

### Trade with other countries

19.3.3

The shares of various trading areas in Canada's import and export trade fluctuates from year to year according to economic conditions in different parts of the world, but some long-term trends are apparent. The United Kingdom's share of Canadian trade, both exports and imports, has declined steadily to reach 3.2% of imports and 3.8% of exports in 1978. At the same time, Japan's share increased, then stabilized in the mid-1970s, reaching 4.5% of imports and 5.8% of exports in 1978. The share of other EEC countries has been fairly stable. All other countries' share of Canada's imports increased in the mid-1970s, peaking in 1975. Imports from petroleum exporting countries and from developing areas such as Taiwan, South Korea and Hong Kong have contributed to the increased share from other countries. The share of exports to other countries fluctuates from year to year, depending to a considerable extent on demand for grains by such countries as the USSR and the People's Republic of China.

### Sources of statistics

19.3.4

Canada's external trade statistics are tabulated from copies of administrative documents collected by customs offices at ports across Canada. The Customs Act requires that each time goods are imported into or exported from Canada a document be filed with customs giving such descriptions of the goods and details of the transaction as are required for customs administration. It follows that the method of compilation of external trade statistics is determined and limited to some extent by customs regulations and procedures.

Statistics on trade in electricity and on exports of crude petroleum and natural gas cannot, for administrative reasons, be obtained from customs documents. They are instead collected by Statistics Canada.

**Concepts and definitions** used in the compilation of external trade statistics are published in *Summary of external trade* (Statistics Canada Catalogue 65-001). Among them are the following:

**System of trade.** Canadian statistics are tabulated according to the general system of trade. Thus imports include all goods which have crossed Canada's geographical boundary, whether they are entered through customs for immediate use in Canada or stored in bonded customs warehouses. Domestic exports include goods grown, extracted or manufactured in Canada (including goods of foreign origin which have been materially transformed in Canada). Re-exports are exports of goods of foreign origin which have not been materially transformed in Canada (including goods withdrawn for export from bonded customs warehouses).

**Coverage.** Merchandise trade includes only goods which add to or subtract from the stock of material resources in Canada as a result of their movement across the Canadian border.

**Valuation.** Exports are recorded at values which usually reflect the actual selling price. Most exports are valued at the place in Canada where they are loaded aboard a carrier for export (a mine, farm or factory) but a significant proportion of exports by water or air reflect values which include transportation charges to the port of export. Some overland shipments to the United States are recorded at a value which includes transportation charges to the ultimate destination.

Imports are generally recorded at the values established for customs duty purposes. Customs values are identical to selling prices for most arms-length transactions. However, customs values exceed company transfer prices for most transactions between affiliated firms. Import documents are required to show values which exclude all transportation charges. Some imports from the US are, however, purchased on a delivered basis and their prices reflect an allowance for transportation costs.

**Trading partner attribution.** Imports are attributed to the country from which the goods were first consigned directly to Canada, whether or not this is the country of origin. An exception is made for goods from Central or South America consigned to Canada from the United States; such imports are credited to the country of origin.