



LIBRARY of PARLIAMENT
BIBLIOTHÈQUE du PARLEMENT

TRADE AND INVESTMENT



Canada–China

Publication No. 2014-54-E
14 July 2014

Pascal Tremblay

Economics, Resources and International Affairs Division
Parliamentary Information and Research Service

The Library of Parliament ***Trade and Investment*** series provides information on Canada's trade and investment relationship with the world and with selected countries. The series also describes the merchandise trade relationship that each of Canada's 10 provinces and three territories has with the world. These publications are prepared by the Parliamentary Information and Research Service, which carries out research for and provides information and analysis to parliamentarians and Senate and House of Commons committees and parliamentary associations.

© Library of Parliament, Ottawa, Canada, 2014

Canada–China
(Trade and Investment Series)

Publication No. 2014-54-E

Ce document est également publié en français.

CONTENTS

MERCHANDISE TRADE.....	1
PRODUCTS	2
SERVICES AND INVESTMENT	3

Merchandise Trade

In 2013, Canada–China merchandise trade totalled \$73.2 billion, comprised of \$20.5 billion in Canadian exports to, and \$52.7 billion in imports from, China.

The value of Canada's exports to China increased by 5.8% between 2012 and 2013, while the value of Canada's imports from the country grew by 4.0%.

In 2013, China was Canada's second largest export destination worldwide, and its second largest source of imports globally, after the United States.

Over the 2008 to 2013 period, the value of Canada's exports to China increased at an average annual rate of 14.4%, compared to a decrease of 0.5% worldwide. The value of Canada's exports to the country as a share of the value of Canada's total exports grew from 2.2% in 2008 to 4.3% in 2013.

The value of Canada's imports from China increased at an average annual rate of 4.3% over the 2008 to 2013 period, compared to 1.8% worldwide. The value of Canada's imports from the country as a share of the value of Canada's total imports grew from 9.8% in 2008 to 11.1% in 2013.

At the provincial/territorial level, British Columbia and Alberta together accounted for 49.0% of the value of Canada's exports to China in 2013, with exports valued at \$6.7 billion and \$3.3 billion respectively.

Over the 2008 to 2013 period, the fastest-growing provincial exporters to China were British Columbia, Nova Scotia, and Newfoundland and Labrador, with average annual growth rates of 27.0%, 25.5% and 25.0% respectively.

Figure 1

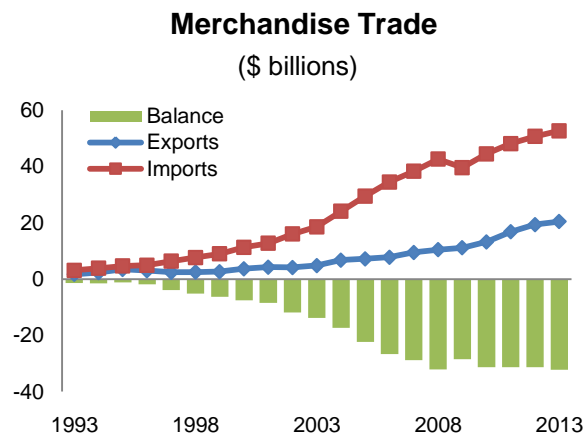


Figure 2

Importance to Canada

Average yearly growth (%): 2008–2013 Share of total trade (%):

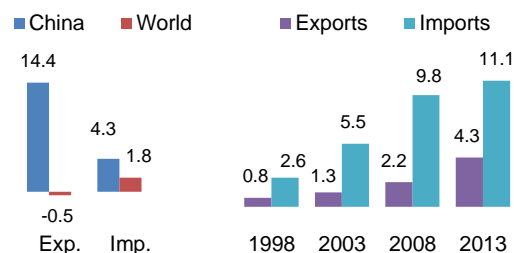
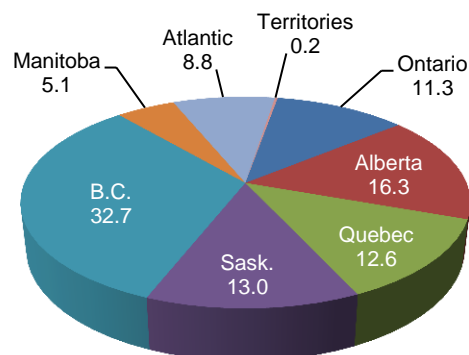


Figure 3

Exports by Province/Territory – 2013

(%)



All figures were prepared using Statistics Canada data available in spring 2014.

The merchandise trade data are customs-based; the services trade and foreign direct investment data are balance of payments-based. Numbers in this paper have been rounded.

Products

In 2013, manufactured goods accounted for 53.8% of the value of Canada's exports to China, with resource-based goods representing the remaining 46.2%. This composition had changed since 2008, when manufactured goods and resource-based goods accounted for 67.3% and 32.7% respectively of the value of Canada's exports to the country.

Canada's highest-valued exports to China in 2013 were canola seeds, iron ore and concentrates, and wood pulp, which together accounted for 24.7% of the value of Canada's exports to the country. The value of Canadian exports to China of canola seeds, iron ore and concentrates, and wood pulp increased from \$781.4 million, \$77.3 million and \$742.6 million respectively in 2008 to \$1.8 billion, \$1.7 billion and \$1.5 billion respectively in 2013.

In 2013, as in 2008, manufactured goods represented more than 99.0% of the value of Canada's imports from China; in both years, resource-based goods accounted for less than 1.0% of the value.

Canada's highest-valued imports from China in 2013 were laptop computers, cellular telephones, and telephonic switching apparatus and modems, which together accounted for 15.7% of the value of Canada's imports from the country. The value of Canadian imports from China of laptop computers, cellular telephones, and telephonic switching apparatus and modems increased from \$2.4 billion, \$755.6 million and \$572.4 million in 2008 to \$4.0 billion, \$3.0 billion and \$1.3 billion in 2013.

In 2013, Canada had a trade surplus with China in the agriculture and food, forest products and metals, mines and energy product categories. It had a trade deficit with the country in all the other product categories in that year.

Figure 4

Major Export Products

(\$ billions)

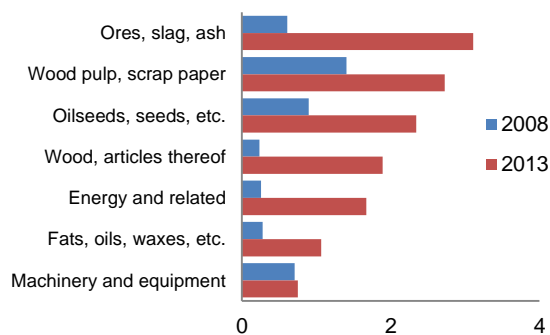


Figure 5

Major Import Products

(\$ billions)

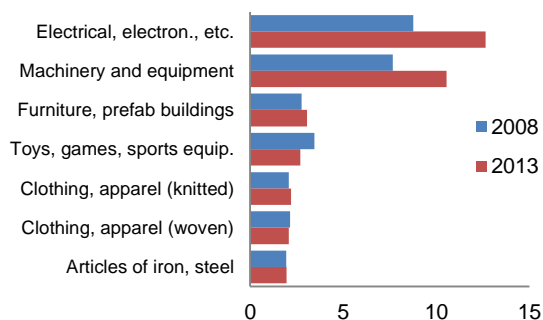
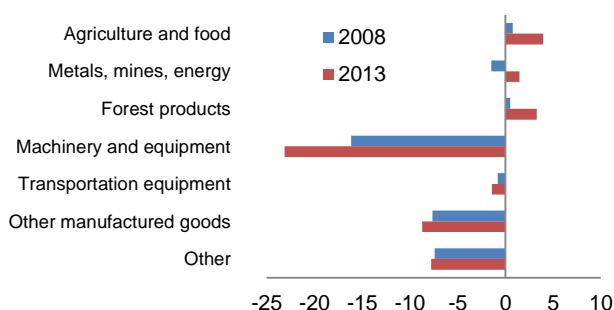


Figure 6

Balance by Category

(\$ billions)



All figures were prepared using Statistics Canada data available in spring 2014.

The merchandise trade data are customs-based; the services trade and foreign direct investment data are balance of payments-based.

Numbers in this paper have been rounded.

Services and Investment

In 2011, the most recent year for which data are available, Canada–China services trade totalled \$3.7 billion, comprised of \$1.7 billion in Canadian exports to, and \$2.0 billion in imports from, China.

The value of Canada's services exports to China increased by 13.5% between 2010 and 2011, while the value of Canada's services imports from the country grew by 13.6%.

In 2011, Canada's trade deficit in services with China was the result of trade in transportation and government services. In that year, Canada imported \$1.2 billion in transportation and government services from, and exported \$464.0 million in such services to, the country. Canada had a trade surplus with China in travel services and in commercial services in 2011.

The stock of Canadian direct investment in China totalled \$4.9 billion in 2013, making it Canada's 19th largest destination for foreign investment among the 53 countries for which data were available. Canadian direct investment in the country increased by 26.5% between 2012 and 2013.

In 2013, the stock of Chinese direct investment in Canada totalled \$16.7 billion, making it the eighth largest source of foreign investment in Canada among the 39 countries for which data were available. Chinese direct investment in Canada increased by 1.5% between 2012 and 2013.

Data on Chinese direct investment in Canada for 2006 are not available.

Figure 7

Services Trade

(\$ billions)

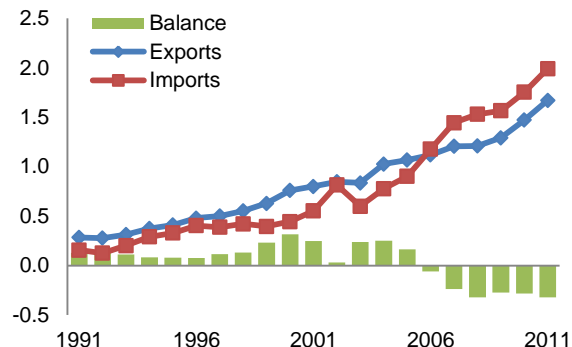


Figure 8

Services Trade by Type – 2011

(\$ billions)

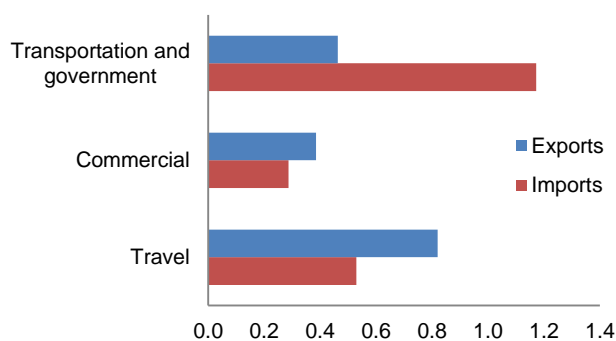
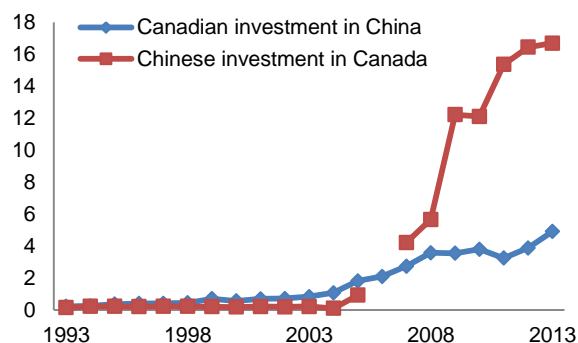


Figure 9

Foreign Direct Investment

(\$ billions)



All figures were prepared using Statistics Canada data available in spring 2014.

The merchandise trade data are customs-based; the services trade and foreign direct investment data are balance of payments-based.

Numbers in this paper have been rounded.