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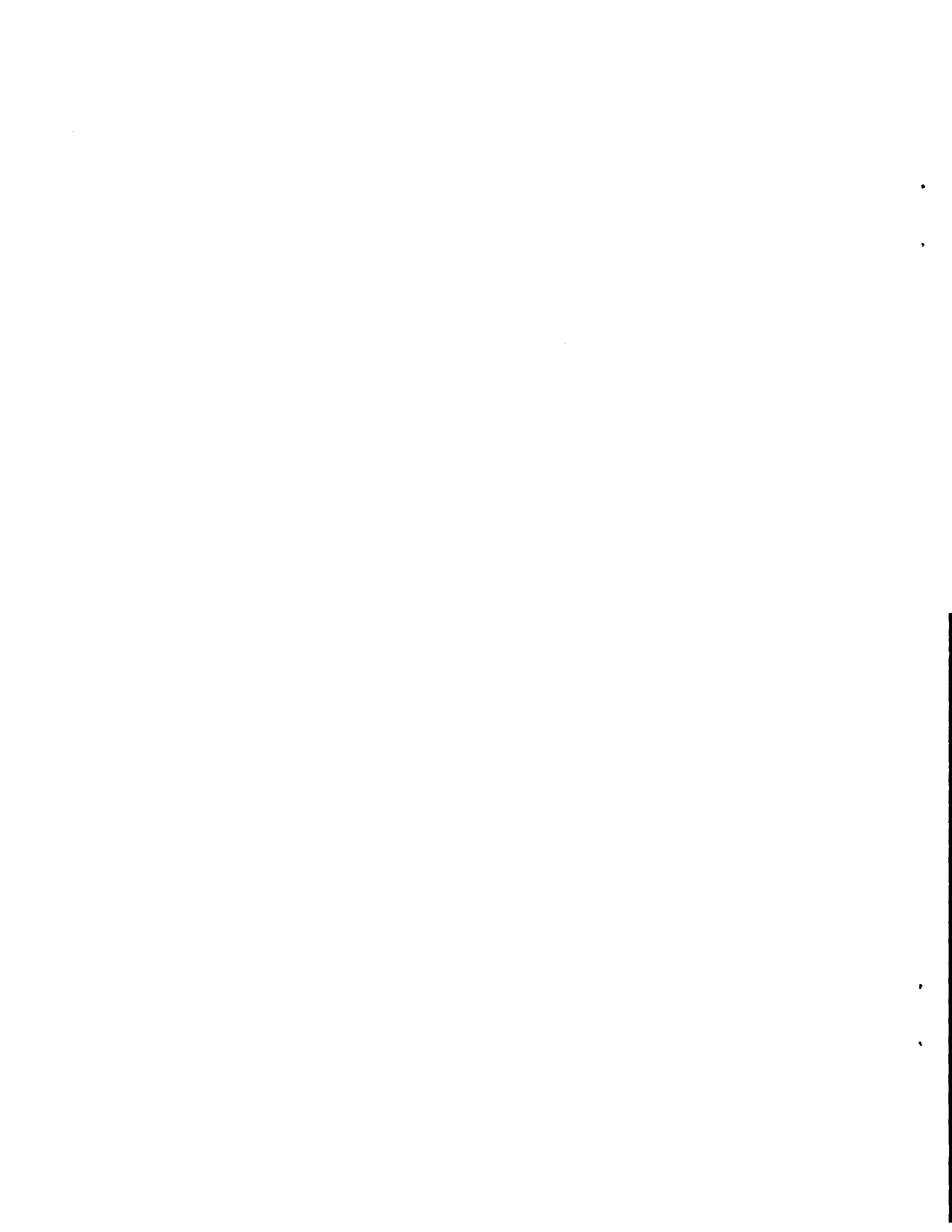
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ECONOMIC SURVEY OF CANADA  
1999



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## PRESENTATION

This report of the Canadian economy prepared by the Washington Office of the Economic Commission for Latin America and the Caribbean (ECLAC) makes available a set of basic economic information in a single document, drawn from the abundant public sources existent in Canada. Its structure follows, with some adaptations, the standard outline utilized for drafting ECLAC's yearly surveys of the Latin American and Caribbean economies. It is divided in three parts: first, Canada's recent economic performance; second, an overview of Canada's economic relations with Latin America and the Caribbean; and, third, a statistical appendix.



## PART ONE

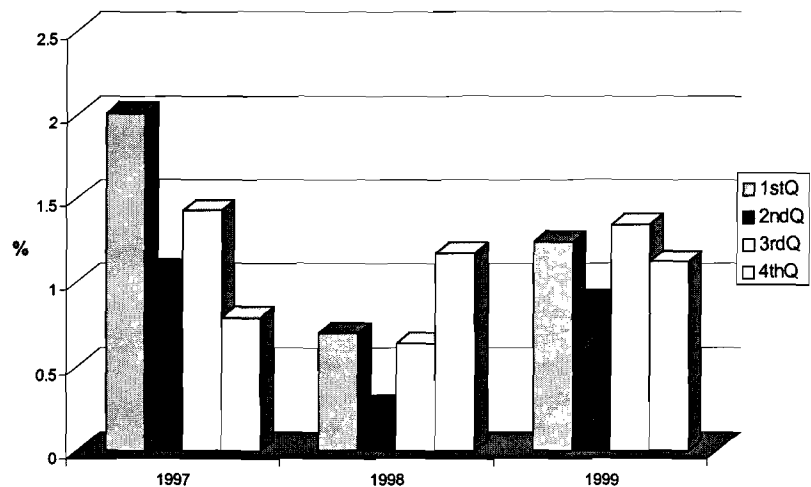
### CANADA'S ECONOMY IN 1999

#### I. THE DOMESTIC ECONOMY

In 1999 Canada's economy shrugged off the financial crisis of late 1998 and early 1999, with real gross domestic product (GDP) growing at a strong rate of 4.2% on the back of an impressive export performance, higher commodity prices, and stronger domestic spending. Domestic spending benefited from a significant drop in Canada's unemployment rate and the low interest rate environment, due in part to the elimination of the federal government's budget deficit. A rebound for the Canadian dollar, which ended 1999 on a strong note, also helped consumers.

Real GDP advanced 1.1% in the fourth quarter of 1999, following increases of 1.2%, 0.9% and 1.3% in the first second and third quarters respectively (figure 1). The fourth quarter increase marked Canada's 18<sup>th</sup> consecutive quarterly increase, the longest string of uninterrupted quarterly growth since the mid-1960s. The Canadian economy ended the 1990s in very good economic and fiscal shape, much improved from earlier in the decade.

Figure 1: Canada's Gross Domestic Product at 1992 Prices  
(Quarterly % Change)

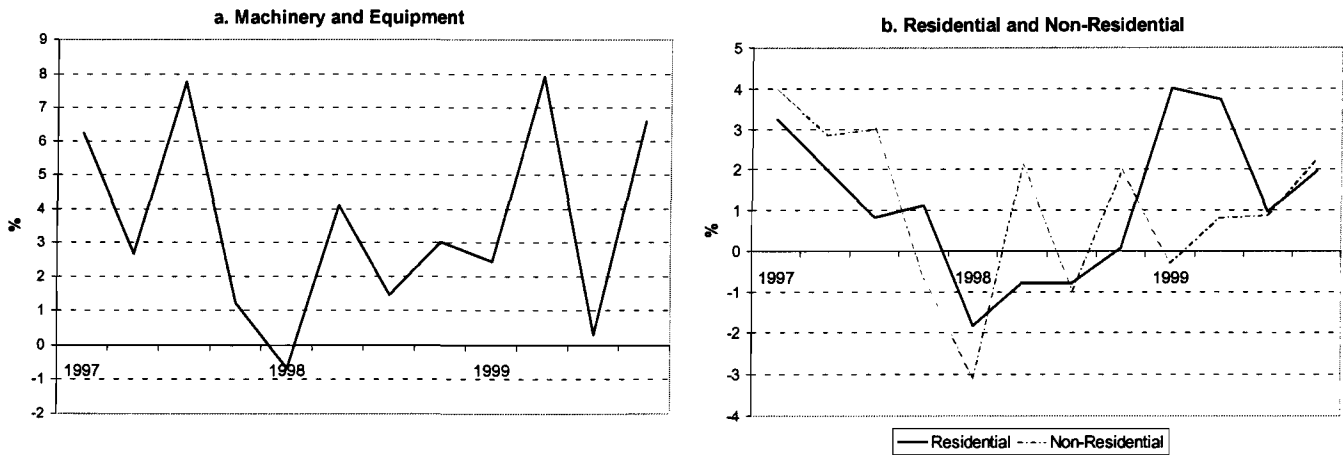


Source: ECLAC, on the basis of data from Statistics Canada.

#### 1. Macroeconomic Aggregates

In 1999, growth in domestic demand accelerated, with investment growing very strongly, at a rate of 9.4% (appendix, table 1-2). Government fixed investment rose 9.7%, while real business fixed investment, helped by Y2K-related spending, rose 9.3% in 1999, following increases of only 3.4% percent in 1998 in both categories. The 1999 rise in real business fixed investment was greatly explained by machinery and equipment purchases (figure 2), which rose 15% for the year as a whole. Computer purchases led the way, surging nearly 40% in preparation for the year 2000, although other areas such as furniture, automobiles, trucks and other transportation equipment also showed double-digit gains. The only weak spots were in agricultural machinery (-11.8%) and industrial machinery (-0.5%). Investment in residential structures increased by 6.5% in 1999, recovering from a decline of 1.9% in 1998, and investment in non-residential construction grew 2.8 percent in 1999, following zero growth in 1998.

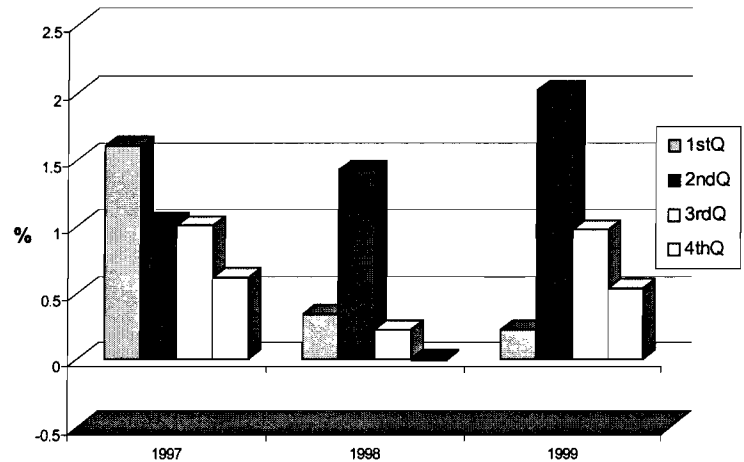
**Figure 2: Canada's Real Investment (Quarterly % Change)**



Source: ECLAC, on the basis of data from Statistics Canada.

Real consumer expenditure rose 3.1% in 1999, following a smaller growth rate of 2.7% in 1998. While the increase was widespread across most categories of spending, growth in spending on motor vehicles provided the largest boost. The strength of consumer spending was driven by sustained growth in real personal disposable income, which was up by 3.5% in 1999 (appendix, table 1-1), reflecting solid gains in employment, particularly for full-time positions. The personal savings rate dropped in 1999 to a record low of 1.4%, its eighth consecutive annual decline. While a downward trend in personal saving persisted since early in the 1990s, saving by other sectors moved in to fill the gap as a source

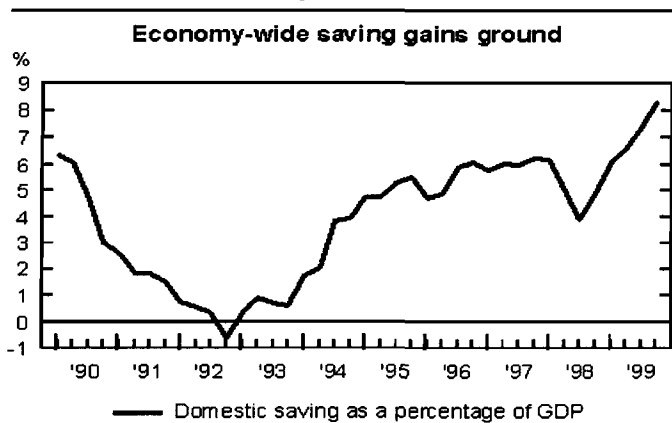
**Figure 3: Canada's Private Consumption at 1992 Prices (Quarterly % Change)**



Source: ECLAC, on the basis of data from Statistics.

of funds for investment in the Canadian economy. Annual domestic saving (total saving minus non-resident saving) was 7.1% of GDP in 1999, compared with 5% in 1998 (figure 4).

**Figure 4:**



Source: The Daily, Statistics Canada, February 28, 2000.

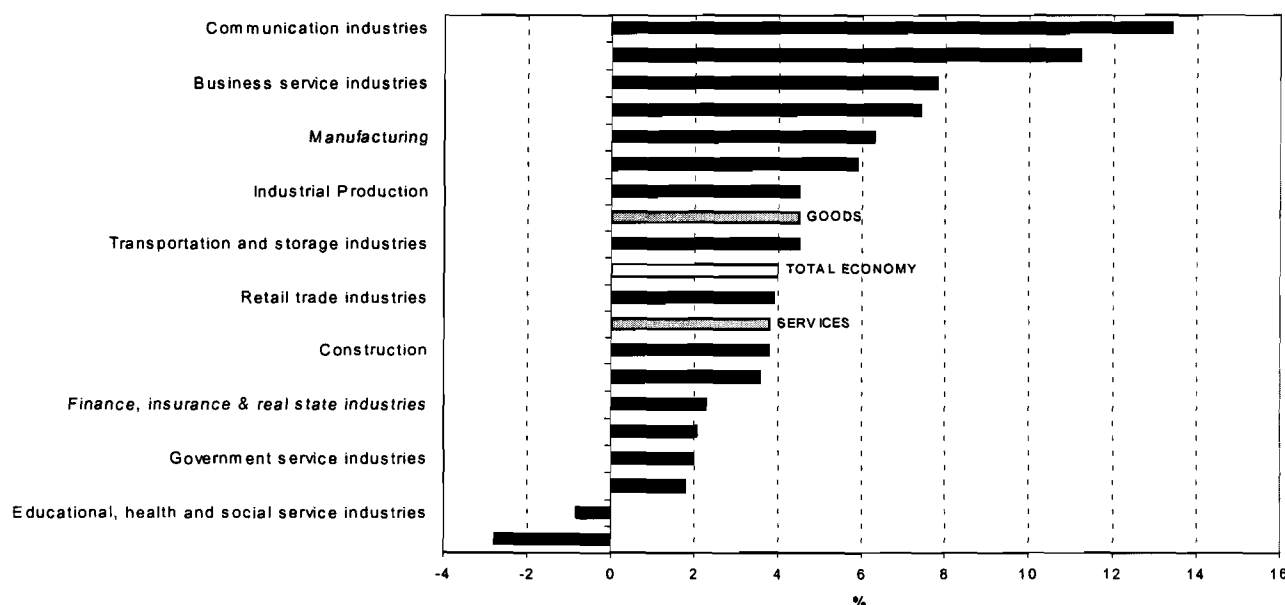
Finally, exports outpaced imports in 1999, producing the third largest surplus on record (Cdn\$ 33.9 billion). A major factor behind rising exports was the strong growth in the United States economy and the ongoing recovery of the global economy.



## 2. Sectoral Evolution

Much of the improvement in economic growth in 1999 was linked to automotive products, computers and telecommunications. Communication services expanded 13.4% in 1999, largely due to the rapid expansion of the output of telecommunications carriers. Dynamic sales of computers, computer software and other electronic machinery were the driving force behind the 11.2% increase in wholesale trade activity. In addition, a strong surge in demand for computer consultants and related services propelled business services 7.8% higher in 1999, given the increased activity of computer services companies working in year-2000 related projects. Activity in Canada's service sectors as a whole expanded 3.8% during the year.

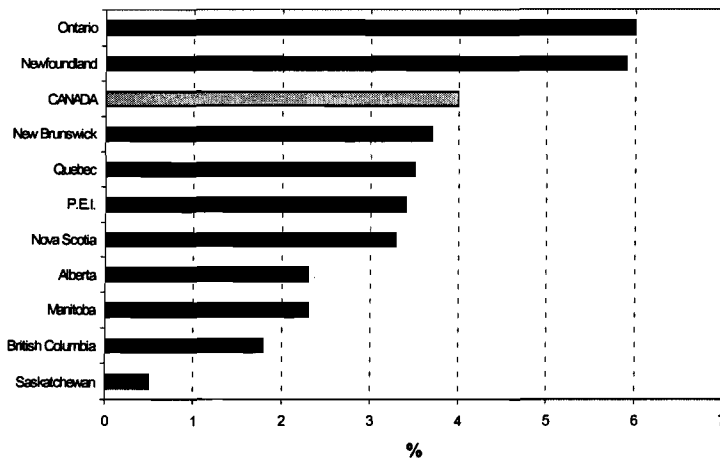
**Figure 5: Canada's GDP at Factor Cost by Industry, in 1992 Prices  
(% Change - 1999)**



In 1999, manufacturing output climbed 6.3%, significantly higher than the 3.9% advance posted in 1998 (appendix, table 1-4). The sector entered 2000 with significant momentum, led by an excellent performance in the transportation equipment industry. The economy was further strengthened by the construction industry, where activity advanced 3.8% in 1999, after posting virtually no gain in 1998. The mining sector, however, showed a decline of 2.8%, continuing the downward slide from 1998, what somewhat hampered economic expansion. Activity in Canada's goods sector expanded 4.5% in 1999, and the total economy was up by 4%.

By region, growth in 1999 was led by Ontario and Newfoundland (figure 6). The economies of central and eastern Canada raced ahead in 1999, leaving the economies of the western provinces trailing behind. The economic expansion in Ontario and Quebec was fueled by an excellent performance of their manufacturing and services sectors, while the Atlantic provinces reaped the benefits of large-scale construction projects. The resource-based economies of British Columbia, Alberta and Saskatchewan, although still feeling the effects of

Figure 6: Canada's GDP at Factor Cost by Province  
(% Change - 1999)



Source: ECLAC on the basis of estimates by TD Economics as at March 1999; Real GDP in 1992 dollars.

1998's slump in world commodity prices, showed better economic results in 1999 than in 1998, as a result of the recovery in the world commodity prices.

Alberta's economy gained momentum in 1999, helped by the surge in the price of crude oil. Encouraged by a sharp rise in cash flow, producers advanced drilling activity and reaffirmed their commitment to expansion in the oilsands. British Columbia, with almost one-third of its exports to Asia, was positively affected by the recovery

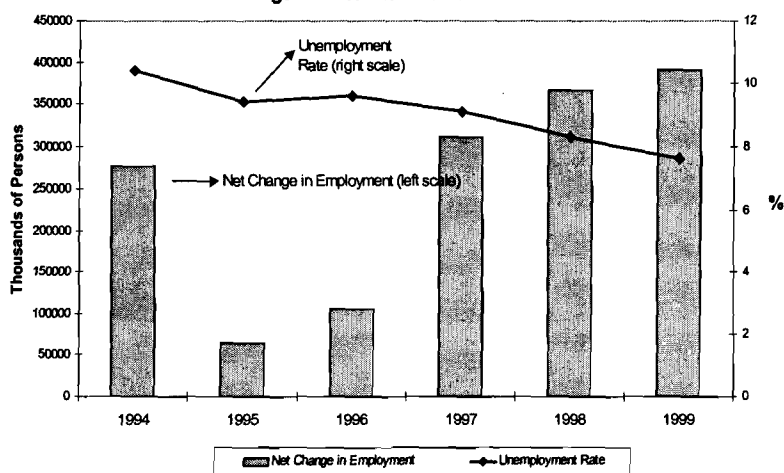
in the Asian economies and world commodity prices in 1999. The resurgence in 1999 was concentrated in the province's export sector. Saskatchewan's economy, however, came in last place in the provincial economic growth rankings in 1999, due do depressed farm incomes as a result of low crop prices.

Economic growth in Manitoba slowed in 1999 hurt by weak performances in the province's manufacturing and mining sectors, which were partially offset by healthy growth in the service sector. Ontario's economy enjoyed boom times, with all major sectors of the economy participating in the expansion. Ontario's growth was fueled by consumer spending, which in turn was supported by strong job growth, and by exports to the United States. Quebec's economy also performed well in 1999. The manufacturing sector, supported by the strength of the U.S. economy, led the expansion, while Hydro-Québec spent heavily in infrastructure and new home construction strengthened.

New Brunswick, in 1999, had its best economic performance since 1987, as the province benefited from a burst of construction activity. In Nova Scotia, economic growth was spurred by the flourishing natural gas industry, in special by the development of the Sable Island natural-gas project and the related pipeline. Prince Edward Island record a healthy growth in 1999, led by strong performances in the tourism and manufacturing sectors, although overall economic activity was restrained by weak performances in the agriculture and fishing sectors. Finally, Newfoundland's economy retained its position at the top of the provincial growth charts, led by a flourishing offshore oil industry. Although the energy sector has provided the foundation for growth, other sectors – retail trade, manufacturing and the shellfishery – also contributed to the expansion.

### 3. Employment

Figure 7: Canada's Job Market



LAC, on the basis of data from Statistics Canada.

Employment grew 2.8% in 1999 (appendix, table 1-5), as over 427,000 net new jobs were added during the year. Growth in full-time employment was stronger, as part-time employment fell.

Employment gains were broadly based on both the goods and service-producing sectors. The manufacturing and construction sectors recorded strong gains, while trade and transportation/warehousing led employment growth in the services sector (appendix, table 1-5).

Youth employment grew significantly in 1999. Due to their lack of experience, young people tend to be among the last hired in an economic upturn, so the performance of youth employment was a clear indication of the strength of the labor market.

The labor force participation increased from 65.1% in 1998 to 65.6% in 1999. Labor force expanded by 2%, while unemployment decreased throughout 1999, as job creation outpaced labor force growth. The unemployment rate fell to 7.6% in 1999. The unemployment rate was 6.8% by the end of the year, the lowest rate in 24 years.

### 4. Prices

Inflation, as measured by the consumer price index (CPI) on a year-over-year basis, increased steadily in the first half of 1999, mostly because of the effects of higher energy prices. CPI inflation averaged 1.7% for 1999 as a whole, up from 0.9% in 1998. Excluding food and energy, CPI inflation was 1.5% in 1999, up from 1.3% in 1998. On a December-to-December basis, consumer prices rose 2.6%, owing to higher prices for gasoline and fuel. Excluding food and energy, CPI inflation remained low and stable in at 1.6% in December (appendix, table 1-6).

In 1999 there was a moderate upward trend in wages, the largest component of the total costs of producing goods and services. The upward trend in wages in 1999 reflected Canada's robust economic performance, with stable underlying inflation. The year-over-year increase in the average hourly wage was 1.3% in 1999. Output per person-hour recovered in 1999 from a very weak performance in 1998. Combined with moderate increases in labor income per person-hour, this improvement in labor productivity resulted in a modest increase in unit labor costs of 0.4% (appendix, table 1-7).

## 5. Fiscal Policy

In 1999, for the third consecutive year, the combined government sector was a net lender to the rest of the economy. The surplus (on a national account basis) was Cdn\$26.1 billion, higher than in 1998. As a share of GDP, the surplus stood at 2.8% (appendix, table 1-8).

The 2000 budget presented to Parliament built on the record of maintaining sound economic and fiscal management. Since the federal budget was first balanced in 1997-98, fully two-thirds of all new spending was directed towards health, access to knowledge and skills, and innovation. The 2000 budget also set out a five-year tax reduction plan, with a special emphasis on the needs of families with children. The Canadian government continues committed to budgets that are “balanced or better” for 2000-01 and 2001-02.

Assisted by a growing economy and no new borrowing requirements, and in response to the fiscal actions taken to date, the debt-to-GDP ratio recorded a decline from about 65% in 1998 to 61% in 1999. The government has continued to build in a Cdn\$3-billion contingency reserve against unforeseen developments, which will go towards paying down debt if not used – and help reduce the debt-to-GDP ratio even further. The debt-to-GDP ratio is expected to fall to about 55% by 2001-02 and to below 50% by 2004-05.

## 6. Monetary Policy

The Canadian economy gathered strength in 1999 as the global economic environment improved. The positive global economic environment boosted Canada’s exports, but domestic spending by consumers and businesses also gained momentum. The expansion of total demand reduced the margin of unused production capacity in the economy, and the inflation trend rose moderately towards the middle of the Bank’s target range of 1 to 3 %<sup>1</sup>.

The Bank of Canada reduced the Bank Rate by 25 basis points in 31 March, and 4 May. The interest rate cuts in the beginning of the year were designed to support continued economic expansion after the end of the period of global financial turbulence initiated with the Asian crisis in 1997, followed by the Russian crisis in 1998 and Brazil’s exchange rate devaluation in January of 1999. However, as global economic expansion proceeded, the United States Federal Reserve raised its overnight interest rate by 25 basis points in both June and August, in an attempt to head off inflation pressures in face of a tight labor market and

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<sup>1</sup> The cornerstone of monetary policy in Canada has been achieving and maintaining price stability. For this purpose, inflation-reduction targets were announced in February 1991 whereby the rate of inflation--as measured by the change in the consumer price index-- was to be gradually reduced by the end of 1995 to the midpoint of a band of 1% to 3%. In 1993, the targets were extended to the end of 1998 in order to keep holding inflation inside the band of 1% to 3%, with a midpoint of 2%. In February 1998, the authorities announced that the current inflation-control targets were extended until the end of 2001. Canada was the second country after New Zealand to introduce explicit targets for inflation control. The target is defined in terms of the 12-month rate of increase in the total CPI, but as an operational guide the Bank uses a measure of core inflation, which excludes from the CPI volatile components, such as food and energy and the effects of changes in indirect taxes.

continued strong demand. The Bank of Canada, on the other hand, with core inflation in the lower half of its target range and a degree of slack in the economy, held the Bank Rate steady at 4.75%. Nevertheless, Canadian money market rates moved up, reflecting both the actual and expected increase in U.S. short-term rates as well as market expectations of higher rates in Canada. In November the Bank of Canada matched the 25 basis points increase by the U.S. Federal Reserve, but interest rates in Canada remained generally below those in the United States, especially short-term rates.

The average Bank Rate was 4.9% for 1999 as whole, compared to 5.1% in 1998 (appendix, table 1-9). Short-term interest rates were about the same in 1999 as in 1998, however, with U.S. longer-term rates up due to the strength of their domestic spending, Canadian bond yields and mortgage rates also increased in 1999. Between May and October, the cost of 1- and 5-year mortgages at major lending institutions in Canada increased by about 100 basis points.

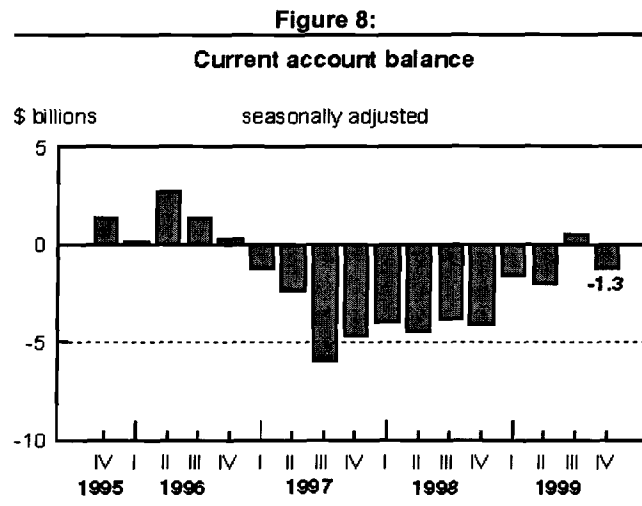
In credit markets, the recorded growth of total credit market debt of domestic non-financial sectors (appendix, table 1-10) was 3.2%, down from 3.8% in 1998. The federal government's credit market debt remained basically unchanged for the year, due to the good shape of its finances and the almost 2% debt reduction in 1998. Household credit aggregates also remained flat in 1999. Although consumer credit did not increase at a pace as fast as 1997's 8.3%, the 1999 rate (7.4%) is still among one of the highest rates since the beginning of the decade.

With respect to monetary aggregates, growth of M1, M2, M2+ and M3 accelerated in 1999 (appendix, table 1-11). The expansion indicated a buoyant expansion trend in total spending.

## II. INTERNATIONAL TRANSACTIONS

For 1999 as a whole, the current account deficit narrowed considerably, from Cdn\$16.4 billion in 1998 to Cdn\$4.3 billion, about one quarter of the 1998 level. This was driven by a Cdn\$15.1 billion increase in the goods surplus, which was partly offset by a higher deficit on investment income (appendix, table 2-6).

The investment income deficit worsened in 1999 partly due to a jump in retained earnings by foreign firms in Canada, as profits surged during the year.



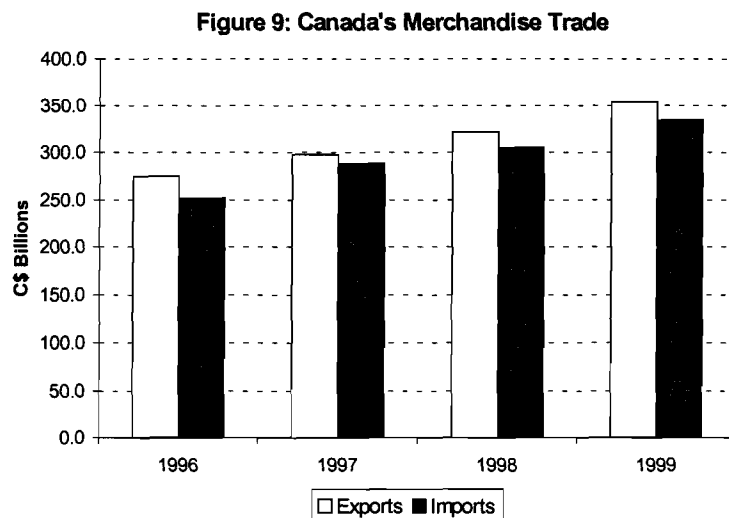
Source: The Daily, Statistics Canada, February 28, 2000.

### 1. Exchange Rates

After trading around 65 U.S. cents in the last quarter of 1998, the Canadian dollar strengthened along with world commodity prices. The Canadian dollar was also supported by the improving current account of the balance of payments, as well as by strong fundamentals of the Canadian economy. It reached a peak of nearly 69 U.S. cents in early May before losing ground to trade near 67 U.S. cents (appendix, table 2-1). In the beginning of December it closed at 67.49 U.S. cents. While the Canadian dollar has not strengthened vis-à-vis the buoyant U.S. dollar, it has risen sharply against overseas currencies.

### 2. Current Account

In 1999 exports outpaced imports and produced a surplus of Cdn\$33.9 billion—the third largest on record. Canadian businesses expanded their sales abroad by some 12% to Cdn\$360.6 billion (appendix, table 2-2). Strength came mainly from automotive goods, supported by gains in energy, machinery and, to a lesser extent, forest products (appendix, table 2-3). Within these sectors, cars, crude oil, telecommunications equipment and lumber saw prominent gains.



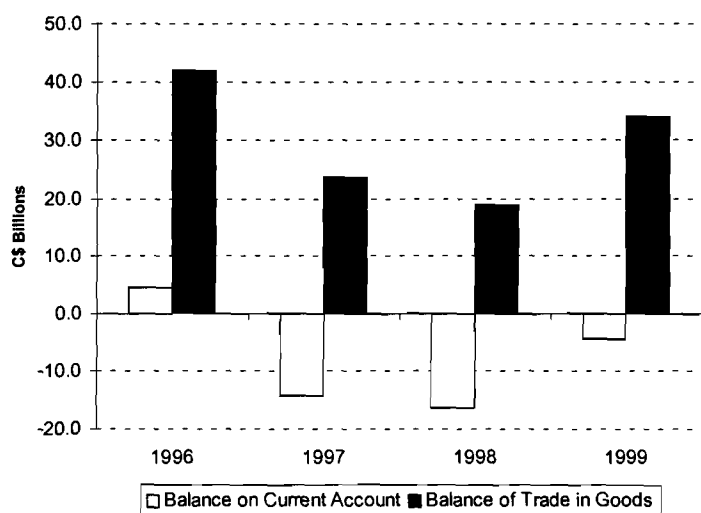
Source: ECLAC on the basis of data from Statistics Canada.

Imports advanced 8% in 1999, to Cdn\$326.7 billion. Most notably, demand for foreign products increased for automotive goods (mainly parts) and for non-industrial machinery (appendix, table 2-4).

Trade in goods with the United States produced an unprecedented surplus of Cdn\$60.5 billion. That was tempered by larger deficits with other trade areas. Higher exports explained

the trade surplus with the U.S. As for the trade in goods with overseas countries, imports rose whereas exports to most areas declined, except to the United Kingdom and the European Union (appendix, table 2-5).

Figure 10: Canada's Current Account and Trade Balances



Source: ECLAC on the basis of data from Statistics Canada.

The deficit on investment income rose by Cdn\$3.6 billion in 1999, a result of higher profits on foreign direct investment in such sectors as transportation equipment and chemicals. The new high of Cdn\$32.7 billion in 1999 compares with a deficit of Cdn\$31.2 billion in 1995. Elsewhere, a small drop in the services deficit accompanied a minor increase in net receipts from current transfers (appendix, table 2-6).

### 3. Capital Movements

Overall capital and financial accounts developments in 1999 show an outflow of Cdn\$8.2 billion (appendix, table 2-6). Direct investment into foreign companies reached a robust Cdn\$25.8 billion, but that amount was down substantially from the record set in 1998. Acquisitions played a much smaller role in 1999 than they did in 1998; however, direct investment in new venture and through injections into existing foreign affiliates was similar to that in 1998. Canadian investors bought a record amount of Cdn\$22.9 billion in foreign securities. The acquisition of Cdn\$20.5 billion in foreign stocks in 1999 was second only to the Cdn\$17.2 billion acquired in 1996, which went mostly into American shares. Purchases of foreign bonds were down to Cdn\$2.4 billion from Cdn\$7.1 billion in 1998. Two-thirds of the 1999 purchases of foreign bonds consisted of U.S. treasuries.

Foreign direct investment in Canada reached a record high in 1999 of Cdn\$36.1 billion, some 50% higher than in 1998. The United States accounted for all the growth, as investment from other countries declined. It exceeded Canadian direct investment abroad, reversing the previous relative magnitudes. Foreign portfolio investment, on the other hand, dropped substantially from 1998, down to Cdn\$4.1 billion, a 25-year low. The accumulation of Canadian bond liabilities, restricted to outstanding issues, was at its lowest level since the early

1970s<sup>2</sup>. New issues steadily declined through 1999 and totaled Cdn\$31.8 billion for the year, the lowest since 1990. Retirements of foreign-held Canadian bonds hit a record Cdn\$36.5 billion for all 1999. Foreign investors continued to invest in Canadian equities in 1999 (Cdn\$14.2 billion), with American and British investors accounting for the buying, as investors from overseas countries reduced their holdings.

The current account deficits of the past years have generated high levels of indebtedness to foreign lenders. Relative to its size, Canada's economy is highly indebted, with its net international investment position reaching a negative of Cdn\$300.3 billions by year-end in 1999. As a share of GDP, Canada's net international liabilities amounted to 31.6% in 1999, down from last year's level of 36.4% and from 32.2% in 1997 (appendix, table 2-7).

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<sup>2</sup> "The Daily, February 28, 2000, Statistics Canada, <http://www.statcan.ca>.



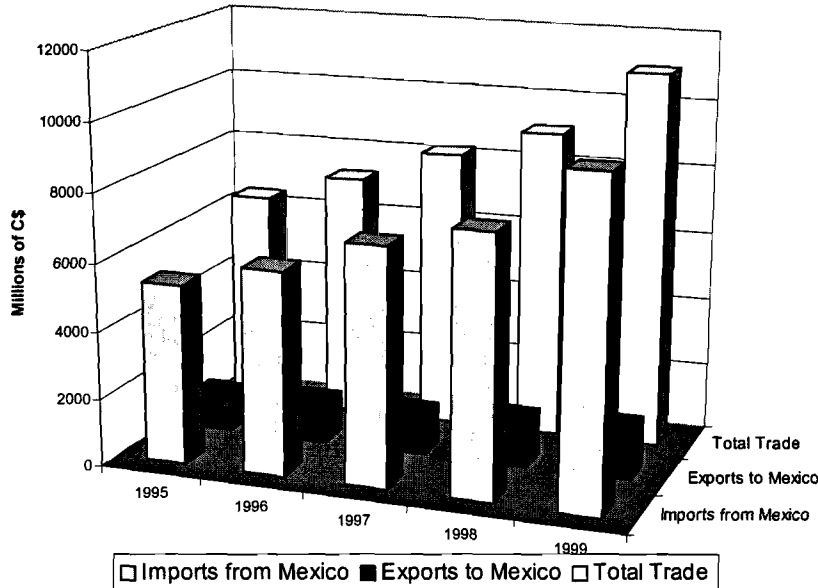
## PART TWO

### CANADA'S ECONOMIC RELATIONS WITH LATIN AMERICA AND THE CARIBBEAN

In 1999 Canada continued to strengthen its trade with Mexico, with the North American Free Trade Agreement (NAFTA) being a leading factor in the sharp increase in trade between the two countries (figure 11). In 1999, total trade increased 21.6% over 1998;

Canadian exports increased 8.6%, while imports from Mexico increased almost 24% (appendix, table 3-1).

Figure 11:  
CANADA-MEXICO TRADE



Source: ECLAC, on the basis of information from Statistics Canada

NAFTA represented for Canada a further step along the road of trade liberalization providing Canada with the opportunity to preserve its trade interests in the U.S. and to extend them to include the Mexican market. Canada is also committed to continue expanding free trade in the Western Hemisphere. The Canada-Chile Free Trade Agreement (CCFTA) came into force on July 5, 1997. Canada has also, since 1998,

signed two non-legally binding Trade and Investment Cooperation Arrangements (TICAs) with MERCOSUR and the Andean Community, as well as a Memorandum of Understanding on Trade and Investment (MOUTI) with Costa Rica, El Salvador, Guatemala, Honduras and Nicaragua. Finally, Canada has signed 8 reciprocal foreign investment protection agreements (FIPAs) with Argentina, Trinidad & Tobago, Barbados, Ecuador, Venezuela, Panama, El Salvador and Uruguay. Canada is also in various stages of negotiating 13 other reciprocal FIPAs (Figure 12).

Canada continues to pursue the implementation of the Free Trade Area of the

Figure 12:

Country	Situation
<b>Old FIPA Model (OECD-based)</b>	
Argentina	In force since April 29, 1993
<b>New FIPA Model (NAFTA-based)</b>	
Trinidad & Tobago	In force since April 10, 1996
Barbados	In force since January 17, 1997
Ecuador	In force since June 6, 1997
Venezuela	In force since January 1, 1998
Panama	In force since February 13, 1998
El Salvador	In force since June 4, 1999
Uruguay	Signed October 29, 1997 (soon to be in force)
Peru	Initialed December 7, 1994 (soon to be signed)
Costa Rica	Initialed January 7, 1997 (soon to be signed)
Argentina, The Bahamas, Brazil, Colombia, Cuba, Dominican Republic, Guyana, Guatemala, Honduras, Jamaica and Nicaragua	Under negotiation

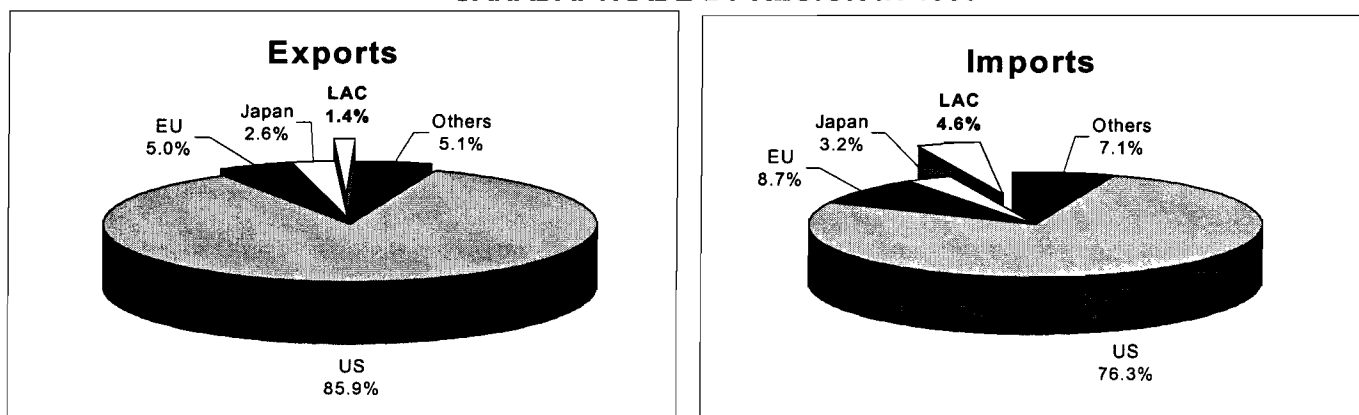
Source: Foreign Affairs and International Trade Canada Agreement.

Americas (FTAA), remaining actively engaged. In November 1999 it hosted a meeting of the 34 hemispheric trade ministers in Toronto, ending the 18-month period of its chairmanship to the negotiations.

### 1. Merchandise Trade

Trade with Latin America and the Caribbean is still small, 1.4% of total Canadian exports and 4.6% of Canadian imports in 1999 (figure 13).

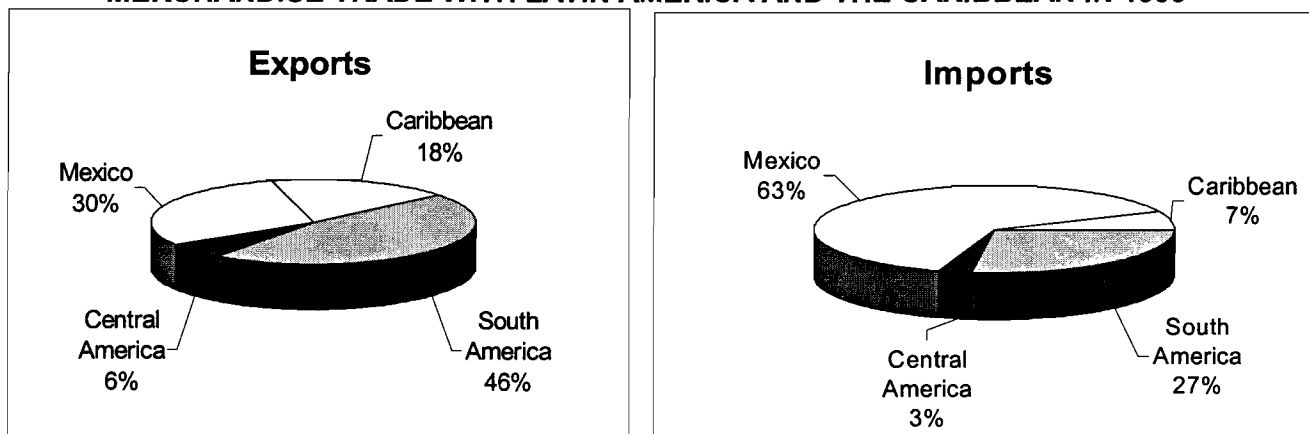
Figure 13:  
CANADA: TRADE BY REGION IN 1999



Source: ECLAC on the basis of data from Statistics Canada.

Canadian trade with Latin America and the Caribbean continues to be dominated by a few countries. More than half of all trade with Latin America and the Caribbean is with Mexico (55%), followed by Brazil and Venezuela, whose shares amount to 11 and 7%, respectively. Trade with Chile, the next largest trading partner in the region, amounts to about 4%, followed by trade with Cuba and Colombia, which amounts to 2.6 and 3.3%, respectively.

Figure 14:  
MERCHANDISE TRADE WITH LATIN AMERICA AND THE CARIBBEAN IN 1999



Source: ECLAC on the basis of data from Statistics Canada.

Mexico's share in Canada's total exports to Latin America and the Caribbean increased from 25% last year to 30% in 1999 (figure 13). Mexico ranks as Canada's tenth largest export market, while Canada is Mexico's second largest export market after the United States. The main exports from Canada to Mexico were motor vehicle parts, grains/seed/fruit, cereals, machinery and electrical machinery.

Imports from Mexico were up by almost 24% in 1999. The main imports from Mexico were electrical machinery, motor vehicles and parts, furniture, oil and optical equipment. Mexico's share in Canada's total imports from Latin America and the Caribbean increased from 59% in 1998 to 63% in 1999. Mexico is currently Canada's third largest source of imports.

Though still small, the size and scope of the commercial relationship between Canada and the other Latin American countries has also increased steadily over the past years. Brazil is the second leading partner of Canada in the Latin American and the Caribbean region, following Mexico. Trade between Canada and Brazil declined to Cdn\$2.2 billion in 1999 from Cdn\$2.6 billion in 1998, as a result of Brazil's difficulties in the beginning of the year with the devaluation of its currency. Canadian exports to Brazil were down 34% in 1999, with a year-end total of Cdn\$825.4 million. Canada imported Cdn\$1.36 billion from Brazil the same year, what led Canada to a deficit position with Brazil. Commodities have dominated Canadian exports to Brazil, but Canadian exports of value added and manufactured goods have been increasing, particularly mobile cellular systems, telecommunications and informatics equipment and services, environmental equipment and services, aircraft engines, leisure watercrafts, automotive industries, advanced manufacturing equipment, value added foods, and remote sensing and geographic information systems (GIS).

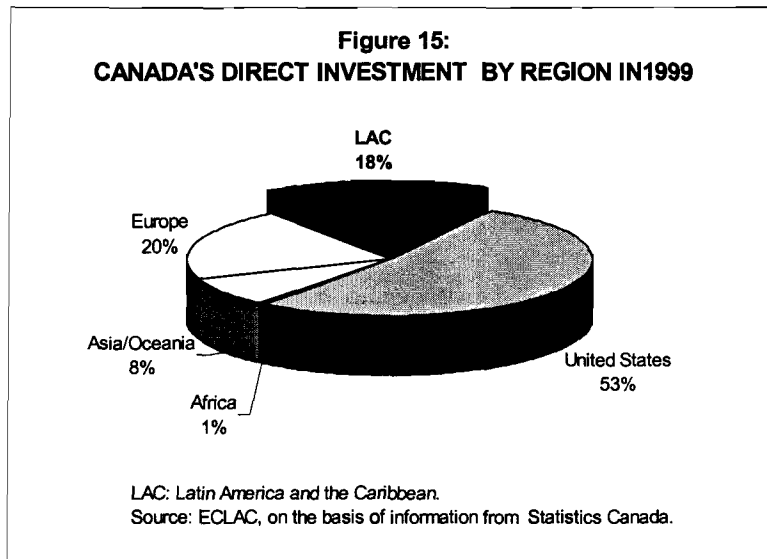
Trade with Venezuela, the third leading partner in the region after Brazil and Mexico, increased 13% in 1999. Canadian exports to Venezuela declined slightly in 1999 (-0.4%), while imports from Venezuela rose by 20%. The main Canadian imports from Venezuela were mineral fuels, petroleum, iron and steel (semi-finished), precious stones, aluminum, machinery, paper and paperboard. The main Canadian exports to Venezuela were motor vehicles parts, wheat, newsprint, wood pulp, machinery and vegetables.

Trade between Canada and Chile was up by 11.5% in 1999. Canadian imports from Chile increased by 17%, while Canadian exports to Chile were up by 5.5%. The major sectors of opportunity for Canadian companies in the medium term include equipment and services in the following areas: mining/metals, energy, environment, information technology/telecommunications, construction/building products, transportation/infrastructure and plastics. In the case of Colombia, as a result of its economic recession, Canadian exports decreased significantly to Cdn\$242.4 million in 1999, a decline of almost 45%. Imports from Colombia also declined by 23%, with total trade between Canada and Colombia declining by 35%.

Finally, Canada and Argentina's bilateral trade almost tripled between 1992 and 1997, reaching Cdn\$586.4 million in 1997. However, trade decreased by 10% in 1999 due to Argentina's economic recession, with Canadian imports from Argentina increasing 17%, while Canadian exports to Argentina decreased 34%, from Cdn\$299.1 to Cdn\$198.2 million.

## 2. Direct Investment

In 1999, the total stock of Canadian foreign direct investment abroad was estimated at Cdn\$257.4 billion (appendix, table 4-1). With a share of about 52%, the United States remains the most important country for Canadian direct investment abroad, though its share has declined from a peak of close to 70 percent at the end of 1984.

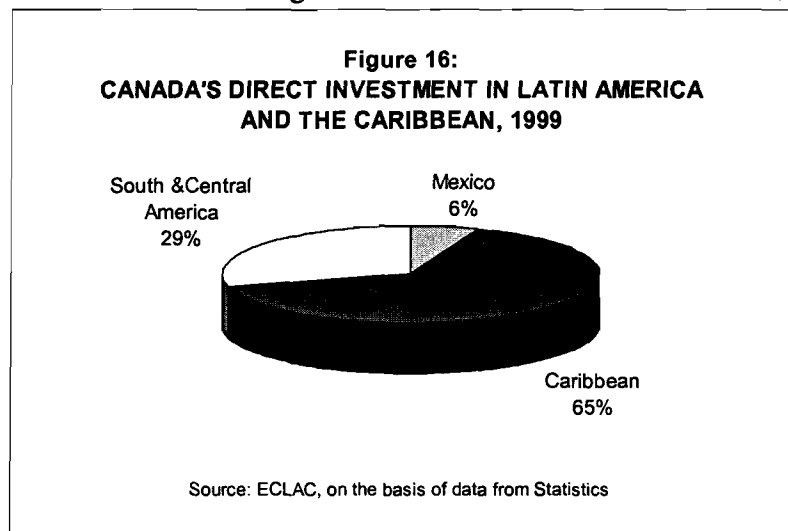


In Latin America and the Caribbean, Canadian investment amounted to Cdn\$47.5 billion in 1999, an increase of 5% with respect to 1998. Latin America and the Caribbean's share in Canada's total investment abroad amounted to 18%, the same share

as last year.

Canadian investment in Mexico in 1999 was Cdn\$2.8 billion, 6% of the total invested in the Latin American and the Caribbean region. The main areas of Canadian investment in Mexico are manufacturing, financial services and mining. Since NAFTA entered into force, Canada went from ninth to fourth place among investors in Mexico.

In South and Central America, Chile is the recipient of the largest share of Canada's direct investment (33.4% of total Canadian direct investment in the region). Canadian investment flows to Chile have increased sharply, from Cdn\$285 million in 1990 to Cdn\$4.6 billion in 1999 (appendix, table 4-1). Currently Canada is Chile's second largest investor after the United States.

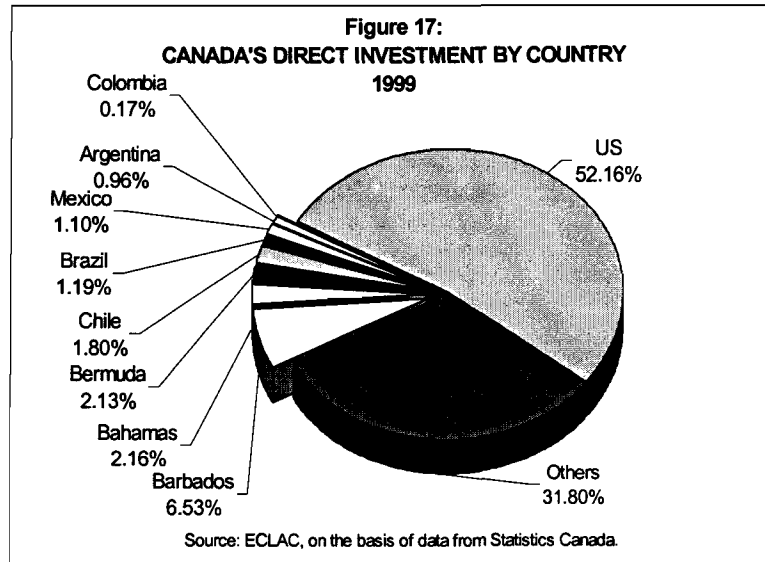


While mostly concentrated in the mining sector, chiefly in mine development, there have been a number of important investments in energy, financial services, manufacturing equipment and communications.

Total investment in Brazil was Cdn\$3.1 billion in 1999, the second largest share of Canada's direct investment in South and Central America. Canada has also invested in Latin American oil, gas, mining, telecommunications and financial services sectors. Canadian

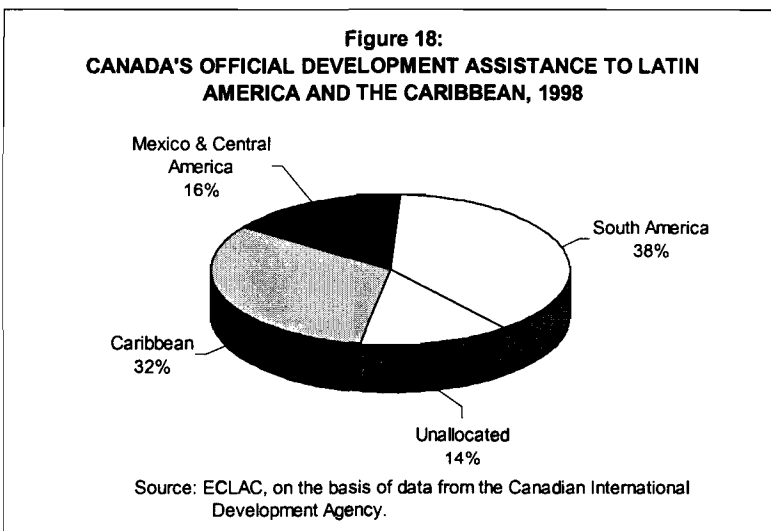
investment in Argentina – notably in the oil and gas, mining and financial services sectors – reached Cdn\$2.5 billion in 1999, making Canada one of the most important foreign investors in Argentina. Canada has also become a leading foreign investor in Colombia, primarily in, but not limited to, the oil and telecommunications sectors, with direct investment totaling Cdn\$450 million in 1999. Current Canadian investment in Colombia is led by telecommunications. Other investments are in the oil exploration, paper, footwear and mining sectors.

The Caribbean attracted 65% of Canadian investment in the Latin American and Caribbean region in 1999. Barbados alone attracted 54% of Canada’s direct investment in the Caribbean, followed by Bahamas (18.1%) and Bermuda (17.8%). In all, Canadian investment in Latin America and the Caribbean is concentrated in a handful of countries (figure 17).



### 3. Economic Assistance

Total Canadian Official Development Assistance (ODA) amounted to Cdn\$2,508.4 million in 1998 (latest data available), a 16% decline from 1997. Out of this total, assistance to Latin America and the Caribbean amounted to Cdn\$188.2 million, a 9% decline from 1997. As a percentage of total bilateral economic assistance, Canadian economic assistance to Latin America and the Caribbean amounted to 10.5% in 1998 (appendix, table 5-1), down from a share of 11.1% in 1997. The main priorities of Canadian economic assistance in Latin America and the Caribbean continue to include improving delivery of social services; the productivity and earning capacity of the poor; fostering good governance; the preservation of the environment; economic reform; supporting regional integration initiatives; and empowerment of women.



Within the Latin American and the Caribbean region, about 38% of the Canadian assistance went to South America. Peru received most of the assistance, followed by Bolivia, Colombia, Brazil and Ecuador (appendix, table 5-2). A share of 16% went to Central America (including Mexico), a

decrease from a share of 25% in 1996 and 18% in 1997. In 1998 Honduras was the main recipient of Canadian ODA to Central America, followed by Guatemala, El Salvador and Nicaragua. Finally, a share of 32% went to the Caribbean in 1998, up from 1997's share of 30%. Assistance to the Caribbean increased 4% from 1997 to 1998. Haiti was the largest recipient, with a share of 55% of the total Canadian assistance to the Caribbean.

**PART THREE**  
**STATISTICAL APPENDIX<sup>3</sup>**

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<sup>3</sup> All monetary figures are expressed in Canadian dollars.

Table 1-1  
Canada: Main Economic Indicators

	1996	1997	1998	1999
Gross Domestic Product at Market Prices (Billions of dollars)	833.9	873.9	895.7	949.4
Gross Domestic Product at 1992 Prices (Billions of dollars)	782.1	813.0	838.3	873.4
Per Capita GDP at 1992 Prices (dollars)	26,359	27,113	27,714	28,643
Population (Millions)	29.7	30.0	30.2	30.5
	Growth Rates			
GDP	1.2	4.0	3.1	4.2
Consumer Prices (Dec to Dec)	2.2	0.7	1.0	2.6
Personal disposable income	1.2	1.4	2.6	3.5
Money (M1)	17.2	9.9	8.0	10.3
	Percentage			
Unemployment rate	9.6	9.1	8.3	7.6
Fiscal Balance (% of GDP)	-1.8	-8.0	0.9	2.8
Personal Savings (as % of Personal Disposable Income)	5.1	2.8	2.3	1.4
	Billions of Dollars			
Balances				
Current Account	4.5	-6.1	-14.3	-16.4
Capital Account	-11.8	18.1	14.4	-8.2
Net Int. Investment Position	-318.2	-314.0	-326.3	-300.3

Source: ECLAC, on the basis of data from Statistics Canada.



Table 1-2  
Canada: Gross Domestic Product  
(1992 Prices)\*

	Billions of dollars				Growth Rates			
	1996	1997	1998	1999	1996	1997	1998	1999
Global Supply	1,033.6	1,101.1	1,143.1	1,207.7	2.2	6.5	3.8	5.7
GDP	782.1	813.0	838.3	873.4	1.2	4.0	3.1	4.2
Imports	251.5	288.1	304.8	334.3	5.4	14.6	5.8	9.7
Global Demand	1,034.7	1,101.7	1,143.1	1,207.5	2.3	6.5	3.8	5.6
Consumption	618.5	636.6	652.3	669.3	1.0	2.9	2.5	2.6
Private	454.0	472.9	485.9	501.2	2.3	4.2	2.7	3.1
Government	164.5	163.7	166.4	168.1	-2.5	-0.5	1.6	1.0
Investment	141.5	167.3	168.5	184.4	1.6	18.2	0.7	9.4
Business fixed	120.1	140.4	145.2	158.7	8.3	16.9	3.4	9.3
Residential Structures	37.5	42.2	41.4	44.1	10.2	12.5	-1.9	6.5
Non-residential Structures	34.3	39.1	39.1	40.2	4.7	14.0	0.0	2.8
Machinery & Equipment	48.4	58.1	64.7	74.4	9.3	20.0	11.4	15.0
Government fixed Invest.	18.7	17.9	18.5	20.3	-2.8	-4.3	3.4	9.7
Inventories	2.7	9.0	4.8	5.4	-	-	-	-
Exports	274.7	297.8	322.3	353.8	5.9	8.4	8.2	9.8

\*Seasonally adjusted data at annual rates.

Source: ECLAC, on the basis of data from Statistics Canada.

Table 1-3  
Evolution of Gross Saving

	Millions of Dollars				Growth Rates			
	1996	1997	1998	1999	1996	1997	1998	1999
Savings	39,005	64,752	60,990	68,576	-18.4	66.0	-5.8	12.4
Persons and unincorporated businesses	26,288	14,906	12,782	7,784	-26.4	-43.3	-14.2	-39.1
Corporations and government business enterprises	29,081	28,068	20,894	33,096	-23.4	-3.5	-25.6	58.4
Government	-10,380	9,715	11,225	26,702	-61.5	-193.6	15.5	137.9
Non-resident	-5,982	12,063	16,089	994	-204.3	-301.7	33.4	-93.8
Personal Savings/Personal Disposable Income	5.1	2.8	2.3	1.4				

Source: ECLAC, on the basis of data from Statistics Canada.

Table 1-4  
Canada: Real GDP at Factor Cost by Industry  
(1992 prices)

	Millions of Dollars			Growth Rates		
	1997	1998	1999	1997	1998	1999
<b>Total</b>	700,804	721,003	750,199	4.1	2.9	4.0
<b>Goods</b>	234,281	238,862	249,681	5.6	2.0	4.5
Industrial Production*	176,658	180,797	188,988	5.4	2.3	4.5
Manufacturing	124,064	128,850	136,946	6.8	3.9	6.3
Non-durable goods	54,887	56,268	57,878	4.4	2.5	2.9
Durable goods	69,177	72,582	79,068	8.8	4.9	8.9
Mining quarrying and oil well industries	27,593	27,502	26,719	4.5	-0.3	-2.8
Utilities	25,001	24,445	25,323	0.4	-2.2	3.6
Agriculture and related service industries	12,296	12,809	13,565	0.1	4.2	5.9
Fishing, trapping	788	780	770	8.4	-1.0	-1.3
Logging & forestry	4,326	4,234	4,602	-0.5	-2.1	8.7
Construction	40,213	40,242	41,756	9.0	0.1	3.8
<b>Services</b>	466,523	482,141	500,518	3.4	3.3	3.8
Transportation and storage industries	32,948	33,576	35,099	5.8	1.9	4.5
Communication industries	21,885	23,392	26,519	3.8	6.9	13.4
Wholesale trade industries	38,489	41,286	45,926	7.7	7.3	11.2
Retail trade industries	43,168	44,778	46,545	5.6	3.7	3.9
Finance, insurance & real state industries	114,842	117,976	120,687	3.7	2.7	2.3
Business service industries	37,250	40,291	43,446	7.6	8.2	7.8
Government service industries	44,088	44,610	45,502	-1.2	1.2	2.0
Educational service industries	40,147	40,453	40,438	-0.7	0.8	0.0
Health and social service industries	46,920	47,364	46,974	0.4	0.9	-0.8
Accommodation, food and beverage service industries	18,485	19,345	19,702	3.6	4.7	1.8
Other service industries	28,301	29,070	29,680	2.9	2.7	2.1

Source: ECLAC, on the basis of data from Statistics Canada

\* Industrial Production includes manufacturing, mining and utilities.

Table 1-5  
Canada: Employment and Unemployment

	Thousands of Persons					Growth Rates				
	1995	1996	1997	1998	1999	1995	1996	1997	1998	1999
Total Labor Force	14,750	14,900	15,153	15,418	15,721	0.6	1.0	1.7	1.7	2.0
Participation Rate %	64.9	64.7	64.9	65.1	65.6	-0.8	-0.3	0.3	0.3	0.8
Employment	13357	13463	13774	14140	14531	1.6	0.8	2.3	2.7	2.8
Unemployment Rate %	9.4	9.6	9.1	8.3	7.6					
Non-Agricultural Employment	12932	13037	13356	13712	14121	1.6	0.8	2.4	2.7	3.0
Manufacturing	1906	1931	2022	2114	2217	5.7	1.3	4.7	4.5	4.9
Construction	729	714	730	739	775	-3.5	-2.1	2.2	1.2	4.9
Transportation & warehousing	664	674	698	717	745		1.5	3.6	2.7	3.9
Trade	2096	2104	2129	2156	2248	-0.3	0.4	1.2	1.3	4.3
Finance, insurance, real estate, leasing	853	869	874	854	863		1.9	0.6	-2.3	1.1
Public Administration	827	810	795	781	774	-7.6	-2.1	-1.9	-1.8	-0.9
Agricultural Employment	425	426	418	428	410	1.4	0.2	-1.9	2.4	-4.2

Source: ECLAC, on the basis of data from Statistics Canada.

Table 1-6  
Canada: Consumer and Producer Prices  
Annual Average Percentage Change

	1995	1996	1997	1998	1999
	Year to Year				
Consumer Prices	2.2	1.6	1.6	0.9	1.7
Food	2.4	1.3	1.6	1.6	1.3
Energy	1.4	2.9	2.4	-4.0	5.7
Goods	1.9	1.6	1.5	0.2	1.8
Services	2.5	1.6	1.7	1.8	1.7
All items excluding food & energy	2.2	1.4	1.6	1.3	1.5
Industrial Product Prices	8.0	0.4	0.8	-0.1	1.8
Finished goods	3.4	2.6	2.0	2.9	2.0
Capital equipment	3.5	2.0	2.0	4.9	1.4
Intermediate goods	11.1	-1.0	0.1	-2.1	1.6
	December to December				
Consumer Prices	1.7	2.2	0.7	1.0	2.6
Food	1.9	2.2	1.2	1.7	1.1
Energy	0.8	5.4	-1.0	-4.3	15.1
Services	1.8	1.8	1.1	1.9	2.0
All items excluding food & energy	1.8	1.8	0.8	1.5	1.6
Industrial Product Prices	5.2	-0.1	0.6	-0.2	3.9
Finished goods	3.4	2.6	2.1	3.1	1.5
Capital equipment	3.5	1.9	3.5	5.3	-1.1
Intermediate goods	6.2	-2.1	-0.2	-2.6	5.7

Source: ECLAC, on the basis of data from Statistics Canada.

Table 1-7  
Canada: Income and Wage Indicators

	Millions of dollars					Growth Rates				
	1995	1996	1997	1998	1999	1995	1996	1997	1998	1999
<b>Income</b>										
Per capita disposable personal income (a)	17,536	17,738	17,988	18,462	19,110	2.0	1.2	1.4	2.6	3.5
Average weekly hours worked (hours per week)	35.98	35.81	35.51	35.52	35.55	-0.1	-0.5	-0.8	0.0	0.1
Average compensation (\$ per hour)	18.85	19.35	20.40	20.74	21.00	2.8	2.7	5.4	1.7	1.3
Unit labor cost (b)	0.545	0.548	0.558	0.563	0.565	0.7	0.6	1.8	0.9	0.4

Source: ECLAC, on the basis of data from Statistics Canada.

(a) Seasonally adjusted at annual rates

(b) 1992 dollars.

Table 1-8  
Canada: Government Receipts, Expenditures and Debt

	Millions of dollars					Growth Rates				
	1995	1996	1997	1998	1999	1995	1996	1997	1998	1999
<b>Total Revenue</b>	363,162	381,895	404,693	417,375	436,060	5.6	5.2	6.0	3.1	4.5
<b>Direct taxes</b>	130,090	143,117	155,562	162,485	174,818	8.5	10.0	8.7	4.5	7.6
Individuals	106,190	113,902	121,239	129,389	134,426	6.4	7.3	6.4	6.7	3.9
Business	22,196	26,371	31,365	30,401	37,045	20.6	18.8	18.9	-3.1	21.9
Non-residents	1,704	2,844	2,958	2,695	3,147	0.4	66.9	4.0	-8.9	16.8
<b>Indirect taxes</b>	115,727	118,843	125,031	129,455	133,329	3.0	2.7	5.2	3.5	3.0
<b>Other transfers</b>	4,033	4,235	4,348	4,637	4,723	2.4	5.0	2.7	6.6	1.9
<b>Investment income</b>	43,210	44,769	46,642	44,857	44,507	5.4	3.6	4.2	-3.8	-0.8
<b>Total Current Expenditure</b>	392,575	392,275	394,978	408,153	409,961	3.4	-0.1	0.7	3.3	0.4
<b>Goods and Services</b>	198,599	198,857	200,406	205,188	208,899	2.7	0.1	0.8	2.4	1.8
<b>Transfer payments</b>	116,426	117,180	119,305	124,562	124,719	-0.5	0.6	1.8	4.4	0.1
<b>Interest on public debt</b>	77,550	78,238	75,285	78,403	75,753	11.9	0.9	-3.8	4.1	-3.4
<b>Savings (Total Revenue-Expenditures)</b>	-29,413	-10,380	9,715	9,222	26,099	17.8	64.7	193.6	-5.1	183.0
<b>Add: Capital consumption allowances</b>	16,001	16,303	18,770	17,209	17,597	5.3	1.9	15.1	-8.3	2.3
<b>Deduct: Investment in Fixed Capital/Inventories</b>	22,705	20,905	21,696	18,418	17,579					
<b>General Fiscal Balance</b>	-36,117	-14,982	6,789	8,013	26,117	14.5	58.5	145.3	18.0	225.9
<b>General Fiscal Balance as a % of GDP</b>	-4.5	-1.8	-8.0	0.9	2.8					

Source: ECLAC, on the basis of data from Statistics Canada.

Table 1-9  
Canada: Interest Rates

	1995	1996	1997	1998	1999
Nominal rates; Percent per annum					
<b>Short Term Rates</b>					
Bank rate	7.3	4.5	3.5	5.1	4.9
Prime rate	8.7	6.1	5.0	6.6	6.4
90 day Treasury Bills	7.0	4.3	3.2	4.7	4.7
90 day commercial paper	7.2	4.4	3.6	5.1	4.9
<b>Long Term Rates</b>					
5 year mortgage rate	9.2	7.9	7.1	6.9	7.6
Canada Bond Rate	8.3	7.5	6.4	5.5	5.7

Source: ECLAC, on the basis of data from Statistics Canada.

Table 1-10  
Canada: Total Credit Market Debt of Domestic Non Financial Sectors

	Billions of dollars					Growth Rates				
	1995	1996	1997	1998	1999	1995	1996	1997	1998	1999
Total	1,779.5	1,828.4	1,881.3	1,952.5	2,014.8	4.0	2.7	2.9	3.8	3.2
Government										
Federal	457.9	469.0	461.7	454.2	454.8	5.8	2.4	-1.6	-1.6	0.1
Other levels	301.9	307.7	313.7	321.2	328.5	4.9	1.9	1.9	2.4	2.3
Non-financial government enterprises	90.0	87.8	85.4	86.2	78.4	-7.0	-2.4	-2.7	0.9	-9.0
Persons and unincorporated business	527.6	553.4	586.5	622.5	661.0	4.3	4.9	6.0	6.1	6.2
Mortgages	357.2	372.3	388.1	405.4	424.2	3.7	4.2	4.2	4.5	4.6
Consumer credit	116.8	123.4	133.7	143.8	154.5	4.9	5.7	8.3	7.6	7.4
Other	53.6	57.7	64.7	73.3	82.3	7.2	7.6	12.1	13.3	12.3
Non-financial private corporations	402.1	410.6	433.9	468.6	491.9	3.6	2.1	5.7	8.0	5.0

Source: ECLAC, on the basis of data from Statistics Canada.

Table 1-11  
Canada: Money Stock, Liquid Assets, and Debt Measures

	Millions of Dollars; December of each year				Growth Rates			
	1996	1997	1998	1999	1996	1997	1998	1999
Monetary Base	30,819	32,374	34,250	39,670	4.1	5.0	5.8	15.8
Concepts of Money and Liquid Assets <sup>a</sup>								
M1	72,637	79,864	86,249	95,156	17.2	9.9	8.0	10.3
M2	447,483	440,847	446,197	470,682	2.0	-1.5	1.2	5.5
M2+	635,160	625,926	634,655	675,365	3.6	-1.5	1.4	6.4
M3	555,243	582,903	601,712	629,015	5.1	5.0	3.2	4.5

Source: ECLAC, on the basis of data from Statistics Canada.

a. Seasonally adjusted

Table 2-1  
Canada: Evolution of the Exchange Rate

	Yearly					Quarterly - 1999			
	1995	1996	1997	1998	1999	I	II	III	IV
Canadian dollar per U.S. dollar <sup>a</sup>	1.37	1.36	1.38	1.48	1.49	1.51	1.47	1.49	1.47
Nominal effective exchange rate <sup>b</sup>	100	102	102	95.8	95.2	93.3	96.5	95.3	95.8
	Percentage changes <sup>c</sup>								
Canadian dollar per U.S. dollar	0.0	-0.7	1.5	7.2	0.7	-1.9	-2.6	1.4	-1.3
Nominal effective exchange rate	18.1	1.7	0.2	-6.0	-0.6	2.3	3.4	-1.2	0.5

Source: ECLAC, on the basis of data from the International Monetary Fund

a. Period average

b. Index Numbers 1995=100

c. Compared with preceding period

Table 2-2  
Canada: Main Indicators of Merchandise Trade  
(BOP basis)

	Millions of dollars				Growth Rates			
	1996	1997	1998	1999	1996	1997	1998	1999
Exports	279,892	301,381	322,262	360,600	5.6	7.7	6.9	11.9
Imports	237,917	277,708	303,400	326,662	3.4	16.7	9.3	7.7
Trade Balance	41,975	23,674	18,863	33,938				
as % of GDP	5.0	2.7	2.1	3.6				
	Indexes (1990=100)							
Terms of Trade	101.0	99.9	97.0	97.6				

Source: ECLAC, on the basis of data from the I.M.F. and Statistics Canada.

Table 2-3  
Canada: Merchandise Exports  
(BOP basis)

	Millions of dollars					Growth Rates				
	1995	1996	1997	1998	1999	1995	1996	1997	1998	1999
Total Exports	265,334	279,892	301,381	322,262	360,600	16.3	5.5	7.7	6.9	11.9
Agricultural and fishing products	20,966	23,168	24,963	25,143	25,614	11.4	10.5	7.7	0.7	1.9
Energy products	20,393	26,007	27,089	23,901	30,310	6.2	27.5	4.2	-11.8	26.8
Forestry products	36,746	34,471	34,853	35,174	38,903	26.2	-6.2	1.1	0.9	10.6
Industrial goods and materials	50,899	52,283	56,066	57,454	56,940	19.8	2.7	7.2	2.5	-0.9
Finished products	127,265	134,770	147,887	168,662	194,692	15.3	5.9	9.7	14.0	15.4
Machinery and equipment	56,032	61,898	68,219	78,823	84,959	22.6	10.5	10.2	15.5	7.8
Automotive products	62,917	63,370	69,001	77,415	96,142	9.2	0.7	8.9	12.2	24.2
Other consumer goods	8,316	9,502	10,667	12,424	13,591	17.1	14.3	12.3	16.5	9.4

Source: ECLAC, on the basis of data from Statistics Canada.

Table 2-4  
Canada: Merchandise Imports  
(BOP basis)

	Millions of dollars					Growth Rates				
	1995	1996	1997	1998	1999	1995	1996	1997	1998	1999
Total Imports	229,937	237,917	277,708	303,400	326,662	10.6	3.5	16.7	9.3	7.7
Agricultural and fishing products	13,375	14,138	15,646	17,262	17,639	6.3	5.7	10.7	10.3	2.2
Forestry products	2,038	1,914	2,386	2,498	2,741	12.6	-6.1	24.7	4.7	9.7
Energy products	7,237	9,605	10,628	8,679	10,646	4.2	32.7	10.7	-18.3	22.7
Industrial goods and materials	45,569	46,483	54,559	60,286	62,142	16.3	2.0	17.4	10.5	3.1
Finished products	151,332	153,560	181,867	202,640	221,096	10.5	1.5	18.4	11.4	9.1
Machinery and equipment	75,700	76,613	91,315	101,303	108,230	15.2	1.2	19.2	10.9	6.8
Automotive products	50,086	51,107	60,826	66,763	75,903	4.7	2.0	19.0	9.8	13.7
Other consumer goods	25,546	25,840	29,726	34,574	36,962	9.0	1.2	15.0	16.3	6.9

Source: ECLAC, on the basis of data from Statistics Canada.

Table 2-5  
Canada: Merchandise Imports and Exports by Area  
(BOP basis; Millions of dollars)

	Exports			Imports			Trade Balance		
	1997	1998	1999	1997	1998	1999	1997	1998	1999
Total	301,381	322,262	360,600	277,708	303,400	326,662	23,673	18,862	33,938
United States	242,482	269,497	309,663	211,425	233,635	249,173	31,057	35,862	60,491
United Kingdom	3,641	4,158	4,412	6,502	6,314	8,151	-2,861	-2,156	-3,739
Japan	12,269	9,513	9,211	8,712	9,651	10,591	3,557	-138	-1,380
EU excluding U.K.	13,393	13,640	13,792	17,745	19,134	20,371	-4,353	-5,494	-6,579
Other OECD	8,092	7,512	7,156	11,378	11,368	13,208	-3,286	-3,856	-6,052
Other Countries	21,505	17,943	16,365	21,946	23,298	25,168	-441	-5,355	-8,804

Source: ECLAC, on the basis of data from Statistics Canada.

Table 2-6  
Canada: Balance of Payments  
(Millions of dollars)

	1995	1996	1997	1998	1999
<i>Current Account</i>					
<b>Balance on Current Account</b>	<b>-6,100</b>	<b>4,530</b>	<b>-14,265</b>	<b>-16,385</b>	<b>-4,339</b>
Receipts	330,978	350,700	378,789	403,629	446,424
Payments	337,078	346,170	393,054	420,014	450,763
<b>Balance on Goods and Services</b>	<b>25,261</b>	<b>33,214</b>	<b>14,611</b>	<b>11,908</b>	<b>27,305</b>
Receipts	301,130	319,705	343,589	368,164	409,757
Payments	275,869	286,491	328,978	356,256	382,452
<b>Balance on Goods</b>	<b>35,397</b>	<b>41,975</b>	<b>23,673</b>	<b>18,862</b>	<b>33,938</b>
Receipts	265,334	279,892	301,381	322,262	360,600
Payments	229,937	237,917	277,708	303,400	326,662
<b>Balance on Services</b>	<b>-10,137</b>	<b>-8,761</b>	<b>-9,063</b>	<b>-6,955</b>	<b>-6,633</b>
Receipts	35,796	39,813	42,207	45,901	49,157
Payments	45,933	48,574	51,270	52,856	55,790
<b>Balance on Investment Income</b>	<b>-31,191</b>	<b>-29,392</b>	<b>-29,679</b>	<b>-29,099</b>	<b>-32,737</b>
Receipts	25,898	26,187	30,246	30,498	31,166
Payments	57,089	55,579	59,925	59,597	63,903
<b>Current Transfers</b>	<b>-169</b>	<b>709</b>	<b>804</b>	<b>807</b>	<b>1,093</b>
Receipts	3,951	4,809	4,954	4,968	5,501
Payments	4,120	4,100	4,150	4,161	4,408
<i>Capital and Financial Accounts</i>					
<b>Capital Account, net flow</b>	<b>6,789</b>	<b>7,973</b>	<b>7,541</b>	<b>4,976</b>	<b>5,091</b>
Capital Account, inflows	7,766	8,542	8,107	5,617	5,774
Capital Account, outflows	-982	-569	-566	-641	-683
<b>Financial Account, net flow (1)</b>	<b>-5,489</b>	<b>-19,765</b>	<b>10,550</b>	<b>9,460</b>	<b>-13,310</b>
<i>Canadian assets/net flows</i>					
<b>Direct</b>	<b>-15,732</b>	<b>-17,562</b>	<b>-30,531</b>	<b>-39,414</b>	<b>-25,796</b>
Portfolio	-7,331	-19,151	-11,230	-22,233	-22,947
Stocks	-6,247	-17,165	-4,529	-15,158	-20,541
Bonds	-1,085	-1,986	-6,702	-7,075	-2,405
Other investment	-15,331	-36,275	-18,573	10,570	8,842
<b>Total Canadian assets</b>	<b>-38,394</b>	<b>-72,988</b>	<b>-60,334</b>	<b>-51,077</b>	<b>-39,901</b>
<i>Canadian liabilities/net flows</i>					
<b>Direct</b>	<b>12,703</b>	<b>12,827</b>	<b>15,879</b>	<b>24,470</b>	<b>36,057</b>
Portfolio	25,233	18,251	16,407	25,006	4,199
Stocks	-4,242	7,963	7,514	13,480	14,164
Bonds	30,730	17,607	6,127	11,790	3,474
Money Market Instruments	-1,254	-7,319	2,766	-264	-13,439
Other investment	-5,032	22,146	38,597	11,062	-13,665
<b>Total Canadian liabilities</b>	<b>32,905</b>	<b>53,223</b>	<b>70,884</b>	<b>60,537</b>	<b>26,590</b>
<b>Total capital &amp; financial accounts</b>	<b>1,294</b>	<b>-11,792</b>	<b>18,091</b>	<b>14,436</b>	<b>-8,220</b>

(1) A minus sign denotes an outflow of capital resulting from an increase in claims on non-residents or a decrease in liabilities to non-residents.

Source: ECLAC, on the basis of data from Statistics Canada.



Table 2-7  
 Canada: International Investment Position  
 (at year-end; Billions of dollars)

	1995	1996	1997	1998	1999
<b>Total Assets</b>	<b>437.2</b>	<b>501.2</b>	<b>580.0</b>	<b>660.0</b>	<b>663.7</b>
Canadian Direct Investment Abroad	161.2	180.6	209.7	246.3	257.4
Total Portfolio Investment	84.2	100.4	118.3	144.0	163.7
Total Other Investments	191.8	220.2	252	269.7	242.6
Loans	43.2	49.1	71.3	60.4	56.1
Allowances	-11.8	-11.4	-10.3	-10.8	-10.8
Canadian Banks net foreign currency assets (Deposits)	80.6	99.0	102.0	118.2	100.0
Official International Reserves	20.8	28.2	25.7	35.9	41.5
Other Foreign Claims	59.0	55.2	63.3	65.8	55.8
<b>Total Liabilities</b>	<b>769.2</b>	<b>819.4</b>	<b>894.0</b>	<b>986.3</b>	<b>964.0</b>
Foreign Direct Investment in Canada	168.2	180.4	197.9	219.2	240.0
Total Portfolio Investment	424.7	443.5	461.4	515.4	495.5
Total Other Investments	176.4	195.5	234.7	251.7	228.5
Loans (Other Debt)	48.8	51.3	50.7	53.3	57.5
Banks net foreign currency liability position (Deposits)	109.3	126.8	165.4	180.7	149.7
Other liabilities	18.3	17.3	18.7	17.7	21.3
<b>Canada's Net International Investment Position</b>	<b>-332.0</b>	<b>-318.2</b>	<b>-314.0</b>	<b>-326.3</b>	<b>-300.3</b>

Source: ECLAC, on the basis of data from Statistics Canada.

Table 3-1  
Canada: Merchandise Trade with Latin America and the Caribbean

	Millions of Dollars									
	Imports					Exports				
	1995	1996	1997	1998	1999	1995	1996	1997	1998	1999
<b>Latin America and Caribbean</b>	<b>9,417.2</b>	<b>10,495.6</b>	<b>12,046.7</b>	<b>12,924.4</b>	<b>15,025.5</b>	<b>4,854.3</b>	<b>5,248.4</b>	<b>5,643.4</b>	<b>5,602.0</b>	<b>5135.8</b>
<b>South America</b>	<b>2,791.1</b>	<b>3,020.2</b>	<b>3,742.6</b>	<b>3,934.6</b>	<b>4,056.7</b>	<b>2,848.2</b>	<b>3,141.2</b>	<b>3,394.7</b>	<b>3,206.3</b>	<b>2372.0</b>
Argentina	169.9	186.3	232.8	258.8	303.7	230.3	188.9	353.6	299.1	198.2
Bolivia	22.4	17.6	15.6	13.8	16.6	10.6	26.0	33.1	16.2	14.6
Brazil	1,037.9	1,133.6	1,319.9	1,377.0	1,358.5	1,265.3	1,335.7	1,554.8	1,255.3	825.4
Chile	278.9	342.2	325.8	360.3	421.3	386.1	396.4	379.3	328.9	346.9
Colombia	372.0	296.9	302.0	364.2	280.6	332.8	458.9	431.4	436.1	242.4
Ecuador	138.0	128.7	141.1	192.3	146.9	75.0	71.5	85.3	205.1	87.4
Paraguay	3.6	2.9	3.3	3.7	1.5	11.9	5.7	10.1	13.0	7.1
Peru	96.1	126.4	134.6	171.3	150.0	136.9	168.1	309.3	185.5	163.2
Suriname	*	26.2	25.2	87.0	82.6	*	4.9	5.9	4.1	4.9
Uruguay	24.7	33.5	66.4	60.9	89.1	23.3	24.0	23.2	23.4	35.7
Venezuela	647.6	725.9	972.3	841.7	1,013.6	376.0	461.1	508.2	433.5	431.7
<b>Mexico and Central America</b>	<b>5,723.4</b>	<b>6,395.4</b>	<b>7,492.3</b>	<b>8,228.5</b>	<b>9,977.0</b>	<b>1,295.9</b>	<b>1,421.4</b>	<b>1,460.9</b>	<b>1,699.5</b>	<b>1834.7</b>
Mexico	5,340.6	6,033.3	7,019.0	7,680.9	9,520.5	1,106.9	1,216.6	1,219.2	1,402.2	1522.5
Costa Rica	163.1	146.6	185.2	201.3	176.1	44.7	49.5	73.2	47.6	57.9
El Salvador	43.7	27.8	44.7	33.0	36.5	22.6	10.9	20.9	33.2	13.3
Guatemala	93.4	103.2	133.5	156.7	121.9	41.4	66.9	82.2	138.7	165.0
Honduras	49.8	51.0	54.4	78.7	68.3	20.2	16.3	16.3	18.0	18.7
Nicaragua	10.5	9.7	9.8	22.2	24.4	9.3	16.4	10.8	12.2	11.3
Panama	22.3	23.8	45.7	55.7	29.3	50.8	44.8	38.3	47.6	46.0
<b>Caribbean</b>	<b>902.7</b>	<b>1,074.1</b>	<b>1,015.2</b>	<b>1,001.5</b>	<b>991.8</b>	<b>710.2</b>	<b>685.8</b>	<b>797.8</b>	<b>705.9</b>	<b>929.1</b>
Antigua and Barbuda	0.4	1.9	1.3	2.7	0.4	6.2	27.5	8.8	7.7	11.1
Bahamas	16.8	23.4	8.0	22.0	26.0	15.2	17.2	20.8	24.0	24.8
Barbados	17.2	15.7	13.9	11.6	10.7	31.5	30.3	34.9	34.3	37.9
Belize	11.7	8.0	12.7	8.3	14.0	4.2	2.6	9.7	3.7	2.9
Bermuda	4.2	2.3	3.7	7.6	19.7	34.1	27.8	36.5	37.5	40.1
Br. Virgin Is.	0.1	1.3	0.2	0.6	0.6	1.4	0.9	3.4	2.5	28.6
Cayman Islands	0.6	2.0	0.6	1.1	0.7	11.5	6.4	13.5	11.4	7.4
Cuba	320.9	401.2	353.1	333.5	305.8	254.5	263.1	323.4	431.7	355.3
Dominican Republic	71.1	92.3	112.0	116.0	98.7	76.1	73.6	81.7	92.9	108.7
Guyana	171.2	204.0	203.4	203.1	192.0	8.0	11.1	10.0	9.7	14.2
Haiti	2.9	2.9	4.2	4.5	11.2	27.8	29.5	26.1	24.1	41.3
Jamaica	200.2	239.1	257.7	256.4	201.1	96.2	83.4	84.0	95.1	92.0
Martinique	0.1	-	-	0.1	-	4.6	6.4	2.7	4.6	0.7
Netherland Antilles	65.1	31.8	7.6	26.1	36.6	32.1	21.6	36.4	22.3	22.3
Saint Lucia	1.2	1.6	1.3	1.6	0.6	12.5	5.3	8.0	10.0	8.9
Trinidad and Tobago	19.0	46.6	26.4	34.2	73.7	94.3	79.1	81.7	99.7	132.9

Source: ECLAC, based on data from Statistics Canada.

Table 4-1  
Canada: Direct Investment Abroad

	Millions of Dollars				
	1990	1996	1997	1998	1999
<b>All Countries</b>	98,402	180,616	209,678	246,313	257,408
Industrial Countries	85,316	139,168	158,644	186,468	194,494
Other Countries	13,086	41,448	51,034	59,846	62,914
United States	60,049	93,886	105,683	124,405	134,281
Europe	22,089	39,633	47,005	54,734	52,559
Africa	268	1,217	1,464	1,455	1,495
Asia/Oceania	7,636	17,405	18,541	20,545	21,552
<b>Latin America &amp; Caribbean</b>	8,359	28,475	36,985	45,175	47,520
Mexico	245	1,931	2,153	2,709	2,824
Caribbean	5,773	17,159	22,486	28,264	30,837
Bahamas	1,950	3,083	4,554	5,588	5,569
Barbados	1,453	8,622	11,375	14,551	16,799
Bermuda	1,758	3,434	4,205	5,327	5,480
Netherlands Antilles	72	120	123	147	150
Others	540	1,900	2,229	2,651	2,839
South & Central America	2,341	9,385	12,346	14,202	13,859
Argentina	123	1,634	1,939	2,496	2,465
Brazil	1,698	2,913	2,791	3,237	3,067
Chile	285	3,281	3,884	4,845	4,625
Colombia	24	342	383	482	450
Venezuela	54	410	398	389	382
Panama	23	110	159	99	159
Others	133	695	2,793	2,653	2,711

Source: ECLAC, on the basis of data from Statistics Canada.

Table 5-1  
Canadian Official Development Assistance (ODA)

	Millions of Dollars				
	1988	1993	1996	1997	1998
Canadian total ODA	2888.1	3,061.7	2,448.7	2,972.8	2508.4
Economic assistance	2861.2	2,997.7	2,431.2	2,970.0	2498.1
Military assistance	0.0	0.0	0.0	0.0	0.0
OD loans - EDC a)	26.9	63.9	17.4	2.8	10.3
Canadian economic assistance to Latin America and the Caribbean	223.2	194.9	167.1	206.9	188.2
Economic assistance	223.2	194.9	167.1	206.9	188.2
Military assistance	0.0	0.0	0.0	0.0	0.0
OD loans - EDC a)	0.0	0.0	0.0	0.0	0.0
Canadian economic assistance to Latin America as a percentage of total bilateral economic assistance b)	11.5	9.5	9.0	11.1	10.5

Source: Canadian International Development Agency

a) Export Development Corporation

b) Canadian total bilateral ODA amounted to about Cdn \$1,870.0 million in 1997 and Cdn \$1,790.1 million in 1998.

Table 5-2  
Canada: Net Official Development Assistance  
to Latin America and the Caribbean  
(net of reimbursements)

	Millions of Canadian dollars				
	1994	1995	1996	1997	1998
<b>Latin America and the Caribbean</b>	<b>180.6</b>	<b>163.3</b>	<b>167.1</b>	<b>206.9</b>	<b>188.2</b>
<b>South America</b>	<b>65.7</b>	<b>77.6</b>	<b>71.7</b>	<b>87.7</b>	<b>71.9</b>
Argentina	1.9	1.8	1.5	2.0	1.3
Bolivia	13.1	15.5	17.0	17.2	10.7
Brazil	3.7	3.9	4.2	5.2	5.1
Chile	3.5	2.2	2.1	1.8	1.7
Colombia	6.0	4.2	4.5	-1.6	7.7
Ecuador	9.5	5.9	2.5	4.1	4.6
Paraguay	0.6	0.2	0.4	12.9	0.3
Peru	18.7	33.1	25.5	24.0	23.1
Uruguay	1.4	1.7	1.6	2.3	1.2
Venezuela	1.9	1.4	1.2	1.2	1.2
South America unallocated	5.5	7.9	11.3	18.7	15.0
<b>Mexico and Central America</b>	<b>40.1</b>	<b>31.9</b>	<b>41.5</b>	<b>37.5</b>	<b>30.3</b>
Mexico	6.1	5.1	4.7	3.3	3.8
Costa Rica	4.4	1.9	3.2	2.3	2.6
El Salvador	1.4	1.1	5.8	9.2	4.8
Guatemala	5.0	4.4	3.4	7.6	6.0
Honduras	10.5	7.7	6.1	6.8	8.0
Nicaragua	12.4	11.1	17.6	6.9	4.0
Panama	0.3	0.7	0.6	1.4	1.0
<b>Caribbean</b>	<b>58.1</b>	<b>52.3</b>	<b>50.9</b>	<b>57.9</b>	<b>60.3</b>
Anguilla	0.0	-	-	0.0	0.0
Antigua	0.2	-	0.0	0.2	0.0
Barbados	0.3	0.2	0.2	0.2	0.1
Belize	0.3	0.1	0.3	0.2	0.3
Cuba	0.3	1.2	2.2	5.7	13.2
Dominica	2.1	1.1	1.1	1.2	1.1
Dominican Republic	0.4	0.3	0.4	1.2	0.3
Grenada	0.0	0.0	0.0	0.0	0.1
Guyana	9.2	-	6.6	12.4	4.6
Haiti	20.4	31.2	33.3	30.8	33.2
Jamaica	15.0	9.8	5.1	4.7	6.5
Montserrat	0.0	0.0	-	0.1	0.0
Suriname	-	0.1	0.2	0.2	-
St. Kitts/Nevis	0.1	0.0	-	0.0	0.0
St. Lucia	8.6	6.9	1.0	0.3	0.3
St. Vincent	0.7	0.0	-	0.0	0.0
Trinidad and Tobago	0.3	1.4	0.4	0.4	0.4
Turks and Caicos	0.2	0.0	-	-	-
Virgin Island	0.0	-	-	-	-
Unallocated	<b>16.7</b>	<b>1.5</b>	<b>2.9</b>	<b>23.8</b>	<b>25.8</b>

(1) The negative amount is due to a debt reorganization exercise in 1997.

Source: Canadian International Development Agency

