

Monthly Trade Bulletin

Volume 4 Number 3

May 2002

Key Monthly Trade Indicators (March 2002)

Highlights

- Merchandise exports fell twice as fast as imports, resulting in a narrowing of Canada's overall trade surplus with the world in March.
- The combination of falling exports and rising merchandise imports from the U.S. resulted in a decline in the bilateral trade surplus in March.
- A marked decline in trade with the E.U. contributed significantly to the weaker trade figures for this month.
- The Canadian dollar edged higher over the month, up US0.3¢ in value. Nevertheless, the dollar was sitting some US0.7¢ below its level of March 2001.

	\$ millions	% change over	
		previous month	previous year
Exports	33,150	-2.0	-9.1
- Exports to U.S.	28,281	-0.6	-7.8
Imports	28,754	-1.0	-4.1
- Imports from U.S.	20,866	0.2	-5.1
Trade Balance*	4,396	4,772	6,487
- Balance with U.S.*	7,415	7,644	8,691
Commodity Prices**	97.2	5.9	-13.4
Canadian Dollar (US¢)*	62.7	62.4	63.4
Export Prices***	103.9	0.5	-6.9
Import Prices***	104.7	-1.8	-1.5

* Data in levels only.

** Index (1982-90 = 100)

*** Index 1997 = 100

Source: DFAIT compilations based on Statistics Canada data.

This Month's Feature Report: Canada's Trade Linkages with the U.S. West

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Industry
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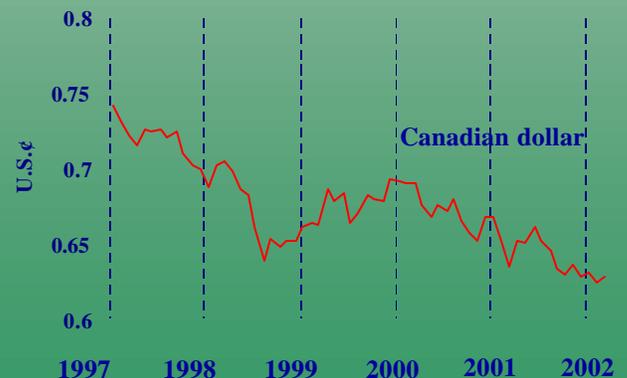
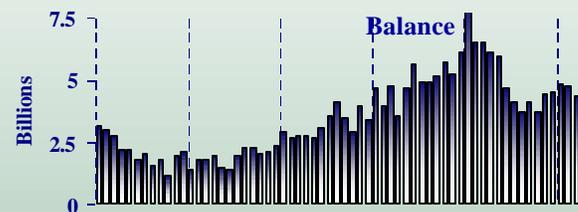
Merchandise Trade

Overall trade balances retract ...

- The overall trade surplus narrowed \$376 million dollars to \$4.4 billion in March.
 - ▶ The monthly surplus with the U.S. slipped \$229 million lower to just over \$7.4 billion in March.
- Monthly trade balances with all other major trading partners remain in deficit. Our deficit with Japan narrowed \$6 million to \$225 million in March, while the balance with the EU widened \$274 million - to a \$1.0 billion deficit.

... while the value of the Canadian dollar rises

- The Canadian dollar reclaimed US0.3¢ over March, to US62.7¢. The value of the dollar is only US0.7¢ lower than its rate one year earlier.
- Export prices increased and import prices were down over the month, as the terms of trade improved. Commodity prices recorded their third consecutive monthly increase.



Source: Statistics Canada, Bank of Canada

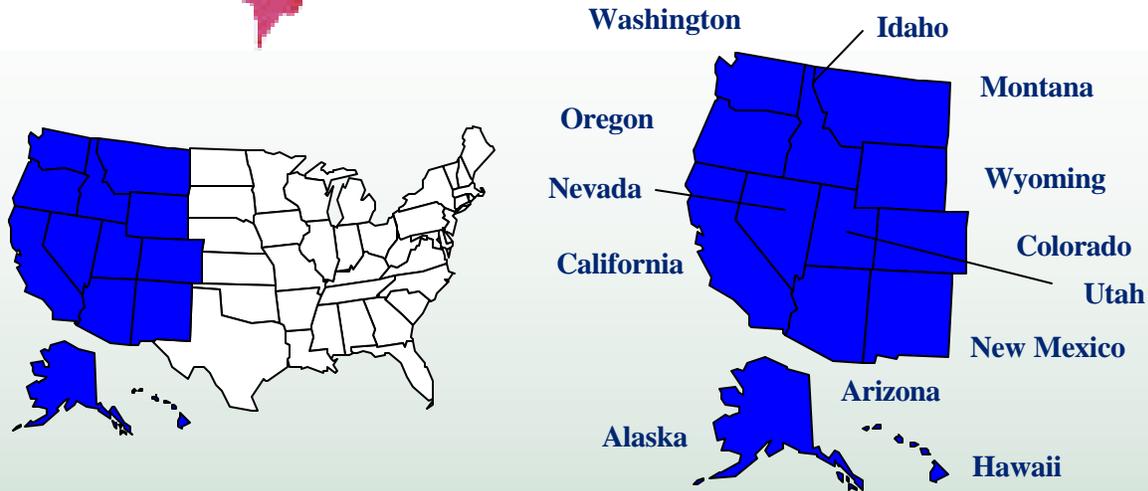
Monthly Trade Bulletin

Volume 4 Number 3

May 2002

Canada's Trade Linkages with the U.S. West

The U.S. West is a fast growing and wealthy market for Canadian exports



	Population	GDP (millions \$, 2000)	GDP per Capita (\$)	Land Area (miles sq.)	GDP Growth (% 1995-2000)
Alaska	634,892	27,747	43,703	571,951	2.28
Arizona	5,307,331	156,303	29,450	113,635	8.37
California	34,501,130	1,344,623	38,973	155,959	7.75
Colorado	4,417,714	167,918	38,010	103,718	9.02
Hawaii	1,224,398	42,364	34,600	6,423	2.61
Idaho	1,321,006	37,031	28,032	82,747	6.40
Montana	904,433	21,777	24,078	145,552	4.43
Nevada	2,106,074	74,745	35,490	109,826	8.65
New Mexico	1,829,146	54,364	29,721	121,356	5.21
Oregon	3,472,867	118,637	34,161	95,997	7.91
Utah	2,269,789	68,549	30,201	82,144	8.17
Washington	5,987,973	219,937	36,730	66,544	7.77
Wyoming	494,423	19,294	39,023	97,100	5.28
Total West	64,471,176	2,353,289	36,501	1,752,952	7.60
Total U.S.	284,796,887	9,941,552	34,908	3,537,441	6.34

Monthly Trade Bulletin

Volume 4 Number 3

May 2002

Canada's Trade Linkages with the U.S. West

U.S. West's Share of Canadian Merchandise Exports to the U.S.

The U.S. West's share of Canadian exports has increased steadily...

- Canadian merchandise exports to the U.S. West increased from \$24.1 billion in 1995 to \$63.8 billion in 2001 — an average annual rate of growth of 17.6%.
- This tremendous growth has increased the West's share of total Canadian exports to the U.S. to 18.0% in 2001 from only 11.2% in 1995.



Source: Industry Canada compilations based on Statistics Canada Data

...although the West's share of Canadian imports has not changed much

- The West's share of Canadian merchandise imports from the U.S. has not changed significantly since 1995, increasing only 0.2 percentage points to reach 12% in 2001.

U.S. West's Share of Canadian Merchandise Imports from the U.S.



Source: Industry Canada compilations based on Statistics Canada Data

Monthly Trade Bulletin

Volume 4 Number 3

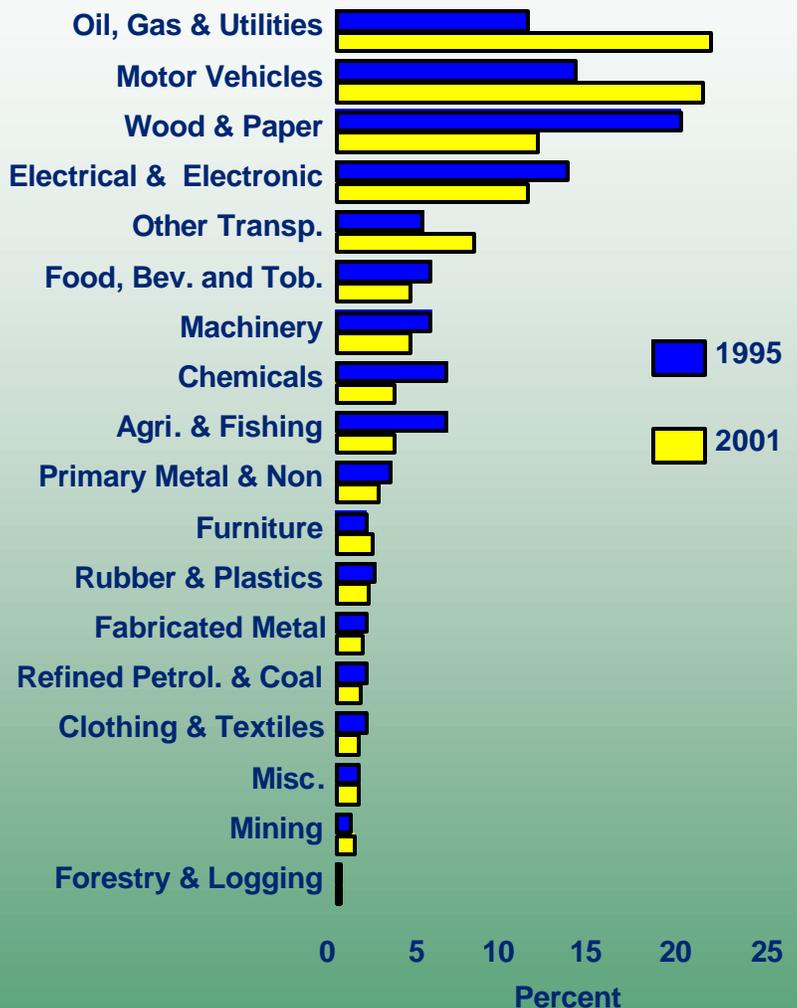
May 2002

Canada's Trade Linkages with the U.S. West

Canadian Oil & Gas and Motor Vehicle exports increased dramatically to the U.S. West

- Canadian exports of Oil & Gas and Motor Vehicles increased 400% and 300% respectively between 1995 and 2001 and combined, now account for 42% of total Canadian merchandise exports to the U.S. West.
- Electrical and Electronics, Machinery and Chemicals decreased their share in total Canadian exports to the U.S. West.
 - ▶ Their combined share decreased from 24.7% in 1995 to 18.3% in 2001.
- Wood & Paper, traditionally Canada's most important export to the West declined 8 percentage points and now stands at 11.3% of Canadian exports to the U.S. West.

Industrial Distribution of Canadian Exports to U.S. West



Source: Industry Canada compilations based on Statistics Canada Data

Monthly Trade Bulletin

Volume 4 Number 3

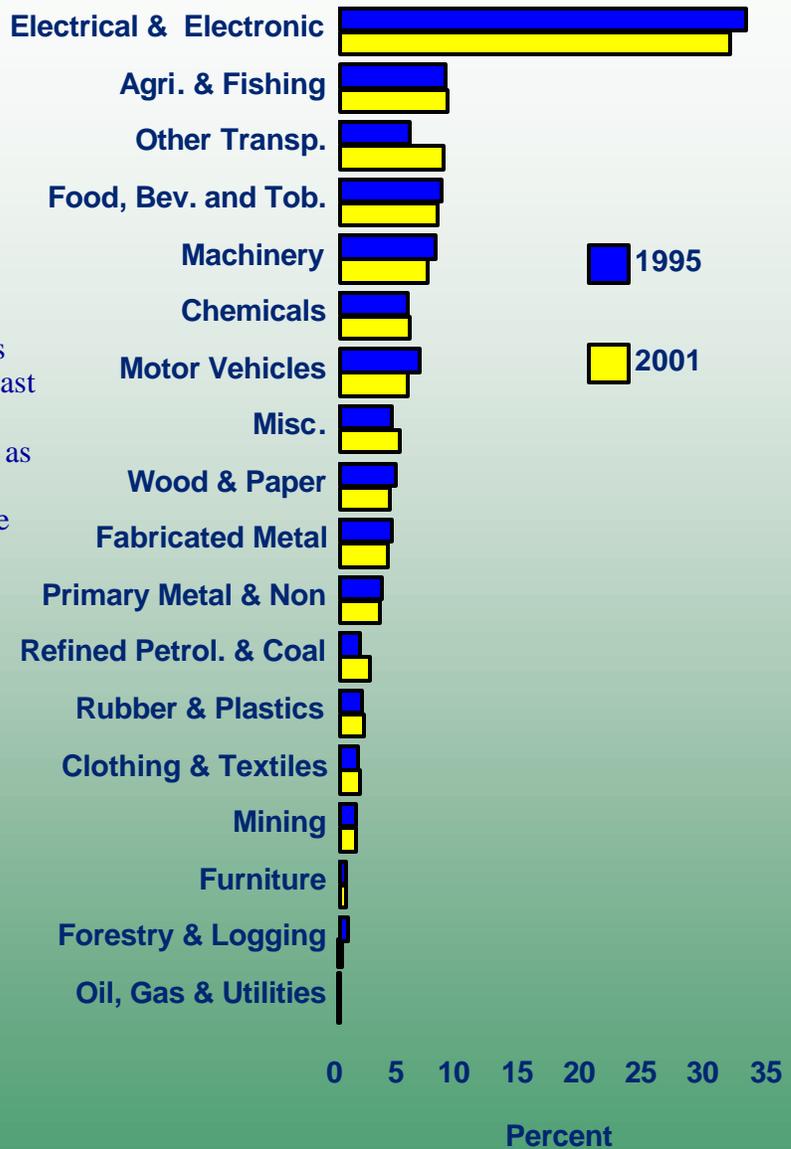
May 2002

Canada's Trade Linkages with the U.S. West

Industrial Distribution of Canadian Imports from the U.S. West

Electrical & Electronics dominate Canadian imports from the West

- Electrical & Electronics account for almost one-third of Canada's imports from the U.S. West and this has not changed significantly since 1995.
- Similarly, the share of other industries has not changed very much over the past 6 years and is fairly well distributed among resource based industries such as Agriculture & Fishing and Food, Beverage & Tobacco and among more high-tech industries such as Other Transportation Equipment which includes aircraft and Machinery.



Source: Industry Canada compilations based on Statistics Canada Data

Monthly Trade Bulletin

Volume 4 Number 3

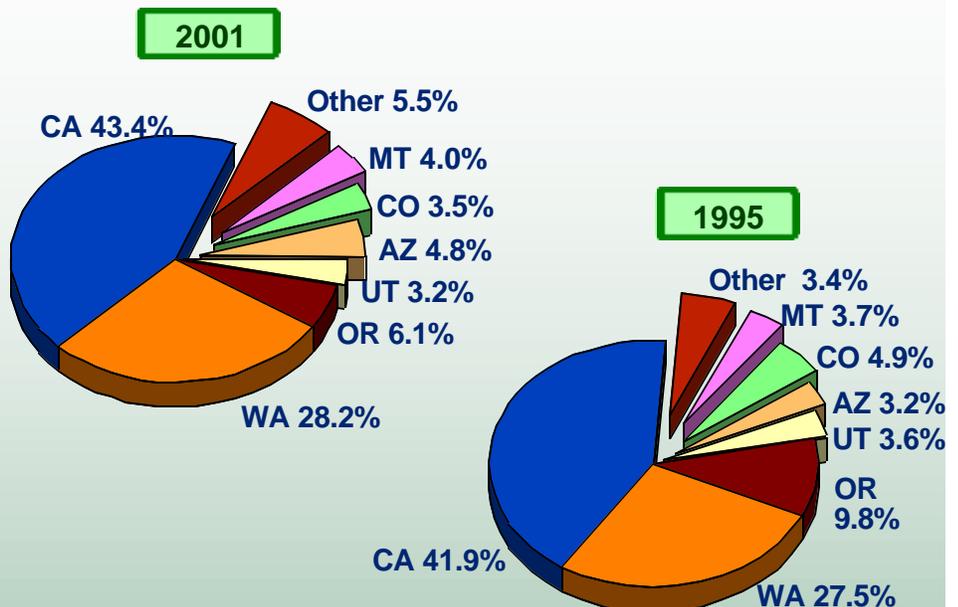
May 2002

Canada's Trade Linkages with the U.S. West

Distribution of Canadian Exports to the U.S. West by State

California accounts for a large and growing share of Canadian exports to the U.S. West...

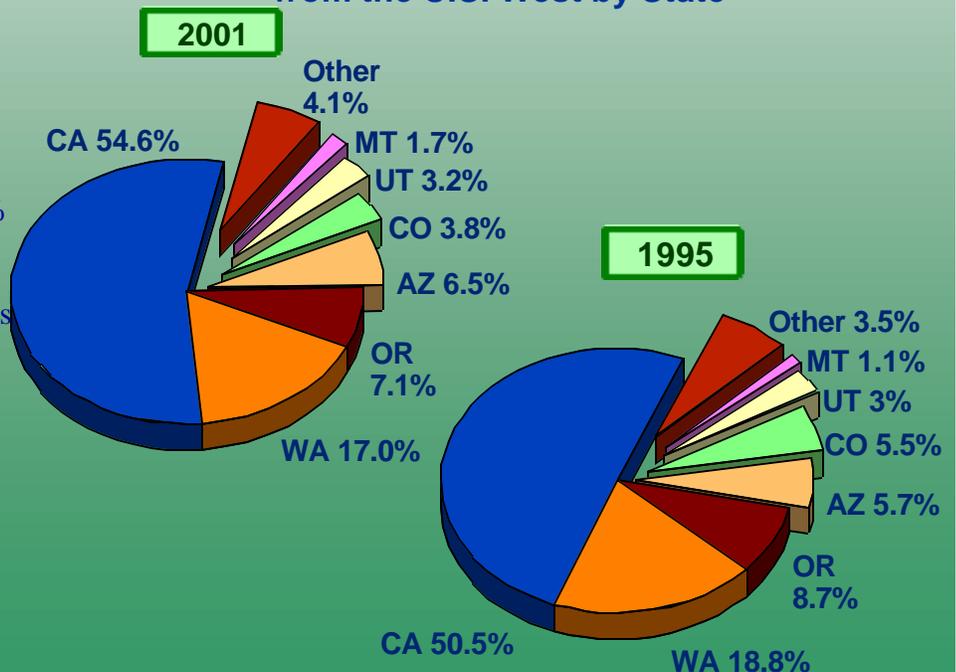
- California gained just over one percentage point in share to reach 43.4%.
- Washington State is the other dominant destination for Canadian exports to the West at 28.2% and saw a small increase in share.
- Oregon, on the other hand, saw it's share drop from 9.8% to 6.1%.



Distribution of Canadian Imports from the U.S. West by State

...as well as imports

- California's share of Canadian imports from the U.S. West increased from 50.5% to 54.5% between 1995 and 2001.
- Washington State also accounts for a large share of Canadian imports from the West at 17.0%, but a significantly smaller share than exports.



Monthly Trade Bulletin

Volume 4 Number 3

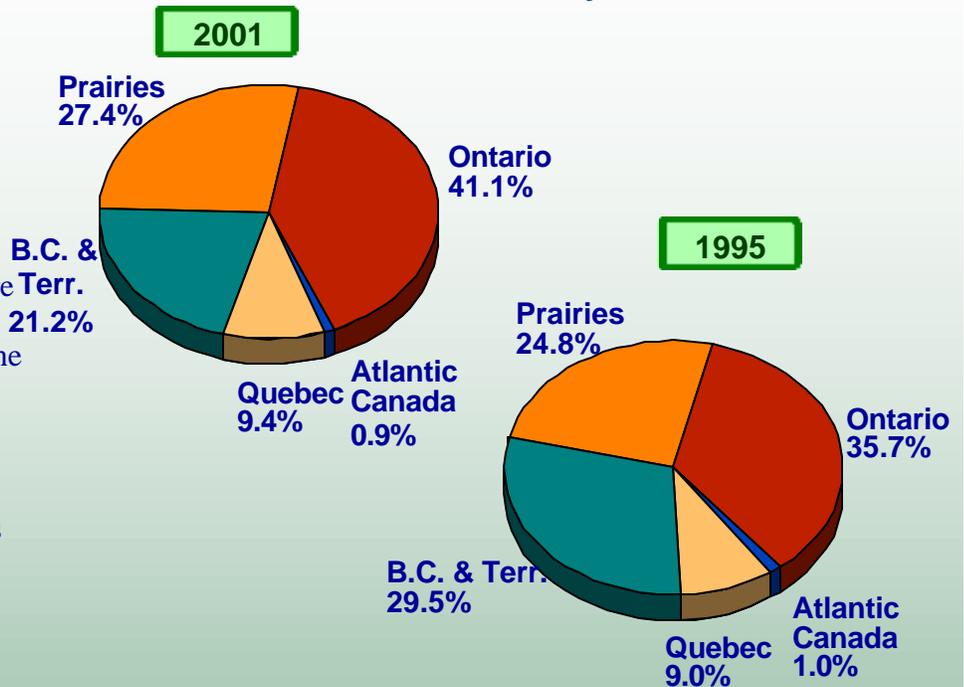
May 2002

Canada's Trade Linkages with the U.S. West

Distribution of Canada's Exports to the U.S. West by Province

B.C.'s share of exports to the West declined significantly while that of Ontario and the Prairies increased

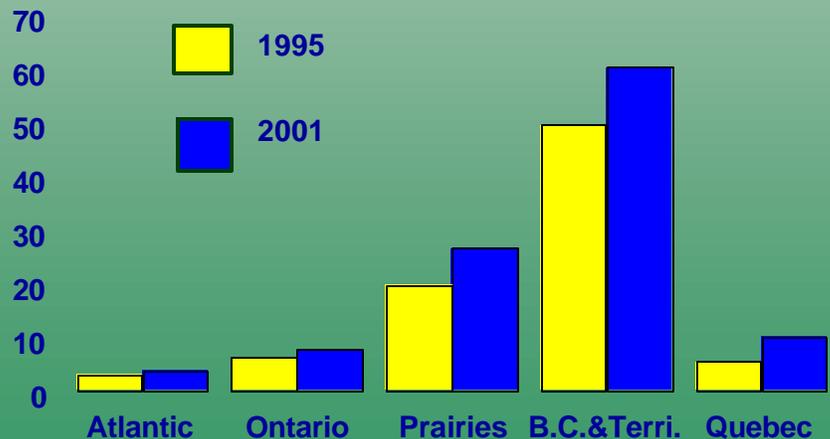
- B.C. & Territories saw its share of Canadian merchandise exports to the U.S. West decline by almost one-third to 21.2%.
- Ontario gained the largest share, jumping 5.4 percentage points followed by the Prairies which gained 2.6 percentage points.



Although the importance of the U.S. West increased for all regions

- The importance of the U.S. West as a destination for exports increased in all provinces, but remains most important to B.C. accounting for 60.5% of B.C.'s exports to the U.S. in 2001, up from 49.7% in 1995.
- The Prairies also depend heavily on the West as an export market, sending 26.7% of their U.S. bound exports there in 2001.

U.S. West's Share of Canadian Exports to the U.S.



Source: Industry Canada compilations based on Statistics Canada Data

Monthly Trade Bulletin

Volume 4 Number 3

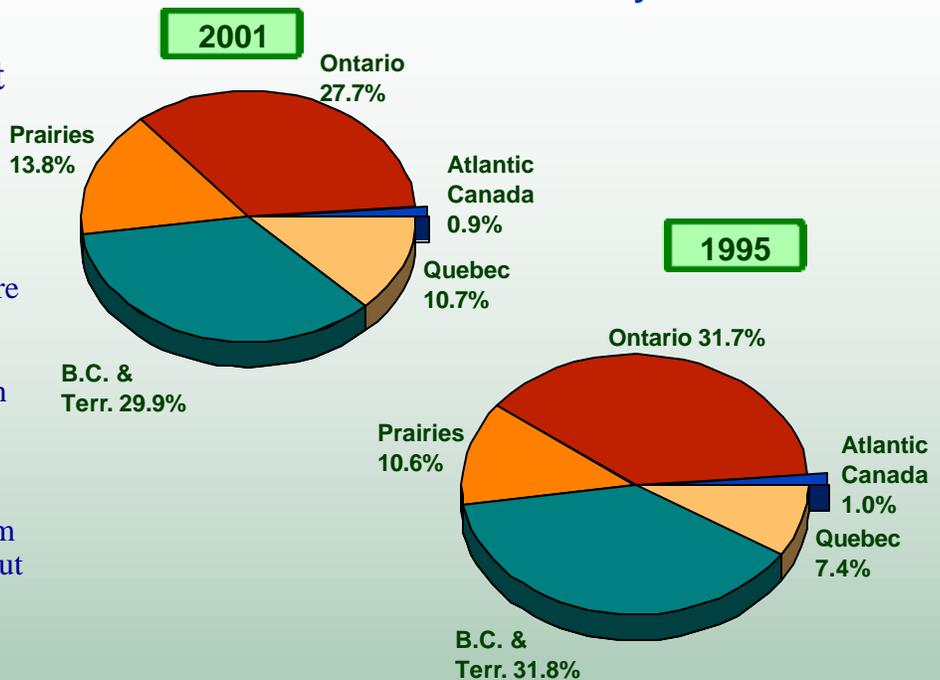
May 2002

Canada's Trade Linkages with the U.S. West

Distribution of Canada's Imports from the U.S. West by Province

B.C. & Territories accounts for the largest share of Canadian imports from the U.S. West...

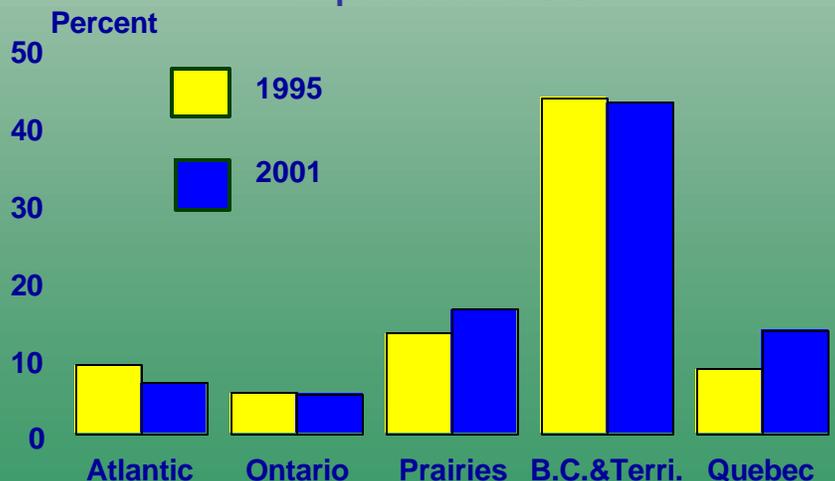
- B.C. & Territories saw its share of Canadian merchandise imports from the U.S. West decline slightly from 31.8% in 1995 to 29.9% in 2001.
- Both the Prairies and Quebec saw their share of imports from the U.S. West increase by about three percentage points.



...and is most dependant on imports from the U.S. West

- 42.8% of B.C.'s imports from the U.S. come from the West.
- This is more than double that of either the Prairies or Quebec, although both of their shares increased since 1995.

U.S. West's Share of Canadian Imports to the U.S.



Source: Industry Canada compilations based on Statistics Canada Data