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Canada–Philippines Commercial Relations

3.1 Philippines Global Trade

In 1989, the Philippines' international trade reached over \$21 billion, a 20 per cent increase over the 1988 level and almost twice the level reached in 1986. Prior to 1986, two-way trade had been steadily decreasing, hitting a low of \$13 billion in 1985. In parallel, the country's overall trade deficit has gradually increased to a peak of close to \$3 billion in 1989 (mainly because of the growing importance of Japan as an import source), more than twice the figure recorded in 1988.

The U.S. is the Philippines' most important trading partner, the destination for over 35 per cent of its exports and the origin of over 20 per cent of its imports. Japan is second in importance. Both countries account for approximately 46 per cent of the total trade carried out by the Philippines.

Export growth in the past two years can be partly attributed to the recovery experienced in the non-traditional manufacturing sector (for example, electronics products ranked as the number one export in 1988), as well as to the increase in the volume of mineral and fish exports. Textile and clothing products represent the second most important export of the country. Over 50 per cent of the Philippines' imports consist of raw materials (for example, oil) and intermediate goods.

3.2 Canada-Philippines Trade

Trade between Canada and the Philippines has expanded steadily since hitting a low point in 1985, with two-way trade of \$425 million in 1989. This marks a doubling of trade since 1980, and almost a three-fold increase since the low ebb of 1985/86. Canadian exports have risen even more dramatically, up from \$45 million in 1985 to \$220 million in 1989. Canada and the Philippines are not major trading partners. Canada's share of Philippine exports has been fairly stable in the 1.5 per cent to 2 per cent range over the last decade. The Canadian share of Philippine imports has also been relatively stable but in the lower range of 0.7 per cent to 1.4 per cent.

A large proportion of Canadian exports to the Philippines in 1989 consisted of primary commodities

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YEAR	CANADA'S EXPORTS	% OF PHILIPPINES' IMPORTS	CANADA'S IMPORTS	% OF PHILIPPINES' EXPORTS	TOTAL TRADE
1980	83.0	0.8	101.4	1.5	184.4
1981	83.1	0.8	108.7	1.6	191.8
1982	102.0	1.0	82.2	1.3	184.2
1983	76.8	0.7	88.3	1.4	165.1
1984	56.8	0.5	117.2	1.7	174.0
1985	45.8	0.6	109.1	1.7	154.9
1986	49.5	0.6	109.4	1.6	158.9
1987	122.1	1.3	107.1	1.4	229.2
1988	131.6	1.2	178.0	2.0	309.6
1989	219.5	n/a	205.0	n/a	424.5

Sources: Statistics Canada and Central Bank of the Philippines