





Monthly Trade Bulletin

Volume 2, Number 3

May 2000

Key Monthly Trade Indicators (March 2000)

Highlights

-  The merchandise trade surplus remains high. March came in at \$3.9 billion, up \$0.4 billion from the previous month. March's surplus with the U.S. rose \$0.9 billion to \$6.7 billion.
-  Merchandise exports rose 4.5% in March, to \$33.5 billion, led by increased exports to the U.S. The U.S. accounted for over 86% of Canada's exports.
-  Merchandise imports were also up, though not as much as exports.
-  Despite a significant increase in commodity prices and a large improvement in the terms of trade (the ratio of export prices to import prices), the Canadian dollar remained unchanged at US 69.0 ¢.

	\$ millions	% change over	
		previous month	previous year
Exports	33 528	4,5	16,3
- Exports to U.S.	28 817	5,5	16,0
Imports	29 639	3,7	12,5
- Imports from U.S.	22 112	2,7	9,3
Trade Balance*	3 889	3 500	2 479
- Balance with U.S.*	6 705	5 787	4 601
Commodity Prices**	108,5	0,5	27,0
Canadian Dollar (US¢)*	69,0	69,0	66,3
Export Prices**	119,1	-0,1	3,5
Import Prices**	108,7	-1,6	-3,7

* Data in levels only.

** Index (1992=100)

Source: Industry Canada compilations based on Statistics Canada data.

This Month's Feature Report: A Profile of Canadian Exporters



Team Canada Inc - Équipe Canada inc

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Canada 

Monthly Trade Bulletin

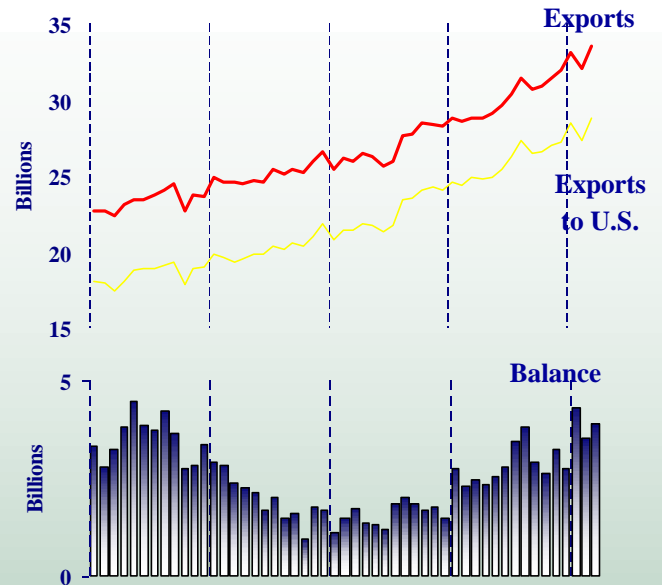
Volume 2, Number 3

May 2000

Merchandise Trade

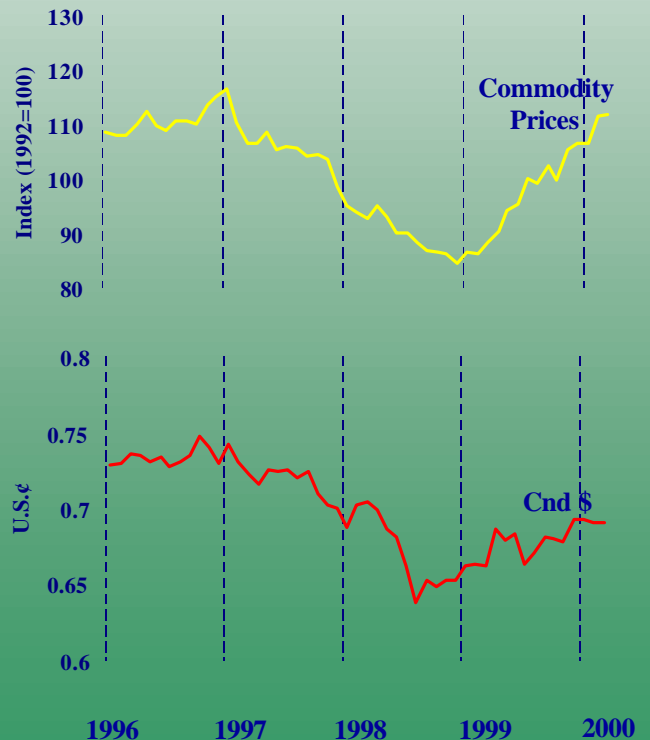
The trade surplus remains high

- March's trade surplus of \$3.9 billion is the fourth largest in the last four years.
- Surging exports to the U.S. and to Other OECD countries (excluding the E.U. and Japan) and increases in commodity prices largely contributed to the widening of the trade surplus.
 - ▶ The impact of these two strong factors on the trade balance was partially offset by increased imports from all other countries, especially from the E.U.



Commodity prices continue to rise

- Commodity prices rose 0.5% in March and were up 27% from March of last year.
- The value of the Canadian dollar relative to the U.S. dollar was unchanged over the month (up less than 1/100 of a US cent).



Source: Statistics Canada, Bank of Canada

Monthly Trade Bulletin

Volume 2, Number 3

May 2000

Six of ten Team Canada Sectors registered double digit export growth

- ICT exports continue to be the highlight of Team Canada export successes — increasing over 31% in the first quarter of 2000 relative to the year previous.
- A number of other sectors also attained double-digit export growth in the quarter — Electric Power Equipment (22.9%), Aerospace & Defence (19.8%), AMT (18.1%), Building Products (17.6%), and Plastics (17.2%).
- Three of the Team Canada Sectors reported relatively poor export growth in the first quarter — Agri-Food, Environmental Products, and Automotive — with levels up 4 to 7 per cent from the first quarter of 1999.
- Exports of Health Products remained fairly constant thus far this year — up only 0.6% over last year's first quarter levels.

Merchandise Trade, (Team Canada Sectors)

Team Canada Sectors	Exports			Imports			Balance	
	1999 YTD Jan-Mar.	2000 YTD Jan-Mar.	Growth 1999- 2000	1999 YTD Jan-Mar.	2000 YTD Jan-Mar.	Growth 1999- 2000	1999 Millions	2000 Millions
Aerospace & Defence	3,235	3,875	19.8%	3,301	2,985	-9.6%	-67	891
Agri-Food	5,168	5,392	4.3%	3,880	4,094	5.5%	1,288	1,299
AMT*	832	983	18.1%	916	1,151	25.7%	-83	-168
Automotive	24,196	25,758	6.5%	21,388	22,839	6.8%	2,808	2,919
Building Products	11,778	13,847	17.6%	10,261	11,241	9.6%	1,518	2,607
Electrical Power Equipment	1,402	1,724	22.9%	2,488	2,890	16.2%	-1,085	-1,166
Environmental Products	216	228	5.9%	369	472	27.8%	-154	-244
Health Products	881	886	0.6%	1,722	1,740	1.0%	-841	-854
ICT**	6,106	8,019	31.3%	12,201	13,939	14.2%	-6,095	-5,920
Plastics	1,907	2,234	17.2%	1,828	2,061	12.7%	79	173
Total Merchandise Exports	85,044.2	97,785.5	15.0%	72,532.9	77,268.4	6.5%	12,511.3	20,517.0

* AMT - Advanced Manufacturing Technologies

** ICT - Information and Communication Technologies

Source: Industry Canada compilations based on Statistics Canada Data

Monthly Trade Bulletin

Volume 2, Number 3

May 2000

A Profile of Canadian Exporters

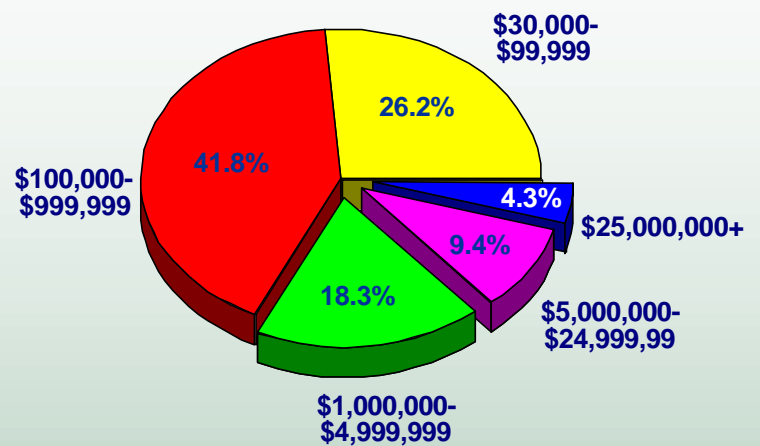
Canada's export community is dominated by many small exporters...

- As of 1997, there were over 30 thousand establishments in Canada exporting internationally. Nearly 21 thousand of these (68%) export less than \$1 million annually.
- Meanwhile, there were just over 1 thousand establishments exporting more than \$25 million annually, accounting for only 4.3% of all exporting plants.
- Nevertheless, large exporters account for a greater proportion of the total number of exporters than they did in 1993.
 - ▶ For example, in 1997, establishments exporting \$5 million or more accounted for 14% of exporters, up from 11% in 1993. Establishments exporting less than \$100 thousand in exports fell from 31% to 26% over the same period.

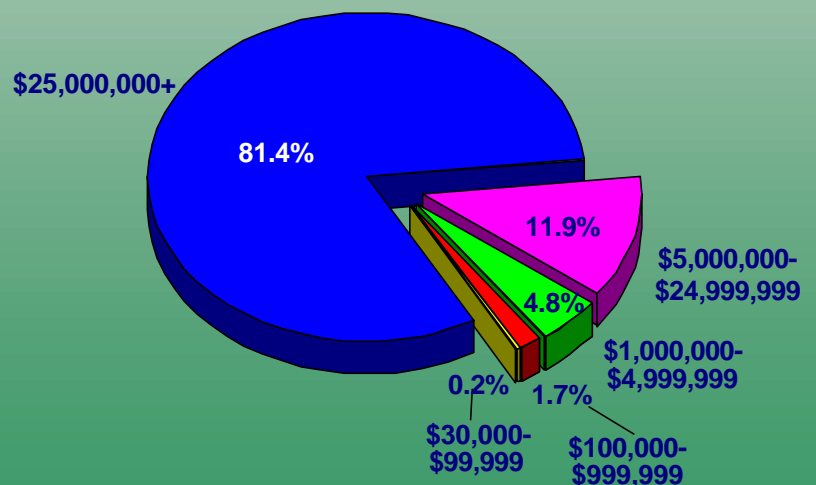
...but small exporters account for only a tiny fraction of Canada's total exports

- Establishments exporting less than \$1 million annually made up less than 2% of Canada's total exports while plants exporting more than \$25 million accounted for more than 81%.

Number of Exporters by Value of Exports, 1997



Share of Total Exports by Value of Exports, 1997



Monthly Trade Bulletin

Volume 2, Number 3

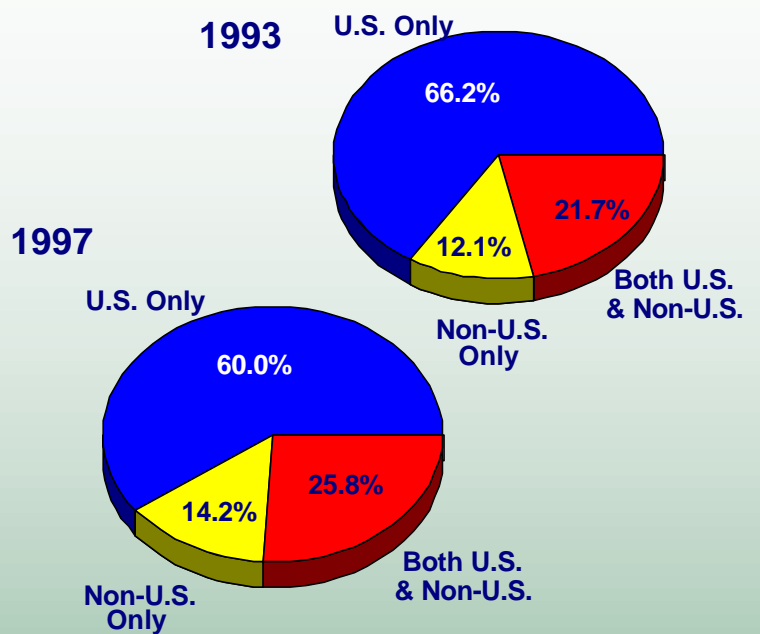
May 2000

A Profile of Canadian Exporters

The Majority of Canadian exporters concentrate on just the U.S. market

- In 1997, 60.0% of Canadian exporters (or 18 thousand establishments) exported only into U.S. markets, compared with 66.2% in 1993.
- In contrast, 14.2% of establishments (4 thousand establishments) exported only to non-U.S. markets. The remaining 25.8% (8 thousand) exported to both U.S. and non-U.S. markets in 1997.

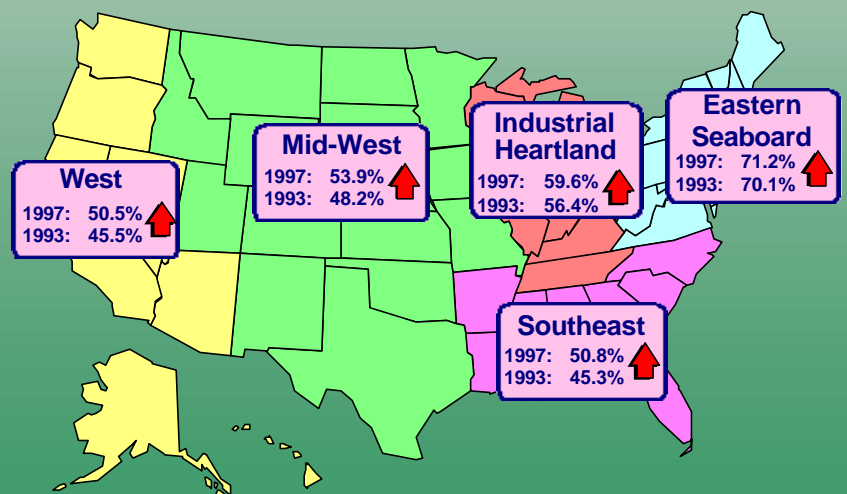
Distribution of Exporters by Destination



Canada's trade links with all U.S. regions is strengthening

- The presence of Canadian exports in all regional U.S. markets is growing.
 - ▶ For example, of those plants exporting to the U.S. in 1997, 50.5% exported to the U.S. West, up from 45.5% in 1993.

Distribution of Canadian Exporters to the U.S. Present in Each Regional U.S. Market



Monthly Trade Bulletin

Volume 2, Number 3

May 2000

A Profile of Canadian Exporters

Average Size of Exporter in Manufacturing, 1997



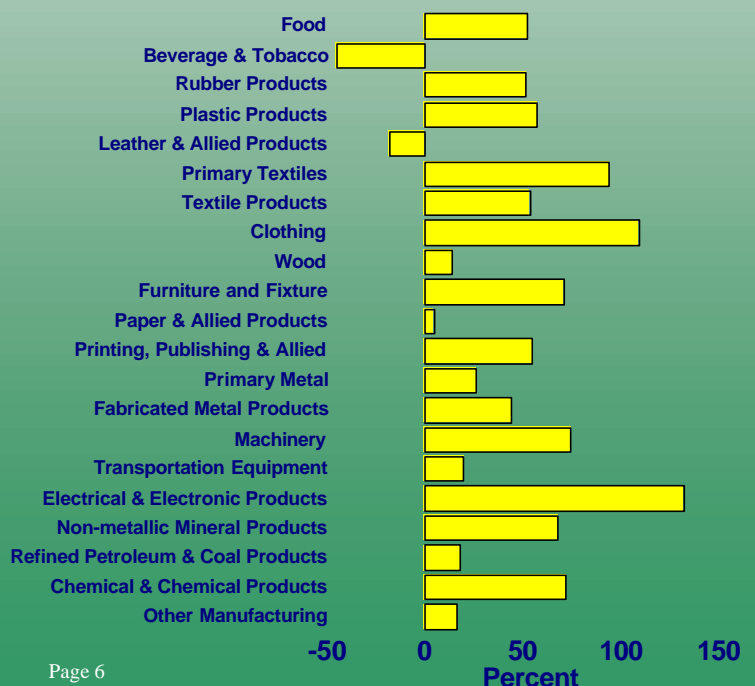
Average establishment size of Canadian exporters varies greatly across industries...

- The average size of export plants in the manufacturing sector is largest in Resource-based industries and Transportation Equipment where economies of scale would be expected to be most important.
 - ▶ Transportation Equipment, Primary Metal, Refined Petroleum & Coal Products and Paper & Allied Products all show a relatively high average value of exports, above \$35 million per year per exporter.

...but it increased in nearly all industries

- The average size of exporters increased considerably in all manufacturing industries over 1993-1997, except Beverage & Tobacco and Leather & Allied Products.
 - ▶ In Electrical/Electronics, Clothing and Primary Textiles, the value of exports increased more than twice as fast as the number of exporters.

Percent Change in Average Size of Exporters in Manufacturing, 1993-1997



Monthly Trade Bulletin

Volume 2, Number 3

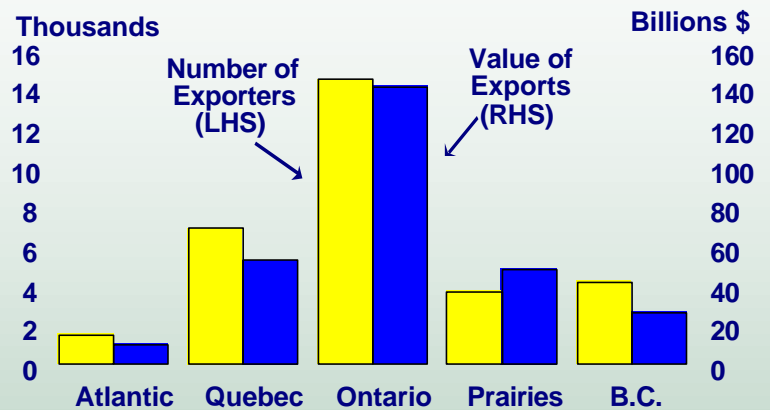
May 2000

A Profile of Canadian Exporters

The provincial distribution of both the number of exporters and the value of exports are highly correlated

- To illustrate, Ontario accounts for 47% of exporters and 51% of exports.

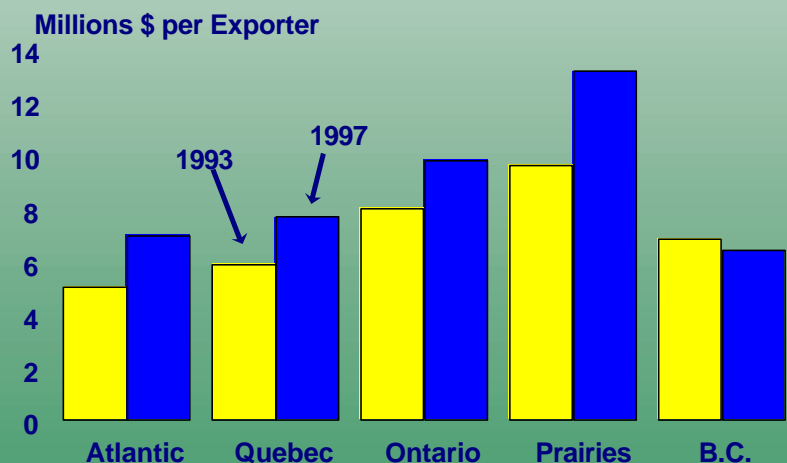
Provincial Distribution of Exporters by Number and Value, 1997



The average size of exporters is increasing in all provinces, except B.C.

- The Prairie provinces have the highest average value of exports per exporter, at more than \$13 million annually.
- B.C. had the lowest average value of exports per exporter in 1997. Moreover, unlike other provinces, the average value has declined since 1993.

Average Size of Exporter By Province



Note: All data in this special report is obtained from the Exporter Registry, released March 22, 2000 by Statistics Canada. The basic unit for an exporter is the establishment rather than the firm or company. A typical establishment is a plant, warehouse or mine. Re-exports, special transactions (HS chapter 99) and establishments with less than \$30,000 in exports annually have been excluded.