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Canada: Economic Report 2018

Executive Summary

With 3% in 2017 the Canadian economy recorded the best performance in six years. Whereas strong household spending was the main driving force last year, a shift toward business investment and exports is expected in the next few years with growth rates of around 2%.

The uncertainty regarding the outcome of the NAFTA renegotiation as well as further protectionist measures by the U.S. administration (after the recent imposition of tariffs on steel, aluminium and lumber) pose the biggest risk to the economy. After countless rounds of negotiation, NAFTA parties have failed to reach a trilateral deal. Instead, at the end of August 2018, President Trump announced a bilateral deal with Mexico and gave formal 90-day notice to Congress, keeping the door open for Canada to join – “if it is willing”. Canada and the US are down to a few sticking points holding up a successful conclusion of a revised Nafta agreement, first and foremost the trade dispute resolution mechanism (Chapter 19) and Canadian dairy tariffs.

Domestically, the endeavour by the Trudeau government to strike the right balance between its commitments for global climate policy and the development of the Canadian oil and gas sector has suffered a serious setback with the ruling of the Federal Court of Appeal to halt all construction of the Trans Mountain Pipeline (pending further consultations with Indigenous peoples) and the growing resistance of the provinces towards the government’s carbon pricing policy.

Canada is making slow but steady progress in the diversification of its trade (away from the U.S.). Once CPTPP is in effect, it will have preferential market access via 14 trade agreements to 51 countries (however not to China or India).

With 1.2% of total Swiss trade, Canada occupies rank 16 of all trading partners and is the second most important market in the Americas, after the U.S. and ahead of Brazil and Mexico. Bilateral trade of goods in 2017 has increased by 19% to CHF 4.8 billion. Swiss exports went up 4.0%, imports from Canada rose by 89.6%, mainly due to Swiss International Airline’s purchase of CS300 planes from Bombardier. Switzerland has a considerable trade surplus with Canada. Also, Switzerland is the fifth largest foreign investor in Canada.

Bilateral trade would benefit from a modernisation of the existing EFTA-Canada free trade agreement. Another round of exploratory talks took place in June 2018. A decision on whether or not to start formal negotiations should be taken shortly in the light of the respective level of ambitions and red lines.

The government has yet to come up with a response to the eroding Canadian competitiveness that is manifest in the recent poor performance in terms of FDI, which in 2017 hit lows not seen since the global financial crisis. The culprit is seen in high corporate income taxes (vis-à-vis the U.S.), the fear of future tax increases due to relatively high budget deficits as well as in the uncertainty regarding the federal carbon-pricing scheme and the future of NAFTA.

1. Economic Overview[1]

The Canadian economy is progressing well. Following a decade of many setbacks, 2017 was a year of robust growth, 3.0 percent for the year as a whole. This is the best performance in six years mainly due to a strong U.S. economy, higher oil prices and high private consumption, which has been the largest contributor. Canada's economy added 423'000 new jobs in 2017. The unemployment rate fell to 5.7%, the lowest since comparable data became available in 1976. It has held steady for most months so far in 2018 at 5.8 per cent. Canada's annual inflation rate for 2017 stood at 2.3 per cent and hit a six-year high of 2.5 per cent in June 2018.

Most of 2017 GDP growth was realized during the first two quarters of the year, when it increased 4.0 percent and 4.4 percent, respectively. Output soared in goods sectors after two years of declines, with substantial increases in mining and oil extraction, construction, and manufacturing. Even as the economy slowed down in the fourth quarter of 2017, consumers continued to enjoy the benefit of low interest rates, cheap fuel and an improving labour market, which was reflected in continued strong household spending.

In the first quarter of 2018, rising interest rates and increased fuel costs weakened consumer spending and housing markets. The economy slowed down to an annual pace of 1.4 percent. In the second quarter, a surge in exports of energy, aircraft and pharmaceutical products helped propel Canada's economy to 2.9 percent. Residential investment rebounded in the second quarter, up 0.3 percent compared with a revised 2.7 percent drop in the previous three month period, which reflected the slowdown in the housing sector after the implementation of stricter federal mortgage regulations. Household spending was also higher, up 0.6 per cent in the second quarter (Q1: 0.3 %).

GDP growth performance is expected to moderate to 2.1 percent in 2018 and to 2.0 percent in 2019. The composition of growth is shifting away from household spending toward business investment and exports.

After losing roughly a quarter of its value against the US dollar in 2014 as oil prices plunged, the Canadian dollar recovered in 2017 spending most of 2017 just below the US 80¢ mark. In 2018 the Canadian dollar is expected to depreciate slightly due to the continued strength of the US economy and market concerns over rising trade protectionism.

The GDP increased in every province in 2017 for the first time since 2011. The three provinces with the best growth rates were Alberta, British Columbia and Prince Edward Island. The three provinces with the lowest growth rates were New Brunswick, Nova Scotia and Newfoundland.

- Alberta's economy grew by the highest amount of any province, at 4.9 percent after declines in 2015 and 2016 due to recession and wildfires. A recovery in oil prices helped contribute increases in output in the energy sector.
- British Columbia's GDP rose 3.9 percent and outpaced the national average for a fourth consecutive year. This strong performance is due to its services-producing industries, such as real estate and rental/leasing industries.
- In Prince Edward Island, GDP expanded 3.2 percent, the highest among Atlantic provinces, with increases in goods-producing industries outpacing services-producing industries for the first time in four years. A population boost in Atlantic Canada helped lift growth above potential over the past two years.

[1] All figures in this chapter unless otherwise noted from:
Statistics Canada: http://www.statcan.gc.ca
Bank of Canada: Monetary Policy Report, July 2018: https://www.bankofcanada.ca/2018/07/mpr-2018-07-11/
Global Affairs Canada: Canada's State of Trade: Trade and Investment Update – 2018: http://www.international.gc.ca/economist-economiste/assets/pdfs/performance/state_2018_point/SoT_PsC_2018-Eng.pdf
IMF: Canada 2018 Article IV Consultation, July 2018, http://www.imf.org/en/Publications/CR/Issues/2018/07/16/Canada-2018-Article-IV-Consultation-Press-Release-Staff-Report-and-Statement-by-the-46084

- Quebec's GDP grew 3.1 percent, the strongest pace of growth since 2000 and more than twice the rate of growth in 2016.[2]
- Canada's largest province, Ontario, saw its GDP rise by 2.8 percent in 2017 (2016: 2.6%). Most of Ontario's growth came from the service sector, which made up 80 percent of the growth in the province's economy. It is the province most exposed to Nafta, which remains the key risk.

The federal budget deficit for fiscal year 2017/18 (April-March) came in at CAD 19.4 billion (USD 15.1bn), compared with an original official forecast of CAD 28.5 billion (USD 22.1bn). Stronger-than-expected economic growth boosted tax revenue and improved the federal fiscal outlook. Despite the government's commitment to an expensive programme of infrastructure spending Finance Minister Morneau in his latest budget presentation was forecasting a series of narrower deficits over the next five years. For 2018/19, the deficit is expected to decline to C$18.1 billion (0.8%) and is projected to shrink further to C$16.9 billion in fiscal year 2020/2021. The debt/GDP ratio gradually drifts lower from 30.4% to 29.4% in fiscal year 2020/2021. However, with the nationalisation of the Trans Mountain Pipeline (see below) and the introduction of measures to support the domestic steel and aluminium industry, the deficit forecast is likely to be revised upward.

In July 2018, the Bank of Canada increased its benchmark rate to 1.5 percent, amid concerns that solid economic growth could push inflation well beyond the bank's 2% target. It is the fourth rate hike since June 2017. The rate has not been this high since December 2008. Economists expect three or four more rate increases by the end of 2019, keeping the Bank of Canada in step with the pace of rate hikes by the U.S. Federal Reserve.

The biggest risks to the Canadian economy arise from protectionist measures by the U.S. administration. In the last twelve months Canada has been struck by countervailing duties on softwood lumber, newsprint and aerospace equipment. The latest example is the imposition of import tariffs of 25% on steel and 10% on aluminium on June 1st 2018, which prompted Canada to implement proportional retaliatory tariffs on USD 12.8 billion-worth of US exports on July 1st. Furthermore, President Trump has initiated an investigation of American imports of motor vehicles and parts on national security grounds – the same basis that was used to justify tariffs on steel and aluminum. The uncertainty around the NAFTA renegotiation process represents a major threat to Canada's economic horizon. The Bank of Canada estimates the dampening effects associated with trade policy uncertainty, the implemented US tariffs on Canadian softwood lumber, steel and aluminium and Canadian counter measures to subtract about $^2/_3$ per cent from the level of GDP by the end of 2020 and thereby balancing the positive impact of higher oil prices.

Another challenge for Canada is the U.S. tax system reform of 2017, lowering the corporate income tax to 21 per cent and abolishing taxes on most foreign business profits. As a result, the Canadian tax system has become relatively unattractive, impacting Canada's medium-term competitiveness and negatively affecting FDI inflows to Canada. Ottawa is contemplating reducing the federal corporate tax rate from 15 to 10 per cent. With average provincial tax rates at 10 per cent, the combined Canadian federal and provincial corporate tax rate would then amount to 20 per cent.

A key domestic risk is a sharp correction in the housing market and the uncertainty related to the impact of high household debt load on consumer demand in Canada. In this context, risks to financial stability and growth could emerge, if the house price correction is accompanied by a rise in unemployment and sharp contraction in private consumption. Following the imposition of a 15 percent tax on property purchases by foreign nationals in Vancouver in 2016 and Toronto in 2017, and some macro prudential measures from the federal government to tighten mortgage-lending requirements, the housing market appears to be rebalancing. Since the beginning of 2018, price growth is slowing, and the number of sales is falling on a year-on-year

[2] Statistics Canada, "Gross domestic product by industry: Provinces and territories, 2017", 02.05.2018, https://www150.statcan.gc.ca/n1/daily-quotidien/180502/dq180502a-eng.htm

basis. However, household debt remains high. Tightening monetary policy poses a risk to overleveraged households up for mortgage renewals.

The challenge to balance commitments on global climate policy and the sustainable development of Canadian oil and gas sector is ongoing: PM Trudeau has long maintained that developing fossil-fuel resources can go "hand in hand" with fighting climate change. The Federal Government announced that it would set and enforce a nationwide minimum carbon price by 2018, a pillar of the Pan-Canadian Framework on Clean Growth and Climate Change, launched in late 2016. The proposed legislation sets the price for carbon pollution at $10 per tonne in 2018, with an eventual increase to $50 per tonne by 2022.

However, the resistance among the Provinces to the federal climate change plan is growing. Manitoba and Saskatchewan refused to sign the Pan-Canada Framework from the outset. In Ontario, just days after taking office in July 2018, the new conservative Premier has ended the province's cap-and-trade-program and vowed to challenge the federal carbon tax on the basis that it's a money grab that won't help the environment. At the end of August Alberta dropped out of Prime Minister Trudeau's climate change plan after the federal court halted construction on the Trans Mountain pipeline expansion. Alberta's move to leave will make it much more difficult for Canada to live up to commitments it made in the Paris agreement as the oil-rich province is responsible for such a large part of Canada's emissions.

At the same time government support for the fossil fuel industry is crucial for economic growth. Ottawa has approved the construction of two new oil pipelines to enable higher volumes of crude to be transported from the Alberta oil sands. The first, Enbridge Line 3, is the replacement of an aged pipeline that runs from Alberta to Wisconsin and is likely to proceed as planned. The second, the Trans Mountain extension, proposes to extend an existing pipeline from Edmonton to the British Columbia coast, north of Vancouver, by about 1000 kilometers, almost tripling the capacity. It is deemed crucial to reduce reliance on the U.S. and to supply more Canadian crude to fast growing importers like China and India. However, the project is controversial. The provincial government in B.C. is opposed to the construction of the pipeline as are the majority of First Nations Communities. Due to this "unquantifiable risk", the pipeline's developer suspended non-essential spending on the project in April 2018. In May, Finance minister Morneau announced that Ottawa will buy the current pipeline for CAD 4.5 billion and will build the expansion with the intention to sell the pipeline and expansion project to a third-party buyer later on. At the end of August the Federal Court of Appeal ruled that the federal government must go back to the drawing board and must open up a new round of consultations with Indigenous peoples taking also into account project-related tanker traffic on resident killer whales. The ruling will increase the costs and can potentially delay the construction start by several years.

2. International and Regional Economic Agreements

2.1 Canada's Policy and Priorities

Despite recent efforts to diversify trade, Canada has much work to do. Nearly 76 percent of Canada's exports went to the U.S. in 2017. While Canada's export dependency on the U.S. has declined from 87 per cent in the early 2000s, it remains high and still accounts for an estimated 1.9 million Canadian jobs. Partly in response to the uncertain trade relations with the U.S., the Canadian administration focuses on diversifying the economy's exports with a particular focus on the Asia-Pacific region, while nurturing stronger economic links to Europe and the UK, and ratifying the CPTPP.

Many of Canada's newer Free Trade Agreements go beyond traditional issues to cover areas such as services, intellectual property, investment, e-commerce, labour and the environment.

<u>North-Atlantic Free Trade Agreement</u>

In August 2017 after months of repeated threats by US President Donald Trump to withdraw from the 23-year-old NAFTA, the United States, Canada and Mexico began renegotiations with the goal of modernizing the trade deal and ensuring it reflects North America's twenty-first-century economic reality. After months of talks, NAFTA parties have failed to reach a trilateral deal. Instead, at the end of August President Trump announced a preliminary trade agreement with Mexico and gave formal 90-day notice to Congress, keeping the door open for Canada to join – "if it is willing". Canada and the US are down to a few sticking points holding up a successful conclusion of a revised Nafta agreement, first and foremost the trade dispute resolution mechanism (Chapter 19) and Canadian dairy tariffs.

The slow progress in the negotiations is casting continuing uncertainty on Canada's largest trade and investment relationship, while an increasingly protectionist US administration is damaging Canada-US trade and investment with arbitrary tariffs on key exports.

<u>Comprehensive Economic and Trade Agreement (CETA)</u>

Many of Canada's newer FTAs go beyond traditional trade issues to cover areas such as services, intellectual property, investment, e-commerce, labour and the environment. The recently provisionally implemented CETA includes a chapter on trade and sustainable development that promotes sustainable development through the co-ordination and integration of labour, environmental and trade policies.

With CETA's provisional application, on September 21st 2017, 98 percent of Canadian and EU tariff lines became duty-free, creating new opportunities on both sides of the Atlantic. However, there are several challenges on the CETA-horizon. Firstly, the implementation of the agreement might prove more difficult than expected with several industries complaining about Canada's interpretation and intended application of the text of the agreement. Secondly, initial trade data for the first few months since CETA's provisional application show, that European exporters are considerably more active in taking advantage of the new CETA regime than Canadian exporters (which are still predominantly focused on the U.S.). And lastly, with Brexit, Canada is losing its biggest CETA trading partner, accounting for 40 per cent of its trade with the EU and making it imperative to follow-up with a free-trade agreement with the UK.

<u>Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP)</u>

The CPTPP will establish new FTAs with seven additional Asia-Pacific countries: Australia, Brunei Darussalam, Japan, Malaysia, New Zealand, Singapore and Vietnam, with Japan accounting for the bulk of the trade.

Newly appointed Minister of International Trade Diversification Jim Carr said Canada will be among the first six countries to ratify the agreement – by August 2018 only Mexico and Japan had ratified the agreement.

In 2017, Canada's total trade activity on a customs basis with the CPTPP members totalled CAD 95.2 billion. In the past two years, Canada's total trade with these 10 countries has increased at more than twice the rate of its overall trade activity. In comparison, Canada's total trade activity with NAFTA countries totalled CAD 746 billion in 2017, while total trade with the

European member countries of CETA totalled CAD 108 billion. Trade with CETA members rose 7.0 percent compared to 2016.[3]

Pacific Alliance

In June 2017, Canada was among the first countries invited, along with Australia, New Zealand and Singapore, to become an Associated State of the Pacific Alliance (Chile, Mexico, Peru, and Colombia). Canada's total merchandise trade with Pacific Alliance countries reached C$50 billion in 2017. The extractive sector represents a particularly important sector for Canadian companies in Pacific Alliance countries. The first round of FTA negotiations took place in October 2017 in Colombia.

Mercosur

Formal free trade negotiations between Canada and Mercosur (Argentina, Brazil, Paraguay and Uruguay) began in March 2018. It is Canada's aim to conclude a comprehensive, ambitious and progressive FTA responding to its economic, social and environmental policy priorities. Trade between Mercosur and Canada is currently still small, estimated to be C$ 8.7 billion in 2017. Canada is keen to get a first-mover advantage in the region and sees opportunities related to fish, chemicals, automotive, machinery and forestry sectors.

China and India

Despite a state visit to China by the PM and his Trade Minister in December 2017, only small individual deals were signed and talks remain at an exploratory stage. Canada's pushing of its progressive trade agenda (including labour, environment, and gender standards) is said to be the reason for this relative lack of progress. The same holds true for India. The PM's first official trip to India in February 2018 turned out to be a diplomatic disaster making it highly unlikely that the FTA both sides have been working on since 2010 will be concluded anytime soon.

Canadian Free Trade Agreement (CFTA)

The federal government and the provinces secured a Canadian Free Trade Agreement that came into force on July 1, 2017. The deal should eliminate trade barriers among provinces but has been criticized for its large number of exemptions, including alcohol. A year later, the pact has done very little to enhance internal free trade in Canada. In July 2018, Canada's premiers announced a few small steps toward reducing trade barriers within the country, but failed to agree on how to ease the rules that limit the amount of alcohol Canadians can transport across provincial borders. The Supreme Court unanimously upheld a fine against a New Brunswick man who brought alcoholic beverages across the border from Quebec (known as the "free the beer case").

2.2 Outlook for Switzerland

EFTA-Canada FTA (CEFTA) entered into force on 1st July 2009 and is a key instrument in the economic relations between EFTA States and Canada. With the conclusion of CETA, EU member states are enjoying trade benefits that go beyond the scope of the current FTA. The FTA mainly covers trade in goods and it does not fully address the wide range of economic activities taking place between Canada and the EFTA states today. It does for example not include areas such as services, procurement and investments.

Delegates from the European Free Trade Association (EFTA) States travelled to Ottawa in June 2018 to explore the potential for modernization of the Canada-EFTA Free Trade Agreement (CEFTA). They discussed key areas including agriculture, services, investment, government procurement as well as elements of Canada's progressive trade agenda. The biggest hurdles are sensitivities on both sides in the area of market access for agriculture (dairy, beef, and wheat) as well as the approach on investments and services in general. As a next step both sides are deciding on their level of ambition and red lines.

[3] Statistics Canada, "Canadian international merchandise trade: Annual review, 2017", 06.06.2018, https://www150.statcan.gc.ca/n1/daily-quotidien/180606/dq180606c-eng.htm

3. Foreign Trade

International trade represents 60 per cent of Canadian GDP. One in five jobs is linked to exports. While Canada represents roughly half of one per cent of the world's population, it accounts for 2.5 per cent of global merchandise exports. Half of what Canadians produce is exported. Some of it comes back as part of supply chain dynamics, especially for the North American auto trade. The majority of cross-border trade is intra-firm; the remainder is within global value chains.

Canada is the fifth largest global exporter of agricultural products. The food industry contributes over $110 billion annually to Canada's GDP. Canada is the world's largest exporter of flaxseed, canola, pulses, oats and durum wheat, and third largest exporter of pork products.

3.1 Development and General Outlook[4]

According to the 2017 World Merchandise Trade Value Ranking of the WTO, Canada remained at the 12th spot with exports of USD 421 billion or 2.4% of the world's exports. On the import side, Canada slipped out of the top ten to 12th place, importing merchandise worth USD 442 billion.

In the World Services Trade Value Ranking, Canada remained in 18th place with exports of USD 86 billion or 1.6% of world services exports. Canada's services imports amounted to USD 105 billion, which put it in 14th place with 2.1% of world services imports[5].

In 2017, Canada's **current account deficit** decreased to C$63.9 billion (US$49.6 billion, 3% of GDP), which was C$1.4 billion less than the deficit recorded in 2016. In the financial account, transactions in securities generated a significant net inflow of funds in 2017, which was largely offset by an outflow from direct investment transactions as direct investment abroad exceeded direct investment in Canada. In the first quarter of 2018, the current account deficit (on a seasonally adjusted basis) rose by C$3.0 billion to C$19.5 billion and decreased to C$15.9 billion at the end of the second quarter.

In 2017, the **trade deficit** for goods reached C$23.9 billion (US$18.4 billion), compared to a record deficit of C$25.9 billion (US$19.9 billion) in 2016. The services deficit increased to C$25.1 billion (2016: C$23.3 billion), mostly due to higher payments of financial services. In the first three months of 2018, the trade deficit in goods and services (on a seasonally adjusted basis) increased by C$1.2 billion to C$15.2 billion, the largest deficit since the second quarter of 2016. In the second quarter of 2018, the deficit decreased to C$12.3 billion.[6, 7]

3.1.1 Trade in goods[8,9]

In 2017, Canada's exports increased to record levels, after two consecutive years of declines. The 5.6 percent growth saw exports reach CAD 546.7 billion (USD 420.7 billion) in 2017, due to higher exports of energy products, metal and non-metallic mineral products. The growth was mostly due to higher crude oil prices. Partially offsetting these increases were lower exports of motor vehicles, parts and consumer goods.

Canada's exports are highly concentrated. Most important destination for Canadian exports is the United States, which dropped 0.3 percentage points to 76.0 percent, followed by China, UK and Japan. Exports to Switzerland soared 53 percent and jumped to 15th place. Shipments

[4] Global Affairs Canada, "Canada's State of Trade 2018", http://www.international.gc.ca/economist-economiste/assets/pdfs/performance/state_2018_point/SoT_PsC_2018-Eng.pdf
[5] World Trade Organization, "Strong trade growth in 2018 rests on policy choices", 12.04.2018 https://www.wto.org/english/news_e/pres18_e/pr820_e.htm
[6] Statistics Canada, "Canada's balance of international payments, fourth quarter 2017", 01.03.2018, https://www150.statcan.gc.ca/n1/daily-quotidien/180301/dq180301a-eng.htm
[7] Statistics Canada, "Canada's balance of international payments, second quarter 2018", 29.08.2018, https://www150.statcan.gc.ca/n1/daily-quotidien/180829/dq180829a-eng.htm
[8] Statistics Canada, "Canadian international merchandise trade: Annual review, 2017", 06.06.2018, https://www150.statcan.gc.ca/n1/daily-quotidien/180606/dq180606c-eng.htm
[9] Global Affairs Canada, "Canada's State of Trade 2018", http://www.international.gc.ca/economist-economiste/assets/pdfs/performance/state_2018_point/SoT_PsC_2018-Eng.pdf

of aircraft and parts to Switzerland triggered this increase. The top 10 destinations account for the 90.8 percent of all exports and the top 20 account for 94.6 percent of all exports.

Trade is also concentrated by provinces/territories. The top three exporting provinces – Ontario, Alberta and Quebec – accounted for 78.1 percent of Canada's exports in 2017.
On the import side, the three great import gateways to Canada are Ontario, Quebec and British Columbia, providing access to and from the U.S. and to the Atlantic and Pacific shipping routes, respectively. In 2017, 84.9 percent of Canada's imports entered the country through these provinces.

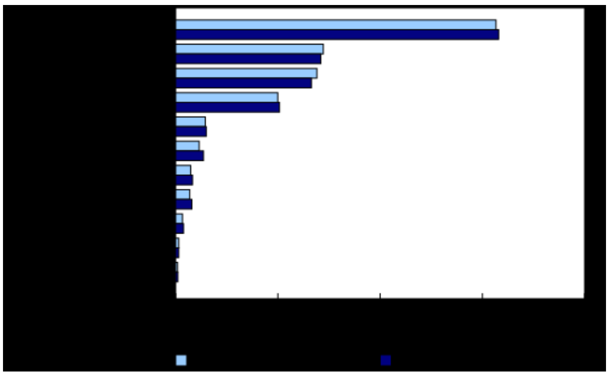
Imports increased 5.2 percent to CAD 561.1 billion (USD 432.0 billion), with widespread gains throughout the product sections. Imports of motor vehicles and parts, energy products and consumer goods accounted for more than half of the growth. Imports from the United States grew considerably slower than total imports, leading to a decline in the U.S. import share from 52.2 percent in 2016 to 51.3 percent in 2017.

Main Canadian exports:
Energy followed by automotive products, mechanical machinery, precious stones and metals as well as wood.

Main Canadian imports:
Automotive products followed by mechanical machinery, electrical machinery, energy and plastics.

Within Canada, 154'225 enterprises in Canada imported goods from abroad, up 5'339 from 2016. Small and medium importing enterprises (SMEs) accounted for 98.6 percent of all importers in the country. However, these firms were responsible for only 47.3 percent of total Canadian imports by value. The 1.4 percent of the large sized enterprises accounted for more than 50 percent of total Canadian imports. Statistics Canada also shows that geographical diversification has increased over the past years: 59.4 percent of all Canadian importers have been purchasing goods from both U.S. *and* other foreign countries in 2017, up from 56.6 percent in 2010. More Canadian firms were drawing their imports from Asian and European markets in 2017 than they did in 2010. Despite the changes, North America remained the most important market for Canadian importers in 2017, accounting for 67.4 percent of all imports in terms of value. This share was up from 65.0 percent in 2010, reflecting the higher-value products imported from this region, such as vehicles, parts and petroleum products.

Ontario firms continued to lead the importing activity in the country in 2017 (CAD 335.6bn/USD 258.4bn worth of goods, accounting for 39.7 percent of all importers, and 63.8 percent of all imports in Canada), ahead of Quebec (CAD 82.4bn/USD 63.5bn) and British Columbia.



Source: Statistics Canada, Number of importers by province, 2010 and 2017

3.1.2 Trade in services[10]

Services are increasingly important to the Canadian economy, employing approximately three in four Canadians and providing 43 per cent of the value added in exports.

Export of services increased for the eighth consecutive year to reach an all-time high of CAD 112.8 billion (USD 86.9 billion, up 3.6%). Services imports rose to CAD 137.9 billion (USD 106.2 billion, up 4.3%). Over three-fifths of Canada's deficit in services is due to the travel deficit.

Canada's trade in services with the U.S. was perfectly balanced in 2017, with 54.5 percent of its exports going to the U.S. and 54.5 percent of its imports arriving from there.

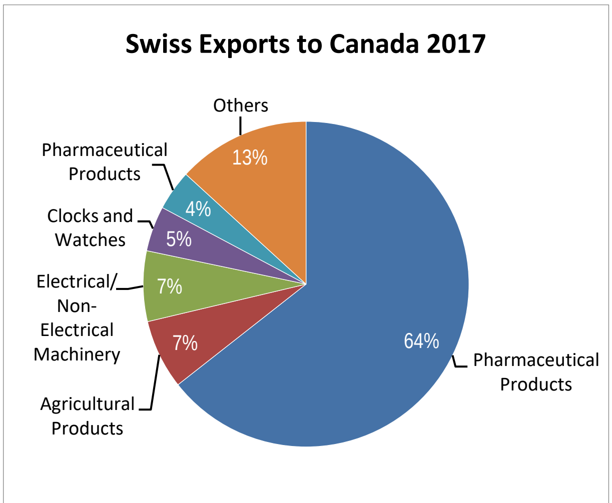
3.2 Bilateral trade

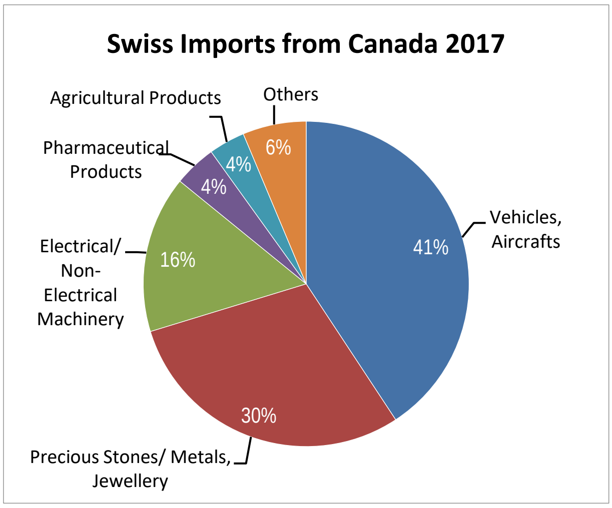
With 1.2 percent of total Swiss trade, Canada occupies rank 16 of all trading partners[11] and is the second most important market in the Americas, ahead of Brazil and Mexico.

3.2.1 Bilateral trade in goods

According to the figures provided by the Swiss Federal Customs Administration, cumulative trade between Switzerland and Canada has reached 4811 million CHF in 2017[12]. Total trade, which consists of exports and imports of goods excluding gold bars and other precious metals, was up 18.5 percent compared to the previous year. The positive trend in both directions, which can be observed since the signing of the EFTA-Canada FTA, continues. Swiss imports from Canada (1305 million CHF) have grown by 89.6%, mainly due to Swiss International Airline's purchase of CS300 planes from Bombardier. Swiss exports to Canada (3505 million CHF) increased by 4.0%. This increase was driven by stronger exports of pharmaceutical and agricultural products.

Switzerland's trade surplus with Canada remains high at 2200 million CHF. This is the seventh largest trade balance surplus of Switzerland with all countries in absolute terms, behind the U.S., UK, Hong Kong, Japan, South Korea and Singapore.





Source: Federal Customs Administration FCA

What can we expect with respect to trade between Switzerland and Canada in the coming months and years? The positive trend in both directions since the entering into force of the EFTA-Canada FTA continues. Import-/export-statistics over the past three quarters[13] suggest that, at least in the short-term, there should be no significant effect of the implementation of

[10] Global Affairs Canada, "Canada's State of Trade 2018", http://www.international.gc.ca/economist-economiste/assets/pdfs/performance/state_2018_point/SoT_PsC_2018-Eng.pdf
[11] Rank 19 if you include gold and precious metals.
[12] Eidgenössische Zollverwaltung, "Exporte nach Handelspartnern", 29.05.2018, https://www.ezv.admin.ch/ezv/de/home/themen/schweizerische-aussenhandelsstatistik/daten/handelspartner.html
[13] Eidgenössische Zollverwaltung EZV, "1. Quartal 2018: positiver Trend hält an", 24.04.2018, https://www.newsd.admin.ch/newsd/message/attachments/52113.pdf.

CETA and of the protectionist U.S. trade agenda on Switzerland's trade with Canada. The same statistics show that the trade volume between Switzerland and Canada continues to represent about 10 percent of the trade volume between Switzerland and the neighboring US. Since both Canada and Switzerland are subject to the same new US tariffs on steel and aluminum, Swiss exports to the US via Canada, with added value activities in Canada, currently does not seem to be an option for Swiss companies. This could change in case of a NAFTA-deal.

Canadian exports to Europe and Switzerland are likely to continue to grow, thanks to new trade agreements (CETA), stronger orientation towards Europe in general and the relatively weak Canadian Dollar. An analysis conducted by S-GE also shows that Canadians have been more reluctant in using the EFTA-Canada FTA than Swiss exporters. This leaves more room for further growth of Canadian exports in areas where the current FTA can be applied. There is no doubt that an upgrade of the current FTA would further contribute to this trend.

3.2.2 Bilateral trade in services

According to Global Affairs Canada's most recent data from 2016, Switzerland exported services to Canada worth CAD 1'310 million (USD 989 million, -1.9%) and imported services from Canada worth CAD 2'219 million (USD 1,675 million, +0.8%).[14] Global Affairs Canada states that Switzerland is ranked 5th on Canada's worldwide services export[15].

3.3 Interesting sectors and markets for Swiss companies

The Swiss Business Hub Canada (SBH) observes that Swiss SMEs are still primarily establishing and expanding their presence in the U.S. market. This trend has been intensified by uncertainties created by the Trump administration and tax breaks for legal entities in 2017. Canada's potential is increasingly being scrutinized by Swiss companies already active in the USA, but still barely realized. Individual projects were even stopped with the remark that first the situation in the U.S. must be clarified and that Canada has currently no priority due to limited resources.

As in previous years, the SBH observes good examples of new market opportunities for large as well as small and medium enterprises in Canada. Such opportunities are created thanks to federal, provincial and municipal incentive and subsidy programs to reduce greenhouse gas emissions, thanks to the large infrastructure investment program launched by the Trudeau-administration and thanks to new trends, for instance in the organic and natural food area. Therefore, Swiss exports to Canada are likely to grow in areas such as cleantech (technologies for air and environment, disaster prevention, energy efficiency, energy production, energy transportation and storage, mobility, recycling and waste treatment, site remediation, water and wastewater treatment), consumer goods as well as public transport. Numerous tenders are pending due to the investments in infrastructure promoted by the new government. Additional sales opportunities will derive from information and communication technologies (ICT); especially software made in Switzerland for the financial sector and technologies in the context of artificial intelligence.

Canada is interested in learning more about innovation and its culture in Switzerland, especially in these priority areas. The cleantech missions led by Federal Councillor Doris Leuthard in 2016 and State Secretary Marie-Gabrielle Ineichen in 2013 have shown that visits by business delegations from Switzerland can be geared to these topics and attract interest in Canada.

Despite the increasing European competition due to CETA, Canada maintains its strong interest in products and technologies, which are being developed by the Swiss chemical, pharmaceutical, precision goods and machinery industries. Their share of Swiss exports to Canada should remain high.

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[14]Global Affairs Canada, "International Commerce - By Country", 02.12.2015, http://w05.international.gc.ca/Commerce_International/Commerce_Country-Pays.aspx?lang=eng.
[15]Global Affairs Canada, "International Commerce - By Indicator/Rank", 02.12.2015, http://w05.international.gc.ca/Commerce_International/Commerce_Indicator-Indicateur.aspx?lang=eng.

4. Direct Investment

4.1 Development and General Outlook

Canada is a net exporter of direct investment vis-à-vis the world since 1997. Canada's net direct investment position with the rest of the world widened by CAD 22.1 billion in 2017 to CAD 297.1 billion (USD 228.8 billion).

Foreign Direct Investments in Canada[16, 17]

FDI inflows into Canada declined by 36.4 percent in 2017, to CAD 31.5 billion (USD 24.3 billion). Inflows from the United States dropped by 14.4 percent, while inflows from the rest of the world dropped by 63.0 percent.

It is these kind of figures that have economists worried about a deteriorating environment for corporate investment in Canada. FDIs serve as a valuable indicator of the attractiveness of a country as a location to do business and Canada's recent performance is quite poor. FDI inflows to Canada averaged around 6.1 per cent of FDI inflows to all OECD countries from 2005 to 2014, compared to only 3.1 per cent from 2015 to 2017. In the same period, several industrial sectors like mining, oil and gas extraction and manufacturing experienced disinvestment by foreign firms. It was offset by increased FDI in sectors such as wholesaling and finance and insurance. Among the reasons cited for the gradual loss of attractiveness are high corporate income taxes (vis-à-vis the U.S.), the fear of future tax increases due to relatively high budget deficits as well as the uncertainty regarding the federal carbon-pricing scheme and the future of Nafta.

Foreign investors increased their cumulative holdings of direct investment (stock) in Canada in 2017 by 1.9 percent, with the total reaching CAD 824.0 billion (USD 634.6 billion). The U.S. held with CAD 404.5 billion (USD 311.5 billion) almost half (49.1 %) of all FDI stock in Canada. Although the U.S. continues to be by far the most important source of FDI in Canada, its relative share has fallen over the last decade – from 56.3 percent in 2007 to 49.1 percent in 2017. The FDI landscape in Canada is far more diversified today than it was a decade ago. The Netherlands rank second with 11.2 percent followed by Luxembourg 6.1 percent and the UK 5.8 percent. Switzerland ranked fifth with 4.9 percent (CAD 40.2 billion, USD 31.0 billion). Declines from Netherlands (-5.4%) and Switzerland (-8.8%) overshadowed gains from the UK (+7.3%). China also reported a significant gain in its stock of FDI in Canada, rising by 7.5 percent to CAD 16.4 billion (USD 12.7 billion). The level of FDI stock from the United Arab Emirates experienced a 228-fold increase from CAD 17 million to CAD 3.9 billion (USD 3.0 billion).

By sector, manufacturing, and management of companies and enterprises were the two largest FDI targets overall.

Canadian Direct Investments Abroad (CDIA)

FDI outflows, increased for the seventh consecutive year in 2017 and nearly reached CAD 100 billion (USD 77 billion). Over the previous 10 years, the stock of Canadian direct investment abroad grew by 117.6 percent—nearly double the rate of foreign direct investment in Canada.

The Canadian FDI stock abroad rose 3.4 percent to CAD 1,121 billion (USD 863 billion) in 2017 as increased investment activity in Europe and North America was partially offset by the downward revaluation effect of a stronger Canadian dollar against the US dollar. The U.S. share of CDIA stock rose to 45.0 percent (+4.9%) by the end of 2017, its highest level since 2008 but still well below the peak levels of the early 1990s. In Europe, the CDIA stock increased, mostly due to higher investment in the UK (9.2%), Luxembourg (6.9%) and the Netherlands (2.9%). Canadian FDI stock in Switzerland increased sharply by CAD 3.2 billion to CAD 3.7 billion (USD 2.8 billion), which represents a modest 0.3% of the total.

[16] Global Affairs Canada, "Canada's State of Trade: Trade and Investment Update – 2018", 2018: http://www.international.gc.ca/economist-economiste/assets/pdfs/performance/state_2018_point/SoT_PsC_2018-Eng.pdf.
[17] Statistics Canada: Foreign direct investment, 2017, 25.04.2018: https://www150.statcan.gc.ca/n1/daily-quotidien/180425/dq180425a-eng.htm.

Finance and insurance, which remained the most important sector for CDIA, accounted for 35.3 percent of the overall stock in 2017, followed by mining and oil and gas extraction, at 15.7 percent.

Investment regulations

Canada's foreign investment policies are among the most restrictive among OECD countries[18] and include licensing requirements in retail sectors, and discrimination against foreign suppliers in professional services, air and road transportation. Non-Canadians cannot own a controlling share in telecommunications, broadcasting and transportation sectors.

In February 2018, two key financial thresholds relevant to the review of proposed transactions under Canada's Competition Act (CA) and Investment Canada Act (ICA) increased. The Competition Act's "size-of-transaction" threshold – one of the two thresholds that together trigger mandatory notification of a transaction to the Competition Bureau – increased from CAD 88 million to CAD 92 million (USD 73 million). The Investment Canada Act empowers Canada's federal government to block a foreign investment if it is deemed not to be of "net benefit" to Canada. The ICA threshold for review of proposed transactions involving the direct acquisition of a Canadian business by a state-owned enterprise (SOE) of a WTO member country increased from CAD 379 million to CAD 398 million (USD 316 million). The threshold for acquisitions by a non-SOE investor from any CETA/CPTPP country or other bilateral FTA partner country remains unchanged at CAD 1.5 billion (USD 1.2 billion). For other WTO investors, the threshold is CAD 1 billion (USD 793 million).[19, 20]

4.2 Bilateral Investment[21]

Swiss FDI in Canada

According to the most recent Swiss National Bank figures of 2015, Swiss foreign direct investment stocks in Canada decreased 2016 by -0.3% to CHF 49.7 billion or 4.1% of total Swiss FDI abroad. Swiss companies in Canada had a staff of 32'353 (-3.6%). No major investment project similar to the ABB's 2016 investment in a new headquarter in the province of Quebec was observed by the SBH during 2017 and the majority of the investments seem to come from within Swiss multinational companies in Canada.

Canadian FDI in Switzerland

Canadian FDI in Switzerland amounted to CHF -175 million based on capital stocks by immediate investor[22] and CHF 35.5 billion for capital stocks by ultimate beneficial owner[23] in 2016. The latter represents 3.7% of total foreign capital stock in Switzerland. Using the ultimate beneficial owner approach, Canada had significantly higher capital stocks than when assessed according to immediate investor. This shows that Canadian investors mainly invest in companies in Switzerland via third countries. The 108 Canadian subsidiaries that are operational in Switzerland employ 3'633 staff (data only available until 2015).

The Swiss Business Hub in Montreal continues to follow up on individual investment projects The SBH also organized a "Swiss Fintech Evening" for Canadian companies in Toronto, together with various Swiss banks. Apart from Fintech, ICT, life sciences and cleantech are the areas which we observe with a particular interest, since most of the rapidly growing companies in Canada belong to these sectors.

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[18] OECD, "FDI Regulatory Restrictiveness Index", 27.03.2017, http://www.oecd.org/investment/fdiindex.htm.
[19] Walker, S. et al., "Canada: Increased 2018 Competition Act And Investment Canada Act Thresholds", Mondaq Ltd., 01.03.2018, http://www.mondaq.com/article.asp?article_id=678450&signup=true.
[20] Bank of Canada, "Currency Converter USD/CAD for 09.02.2018: 1.2609", http://www.bankofcanada.ca/rates/exchange/currency-converter/.
[21] Swiss National Bank, "Direct investments", 15.12.2017, https://data.snb.ch/de/topics/aube#!/cube/fdiaustlanda.
[22] Country of origin of the immediate investor of the company in Switzerland.
[23] Country of origin of ultimate beneficial owner of company in Switzerland. Generally speaking, this is the country in which the group is headquartered.

Foreign Direct Investment 2016 (in CHF million)

	2015	2016	Change	Share
Swiss FDI in Canada				
Capital flow	-1‘792	-2‘486		
Stock	49‘825	49‘653	-0.3%	4.1%
Number of staff employed in Canada	33‘573	32‘353	-3.6%	1.6%
Canadian FDI in Switzerland				
Capital flow	577	-131		
Stock (by ultimate beneficial owner)	38’211	35’534	-7.0%	3.7%
Number of staff employed in Switzerland	3‘633	N/A		

Source: Swiss National Bank

As discussed in previous Economic Reports, official FDI figures of Switzerland and Canada and comparisons between the two are to be interpreted with caution as the calculation methods are not the same. Canada is quicker in publishing figures but they are usually adjusted considerably later on.

5. Trade, Economic, Investment and Tourism Promotion

5.1 Foreign Economic Promotion Instruments

The Swiss Business Hub Canada is since 2009 in charge of Export and Invest Promotion as network partner of Switzerland Global Enterprise. The small team of the SBH is located in the Consulate General of Montreal.

During 2017, the SBH together with S-GE has provided advice and free of charge consulting services to 68 companies headquartered in Switzerland or Liechtenstein. 18 companies have been supported on a mandate basis with various services related to marketing, certification, legal, partner search or fact-finding trips. In collaboration with the Embassy the SBH has also contributed to the successful organization of a Swiss Canadian Innovation Day dedicated to "automated, connected and electric mobility" with a business delegation from Switzerland. This visit has been an excellent opportunity to highlight Swiss excellence in the sector and to take stock of common interests.

The physical presence of the SBH in eastern Canada continues to be an advantage, especially for Swiss companies headquartered in the French speaking part of Switzerland. In order to bridge the gap towards Western Canada the SBH has intensified its collaboration with the network of official and honorary representations across Canada as well as with the three Swiss-Canadian Chambers of Commerce based in Montreal, Toronto and Vancouver.

5.2 Canada's interest in Switzerland

Tourism

Canada is a steadily growing market. During the last ten years, the number of Canadians visiting Switzerland has grown by 30%. Switzerland is popular in Canada and reported a new record with the best overnight results in 25 years in 2017. According to tourism data from the Swiss Federal Office of Statistics, Canadian arrivals increased by 11.2% to 115,180 in 2017. The number of overnight stays from Canada increased by 9.1% to 247,764. In the first six months of 2018, overnight stays increased by 1.6%, despite the weak Canadian Dollar, compared to the same period in 2017.[24]

The share of first time visitors is relatively high (47%) and Canadians also travel in shoulder season. With CHF 290 per person for the daily expenditures in Switzerland the Canadian traveller spends an amount significantly above the global average. Most Canadian tourists visiting Switzerland are from Ontario (37.1%), Quebec (29.5%) and British Columbia (16.2%). The most popular destinations were the Zurich Region with 68,837 overnights, followed by Geneva Region with 48,457 and the Valais Region with 23,219. With 5,782 more overnights in 2017, the Zurich Region recorded the biggest growth in Canadian visits.

The top needs and activities of Canadian tourists in Switzerland are mountains, nature, panorama, lakes / rivers, easy accessibility and hiking possibilities. Compared to other tourists in Switzerland, Canadians typically seek castles and forts, churches and cathedrals and visit historical attractions.

Switzerland Tourism is represented by a local office in Toronto. Pascal Prinz took up his new assignment as Director Canada and Trade Manager Central USA in November 2017.

Education, Science and Innovation

From a Canadian perspective, Switzerland is a priority country in science and innovation. The current government's focus on Innovation has added on to its interest in closer collaboration with Switzerland. After the visit of Swiss Vice President Doris Leuthard in Canada had already

[24] Schweiz Tourismus, «Switzerland Tourism Reports Record Numbers», 23.02.2018, https://corner.stnet.ch/media-us/?p=4057

underscored this potential in October 2016, the signature of a „Joint Statement on Science, Technology, and Innovation", on January 25th, 2018 by Federal Councillor Johann Schneider-Ammann and the Canadian Minister for Innovation, Science and Economic Development, Minister Navdeep Bains, marked an important milestone to help enhance the bilateral relations in these areas.

As a direct reflection of this increased interest in more collaboration, a Canadian academic delegation of the Quality Network for Universities, an association of leading Canadian higher education institutions, undertook a study tour of Switzerland in March 2018. They visited five Swiss universities, the Innovation Park Basel and CERN. The 17 delegation members were very impressed and looked to expand their collaborations with Swiss partners. In turn, a Swiss delegation of 20 higher education institutions (Universities of Applied Sciences and Universities of Teacher Education) will be undertaking a study tour to Toronto, Montreal and Ottawa in the fall of 2018. In both cases, the Embassy has supported the planning of the visits with logistical and content support.

The Embassy organized a Swiss Canadian Innovation Day on Social Innovation. The event in Montreal helped to feature five Swiss Impact Hubs during the annual global gathering of Impact Hubs. In the context of the Sustainable Development Goals/Agenda 2030, these impact hubs could become a useful partner for social innovation diplomacy and Swiss entrepreneurs working abroad.

The Swiss-Canadian Youth Mobility Program is continuously growing. The spots allocated for Swiss citizens in Canada are normally used up very quickly. The Canadian interest for a work experience in Switzerland has noticeably increased from 56 in 2016 to 71 in 2017. The promotional activities at universities and student fairs bears fruit and the Canadian government has indicated its willingness to extend the quota from 250 to 300. The discussions on the ESKAS (Swiss Government Excellence Scholarships for Foreign Scholars) has gained some momentum in the context of the above-mentioned Joint Statement. We expect to hear by December whether Global Affairs Canada is willing to inject money to bring this valuable program back to life. The ThinkSwiss scholarship continues to be a good instrument to raise interest in Switzerland's universities.

Switzerland as a location for investments

FDI inflows and outflows to Europe are expected to grow with the entry into force of CETA. In general, this should also be beneficial to Switzerland with its location in the geographical heart of Europe and its innovation infrastructure. Switzerland should be able to attract more FDI from Canada once insecurity with respect to corporate taxation has been removed. However, FDI outflows into EU-member countries, especially France and Germany, are expected to grow at a higher pace. On the other hand, Canada will likely remain an attractive investment destination for Swiss companies. Labor and production cost are 7 percent lower than in the US, according to KPMG, and access to multilingual talents is excellent. In early 2018, Canada has created a new federal organization dealing with the attraction of foreign direct investment called "Invest Canada". One of their representatives works at the Embassy of Canada in Berne.

Switzerland as a financial centre

On 4 February 2016, the joint declaration on introducing the reciprocal and automatic exchange of information in tax matters between Switzerland and Canada was signed. In application of the international Standard for Automatic Exchange of Financial Account Information in Tax Matters of the Organisation of Economic Cooperation and Development (OECD), Switzerland and Canada collect, as from 2017, and exchange, as from 2018, banking information in the two countries.

State Secretary Jörg Gasser visited Ottawa in October 2017 for the second round of the Swiss-Canadian Finance Dialogue, launched in 2015. The discussions covered a broad range of topics from cooperation in multilateral fora like the G20, IMF or the Financial Stability Board to bilateral issues and taxation questions.

6. Annexes

ANNEX 1

Economic Structure

	2012	2017
Distribution of GDP		
Primary Sector	9.60%	10.21%
Secondary Sector	20.71%	19.75%
Tertiary Sector	69.69%	70.03%
- State Sector	6.70%	6.21%

Distribution of Labour	**2012**	**2017**
Primary Sector	3.80%	3.29%
Secondary Sector	18.16%	17.95%
Tertiary Sector	78.04%	78.76%
- State Sector	5.40%	5.11%

Sources:
Statistics Canada, Table: 36-10-0434-01, “Gross domestic product (GDP) at basic prices, by North American Industry Classification System (NAICS)” Dec 2012/2017, https://www150.statcan.gc.ca/t1/tbl1/en/tv.action?pid=3610043401.
Statistics Canada, Table 71-001-X, “Labour Force Information January 14 to 20, 2018”, 09.02.2018, p17, https://www150.statcan.gc.ca/n1/pub/71-001-x/71-001-x2018001-eng.pdf.
Statistics Canada, Table 71-001-X, “Labour Force Information January 13 to 19, 2013”, 08.02.2013, p27, https://www150.statcan.gc.ca/n1/en/pub/71-001-x/71-001-x2013001-eng.pdf?st=lO9KrnxA.

Main Economic Data

	2016	2017 (e)	**2018 (e)**	2019 (e)
GDP (USD billion; current prices)	1'536	1'652	**1'799**	1'909
GDP Per Capita (USD; current prices)	42'418	45'077	**48'466**	50'941
GDP Growth (% of GDP, constant prices)	1.4	3.0	**2.1**	2.0
Inflation Rate (%)	1.4	1.6	**2.2**	2.2
Unemployment Rate (%)	7.0	6.3	**6.2**	6.2
Fiscal Balance (% of GDP)	-0.8	-1.2	**-1.1**	-1.1
Current Account Balance (% of GDP)	-3.2	-3.0	**-3.2**	-2.5
Total External Debt (% of GDP)	28.5	27.8	**27.4**	26.6

Source: Länderfiche SECO, “A750-Fiche seco-CA”, April 2018

Trade Partners of Canada, 2017

Rank	Country	Canadian Exports USD million	Share	Growth*	Rank	Country	Canadian Imports USD million	Share	Growth*
1	USA	319'411	75.9 %	5.2 %	1	USA	221'810	51.3 %	3.5 %
2	China	18'181	4.3 %	12.6 %	2	China	54'623	12.6 %	10.2 %
3	UK	13'627	3.2 %	3.5 %	3	Mexico	27'332	6.3 %	7.0 %
4	Japan	9'111	2.2 %	10.4 %	4	Germany	13'816	3.2 %	4.2 %
5	Mexico	6'048	1.4 %	2.9 %	5	Japan	13'493	3.1 %	10.9 %
6	South Korea	4'086	1.0 %	21.2 %	6	UK	6'848	1.6 %	7.7 %
7	India	3'294	0.8 %	7.4 %	7	South Korea	6'710	1.6 %	-17.8 %
14	*Switzerland*	*1'598*	*0.4 %*	*57.6 %*	*13*	*Switzerland*	*3'389*	*0.8 %*	*-2.2 %*
	EU 28	32'023	7.6 %	4.0 %		EU 28	51'079	11.8 %	9.0 %
	Total	421'035		5.7 %		Total	432'114		5.2 %

Source: Industry Canada, Trade Data Online (27.06.2018)
https://www.ic.gc.ca/app/scr/tdst/tdo/crtr.html?timePeriod=%7cCustom+Years&reportType=TE&countryList=DET&grouped=GROUPED&toFromCountry=CDN&searchType=All&customYears=2016%7c2015&naArea=9999&currency=US&productType=HS6&changeCriteria=true

* Calculated based on data from 2016 and 2017 in Canadian Dollars to avoid a distortion of results due to exchange rate conversions between CAD and USD.

Handelsentwicklung

	Exporte (Mio. CHF)	Veränderung in % zum Vorjahr	**Importe** (Mio. CHF)	Veränderung in % zum Vorjahr	**Saldo** (Mio. CHF)
2000	1'251	28.9	579	-9.1	672
2005	2'269	13.8	822	22.6	1'446
2006	2'753	21.4	1'010	22.8	1'743
2007	2’896	5.2	1'142	13.1	1'754
2008	2'419	-16.5	1'131	-1.0	1'288
2009	2'516	4.0	831	-26.5	1'685
2010	2'891	14.9	946	13.9	1'945
2011	2'772	-3.8	542	-42.7	2'230
2012[25]	3'515	12	1'290	12	2'225
2013	3'522	0.2	2'725	111.3	2'539
2014	3'428	-2.7	1'478	-45.8	1'951
2015	3'509	2.3	1'028	-30.4	2'481
2016	3'470	-1.1	1'094	6.4	2'376
2017	**3‘590**	**3.5**	**1'980**	**80.9**	**1‘610**
(Total 1)[26]	*3513*	*4.2*	*1384*	*101.0*	*2‘129*
2018 (I-IV)	1'913	9.8	712	-30.2	1‘201

Quelle: Eidgenössische Zollverwaltung EZV, (Total 2, inkl. Gold, Edelmetalle, Edel- und Schmucksteine, Kunstgegenstände und Antiquitäten)

Exporte	2016 *(% des Totals)*	**2017** *(% des Totals)*
1. Pharmazeutische Produkte, Vitamine, Diagnostika	66.9	**66.7**
2. Präzisionsinstrumente, Uhren, Bijouterie	8.9	**8.7**
3. Land- und forstwirtschaftliche Produkte, Fischerei	6.4	**7.2**
4. Maschinen, Apparate, Elektronik	6.9	**6.1**

Importe	2016 *(% des Totals)*	**2017** *(% des Totals)*
1. Fahrzeuge (inkl. Flugzeuge)	25.9	**40.6**
2. Edelmetalle, Edel- und Schmucksteine	36.5	**29.5**
3. Maschinen, Apparate, Elektronik	14.4	**15.4**
4. Pharmazeutische Produkte, Vitamine und Diagnostika	5.3	**4.3**

Quelle: Eidgenössische Zollverwaltung EZV

[25] *Importe*: Da die EZV die Berechnungsmethode von Importen per 1.1.2012 geändert hat und ab jenem Zeitpunkt das Ursprungsland und nicht mehr das Herkunftsland (z.B. die Niederlande bei Importen über den Hafen Rotterdam) des Gutes angibt, sind die Importzahlen 2012 nicht mehr mit denjenigen des Vorjahres vergleichbar.
Importe und Exporte: Handelszahlen inkl. Gold, Silber und Münzen (seit 2015 wird der **Aussenhandel mit Gold, Silber und Münzen** rückwirkend ab 2012 nach Ländern aufgeschlüsselt und als Bestandteil der Schweizer Aussenhandelsstatistik (Gesamttotal) in die Datenbank Swiss-Impex integriert). Vergleiche zwischen 2012 und den vorhergehenden Jahren sind nicht mehr möglich.
[26] Total "Konjunktursicht" (Total 1): ohne Gold in Barren und andere Edelmetalle, Münzen, Edel- und Schmuck-steine sowie Kunstgegenstände und Antiquitäten.

Foreign Direct Investment in Canada, 2017

Rank	Country	FDI positions at year end (USD bn)*	Share	Change in capital stock*	Capital trans-actions (USD bn)
1	United States	311.5	49.1 %	+4.2 %	N/A
2	Netherlands	70.8	11.2 %	-5.4 %	
3	Luxembourg	38.4	6.1 %	-2.1 %	
4	United Kingdom	36.5	5.8 %	+7.3 %	
5	*Switzerland*	*31.0*	*4.9 %*	*-8.8 %*	+
6	Japan	22.8	3.6 %	-0.4 %	
7	Brazil	14.0	2.2 %	-3.6 %	
8	Germany	13.1	2.1 %	+3.9 %	
9	China	12.7	2.0 %	+7.5 %	
10	Bermuda	10.7	1.7 %	+2.0 %	
	EU 28	187.5	29.6 %	-1.7 %	
	Total	634.6		+1.9 %	

Sources:
Statistics Canada: Foreign direct investment, 2017, 25.04.2018: https://www150.statcan.gc.ca/n1/daily-quotidien/180425/dq180425a-eng.htm.
Statistics Canada: Table: 36-10-0008-01 (formerly CANSIM 376-0051) - International investment position, Canadian direct investment abroad and foreign direct investment in Canada, by country, retrieved on 11.07.2018 https://www150.statcan.gc.ca/t1/tbl1/en/tv.action?pid=3610000801.
Bank of Canada: Annual Average Exchange rate USD/CAD 2017: 1.2986 https://www.bankofcanada.ca/rates/exchange/annual-average-exchange-rates/.

* preliminary