

The significant positive bounce-back in merchandise exports to key East Asian economies in 2000 is consistent with the economic recovery in East Asia as well as movements in the exchange rates.

Exports to China increased sharply by about 40 percent to a record high in 2000, while exports to Hong Kong and Taiwan posted smaller gains of 17 percent and 4 percent, respectively.

Conditions in Asian economies were generally favourable to trade in 2000, although they varied considerably. South Korea's economic growth was more robust, and the Korean exchange rate remained comparatively low vis-à-vis the dollar, despite a 5.2 percent appreciation in 2000 against the dollar. In this context, Canada's exports to South Korea recovered further in 2000, growing 12 percent, albeit to a level that is still lower than that seen in 1998.

Total merchandise exports to the Philippines, Indonesia and Thailand increased at rates of between 23 percent and 31 percent in 2000, while exports to Malaysia and Singapore edged down somewhat.

- The Philippines (30.7 percent in 2000 after +12.4 percent in 1999);
- Indonesia (29.4 percent in 2000 after -0.2 percent in 1999);
- Thailand (22.7 percent in 2000 after -0.7 percent in 1999);
- Singapore (-2.5 percent in 2000 after -11.0 percent in 1999); and
- Malaysia (-3.5 percent in 2000 after -12.7 percent in 1999).

Table 8: Intra-Asia Trade and Imports from Selected Trading Partners, 1989-1999

	1989	1999
Share of Asia's imports from major trading partners (percent)		
Intra-Asia	44.0	53.9
ROW	56.0	46.1
Percentage breakdown of Asia's imports from ROW		
Total	100.0	100.0
Canada	4.2	2.8
U.S.	32.6	33.3
Australia	6.6	6.0
France	3.9	4.2
Germany	7.7	7.7
U.K.	4.4	4.4

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

Canada's market penetration measured in terms of Canada's share in total Asian countries' data on merchandise imports was 2.8 percent in 1999, down from 4.2 percent in 1989 (Table 8). Similarly, Australia experienced a decline in market presence in Asia, reflecting the impact of weak commodity prices and intensified intra-Asian trade. In contrast, the market shares of the U.S. and France edged up, while those of the United Kingdom and Germany were unchanged between 1989 and 1999.

