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Canada: Economic Report 2020

Executive Summary

Before Covid-19 struck Canada, economic activity overall was on a relatively solid footing with the economy growing in 2019 by 1.6%. Once lockdown measures were imposed, the Canadian economy took a record-setting dive: real GDP dropped at an 8.2% annualized rate in the first quarter 2020 and estimates for the second quarter contraction are in the 30-40% range. Three million jobs were lost in March and April alone. For the year as a whole, GDP is expected to decline by 6.8%, the weakest performance on record.

Canada's Covid-19 Economic Response Plan consists of a myriad of different measures that cover all imaginable stakeholder groups (supplemented by the Provinces' own support measures). As of 11 June 2020 the total of direct support measures and liquidity support amounts to C$331 billion (U$ 248.25 billion) or 13.9% of Canadian GDP. The federal budget deficit will balloon to 11.8% of GDP and the debt/GDP ratio will likely jump to 44.4%. Record-low long-term interest rates and the Bank of Canada's bond purchasing programme will keep debt service contained. Nevertheless, the ratings agency Fitch downgraded Canada's AAA rating to AA+ in June.

Layered on top of the direct impacts of the pandemic is the plunge in global oil prices, which weighs heavily on the economy and has dealt a major setback to the oil and gas sector.

The NAFTA-successor CUSMA will come into force on July 1st, 2020. However, US trade policy will remain the biggest risk during the administration of president Trump, due to Canada's trade reliance on the US. The outcome of the forthcoming US elections presents another wildcard for the Canadian economy as well as the ongoing extradition proceedings against Meng Wanzhou, the CFO of Huawei. In retaliation China detained two Canadian citizens and blocked Canadian farm exports like canola (rape seed), soybean, beef and pork.

With 1% of total Swiss trade, Canada occupies rank 17 of all of Switzerland’s trading partners and is the second most important market in the Americas. Bilateral trade of goods in 2018 has decreased by 2% to CHF 5.7 billion, due to a decrease in Swiss imports by 36.7%. Swiss exports went up 15.3%. Switzerland has a considerable trade surplus with Canada. Also, Switzerland is the fifth largest foreign investor in Canada with 5.3%.

Cleantech, infrastructure and consumer goods are key areas with significant potential and opportunities for Swiss know-how and products.

As of the beginning of 2020, Canada has the status of focus country of Switzerland Global Enterprise for investment promotion activities. The Swiss Business Hub will focus its attention on three sectors: personalized health, artificial intelligence and blockchain technologies.

Bilateral trade would benefit from a modernisation of the existing EFTA-Canada free trade agreement. However, as Canada is not in a position to concede additional access for Swiss dairy, Switzerland has decided not to continue further negotiations for the time being.

Another challenge on the trade agenda concerns the pharmaceutical industry, more specifically the uncertainty regarding the new pharmaceutical regulations to determine the prices of patented medicines.

1. Economic Overview

1.1 Pre-Covid-19 Economic situation

Before Covid-19 struck Canada, the economy was sound and growing at a solid pace. It had been operating close to potential for nearly two years and inflation was at target near 2%. The labour market was healthy: unemployment was low, and the pace of wage increases was picking up. While energy-intensive provinces were facing challenges and household debt was elevated, economic activity overall was on relatively solid footing.

The annual growth rate of Canada's real GDP was 1.6% for 2019, a deceleration from the 2.0% growth in 2018. This was largely due to weaker international trade and investment declines. GDP growth was driven by robust household spending on services (+2.1%).[1] Economic activity in Canada slowed in the last quarter of 2019 to 0.3%. Global trade conflicts and related uncertainty had been weighing on business investment and exports. Weak global demand coupled with reduced trade volumes of agricultural crops to China, and motor vehicles and parts to the United States (due in part to the closure of the General Motors plant in Ontario), contributed to the decline in exports towards the end of 2019.

In 2019, real GDP increased in eight provinces[2]. Prince Edward Island (+4.5%) posted the largest increase of all the provinces for a second consecutive year. The growth in this province surpassed the national growth rate of 1.7% - as did the growth in Newfoundland and Labrador (+4.0%), British Columbia (+2.8%), Quebec (+2.7%), Nova Scotia (+2.1%) and Ontario (+1.9%). GDP in New Brunswick (+1.0%) and Manitoba (+1.0%) also grew and in the territories, GDP increased in Nunavut (+6.1%) and Yukon (+1.0%). In Alberta (-0.6%), Saskatchewan (-0.8%) and the Northwest Territories (-8.8%), GDP contracted in 2019.

Pre-Covid, the federal budget deficit for fiscal year 2019/2020 (April-March) came in at an estimated $23.8 billion (1.0% of GDP, U$17.85 billion)[3] compared to C$14 billion (0.6% of GDP).

The debt/GDP ratio decreased slightly from 30.9% in 2018/19 to 30.6% – one of the lowest levels among leading industrialized countries.

2019 was a stable year for the Canadian dollar. It depreciated modestly against the US dollar to 75.4 cents from 77.2 cents in 2018, due to lower oil prices and slowing growth. It depreciated only marginally against the Swiss franc to 74.9 centimes from 75.5 centimes in 2018.[4]

Consumer price index (CPI) inflation remained at 1.9% in 2019, close to the Bank of Canada's inflation-control target.[5]

The unemployment rate declined to 5.4% in May, a record low since comparable data became available in 1976. For 2019 the unemployment rate was 5.7%, slightly down from 5.8% in 2018.

The Canada-US-Mexico Agreement (CUSMA), which will take effect on July 1st to replace NAFTA, eliminates one of the biggest risks to the Canadian economy (see also 2.1 below). Canada's relations with the US will however continue to come under periodic strain with the outcome of the forthcoming US elections being another wildcard for the Canadian economy.

Further risks to the Canadian economy (apart from the impact of Covid-19) include the chilled bilateral relations with China and the resulting trade restrictions imposed by that country on some Canadian farm exports like canola (rape seed), soybean, beef and pork.

Amongst the major domestic financial risks figure high household debt levels, that could result in a rise in bad loans due to income loss because of Covid-19. Canadians are among world leaders in household debt. Pre-Covid, the ratio of gross debt to GDP for Canada stood at 102%. Incidentally, Switzerland leads this ranking with 132%. This ratio is estimated to increase to above 115% in Q2 2020 and reach 130% in Q3, before declining.[6]

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[1] Statistics Canada, GDP income and expenditure, fourth quarter 2019, 28.02.2020, https://www150.statcan.gc.ca/n1/daily-quotidien/200228/dq200228a-eng.htm

[2] Statistics Canada: Gross Domestic Product by industry: Provinces and territories, 2019. https://www150.statcan.gc.ca/n1/daily-quotidien/200601/dq200601b-eng.htm

[3] Office of the Parliamentary Budget Officer, https://www.pbo-dpb.gc.ca/web/default/files/Documents/Reports/RP-2021-009-S/RP-2021-009-S_en.pdf

[4] https://www.bankofcanada.ca/rates/exchange/annual-average-exchange-rates/

[5] Bank of Canada, Annual Report 2019, https://www.bankofcanada.ca/2020/05/annual-report-2019/

[6] Canada Mortgage and Housing Corporation, Supporting Financial Stability During the COVID-19 Pandemic, 19.05.2020, https://www.cmhc-schl.gc.ca/en/media-newsroom/speeches/2020/supporting-financial-stability-during-Covid19-pandemic

1.2 Impact of Covid-19 on the Canadian Economy

The Canadian economy took a record-setting dive as provinces imposed lockdown measures to curb the spread of Covid-19. For the first quarter 2020, real GDP dropped at an 8.2% annualized rate (-2.1% compared to Q4 2019), the worst since the financial crisis but right in the middle of the G7 countries. A much deeper economic contraction is expected for the coming months. In April GDP fell by a further 11.2% (month on month) when the full impact of the lockdown and the slump in oil prices became apparent. It is assumed that this marks the trough of the downturn with a possible return to growth in May, when lockdown measures began to be eased. For the second quarter the economy is likely to record an annualized decline of between 30% and 40%. The Parliamentary Budget Office expects GDP to decline by 6.8% in 2020, the weakest performance on record[7]. The Bank of Canada is currently not providing detailed growth forecasts, citing the deep uncertainties surrounding the Covid-19 shutdowns. The Bank however expects the economic recovery to have two phases and be prolonged and uneven, with a relatively quick reopening and then a longer recuperation, which will vary by region.

The most vulnerable sectors in Canada are energy, mining, hospitality, tourism, transportation and automotives. Canada's already struggling oil and gas sector will take a particularly big hit from the unprecedented slump in global oil prices, and the supply and demand shocks will have a significant impact on the economy.

Canada’s labour market lost over three million jobs in March and April, a record high, as the impact of Covid-19 on the economy made itself known.[8] By the end of April, 8.2 million Canadians have received benefits under the Canada Emergency Response Benefit program (CERB). This amounts to about 50% of the country's labour force. The program provides for a taxable benefit of up to $2,000 per month, from mid-March to the end of August.

The unemployment rate soared from 7.8% in March to an all-time high of 13.7% in May, the highest unemployment rate among all major economies. In April, more than one-third (36.7%) of the potential labour force did not work or worked less than half of their usual hours. Following losses of more than three million from February to April, employment rose by 290,000 in May – the largest monthly gain in Canadian jobs in 45 years of records – as several provinces had begun to ease public health restrictions and allow some non-essential businesses to re-open. Employment growth will continue in June as restrictions are gradually eased across the country.

In the first quarter 2020, both export (-3.0%) and import (-2.8%) volumes declined, owing to falling energy prices, shutdowns of production plants, border closing for tourism and non-essential travel, and lower demand due to physical distancing measures. The impact of these events on exports outweighed any positive influence of depreciation of the Canadian dollar.[9] In April, Canada’s international merchandise trade declined to the lowest level in almost a decade. The automotive sector shutdowns account for the largest decrease followed by energy. Merchandise exports fell by 30% in April, while merchandise imports declined by 25%. Almost all of the reduction in trade activity in April was due to lower trade flows between Canada and the United States. Canada’s international trade in services also fell sharply in April, led by severe reductions in travel services due to Covid-19 related border closures.

Amongst the major domestic financial risks are high household debt levels. With about 50 percent of the country’s labour force receiving the $2,000 per month CERB benefit, many Canadians are making a lot less money than they did before the crisis. Canadians earned, on average, $4,383 per month at the start of 2019. That gap is going to be a major issue for out-of-work Canadians. Canada will see an increase in personal bankruptcies, while household debt is going to soar. Canadian household indebtedness remains elevated, above 175% of disposable income since 2016, with debt service averaging 14.7% of disposable income in Q1 2020. Canada’s real debt reckoning could come in the fall, when the mortgage and loan payments that so many people have deferred, come due again.

[7] https://www.pbo-dpb.gc.ca/web/default/files/Documents/Reports/RP-2021-009-S/RP-2021-009-S_en.pdf

[8] However, the masive job losses were driven by temporary layoffs, with the vast majority of the newly unemployed expecting to return to their job within six months.

[9] Statistics Canada, Gross domestic product, income and expenditure, first quarter 2020, 29.05.2020, https://www150.statcan.gc.ca/n1/daily-quotidien/200529/dq200529a-eng.htm

While 2019 was an unusually quiet and stable year for the Canadian dollar, 2020 so far has been anything but. Canada's currency was worth 77 US cents at the start of the year but lost 10% of its value by March dropping to a four year low of just 69 cents before recovering to 74 US cents in June. That the Canadian dollar has weakened in an environment of significant risk aversion, collapsing energy prices, and general demand for US dollars is unsurprising. Vis-à-vis the Swiss franc the Canadian dollar started out worth 74 centimes at the beginning of the year, reached a low in mid-March with 66 centimes and recovered since to 71 centimes in June.

Layered on top of the direct impacts of the pandemic is the plunge in global oil prices, which weighs heavily on the Canadian economy and has dealt a major setback to the oil and gas sector. Gasoline prices in April were down 39%, the largest year-over-year decline on record. Production and investment in the sector have declined sharply and could deteriorate even further if prices remain well below levels prevailing earlier in the year.[10] Oil sands producers in Alberta can't easily turn on and off production, leaving them at a big disadvantage during oil price crashes. According to Natural Resources Canada, the oil and gas sector accounts for 5.6% of the country's gross domestic product and between 11% and 20% of total exports, depending on the year.

Consumer price inflation fell 0.2% on a year-over-year basis in April 2020, down from a 0.9% gain in March. This was the first year-over-year decline in the CPI since September 2009. The CPI declined as domestic demand contracted and energy prices fell as a result of the Covid-19 pandemic. Gasoline saw a huge price decline by almost 40%. CPI will fall from an average of 2% in 2019 to 0.5% in 2020.

Canada's Parliamentary Budget Officer (PBO) estimates that the federal budget deficit will balloon to $256 billion (U$192 billion) or 11.8% of GDP, up from 1% in 2019, owing to the corona related fiscal relief measures and lower government revenue from the economic contraction. That's more than 10 times last year's combined federal-provincial deficits.[11] To finance this unprecedented deficit Canada will be forced to borrow en masse and in bulk. Its debt/GDP ratio is bound to jump to C$962 billion (U$721 billion) or 44.4% from 30.6% in 2019. However, this would still be below the 1995 high of 67%. Record-low long-term interest rates and BoC's bond purchasing programme will keep debt service contained.

As a result of Covid-19 the government has not presented a budget for the fiscal year 2020/2021, which began in April. Neither has it released a fiscal forecast since December. Under pressure from the conservative opposition, the government has now announced, that it will introduce a fiscal snapshot in July.

1.3 Canada's Covid-19 Economic Response Plan[12]

Since March 18, 2020, Canada announced a series of federal tax and economic measures under its Covid-19 Economic Response Plan to support the economy throughout this period and in the early phases of recovery. The Plan aims to help stabilize the Canadian economy, and includes measures to assist both individuals and businesses through direct transfers, tax deferrals, and measures to ensure businesses continue to have access to credit. It actually consists of a myriad of different measures that cover all imaginable stakeholder groups - from regular employees to indigenous peoples, senior citizens, students, the homeless, seasonal workers, self-employed, SMEs, rural businesses, etc. There is something for everybody and it is getting difficult to gain an overview of the measures, some of which are overlapping. Furthermore, the provinces have supplemented the federal measures with their own additional financial measures. For an overview of the measures, see Annex 3.

As of 11 June 2020 the total of direct support measures and liquidity support amounts to C$331 billion (U$ 248.25 billion) or 13.9% of Canadian GDP.

[10] Bank of Canada, Monetary Policy Report, April 2020, https://www.bankofcanada.ca/publications/mpr/

[11] https://www.theglobeandmail.com/opinion/editorials/article-how-is-ottawa-going-to-pay-off-its-Covid-19-debt-with-any-luck-it/

[12] Government of Canada, Canada's COVID-19 Economic Response Plan, https://www.canada.ca/en/department-finance/economic-response-plan.html

While many central banks cut interest rates during 2019 due to fears of a trade war, rates in Canada held steady. This move provides more room for cuts now. So far, the central bank has slashed its target overnight interest rate three times in March 2020 from 1.75 to 0.25%. It considers this the effective lower bound and does not intend to cut rates into the negative. To combat Covid-19 the Bank started an unprecedented quantitative easing program to fund federal fiscal stimulus. It has bought almost $400 billion (U$ 300 billion) in assets since the crisis began to inject liquidity into financial markets. BoC's liquidity facilities and asset purchases swelled its balance sheet to 23% of GDP in mid-June from 5.5% of GDP in January

The new governor of the BoC Tiff Macklem announced mid-June that the Bank's focus will now shift from restoring orderly market conditions to supporting the resumption of growth in output and employment. However, the ability of monetary policy to address the economic weaknesses is limited. According to the Bank of Canada the pandemic is creating both a supply and a demand shock, and that means fiscal policy may be more impactful in this environment. Furthermore a weak Canadian dollar will help export competitiveness, but won't address weak global demand.

The ratings agency Fitch downgraded Canada's AAA rating to AA+ on June 24th because of rising deficits due to emergency coronavirus spending that have disrupted plans—including in provincial capitals—to stabilize debt-to-GDP ratios. Fitch remarked however, that low interest rates mean the debt is manageable, the economy will rebound and debt will stabilize after the crisis passes.[13]

[13] https://www.fitchratings.com/research/sovereigns/fitch-downgrades-canada-ratings-to-aa-outlook-stable-24-06-2020?utm_source=nl&utm_medium=em&utm_campaign=mme_politics&sfi=f2372fd5d9877d8fcd033d0d59afbb26

2. International and Regional Economic Agreements

2.1 Canada's Policy and Priorities

Despite recent efforts to diversify trade, Canada still has much work to do. More than 75% of Canada's exports went to the US in 2019 (see 3.1 below). While Canada's export dependency on the US has declined from 87% 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 US, the Canadian administration focuses on diversifying the economy's exports with a particular focus on the Asia-Pacific region, while nurturing stronger economic links with Europe and the UK. Canada is now party to 14 Free Trade Agreements involving 51 countries and covering 62% of world GDP.

Canada's trade with these countries accounted for 85% of its imports and 92% of its exports in 2019.[14,15] Total trade with the members of NAFTA was valued at C$796 billion (U$597 billion) or 67% of total trade with the world. For CETA the figures were C$126 billion (U$95 billion) or 11% of total world trade and CPTPP accounted for C$101 billion (U$76 billion) or 8.5%. While Canada has a merchandise trade surplus in the framework of NAFTA of C$113 billion (U$85 billion), it is a net importer with CETA and CPTPP members of $29 billion (U$22 billion) and $45 billion (U$34 billion).

North-Atlantic Free Trade Agreement (NAFTA) / Canada-US-Mexico Agreement (CUSMA)

On November 30, 2018, Canada, the United States and Mexico signed the new Canada-United States-Mexico Agreement (CUSMA), on the margins of the G20 Leaders' Summit in Buenos Aires. In April 2020, Canada announced that it has finished its ratification process and is ready to implement the measures in the agreement. The agreement will come into force on July 1st, 2020.

Pre-pandemic, Canadian industries were pushing to get CUSMA ratified and entered into force as quickly as possible, so they could once again have predictability and stability in Canada's most important and significant trading relationship. Now, having to deal with the fallout of the pandemic, various industries – like automakers and parts suppliers as well as Canada's dairy sector – have lobbied hard for more time to get ready. Industry associations are claiming, that they face too much disruption and chaos with Covid-19 to once again have significant changes to prepare for. Industry and government agree however, that it is no option to have the agreement hanging in the balance, with the U.S. on the verge of going to the polls.

CUSMA maintains most of the substance of NAFTA. Virtually all (99%+) of total Canadian merchandise exports to the US will still be tariff-free, similar to under the NAFTA it is replacing. It includes a cap on levels of vehicles, and vehicle parts, that Canada can sell to the US tariff-free without facing another potential 232 tariff. The US has been pushing for a similar type of quota on steel and aluminum. US farmers will get more access to the Canadian supply managed dairy market and intellectual property and digital trade will be better protected. The agreement also extends the period that a pharmaceutical drug can be protected from generic competition, and includes new provisions to deal with the digital economy. The pact adds a 16-year "sunset" clause where the terms of the agreement expire after a set period of time. The deal is also subject to a review every six years, at which point the countries can decide to extend the CUSMA.

CUSMA has mitigated some trade risks for Canada as the country is overwhelmingly reliant on the US as an export destination. However, trade policy will remain the biggest risk during the administration of US president Trump, due to Canada's reliance on the US.

[14] https://www150.statcan.gc.ca/n1/daily-quotidien/190904/t001d-eng.htm
[15] https://www150.statcan.gc.ca/t1/tbl1/en/tv.action?pid=1210013001

Comprehensive Economic and Trade Agreement (CETA)

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. CETA, provisionally implemented in September 2017, 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 – 14 EU member states have so far completed the ratification process – 98% of Canadian and EU tariff lines became duty-free, creating new opportunities on both sides of the Atlantic. However, the challenges identified initially, persist. 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. Not surprisingly, the US has already echoed the same concern in view of CUSMA coming into force in July. Canada is accused of evading its commitments in the dairy sector by following the rules but not the spirit of the agreement.[16] Secondly, trade data for the first two years 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 US).[17] Canadian merchandise imports from the EU in 2019 rose by 4.8%. Canadian exports grew by 7.3%. However, the growth is almost entirely attributed to the recovery in gold exports, which is volatile in value. Excluding gold, Canadian exports to the EU fell 0.7% during this period, with lower exports of energy products (-23.9%) contributing the most to the decline. Overall, growth in exports was recorded with 14 EU countries and declines were recorded with the other 14.[18] With Brexit, Canada is losing its biggest CETA trading partner, accounting for 40% of its trade with the EU.

Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP)

CPTPP is a free trade agreement between Canada and 10 other countries in the Asia-Pacific region: Australia, Brunei, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore and Vietnam. Once fully implemented, the 11 countries will form a trading bloc representing 495 million consumers and 13.5% of global GDP.

In December 2018, the CPTPP entered into force among the first six countries to ratify the agreement – Canada, Australia, Japan, Mexico, New Zealand, and Singapore. In January 2019, the CPTPP entered into force for Vietnam. Brunei, Chile, Malaysia and Peru are also signatories to the agreement but have yet to ratify.

Canada's exports to CPTPP signatories have not seen a significant increase in the first year of implementation, in spite of efforts to promote exports to this new mega free trade zone. On the contrary, Canada's exports in 2019 have declined by 3.2%. On the other hand, imports from CPTPP countries in 2019 increased by 5%. The top three export markets – Japan, Mexico, and Australia – account for 80% of Canada's total CPTPP exports and 77% of CPTPP imports.[19]

It is too early to tell whether the decline in exports is a reflection of a general trend within the larger context of the US-China trade war, or whether it is due to a combination of factors, including the relocation of global value chains.

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). In October 2017 Canada announced the launch of FTA negotiations with the Pacific Alliance, which seem to progress only very slowly. The Pacific Alliance countries comprise over 225 million consumers with a combined GDP of $2.7 trillion (U$ 2 trillion) in 2018. Canada's

[16] https://nationalpost.com/news/u-s-senator-accuses-canada-of-evading-commitments-on-dairy-amid-heightened-trade-tensions
[17] https://www150.statcan.gc.ca/t1/tbl1/en/cv.action?pid=1210014001#timeframe
[18] Global Affairs Canada, Highlights of Canada's Merchandise Trade Performance in 2019, Feb 2020, https://www.international.gc.ca/trade-commerce/economist-economiste/analysis-analyse/merchandise_trade-commerce_marchandises.aspx?lang=eng
[19] https://www150.statcan.gc.ca/t1/tbl1/en/cv.action?pid=1210013001#timeframe

total merchandise trade with these countries reached $53 billion (U$ 40 billion) in 2019, representing three quarters of Canada's total two-way merchandise trade with the Latin America and Caribbean region. The extractive sector represents a particular interest for Canadian companies in Pacific Alliance countries.

Mercosur

Formal free trade negotiations between Canada and Mercosur (Argentina, Brazil, Paraguay and Uruguay) began in March 2018. However, so far no substantial progress has been achieved. In April 2020, Argentina said it was abandoning the existing negotiations within the bloc for future trade agreements. 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 with $9.0 billion (U$6.75 billion) in 2019. 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

In November 2018, Canada and China agreed to double its agricultural trade relationship by the year 2025 by lowering existing tariff and other trade barriers. The goal was agreed to during the first Canada-China Economic and Financial Strategic Dialogue meeting in Beijing. Canadian exports to China were growing at an annual pace of 11% between 2009 and 2018, with an accumulated net growth of 58.7% in the same years. This positive growth trend started on a consistent reversal beginning in February 2019. Exports to China declined by 16% in 2019 and the trend continues. What had happened? Bilateral tensions between Canada and China increased significantly at the end of 2018 with fears of Chinese industrial espionage and controversy around telecom giant Huawei, including Canada's detention of the company's CFO, Meng Wanzhou in December 2018 (at the request of the United States). In a move likely in response to the arrest, China then detained two Canadians (one a former diplomat) on what Prime Minister Trudeau calls "arbitrary" and "illegal" grounds. Additionally, China blocked Canada's canola[20] and soybean, and temporarily pork and beef export. The annual export market for Canadian Canola to China is nearly 5 million tonnes, representing 40% of Canada's Canola market and 17% of all Canadian exports to China and is worth C$2.7 billion (U$2.1 billion).

In a decision in May 2020, the B.C. Supreme Court was ruling that extradition proceedings against the Huawei executive should proceed as the offence Meng is accused of by American prosecutors would equally be considered a crime if it occurred in Canada (double-criminality). Shortly thereafter China announced that it had found pests in logs from Canada, raising fears that Beijing is threatening yet another key Canadian export in retaliation for the recent court ruling.

United Kingdom

The U.K. is by far Canada's most important commercial partner in Europe. Due to its departure from the European Union, the terms of Canada's Comprehensive Economic and Trade Agreement (CETA) with the EU continue to apply to British trade only until the end of 2020. After that, the two countries must either negotiate a new bilateral agreement or come to an understanding on how to "roll over" the CETA with the modifications deemed necessary by both sides. Negotiations toward either option are stalled at the moment. Canada wants to know the terms of Britain's future trading relationship with the continent before finalizing its arrangements with London. In the meantime the British government signalled that it intends to join another trade agreement in which Canada is already a partner: the CPTPP.

[20] The "Can" in Canola stands for Canada, since the specific variety of the plant known as rapeseed that has a bright yellow flower was invented by Canadian researchers in the 1970s.

Canadian Free Trade Agreement (CFTA)

In Canada there is more north-south trade happening (with the United States) than east-west (between the provinces). Just 20% of SMEs in Canada sell to other provinces. There are many non-tariff trade barriers due to the division of powers and responsibilities between federal and provincial authorities. The most prominent example is alcohol, which may not be transported from one province to another. Barriers to inter-provincial trade affect numerous products. Many provinces for example have their own rules for gasoline mixes, trucks of a certain type are only allowed to drive at night in some provinces and only during the day in others. Standard sizes for milk cartons vary by province, and quotas and different pasteurization standards restrict the sale of cheese between several provinces. Next to barriers to consumer goods, there are also different standards and recognitions for vocational training, changing environmental regulations or tax systems.

These trade barriers hinder labour mobility, narrow consumer choice, fragment markets, stifle competition, and limit the effective scale of production. Reducing interprovincial trade barriers by just 10% could boost GDP by 0.6% over three years, according to the Bank of Canada—a bigger impact than CETA and CPTPP combined.

CFTA was an initiative kick-started under the former Harper government but was signed by the federal and provincial governments and came into force in 2017, under the Trudeau Liberal government. Its objective is to reduce and eliminate, to the extent possible, barriers to the free movement of persons, goods, services, and investments within Canada and to establish an open efficient, and stable domestic market. Progress made since then has been limited, which is also due to the large number of exemptions, including alcohol.[21] It is the intention of the liberal government to move forward with new rules to streamline trade by promoting mutual recognition of standards and by creating a Canada Free Trade Tribunal to hear, investigate, and help resolve cases where domestic trade barriers may exist.

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 EFAT 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.

Since 2016, exploratory discussions have taken place – the most recent meeting in February 2020 – to examine a possible modernization of the EFTA-Canada Free trade agreement in 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. It has become clear that the respective expectations and possibilities differ substantially in several areas. For Switzerland in particular, one of the main challenges of a renegotiation would be improved access to the Canadian market for Swiss processed agricultural and dairy products, including cheese. It emerged from the explorations that due to supply management system constraints, Canada is not in a position to concede additional access for cheese. As a result, Switzerland has decided in spring 2020 not to continue further negotiations on a modernization of the CEFTA for the time being.

[21] Canadian Free Trade Agreement, "Federal-Provincial-Territorial Action Plan: Trade in Alcoholic Beverages", 2019, retrieved 25.09.2019, https://www.cfta-alec.ca/federal-provincial-territorial-action-plan-trade-in-alcoholic-beverages/.

3. Foreign Trade

3.1 Development and General Outlook

In 2019 Canada's worldwide exports of goods and services increased by 1.2% to reach C$670 billion (U$503 billion). Imports increased 0.3% to C$ 666 billion (U$500 billion).[22]

According to the 2019 World Merchandise Trade Value Ranking of the WTO, Canada gained one rank and is now on the 12th spot with a share of 2.4% (U$447 billion) of the world's exports. Canada remained at the same import ranking, on 13th place, with a share of 2.4% (U$464 billion) of the world's imports. For comparison, Switzerland is placed 19th and 18th respectively.[23]

In the World Services Trade Value Ranking, Canada remained on 18th place with 1.6% (U$99 billion) of world services exports. Canada's services imports amounted to U$114 billion, which put it in 14th place with 2% of world services imports. Switzerland ranked 12th and 15th.

For the year 2019, the current account deficit stood at $45.4 billion (U$34 billion), down $10.1 billion from 2018. The deficit in 2019 was the lowest since 2008, the last time Canada recorded a current account surplus.

Canada is the fifth largest global exporter of agricultural products. The agriculture and agri-food industry contributes over $110 billion (U$83 billion) annually to Canada's GDP. Canada is one of the world's largest exporter of flaxseed, canola, pulses, oats and durum wheat, and third largest exporter of pork products.[24]

3.1.1 Trade in goods

In 2019, total Canadian merchandise trade reached a record high of nearly $1.2 trillion (U$900 billion). However, after registering two consecutive years of rapid growth, Canada's merchandise export and import growth decelerated in 2019. For the full year, Canadian merchandise exports climbed 1.4% to reach $592.6 billion (U$447 billion), compared to the 5.7% and 7.0% growth in 2017 and 2018. The fall in exports was primarily due to the Chinese ban on the importation of canola and soybeans from Canada, which led to a 77.6% reduction in oil seeds exports compared to the previous year.

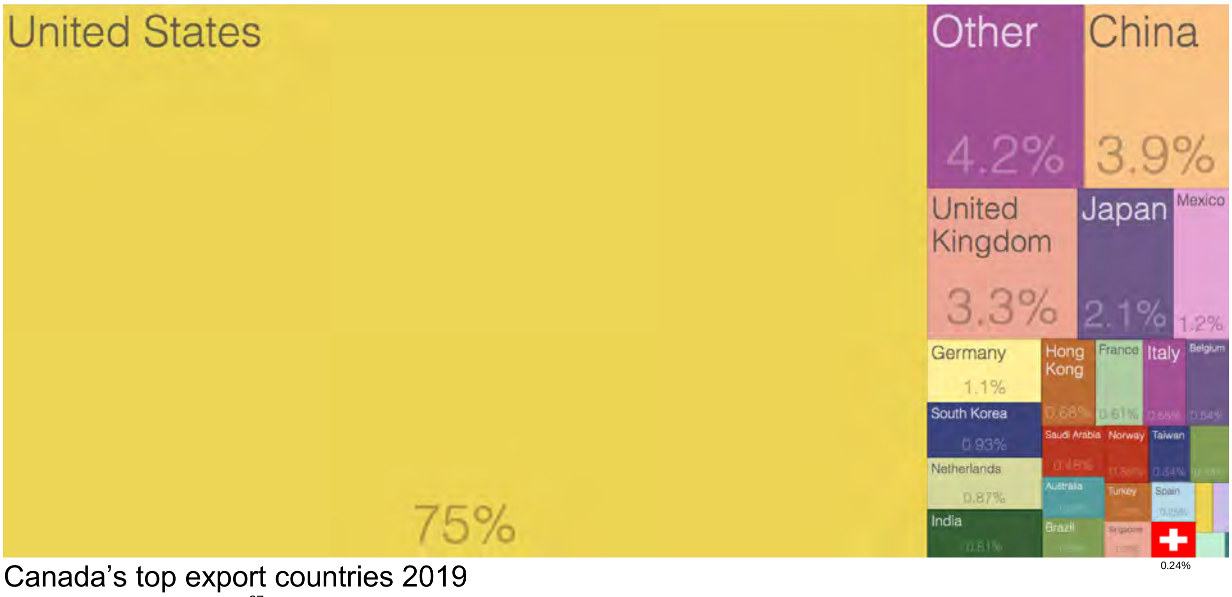
As illustrated in the treemap below, Canada's exports are highly concentrated. The most important destination for Canadian exports is the United States with 75% of all exports followed by China, UK and Japan. The majority of Canadian exporters trade with just one country, namely the United States. Such lack of diversification is likely to be costly considering demand for Canadian goods is set to remain weak for a while amid recession and high unemployment rates south of the border.

Exports to the United States grew 2.1% while exports to non-U.S. markets fell 0.5% (-16% for China), resulting in the U.S. share of Canadian exports rising for the first time in the last five years. Exports to the European Union rose significantly due to rebounding gold exports. Exports to Switzerland decreased by 23.2% to C$1,434 million[25] (U$1,075 million). Ranked 24nd with 0.24%, Switzerland does currently not belong to the top export countries of Canada. From 2017 to 2019, Canada's merchandise exports to Switzerland decreased by 16.8% annually.[26]

[22] Statistics Canada, Gross domestic product, income and expenditure, fourth quarter 2019, 28.02.2020, https://www150.statcan.gc.ca/n1/daily-quotidien/200228/dq200228a-eng.htm
[23] WTO, Trade set to plunge as COVID-19 pandemic upends global economy, p10, 08.04.2020, https://www.wto.org/english/news_e/pres20_e/pr855_e.pdf
[24] Government of Canada, We Grow a Lot More Than You May Think, 25.02.2020, https://www.agr.gc.ca/eng/canadian-agri-food-sector/we-grow-a-lot-more-than-you-may-think/?id=1251899760841
[25] https://www150.statcan.gc.ca/t1/tbl1/en/cv.action?pid=1210013001#timeframe
[26] Global Affairs Canada, Highlights of Canada's Merchandise Trade Performance in 2019, Feb 2020, https://www.international.gc.ca/trade-commerce/economist-economiste/analysis-analyse/merchandise_trade-commerce_marchandises.aspx?lang=eng

Globally, the growth in Canadian merchandise exports was supported by the United States (crude oil), the United Kingdom (gold), Germany (precious metal scraps), Saudi Arabia (armored vehicles), and Bangladesh (soybeans and leguminous vegetables), while merchandise imports rose primarily due to Peru (gold), Vietnam (phones), and France (aircraft).

However, these gains were tempered by lower exports to China (rape seeds and soybeans), Mexico (rape seeds, aircraft, wheat), Belgium (diamonds), and Spain (crude oil and aircraft), as well as lower imports from Azerbaijan (crude oil), Argentina (gold), and Norway (ships and crude oil).



Canada’s top export countries 2019
Source: Statistics Canada[27]

Trade is also concentrated by provinces/territories. The top three exporting provinces – Ontario, Alberta and Quebec – accounted for 78.3% of Canada’s exports in 2019[28].

The main Canadian export goods are mineral products and energy with 22% of total exports followed by vehicles and transport equipment with 13.7% and machinery with 7.8%.[29]

Despite the significant investments in research, innovation, and trade diversification, Canada’s exports are still concentrated in a few primary products with minimal value-added, usually controlled by a small number of large companies. While there have been significant gains in agriculture and raw materials, Canada is still underperforming when it comes to value-added goods.

Growth in merchandise imports moderated from 5.4% in 2017 and 6.0% in 2018 to 0.9% in 2019 to reach $601.5 billion (U$450 billion). However, due to faster growth in exports, Canada’s merchandise trade deficit with the world narrowed by $2.9 billion to $8.8 billion (U$6.6 billion), the smallest merchandise trade deficit since 2014.

Most goods are imported from the United States (51%) followed by China (13%), Mexico (6%) and Germany (3%). Switzerland ranks 15th with 0.8% or C$4,947 billion (U$3,710), +7.6%. Imports from the US decreased by 2.3% in 2019.

The most important import goods for Canada are vehicles with 16.4%, machinery with 15.3%, electronics with 9.8% and energy products with 7.3%.

[27] Statistics Canada, The International Trade Explorer, 2019, 06.03.2020, https://www150.statcan.gc.ca/n1/pub/71-607-x/71-607-x2019005-eng.htm
[28] Government of Canada, Search by product (HS code) - Trade Data Online, 14.05.2020, https://www.ic.gc.ca/app/scr/tdst/tdo/crtr.html?&productType=HS6&lang=eng
[29] Global Affairs Canada, Highlights of Canada’s Merchandise Trade Performance in 2019, Feb 2020, https://www.international.gc.ca/trade-commerce/economist-economiste/analysis-analyse/merchandise_trade-commerce_marchandises.aspx?lang=eng

The three most important import gateways to Canada are Ontario, Quebec and British Columbia, providing access to and from the US and to the Atlantic and Pacific shipping routes, respectively.

In April 2020, production shutdowns in a number of manufacturing industries - in particular auto manufacturing, falling energy product prices, the closure of many retail stores, and weaker demand due to physical distancing measures related to Covid-19, resulted in drastic decreases in Canada's exports and imports.

Exports fell 29.7% to $32.7 billion in April, the lowest level in more than 10 years. Imports were down 25.1% to $35.9 billion, a value not seen since February 2011. These declines, in both absolute value and percentage, are unparalleled, as monthly decreases of this magnitude have never been observed. The US contributes 90% of the decrease in Canada's trade activity in April[30]

3.1.2 Trade in services[31]

In 2019, Canadian services exports grew for the ninth consecutive year by 4.4% to C$133 billion (U$101 billion), while services imports rose 3.1% to reach C$154 billion (U$116 billion). The services deficit narrowed by $900 million to $20.4 billion (U$15.4 billion), mainly on higher exports of commercial services, led by computer services.

Travel exports accounted for nearly one quarter of services exports in 2019 and were once again one of the fastest-growing sector (+4.7%), followed by commercial services (+4.4%) and transportation (+3.9%). Government services represent the smallest share but experienced the highest growth with 5.4% in exports and 7% in imports. Imports of travel services are about one third of total service imports and grew 5.1%.

In 2019, Canadian services exports to Switzerland amounted to C$1.99 billion (U$1.5 billion, +5.8%), services imports from Switzerland to C$1.79 (U$1.4 billion, -4.5%), resulting in a services trade surplus of C$206 million (U$155 million).[32] Canada exports more services to Switzerland than goods.

In the first quarter of 2020, the trade in services deficit expanded by $0.3 billion to $5.9 billion (U$4.4 billion). The commercial services surplus shrank $0.4 billion. Higher financial services transactions, reflecting strong activities in the securities market, were the main factor in higher imports and exports of commercial services during the quarter. Both exports and imports of travel services were down in the first quarter as the pandemic and related travel restrictions considerably reduced the number of cross-borders tourists.[33]

[30] Statistics Canada, Canadian international merchandise trade, April 2020, 04.06.2020, https://www150.statcan.gc.ca/n1/daily-quotidien/200604/dq200604a-eng.htm
[31] Statistics Canada, International trade in services, monthly, Table: 12-10-0144-01, https://www150.statcan.gc.ca/t1/tbl1/en/tv.action?pid=1210014401
[32] Statistics Canada, Canada and the World Statistics Hub – Switzerland, 11.06.2020, https://www150.statcan.gc.ca/n1/pub/13-609-x/13-609-x2018012-eng.htm#dash_help
[33] Statistics Canada, Canada's balance of international payments, first quarter 2020, 28.05.2020, https://www150.statcan.gc.ca/n1/daily-quotidien/200528/dq200528b-eng.htm

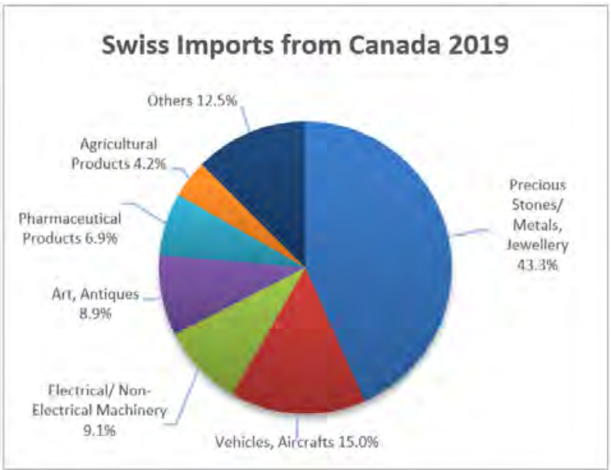
3.2 Bilateral trade[34]

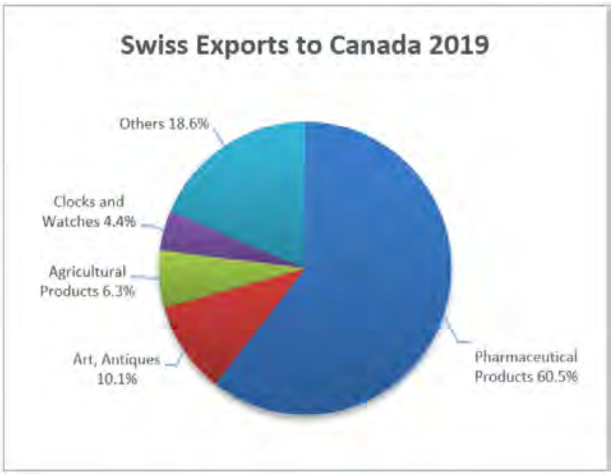
With 1% of total Swiss trade, Canada occupies rank 17 of all of Switzerland's trading partners[35] and is the second most important market in the Americas, ahead of Brazil and Peru. Since 1998 Swiss exports to Canada grew on average by 7.5% per year. Furthermore Canada is one of the few mature markets with which Switzerland has a trade surplus (of 3.2 billion CHF).

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 5'663 million CHF in 2019. Total trade, which consists of exports and imports of goods excluding gold bars and other precious metals, was down 2.0% compared to the previous year. Swiss exports to Canada (4'450 million CHF) increased by 15.3%. The increase was driven by stronger exports of art and antiques (+470%) as well as agricultural products (+13%). The most important export goods to Canada are pharmaceutical products and art (paintings/sculptures). Swiss imports from Canada (1'213 million CHF) fell by 36.7% in 2019, mainly because the delivery of Bombardier CS300 planes was completed in 2018. The most important import goods from Canada are precious metals (mostly gold), which experienced a strong increase of 87%.[36]

Switzerland's trade surplus with Canada remains high at 3'238 million CHF. This is the eighth largest trade balance surplus of Switzerland with all countries in absolute terms, behind the US, India, UK, China, Hong Kong, Japan and Singapore.





Source: Federal Customs Administration FCA

3.2.2 Bilateral trade in services

According to Global Affairs Canada's most recent data from 2019, Switzerland exported services to Canada worth C$1,788 million (-4.6 %, U$1,347 million) and imported services from Canada worth C$1,993 million (+5.8 %, U$1,501 million). Switzerland is ranked 7th for Canada's worldwide services exports and 11th for Canada's services imports.[37]

[34] Eidgenössische Zollverwaltung, "Exporte nach Handelspartnern", 28.05.2020, https://www.ezv.admin.ch/ezv/de/home/themen/schweizerische-aussenhandelsstatistik/daten/handelspartner.html
[35] Rank 18 if you include gold and precious metals.
[36] Swiss Impex, Gesamthandel Kanada, 2019 Total 2, https://www.gate.ezv.admin.ch/swissimpex/index.xhtml
[37] Statistics Canada, Balance of international payments, current account, services by principal trading partners, Table: 36-10-0024-01, https://www150.statcan.gc.ca/t1/tbl1/en/tv.action?pid=3610002401

3.3 Interesting sectors and markets for Swiss companies

Canada is among the top 20 global trading partners with Switzerland and Swiss exports to Canada continued to grow in 2019 despite uncertainty surrounding trade disputes and the world economy. Pharmaceutical products continued to dominate Swiss exports to Canada with 60% of total exports. Canada's well established and advanced health care system as well as high standard of living will continue to make it an attractive market for suppliers of health-related industries.

As in previous years, the Swiss Business Hub in Montreal (SBH) is on the lookout for new market opportunities for large as well as small and medium sized enterprises in Canada. In 2019, we have seen Canadian demand for Swiss products in both leading-edge technologies as well as more traditional industries, reflecting Swiss savoir-faire. Avalanche radar manufacturer, Geopraevent, became a key player involved in Canada's largest avalanche detecting system covering 42 kilometres of the Rogers Pass. At the same time, Switzerland's largest chocolate retailer opened its doors to the Canadian market. Läderach Chocolatier Suisse, opened two stores in Toronto in 2019 and plans to continue expansion in 2020 and beyond. These two examples highlight that the Canadian market presents ample opportunity to Swiss innovative companies that represent the very best of what is new as well as traditional within the country. Therefore, Switzerland's reputation as a leader in innovation will continue to attract Canadian businesses to its products, especially in the areas of 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, air quality and airtightness in building envelopes), infrastructure as well as consumer goods. The sector of sustainable building is of particular interest and the SBH will use the trend in favour of Swiss SMEs. Furthermore, Canadians' growing reliance on making purchases online will provide Switzerland's technology industry with a fertile environment to provide e-commerce solutions to Canadian firms. A consistent move towards online services in Canada also highlights opportunities for Swiss firms in telemedicine.

Canada's proud contribution to global trade and its attitude towards keeping trade channels open with all its partners ensures that Swiss firms will continue to see ample opportunities to gain a presence in this market.

4. Direct Investment

4.1 Development and General Outlook

For the year 2019, Canadian direct investment abroad reached $94.5 billion (U$71 billion), up significantly from $68.6 billion (U$52 billion) in 2018. Meanwhile, foreign direct investment in Canada amounted to $59.6 billion (U$45 billion), a level comparable to 2018. On an industry basis, the energy and mining as well as the manufacturing sectors attracted half of all direct investment in Canada. At $20.7 billion (U$15.6 billion), cross-border mergers and acquisitions in Canada were the highest in four years.[38] In Q4 2019, direct investment in Canada came primarily from Switzerland.

In the first quarter 2020, Canadian direct investment abroad and foreign direct investment in Canada slowed due to Covid-19. Overall, direct investment activity generated a net inflow of funds totalling $5.5 billion (U$4.1 billion). Direct investment in Canada totalled $10.4 billion (U$7.8 billion) in the first quarter. This was the lowest level of investment since 2018. Direct investment abroad was $4.9 billion (U$3.7 billion) in Q1 2020, the lowest level of investment since 2011. Half of the investment was made by firms of the energy and mining sector and the bulk of the investment was in the United States.[39]

Foreign Direct Investments in Canada

Note: Data for foreign direct investment for 2019 was not available at the time of publication.
In 2018, FDI inflows into Canada increased by 70% to C$55 billion (U$42 billion), in contrast to the decrease experienced by most other developed economies. This is due to an increase by 262% or C$24 billion (U$18 billion) in FDI mainly from European countries like Switzerland and the Netherlands, while flows from the United States declined by 6.8%. Strong inflows of investment into Canada's manufacturing sector (45%) made up for the decline in trade and transportation by 41% and finance and insurance by 13%.

Foreign investors increased their cumulative holdings of direct investment stock, (see annex 5) in Canada in 2018 by 5%, with the total reaching C$877 billion (U$658 billion). The FDI stock from North America accounted for half of Canada's FDI stock. The United States remained Canada's largest foreign investor by far, with a FDI stock totaling C$406 billion (U$305 billion) in 2018. Compared to a decade ago, the distribution of foreign investors in Canada is slightly more diverse but still dominated by North America and Europe. After the US, the Netherlands rank second with 12.2% followed by Luxembourg with 6.4% and the UK with 5.7%. Switzerland ranked fifth with 5.3% (C$55.8 billion, U$42 billion). Measuring foreign direct investment in Canada according to the ultimate investing country (UIC) Switzerland's share drops from 5.3% to 3.5%.

Manufacturing (23%) continued to be the most significant industry for foreign direct investment in Canada in 2018, followed by mining and oil and gas extraction (20%). Canada is increasingly attracting investments in knowledge-intensive fields, including software and digital services.

Canadian Direct Investments Abroad (CDIA)

Note: Data for foreign direct investment for 2019 was not available at the time of publication.
Contrary to the seven previous years, FDI outflows decreased by 38% to C$64 billion (U$48 billion) in 2018. The Canadian direct investments abroad decreased mostly due to a fall in investment into the US by 50% to C$33 billion (U$25 billion). In contrast, FDI flows to the rest of the world increased by 46% to C$31 billion (U$23 billion). As a result, the share of FDI outflows to the United States accounted for only 51% of overall FDI outflows in 2018, down from nearly 80% the previous year.

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[38] Statistics Canada, Canada's balance of international payments, fourth quarter 2019, 27.02.2020, https://www150.statcan.gc.ca/n1/daily-quotidien/200227/dq200227a-eng.htm
[39] Statistics Canada, Canada's balance of international payments, first quarter 2020, 28.05.2020, https://www150.statcan.gc.ca/n1/daily-quotidien/200528/dq200528b-eng.htm

The stock of Canadian direct investment abroad increased for the ninth consecutive year by 10.4% in 2018. Canadian investors added C$122 billion (U$92 billion) to their direct investment holdings abroad to reach a record high of C$1,289 billion (U$967 billion). While the growth was significantly higher than in the previous two years, the majority of that increase was due to valuation gains from a weaker Canadian dollar. The United States continued to be Canadian investors' number one destination, with a share of 46% or C$595 billion (U$446 billion) of the overall FDI stock at the end of 2018. Switzerland ranks 22nd with 0.5% of overall FDI stock. Finance and insurance (37%) continued to be the most significant industry for Canadian direct investment abroad in 2018, followed by mining and oil and gas extraction (15%).

Investment regulations
Canada's foreign investment policies are among the most restrictive among OECD countries[40] 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.

4.2 Bilateral Investment[41]

Swiss FDI in Canada

According to the most recent Swiss National Bank figures for 2018, Swiss foreign direct investment stocks in Canada decreased by 21.1% to CHF 31.2 billion or 2.1% of total Swiss FDI abroad (rank 8). Swiss companies in Canada had a staff of 35,799 (+0.3%). According to statistics from StatCan, Canadian affiliates of Swiss multinational companies employed 30,357 people in 2017, rank 6 of all countries investing in Canada.[42]

Canadian FDI in Switzerland

Canadian FDI in Switzerland amounted to CHF 5,111 million based on capital stocks by immediate investor[43] and CHF 30.1 billion for capital stocks by ultimate beneficial owner[44] in 2018. The latter represents 2.3% 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. Canadian affiliates in Switzerland employed 7,096 staff, rank 25.[45]

Foreign Direct Investment 2018 (in CHF million)

	2017	2018	Change	Share
Swiss FDI in Canada				
Capital flow	936	-5'857		
Stock	39'075	31'222	-20.1%	2.1%
Canadian FDI in Switzerland				
Capital flow	2'944	50		
Stock (by ultimate beneficial owner)	37'031	30'075	-18.8%	2.3%

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 differ. Canada is quicker in publishing figures, which are usually adjusted considerably later on.

40 OECD, "FDI Regulatory Restrictiveness Index", 2018, http://www.oecd.org/investment/fdiindex.htm
41 Swiss National Bank, "Direct investments", 16.12.2019, https://data.snb.ch/de/topics/aube#!/cube/fdiaustlanda
42 Statistics Canada, Activities of multinational enterprises in Canada, foreign multinationals, by ultimate investor country and industry, Table: 36-10-0582-01, https://www150.statcan.gc.ca/t1/tbl1/en/tv.action?pid=3610058201&pickMembers%5B0%5D=4.1
43 Country of origin of the immediate investor of the company in Switzerland.
44 Country of origin of ultimate beneficial owner of company in Switzerland. Generally speaking, this is the country in which the group is headquartered.
45 Statistics Canada, Activities of Canadian multinational enterprises abroad, by countries, Table: 36-10-0470-01, https://www150.statcan.gc.ca/t1/tbl1/en/tv.action?pid=3610047001

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 Investment Promotion as network partner of Switzerland Global Enterprise (S-GE). The small team of the SBH is located in the Consulate General of Montreal.

During 2019, the SBH together with S-GE has provided advice and free of charge consulting services to many companies headquartered in Switzerland or Liechtenstein. Companies have been supported on a mandate basis with various services related to marketing, certification, legal, partner search or fact-finding trips.

Although based in eastern Canada – an advantage for Swiss companies headquartered in the French speaking part of Switzerland – the SBH works closely with the network of official and honorary representations across all of Canada as well as with the three Swiss-Canadian Chambers of Commerce based in Montreal, Toronto and Vancouver. Since July 2018, the SBH can count on the services of a Business development advisor based in Toronto.

5.2 Canada's interest in Switzerland

Tourism

Canada is a steadily growing market for Switzerland Tourism with an increase in the number of Canadians visiting Switzerland by almost 26% in the last five years. 2019 was no exception. The figures show an increase in Canadian arrivals in Switzerland for a total of 131,504 (+4.2%). The number of overnight stays was 275,205, an increase of 1.6% compared to 2018.

The share of first time visitors is relatively high (47.2%). Two-thirds of all visitors from Canada visit Switzerland during the summer months, but they also travel in the shoulder season. With CHF 290 per person for the daily expenditures in Switzerland the Canadian traveller spends an amount significantly above the global average (rank 7). Most Canadian tourists visiting Switzerland are from Ontario (37%), Quebec (30%) and British Columbia (16%). Quebec has the highest affinity for Switzerland whereas British Columbia has the highest growth potential. The most popular destinations were the Zurich Region with 27%, the Geneva Region with 19% overnights and the Bern Region with 11%. The three most important segments the Canadian guests belong to are "nature lover", "attractions tourer" and "outdoor enthusiasts".

The Covid-19 virus has completely crippled the global travel industry. National borders have been closed. Airlines' fleets are largely on the ground. The year-on-year drop in overnight stays by Canadian guests in Switzerland between January and March 2020 is dramatic and amounts to -21%. The outlook for 2020 is bleak. The decline will worsen as long as no vaccine is available. A gentle stabilization is not expected until 2021, if transatlantic air traffic should stabilize slightly by then. Forecasts suggest that the recovery of Covid-19 will take at least 2-4 years for the Swiss travel industry.

Switzerland Tourism is represented with a local office in Toronto led since the end of 2017 by Pascal Prinz as Director Canada and Trade Manager Central USA.

Education, Science and Innovation

From a Canadian perspective, Switzerland continues to be 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. The signature of the „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, continues to help enhance the bilateral relations in these areas. Furthermore, the fact that 7 Swiss and 7 Canadian universities are ranked amongst the world's top 200 higher education institutions in 2020 speaks to the high collaboration potential.

Since the last economic report, no major delegation visits have taken place in either direction, but the contacts are in place for future exchanges. It is an ambition of the Embassy to help promote the work of Innosuisse and connect it with Canadian counterparts. For the 75-year anniversary of the diplomatic relations between Switzerland and Canada in 2020, various activities were planned in collaboration with relevant Canadian institutions to showcase Swiss excellence in the areas of Science and Innovation. They have been either postponed or cancelled, but will be taken up as soon as the situation permits.

The promotion of the Swiss-Canadian Youth Mobility Program has continued well until the outbreak of the Coronavirus crisis. Since March 2020, when the travel restrictions were imposed, the possibility for Swiss youth to come and work in Canada has been limited and we expect a dramatic fall in the numbers of attendees of this program in both directions. Once the crisis will be over, it remains to be seen how long it will take to bring it back to its position as the most successful of all traineeship agreements that Switzerland has concluded.

The ThinkSwiss scholarship continues to be a good instrument to raise interest in Switzerland's universities. For the 2020 year, there were 4 (out of a total of 27) Canadians selected to do research in Switzerland. Yet, the program has also been strongly affected by the Covid Crisis as students cannot travel currently. They have the permission to defer their research stay until December 2021.

Switzerland as a location for investments

As of the beginning of 2020, Canada has the status of focus country of Switzerland Global Enterprise for investment promotion activities. The focus country designation means that the SBH now has dedicated resources to deploy to attract Canadian companies to expand operations to Switzerland in addition to continuing to assist Swiss exporters.

The SBH will focus its attention on companies in three sectors: personalized health; artificial intelligence; and blockchain technologies. This initial focus has been determined based on the strengths that Switzerland has in these sectors as well as the fact that they are important ones in Canada as well. The strategy for 2020 is to create awareness in Canada about Switzerland's strengths in these three sectors and to identify and target companies of interest about expanding operations to Switzerland.

A key part of the plan will involve building engagement with industry organizations and institutions that work with companies in the three focus sectors. This will allow the Swiss Business Hub to be aware of developments in Canada, interact with companies and communicate Switzerland's strengths to a wider audience.

The SBH will undertake efforts to develop and publicize success stories of Canadian companies that have expanded operations to Switzerland. In collaboration with SGE's marketing team in Zurich, the SBH will consider options to raise Switzerland's profile as an excellent investment destination through articles or interviews in media that is relevant to the target audience.

Once a company has been identified as having an expansion project that could include Switzerland, this information is transmitted to all cantons for their direct follow-up with the company.

Switzerland as a financial centre

In 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 OECD, Switzerland and Canada collect, as from 2017, and exchange, as from 2018, banking information in the two countries.

6. Annexes

ANNEX 1

Economic Structure

	2014	2019
Distribution of GDP		
Primary Sector	9.79%	9.48%
Secondary Sector	20.83%	19.41%
Tertiary Sector	69.39%	71.12%
- State Sector	6.64%	6.74%

Distribution of Labour	**2014**	**2019**
Primary Sector	3.81%	3.25%
Secondary Sector	18.08%	17.50%
Tertiary Sector	78.11%	79.24%
- State Sector	5.12%	5.31%

Sources:

Statistics Canada, Table: 36-10-0434-01, "Gross domestic product (GDP) at basic prices, by North American Industry Classification System (NAICS)" Dec 2014/2019, https://www150.statcan.gc.ca/t1/tbl1/en/tv.action?pid=3610043401

Statistics Canada, Statistics Canada, Table: 14-10-0023-01 (formerly CANSIM 282-0008), Labour force characteristics by industry, annual (x 1,000), https://www150.statcan.gc.ca/t1/tbl1/en/tv.action?pid=1410002301

Main Economic Data

	2018	2019	**2020 (est.)**	2021 (est.)
GDP (USD billion; current prices)	1'842	1'904	**1'797**	1'910
***GDP Per Capita** (USD; current prices)	46'290	46'213	**47'931**	50'067
GDP Growth (% of GDP, constant prices)	2.0	1.6	**-6.2**	4.2
Inflation Rate (%)	2.3	1.9	**0.6**	1.3
Unemployment Rate (%)	5.8	5.7	**7.5**	7.2
Fiscal Balance (% of GDP)	-0.4	-0.4	**-11.8**	-3.8
Current Account Balance (% of GDP)	-2.5	-2.0	**-3.7**	-2.3
***Total External Debt** (% of GDP)	26.8	26.4	**25.7**	24.8

Source:
IMF, World Economic Outlook Database (April 2020).
*IMF, World Economic Outlook Database (October 2019).

Covid-19 Wirtschaftsmassnahmen (Stand 11.6.2020)

SOFORTMASSNAHMEN	**Staatliche Krisenpakete**	Der kanadische Aktionsplan zur Abfederung der wirtschaftlichen Folgen des Coronavirus besteht aus einer Unzahl verschiedener Massnahmen, die alle denkbaren Interessengruppen abdecken und auch kontinuierlich angepasst und ausgeweitet werden. 1. "Direct Support Measures" (Direkthilfen und Beiträgen an betroffene Sektoren, Unternehmen - inkl. Lohnfortzahlung und ALV-Unterstützung - und Bürger): 154 Mrd. CAD (108 Mrd. CHF) 2. "Tax Liquidity Support" (Fristerstreckungen bei Einkommens- und Mehrwertsteuer sowie Zahlungsaufschub bei Zöllen): 85 Mrd. CAD (60 Mrd. CHF) 3. "Protecting Health" (Schutzausrüstung, Impfstoffentwicklung, etc.): 6 Mrd. CAD (4 Mrd. CHF) 4. "Other Liquidity Support" (Bürgschaften bei KMU-Krediten und Liquiditätsstützung für den Agrarsektor: 86 Mrd. CAD (60 Mrd. CHF) **Total per 11. Juni 2020: 331 Mrd. CAD (232 Mrd. CHF), 13.9% des BIP**
	Liquidität und Finanzierung	<u>Kredite:</u> **Canada Emergency Business Account (CEBA):** 25 Mrd. CAD (17 Mrd. CHF) direkt an Finanzinstitute zur Bereitstellung von Krediten zum Nullzins (Kreditlinien von max. 40'000 CAD/28'000 CHF pro Firma mit Lohnauslagen von max. 1.5 Mio. CAD/1 Mio. CHF). Bis 10. Juni wurden 663'000 Gesuche gestellt in der Höhe von 26.3 Mrd. CAD (18.4 Mrd. CHF). **Business Credit Availability Program (BCAP):** Lancierung Kreditlinien und Bürgschaften speziell für KMU mit dem Ziel, Kredite in der Höhe von 40 Mrd. CAD (28 Mrd. CHF) zu ermöglichen: Business Development Bank of Canada: Kreditvergabe gemeinsam mit Finanzinstituten bei operativem Cash Flow Bedarf (max. 6.25 Mio. CAD/4.375 Mio. CHF pro Bezüger); Export Development Canada: 80% Garantien für Finanzinstitute für Kredite, die innerhalb 1 Jahres zurückzuzahlen sind (max. 6.25 Mio. CAD/4.375 Mio. CHF pro Bezüger) **Large Employer Emergency Financing Facility (LEEFF):** Staatliche Darlehen für Grossunternehmen (Einnahmen > 300 Mrd. CAD / 210 Mrd. CHF) im Sinne einer Überbrückungsfinanzierung. Der Mindestkreditbetrag beträgt 60 Millionen. Er ist an erhebliche Bedingungen geknüpft, darunter Begrenzungen der Dividendenausschüttungen und Boni für Führungskräfte sowie Verpflichtungen zur Erfüllung von Pensionsplanverpflichtungen, Tarifverträgen und internationalen Klimaschutzverpflichtungen Kanadas. **Canada Emergency Commercial Rent Assistance (CECRA):** Mietsenkung von 75% für Kleinunternehmen mit Umsatzeinbussen von mind. 70% (Beteiligung an Globalmiete: Regierung/Provinzen 50%, Vermieter 25%; Mieter 25%) für die Periode April-Juni 2020. Bis 8. Juni wurden 5'500 Unternehmen unterstützt, was Kosten auf Bundesebene von 39 Mio. CAD (27 Mio. CHF) generierte. Da die Beteiligung der Vermieter viel geringer ausfiel als erwartet, haben verschiedene Provinzen jetzt ein temporäres Verbot kommerzieller Räumungen (eviction bans) beschlossen.

SOFORTMASSNAHMEN		Steuern: Aufschiebung Zahlung Einkommenssteuern für Individuen und Firmen bis zum 31.08.2020; Aufschiebung Zahlung Mehrwertsteuer für Firmen und Selbstständige bis zum 30.06.2020; Keine Straf- oder Zinsgebühren bei Verspätungen
		Zuschüsse/weitere staatliche Beihilfen: **Emergency Support Fund für Kultur- und Sportorganisationen:** Dotiert mit 500 Mrd. CAD (350 Mio. CHF); komplementär zu anderen Programmen (CEBA, CEWS etc.); **Öl- und Gasindustrie:** 1.7 Mrd. CAD (1.2 Mrd. CHF) für die Sanierung verwaister und/oder inaktiver Öl- und Gasbohrlöcher in drei Provinzen (Alberta, Saskatchewan und British Columbia; derzeit 5'700 verwaiste und 139'000 inaktive Bohrlöcher); Ziele: Schaffung Tausender Arbeitsplätzen und dauerhafter Nutzen für die Umwelt **Landwirtschaft:** 70 Mrd. CAD (49 Mrd. CHF) für Bürgschaften bei KMU-Krediten und Liquiditätsstützung für den Agrarsektor. Zusätzlich 750 Mrd. CAD (525 Mio. CHF) für die Schaffung eines neuen vorgeschlagenen **Emissionsreduktionsfonds.** **Canada Emergency Student Benefit (CESB):** 1'250 CAD (875 CHF) pro Monat für bezugsberechtigte Studenten und Universitätsabgänger, 1'750 CAD (1'225 CHF) für jene mit Familien und/oder Behinderungen für die Bezugsperiode Mai bis August 2020. Auswahlkriterien: Keine Möglichkeit, Hilfe unter dem Canada Emergency Response Benefit zu beziehen. Bis 8. Juni haben 532'000 Bezüger 726 Mio. CAD (510 Mio. CHF) erhalten. Zusätzliche Unterstützung für Universitäten, die Einbrüche bei der Semestereinschreibung für 2020/21 verzeichnen könnten (aufgrund der wegfallenden Sommerjobs für Studenten). **Senioren:** 2.5 Mrd. CAD (1.75 Mrd. CHF) für eine einmalige steuerbefreite Direktzahlung von 300 CAD (210 CHF) an sämtliche AHV-Bezieher resp. 500 CAD (350 CHF) an bedürftige Senioren. **Behinderte:** 556 Mio. CAD (390 Mio. CHF) für eine einmalige steuerbefreite Direktzahlung von 600/300/100 CAD (420/210/70 CHF) an sämtliche behinderte Personen (je nach Status). **Kinder:** 1.9 Mrd. CAD (1.3 Mrd. CHF) für eine einmalige Erhöhung der Kinderzulagen um 300 CAD (210 CHF).
		Bankensystem: Absenkung antizyklischer **Eigenkapitalpuffer** um 1.25% (vorher 2.25%; zusätzlicher Impuls von 300 Mrd. CAD/210 Mrd. CHF für Kreditsystem erwartet); Frist für Hypothekarzahlungen wurde von diversen Banken um 6 Monate verschoben
	Arbeitsmarkt	Arbeitszeiten: Vergütungen während bis zu 76 Wochen für Arbeitnehmer die ihre Arbeitszeiten auf freiwilliger Basis reduzieren (Work Sharing Program)

SOFORTMASSNAHMEN		Beiträge: Einführung **Canada Emergency Response Benefit (CERB)**: Zahlung von 2'000 CAD (1'400 CHF) pro Monat, ursprünglich für 16 Wochen (Mitte März bis Anfang Juli) und in der Folge um acht weitere Wochen bis Ende August verlängert. Für alle Kanadier, die aufgrund des Virus ihre Arbeit niederlegen mussten (Krankheit, Quarantäne, Betreuungspflichten und Verlust Arbeitsplatz), anwendbar auf Erwerbstätige, Selbstständige und Vertragsarbeiter. Ursprünglich wurden die potentiellen Bezüger auf 4 Mio. geschätzt, unterdessen (4. Juni) sind es jedoch bereits 8.4 Mio. Entsprechend höher sind die Kosten ausgefallen: bis 4. Juni 43 Mrd. CAD (30 Mrd. CHF) und 3.6 Mrd. CAD (2.5 Mrd. CHF) fallen für jede weitere Woche an. Man rechnet mit Gesamtkosten von 71 Mrd. CAD (50 Mrd. CHF). Einführung **Canada Emergency Wage subsidy (CEWS):** Temporärer 75% Lohnzuschuss (bis max. 847 CAD/593 CHF pro Woche), retroaktiv ab 15. März für NPOs, Selbstständige sowie Unternehmen jeglicher Grösse mit einem monatlichen Umsatzverlust von mind. 30% (Jahresvergleich) aufgrund der Pandemie. Das Programm hatte einen weitaus geringeren Zulauf als erwartet, aufgrund des Erfolgs von CERB. Die Kosten bis 7. Juni betrugen 10.5 Mrd. CAD (7.4 Mrd. CHF) für 341'000 Bezüger.
	Geldpolitik	Anleihenprogramme: **Large-scale asset purchase program (LSAP):** Kauf von kanadischen Staatsanleihen für zunächst 3.4 Mrd. CHF (5 Mrd. CAD) pro Woche. Stand 4 Juni: Ankäufe in Höhe von 52.8 Mrd. CAD (37 Mrd. CHF) getätigt. Ausweitung Kaufprogramm, inkl. auf hypothekarbelegte Wertschriften. Im Rahmen des **Provincial Bond Purchase Program (PBPP)** und des **Provincial Money Market Purchase Program (PMMP)** wurden bislang Käufe in der Höhe von 9.6 Mrd. CAD (7 Mrd. CHF) getätigt.
		Leitzinssenkungen: Absenkung Leitzins in drei Schritten von 1.75% auf 0.25%.
		Kreditprogramme von Zentralbanken: Stärkung Dollar-Swap-Abkommen zur Ausweitung und Verbilligung des USD-Zugangs; Ermöglichung Kredit- und Liquiditätsversorgung von über 500 Mrd. CAD (350 Mrd. CHF)
	Handel/ Investitionen	Schutzausrüstungen (PPE), Medikamente und Testkits sowie weitere sensitive Güter: Fokussierung der bestehenden Industrieförderungsprogramme auf die F&E von Produkten zur Bekämpfung von COVID-19 (Strategic Innovation Fund und National Research Council). Aufschiebung Importzollzahlungen bis im Juni 2020.
		Allgemeine Stützung internationaler Handel: Gemeinsame Erklärung mit Australien, Singapur, Südkorea und Neuseeland, den Waren- und Dienstleistungsverkehr und die Wiederaufnahme wesentlicher grenzüberschreitenden Reisen nach Möglichkeit zu erleichtern.
		Investitionen:

		Policy Statement der kanadischen Regierung zu Investitionskontrollen: Bestreben, "opportunistic investment behaviour" durch verstärkte Investitionskontrollen Einhalt zu gebieten; Genannte Bereiche: öffentliche Gesundheit, kritische Güter und Dienstleistungen, Investitionen durch staatliche oder staatsnahe Unternehmen
EXIT-STRATEGIE	**Lockerungen/ Öffnungsschritte**	Die Lockerung der Wirtschaftsmassnahmen ist eine Kompetenz der Provinzen. Entsprechend zeigt sich zurzeit in Abhängigkeit der Fallzahlen ein Flickenteppich bei den Öffnungsschritten zwischen den Provinzen und sogar innerhalb der Provinzen. In der bevölkerungsreichsten Provinz Ontario beispielsweise befindet sich Ottawa in Phase 2 während der Grossraum Toronto – neben Montreal dem Epizentrum in Kanada – noch in Phase 1 ist. D.h. die meisten Geschäfte, die Restaurants, Coiffeure, Zahnärzte und Schulen sind dort weiterhin geschlossen. Ganz generell scheint Kanada bei der Wiedereröffnung etwa einen guten Monat hinter der Schweiz zu sein.
	Monitoring	Weitere Situationsbeobachtung: Wenn auch asymptomatischen Personen von einem Test abgeraten wird, sind Tests meist erhältlich und kostenlos. Die Entwicklung von Tracing-Apps ist in der Kompetenz der Provinzen. Bislang hat einzig Alberta eine App entwickelt. Ottawa arbeitet darauf hin, dass alle Provinzen dieselbe App benutzen werden. Wie in der Schweiz sind Privacy-Bedenken weitverbreitet.
KONJUNKTUR	**Programme**	Zur Wiederbelebung der Wirtschaft nach dem Höhepunkt der Pandemie und mit anlaufenden Lockerungsmassnahmen: Anfang Juni hat PM Trudeau den Provinzen einen Transfer von 14 Mrd. CAD (10 Mrd. CHF) versprochen zur Unterstützung bei der Wiedereröffnung der Wirtschaft. Damit sollen beispielsweise Kinderbetreuungseinrichtungen, öffentliche Verkehrsmittel oder die Bereitstellung von persönlicher Schutzausrüstung finanziert werden; über die Verteilung der Gesamtsumme unter den Provinzen liegen jedoch bisher keine Einzelheiten vor. Die Premiers von Ontario und Quebec liessen bereits verlauten, dass die Summe weit unter den Bedürfnissen liegen würde.
	Prognosen	Perspektiven für die nationale Wirtschaft gemäss nationalen Behörden: Finanzminister Bill Morneau lehnt es ab, ein fiskalisches Update vorzulegen, da dies nur möglich sei, wenn die wirtschaftliche Lage "stabiler" werde. Gemäss StatCan sank das kanadische BIP im ersten Quartal um 8.2% im Vergleich zur Vorjahresperiode resp. um 2.1% im Vergleich zu Q4 2019. Im März alleine sank das BIP annualisiert um 25.8% resp. 7.2% im Vergleich zum Februar. Für den April geht man von 11% aus (im Vergleich zum Vormonat) bevor im Mai und Juni wieder mit einem positiven Wachstum gerechnet wird. Die Arbeitslosenrate betrug im Mai 13.7%, der höchste je gemessene Wert, wobei im selben Monat auch 290'000 neue Stellen geschaffen wurden, ein Zeichen, dass der Arbeitsmarkt den Tiefpunkt durchschritten haben dürfte.

Trade Partners of Canada, 2019

Rank	Country	Canadian Exports USD million	Share	Growth*		Rank	Country	Canadian Imports USD million	Share	Growth*
1	USA	336'945	75.4 %	-0.3 %		1	USA	229'795	50.7 %	-2.3 %
2	China	17'536	3.9 %	-17.9 %		2	China	56'546	12.5 %	-3.1 %
3	UK	14'928	3.3 %	16.5 %		3	Mexico	27'845	6.1 %	-2.0 %
4	Japan	9'517	2.1 %	-4.8 %		4	Germany	14'535	3.2 %	-1.3 %
5	Mexico	5'517	1.2 %	-13.0 %		5	Japan	12'457	2.7 %	-4.1 %
6	Germany	4'745	1.1 %	27.1 %		6	South Korea	7'288	1.6 %	-0.1 %
7	South Korea	4'186	0.9 %	-7.5 %		7	Italy	7'136	1.6 %	2.8 %
24	*Switzerland*	*1'081*	*0.2 %*	*-25.0 %*		*15*	*Switzerland*	*3'728*	*0.8 %*	*5.1 %*
	EU 28	36'402	8.1 %	5.0 %			EU 28	58'305	12.9 %	2.5 %
	Total	447'014		-0.9 %			Total	453'306		-1.4 %

Source: Government of Canada, Search by product (HS code) - Trade Data Online (14.05.2020), https://www.ic.gc.ca/app/scr/tdst/tdo/crtr.html?&productType=HS6&lang=eng

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	-0.9	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	-4.1	542	-42.7	2'230
2012[46]	3'515		1'290		2'225
2013	3'522	0.2	2'725	111.3	797
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
2018	3'860	7.8	1'916	0.8	1'944
2019	**4'450**	**15.3**	**1'213**	**-36.7**	**3'238**
(Total 1)[47]	*3'953*	*7.6*	*582*	*-63.3*	*3'371*
2020 (I-V)	1'627	-2.4	602.25	38.0	1'025

Exporte	2018 *(% des Totals)*	**2019** *(% des Totals)*
1. Pharmazeutische Produkte, Vitamine, Diagnostika	**64.0**	**60.5**
2. Kunstgegenstände, Antiquitäten	**2.0**	**10.1**
3. Land- und forstwirtschaftliche Produkte, Fischerei	**6.4**	**6.3**
4. Maschinen, Apparate, Elektronik	**5.6**	**4.9**

Importe	2018 *(% des Totals)*	**2019** *(% des Totals)*
1. Edelmetalle, Edel- und Schmucksteine	**14.7**	**43.3**
2. Fahrzeuge (inkl. Flugzeuge)	**58.9**	**15.0**
3. Maschinen, Apparate, Elektronik	**8.8**	**12.3**
4. Kunstgegenstände, Antiquitäten	**2.8**	**8.9**

Source: Eidgenössische Zollverwaltung

[46] *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.

[47] 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, 2018

Note: Data for foreign direct investment for 2019 was not available at the time of publication.

Rank	Country	FDI positions at year end (USD bn)*	Share	Change in capital stock*	Capital trans-actions (USD bn)
1	United States	313.3	46.3%	+0.6%	N/A
2	Netherlands	82.3	12.2%	+16.2%	
3	Luxembourg	43.0	6.4%	-10.6%	
4	United Kingdom	38.9	5.7%	+6.6%	
5	*Switzerland*	*35.5*	*5.3%*	*14.5%*	
6	Japan	22.3	3.3%	-2.2%	
7	Hong Kong	16.8	2.5%	9.1%	
8	Germany	13.1	1.9%	0%	
9	China	13.1	1.9%	+3.1%	
10	Bermuda	12.8	1.9%	+19.6%	
	EU 28	213.9	31.6%	+14.1%	
	Total	676.7		+6.6%	

Sources:
Statistics Canada: Foreign direct investment, 2018, 25.09.2019: https://www150.statcan.gc.ca/n1/daily-quotidien/190424/dq190424a-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 25.09.2019, https://www150.statcan.gc.ca/n1/daily-quotidien/190424/t001a-eng.htm.
Bank of Canada: Annual Average Exchange rate USD/C$2018: 1.2986 https://www.bankofcanada.ca/rates/exchange/annual-average-exchange-rates/.

* preliminary