

It is also interesting to note that the U.S. market share has since recovered in part. These patterns would suggest that factors such as the commodity structure of trade played a greater role than regional tendencies in shaping the observed trends.

Table 5: Intra-EU Trade and Imports from Selected Trading Partners, 1989-1998

	1989-1990	1993-1994	1997-1998
Share of EU-15 Imports from major trading partners (%)			
Intra-EU	62.9	59.8	61.2
EU - ROW	37.1	40.2	38.8
Percentage breakdown of EU-15 imports from ROW			
Total	100	100	100
Canada	2.4	1.8	1.8
U.S.	20.2	19.4	20.5
Japan	12.1	11.3	9.2
China	2.2	4.3	5.0
Switzerland	8.1	7.7	6.6
Other countries	55.0	55.5	57.0

Source: International Monetary Fund, *The Direction of Trade Statistics*, various issues.

East Asian Economies

Exports to Canada's major markets in East Asia continued to feel the residual effects of the economic and financial crisis that hit the region in 1997-1998. Over the course of 1999, all the crisis-affected economies returned to positive growth rates and economic conditions progressively improved, although the timing and vigour of the recovery varied from economy to economy. For Canada, the crisis resulted in a sharp drop in the value of exports to East Asian economies in 1998 and continued low levels of exports (including further declines in some markets) in 1999. Table 6 summarizes the consequences of these developments for Canada's exports.

Overall, despite some restoration of growth in exports to some markets, Canada's level of exports in the region in 1999 was lower than that of 1998. Exports to Japan, which had fallen from \$11.17 billion in 1997 to \$8.65 billion in 1998, fell further to \$8.39 billion in 1999. Similarly, Canada's exports to the nine other major East Asian economies dropped to \$8.94 billion in 1998 and then to \$8.82 billion in 1999, from \$11.76 billion in 1997. As a result, the share of these key East Asian economies in Canada's exports fell substantially, as shown in Table 7.

The absence of a significant positive bounce in exports in 1999, despite the fact that economic recovery in East Asia turned out to be far more rapid than anticipated, indicates the influence of other factors (e.g. low levels of exchange rates making imports from industrialized countries comparatively expensive, still high unemployment rates, and continuing low levels of consumer confidence).

