

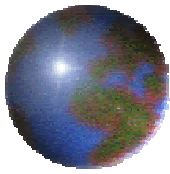
Canada's International Trade and Investment 2002

Le commerce international et les investissements du Canada 2002

Briefing to Federal-Provincial-Territorial Committee on Trade
Trade and Economic Analysis Division (EET) March 13, 2002, Ottawa

<http://www.dfait-maeci.gc.ca/eet/>

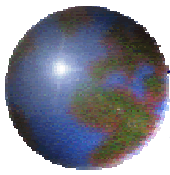




Highlights/ Faits saillants

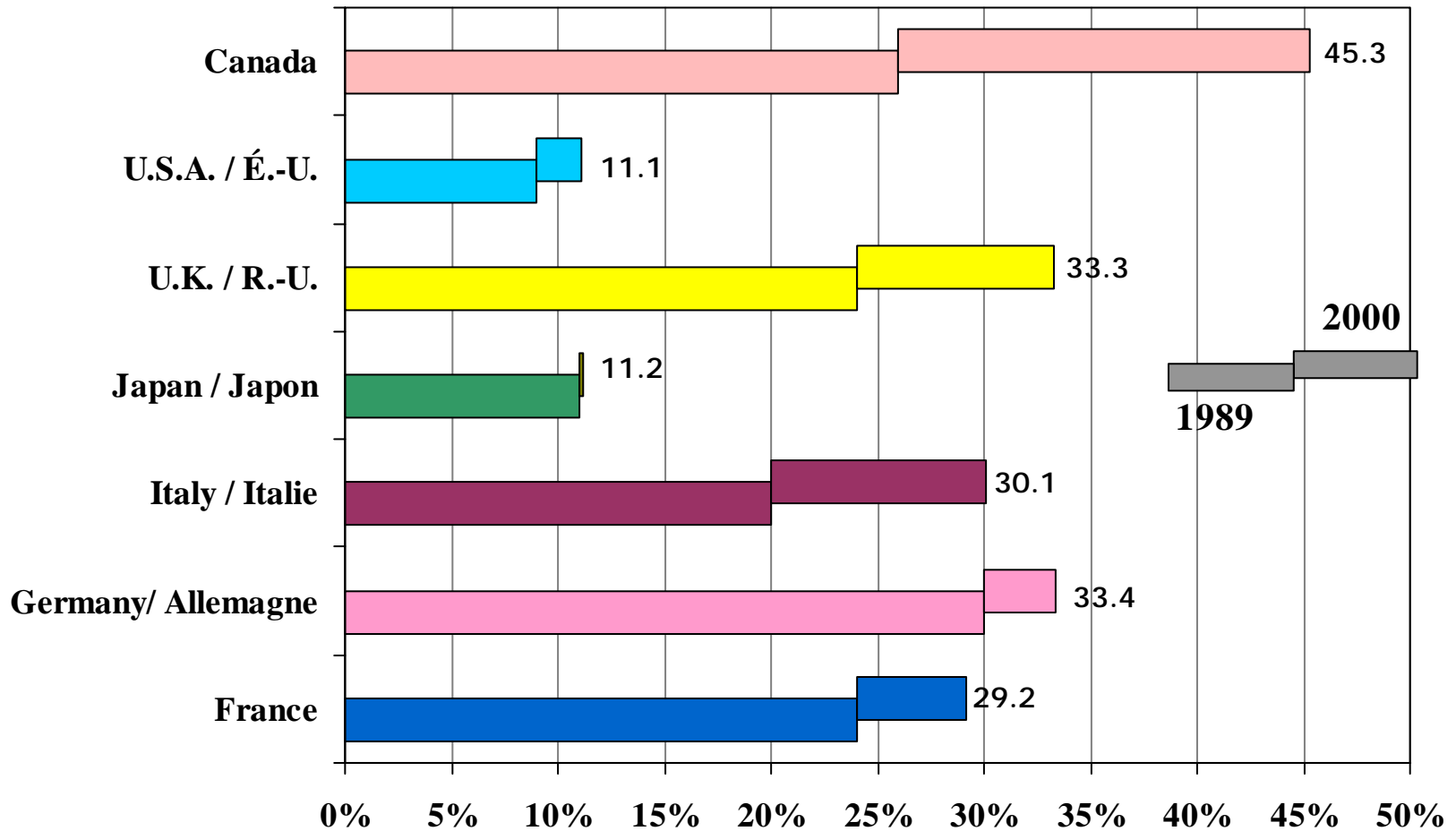
- Over the last year, the contribution of trade to economic development in Canada has been moderated by the slowdown in economic growth in the United States.
- Key sectors in Canada's exports such as energy and high-tech were particularly hard hurt by the downturn in U.S. demand.
- In consequence, Canada's trade has been reoriented somewhat away from the United States to the rest of the world.
- Overall, Canada's trade performance has remained fairly strong in 2001, following a record year in 2000.
- Prospects for Canada's trade and investment this year and beyond remain good, reflecting the sound Canadian economic fundamentals and resumed U.S. growth.
- L'an dernier, le commerce a moins contribué au développement économique du Canada en raison du ralentissement de la croissance économique aux États-Unis.
- D'importants secteurs d'exportation du Canada, comme l'énergie et la haute technologie, ont particulièrement souffert de la baisse de la demande aux États-Unis.
- En conséquence, les échanges commerciaux du Canada se sont quelque peu détournés des États-Unis pour se réorienter vers le reste du monde.
- Dans l'ensemble, le Canada a affiché une performance commerciale assez solide en 2001, après avoir connu une année record en 2000.
- Les perspectives pour le commerce et l'investissement du Canada en 2002 et au-delà demeurent bonnes, reflétant les solides assises économiques du Canada et la reprise de la croissance aux États-Unis.

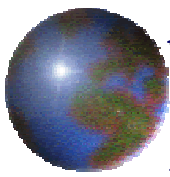




Among G-7 countries, the ratio of Canada's exports of goods and services as percent of GDP in 2000 was the highest.

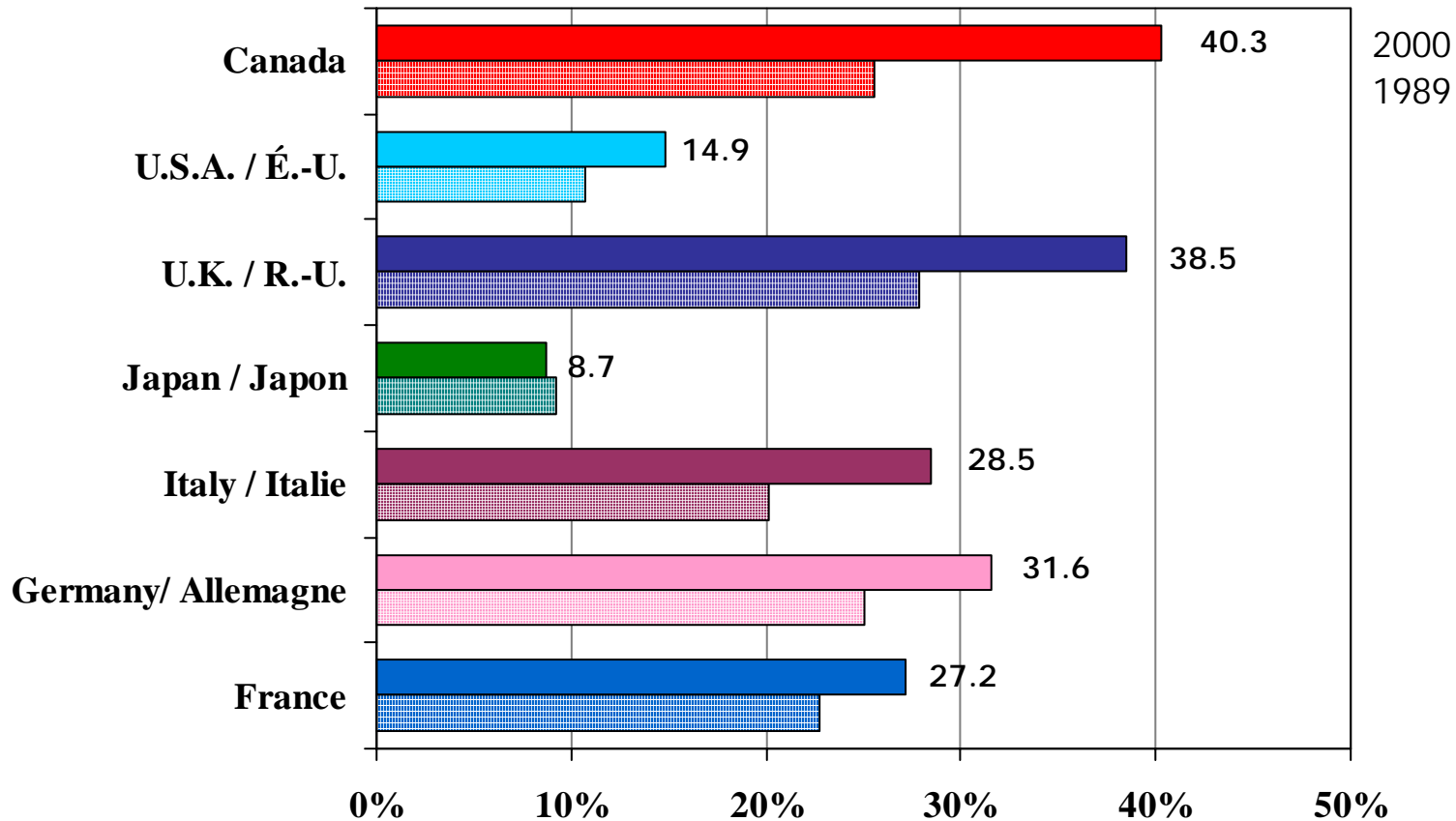
Parmi les pays du G-7, le Canada est celui dont les exportations de biens et services, en pourcentage du PIB de 2000, ont été les plus élevées.

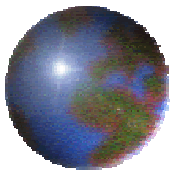




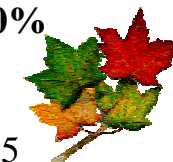
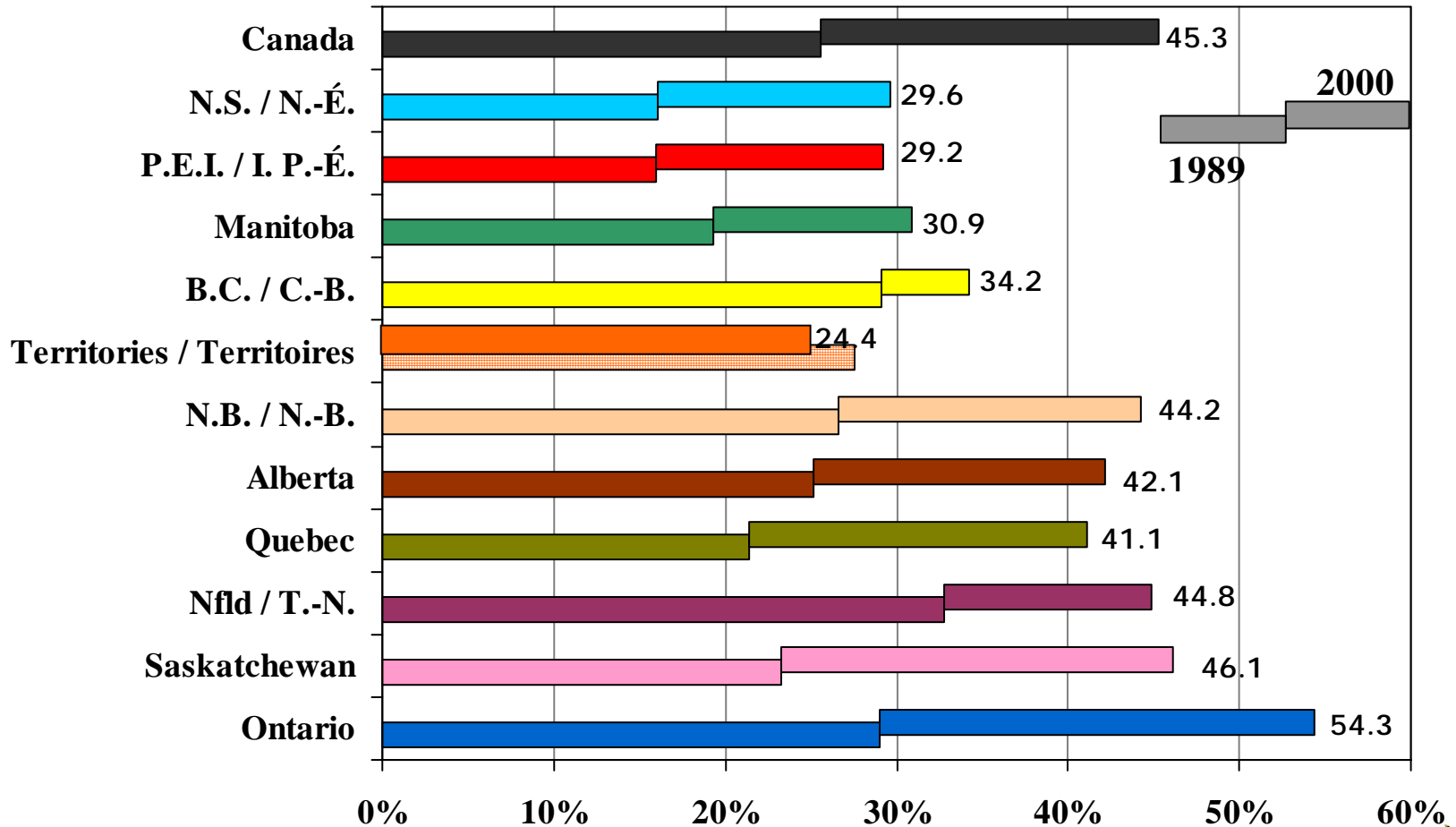
Among G-7 countries, the ratio of Canada's imports of goods and services as percent of GDP in 2000 was also the highest.

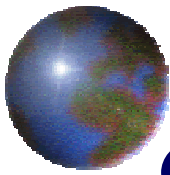
Parmi les pays du G-7, le Canada est celui dont les importations de biens et services, en pourcentage du PIB de 2000, ont été aussi les plus élevées.





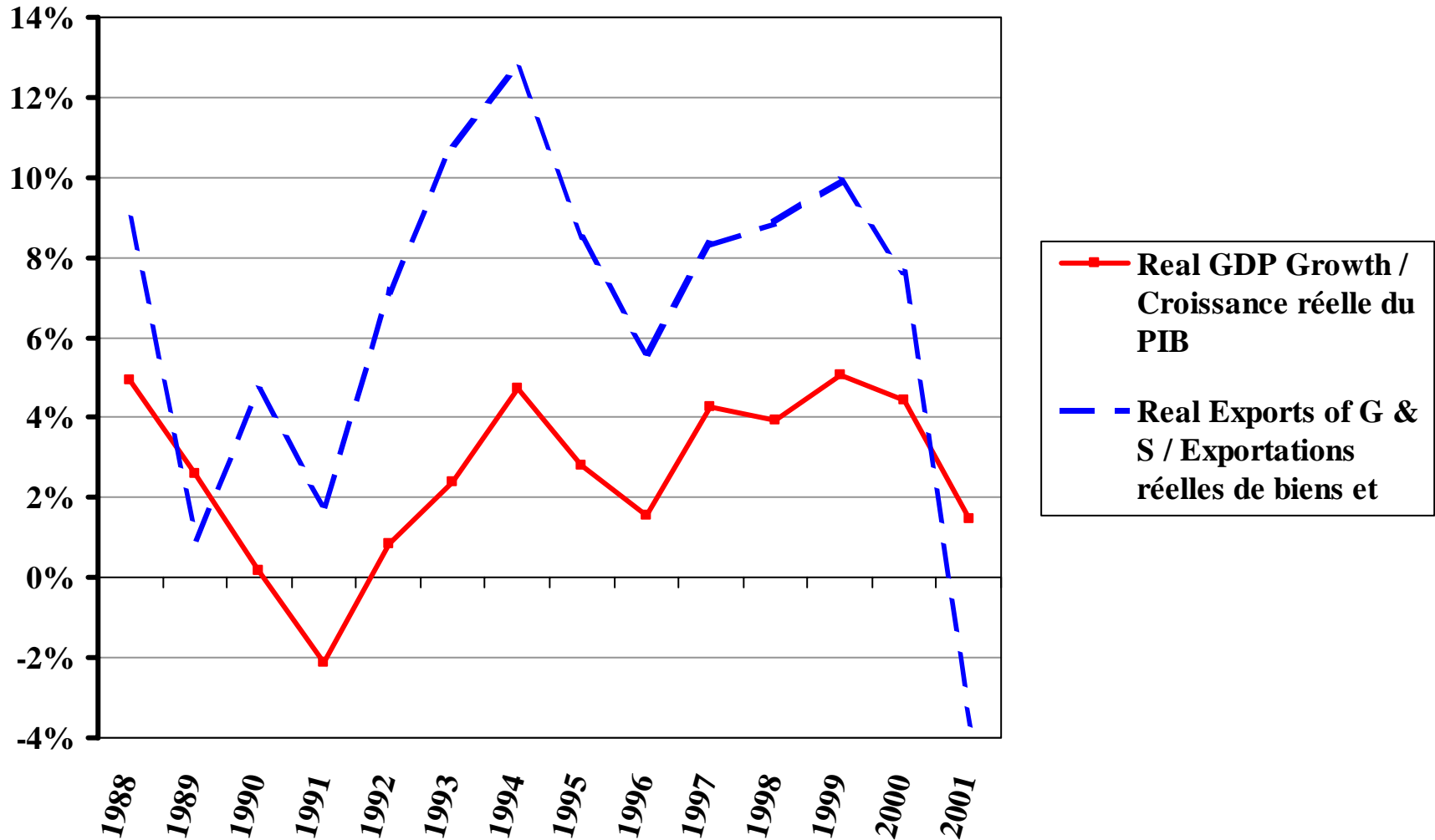
*Among the provinces, the ratio of exports of goods and services as percent of provincial GDP in 2000 was the highest in Ontario.
Parmi les provinces, l'Ontario est celle dont les exportations de biens et services, en pourcentage du PIB de 2000, ont été les plus élevées.*

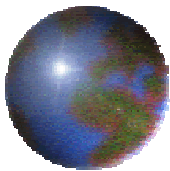




Growth in real GDP and exports of goods and services

Croissance réelle du PIB et des exportations de biens et services

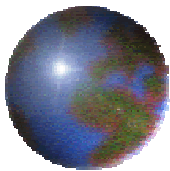




Employment and Unemployment Rate in Canada

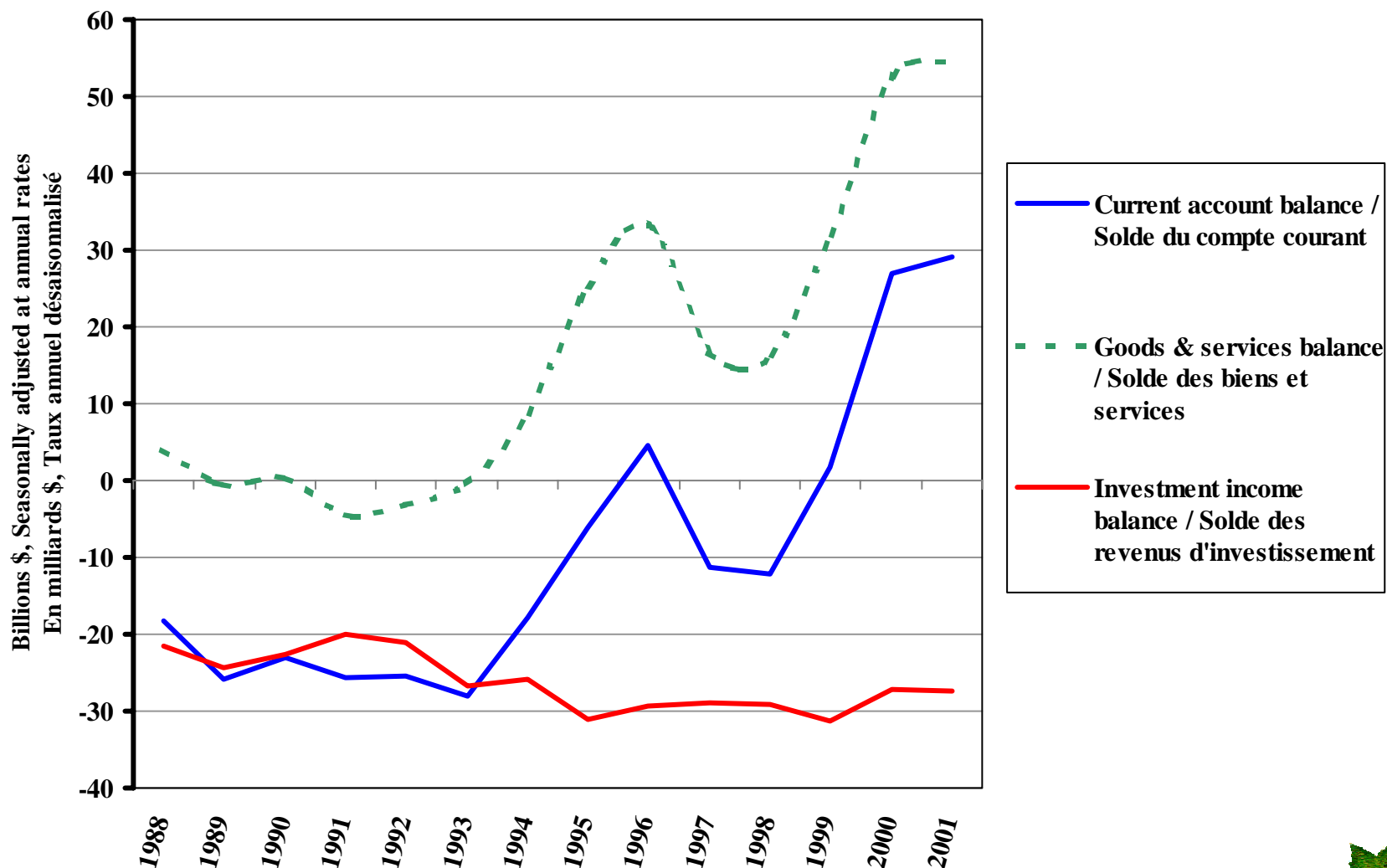
Niveau d'emploi et taux de chômage au Canada

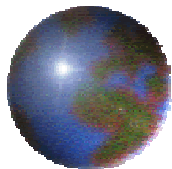




Current account balance & major components

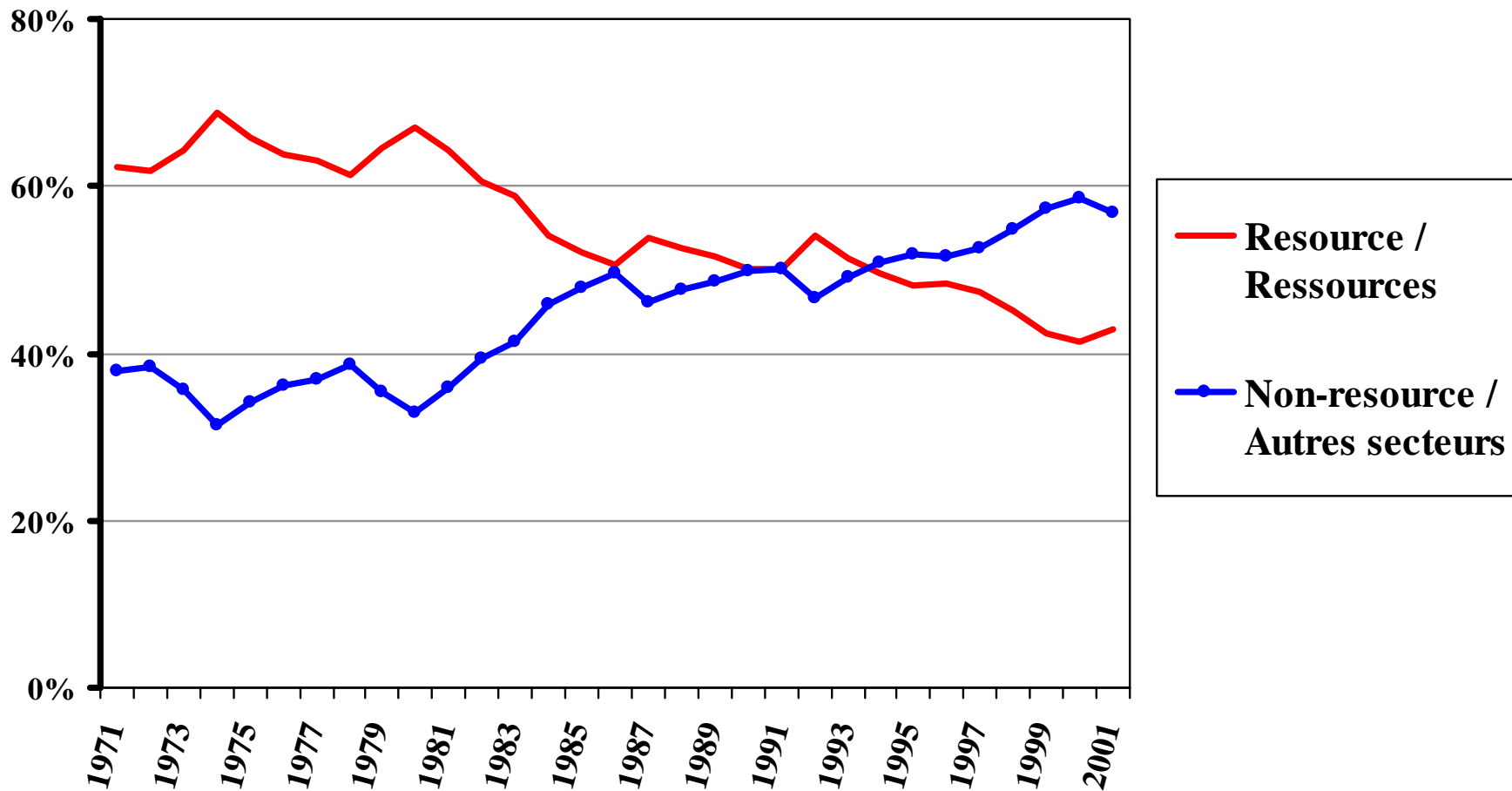
Solde du compte courant et principales composantes

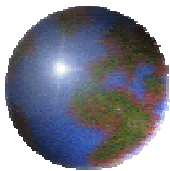




Resource & non-resource shares in merchandise exports

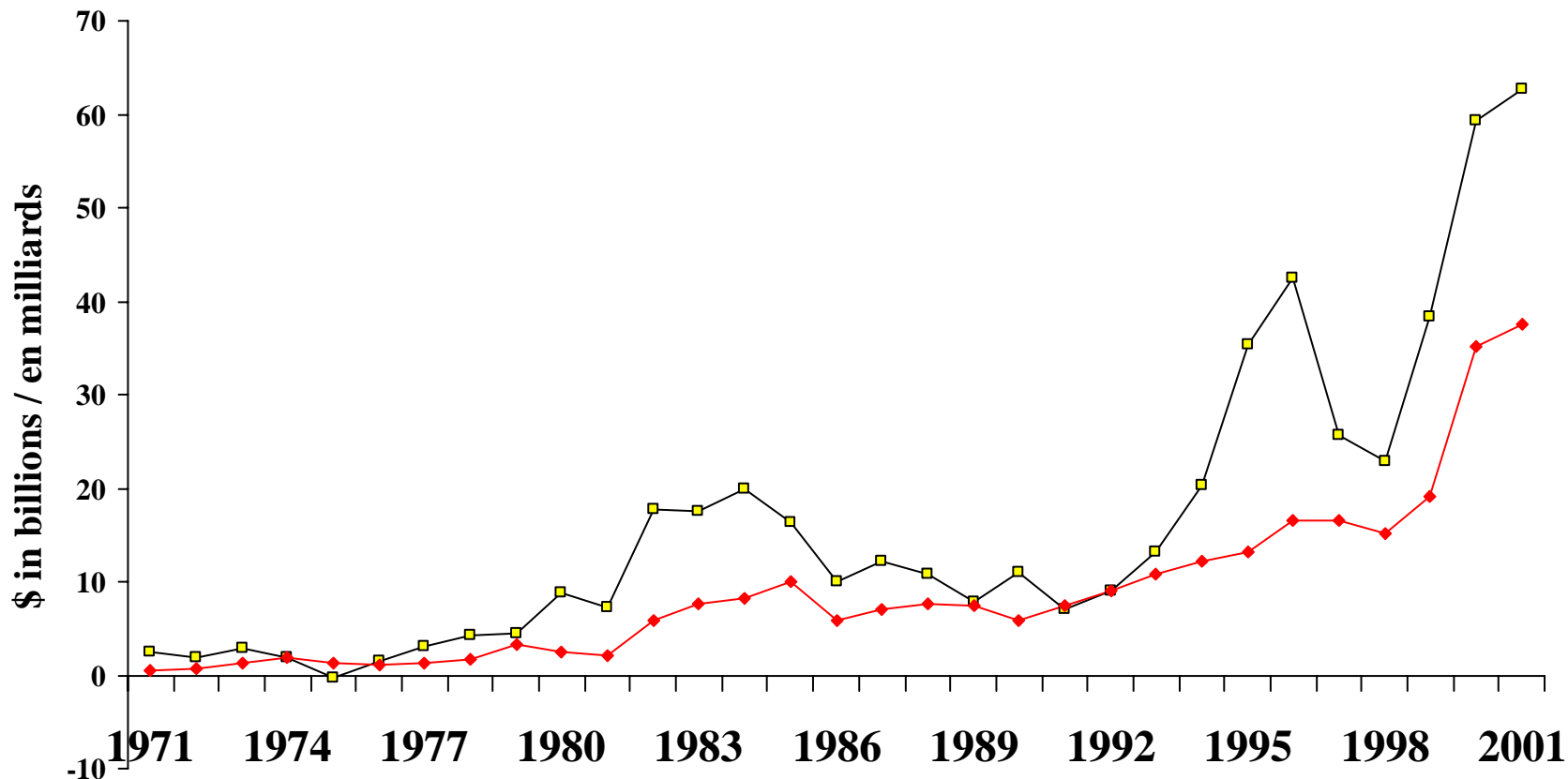
Part du secteur des ressources et des autres secteurs dans les exportations de marchandises





Canada's total merchandise and energy trade balance

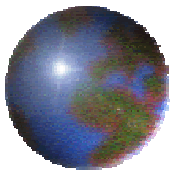
Balance commerciale canadienne des marchandises et de l'énergie



Source: Statistics Canada / Statistique Canada

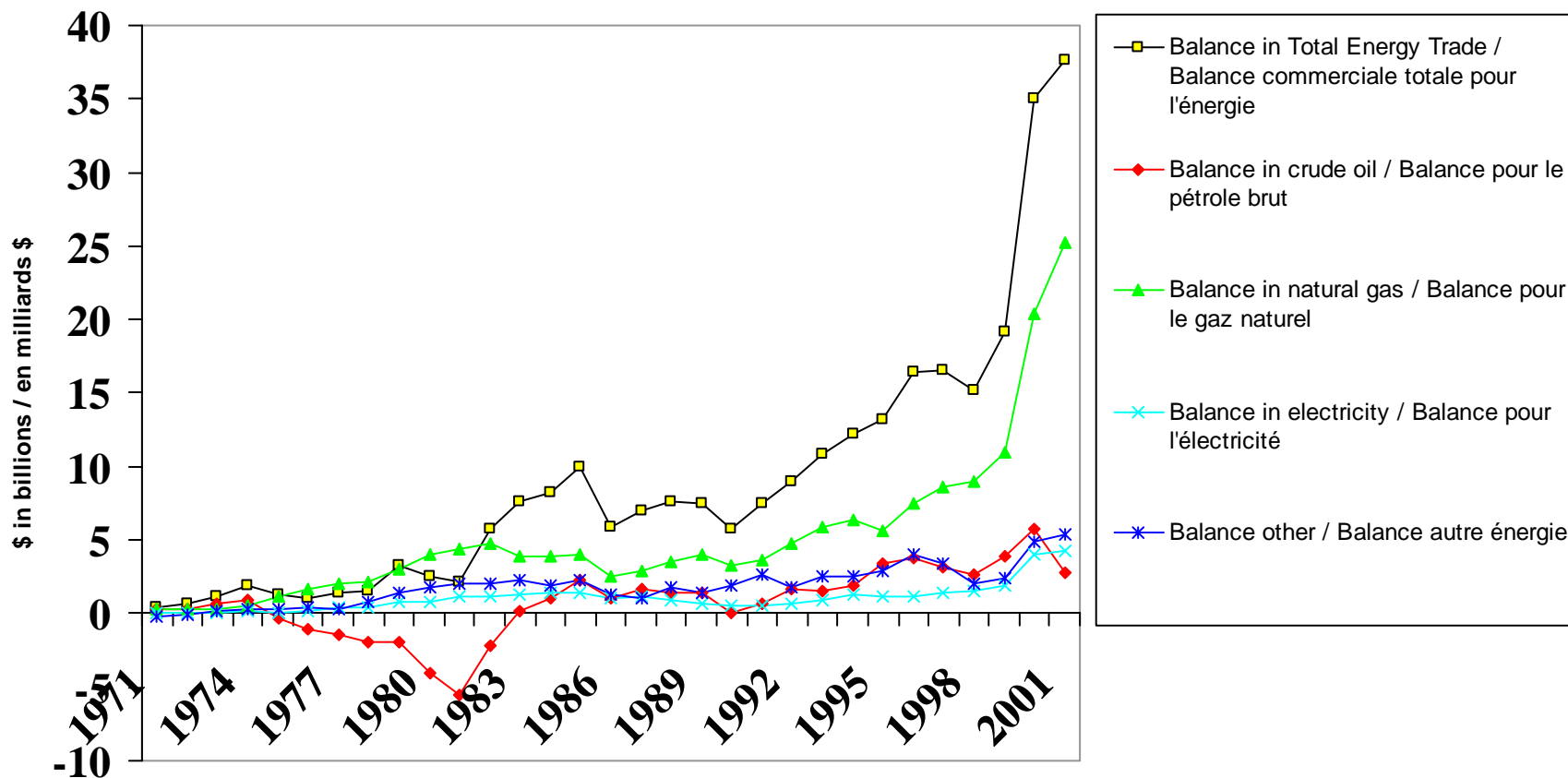
- Total Merchandise Trade Balance/ Balance commerciale totale
- ◆— Balance in Energy / Balance commerciale de l'énergie





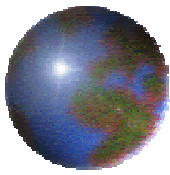
Breakdown in Canadian energy surplus

Balance du commerce canadien de l'énergie par type de produit



Source: Statistics Canada / Statistique Canada

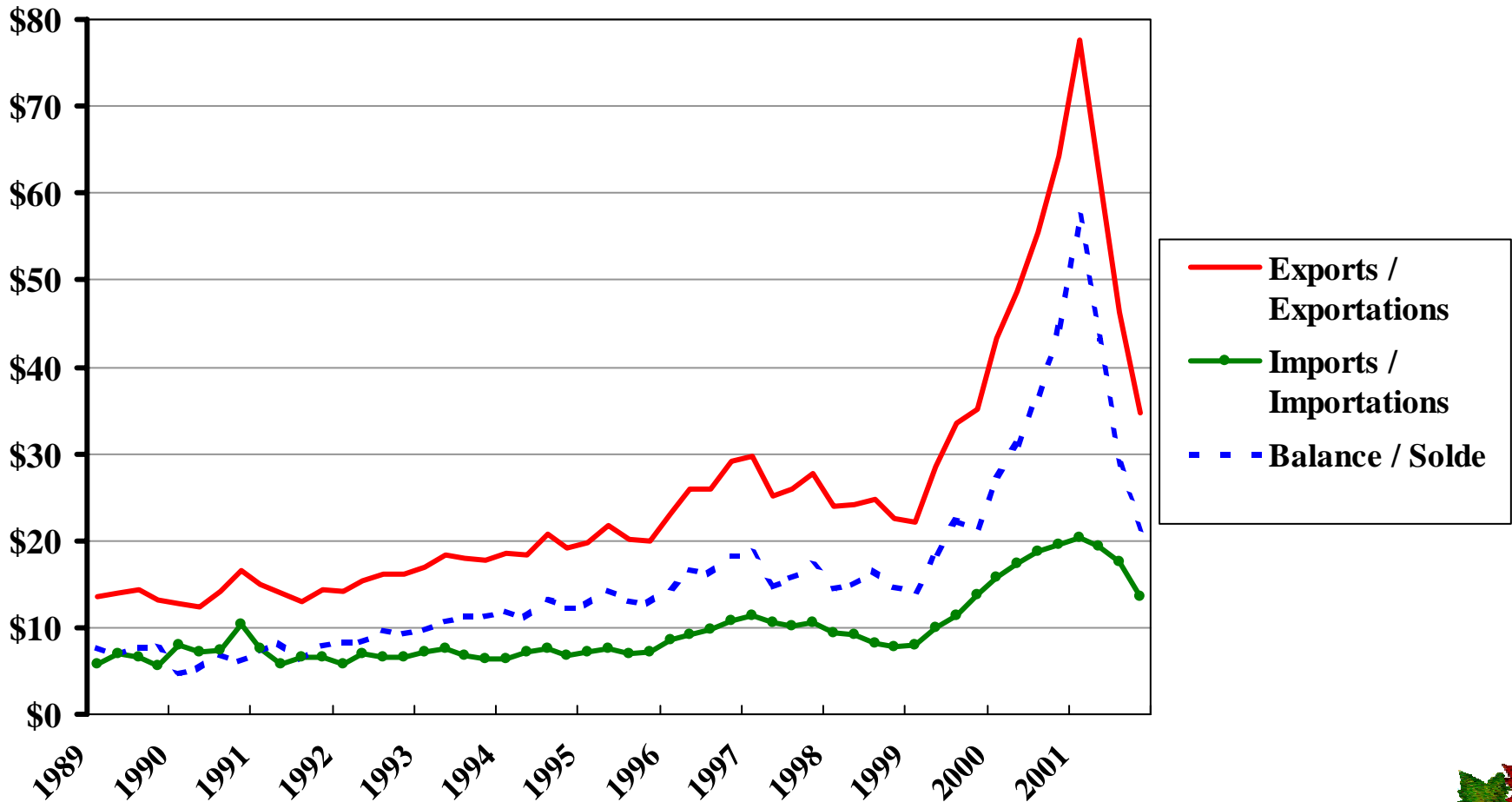




Canada's Exports and Imports of Energy Products

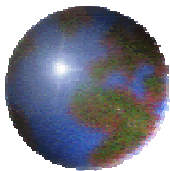
Exportations et importations canadiennes de produits énergétiques

In Billions of current dollars / en milliards de dollars courants



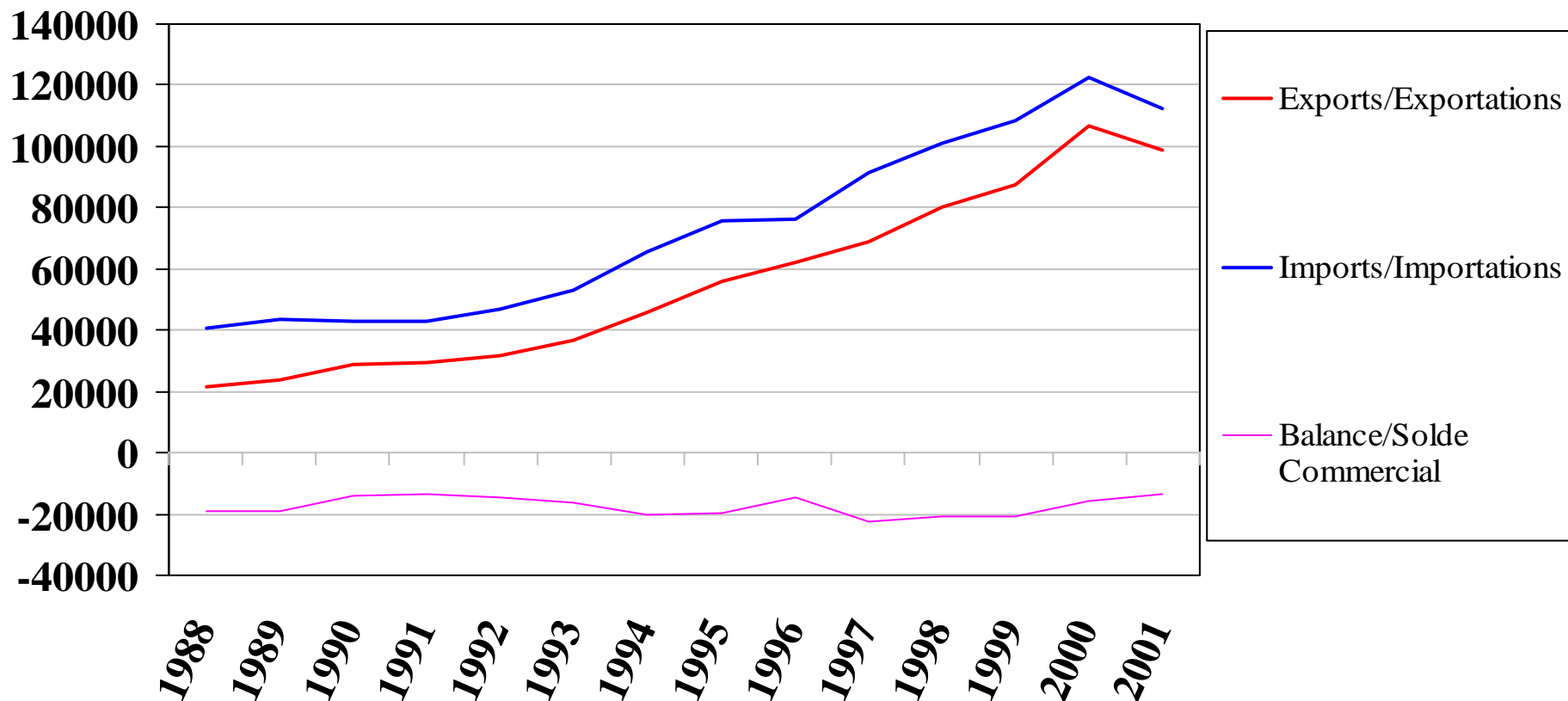
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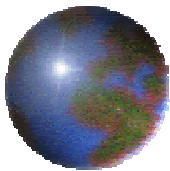




Canada's Trade in Machinery and Equipment – Millions of dollars

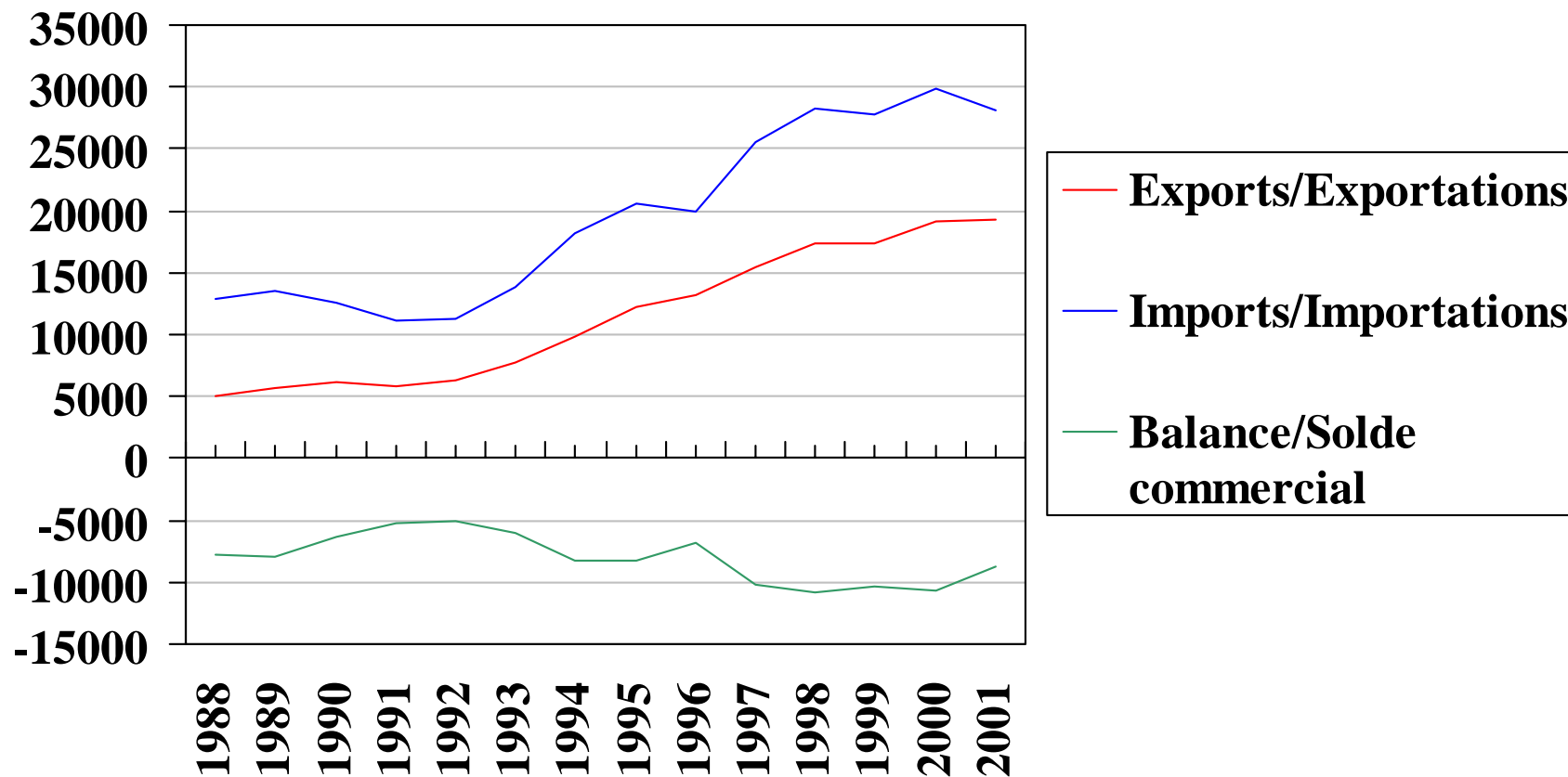
Commerce canadien de machines et d'équipement – en millions de dollars

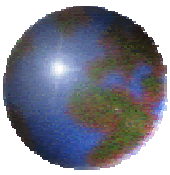




Canada's Trade in Industrial and Agricultural Machinery – Millions of dollars

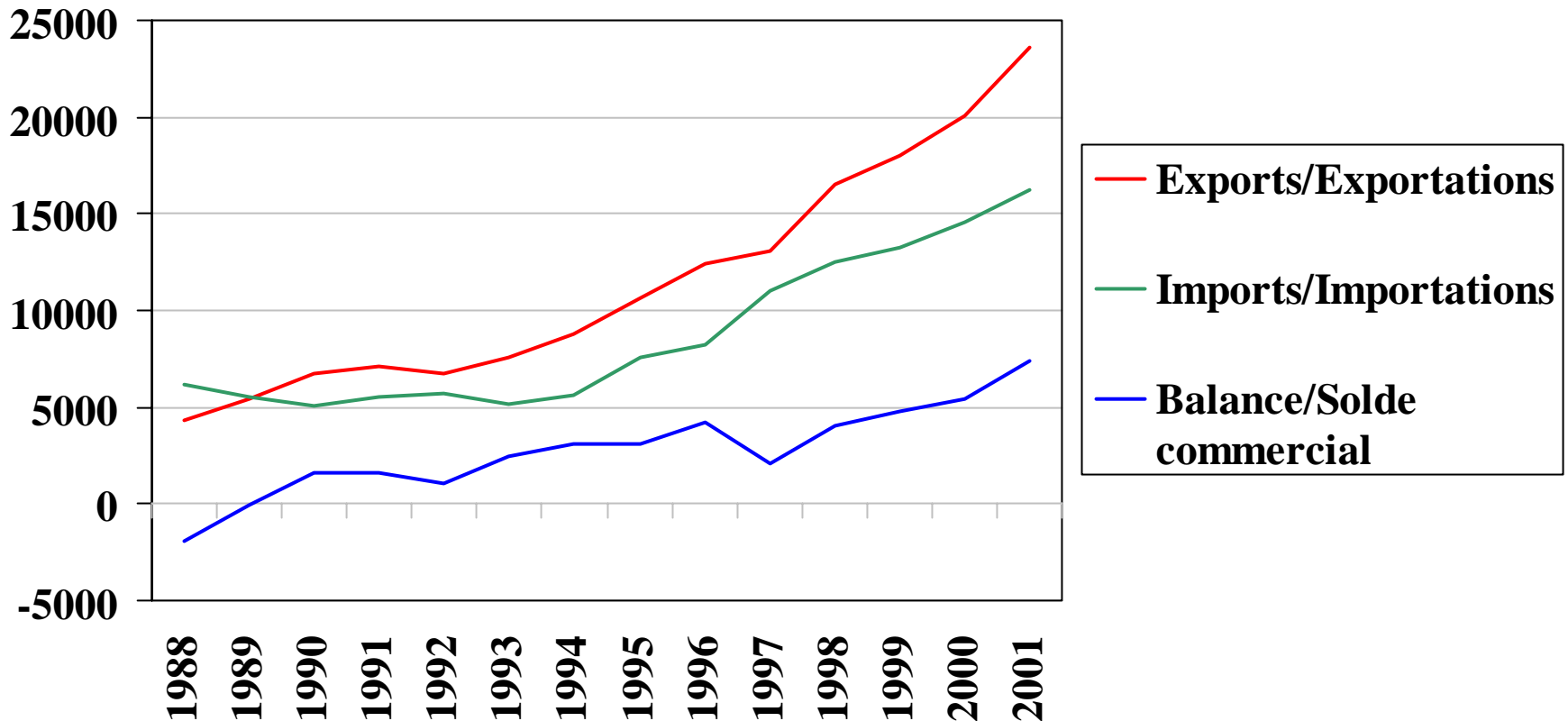
Commerce canadien de machines industrielles et agricoles – en millions de dollars

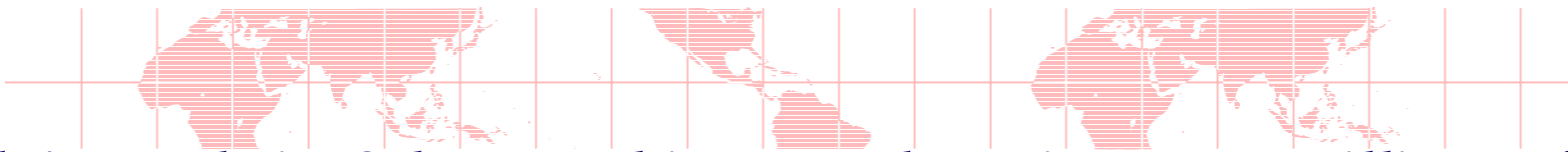
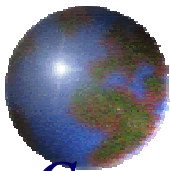




Canada's Trade in Aircraft and other Transportation Equipment – Millions of dollars

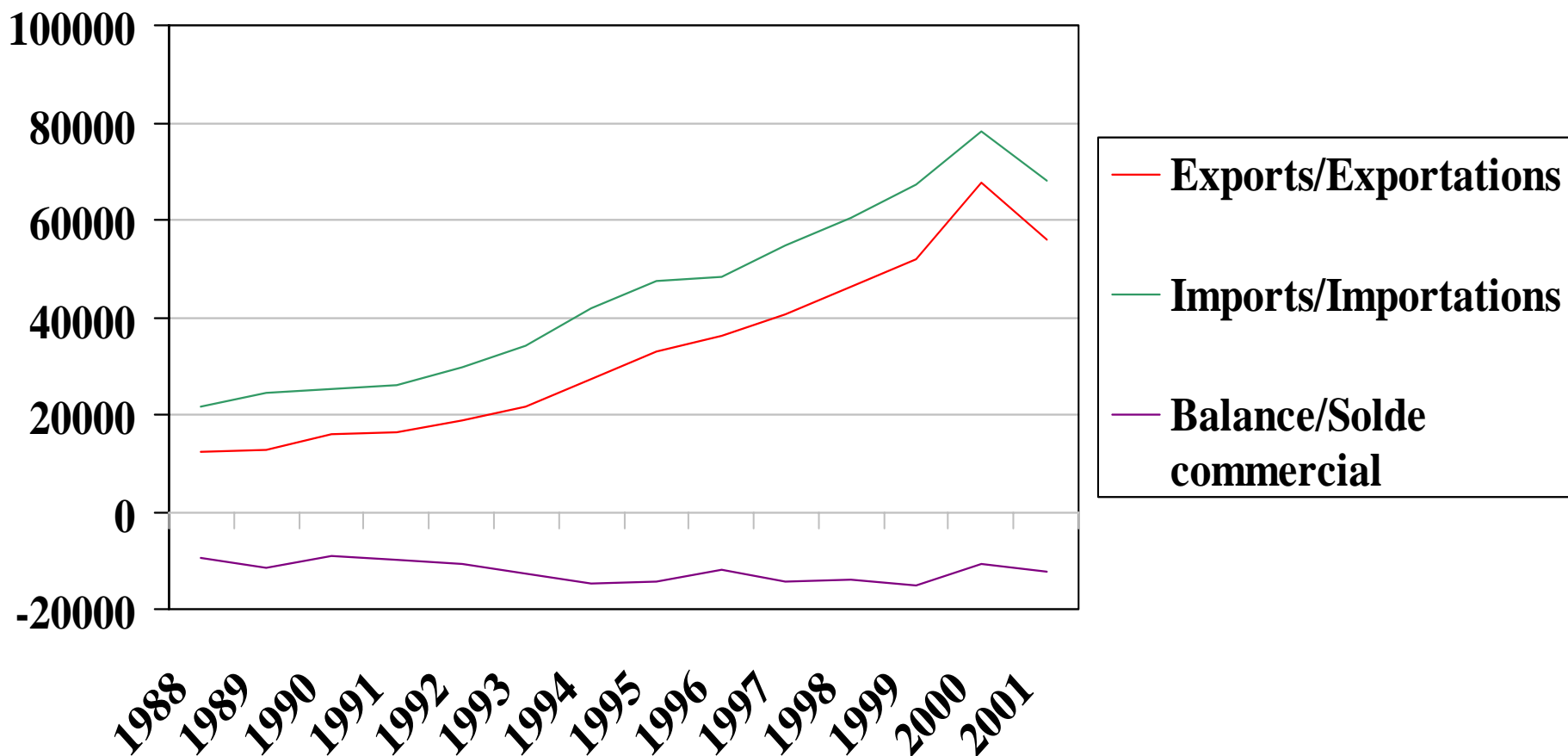
Commerce canadien d'avions et autres équipement de transport – en millions de dollars

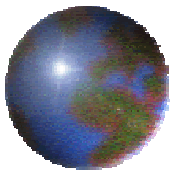




Canada's Trade in Other Machinery and Equipment – Millions of dollars

Commerce canadien d'autres machines et équipements – en millions de dollars

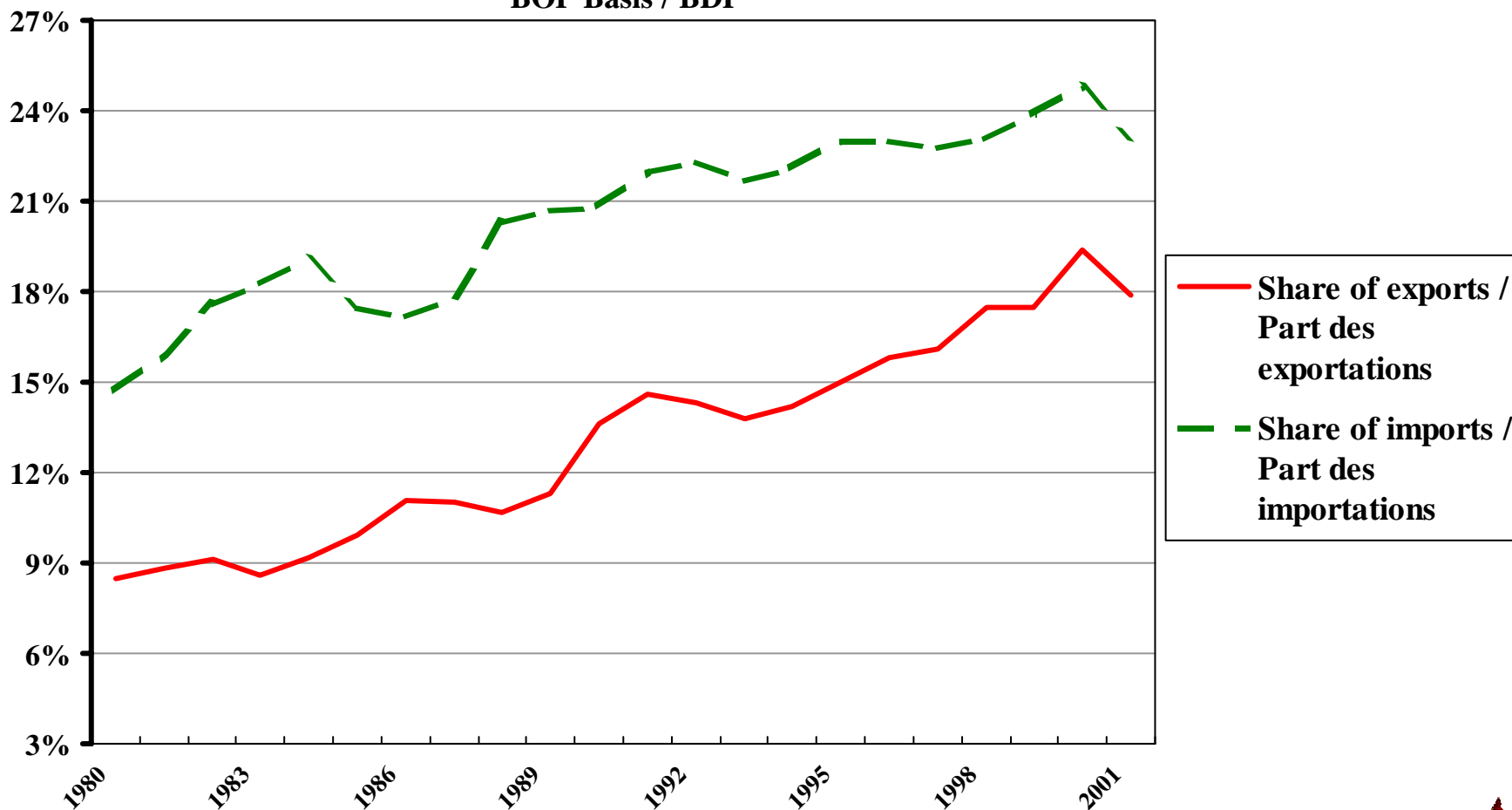


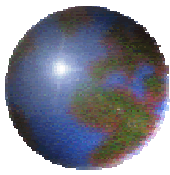


High-tech share in Canada's merchandise trade

Part des produits de haute technologie dans le commerce canadien des marchandises

BOP Basis / BDP

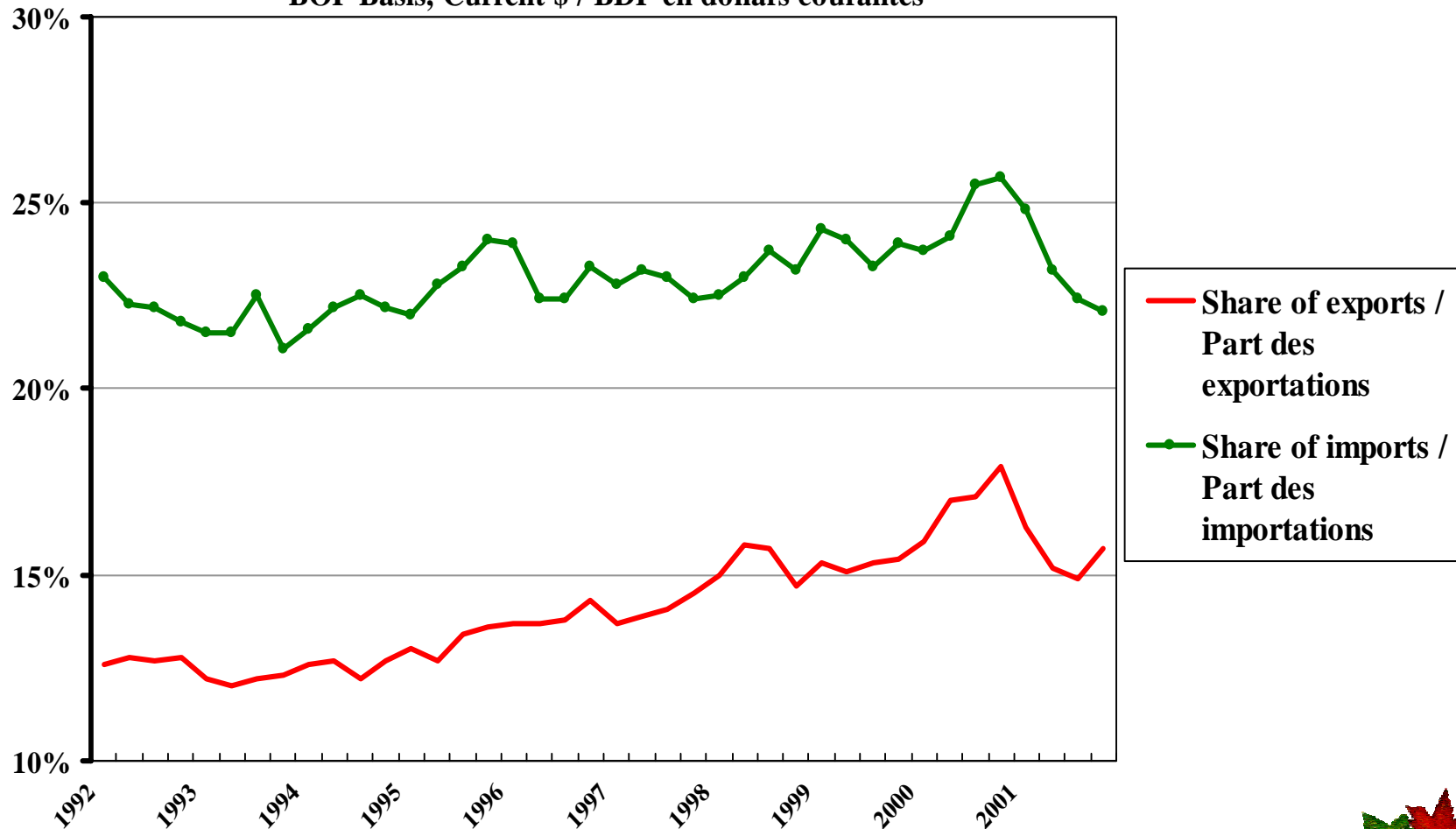


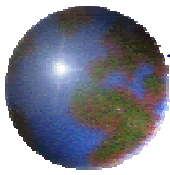


High-tech share in Canada's merchandise trade

Part des produits de haute technologie dans le commerce canadien des marchandises

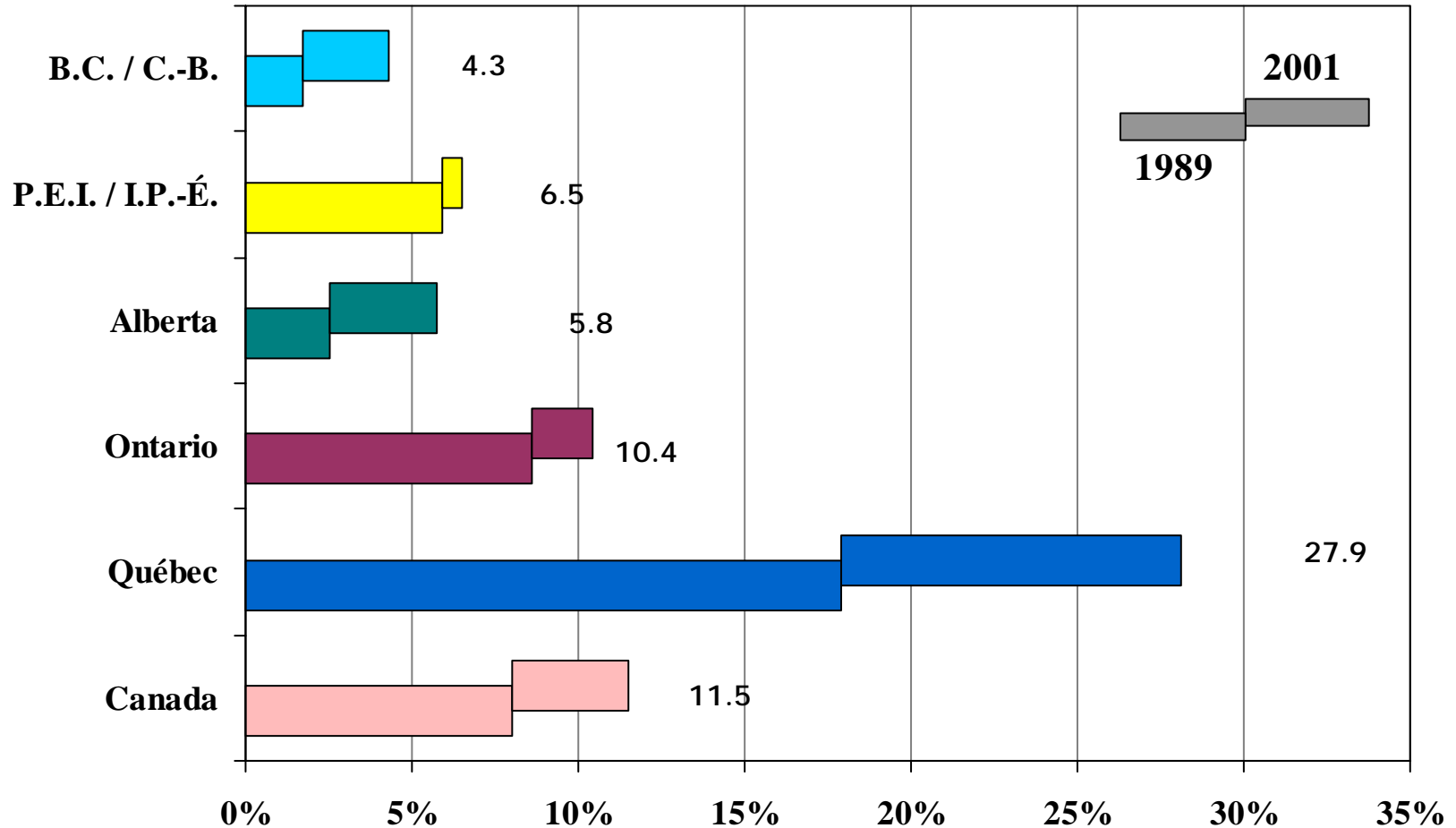
BOP Basis, Current \$ / BDP en dollars courantes

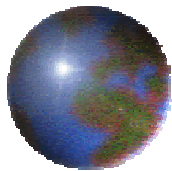




Among the provinces, Quebec's high-tech products as % of provincial merchandise exports in 2001 was the highest.

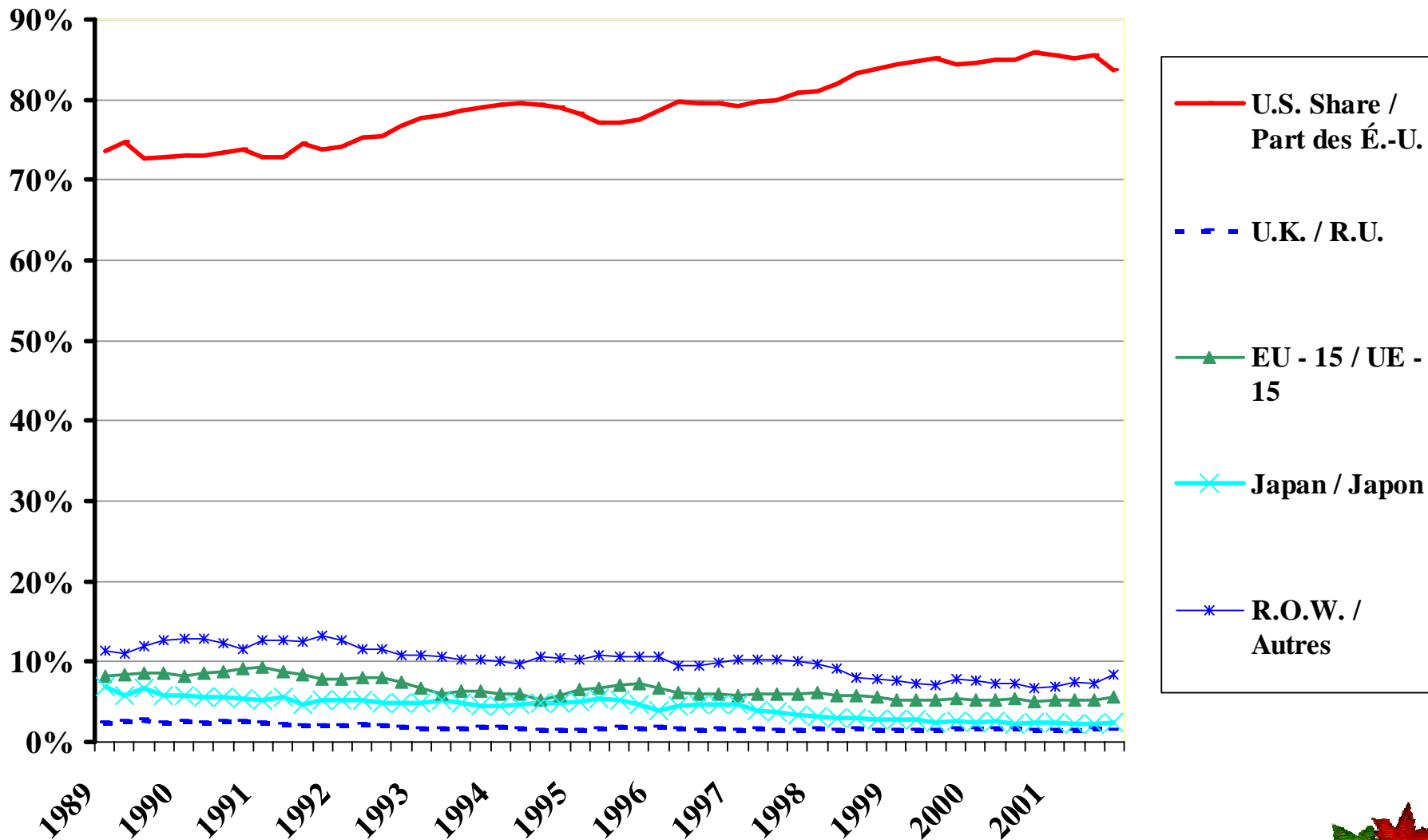
De toutes les provinces, le Québec est celle dont la part des produits de haute technologie en pourcentage des exportations provinciales totales en 2001 était la plus élevée





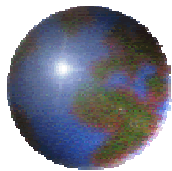
Destination of Canada's merchandise exports

Destination des exportations canadiennes de marchandises



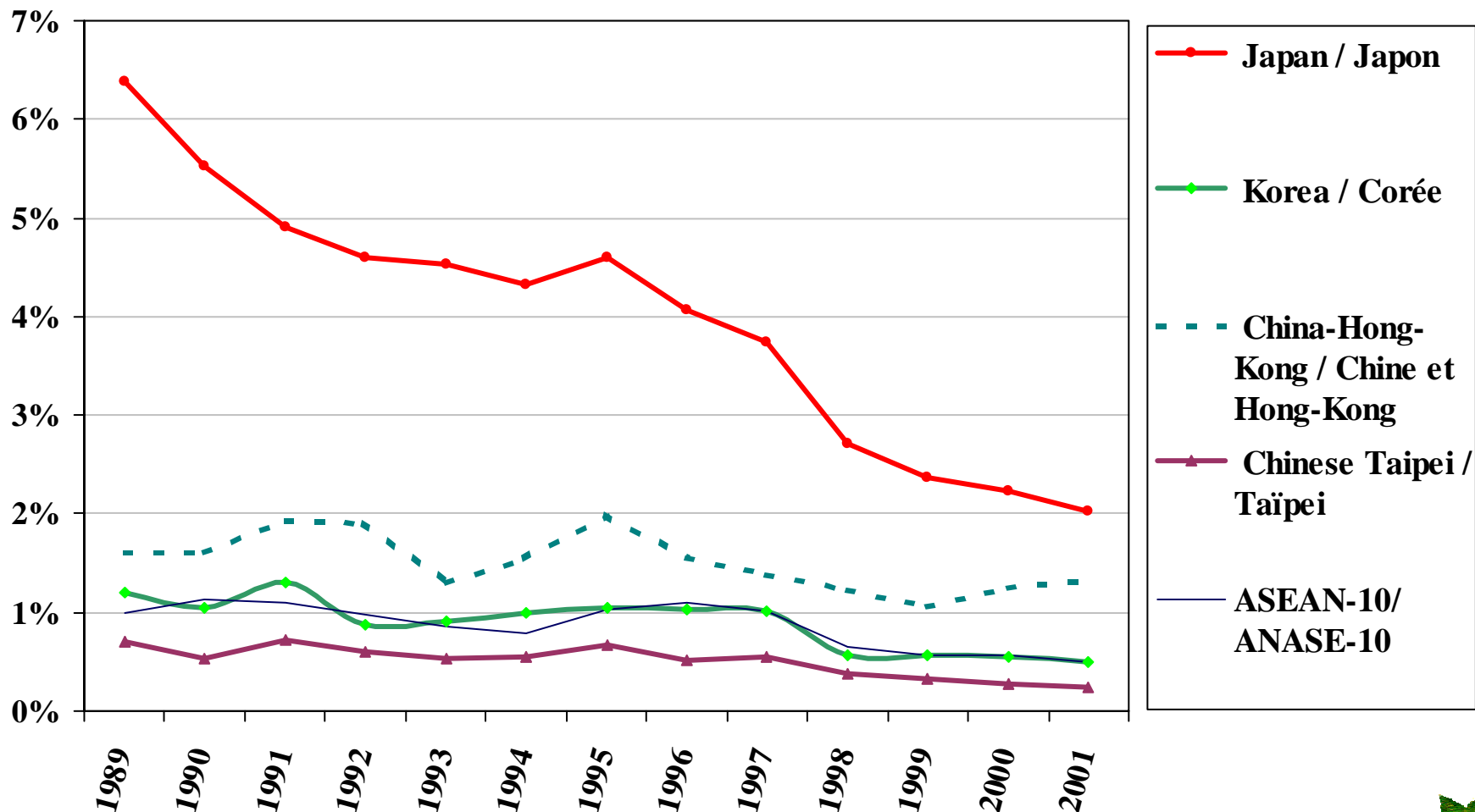
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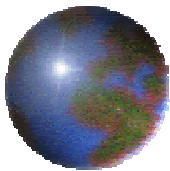




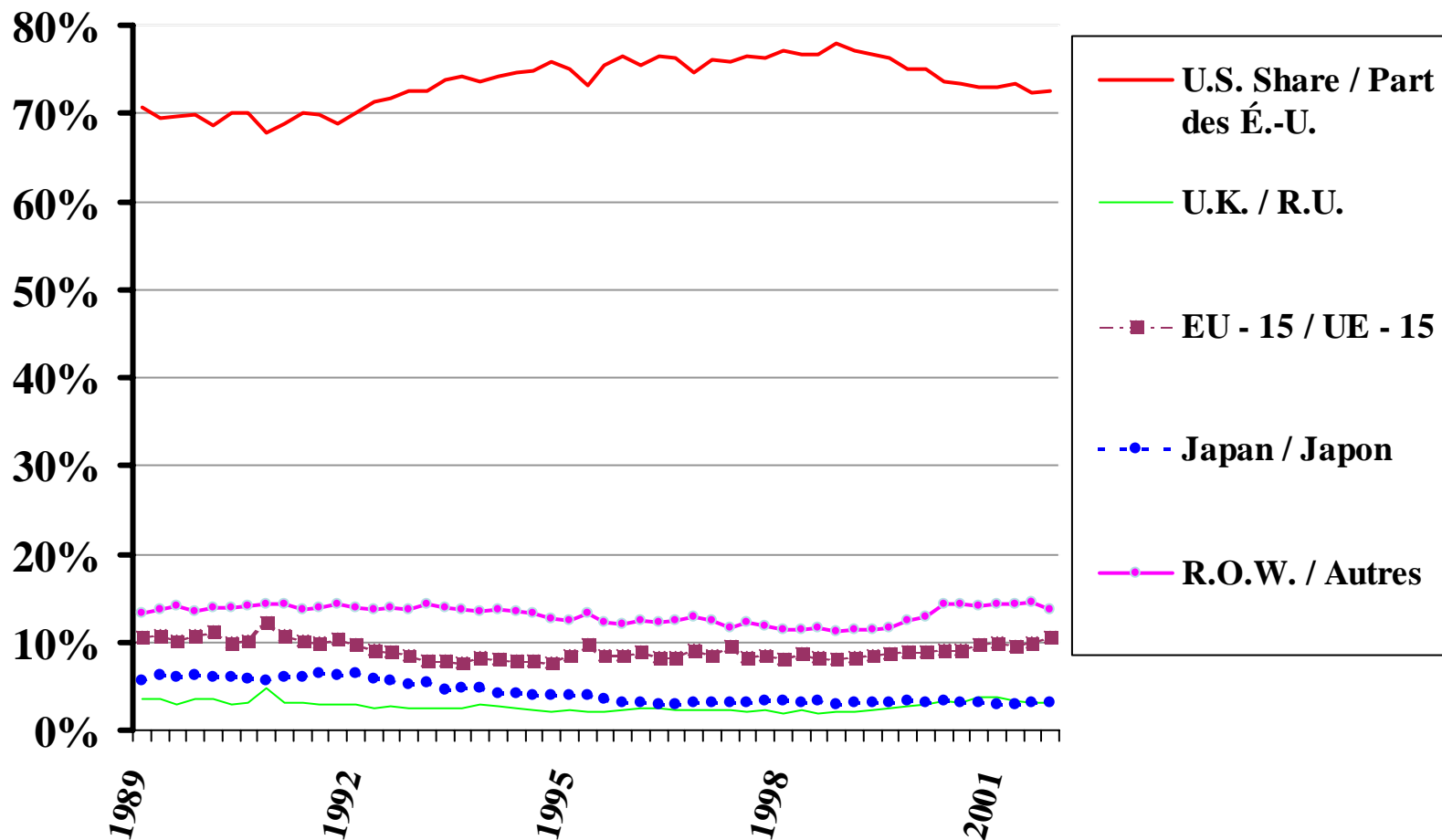
Destination of Canada's merchandise exports

Part des exportations canadiennes vers les principaux pays d'Asie



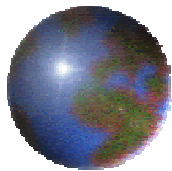


Origin of Canada's merchandise imports *Origine des importations canadiennes de marchandises*



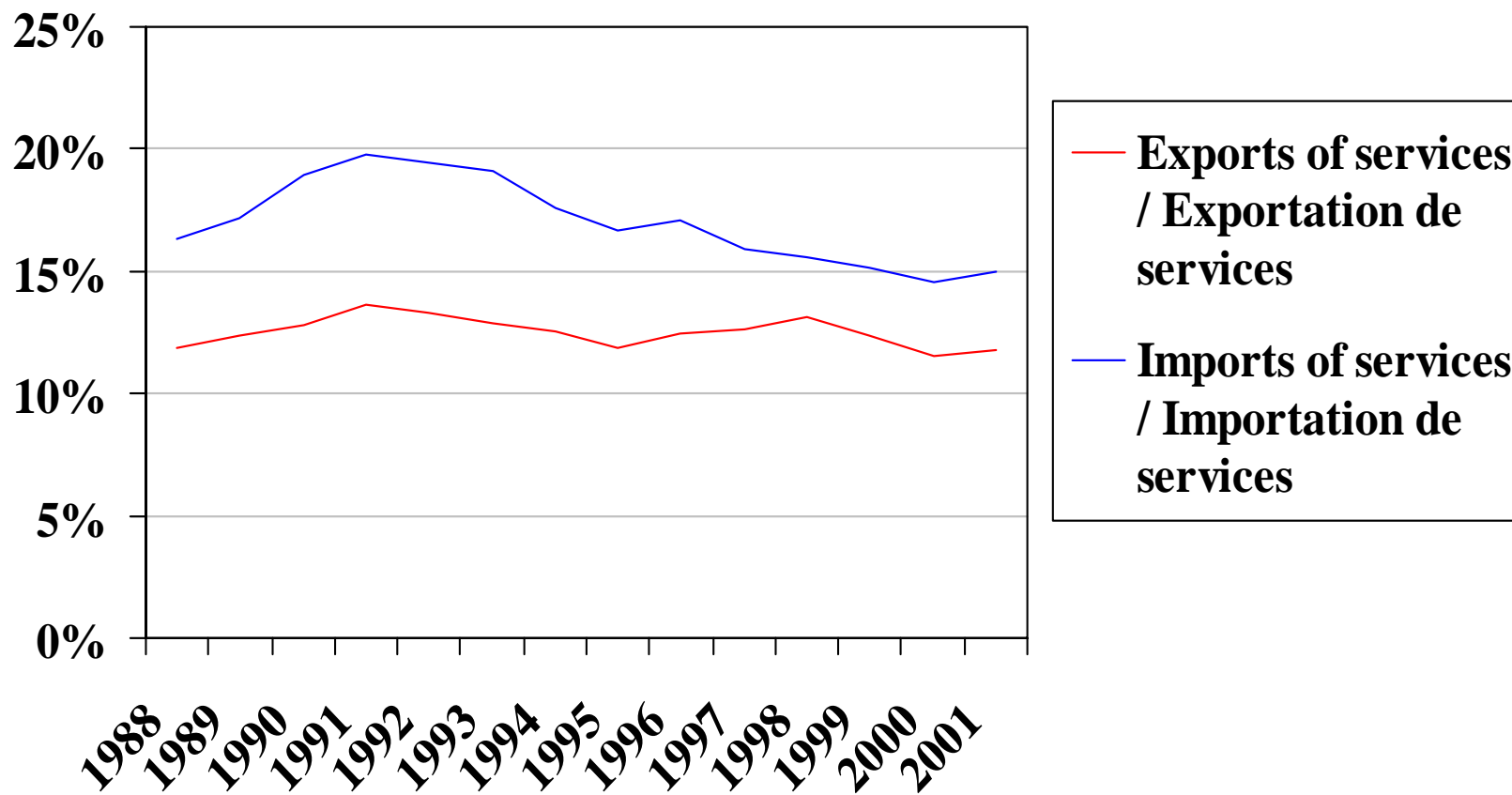
Geographical groupings as defined by Statistics Canada / Zones géographiques de Statistique Canada

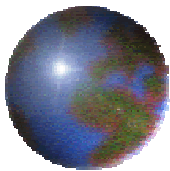




Trade in services relative to total trade in goods and services.

Commerce des services en pourcentage du commerce total.



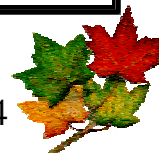


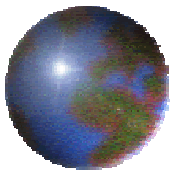
Canada's Trade of Commercial Services 1989 and 2001: Commerce des services commerciaux du Canada en 1989 et en 2001

Canada's trade in commercial services as a share of total

Part des services commerciaux dans le commerce total canadien des services

	Imports Importations		Exports Exportations		Trade Balance Solde commercial	
	1989	2001	1989	2001	1989	2001
Total services	\$28.9	\$61.9	\$20.8	\$55.1	-\$8.1	-\$6.8
Commerce total des services						
Total commercial services	\$12.0	\$30.0	\$8.5	\$27.2	-\$3.5	-\$2.8
Services commerciaux						
Share of commercial services in total	41.5 %	48.5%	40.8%	49.4%		
Part des services commerciaux						

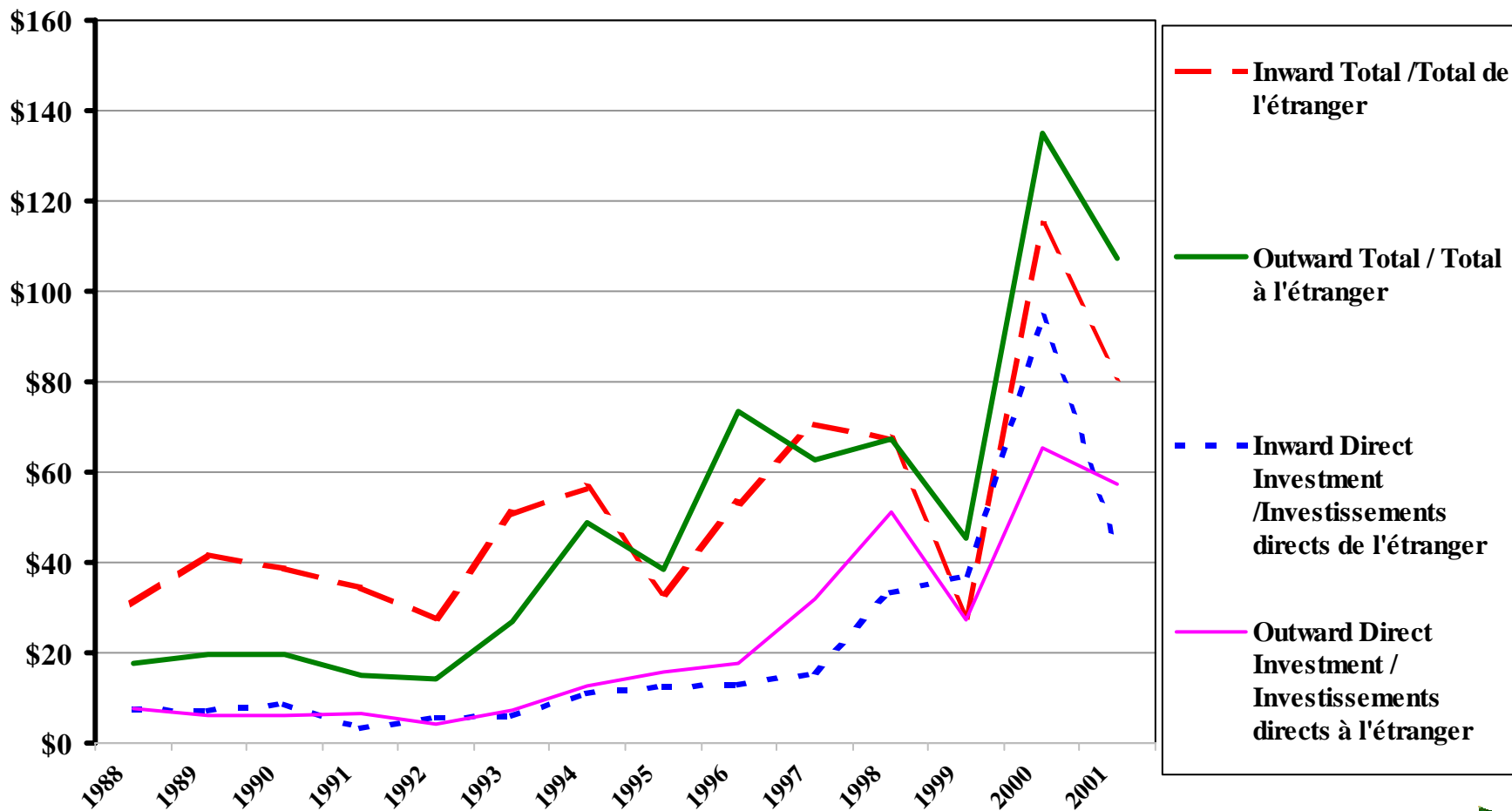


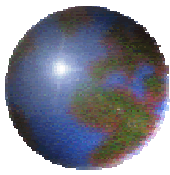


Canada's Flows of International Capital

Flux de capitaux internationaux du Canada

In Billions of dollars / en milliards de dollars

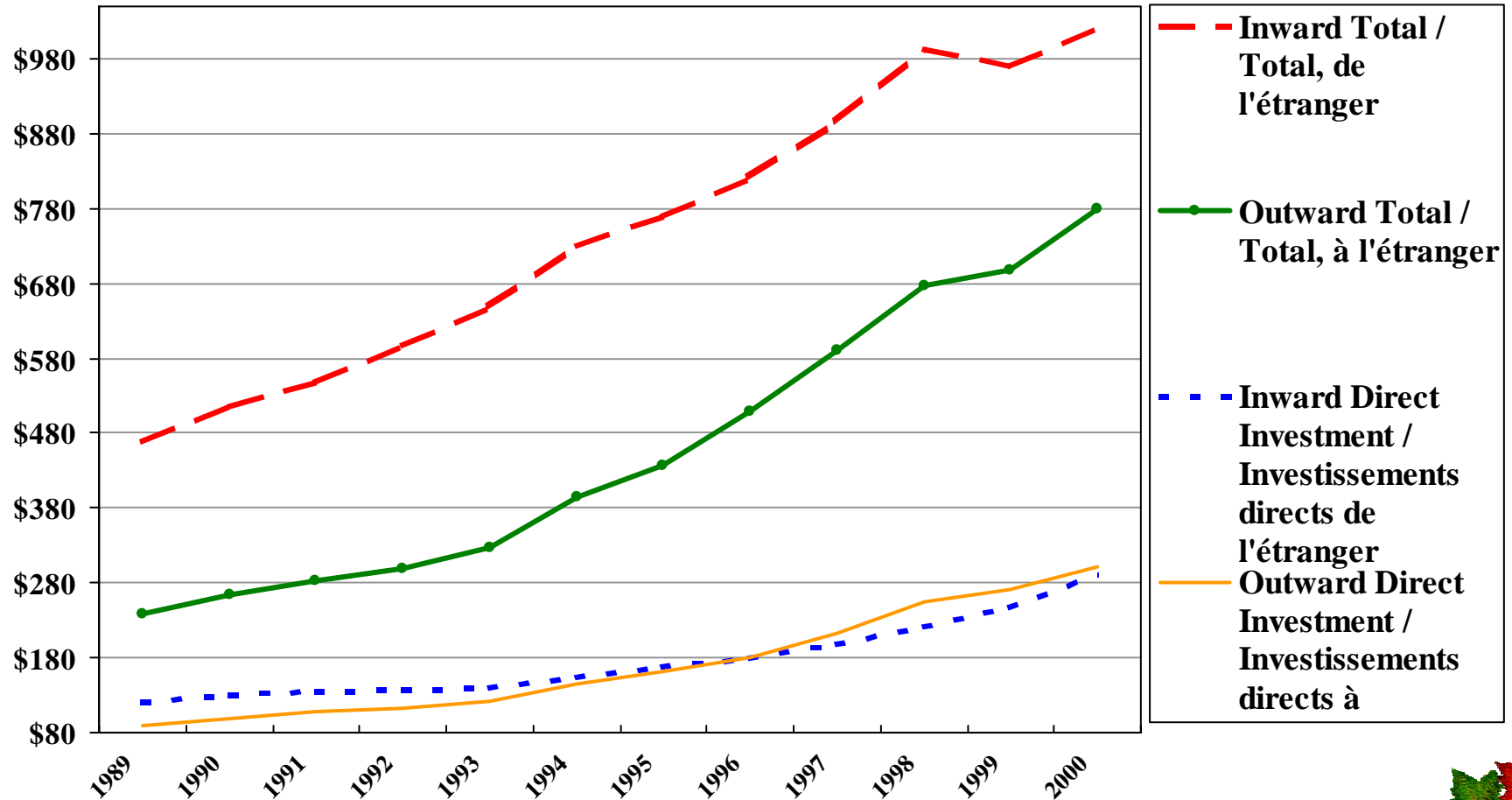




Canada's International Capital Position

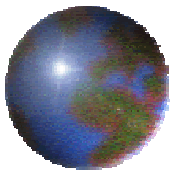
Position des capitaux internationaux du Canada

In Billions of dollars / en milliards de dollars



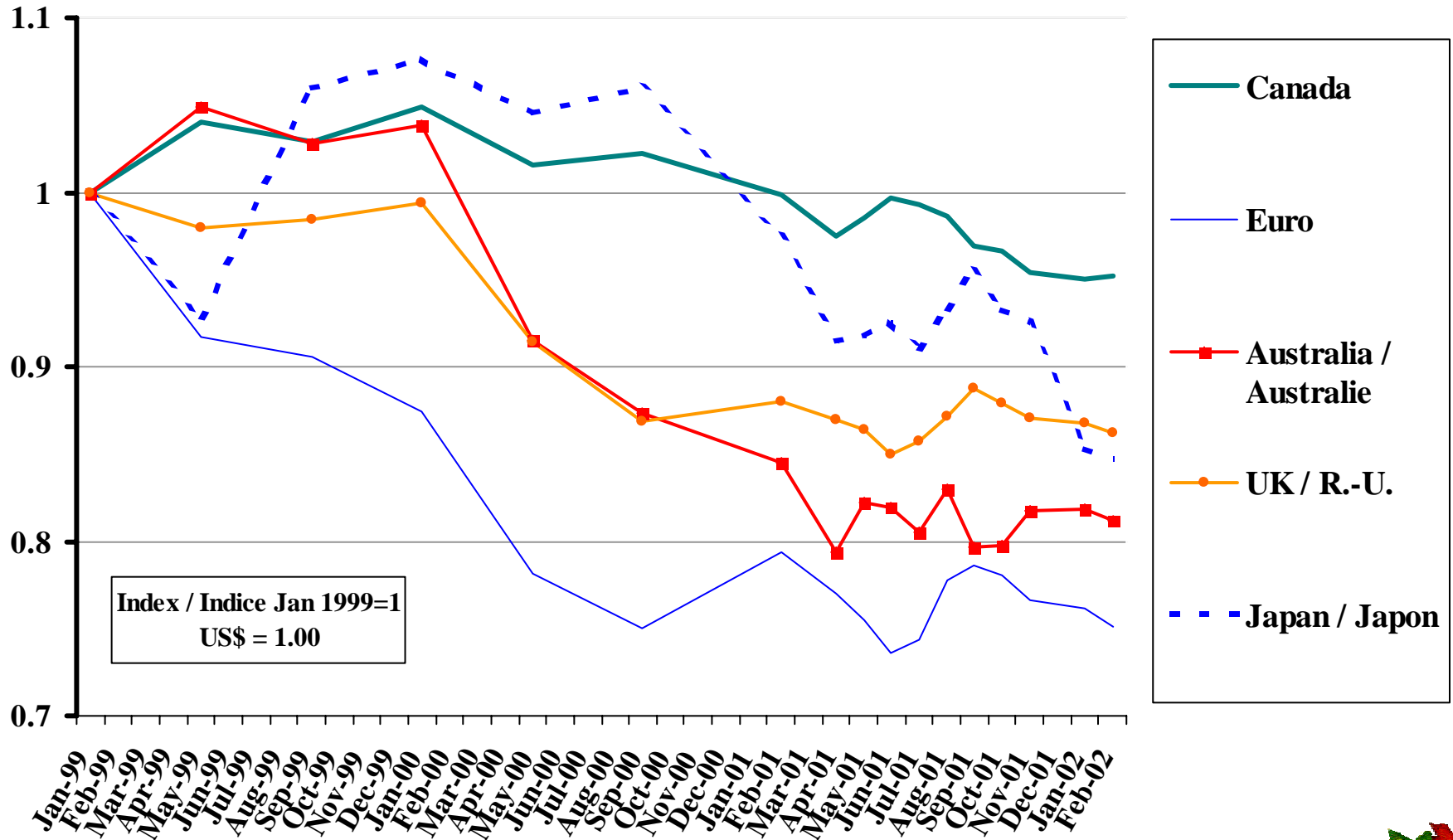
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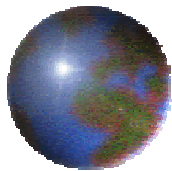




Exchange rate vis-à-vis the U.S. dollar

Le taux de change et le dollar américain





Canada's Trade Prospects

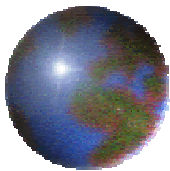
Some Uncertainties

- U.S. economy in recession as real GDP dropped by 1.3% in Q3 but rebounded by 1.4% in Q4.
- Canada's high-volume trade with the US is tied to growth in US economic activity
 - US represented 76.7% of Canada's 2-way trade in 2001.
- Japan back in recession for the third time in a decade. GDP fell 1.2% in Q4 for the third quarter in a row. Unemployment rate reached 5.6% in December, the highest in almost 50 years.

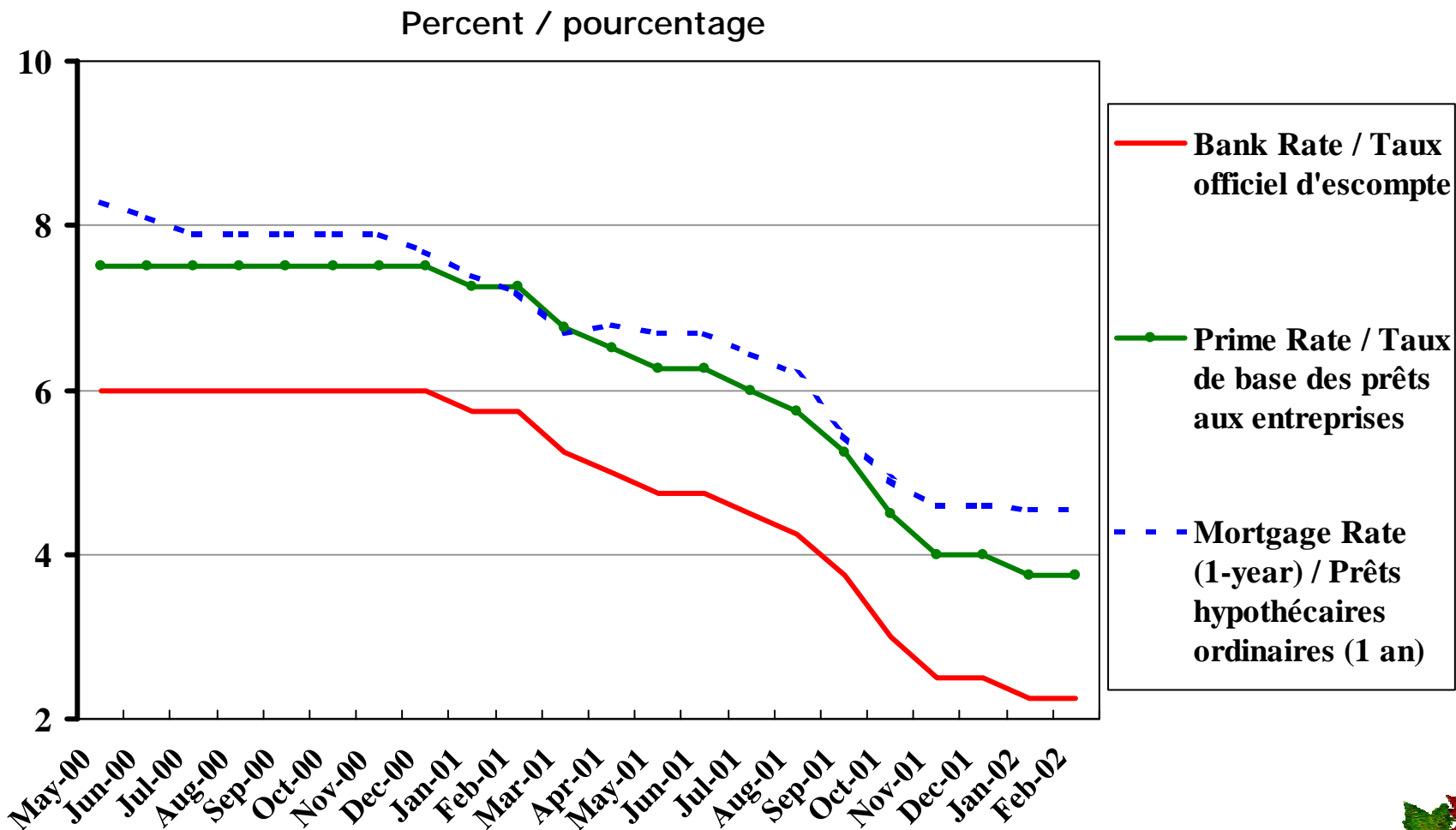
Positive Developments

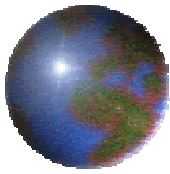
- Forceful Fed reactions – 11 cuts totalling 4.25% in 2001 to 1.75% on Dec. 11, 2001, lowest in 40 years.
- Bank of Canada over-night rate cut to 2% - Jan 15, 2002 with cumulative 3.75% cut since early in 2001.
- European Central Bank cut rate 4 times to 3.25%. UK pared its rate for 7 times to 4.0%, the lowest since February 1964.
- Fiscal Policy stimulus;
- Little inventory overhang globally. The Fed chairman said the economic rebound resulting from reductions in excess inventory may be ``significant.





Interest Rates in Canada Taux d'intérêts canadiens





Savings in debt-servicing cost

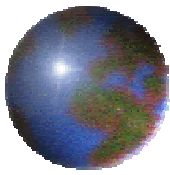
● \$100,000 mortgage

- One-year mortgage rate –3.10 points from 7.7% to 4.6%.
- Change in monthly payment
 - -\$185.11 from \$744.16 to \$559.05.
- Change in annual payments:
 - -\$2,221.32

● \$250,000 business loan

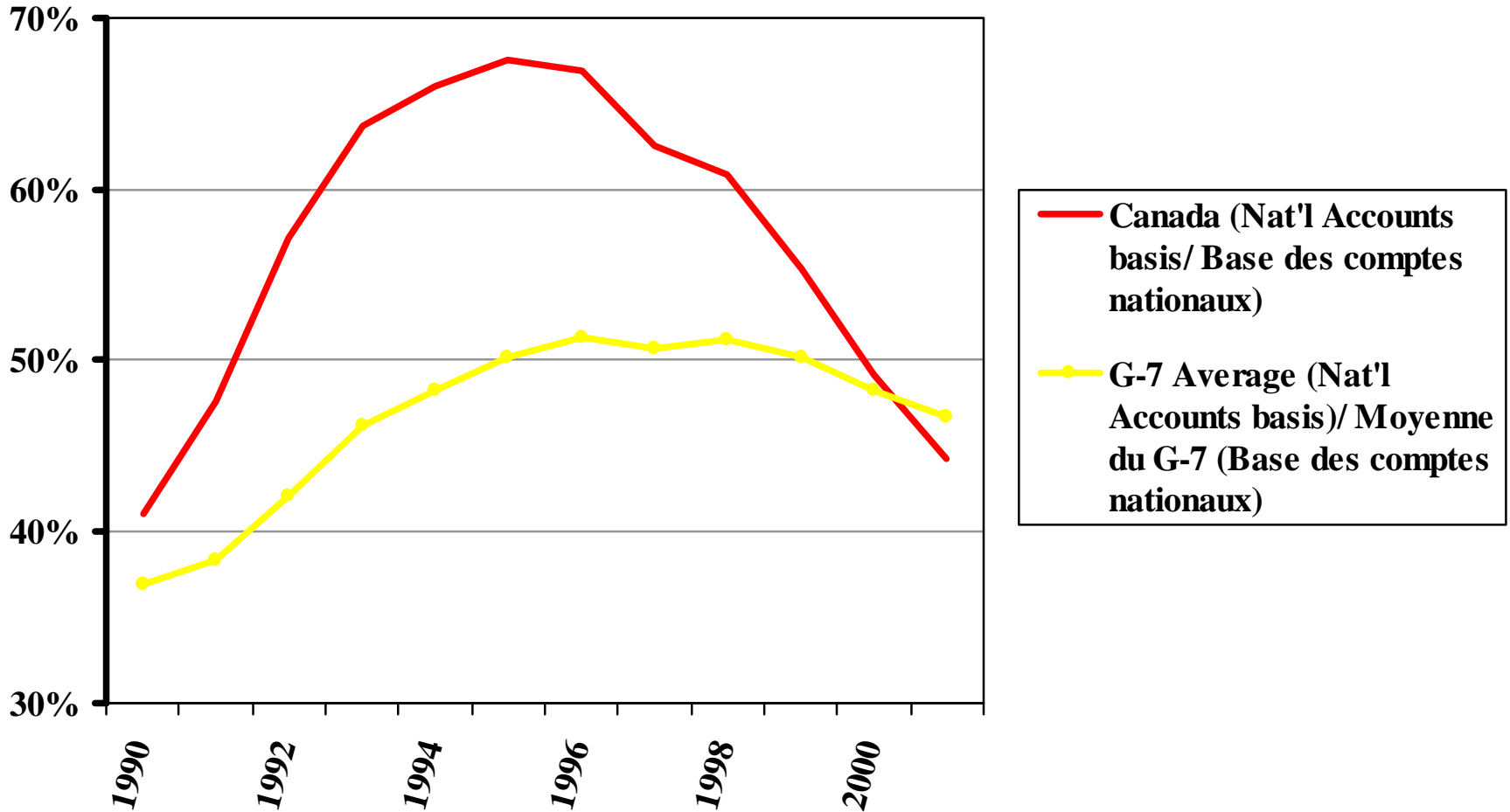
- Prime business rate –3.50 points from 7.5% to 4.00%.
- Change in monthly payment
 - -\$729.16 from \$1,562.5 to \$833.33
- Change in annual payments:
 - -\$8,750.00





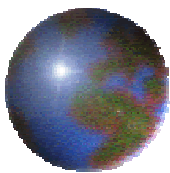
Canada's total government net debt as percent of GDP

Dette nette totale du gouvernement du Canada en pourcentage du PIB

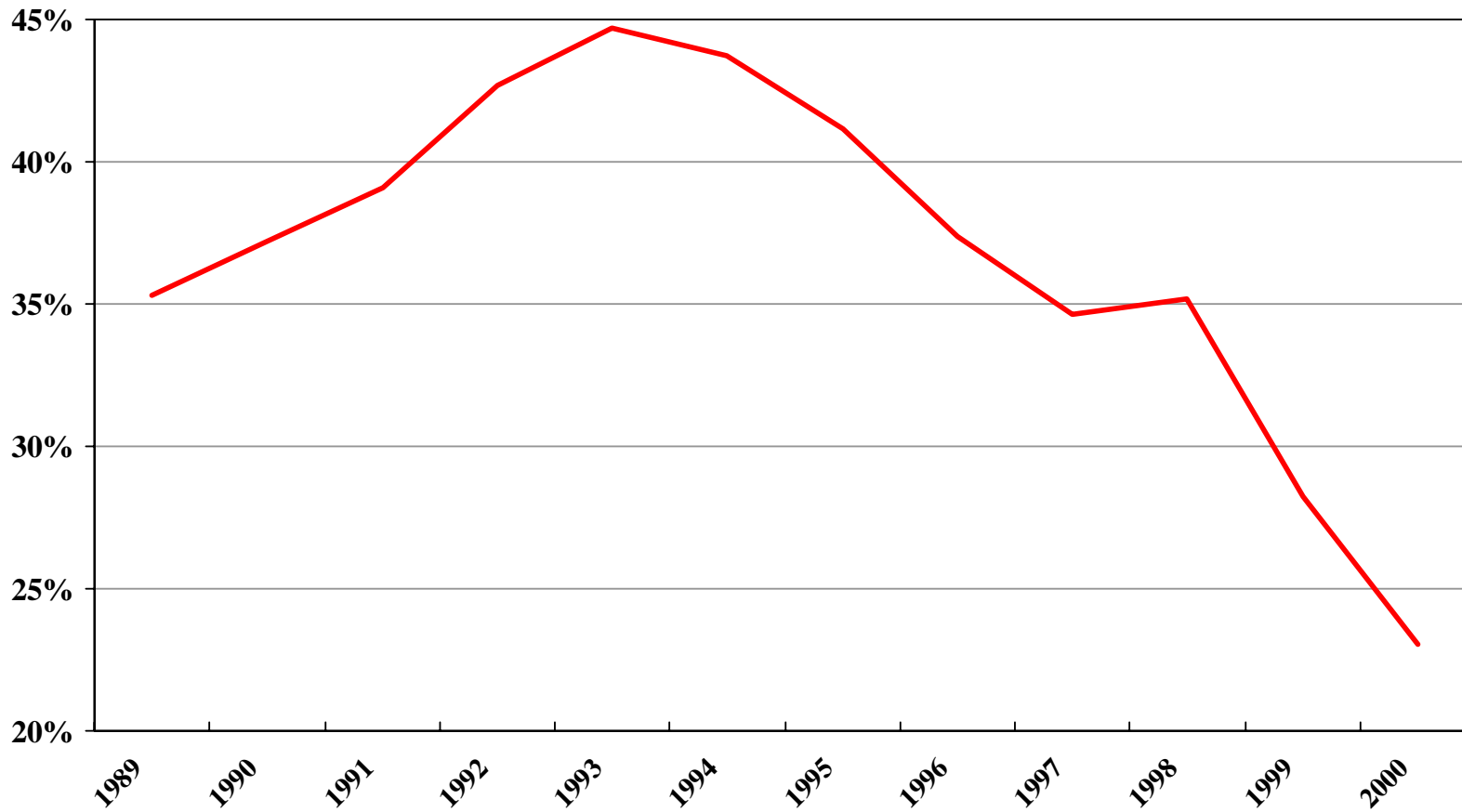


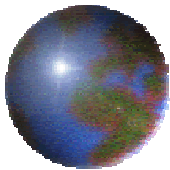
Sources: OECD general government net financial liabilities / OCDE Engagements financiers nets des administrations publiques





*Canada's net foreign indebtedness,
as a percent of current dollar GDP*
*Engagements extérieurs nets du Canada,
en pourcentage du PIB en dollars courants*





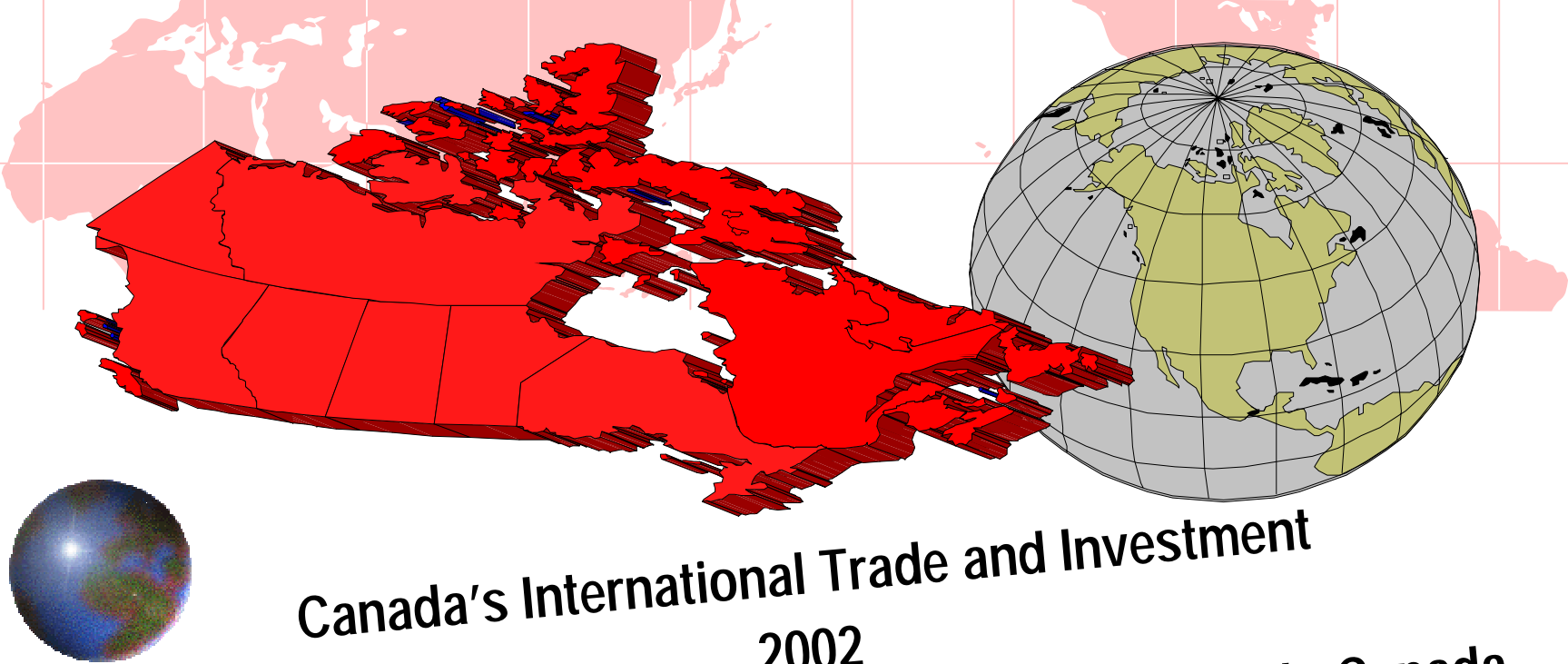
Signs of Economic Recovery

⊕ Compelling Positive Signs

- ⊕ Leading Indicators
 - ⊕ Housing Sector
 - ⊕ Consumption
 - ⊕ New orders

- ⊕ Low inventories will lead to rebound in growth
- ⊕ Employment





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