.0 billion propelled the total to \$52.6 billion, close to the 2008 pre-recession level. With the overall increase in prices in this sector amounting to 23.6 percent, this was primarily a price story, but with important nuances. Petroleum and coal products (refined fuels) contributed \$7.0 billion to the increase, with their tremendous 60.7-percent growth fuelled both by rising prices (up 28.2 percent) and greater volumes (up 25.3 percent). Crude petroleum imports added another \$4.5 billion to the increase, growing 18.9 percent, but the impact of a 38.0-percent price increase there was cushioned by a 15.5-percent retreat in import volumes. Meanwhile, coal prices dropped 8.9 percent, but import volumes increased 19.4 percent and thus coal imports expanded \$0.5 billion overall.

Agricultural and fishing products imports grew for the seventh consecutive year since 2004, an upward trend that carried on throughout the recession. A 10.3-percent increase last year added another \$3.0 billion to their value, for the total of \$32.6 billion. The overall effect of higher prices (up 2.3 percent) was muted, but volumes expanded 7.8 percent. Gains were widespread among the sectoral categories, with meat (up 17.7 percent), sugar (up 23.7 percent) and crude vegetable products (up 24.2 percent) standing out. Each of those categories contributed \$0.4 billion to

the sector's total increase in imports. A price rise of 21.9 percent was behind the increase in imports of crude vegetable products, but meat and sugar grew mostly on volumes. A 56.7-percent increase in the price of corn led to a 39.1-percent contraction in volumes, while cocoa, coffee and tea import volumes grew 25.4 percent as a 9.8-percent decrease in prices took place.

Forestry products sector was the only one where imports declined, losing \$130 million (down 4.9 percent). The total value of imports was down to \$2.5 billion, amounting to 0.5 percent of Canada's total goods imports, and it appears likely that most of the economy's forestry needs were met with domestic products. Import values for both crude wood products and wood fabricated materials decreased, with the former driven by volumes and the latter by prices.

Services Trade

2011 was a year of continued recovery for services trade. The 5.0-percent growth in services exports continued the 2010 trend, adding \$3.6 billion to the total to set a new record for Canadian service exports at \$74.8 billion. Imports of services also broke previous records, reaching \$99.5 billion after a 5.8-percent increase (up \$5.5 billion). As a result, Canada's services trade deficit widened by \$1.9 billion to reach \$24.6 billion in 2011. The bulk of the increase in the deficit came from a growing deficit in travel services (\$15.9 billion last year, largely in the sub-category of personal travel). Elsewhere, an increased deficit in transportation services was offset by an improvement in the commercial services trade balance. Trade in services constituted 16.0 percent of Canada's total trade in 2011.