

Note that Canada held a high comparative advantage in power-generating machinery in 2000, and remained at an advantage (although declining) until 2008 when it lost that advantage.

Significantly, between 2000 and 2008, Canadian performance in the aerospace and automotive sectors has deteriorated (both were areas of comparative advantage between 2000 and 2003), while our competitiveness in metals and minerals, and chemicals has been growing. This may be an indication that China is moving up the value chain in these areas, and is manufacturing its own aerospace and automotive products using imported raw materials. While Canada retains a large comparative advantage in cereals and seeds, this has decreased compared to 2000. In contrast, our advantage in sulphur, salt and minerals has grown over the last eight years.

1.2 India

Key Over-Exports	Key Under-Exports
<ul style="list-style-type: none"> • Vegetables, pulses, trees and plants • Paper and print • Construction, mining, lifting machinery • Fertilizers 	<ul style="list-style-type: none"> • Meat, fish, animals and their products • Inorganic chemicals (incl. uranium) • Precious stones and metals • Power-generating machinery

India is Canada's fourth-largest destination for merchandise exports among emerging markets. In 2008, it ranked second as a destination for both Canadian fertilizers and vegetables after the United States.

The key commodities over-exported to India are vegetables and pulses (+9 over benchmark) that drive our advantage in the **agri-food** sector, fertilizers (+5) in the **chemicals** sector, and construction, mining and lifting machinery (+8) that raises our performance in the machinery and electrical equipment sector. Paper and print (+8) are over-exported,

but under-exports of wood and pulp (-6) lead to overall under-exporting in the **wood and paper** sector. Similarly, lower than expected exports of meat, fish, animals and their products, inorganic chemicals and power-generating machinery are mitigating our advantage in the **agri-food, chemicals and machinery and electrical** equipment sectors, respectively. Under-exporting in **metals and minerals** is a significant departure from the benchmark, led by the under-exports of precious stones and metals (-39).

Canadian performance in wood and paper has been generally in decline since 2000, despite our strong competitiveness in paper and print. Metals and minerals, however, generally improved (except for in 2007). The advantage in the agri-food sector improved sharply in 2007 (reversing years of declines), attributable to vegetables and pulses as well as cereals and oilseeds. In 2007, Canada was the leading source of vegetables and pulses in India, holding 37.7 percent of the Indian import market.

1.3 Indonesia

Key Over-Exports	Key Under-Exports
<ul style="list-style-type: none"> • Fruit and vegetable preparations • Misc. scientific instruments • Construction, mining, lifting machinery • Toys and sports equipment 	<ul style="list-style-type: none"> • Aerospace • Power-generating machinery • Meat, fish, animals and their products • Ores and concentrates

Indonesia is Canada's seventh-largest merchandise export market among emerging countries. It is an important importer of Canadian cereals—and Canada ranks first as a source of fertilizer and wood pulp imports in Indonesia.

Although the broad pattern of Canadian competitiveness in Indonesia is very similar to the performance in India, there are differences at the detailed