THE EVOLUTION OF CANADA'S FOREIGN TRADE (2000-2020).
SPECIAL ATTENTION TO ITS RELATIONSHIP WITH THE USA

EVOLUCIÓN DEL COMERCIO EXTERIOR DE CANADÁ (2000-2020).
ESPECIAL ATENCIÓN A SU RELACIÓN CON EE. UU.

Student: Laura Fernández Sutil

Supervisor: Ana I. Salvador Chamorro

León. July 2022.

MODALIDAD DE DEFENSA PÚBLICA: ☒ Tribunal   ☐ Póster

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ABSTRACT

Canada becomes an independent country in 1867, and from there on, its process of transformation and economic development starts. The country's economic expansion is based on foreign trade, through cooperation, the establishment of trade relations and Free Trade Agreements with different trading partners. Throughout this process, immigration has been essential for Canada's development, as well as for its evolution as a society. In this context, the following paper analyzes the evolution of Canada's foreign trade from 2000 to 2020. Specifically, the first part establishes a context that analyzes the economic structure of the country and its commercial relations with the outside. While, in the second part, an empirical study of Canada's foreign trade is carried out during the studied period. First, through an aggregated analysis and its main indicators. Then, in order to identify its main trading partners, through a geographically disaggregated analysis of the country's imports and exports. And finally, a disaggregated analysis by products of the exchanged volumes between Canada and its main trading partner, the USA.

KEYWORDS: Canada, foreign trade, USA, trading partners

RESUMEN

Canadá se convierte en un país independiente en 1867, comenzando así su proceso de transformación y desarrollo económico. La expansión económica del país se basa en el comercio exterior y el establecimiento de relaciones comerciales internacionales a través de Tratados de Libre Comercio y cooperación entre los diferentes socios comerciales. En todo este proceso la inmigración ha sido esencial para el crecimiento de Canadá, así como para su evolución como sociedad. En este contexto, el siguiente trabajo analiza la evolución del comercio exterior de Canadá durante el periodo 2000-2020. Concretamente, la primera parte establece un contexto que analiza la estructura económica del país y sus relaciones comerciales con el exterior. Mientras que, en el segundo bloque se realiza un estudio empírico del comercio exterior de Canadá durante el periodo. En primer lugar, a través de un estudio agregado, posteriormente realizando un análisis desagregado geográficamente de las importaciones y exportaciones del país que identifica sus principales socios comerciales y finalmente con un análisis desagregado por productos de los intercambios comerciales con Estados Unidos., su principal socio comercial.

PALABRAS CLAVE: Canadá, comercio exterior, socios comerciales, Estados Unidos

1. INTRODUCTION

Canada became independent in 1867. From there on, a transformative process based on the different policies started, with the objective of developing the economic expansion of Canada as an independent country. Despite its large territory, its population is scarce. As a result, immigration has been an important resource for the economic and structural development of Canada. Through different immigration policies that evolved throughout the country's history, Canadian society understands multiculturalism as an intrinsic characteristic of its identity. Characterized as an open country, multilateralism and cooperation establish the basis of Canada's philosophy regarding foreign trade affairs. Through Free Trade Agreements, a common framework that promotes the exchange between different trading partners has been established. For all these reasons, Canada has interesting characteristics that encouraged the completion of this project.

In this context, the following document aims to analyze the evolution of Canada's foreign trade during the period from 2000 to 2020. The analysis is divided into two blocks. The first one seeks to contextualize the subsequent study, and aims to analyze the economic structure of the country and its trading relations with the outside. In the second block, an empirical study is carried out with data on Canada's foreign trade during the period 2000-2020. First, an analysis through the basic aggregated indicators and then a geographically disaggregated analysis in order to identify its principal trading partners, their level of participation and their evolution throughout the selected time. In this analysis, a strong, long and consolidated trading relationship is observed with the USA, Canada's main partner. That is why the last part of this project carries out a disaggregated analysis by products of the trade flows exchanged between both countries.

Specifically, Chapter 3 studies the historical, economic and structural context of Canada and seeks to explain its evolution as a country. Chapter 4 provides an overview of Canada's principal trade agreements and how its international activity works. Regarding the second block, Chapter 5 establishes an aggregate analysis of Canada's foreign trade during the period studied, Chapter 6 carries out a geographically disaggregated analysis that identifies Canada's main trading partners, and Chapter 7, establishes a disaggregated analysis by products of the exchanged between Canada and its main trading partner, the USA.

2. METHODOLOGY

This document is divided into two main parts: First, Chapter 3 establishes a historical, economic and structural context of Canada with the objective of explaining its evolution as a country. Then, Chapter 4 establishes an overview of the country's principal trade agreements in order to understand the functioning of its international activity. And finally, throughout Chapters 5, 6 and 7, an empirical analysis of Canada's imports and exports.

As already mentioned, this work is divided into two large sections or blocks. The first one (Chapters 3 and 4) studies the historical, economic and structural context of Canada, followed by a general description of the country's principal trade agreements. Then, the second block (Chapters 5, 6 and 7) carries out an empirical analysis of Canada's trade exchanges during the period 2000-2020 through an aggregated analysis first, and afterwards through a disaggregated analysis by countries and by products, paying special attention to its exchanged volumes with the USA. Given this structure, methodologically the two parts are very different regarding the process of the analysis and the different sources used.

In order to carry out the first part of the project, which contains Chapters 3 and 4, secondary sources such as journal articles, academic papers, reports from international institutions, etc. were used. The access to these documents was through two channels, including libraries and online channels such as Dialnet, Elsevier and official websites of international organizations and national governments. On the other hand, in order to obtain the quantitative information needed, online databases of official organizations such as the World Bank, Statistics Canada and the United Nations Statistical Database of Trade in Goods (UN Comtrade) were accessed.

Finally, it should be noted that in this first part the analysis covers a time period that goes from the second half of the 19th century to the end of the 20th century. Although there is some information about the 21st century, it is as a form of introduction to the later chapters. This decision was made in order to understand the aspects that made Canada progress towards the country it is today and to provide an appropriate historical and general context that helped to understand the second part of the document.

In the second part, which includes Chapters 5, 6 and 7, an empirical analysis was carried out with data related to Canada's foreign trade. The chosen time period contains data on

Canada's foreign trade activity from 2000 to 2020 (the latest data available at the time of conducting this study). It was considered that this period represents a wide range of time that would offer an overview of the commercial evolution of Canada within the globalized era, from its beginning to the present.

In order to obtain the necessary information for this analytical process, the used source was the United Nations Commodity Trade Statistics Database (UN Comtrade), which provides access to exhaustive information on trade flows between countries. Regarding Canada, the data availability for the country includes from 1989 to the present. In this sense, it is necessary to highlight that all the obtained data refers to exports and imports of goods, excluding trade in services from the analysis. Additionally, other sources of data were used, such as the World Bank, with information of Canada from 1960 to 2020.

Another important methodological aspect refers to the decisions related to the disaggregated analysis by products. This analysis is carried out in Chapter 7, when analyzing the commercial relationship between Canada and the US. In order to develop this disaggregated analysis by products, the database used (UN Comtrade) offers three different classification systems including the Harmonized System (HS), the Broad Economic Categories (BEC) and the Standard International Trade Classification (SITC). The chosen classification for this study was the SITC classification. More specifically, Revision 3 was selected for this analysis, since it includes the entire studied period (2000-2020). On the other hand, the SITC classification divides the products into five levels of disaggregation. For this analysis, the first level was the chosen level, which disaggregated to one digit, dividing the products into ten Sections (from Section 0 to Section 9).

3. CANADA'S ECONOMIC, STRUCTURAL AND HISTORICAL EVOLUTION

3.1. CANADA'S INDUSTRIAL REVOLUTION. THE CREATION OF THE CONFEDERATION

Canadian Confederation began in the last half of the 19th century with the desire of creating a common environment where Canada became a single political entity. Formerly, Canada was a European colony, with French and English establishments throughout its territory. Due to colonizing expansion and bordering interests, several conflicts took place between both conquerors from 1688 to 1763. The British Empire won and, consequently, France had to abandon the regions under their previous control in favor of the English, becoming, the British North American colonies (Esther Mitjans, 2001).

Canada's transition from a colony to an independent country started in 1867 with the creation of the Confederation, with the objective of great economic, structural, political, cultural and social changes. This Confederation promoted industrial development through public policies, as a key step in Canada's first industrial revolution. As an industrialized country, Canada needed to guarantee an efficient movement of raw materials, workers, capital and final products from north-south to east-west. That is why a transport system and infrastructure expansion started, including important railway and shipping routes. More specifically, between 1867 and 1967, the transoceanic railway route was under construction, which attracted a lot of immigrants that could develop the project as specialists and as cheap labor force (Belshaw, 2016).

Another factor that contributed to the better development of the country in its first industrial revolution was the energetic transition. A continuous and reliable energetic supply was essential for the correct functioning of the machinery and manufacturing areas undertaking the Canadian industrial expansion. With Canada's harsh winters, organic water-based sources were constantly frozen, becoming an unreliable possibility for the energy production that the country's development required. Consequently, fossil fuels became the main energy source of the country, becoming a continuous and trustworthy mean of energy production. This energetic shift was transformative, making industries able to work all year long, without depending on seasonality. Consequently, machinery familiarization and full-time labor sessions created a more skilled workforce. New

mechanization processes were introduced, as well as a labor reorganization that divided the productive process and increased by collective productivity. But despite the meaningful changes introduced in the Canadian economy, Canada's population growth was negatively decreasing due to more competitive employment opportunities in the neighboring country, the USA, who experienced a quicker expansion (Anderson, 1988).

In the 1890s, technological progress, especially in the steel industry, reaccelerated the industrial transformation of Canada. New infrastructures, an urban transformation and promoting population growth were some of the core elements of Canada's national policy and its nation-building strategy. The introduction of the transcontinental railway was part of this new strategy, in order to reinforcing connections and making long distances more manageable between regions. Before, differences between regions' industrial development caused a high emigration of Canadian workforce, especially to the USA. Therefore, huge mobilizations from peasant populations to industrialized regions occurred, as well as immigrational flows from European countries like Ireland, Italy, Hungary and Germany, contributing to the increase of Canada's population.

The National policy also managed Canada's unification process, transforming the former colonies into provinces in order form a common market based on a common currency and with no trade barriers where all could participate. Canada also received Foreign Direct Investment (FDI) from the USA and the UK, especially in the industrial and financial areas, helping Canada's economy to open up internationally. As a result, Canadian productive and manufacturing capacity expanded rapidly, as well as the competitive railway routes that were developed, sustaining the country's industrial growth and economic expansion as an independent country (Belshaw, 2016).

3.2. CANADA IN THE 20TH CENTURY

The Great Depression, Post-war times and associated disorders related to the post-industrial era marked the 20th century affecting Canada and its inhabitants in many different ways.

In this worldwide post-war context, with food and fuel shortages in Europe, Canada was seen as a country of opportunities, what attracted immigration. The inflow of young workers made the population and workforce grow. Followed by a baby boom, this new generation was raised in a new economic environment, with easier access to higher

education. Thus, part of the job market inside a rising economy, accessing better salaries than their ancestors. As a consequence, a new generation was able to accumulate wealth, while at the same time stimulating the consumer economy they were part of (Belshaw, 2016).

Historically, at the same time, Canada stood out in active international collaboration after World War II. Founder of the General Agreement on Tariffs and Trade (GATT) in 1947 and part of the United Nations (UN) and North Atlantic Treaty Organization (NATO) since 1945 and 1949 respectively, Canada started transnational and multilateral cooperation through supranational agreements. It is true that after World War II ended, the Cold War period started, dividing the World into two blocs. On one side, North America and its allies, represented mainly by the United Nations and NATO. On the other side, the USSR and its allies, represented by the Warsaw Pact and occasionally, China. Canada's entry into the American side of the Cold War occurred in 1946, after the Gouzenko affair, a spy ring in charge of uncovering nuclear secrets for the Soviet Union that was operating in the country. Canada's active participation in the Cold War conflicts arrived in 1949 during the Korean War, as a UN and NATO member. Furthermore, due to its complicated geographical position between both superpowers, with USSR on the west and USA on the south, Canada was part of a defense plan in alliance with the USA in order to avoid possible missile assaults across the Arctic.

In the 1970s and 1980s, historical events at a global level so as the oil crises in the 1970s and the Early 1980s Recession occurred. Canada's economy was based on natural resources at the time and as a global petroleum supplier, Canada experienced significant consequences from those global economic crises around the energetic sector in 1972-73 and 1978-79.(Anderson, 1988).

During the second half of the 20th century, Canada's economic structure shifted from an industrial configuration towards one mainly based on services and the primary sector. In that configuration, non-agricultural primary production and services tended to expand dynamically while manufacturing and agriculture tended towards a negative progression, promised to continue through time. Construction and Business services became the biggest output and employment producers of the country. Furthermore, the country's economic growth was uneven depending on the region. As part of this change, some industrial clusters shifted from the historical manufacturing areas like Quebec and

Ontario to other provinces such as Alberta, British Columbia, or Saskatchewan, becoming the new industrial clusters in Canada. Clusters refer to locations where knowledge, production and networks that are related to the same field are geographically concentrated and interconnected. In that way, the creation of these clusters is done to improve productivity and innovation as a result of the exchanges between the different participants inside the cluster. (Anderson, 1988).

Meanwhile, in the socio-cultural and political spheres of Canada, a series of events took place in Quebec in October 1970. Occurring in a Canadian province where the French language, culture and traditions have always been very rooted in the society, the crisis of Quebec marked modern Canadian History. In 1963, the FLQ (Front de Liberation du Québec) was founded as a separatist armed group focused on fighting for Quebec's own identity. In a global context of Cold War and identity uprisings, the FLQ followed the ideas of some of the nationalist and anticolonial revolutions happening at that time in other parts of the world. The formula used to fight against English colonialism was urban terrorism, with robberies and bombings (Murgueitio Manrique, 2007). The Quebec crisis started as a result of a chain of terrorist attacks, with the kidnapping of James Cross, a British Trade Commissioner, who in the end was released and with the kidnapping of Pierre Laporte, Minister of Immigration and Labor who ended being murdered. The crisis scaled to a national level, and the Prime Minister at the time, Pierre Trudeau, applied the War Measures Act, deploying the Armed Forces onto the streets and applying the emergency regulations for the first and only time in the whole Canadian History (Mclntosh & Cooper, 2020).

At the same time, in the political context, the PQ (Parti Québécoise) wins for the first time the elections in Québec in 1976. The later years involved numerous negotiations between Canada's and Quebec's Governments so that Quebec accepted the new Constitution of 1982. With Quebec being the only province refusing it, they asked to be treated as a "different society". Hence, in 1995, the inhabitants of Quebec had the opportunity to decide about their sovereignty in a referendum. The whole country, as well as political figures outside the Canadian borders, were involved in the campaigns, for and against Quebec's independence. In the end, with a participation of 93.52%, the votes against Quebec's independence won the referendum by 50.58%. As a result, Quebec stayed as part of Canada, being in some aspects, treated as a different society inside the country (Esther Mitjans, 2001).

Economically, the independence movement in Quebec had direct impacts and consequences in the region. Before the occurring events in 1976, two of the biggest cities in the country, Montreal (province of Québec) and Toronto (province of Ontario) had similar growth patterns and economic activities. During that described period, around 700 enterprises moved their headquarters and businesses from Quebec to other Canadian provinces. While Toronto continued its exponential expansion, Montreal and the province of Quebec entered a stagnation period. Political and social uncertainty affected the economic sphere and expected economic evolution. The independence movement in the province of Quebec also contributed to the loss of importance that Montreal and Quebec had, in many aspects, at a national and international level (Kelly-Gagnon, 2014)

3.3.   IMMIGRATION. KEY IN NOWADAY'S CANADIAN SOCIETY

Immigration is worth emphasizing, especially in Canada, where its society is understood and defended as a multicultural society. Historically, immigration has played a crucial role in its economic, structural and sociocultural expansion, developing diverse population patterns and ethnic complexities (Belshaw, 2016). Understood as a mosaic, the Canadian society is organized as a merge of different pieces that respect and strengthen a united diversity while maintaining their individual characteristics. Canada's multicultural and ethnic origin merges on one side, French and British colonizers' origins together with the ancestors of the aboriginal tribes settled at the time. And on the other side, the so-called newcomers, immigrants coming as labor force from different parts of the world, depending on the time, becoming an essential tool for the country's advancement. As a result, the Canadian population evolved from a dualistic to a pluralistic society where different cultures merged and strengthen in diversity (Lucas Martín, 2004).

Canadian history has evolved thanks to immigration inflows and the interplay of political, global and local factors. Therefore, Canadian policies, including immigration evolved parallelly with the country's expected projects and ideals. The first immigrational inflows after the initial establishers settled in the territory, were French and British explorers when they colonized the territory. That period brought mainly European immigration as fishing, agricultural and business workforce and Asian immigrants as cheap workforce for the mining sector and the construction of the transoceanic railway route. After the creation of the Confederation in 1867, Canada shifted from a British colony in the Americas to an

emerging ethnic European nation in the Americas. Consequently, every policy, including the immigrational strategies, was created following those principles.

Different papers explained the immigration and cultural evolution of Canadian society (Esteban & López-Sala, 2010; Lucas Martín, 2004; Simmons, 2010). Initially, around the 1920s, Canada based their national development on the manufacturing and farming sector. The immigrational policy so-called "White Canada Policy" established a restrictive recruitment process that just accepted immigrants from Great Britain, the USA and northern and central Europe in order to preserve the cultural and linguistic equilibrium of the Confederation. Between 1915 and 1945, after both World Wars, European immigrants arrived to Canada. In the first one, participating in the agricultural revolution, while in the second one, developing the industrial and economic expansion of the country. Immigration at this point continues to be restrictively understood as exclusively European. After 1945, an increase in population and a more industrialized vision of the country establishes the focus on attracting skilled workers able to develop the industrial and urban expansion of Canada.

The 1950s changed the Canadian attitude against those supremacist ideals, enhancing ethnic diversity and pluralism. Plus, a declining number of European skilled immigrants entering the country made the Government decide to open up their immigrational strategies, establishing a more universal system. As a result, in the mid-1960s, the "White Canada Policy" was eliminated, rejecting the classical ideal of maintaining the European initial values of the Confederation and embracing multiculturalism. In contrast, a new immigrational system with no discrimination by nationality or ethnicity was designed. This point-based system took into account different factors like academic and professional qualifications, linguistic knowledge and familial bonds within the country, taking into account each one's possible adaptation to the Canadian labor market. Active recruitment followed the new immigrational strategy where the immigrant selection process accords with the capacity and evolution of the Canadian market and seeks the promotion of permanent immigration.

The 1970s was a period of reflection and debate around national identity and its meaning, in Canada and in other parts of the world. Therefore, cultural diversity was understood as an intrinsic characteristic of Canada's social, political and moral identity, including indigenous minorities and French nationals as part of the Canadian origin too. In 1988,

the Multiculturalism Act was adopted, giving multiculturalism a law range in the country. Globalization changed the view towards Canadian policies, identifying immigration as a strategic resource that contributes to demographic and active population growth, becoming a beneficial economic agent, key in positioning Canada globally. Canadian citizens and politicians widely support this last immigrational policy, which is primarily regulated by the provinces. Prevailing knowledge, immigration is understood as a strategic resource that increases the country's potential, promoting investment and productivity. Apart from the design and administration of immigration policies and inflows, it is important to understand the use of Canadian nationality as an integrational tool. Being part of Canada's common symbols and beliefs creates and gives importance to a common sense of belonging besides the diverse social reality (Esteban & López-Sala, 2010; Lucas Martín, 2004; Simmons, 2010).

Following this philosophy, Canada offers a competitive and multicultural atmosphere where highly skilled workers from all around the globe are welcomed to contribute permanently to the construction of Canada as a prosperous global niche player. In the globalized era, Nation Building is considered one of the biggest existing challenges inside multicultural democracies like Canada. The complex reality that exists in a multicultural society with a shared national identity can become a challenge when designing policies, as they need to adapt and give solutions to the constantly changing realities of its citizens. That is why roundtable consultations are held in eight Canadian cities. Formed by government representatives, immigration and diversity experts, community organizations, businesses and media, they are in charge of frequently revising the multicultural policies and dealing with Canadian diverse society's evolution. Besides having common identity values, minorities are free to maintain their own language, religion, habits and culture without putting in danger national unity and security. Canadians are proud of their pluralism, appreciating the contribution of different cultures since their origin and understanding it as one of their strengths as a society (Kunz & Sykes, 2007).

3.4. CANADA'S ECONOMIC STRUCTURE

Canada is a federal state, a parliamentary democracy and a constitutional monarchy. The Canadian dollar (C$) is the national currency and Ottawa is its capital. As a federal state, it is divided into different levels of governance: federal, provincial, territorial and

municipal. Each one of them has different competencies, from national and international policies to education and health care. Canada is a Parliamentary democracy because people elect their representatives to the House of Commons in the capital city, Ottawa. The Parliament is divided into the Sovereign, represented by Queen Elizabeth II, the Senate, selected by the Governor on the advice of the Prime Minister and the House of Commons, made up of the citizen's representatives. In a Constitutional Monarchy, a hereditary sovereign decides the Head of State. Usually, the Head of the State is represented by the Governor. The executive, legislative and judiciary powers are independent one from another. The executive power represented by the Prime Minister, Justin Trudeau since 2015 and its Cabinet. The Parliament builds up the legislative power formed by the Senate, the House of Commons and the Sovereign. Lastly, the Judiciary power is formed by federal, provincial and territorial courts with the Supreme, Federal and Provincial Courts (Government of Canada, 2012).

With an expansion of 9,984,670 km^2, Canada is the second-largest country in the world. Located in Northern America, its population is not as huge as its area. With 38,436,447 people, two official languages and an immense wide ethnic origin, Canada faces complex cultural challenges from the very beginning. This country has one of the highest proportions of foreign-born population, one out of five people. There is wide existing multiculturalism shaped over time by immigrants and their descendants. Canada is an expert when attracting talent, and immigration is no longer seen as a danger but as a source of opportunities (Statistics Canada, 2018a).

The GDP measures the added value created by a country's economic activity through the production of goods and services inside its borders during a certain period of time (OECD, 2020). Canada had a Gross Domestic Product (GDP) of 15,320,515,899 USD dollars in 2020, as observed in Table 6.1, in the next chapter. This indicator shows the stability and importance of Canada, ranking 9th in the global classification, with similar numbers as countries like Italy or South Korea (World Bank, 2020).

The GDP also takes into account the trade exchanges, and regarding Canada's trade activity, the country's main exports are inside the primary energy sector with oil and minerals and inside the secondary sector with automobiles. On the other side, the country's main imports are part of the secondary sector too, with automobile and telecommunication materials, needed for the industrial process to obtain the final

products. Canada's main export destinations are the USA, China, the UK, Japan and Mexico while the leading import source countries are the USA, China, Mexico, Germany and Japan. In both scenarios, the United States leads the rankings with great importance in Canada's trading activity (OECD, 2020).

As seen before, even though Canada is recognized as a trading power and a stable and competitive economy worldwide, it also has potential challenges to face in order to maintain its global position. Nowadays, climate change is an important challenge for developed countries like Canada, which are fighting strategically. As a result, public and private investment in clean energies and projects are part of the transition toward the zero greenhouse gas emissions objective of the Canadian administration for 2050 (Fernández Barjau, 2021).

Continuing with Canada's economic activity, the country's physical characteristics establish a diverse economic structure that is divided into three main economic sectors: the primary or agricultural, the secondary or industrial and the tertiary or service sector. All of them are divided into different subgroups and categories depending on the followed process used and the obtained production. Starting with the primary sector, it includes industries like agriculture, forestry and fishing, as well as the primary energy production which includes mining and energy. All of them have shaped Canada's history and economic development. On one hand, harvest and cattle form the agricultural sector, where the export of vegetal oils, soja, cereals (mainly wheat), seafood and legumes stand out.

On the other hand, Canada is an energetically self-sufficient country where many of the country's economic spheres depend on the development of its natural energy sources. With diverse natural resources and with both, renewable and non-renewable energetic supplies, Canada is recognized worldwide for its hydroelectric production as well as its oil, uranium and natural gas reserves. From the total Canadian export volume, natural commodities account for around 19%, becoming one of the country's largest exports. The leading export destinations of this sector are headed by the United States, where Canada has become its biggest energetic source, distributing around half of its mineral exports. The second-largest export is the European Union (EU), far away from the USA's volume, accounting for around 19% and followed by China with around 5% (Oficina Económica y Comercial de España en Ottawa, 2021).

In the global sphere, according to Natural Resources Canada (2020), Canada is the fourth largest petroleum and natural gas producer, accounting respectively 6% and 4% of the world's production. Although this sector is easily vulnerable to price changes occurring from unexpected international events, Canada offers one of the most stable options as an energetic supplier worldwide. Also, Canada is a great source of renewable energies such as solar, hydro and wind. Canada ranks second as the largest producer of hydroelectricity and ranks in leading positions in clean technology. At the same time, Canada's expectations to expand to new markets and work on new economic opportunities include, developing its renewable resources and opportunities around clean technology (Béchamp, 2021).

Following the analysis, the manufacturing industries forming the secondary sector in Canada. This sector is in charge of the production of final products and its supply is very diverse, going from agri-food to automobiles, high technology, or machinery. Due to the economic deceleration after the 2008 crisis, the technological transformation and lower production costs in other countries, Canada suffered a decrease in its manufacturing activity. Nowadays, the leading manufacturing industries are the agri-food and automobile industries.

On one hand, the automobile sector leads the manufacturing industry, with great importance in Canada's economic development. Due to the long partnership between the United States and Canada, numerous assembling sites are found on both sides of the border. As a result, around 90% of Canadian automobile production is exported to the United States (Oficina Económica y Comercial de España en Ottawa, 2021). Many authors (Béchamp, 2021; Leach, 2021; Sikder et al., 2019) see zero-emission vehicles as a new market niche for Canada, as it has a competitive opportunity in the construction of electric vehicles and their batteries from the first to the last step.

On the other hand, a growing activity inside the secondary sector is the agri-food industry. This industry includes the production of dairy products, meat and processed foods. Abundant water resources and land, together with research and development processes made a great capacity of supply chains in Canada that places the country as the fifth largest exporter of agri-food products globally. While developing a strong agricultural technology, Canada plays a major role in this activity's expansion. Innovation established

stable and reliable supply chains that can transport final products to global markets, closer to the final consumer (Béchamp, 2021).

Lastly, the so-called tertiary or service sector is formed by a wide range of areas including transportation, health care, insurance, real estate, tourism, public administration, and communications. Accounting for around 66% of Canada's GDP in the last years, around two-thirds of active Canadian workers are employed in this sector. The service sector includes a wide variety of services.

One of them would be the financial sector, with important participation in Canada's economic development. Although foreign banks do not have great participation in the Canadian market, Canadian banks and insurance industries actively participate in foreign markets (Oficina Económica y Comercial de España en Ottawa, 2021). Also, tourism is an important part of Canada's GDP. As a country with diverse geographical and cultural features, Canada is an attraction for numerous tourists worldwide. Furthermore, one of the potential challenges for Canada improving the country's quality of its infrastructures. In this reforming process that seeks quality improvement, Canada is using green policies and incentives to promote greener infrastructures. As an example, zero-gas emission public transport vehicles in order to reduce greenhouse gas emissions in the Canadian metropolis (Béchamp, 2021).

Once seen the most important sectors of the Canadian economy and how the country evolves in them, the next section is will do a deeper analysis of how Canada's economic activity is geographically distributed.

3.5. CANADA'S GEOGRAPHICAL AND ECONOMIC DISTRIBUTION

The country's enormous geographical extension, as well as its diverse geographical patterns, contributed to diverse regional economic structures and evolutions. Knowing the major geographical zones of Canada and its economic structures can give an overview of the country's economic configuration and regional leading sectors. That is why, following different factors so as economic structure, major sectors, industrial development, physical patterns and land use, Canada can be divided into four major geographical regions: Ontario, Quebec, Atlantic Canada, Western Canada and Northern Canada.

Starting with Ontario, this is one of the most important regions of the country with 39% of the Canadian population and accounting for around 40% of the country's GDP (Statistics Canada, 2018b). Important cities like Ottawa and Toronto can be found in this region. Ontario stands out for having the majority of the Canadian manufacturing sector, with important industries such as the automobile, chemical, aeronautic, agri-food, fabricated metals and others settled there. Also, the service sector has been gaining importance, especially in the big cities. On one side, is the country's capital city, Ottawa. On the other side, is the country's financial center which is internationally recognized, Toronto. Additionally, the region's geographical proximity to the USA opened access to logistic routes between both nations. This directly contributed to Ontario's economic development and growth, becoming one of the principal trade flow axes between Canada and the USA, transporting raw materials and finished products worldwide.

Then, following with the initial order, Quebec, the second biggest region in terms of population and GDP contribution. This region has access to abundant natural and energetic resources as well as a developed industrial area, specialized in technological activities like the pharmaceutical, aerospace, telecommunication and biotechnological industries. Historically, Quebec has been a region with great economic and political importance, to the point of leading the country's development. But, as previously explained, some historical events, so as the political instability around its national identity and independence, reduced the potential advantages of the province. Consequently, international investments chose other regions to settle down. Besides that, in the 21st century, Quebec has become the second business center, enhancing again the establishment of business and technologic industries through different policies and programs (Polese, 2020).

Then, we can find the Atlantic Canadian region, divided into different provinces: New Brunswick, Nova Scotia, Newfoundland and Labrador and Prince Edward Island. This region has close trading bonds with the northeastern regions of the USA and is characterized by a lack of population growth. Accounting for a small percentage of Canada's GDP, this region is characterized by a quick aging population. The economic activity of the Atlantic provinces is mainly based on natural resources like fishing, coveted minerals and energy products like oil and hydrogen. Lately, with Canada's new plan to fight climate change, new sectors regarding clean energies are developing here (Fernández Barjau, 2021).

Another big and important region is Western Canada, formed by four provinces: Saskatchewan, Manitoba, Alberta and British Columbia. This region has the fastest growth rate, and with Alberta's oil sands, being the fourth largest oil reserve in the world, the region's development has been mainly natural resourced based, especially on mining, oil and gas extraction. Consequently, it is a region that is highly vulnerable to world oil price fluctuations. The province of British Columbia, besides being rich in terms of natural resources, this region also stands out for its real estate sector, with Vancouver as a shipping axis to Asia and the Pacific regions, becoming a corporate and financial center. Agriculture, farmland and timber industry are some of the region's historical sectors, although they had a declining tendency in the last decades.

The last region to be analyzed is Northern Canada, formed by a big amount of the artic Canadian regions: Nunavut, Northwest Territories and Yukon. This region stands out for its low population density and traditional economy. Due to climate change and the expected melt of the polar ice caps, it is expected to increase its importance in the mining sector, becoming a greater resource of petroleum and minerals (Polese, 2020).

As previously explained, Canada is a rich country in many different ways, with a great territorial extension that provides wide access to natural resources and a population with a high volume of skilled talent. Besides the immense natural and energy sector, Canada is considered a predictable and stable economy that offers a strategic advantage even in unstable periods. With a highly-skilled workforce, Canada ranks in leading positions in different sectors with high industrial development and appreciated financial, scientific and educative services that contribute to the innovation and development of the country. All these factors are part of Canada becoming a demanded destination at all levels, from start-ups to global companies (Béchamp, 2021).

The wide variety of produced outputs, as well as the small amount of population, places Canada in a foreign orientation toward international trade. This vision promotes the establishment of trade agreements, in search of potential foreign markets within a shared legal framework. In this way, the agreements also establish win-win deals, seeking the best possible deal for both parts of the treaty. In order to deep into the cooperative side of Canada's Administration, the next chapter will introduce Canada's principal trade agreements.

4. PRINCIPAL TRADE AGREEMENTS

As seen in the previous chapter, Canada's strong defense of multilateralism and trade agreements with other nations is the base of its cooperative figure and expansion plan toward new markets worldwide. To arrive to where it is now, international trade policies have been an essential tool for the country's economic development since the very beginning (Ritchie, 1997).

With one out of four employments being tied to the export sector, trade inflows have always been considered an important part of the country's economic activity. Trade Agreements are not just between countries, they establish a common framework where individuals and firms can trade. They permit enterprises to plan their long-term strategies, and their expansion overseas (Cross, 2016). Since the early 21st century, internationalization kept growing with innovative steps toward greater economic integration between countries. In this new scenario, countries do not depend just on their own. That is why it is important to maintain attention on the functioning of other countries and international organisms as they can rapidly affect the national autonomy, efficiency and competitiveness.

Founder of the General Agreement on Tariffs and Trade (GATT), nowadays World Trade Organization (WTO), trade has always had great importance in the country's economic, political and social spheres. Canada has fourteen trade agreements with fifty-one countries, through this continuous and committed international cooperation, Canada arrived to the competitive country that is nowadays (Oficina Económica y Comercial de España en Ottawa, 2021).

4.1. THE CANADA-UNITED STATES-MEXICO AGREEMENT

The first and most important trading partner for Canada is the United States, with whom shares an 8,890 km long border, the longest international border worldwide (Statistics Canada, 2018a). As well as geographical proximity, Canada also shares a close historical bond with its neighboring country. During the Confederation period in the late 19th century, the National Policy established protectionist tariffs in favor of the development of the Canadian industries. But afterwards, Canada started to fight for liberalization, especially across the Canadian and the USA border, eliminating protectionist tariffs and establishing trade agreements with its neighbor and principal trade partner.

One of the first trading pacts between both countries occurred in 1965, the so-called Canada-United States Automotive Products Agreement (Auto Pact). This deal arrived in order to establish an agreement around the automobile sector. This trade agreement firstly opened up both markets. Especially the Canadian market, a smaller economy with a not that big number of consumers as in the USA's market, experienced an increase in the number of offered products. Also, this new trading activity increased productivity, economic integration and living standards on both sides of the border (Global Affairs Canada, 2012).

After intense negotiations, a bilateral trade agreement was established between both countries, the Canada-US Free Trade Agreement (CUSFTA). This Free Trade Agreement (FTA) became the baseline for future trade agreements in the American continent, especially the North American Free Trade Agreement (NAFTA), which will be explained next. The CUSFTA was based on the common law's regulation, with numerous and exhaustive negotiations that built up a detailed and complex legal text. The creation of a commercial agreement does not imply the creation of a common market, that is why no supranational institutions were created. The only structure that was created was a commission in charge of controlling and supervising the exchange processes in order of guaranteeing the correct performance of every participant and solving any possible dispute.

Canadian objectives regarding this bilateral trade agreement included ensuring long-lasting access and integration into the USA market. First, Canada wanted to protect itself from unexpected tariff and non-tariff policies that endangered business planning and commercial exchanges on both sides of the border. Plus, having access to an additional market, as big and diverse as the USA was a great opportunity for the country's expansion. Before this agreement, around 75% of the Canadian exports went to the USA market, meaning that any decision at one side of the border had a great impact on the other side, affecting the great volume of goods exchanged. As a result, a trade agreement settled the required rules and procedures for a competitive and legitimate exchange between partners (Beaulieu & Song, 2015; Perret, 2001).

Besides being a short period of CUSFTA, with an increase in the investment and exports of goods and services on both sides of the border, it had in the end highly positive results. For example, thanks to the fixed and trustworthy structure that the agreement established,

Canada and USA's business and industrial activities were able to be organized and planned in the long term, reducing many risks and allowing a stable expansion for manufacturers. This, brought investment, specialization and investigation to different sectors, producing economic, social and competitive development at all levels.

In the meantime, the USA initiated more bilateral agreements with different Latin American countries. As Perret (2001) explains, the strategy used was the so-called *hub and spoke theory*, where the "hub", in this case, the USA has different relations through different bilateral agreements with the "spokes", the rest of the countries. As a result, the "spokes" do not have direct contact between them, while the "hub" becomes the common axis where the economic exchanges are conducted. In this way, the relations are just beneficial for both signatories of the bilateral agreement, but especially for the "hub", the USA in this case.

In the meantime, Canada wanted to continue with its market expansion through the American continent. In 1991, encouraging a plural agreement, the country entered into the negotiation process between Mexico and the USA. Canada's position supported a plural agreement where all participants could have access to the same advantages. Consequently, NAFTA was finally signed in 1992 by the three members, Mexico, Canada and the USA. It is true that due to some political events, it was not until 1994 that NAFTA started to be into force. The agreement had a similar legal structure that the CUSFTA, with few new concepts inside the founding framework. Additionally, a process of accession for new members was introduced as an innovation to the treaty, as it allowed other countries to be part of the same plurilateral system previously established by the founding members even though incoming members could not make any substantial change in the agreement (Perret, 2001).

Trade between Canada and the USA kept increasing, from 75% before the agreement to 85% in 2000. Also, investment from third countries increased compared to the previous years before the treaty's establishment. On the other hand, regarding the Canada-Mexico partnership, besides having increasing trade flows between both countries, they both represented a small percentage of each other's trade total volume. The exchanges between Mexico and Canada doubled the value from prior to after NAFTA but still in small percentages of participation. For both countries, trade was overwhelmingly oriented toward the United States and NAFTA represented an opportunity to diversify their trade

volume and reduce their dependence on their trade relations with the USA, a strategy that is still evolving slowly (Cross, 2016).

The NAFTA agreement continued from its entry into force until the end of 2018 when the three countries (the USA, Canada and Mexico) signed a new trade agreement that replaced NAFTA: The Canada-United States-Mexico Agreement (CUSMA). In a tightened atmosphere among the political representatives, several negotiations took place till the final agreement solution. CUSMA maintains the tariff-free market in North America established by NAFTA but with some updates and new sections related to new trade challenges (Government of Canada, 2022). One of the most relevant additions is the formal review of the treaty every 6 years. And, except if all parties agree on extending the agreement after any of those systematic reviews The Free Trade Agreement will be concluded 16 years after it enters into force. This innovative requirement apparently appeared in order to keep an active relevance and effectiveness when solving existing and future challenges (García Grande & Echevarría Lasaga, 2019).

Besides the trade agreements that reinforce Canada's multilateral vision and follow the objective of diversifying its trade flows, this strategy evolves at a slow rhythm. This proximity in all ways has created a long-lasting partnership with all kinds of exchanges for centuries, that evolved into a trade dependence on the United States' trade relations (Goldfarb, 2006).

In the 21st century, Canadian trade is still overwhelmingly oriented toward its neighboring country with around three-quarters of Canadian exports and two-thirds of its imports being exchanged with the USA. Additionally, two of Canada's major exports are mostly destined for the USA market: autos and energy products. The automobile industry is the second largest industry in Canada, while the energy sector, including natural gas and oil, are easily exchanged between both sides of the border. Besides the long-lasting agreements and trade dependence, Canada has always preserved its own diplomatic personality and position, without becoming an extended state of the USA (Cross, 2016).

4.2. THE EUROPEAN UNION-CANADA COMPREHENSIVE ECONOMIC TRADE AGREEMENT (CETA)

Canada's trade concentration in the trading relations with the United States boosted the aim of increasing its trade agreements and diversifying its trade flows. The EU-Canada Comprehensive Economic and Trade Agreement (CETA) entered provisionally into force in 2017 with the objective of eliminating and reducing trade barriers between both markets. The agreement itself is the most ambitious trade agreement of the EU and is partially in force until every member of the European Parliament approves it.

The CETA sets innovative standards in diverse trading areas and commitments related to competition, services, investment, labor rights, climate change and a protected and sustainable environment. With the aim of establishing a legal framework beyond mere trade issues, the CETA is considered a "new generation" Free Trade Agreement (FTA) and a milestone in the field. These FTAs are "deep" agreements that promote liberalizing investment, public contracts and services, offering a more predictable trade environment as well as legal protection. But, additionally, it includes WTO plus conditions, meaning that exceeds the obligations required by normal WTO agreements. In this case, the topics where the agreement goes beyond are related to climate change and labor conditions. (Coronas Valle, 2018).

From 1976 to 1996, different cooperative agreements appeared between the former EU and Canada. The period after the Doha Round in 2001 encouraged more meetings between both territories. In 2002, the summit of Canada-EU took place in Ottawa, where both parties agreed on starting negotiations to establish a trade and investment treaty. In the end, a bilateral negotiation framework was established in 2004 and 2009, when the CETA started to be designed. Between 1997 and 2008, Canadian exports to the EU doubled. And after 2008, while the European economy stagnated due to the Global Financial Crisis of 2008, the export share between both regions decreased importantly but at the same time, Canadian imports from the EU increased after 2008 by around 15% (Cross, 2016).

If the treaty is analyzed from a geographical point of view, inside the trading partnership that the CETA establishes, the UK used to lead the ranking of trading countries, with a decreasing tendency since 2013. After the Brexit, an additional trade deal started to be negotiated apart between the UK and Canada. Following the UK as main Canada's

trading partner in the EU, we could find Germany, France, Belgium and the Netherlands, with smaller exchange volumes (European Commission & Global Affairs Canada, 2021).

Regarding the trade volumes of the CETA, after the provisional application of the Treaty, in September 2017, during the next nine months, the EU export volume of goods to Canada increased a 7%, with agricultural products like fruits, nuts and sparkling wine standing out. Machinery and mechanical equipment, which form one-fifth of European exports to Canada, increased an 8%. Pharmaceuticals, that account the 10% of the total export volume to Canada, increased by 10% during this period, as well as other important European exports like clothing or cosmetics (European Commission, 2018).

As a Free Trade Agreement, CETA settles a trading structure where over 98% of the tariffs will be gradually eliminated. Before the agreement entered into force, just 25% of the tariff lines on goods were duty-free, opening up both markets to ease the transfer of humans, capital and products. Both parties look forward to becoming more competitive markets thanks to this Treaty, with new opportunities for businesses in both territories. Some other important aspects to talk about are the reduction of costs as a consequence of eliminating most custom tariffs and the facilitation of border procedures and regulatory requirements, with clearer, simpler and more effective customs, reducing time and easing exchanges between borders (Coronas Valle, 2018).

Another important feature inside the treaty, especially for the EU is the creation of Geographical indications (GIs), that protect products from imitations and gives a special status to the exchanged goods in the foreign market. Both parties look forward to the sustainable development of the treaty, taking into account climate change realities and based on transparency, which creates a competitive and legal atmosphere where business can grow effectively and consumers can access a wide and valuable demand (Government of Canada, 2020a)

In the end, CETA is a step toward the global expansion of both parties, the EU and Canada, who share common values regarding cooperation and multilateralism, as well as common cultural and linguistic bonds. As a result, this bilateral trade relationship between two of the largest economies worldwide seeks to provide a potential competitive advantage for both of them while establishing a stable framework that gives certainty to potential investors. For the moment, time will tell what this agreement achieves in the

future of these two territories that use trade as an economic strategy, and as the axis of their development and competitiveness at a global level (Segura Serrano, 2015).

4.3.   THE CHINA-CANADA FREE TRADE AGREEMENT (CCFTA)

In the last decades, Canadian trade partnerships with Asian nations have grown rapidly, especially with China. Following Canada's strategic plan of diversifying trade in order to lose dependence on trade relations with the United States, and after the stagnation of the European economy in 2008 due to the Global Financial Crisis that same year, which was Canada's second-biggest trading partner at the time, Canada started to approach the Asian market, where China ranks first in exchanged activities (Cross, 2016).

Due to the increasing trade exchanges between both countries, in 2017, negotiations between Canada and China started with the objective of creating a bilateral FTA between both of them. Differences between both economies have become a challenge in the negotiating process. Diverse administrative and legal aspects and structures, as well as some of the general topics that were discussed, hindered the procedure for the establishment of a common framework. Also, some of the potential challenges included cultural and economic differences between both countries and China's administrative and territorial division in municipalities added difficulty to all the agreement phases. As a result, The China-Canada Free Trade Agreement (CCFTA) is still in process. Besides, it is expected to give to Canada the opportunity of preferential access to one of the world's largest economies, enhancing Canada's trade diversification and growth opportunities (Houlden, 2018).

This agreement plans to become a unique opportunity for Canada and its trade relations. Related to the exchanged products, natural resources stand out as an important trading commodity for both sides. Also, some expected benefits that the CCFTA can offer include a higher Canadian integration into the Chinese supply chains. Plus, Chinese enterprises' potential access to new economies and, further legal protections for Canadian businesses in the Chinese market (Asian Pacific Foundation of Canada, 2018).

Even though the CCFTA is supposed to increase Canadian competitiveness and productivity, there is also uncertainty around how the Canadian domestic market will respond to the increase of Chinese presence. In this aspect, Houlden (2018) explains that on one hand, due to Canadian resources and highly skilled workforce, the automobile

industry, business and transportation services, telecommunications, natural resource-based, and clean energies would be sectors potentially benefiting Canada when this bilateral deal entries into force. On the other hand, it is still unknown if Canada's productivity will be damaged after this agreement entries into force, especially in the goods' production after easing the entrance of Chinese imports, especially in manufactured products, a sector where China leads globally.

The elaboration of this new FTA and the increasing presence of China in Canada's trade activity could create tensions with the United States. Canada's long-lasting and privileged relationship with its North American neighbor evolved into a close bond regarding, defense, production and trading activities between both countries. Besides, China's potential to increase its participation in the Canadian domestic market, distance, economic and business-wide differences may indicate that the USA will continue as Canada's leading trading partner, with greater values, perspectives and projects in common (Houlden, 2018).

In the end, China is dynamically growing and shifting from a largely-rural and labor-intensive country to an urban and knowledge-intensive country. Even though it existed a historical concern towards foreign entrance in the country's economy, there is a changing perspective towards Free Trade Agreements, starting to be seen as an opportunity for expansion. In this case, Canada is a stable country with great privileged access to the US economy but with less political influence at a global level. Consequently, in order to have a strong bilateral agreement between both parties, an equilibrium between such different economies is required. In this situation, the CCFTA would provide potential opportunities, and solutions to many challenges with a common objective and without endangering the rest of their individual relations with other trading partners (Ciuriak, 2016).

4.4. THE COMPREHENSIVE AND PROGRESSIVE AGREEMENT FOR TRANS-PACIFIC PARTNERSHIP (CPTPP)

To complete the Canadian trade expansion plan through Free Trade Agreements, I would like to introduce the so-called Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP). This FTA includes Canada and the other 10 countries of the Asian-Pacific region: Australia, Brunei, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore and Vietnam.

This agreement entered into force at the end of 2018, and from that time on, it has been ratified by some member countries, including Canada. The CPTPP establishes follows many of the former agreements in the region and its conditions. The Agreement covers every trading aspect, with ambitious market access to goods and services, capital and labor mobility. It also seeks a predictable and reliable economic activity between members in a fair-trading environment that would boost future investments.

Furthermore, the FTA includes an accession process that considers member expansion inside the Agreement, with South Korea, the Philippines and China becoming possible future members, what widens the opportunity of Canadian access to new markets in the Asian-Pacific region. This free-trade agreement provides a certain legal framework and an area that includes a diverse number of countries, economic structures and markets. Thanks to the privileged access that CPTPP offers to its members, it provides new opportunities in various sectors for Canada and the rest of its participants. The Asia-pacific region is indeed a more challenging opportunity for Canada and its production. Moreover, some of the Canadian leading sectors that are expected to specially beneficiate from this agreement are agriculture, industrial manufacturing, aerospace, natural resources, environmental, financial, and professional services. Also, cooperation, sustainable development and e-commerce are also important procedures of the agreement, as well as potential opportunities for Canada (Government of Canada, 2020b).

In the end, cooperating with other countries has always supposed an important part of Canada's nature. This strategy seeks a trade agreement's expansion that matches the idea of openness and diversity that the country supports. In the way, by innovating and creating new international trade networks through Free Trade Agreements, the country expects to keep potentially growing while expanding its economic activity overseas (Lane, 2017).

5. CANADA'S TRADE AGGREGATED ANALYSIS (2000-2020)

5.1. CANADA'S TRADE EVOLUTION

As explained in earlier chapters, trade is of great importance in Canada's economic evolution. Thanks to an empirical analysis of Canada's trade data, we will be able to analyze the country's trade progression as well as its most important features. In order to have visual support for the analysis, figures and tables have been elaborated appearing throughout this chapter. All of them are done on the author's own through the data obtained from official sources like UN Comtrade and World Bank.

Before starting the empirical analysis, it is necessary to clarify that the UN Comtrade database offers data on four possible types of trade flows. The first two are commonly known (exports and imports) and, in addition, two others (re-exports and re- imports) that will be explained afterwards. "Real" exports, commonly known as exports, are domestic goods that are exported, while re-exports are foreign goods that, in the same state as previously imported, are exported by the importing country. Similarly, "real" imports, commonly known as imports, are foreign goods that are imported, while re-imports are domestic goods that are imported in the same state as they were previously exported. In the end, the main difference between "real" exports or imports and re-exports or re-imports relies on the origin of the goods. Usually, for analytical purposes, it is recommended to separate the exports and imports into both categories, on one side, "real" exports and imports, and on the other side, re-exports and re-imports so that the analysis and its results can be consistent with the study's objectives (United Nations, 2022).

However, in the case of Canada, re-exports occupy around 5% of the total exports, while in the case of re-imports they are less than 1% of the total imports. These percentages would be considered small in relative and in absolute terms. Additionally, if these quantities are compared to other countries, the percentages would not be considered significant enough to make any substantial change in the analysis (Jones et al., 2020). That is why re-imports and re-exports have not been subtracted from the total export and import quantities or taken into account separately for the analysis.

In view of the above, to analyze Canada's trade evolution between 2000 and 2020, the export and import annual volumes were obtained from the UN Comtrade database. Due to the price variation over time, the obtained records were deflated, so that all the data

could be managed and comparable through time. This calculation is obtained thanks to the GDP deflator from World Bank Database. In this case, as Table 5.1. (APPENDIX I) shows, that the GDP deflator of Canada used 2015 as the base year.

Starting with the analysis of Canada's total exports and imports and their evolution, all the needed data can be found in Table 5.2. (APPENDIX I), and represented in Figure 5.1.

Figure 5.1.- Canada's total exports and imports (2000-2020)
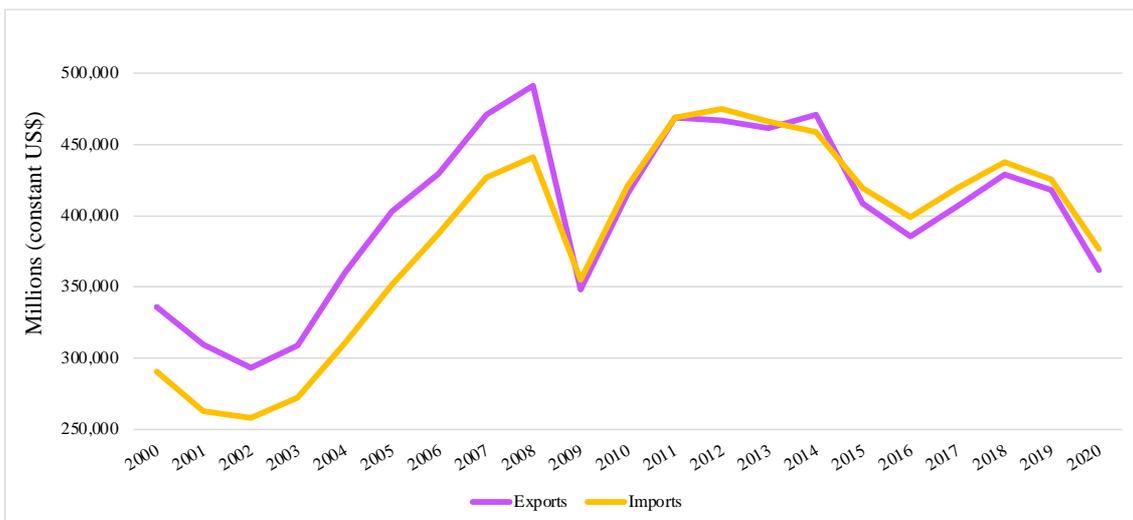
Source: Own elaboration with data from UN Comtrade and World Bank.

Both trade volumes, exports and imports, are represented as a line graph. The currency used is millions of constant US\$. Starting with the analysis, as can be observed in Figure 5.1., both, imports and exports have a similar evolution and variation throughout time. In a decreasing tendency, they start around 250,00 and 350,000 million between 2000 and 2003. Until 2008, both, imports and exports experience an increase, arriving at the exports' maximum of almost 500,000 million. During all this time, exports have been higher than imports, with a more or less constant difference of 50,000 million between them. This means that Canada is, a net exporter.

The Global Financial Crisis of 2008 apparently caused the recession in 2009, where exports and imports dramatically fell to 350,000 million. From there on, both volumes have had similar values. In 2010 and 2011, there is rapid growth, surpassing 450,000

million and recovering from the previous year's recession. Afterwards, a more or less constant growth continued until 2014, with similar numbers to the ones prior to the 2009 recession. Later, between 2014 and 2020, a posterior fluctuation with values between 400,000 and 450,00 million was experienced in Canada's economic activity. In this fluctuating period is observed a decline of 50,000 million in both, imports and exports in 2015 and 2016. This decrease could have occurred due to different political events like the pro-Brexit referendum in the UK or Trump winning the elections in the United States. These situations started an anti-globalization approach that created uncertainty towards the future of Free Trade Agreements and commercial exchanges. Also, some economic and financial events like the Chinese stock market crash and problems around the crude oil's price, an important source of income for Canada could have contributed to that slowdown in trade (Leach, 2021). In 2019 there was a slight growth, which later decreased in 2020, possibly due to the COVID-19 crisis.

Regarding the difference between both volumes, it is evident that before 2009 there was a bigger difference between imports and exports, with an export predominance that established a positive trade balance. Despite that, after 2009, both elements had similar volumes with a slight import predominance, initiating a negative trade balance for Canada during that period.

Continuing with the analysis, and in order to widen the evaluation of Canada's exports and imports evolutions previously done, imports and exports annual growth rates are going to be calculated. The available data is in Table 5.2. (APPENDIX I) and represented in a line graph in Figure 5.2. This ratio shows the variation that exports and imports experienced in the studied period, between 2000 and 2020.

Directly related to the imports and exports evolution, there is a similar evolution between both graphs. In this case, the average annual growth stands around 2.5% for exports and 3% for imports, experiencing different ups and downs during the studied period. This analysis also shows the similar tendency that exists between exports and imports during their evolution, and how the difference between both volumes becomes narrower throughout the analyzed time.

The analysis below indicates that for both, imports and exports, the annual growth rate experiences a slight decrease between 2001 and 2002. Then, the situation changed in 2003, experiencing a rapid growth that fluctuated in positive growth values, between 5%

and 15% in both trading volumes until 2009. Later on, in 2009, one year after the Global Financial Crisis of 2008, a decrease of 30% in exports and of almost 20% in imports occurred. From there on, a rapid growth in 2010 of almost 20% in both, imports and exports caused a positive growth until 2012.

Between 2012 and 2014, the annual growth is more or less constant, with small variations. Afterwards, as previously seen in the trade's evolution, there was a fluctuation phenomenon until 2020 with positive and negative growing patterns occurring in values between 5% and -12%.

Figure 5.2.- Canada's export and import annual growth rate (%)
(2000-2020)

Source: Own elaboration with data from UN Comtrade and World Bank.

5.2. PRINCIPAL TRADE INDICATORS

To continue with Canada's trade aggregated analysis, this section will explain through the principal trade indicators how trade develops in Canada, a developed country that has always found trade as a determinant factor of its economic development. Every analysis

and conclusion will be based on the different mathematical definitions, using the data from the UN Comtrade database.

First to be explained will be Canada's propensity to export and to import, which indicates the share of exports and imports in the country's GDP. The GDP is an indicator that measures the added value that is created by a country's economic activity through the production of goods and services inside its borders during a certain period of time (OECD, 2022).

The studied rations are calculated following the next mathematical definition:

$$Export\ propensity = \frac{X}{GDP} \times 100$$

$$Import\ propensity = \frac{M}{GDP} \times 100$$

Where:

- X means the country's exports.
- M means the country's imports.
- GDP means Gross Domestic Product

The results obtained by this mathematical definition explain the country's share of export and import inside its GDP (Mikic & Gilbert, 2007). In this case, the results of the studied period (2000-2020) can be found in Table 5.3. (APPENDIX I) and represented in Figure 5.3.

In both indicators, high results mean a high dependence on foreign markets (UNCTAD, 2021). Starting with a general look, exports, went from occupying around 35% of Canada's GDP in 2000 to occupy around 22% of it in 2020. In the case of imports, the decrease has been minor, going from around 32% of Canada's GDP in 2000 to around 24% in 2020.

Starting at the beginning of the period, import and export propensity decreased from 2000 to 2003 by seven percentual points in exports and by six percentual points in imports. Then, between 2004 and 2007 the decrease is more moderated in both cases, with a period of constant growth in 2004 and 2005. In 2008, there is a little increase before the dramatic

fall experienced in 2009 due to the Global Financial Crisis of 2008. That year, the propensity to import and export were both around 23%, the lowest point during that period. During that fall down, exports experienced a decrease of almost seven percentage points from the previous year while imports decreased by five percentual points from the previous year. From 2010 to 2011, the propensity to import and to export arrived at 25% and stayed constant at that percentage until 2014. After that, a slight fluctuation above 25% continued until 2020, when both propensities decreased, probably due to the COVID-19 crisis.

Similar to the previous studies, both propensities have a similar evolution and tendency. In the beginning, there is around a 5% of difference between both propensities, with a distinguishable higher propensity to export. After 2009, both propensities narrow their differences, with a slightly higher propensity to import, continuing like that until the end of the studied period.

Figure 5.3.- Canada's export and import propensity (%)
(2000-2020)
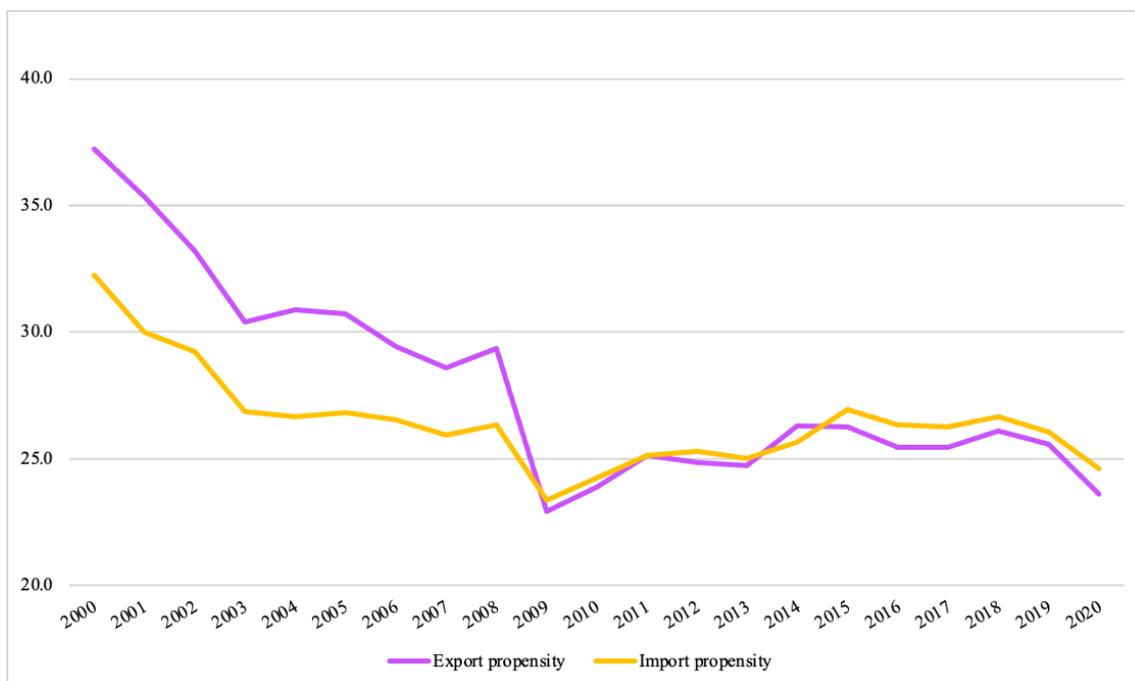
Source: Own elaboration with data from UN Comtrade.

The next factor to be analyzed is Canada's openness index. Also known as the trade dependence index, this ratio indicates the value of international trade (imports and

exports) at the total of the country's GDP. In other words, how a country is oriented to international trade.

This indicator is calculated by the next mathematical definition:

$$Openness\ index = \frac{(X + M)}{GDP} \times 100$$

Where:

- M means the import flow
- X means the export flow
- GDP means Gross Domestic Product

This mathematical definition divides the sum of total exports and imports from the studied country, by its GDP. The results are obtained as a percentage, indicating the degree to which a country is open to international trade (Mikic & Gilbert, 2007). In this case, the results of Canada can be found in Table 5.3. (APPENDIX I), and represented in Figure 5.4.

The evolution of Canada's openness in the studied period (2000-2020), goes from almost 70% to almost 50% in those twenty years. As Figure 5.4. shows, Canada changes from being a really open country to reduce significantly its openness toward international trade.

This evolution follows a similar performance to the previously studied indicators. It starts with a decrease from 2000 to 2003 of around 15 percentual points. Then, in 2004 and 2005, it experiences a constant growth before a slight decrease during the next two years, with a trade openness under 55% in 2007. In 2008, the indicator slightly increases before falling dramatically in 2009. This phenomenon shows the impact of the Global Financial Crisis of 2008, with a decrease of around 10 percentual points in one year. After 2009, there was a recovery of 5 percentual points in 2010 that stayed constant around 50% until 2014. Since 2014, a fluctuation between 50% and 55% occured. In this period, the relative maximums were in 2015 and 2018.

Lastly, in 2020, due to the COVID-19 crisis, Canada's openness to intern ational trade decreased, to under 50%. If this data is compared to similar countries like France, the UK,

or Italy, it can be observed that they all have similar numbers regarding this indicator. More specifically, besides this change, Canada still leads in openness to international trade out of the G20, just surpassed by Germany (World Bank, 2020).

Figure 5.4.- Canada's openness index (%) (2000-2020)
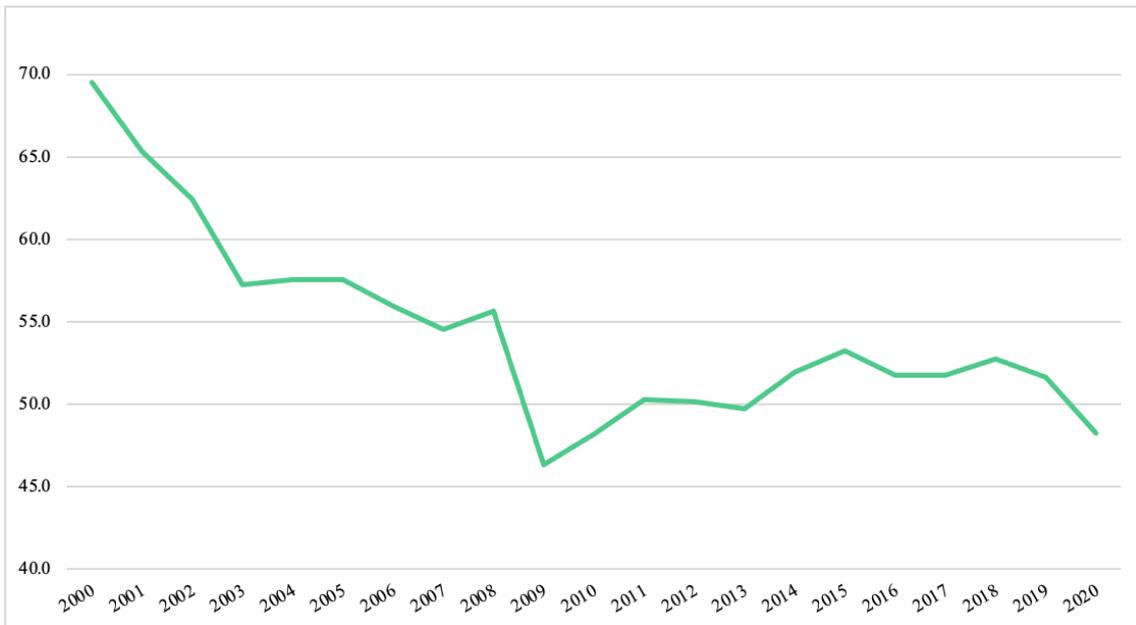
Source: Own elaboration with data from UN Comtrade.

Last for the aggregated analysis, Canada's trade balance as a percentage of GDP. This indicator calculates the difference between imports and exports (the trade balance), that then is divided by the country's GDP. In this way, we can observe at which scale is a trade surplus or a trade deficit as a percentage of Canada's GDP.

To obtain the explained results, it is necessary to follow the next mathematical definition:

$$Trade\ Balance\ (\%\ GDP) = \frac{(X - M)}{GDP} \times 100$$

Regarding the values that can be obtained from this indicator, it can be said that the sign of the results is determined by the numerator, composed by the trade balance. Meaning

that, positive results indicate a trade surplus, while negative results indicate a trade deficit. On the other hand, the results' value in absolute terms indicates as a percentage of Canada's GDP, the importance of the (positive or negative) trade balance.

After doing the annual calculations, the results can be found in Table 5.3. (APPENDIX I) and represented in Figure 5.5. In both of them, we can observe the evolution of Canada's trade balance as a percentage of GDP during the studied period (2000-2020).

Figure 5.5.- Canada's trade balance (% GDP) (2000-2020)
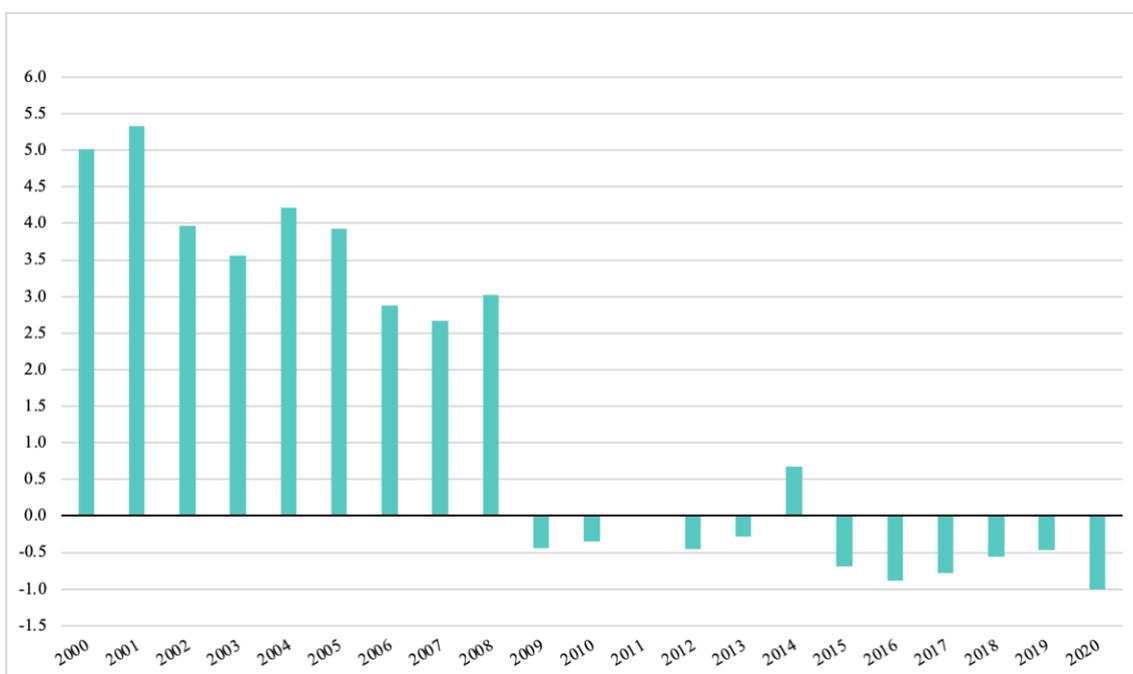
Source: Own elaboration with data from UN Comtrade.

The evolution of Canada's trade balance shows positive results in the first half of the studied period that later changed into negative. Initial positive results, indicate a trade surplus, placing Canada as a net exporter until 2009. Additionally, total values between 3.5% and 5.5% also indicate importance as a percentage of Canada's economic activity. However, since 2009, and probably due to the 2008 Global Financial Crisis, Canada dramatically changed, becoming a net importer with small values as a percentage of GDP between zero and -1%.

In order to deepen the analysis, Canada's trade balance evolution as a percentage of GDP will be deeply explained. Following the trade balance performance, it is true that besides obtaining positive results in the first half of the studied period, the indicator had a decreasing tendency during these years. Starting from 2000 and 2001, Canada's trade balance (% of GDP) was at its maximum with values between 5% and 5.5%. Then, between 2002 and 2005, values changed to between 3.5% and 4.2%. And from 2006 to 2008, Canada's trade balance continued in a trade surplus as a percentage of GDP but this time in values between 2.5% and 3%.

In the year 2009 a recession occurred, and, as in previous analyses, it was possibly due to the Global Financial Crisis of 2008. As a result, 2009 was the first year in the studied period where Canada experienced a trade deficit in terms of GDP, with a value of almost -0.5%. Since 2009, Canada continued in a generalized trade deficit (% GDP) , with values around -0.5% until 2013. Except in 2011, when Canada experienced a trade balance near zero, meaning that both, exports and imports had similar values. Then, in 2014, Canada experienced a trade surplus with a positive trade balance as a percentage of GDP, with a value of 0.5%, something unusual observing the evolution during those years. After that, Canada continued in a negative trade balance as a percentage of GDP, ranging between -0.5% and -1%. It was in 2020 when this indicator arrived at its lowest value, -1%, doubling the decrease from the previous year.

In the end, after observing and analyzing every described indicator throughout this aggregated trade analysis, it can be said that Canada's trading activity has importantly changed over time. First, observing that exports have not been a significant source of economic growth for the country lately, being slightly surpassed by imports. Then, decreasing values regarding trade openness and trade balance, expressing trade deficit as a percentage of GDP. Regarding possible causes, some authors (Lane, 2017; Leach, 2021), think that lowering trade barriers and full access to foreign markets increases competitiveness, which sometimes can be an advantage while some others can a disadvantage, especially when other countries have the possibility of surpassing Canada in some sectors or with some trading partners.

6. CANADA'S INTERNATIONAL TRADE FLOWS. GEOGRAPHICAL DISAGGREGATED ANALYSIS (2000-2020)

A geographical disaggregated analysis will be carried out in order to know the main trading partners for Canada, their importance, and their evolution throughout the analyzed years. Through different indicators, we are going to see to which countries Canada exports the most, receives the most imports from and the effect of each of its trading partners on its trading activity.

6.1. CANADA'S EXPORTS AND THEIR GEOGRAPHIC DISTRIBUTION

As has been explained before, this chapter will include a geographically disaggregated analysis of Canadian commodities between 2000 and 2020. Firstly, in order to know how a country participates in another country's export activity, the export share needs to be calculated. In this case, this ratio will indicate the participation of the leading Canadian export partners in the country's total export volume.

A country's export share is defined as:

$$Export\ share = \frac{X_{sd}}{X_{sw}} \times 100$$

Where:

- X means the export flow between the selected countries.
- s means the source country (Canada in this case)
- d means the destination country
- w means the countries in the world

This mathematical definition divides the total exports from the source country to a specific destination by the total exports from the source country to the world. Using the obtained annual data from the UN Comtrade database, we will obtain as a percentage, the export share of the selected Canadian trading partners. The results obtained through this mathematical definition are represented in Table 6.1. (APPENDIX I) and in Figure 6.1.

Figure 6.1. is a stacked column graph. Each column represents a year of the studied period and it is divided into the different export shares that each country represents inside Canada's total export volume.

Figure 6.1.- Canada's exports. Evolution, geographic distribution and principal trade partners (%) (2000-2020)
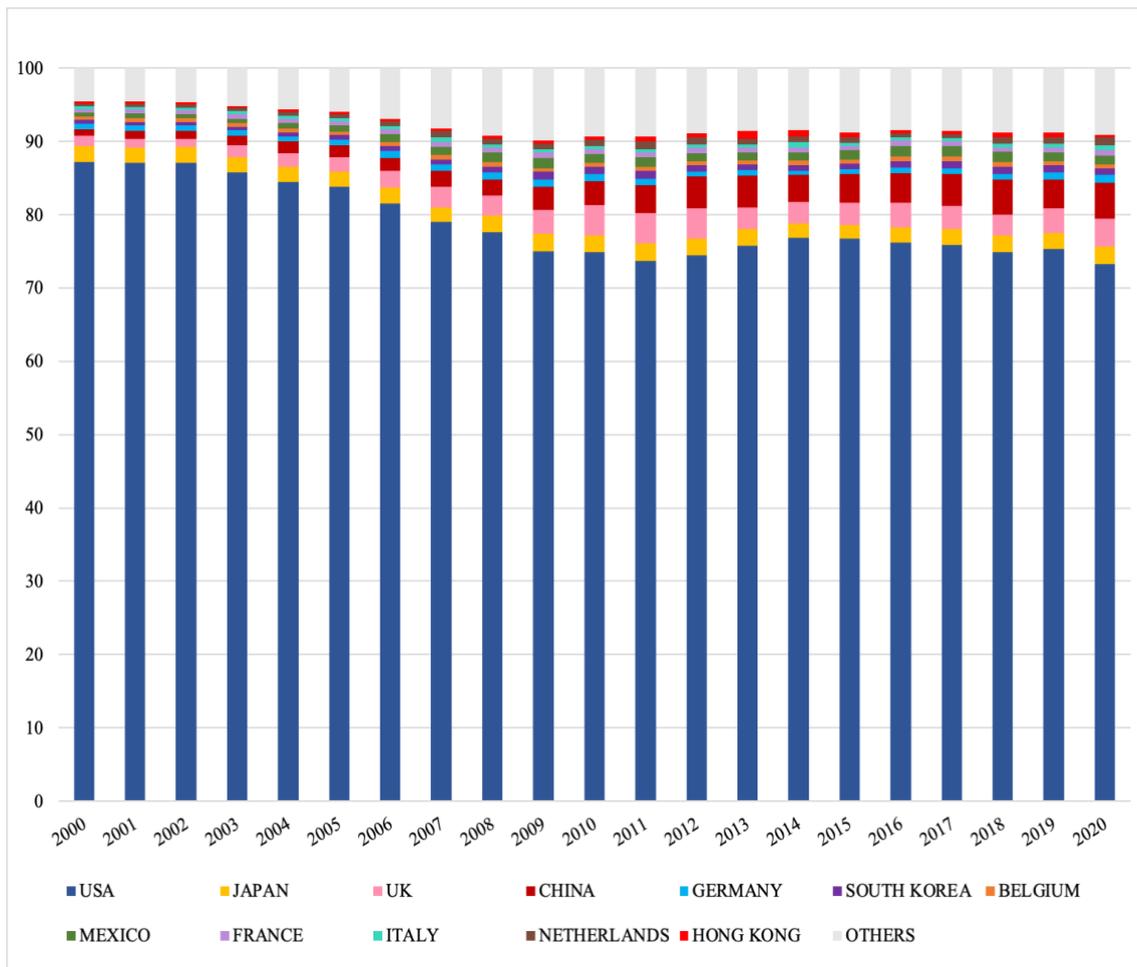
Source: Own elaboration with data from UN Comtrade.

Starting with Figure 6.1., the selected countries occupy between 90% and 95% of Canada's total exports. It can be observed that at the beginning of the studied period, the analyzed trading partners were the destination for more than 95% of Canadian total exports while at the end of the studied period, those same analyzed countries occupied around 90% of Canada's total exports. This small change indicates a slight diversification

throughout the studied time, probably due to incoming participating countries, as it can be observed in the increase of the category: others.

Moving into a more individual analysis, it is clearly observed in this chart that the United States is Canada's main export destination, occupying the vast majority of its total export volume. No further calculations are needed in order to observe that Canada's exports are concentrated in just one country, the USA. Slowly declining from almost 90% in 2000 to slightly above 70% in 2020, the USA continues to be the undoubted leader, even though it lost around 15% of its total export share to other trading partners. This is possibly a consequence of Canada's trade diversification strategy through international cooperation and the establishment of new Free Trade Agreements (FTA) to slow down the economic dependence on trade relations with the USA (Cross, 2016).

Then, China, the UK, Mexico, Japan and Germany follow the ranking but with importantly lower percentages of export share compared to the leader. More specifically, Japan ranks second, being the destination of around 2.3% of Canada's exports during the studied period. Then, the UK grew from under 1.5% in 2000 to over 3.8% in 2020. China is the country that experiences the biggest growth, increasing from less than 1% in 2000 to almost 5% in 2020. The rest of the countries slightly increased their participation in Canada's exports through time, fluctuating in values between 0.3% and 1.2%.

In this analysis, it can also be observed that besides USA's declining participation, Canada's exports continue to be importantly concentrated. While USA's presence in Canada's exports declined by around 15 percentual points, the UK and China's export share kept notably increasing. The UK almost doubled its initial value from 2000 to 2020, meaning an important growth in absolute terms observing its individual growth and continuing as Canada's third exporter. Even though, in terms of relative values, UK's participation is still a small percentage of the total. Also, China importantly increased its participation by around 450% from 2000 to 2020. This growth is significant mainly in absolute terms because even though China has multiplied by five its initial participation, establishing itself as Canada's second-biggest exporter, it still occupies less than 5% of the total volume. On the other hand, Japan, besides its constant evolution, changed from the second to the fourth position among Canada's exporters.

In order to deepen this analysis of Canada's exports and their geographic distribution, The Contribution to Growth Index (CGI) will be calculated to measure the contribution of each country of destination to the growth of Canadian exports.

This index can be expressed mathematically as follows:

$$CGI = \frac{((X_{sd_0}/X_{sw_0}) \times (X_{sd_t} - X_{sd_0})/X_{sd_0})}{((X_{sw_t} - X_{sw_0})/X_{sw_0})} \times 100$$

Where:

- X means the export flow between the selected countries.
- s means the source country (Canada in this case)
- d means the destination country
- w means the countries in the world
- 0 means at time 0 (first studied year, 2000 in this case)
- t means at time t (last studied year, 2020 in this case)

Together with the obtained annual data from the UN Comtrade database, we will obtain the results of this index as a percentage. The results obtained, following the mathematical definition are represented in Table 6.2.

Table 6.2.- Contribution to growth index (CGI). Canada's exports. (2000-2020)

COUNTRY	CGI (%)
USA	38.5
CHINA	14.8
UK	9.9
MEXICO	2.9
JAPAN	2.8
NETHERLANDS	2.8
GERMANY	2.1
SOUTH KOREA	1.8
ITALY	1.5
FRANCE	1.3
BELGIUM	0.6
HONG KONG	0.5

Source: Own elaboration with data from UN Comtrade.

As can be observed in Table 6.2. as well as in the conclusions of the previous analysis, the USA is the principal growth contributor to Canada's exports with a CGI of 38.53%. Second, China with a contribution of almost 15% followed by the UK with a CGI of almost 10%. Then, with CGIs slightly under 3%: Mexico, Japan and the Netherlands. Following the ranking, South Korea contributed to Canada's export growth by around 1.8%. Afterwards, with a CGI under 1.5%, Italy and France. And finally, Belgium and Hong Kong close this CGI ranking around 0.5% of contribution to Canada's export growth.

6.2. CANADA'S IMPORTS AND THEIR GEOGRAPHIC DISTRIBUTION

As has been explained before, this chapter will include a geographically disaggregated analysis of Canadian commodities between 2000 and 2020. In order to know how a country participates in Canada's import activity, the import share needs to be calculated. In this case, the ratio will indicate the participation of the leading Canadian import partners in the country's import volume.

A country's import share is defined as:

$$Import\ share = \frac{M_{sd}}{M_{wd}} \times 100$$

Where:

-   s means the source country
-   d means the destination country (Canada in this case)
-   w means the countries in the world
-   M means the import flow between the selected countries.

This indicator divides the imports from the source country to a specific destination by the total imports from the source. Using the obtained annual data from the UN Comtrade database, we will obtain, the import share of the selected Canadian trading partners, indicated as a percentage. The results obtained through this mathematical definition are represented in Table 6.3. (APPENDIX I) and in Figure 6.2.

Figure 6.2. is also a stacked column graph. Each column represents a year of the studied period, divided by the different import shares that each analyzed country represents of Canada's total import volume.

**Figure 6.2.- Canada's imports. Evolution, geographic
distribution and principal trade partners (%) (2000-2020)**
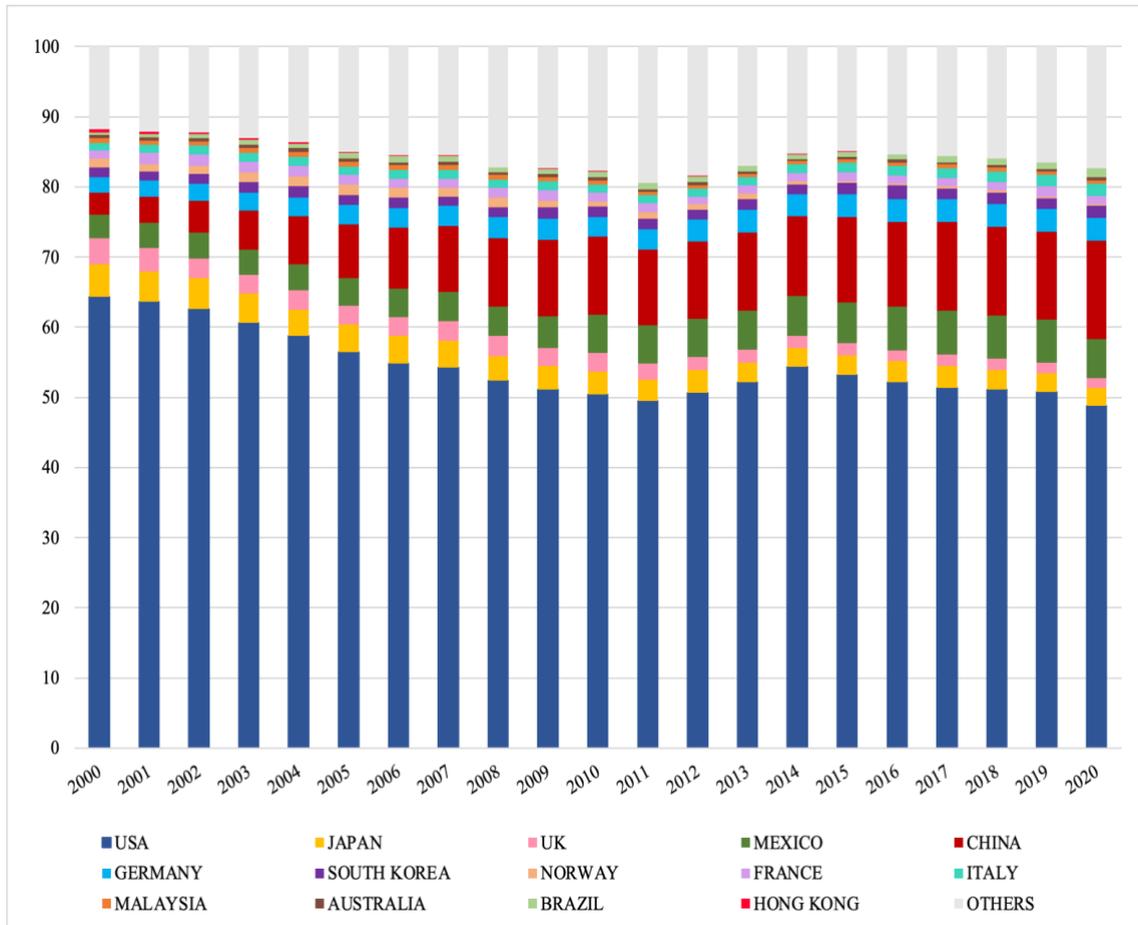
Source: Own elaboration with data from UN Comtrade.

Figure 6.2. shows that the selected countries occupied almost 90% of Canada's total imports in 2000 and around 80% of the total in 2020. This decline can possibly be, first, because, in some of the analyzed countries, their participation dramatically fell between 2000 and 2020. And second, due to the entry of new import countries, observed in the chart by the increase in the category: others.

In this chart, it can be clearly observed that as in the case of exports, the USA is Canada's main source of imports. In this case, besides having a lower participation of the USA, no further calculations are needed to observe that it still occupies the vast majority of Canada's total import volume. This means, a high concentration level and a dependence

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on the economy of Canada's neighboring country. This decline occurs mainly in the first ten years of the studied period. Then, there is a slight fluctuation around 50% of participation.

Following the USA there are Japan, the UK, Mexico, China and Germany with incredibly lower percentages compared to the leader. While the USA loses participation, the rest of the import sources experience changes, especially China and Mexico. Starting with China, in 2000 it was Canada's fifth source of imports, from an import share slightly above 3%, China grew to around 14.1% in 2020. China's initial value tripled throughout the entire studied period at a constant rhythm, establishing itself as Canada's second-biggest import source since 2002, surpassing Japan, the UK and Mexico. Also, Mexico experienced an important increase during the studied period, from around 3.4% in 2000 to around 5.5% in 2020. Also, Mexico surpassed Japan and the UK, establishing itself as Canada's third import source. Mexico's increase by more than half its initial value and then stayed constant around them throughout the studied period.

In the case of Japan and the UK, they both lost importance as leading sources for Canadian imports. Japan changed from the second position in 2000 to the fifth position in 2020, while the UK changed from the third position in 2000 to the seventh position in 2020. Individually, the UK experienced a decline by more than half of its initial value through the studied period, from participating in 2000 above 3% of Canadian imports to less than 1.5% in 2020. Regarding Japan, with a decline of almost half of its initial value from 2000 to 2020, Canada changed from importing from Japan more than 4.5% in 2000, to importing less than 2.5% in 2020. Germany moved from the sixth to the fourth position, constantly growing from around 2.2% in 2000 to around 3.2% in 2020, increasing by one percentual point its participation in Canada's imports. South Korea ranks sixth in 2020 with almost 2%, surpassing the UK. South Korea's growth has been constant and small comparing its initial and final values during the studied period.

The rest of the countries have a small participation in 2000, between 0.4% and 1.2%. In 2020, some increased, like Brazil or Italy. Some others maintained their participation like France, Malaysia, or Australia and some others decreased, like Norway or Hong Kong.

This phenomenon could indicate a progression in Canada's strategy of diversifying its trading partners through cooperation and Free Trade Agreements. As it is clearly

observable how the USA loses import share while Mexico and China increasingly grow theirs, as well as the increase of countries participating less than 1%.

Following this theory, and regarding what can be observed by comparing Figure 6.1. and Figure 6.2., Canada's diversification strategy would have had a greater impact on imports, where it seemed to have a weaker presence beside still being Canada's leading trading partner.

Following this analysis of Canada's imports and their geographic distribution, The Contribution to Growth Index (CGI) will be calculated to measure the contribution of each source country to the growth of Canadian imports.

This index can be expressed mathematically as follows:

$$CGI = \frac{((M_{sd_0}/M_{wd_0}) \times (M_{sd_t} - M_{sd_0})/M_{sd_0})}{((M_{wd_t} - M_{wd_0})/M_{wd_0})} \times 100$$

Where:

- M means the import flow between the selected countries.
- s means the source country
- d means the destination country (Canada in this case)
- w means the countries in the world
- 0 means at time 0 (first studied year, 2000 in this case)
- t means at time t (last studied year, 2020 in this case)

Applying the obtained annual data from the UN Comtrade database, as a percentage, we will obtain the results of this index. The obtained results from this index, in the case of the studied country (Canada) are represented in Table 6.4.

Table 6.4.- Contribution to growth index (CGI). Canada's imports (2000-2020)

COUNTRY	CGI (%)
CHINA	30.02
USA	26.24
MEXICO	8.61
GERMANY	4.64
ITALY	2.58
BRAZIL	2.36
SOUTH KOREA	2.24
FRANCE	1.23
AUSTRALIA	0.43
MALAYSIA	0.37
HONG KONG	-0.33
JAPAN	-0.66
NORWAY	-1.25
UK	-1.77

Source: Own elaboration with data from UN Comtrade.

As can be observed in Table 6.4., China leads with a contribution to Canada's import growth of 30%. Close, slightly above 26% is the USA, which besides not leading the CGI classification, is the principal source of Canada's imports. Following the conclusions in previous sections, China's increasing participation in Canadian imports is appreciated in this index, which takes into account the individual and total imports in the first and the last year of the studied period. Third, Mexico, slightly above 8.5%. Then, the CGI values start to significantly decrease, Germany, with almost 5%, ranks fourth and Italy ranks fifth with a CGI slightly above 2.5%. With a CGI above 2%, Brazil and South Korea. Slightly above 1%, is France. Afterwards, Australia and Malaysia with a CGI under 0.5%. And at the end of the ranking, four countries with a negative CGI: Hong Kong, under -0.5%, Japan, under -1%, Norway, above -1% and the UK with almost -2%. This last phenomenon indicates a negative contribution to the growth of Canada's imports, caused by a decrease in their evolution.

7. CANADA AND THE USA. TRADE FLOW ANALYSIS

After analyzing how Canada's exports and imports are geographically distributed, it has been observed the importance of Canada and the USA's trade relations. In order to understand this essential partnership and its strong and weak points, a deeper analysis is going to be carried out, centered on the exchanged trade flows between Canada and its neighboring country, the USA.

In this chapter, the trade balance between both countries, Canada and USA is what is going to be analyzed first. It is a known fact that trade balance is the difference between a country's exports and imports values. For this analysis, all the obtained data has been deflated and calculated following the next mathematical definition:

$$Trade\ balance = (X_{ij} - M_{ij})$$

Where:

- X_{ij} refers to the exports from country i (Canada) to country j (the USA)
- M_{ij} refers to the imports from country j (the USA) to country i (Canada)

After carrying out the described calculation, the results obtained can be found in Table 7.1 (APPENDIX I) and represented in Figure 7.1. Regarding the results of this ratio, in the case that exports surpass imports (trade balance > 0), it indicates a trade surplus while in the case that imports surpass exports (trade balance < 0), it indicates a trade deficit.

As can be observed in Figure 7.1., Canada-USA's trade balance besides always being above zero, meaning a trade surplus for Canada during the entire analyzed period, it has variated through time. Between 2000 and 2002, trade balance values slightly decreased from around 150,000 to around 93,000. Then, it rapidly increased until 2008, arriving at its maximum, 150,000. In the meantime, there was a period of slower growth, from 2005 to 2007. After that, in 2009, there was a dramatic fall down from 150,000 to almost 80,000, apparently due to the Global Financial Crisis of 2008. Afterwards, between 2010 and 2011, there was a rapid recovery, arriving at values around 110,000 and staying around them until 2014. During that time, the trade balance fluctuated from under 90,000 (in 2016 and 2020) to around 100,000 (2019) during those years.

Figure 7.1.- Canada-USA's trade balance (2000-2020)
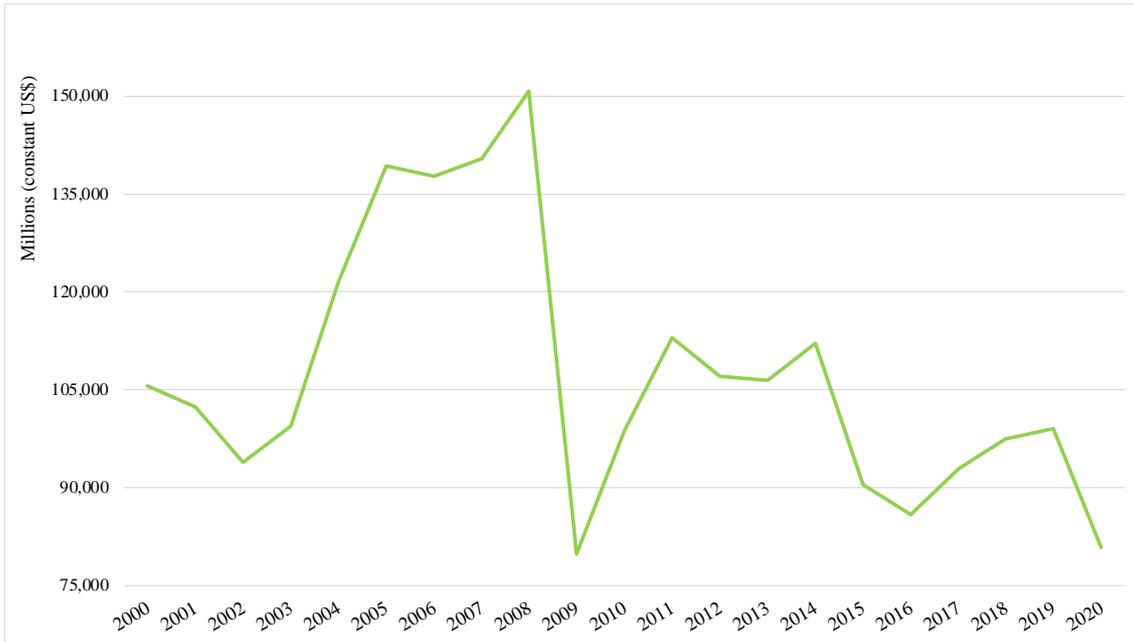
Source: Own elaboration with data from UN Comtrade.

Then, in order to offer a more complete analysis of this indicator, another index is going to be described and used: The Relative Trade Balance index (RTB). Defined by Balassa (1965), this indicator establishes a direct relationship between trade balance and the existence of comparative advantage or disadvantage compared to other countries. This index, although this indicator is more commonly used for product analysis, it can also be used for geographical analysis (Salvador et al., 2020)

In the case of using RTB for a geographical analysis between two countries, the mathematical definition used needs to be the following:

$$RTB_i = \frac{(X_{ij} - M_{ij})}{(X_{ij} + M_{ij})} \times 100$$

Where:

- X_{ij} refers to the exports from country i (Canada) to country j (the USA)
- M_{ij} refers to the imports from country j (the USA) to country i (Canada)

This index divides the trade balance (numerator) by the total trade flows (denominator). With this structure, exports are understood as a strength, while imports are understood as a weakness. The results obtained in absolute terms indicate the importance of the commercial advantage or disadvantage. That is why the obtained results range between -100 and +100. The nearer to +100, the better, as it is understood as a comparative advantage (Canada over the USA in this case). The nearer to -100, the worse, as it is understood as a comparative disadvantage (Canada over the USA in this case).

The results obtained by calculating this mathematical definition can be found in Table 7.2. (APPENDIX I) and Figure 7.2.

Figure 7.2.- RTB Canada-USA. Evolution (%) (2000-2020)
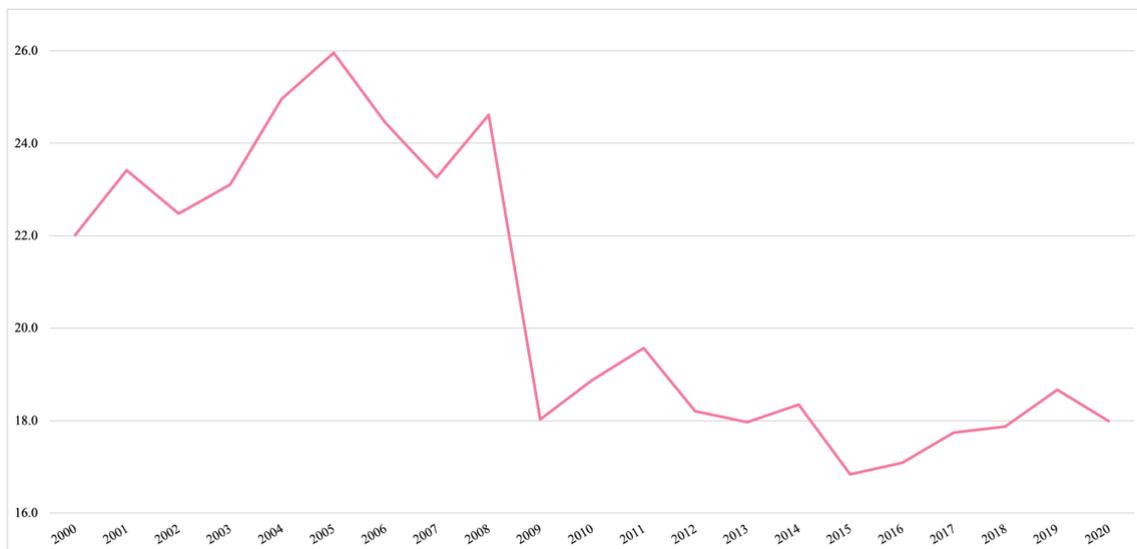
Source: Own elaboration with data from UN Comtrade.

Following the results obtained, and as Table 7.2. shows, there is a positive RTB between Canada and the USA throughout the entire period. Through the analysis of this index, this can be understood as a competitive advantage over the USA. Regarding the RTB evolution, it can be observed a slight increase between 2000 and 2005. In this period, the RTB grew by around two percentual points. Then, until 2008, the values slightly decreased, but they never were under 22.5%. Later, in 2009, after the Global Financial Crisis of 2008, the RTB fell to around 18% and since then, the RTB values between

Canada and the USA had been fluctuating between almost 17% and almost 19.6%. Although it is true that the comparative advantage is higher in the beginning and decreases through the whole period, the RTB is never below 15%, still meaning that Canada has a comparative advantage over the USA.

This indicator reinforces the previous studies and the conclusions made in Figure 7.1. where the enormous trade flows between both countries were observed, showing Canada's position as a net exporter to the USA, meaning that it sells more to its neighboring country than what it buys from them.

7.1.   DISAGGREGATED ANALYSIS BY SECTIONS

As previously seen in Chapter 6, the USA is Canada's first export destination and import source. Once this strong relation has been observed, a disaggregated analysis will be carried out next in order to know which are the most important exchanged commodities between Canada and its biggest trading partner, the USA. The correspondent division will be done as previously seen in the Methodology, selecting one of the three classifications offered by the UN Comtrade database. In this paper, Revision 3 of the Standard International Trade Classification (SITC) has been selected with the one-digit code structure so that the exchanged commodities are divided into ten Sections. Table 7.3. shows the Section classification inside SITC, Revision 3.

Table 7.3.- SITC Revision 3. One-digit code structure

SECTIONS	SITC Revision 3
0	Food and live animals
1	Beverages and tobacco
2	Crude materials, inedible, except fuels
3	Mineral fuels, lubricants and related materials
4	Animal and vegetable oils, fats and waxes
5	Chemicals and related products
6	Manufactured goods classified chiefly by materials
7	Machinery and transport equipment
8	Miscellaneous manufactured articles
9	Commodities and transactions not classified elsewhere in the SITC

Source: UN Comtrade Database

In the later analysis, both trading volumes, imports and exports have been divided into these ten Sections. The results of each Section's participation can be observed in Table 7.4. and Figure 7.3 in the case of exports, while in the case of imports, results are represented in Table 7.5. and Figure 7.4.

7.1.1. CANADA'S EXPORTS TO THE USA (2000-2020)

Starting with the exports analysis, we can easily observe in Figure 7.3. that Section 7 (machinery and transport equipment) leads the classification, with values that go from around 42% in 2000 to around 27% in 2020. Besides being the biggest Section, its participation has decreased by more than one-third throughout the studied period. Then, Section 3 (mineral fuels, lubricants and related materials), also known as energy products, grew by seven percentual points, from around 15% in 2000 to around 22% in 2020. Third, Section 6 (manufactured goods classified chiefly by materials), starts the studied period in 2000 with almost 14.5% of participation and finishes in 2020 with under 13.5%, decreasing 1 percentual point from 2000 to 2020.

Afterwards, Sections 8 and 9 with similar values of participation at the beginning of the analyzed period. Section 9 (commodities and transactions not classified elsewhere in the SITC), starts slightly above 7% in 2000, and its participation fluctuates along the entire period. On the other side, Section 8 (miscellaneous manufactured articles) with a declining tendency, decreases from almost 7% in 2000 to almost 6% in 2020.

Sections 2 and 5 also have similar participating values in 2000, both at around 5% of Canada's exports to the USA. Besides that, their evolution varies. Section 2 (crude materials, inedible, except fuels) slightly decreases with fluctuations around 3.50% and 5%. Meanwhile, Section 5 (chemicals and related products) almost doubles its initial value, increasing from 5% in 2000 to 9% in 2020. Another growing Section was Section 0 (food and live animals), doubling its initial value.

Sections under 1% of participation in exports from Canada to the USA, Sections 4 and 1. In 2000, they are difficult to be graphically identified, but along the studied period, they are easier to notice, although their percentages are still really small. Section 4 (animal and vegetable oils, fats and waxes) experiences an important increase in relative terms as it grows by around 450% from its initial value from 2000 to 2020. In absolute terms, this growth is not that noticeable, changing from less than 0.15% in 2000 to over 0.7% in

2020. Lastly, Section 1 (beverages and tobacco), experiencing a really small growth, changes from being slightly under 0.4% of participation in 2000 to slightly above 0.4% in 2020.

To sum up, Canada's exports to the USA are mainly products related to machinery and transport equipment (Section 7), energy products (Section 3), and manufactured goods (Sections 6 and 8) occupying more than 75% of the total exports from Canada to the USA. Then, occupying almost 10%, food and live animals (Sections 0). The rest, mainly includes Section 9 (commodities and transactions not classified elsewhere in the SITC).

Figure 7.3.- Canada's exports to the USA. Division by Sections (SITC Rev. 3) (2000-2020)
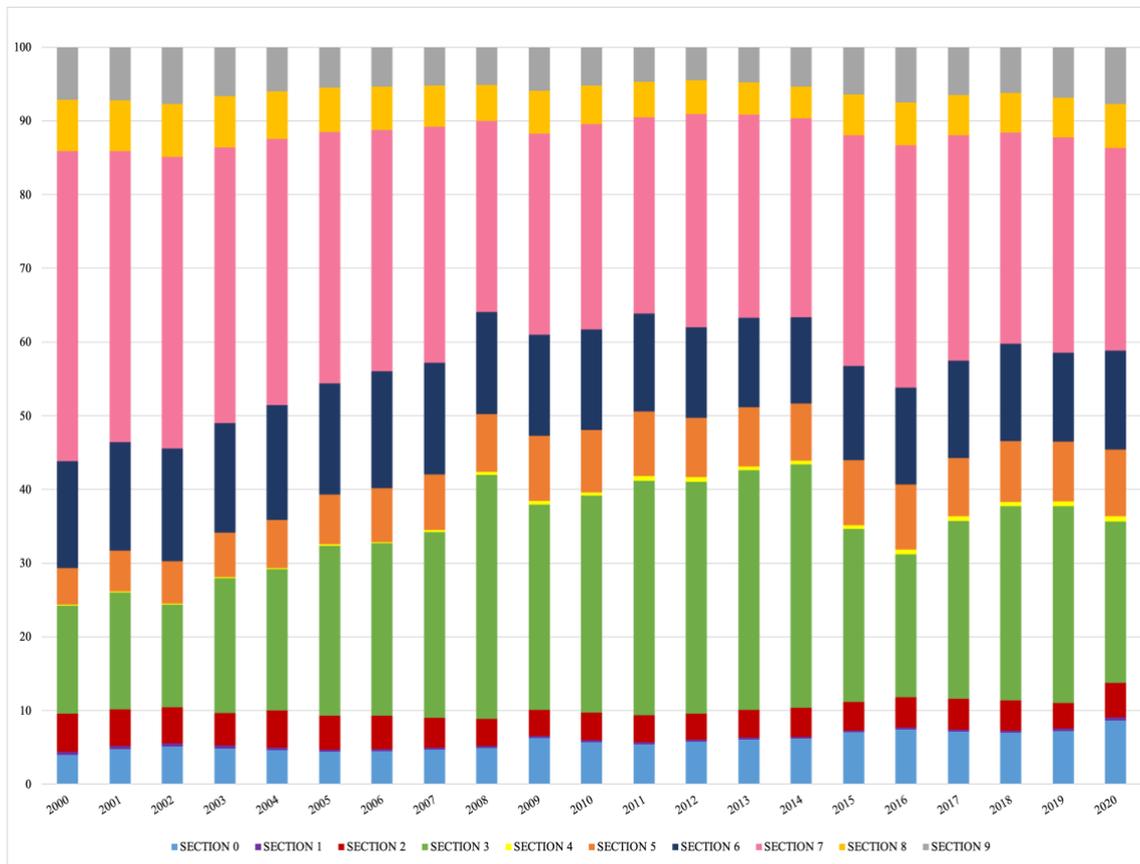
Source: Own elaboration with data from UN Comtrade.

7.1.2. CANADA'S IMPORTS FROM THE USA (2000-2020)

In the case of imports, through Figure 7.4. we can observe the evolution and leading Sections of the incoming imports to Canada from the USA. This time, Section 7 (machinery and transport equipment) leads the classification in a noticeable way.

On this occasion, Section 7 also experiences a decrease, changing from around 54% in 2000 to almost 40% in 2020. Besides this decline of 14 percentage points, Section 7 continues leading the classification throughout the entire studied period.

With smaller participation, Section 6 (manufactured goods classified chiefly by materials) is the second biggest Section in the imports' classification. With a declining tendency, this Section decreases from being above 14.5% in 2000 to under 12.4% in 2020. Then, Sections 5 and 8 with similar values in 2000, both around 10%. Regarding their individual evolutions, both have different tendencies. While Section 5 (chemicals and related products) increases by more than half its initial value, Section 8 (miscellaneous manufactured articles) decreases by almost 30% its initial value. As a result, in 2020, Section 5 occupies around 14% of total imports, while Section 8 occupies less than 7.5% of the total.

Following the classification, Section 0 (food and live animals), with an increase of 5 points throughout the studied period, changed from under 4.3% in 2000 to above 9.2% in 2020. Then, Section 2 (crude materials, inedible, except fuels) with a constant growth at around 2.8% throughout the analyzed period. After them, Sections 3 and 9 with similar starting values in 2000, between 1.5% and 2%. Similarly, they both increase throughout the studied period, although at different rhythms. Section 3 (mineral fuels, lubricants and related materials) experiences the biggest growth among all Sections. From 2000 to 2020, Section 3 triples its initial value, occupying more than 8% of the total in 2020. Regarding Section 9 (commodities and transactions not classified elsewhere in the SITC), it almost doubles its initial value, ending above 5.5% in 2020.

The Sections with the lowest initial values are Sections 1 and 4, both under 0.25%. While Section 4 (animal and vegetable oils, fats and waxes) grows until surpassing 0.15% in 2020, Section 1(beverages and tobacco) triples its initial value, growing from around 0.25% to around 0.75%.

All in all, Canada's main imports from the USA are concentrated in machinery and transport equipment (Section 7), with the highest participation. Following them, manufactured goods (Section 6 and 8) and chemicals (Section 5) with noticeable lower percentages. All of them occupy around 80% of the total volume. Besides the decreasing tendency, Section 7 maintains its leading position with important participation volumes. In the meantime, energy products (Section 3) and live animals (Section 0) gained importance, occupying above 12% of the total participation. The rest includes raw materials (Sections 2 and 4), beverages and tobacco (Section 1) and commodities and transactions not classified elsewhere in the SITC (Section 9).

Figure 7.4.- Canada's imports from the USA. Division by Sections (SITC Rev.3) (2000-2020)
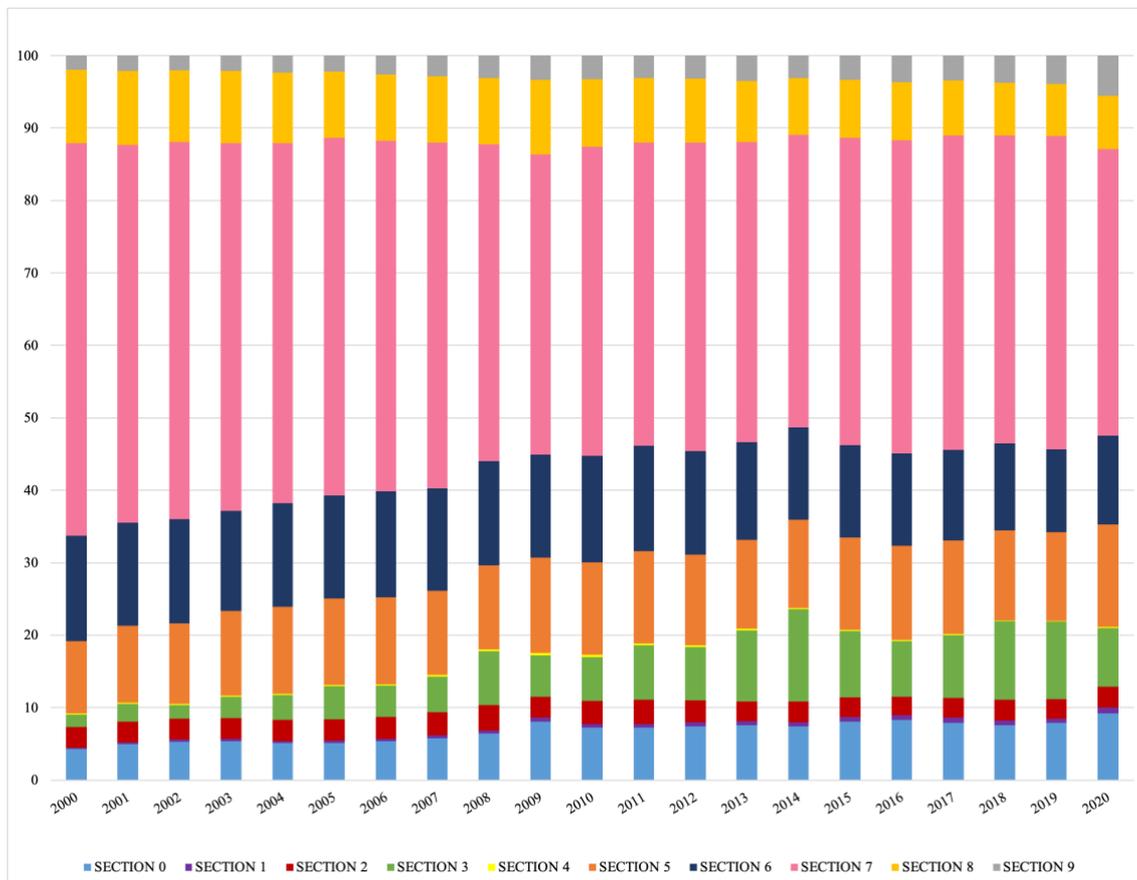
Source: Own elaboration with data from UN Comtrade.

7.2.   RELATIVE TRADE BALANCE. PRODUCT DIVISION (2000-2020)

Once seen the results obtained by the previous analysis regarding the Revealed Comparative Advantage index (RTB) between Canada and the USA indicating a comparative advantage of Canada over its neighboring country, a further analysis will be carried out in order to identify the SITC Sections where Canada can have a comparative advantage or disadvantage over the USA.

This index can be expressed mathematically as follows:

$$RTB_i^k = \frac{(X_{ij}^k - M_{ij}^k)}{(X_{ij}^k + M_{ij}^k)} \times 100$$

Where:

-   X_{ij}^k refers to the exports from country i (Canada) to country j (the USA) of Section k
-   M_{ij}^k refers to the imports from country j (the USA) to country i (Canada) of Section k

The obtained results range between -100 and +100. The nearer to +100, the better, as it is understood as a comparative advantage (Canada over the USA in this case) in the exchange of the products inside the analyzed Section. The nearer to -100, the worse, as it is understood as a comparative disadvantage (Canada over the USA in this case) in the exchange of the products inside the analyzed Section. Table 7.6. (APPENDIX I) and Figure 7.5. show the obtained results and their evolution.

Figure 7.3. shows that Canada has a commercial advantage over the USA in almost every Section except for Section 1 and Section 5. In the meantime, some Sections have experienced important changes, while others have maintained their RTB around similar values.

Starting with the Sections that have not experienced an important change throughout the studied period: Section 2, Section 6 and Section 0, Section 7 and Section 5. From up to down, Section 2 (crude materials, inedible, except fuels) started with an RTB of almost 50% that continued with a decrease and a fluctuation in values between 23% and 40%. Section 6 (manufactured goods classified chiefly by materials) and Section 0 (food and

live animals) had a parallel evolution, although Section 6 has always had higher values than Section 0 they both increased and decreased at the same time.

In the case of Section 7 (machinery and transport equipment), it starts with an RTB value of around 10% that slowly decreases, arriving at negative RTB values in 2008. Since then, Section 7 has been fluctuating around zero for the rest of the studied period. In the end, what is important is that despite being the most exchanged Section, Section 7 starts the period being a competitive advantage of Canada over the USA. Besides not giving Canada as much of a competitive advantage over the USA as others, Section 7 ended the studied period as a competitive disadvantage.

Finally, Section 5 (chemicals and related products), with constant negative RTB values. Although they have indeed reduced from under -10% in 2000 to around -4% in 2020, with sometimes values near to zero, this Section can be understood as a comparative disadvantage for Canada during the entire period.

Continuing with the exchanged Sections between Canada and the USA that have experienced important variations during the studied period: Section 3, Section 9, Section 1, Section 4 and Section 8. From up to down, Section 3 (mineral fuels, lubricants and related materials), with the highest percentage at the beginning of the studied period, meaning a high comparative advantage over the USA in the exchange of the products inside that Section, with an RTB above 80%. This position is maintained despite the decreasing tendency until 2013 when it is surpassed. Since then, Section 3 maintains the second position with values under 60%.

Then, Section 9 (commodities and transactions not classified elsewhere in the SITC) starts with a high RTB but it also declines throughout time, with an important decrease, from around 70% in 2000 to not even 40% in 2020 and changing from an initial second position to a final fourth position as a comparative advantage of Canada over the USA.

Section 1 (beverages and tobacco) suffered the biggest change inside the RTB evolution. It started as the fourth biggest comparative advantage for Canada over the USA with an RTB above 40% to a comparative disadvantage since 2008. From there on, it has fluctuated in values between -10% and -30% and besides a slight recovery, in the present moment, the exchange of this Section's products still represents the biggest commercial disadvantage for Canada over the USA.

Following the enumeration, the opposite to the previous case, Section 4 (animal and vegetable oils, fats and waxes). The exchange of this Section's products has always supposed a comparative advantage, doubling its initial value between 2000 and 2008 from around 25% to around 50%. Then, it decreased to almost 40% in 2009, probably as a consequence of the Global Financial Crisis of 2008. But, it stayed constant around that value before rapidly increasing in 2011. Since then, Section 4 has been in values between 70% and 80%. It is the case with the highest growth and since 2014, is in the exchange of this Section's products where Canada has the biggest comparative advantage over the USA.

Finally, Section 8 (miscellaneous manufactured articles) starting with an RTB under 5%. In the meantime, this Section has fluctuated between positive and negative values. Especially between 2011 and 2014, under -10% and between 2017 and 2020 at above 5%.

Figure 7.5.-RTB (Canada-USA) SITC Rev.3

Source: Own elaboration with data from UN Comtrade.

61
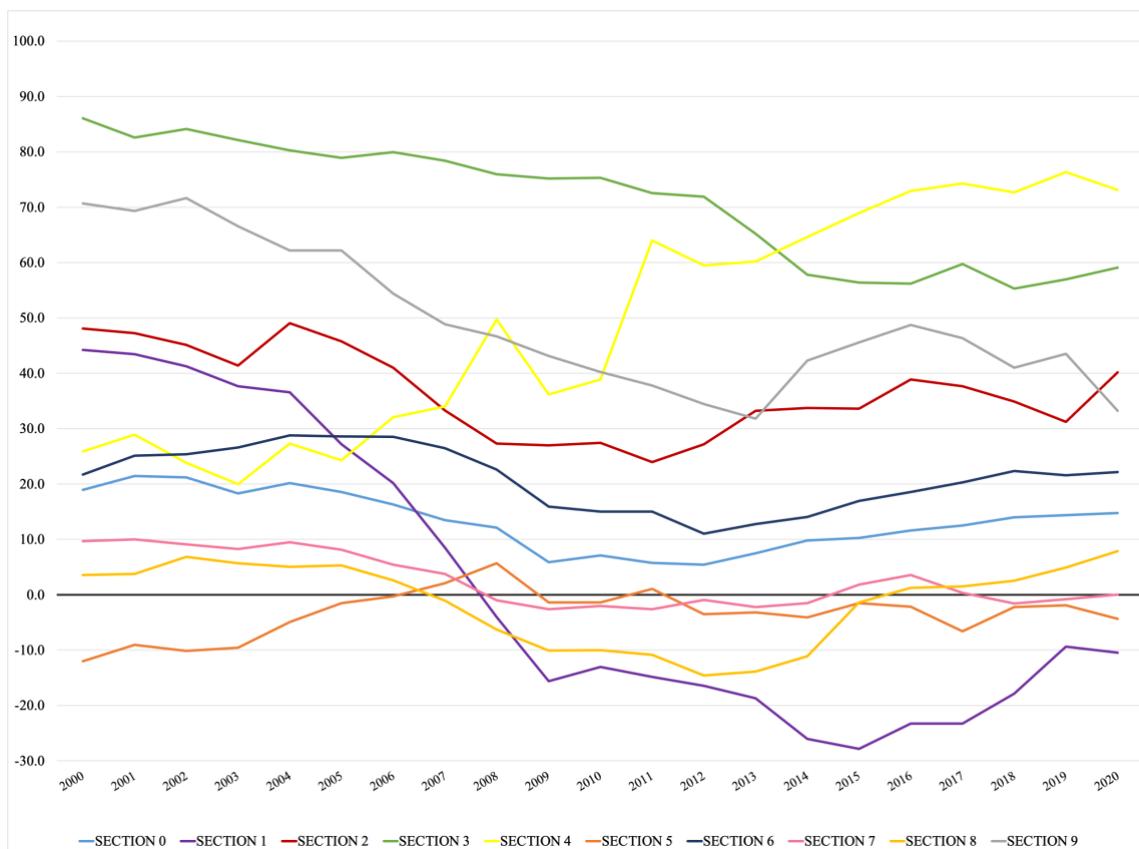
All in all, Canada's trade flows have become something to keep an eye on, especially regarding the dependence on the trade relations with the USA. In both, imports and exports, machinery and transport equipment (Section 7), as well as manufactured goods (Sections 6 and 8) are the dominant Sections. These sectors have a decreasing presence throughout the studied time.

In this sense, some authors Leach (2021; Nye et al., 2021) see especially in the case of machinery and transport equipment (Section 7), that the incoming competition from other countries that provide the same goods but at cheaper costs can directly contribute to Canada's relative loss of its global competitiveness.

On the other hand, the increasing tendency of Section 0 (live animals) in Canada's exports could have occurred due to the expansion of Canada's agri-food industry, a large expanding sector especially in terms of logistics and agriculture technology (Ag-tech) (Béchamp, 2021).

As seen, global supply chains are being reshaped due to new trade necessities, which prioritize clean energies and knowledge-intensive services such as aerospace, communications and electronics. In this way, some authors (Sikder et al., 2019) defend that Canada could have access to an emerging opportunity in these potential market niches. Regarding the incoming global tendencies toward a "low-carbon world" with zero-gas emissions and a sustainable environment. In this scenario, Canada could access a potential opportunity through renewable energies enlarging Section 3 (energy products) as well as its significant position in the energetic sector (Lane, 2017). Apparently in this situation, Canada seems to be working on plans and strategies that reinforce its global position.

8. CONCLUSIONS

This project had the aim of analyzing the evolution of Canada's trade flows during the period 2000-2020. In this way, a study of the country's context was first carried out and later on, an empirical analysis with data was developed. That is the reason why this project is divided into two very different blocks.

The first one includes Chapters 3 and 4, where the transformations that were carried out in Canada since its independence were explained first, including the different expansion projects so as the construction of the railway, the energy transition or its process of urbanization. Also, Canada's position in different historical events such as the Cold War were explained, as well as when being part of the creation of international organizations such as the GATT or the UN. In addition, the impact of immigration has been analyzed as an important axis in Canada's economic development, highlighting the multicultural origin of the Canadian society and its evolution. The distribution of the country's economic activity has been analyzed in both ways, by sectors and geographically. Later on, a description of Canada's principal Free Trade Agreements have been analyzed, observing each one's evolution, composition and objectives.

In the second block, Chapters 5, 6 and 7 have been included. Here Canada's trade flows from 2000 to 2020 have followed an empirical analysis. In Chapter 5 an aggregated analysis of the country's foreign trade was carried out. More specifically, the country's total trade flows and their growth, Canada's trade balance as a percentage of GDP and its degree of openness were studied. In all of them, the results obtained indicate a change from the first half of the period to the second, where Canada changed from being a very open country to closing itself over time. As indicated, the country began the period as a net exporter, with a notable difference between exports and imports. However, in the second half of the period, the volumes of both trade flows decreased, with imports slightly exceeding exports this time. In this way, Canada went from having positive and significant trade balance results in relation to its GDP, to having negative trade balance results at the end of the period, with values close to zero due to similar imports and exports exchanged quantities.

Chapters 6 and 7 include a disaggregated analysis of Canada's trade flows. In Chapter 6, a geographical disaggregation of the country's imports and exports has been carried out, observing a strong concentration in their distribution. Consequently, the most relevant

conclusion of this part of the work is the leading role of the USA in Canada's trade flows. The USA is Canada's main destination for exports and its main origin for imports, with a large difference in participation compared to the rest of Canada's trading partners. The USA's participation, despite having a decreasing tendency almost since the beginning of the period, in the present, it still represents almost 50% of imports and almost 75% of exports. Regarding the rest of Canada's trading partners, China and Mexico stand out especially in imports, with a growing tendency almost since the beginning of the studied period and currently with almost 15% and more than 5% of participation respectively in Canada's total volume. While in exports, China and the United Kingdom stand out, with a growing tendency in both countries since the beginning of the period, occupying almost 5% and 4% respectively of Canada's total volume, supposing an important increase in relative terms but being very small export quotas in absolute terms.

After having verified, both in the first block (from a historical point of view), and in section 6 (through data analysis) the importance of trade between Canada and the USA, it was decided to deepen the study of both countries and their foreign trade relations between them. In order to do this, in Chapter 7, an aggregate study of the trading exchanges between both countries was carried out. In this analysis it was discovered through the calculation of the trade balance, that during the twenty analyzed years, the evolution of trade flows exchanged between Canada and the USA shows wide differences between the first and the second half of the period. Until 2009, exchanges between both countries remarkably grew. While, later on, and until 2020, the exchanges fluctuated in quantities that were notably lower than the previous ones. Despite this, the exchanged volumes between both countries continued to be large. During the entire period, the value of Canada's exports to the USA exceeded the value of its imports from the USA, meaning a trade surplus for Canada, indicating that is a net exporter over its neighboring country throughout the studied period. Next, the Relative Trade Balance (RTB) was calculated, which measures, additionally to what the trade balance indicates, a country's importance over the total exchanges between the two countries. The results obtained from this indicator indicate positive values throughout the study period, which can be understood as a comparative advantage of Canada over the neighboring country.

To deepen in this analysis and to find out which products are the main exchanged products between both countries, a disaggregated analysis by products was then carried out. Consequently, a disaggregation was made following the one-digit division of the SITC

Revision 3, that is, dividing by ten Sections both, exports and imports between Canada and the USA. In the results obtained, it was clearly observable the leading role of the products belonging to Section 7 (machinery and transport equipment), both in exports and imports. In the case of exports, it currently occupies almost 30%, and together with Section 3 (fuels and lubricants, minerals and related products) and Sections 6 and 8 (manufactured articles) they form more than 75% of the total exchanged volume of exports from Canada to the USA. It is worth highlighting the growth of Section 0 (food products and live animals), currently occupying almost 10% of the total.

Regarding imports, Section 7 (machinery and transport equipment) is also the most important Section, this time with a volume of almost 40% in the present. Following Section 7, although with less participation, Sections 6 and 8 (manufactured articles) and Section 5 (chemical products and related products). Between all of them, they account for around 80% of the total imports between Canada and the USA. With a decreasing trend in Section 7, they are in this case Section 3 (fuels and lubricants, minerals and related products) and Section 0 (food products and live animals) the ones that experience the greatest growth, occupying both of them more than 12% of participation at the end of the period studied.

After studying the disaggregated distribution by Sections of the exports and imports between Canada and the USA, an attempt was made in order to study by Sections, Canada's competitive advantage or disadvantage over the USA. As a result, the Relative Trade Balance (RTB) was used, this time relative to the ten SITC Sections. In this way, it could be observed in which products or groups of products Canada could have a trade advantage or disadvantage over the USA. After obtaining the results, it was possible to observe that Section 7 (machinery and transport equipment), despite being the Section with the highest exchanged volume, it did not imply as much of a comparative advantage for Canada over the USA as expected. It is clearly seen that it goes from positive values in the first third of the period to fluctuating around zero, which indicates a small advantage or disadvantage during a large time of the period. Instead, the RTB values of Section 3 (fuels and lubricants, minerals and related products), Section 1 (beverages and tobacco) and Section 4 (oils, fats and waxes of animal and vegetable origin) stand out. First, Section 3 (fuels and lubricants, minerals and related products) starts as the Section that offers the greatest comparative advantage for Canada when being exchanged with the USA with an RTB value close to 90%. However, its decreasing tendency places this

Section in second place in 2014, despite still having high values offering a comparative advantage over the USA of around 60%. On the other hand, the RTB of Section 1 (beverages and tobacco) experiences one of the greatest changes in the evolution of this indicator, going from being the fourth Section that offers the greatest comparative advantage for Canada at the beginning of the period to being the Section that offers the greatest comparative disadvantage for the country in the exchange of its products with the USA at the end of it. Their values have gone from more than 40% at the beginning of the period to around -10% at the end. On the opposite side is Section 4 (animal and vegetable oils, fats and waxes), which has always been a Section in which Canada had a comparative advantage over the USA. Besides that, it represents the most significant growth: from a fifth position (with an RTB below 30% at the beginning of the period), it has increased to an RTB above 70% in the last year, more than doubling its initial value. Currently, Canada's greatest trade advantage with the USA is found in the exchange of the products belonging to this Section.

All in all, it could be completed by saying that Canada is a country in which foreign trade has occupied an important part of the country's economy and its evolution. Through international cooperation, it seeks to open up its range of trading partners, which is currently led by the United States. Through different indicators, it has been observed that Canada has reduced its foreign trade activity in general terms during the analyzed period, with a declining tendency after the Global Financial Crisis of 2008. Despite this, it continues to try to open new market channels and diversify its exchanged volumes. China is rapidly rising as a trading partner, especially as a source of Canada's imports. In spite of everything, the United States continues to be Canada's main trading partner. With a high and consolidated relationship between both of them, it can be said that Canada has a position of commercial advantage over the USA in aggregated terms and also in disaggregated terms, in most of the studied Sections.

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APPENDIX I: TABLES

Table 5.1.- Canada's GDP (2000-2020)

Year	GDP (current US$)	GDP deflator (2015=100)	GDP (constant US$)
2000	744,773,415,932	82.60	901,662,731,152
2001	738,981,792,355	84.30	876,609,480,849
2002	760,649,334,098	86.10	883,448,703,947
2003	895,540,646,635	88.20	1,015,352,207,069
2004	1,026,690,238,278	88.00	1,166,693,452,589
2005	1,173,108,598,779	89.40	1,312,202,012,057
2006	1,319,264,809,591	90.30	1,460,979,855,582
2007	1,468,820,407,783	89.10	1,648,507,752,843
2008	1,552,989,690,722	92.70	1,675,285,534,759
2009	1,374,625,142,157	90.50	1,518,922,809,014
2010	1,617,343,367,486	93.10	1,737,210,921,038
2011	1,793,326,630,175	96.10	1,866,104,714,021
2012	1,828,366,481,522	97.30	1,879,102,242,057
2013	1,846,597,421,835	99.00	1,865,249,921,045
2014	1,805,749,878,440	100.90	1,789,643,090,624
2015	1,556,508,816,217	100.00	1,556,508,816,217
2016	1,527,994,741,907	100.80	1,515,867,799,511
2017	1,649,265,644,244	103.30	1,596,578,552,027
2018	1,725,329,192,783	105.00	1,643,170,659,793
2019	1,742,015,045,482	106.60	1,634,160,455,424
2020	1,645,423,407,568	107.40	1,532,051,589,915

Source: Own elaboration with data from UN Comtrade and World Bank.

Table 5.2.- Canada's exports, imports and their annual growth rates (2000-2020)

Year	Total exports (current US$)	Total exports (constant US$)	Annual growth rate. Exports (%)	Total imports (current US$)	Total imports (constant US$)	Annual growth rate. Imports (%)
2000	277,419,920,540	335,859,467,966	-	240,088,243,660	290,663,733,245	-
2001	261,058,774,883	309,678,262,020	-7.80	221,623,728,694	262,898,847,798	-9.55
2002	252,584,259,640	293,361,509,454	-5.27	222,440,059,139	258,350,823,623	-1.73
2003	272,229,685,914	308,650,437,544	5.21	240,376,249,487	272,535,430,257	5.49
2004	317,161,191,588	360,410,444,986	16.77	273,873,699,602	311,220,113,184	14.19
2005	360,552,446,268	403,302,512,604	11.90	314,444,418,974	351,727,538,002	13.02
2006	388,178,675,701	429,876,717,277	6.59	350,257,149,912	387,881,672,106	10.28
2007	419,881,603,949	471,247,591,413	9.62	380,646,621,997	427,212,819,301	10.14
2008	455,632,184,179	491,512,604,292	4.30	408,762,167,569	440,951,637,076	3.22
2009	315,176,831,385	348,261,692,138	-29.14	321,227,567,706	354,947,588,625	-19.50
2010	386,579,899,704	415,230,826,750	19.23	392,108,702,461	421,169,390,398	18.66
2011	450,430,007,647	468,709,685,377	12.88	450,579,509,089	468,865,253,995	11.32
2012	454,098,967,492	466,699,863,815	-0.43	462,366,181,402	475,196,486,539	1.35
2013	456,598,271,021	461,210,374,769	-1.18	461,785,073,454	466,449,569,145	-1.84
2014	475,177,176,344	470,938,727,794	2.11	463,088,976,833	458,958,351,668	-1.61
2015	408,697,323,603	408,697,323,603	-13.22	419,374,729,376	419,374,729,376	-8.62
2016	388,853,141,939	385,767,005,892	-5.61	402,287,821,924	399,095,061,433	-4.84
2017	420,074,382,189	406,654,774,626	5.41	433,045,052,733	419,211,086,866	5.04
2018	450,392,396,468	428,945,139,493	5.48	459,945,043,260	438,042,898,343	4.49
2019	445,492,736,489	417,910,634,605	-2.57	453,630,813,647	425,544,853,327	-2.85
2020	388,376,909,073	361,617,233,774	-13.47	404,862,596,764	376,967,036,093	-11.42

Source: Own elaboration with data from UN Comtrade and World Bank.

Table 5.3.- Canada's principal trade indicators (2000-2020)

Year	Export propensity (%)	Import propensity (%)	Openness index (%)	Trade Balance (% GDP)
2000	37.25	32.24	69.49	5.01
2001	35.33	29.99	65.32	5.34
2002	33.21	29.24	62.45	3.96
2003	30.40	26.84	57.24	3.56
2004	30.89	26.68	57.57	4.22
2005	30.73	26.80	57.54	3.93
2006	29.42	26.55	55.97	2.87
2007	28.59	25.92	54.50	2.67
2008	29.34	26.32	55.66	3.02
2009	22.93	23.37	46.30	-0.44
2010	23.90	24.24	48.15	-0.34
2011	25.12	25.13	50.24	-0.01
2012	24.84	25.29	50.12	-0.45
2013	24.73	25.01	49.73	-0.28
2014	26.31	25.65	51.96	0.67
2015	26.26	26.94	53.20	-0.69
2016	25.45	26.33	51.78	-0.88
2017	25.47	26.26	51.73	-0.79
2018	26.10	26.66	52.76	-0.55
2019	25.57	26.04	51.61	-0.47
2020	23.60	24.61	48.21	-1.00

Source: Own elaboration with data from UN Comtrade and World Bank.

Table 6.1.- Canada's exports. Principal trade partners and their export share (%) (2000-2020)

	USA	JAPAN	UK	CHINA	GERMANY	SOUTH KOREA	BELGIUM	MEXICO	FRANCE	ITALY	NETHERLANDS	HONG KONG	OTHERS
2000	87.13	2.20	1.39	0.88	0.76	0.55	0.50	0.49	0.46	0.42	0.35	0.32	4.54
2001	87.05	2.06	1.25	1.06	0.73	0.50	0.48	0.68	0.54	0.41	0.39	0.31	4.56
2002	87.13	2.11	1.12	1.04	0.75	0.51	0.48	0.61	0.51	0.38	0.45	0.30	4.62
2003	85.73	2.15	1.60	1.26	0.76	0.52	0.48	0.58	0.57	0.45	0.43	0.31	5.14
2004	84.44	2.08	1.88	1.64	0.65	0.55	0.55	0.75	0.58	0.42	0.47	0.34	5.66
2005	83.81	2.10	1.89	1.65	0.74	0.65	0.53	0.77	0.58	0.44	0.50	0.33	5.99
2006	81.55	2.14	2.30	1.77	0.90	0.75	0.55	0.99	0.65	0.43	0.70	0.37	6.91
2007	78.98	2.05	2.84	2.11	0.85	0.67	0.66	1.10	0.69	0.57	0.90	0.34	8.23
2008	77.65	2.30	2.69	2.17	0.93	0.79	0.71	1.21	0.67	0.48	0.77	0.37	9.27
2009	75.03	2.32	3.36	3.11	1.03	0.98	0.53	1.34	0.75	0.50	0.77	0.42	9.88
2010	74.87	2.31	4.11	3.33	0.95	0.93	0.54	1.26	0.59	0.48	0.82	0.47	9.34
2011	73.65	2.39	4.21	3.77	0.86	1.14	0.54	1.23	0.69	0.44	1.08	0.66	9.33
2012	74.49	2.28	4.13	4.27	0.75	0.82	0.51	1.19	0.75	0.38	1.00	0.54	8.89
2013	75.79	2.26	2.97	4.36	0.70	0.74	0.54	1.16	0.67	0.42	0.76	1.04	8.59
2014	76.80	2.05	2.90	3.67	0.57	0.79	0.67	1.08	0.63	0.79	0.73	0.87	8.44
2015	76.72	1.87	3.05	3.86	0.66	0.77	0.60	1.26	0.60	0.44	0.68	0.75	8.74
2016	76.23	2.08	3.32	4.07	0.76	0.85	0.62	1.48	0.66	0.45	0.55	0.45	8.47
2017	75.84	2.17	3.25	4.33	0.74	0.97	0.65	1.44	0.63	0.42	0.58	0.41	8.59
2018	74.93	2.22	2.85	4.75	0.81	1.01	0.65	1.41	0.59	0.53	0.81	0.67	8.79
2019	75.35	2.13	3.35	3.94	1.03	0.94	0.54	1.24	0.61	0.55	0.88	0.67	8.77
2020	73.25	2.38	3.82	4.86	1.16	0.90	0.53	1.18	0.71	0.72	1.05	0.36	9.08

Source: Own elaboration with data from UN Comtrade.

Table 6.3.- Canada's imports. Principal trade partners and their import share (%) (2000-2020)

	USA	JAPAN	UK	MEXICO	CHINA	GERMANY	SOUTH KOREA	NORWAY	FRANCE	ITALY	MALAYSIA	AUSTRALIA	BRAZIL	HONG KONG	OTHERS
2000	64.35	4.66	3.64	3.39	3.16	2.18	1.45	1.22	1.17	1.03	0.70	0.43	0.42	0.41	11.79
2001	63.62	4.27	3.42	3.53	3.71	2.33	1.34	1.02	1.61	1.17	0.55	0.47	0.45	0.36	12.15
2002	62.61	4.42	2.79	3.65	4.59	2.38	1.39	1.13	1.68	1.27	0.58	0.49	0.55	0.29	12.18
2003	60.64	4.11	2.74	3.63	5.53	2.57	1.52	1.28	1.51	1.37	0.68	0.49	0.59	0.26	13.08
2004	58.72	3.80	2.71	3.78	6.77	2.65	1.64	1.39	1.50	1.28	0.74	0.52	0.66	0.20	13.63
2005	56.49	3.89	2.74	3.83	7.75	2.70	1.41	1.59	1.31	1.21	0.69	0.46	0.83	0.15	14.97
2006	54.87	3.86	2.74	4.03	8.69	2.81	1.45	1.37	1.30	1.24	0.74	0.40	0.86	0.13	15.50
2007	54.23	3.80	2.82	4.22	9.41	2.82	1.32	1.32	1.25	1.24	0.72	0.44	0.82	0.13	15.47
2008	52.36	3.52	2.89	4.12	9.82	2.93	1.39	1.43	1.39	1.18	0.67	0.38	0.62	0.11	17.17
2009	51.13	3.38	2.57	4.52	10.86	2.96	1.62	0.98	1.54	1.22	0.63	0.44	0.71	0.10	17.33
2010	50.38	3.33	2.65	5.47	11.03	2.80	1.52	0.70	1.35	1.15	0.57	0.40	0.82	0.09	17.74
2011	49.53	2.93	2.32	5.51	10.80	2.87	1.48	0.97	1.24	1.14	0.48	0.40	0.87	0.07	19.39
2012	50.63	3.25	1.85	5.52	10.98	3.09	1.38	0.81	1.09	1.13	0.48	0.45	0.86	0.06	18.42
2013	52.11	2.89	1.77	5.61	11.09	3.24	1.54	0.80	1.13	1.23	0.46	0.38	0.76	0.05	16.94
2014	54.38	2.60	1.80	5.63	11.46	3.12	1.41	0.39	1.16	1.25	0.47	0.28	0.68	0.05	15.31
2015	53.22	2.76	1.72	5.82	12.25	3.24	1.54	0.32	1.27	1.38	0.49	0.31	0.70	0.06	14.94
2016	52.18	2.96	1.55	6.22	12.07	3.23	1.99	0.30	1.11	1.41	0.49	0.38	0.72	0.06	15.32
2017	51.40	3.12	1.58	6.31	12.62	3.20	1.53	0.38	1.10	1.45	0.50	0.34	0.84	0.07	15.57
2018	51.12	2.83	1.55	6.17	12.68	3.20	1.59	0.37	1.21	1.51	0.50	0.35	0.92	0.06	15.94
2019	50.72	2.74	1.53	6.15	12.46	3.21	1.58	0.25	1.46	1.57	0.47	0.39	0.90	0.06	16.50
2020	48.84	2.49	1.44	5.52	14.09	3.18	1.77	0.22	1.19	1.66	0.56	0.43	1.21	0.11	17.29

Source: Own elaboration with data from UN Comtrade.

Table 7.1.- Trade Balance. Canada-USA (2000-2020)

Year	Trade balance (constant US$)
2000	105,607,183,958
2001	102,306,719,069
2002	93,837,030,411
2003	99,348,194,481
2004	121,564,992,320
2005	139,328,694,861
2006	137,739,272,730
2007	140,474,582,946
2008	150,740,270,542
2009	79,817,845,379
2010	98,680,418,852
2011	112,989,097,447
2012	107,075,267,510
2013	106,485,672,694
2014	112,135,795,208
2015	90,370,714,407
2016	85,832,219,120
2017	92,930,721,692
2018	97,470,976,051
2019	99,077,938,251
2020	80,772,321,944

Source: Own elaboration with data from UN Comtrade.

Table 7.2.- RTB Canada-USA. Geographic division (2000-2020)

Year	RTB (CA-USA)
2000	22.02
2001	23.42
2002	22.48
2003	23.11
2004	24.96
2005	25.96
2006	24.45
2007	23.26
2008	24.61
2009	18.03
2010	18.87
2011	19.57
2012	18.20
2013	17.97
2014	18.34
2015	16.84
2016	17.09
2017	17.74
2018	17.87
2019	18.67
2020	17.99

Source: Own elaboration with data from UN Comtrade.

Table 7.4.- Canada's exports to the USA. SITC Revision 3 (one-digit code) (2000-2020)

	SECTION 0	SECTION 1	SECTION 2	SECTION 3	SECTION 4	SECTION 5	SECTION 6	SECTION 7	SECTION 8	SECTION 9
2000	3.99	0.39	5.16	14.66	0.13	5.01	14.49	42.06	6.97	7.13
2001	4.75	0.43	4.96	15.88	0.13	5.53	14.70	39.55	6.86	7.20
2002	5.16	0.41	4.83	13.97	0.15	5.75	15.25	39.56	7.22	7.70
2003	4.85	0.41	4.40	18.28	0.16	6.05	14.84	37.44	6.95	6.62
2004	4.61	0.37	5.05	19.14	0.19	6.51	15.59	36.09	6.47	5.98
2005	4.38	0.30	4.64	23.05	0.15	6.81	15.06	34.11	6.03	5.46
2006	4.50	0.30	4.47	23.41	0.18	7.28	15.89	32.75	5.86	5.37
2007	4.72	0.27	4.02	25.23	0.24	7.58	15.15	32.02	5.56	5.22
2008	4.93	0.25	3.70	33.05	0.44	7.88	13.79	25.92	4.89	5.15
2009	6.26	0.31	3.48	27.92	0.44	8.88	13.69	27.30	5.83	5.89
2010	5.67	0.30	3.79	29.42	0.42	8.49	13.60	27.91	5.23	5.18
2011	5.45	0.28	3.65	31.77	0.67	8.78	13.24	26.69	4.82	4.67
2012	5.74	0.29	3.56	31.44	0.63	8.04	12.32	28.92	4.56	4.50
2013	6.08	0.29	3.73	32.47	0.54	8.04	12.10	27.58	4.41	4.76
2014	6.20	0.25	3.90	33.05	0.50	7.73	11.72	27.03	4.31	5.31
2015	7.04	0.27	3.83	23.48	0.55	8.77	12.84	31.30	5.51	6.40
2016	7.42	0.30	4.09	19.40	0.66	8.79	13.12	32.91	5.84	7.46
2017	7.13	0.29	4.13	24.16	0.66	7.88	13.24	30.55	5.47	6.48
2018	7.01	0.30	4.07	26.33	0.59	8.29	13.16	28.69	5.33	6.23
2019	7.20	0.35	3.49	26.71	0.61	8.11	12.08	29.20	5.43	6.82
2020	8.64	0.42	4.66	21.95	0.71	9.00	13.44	27.50	5.97	7.71

Source: Own elaboration with data from UN Comtrade

Table 7.5.- Canada's imports from the USA. SITC Revision 3 (one-digit code) (2000-2020)

	SECTION 0	SECTION 1	SECTION 2	SECTION 3	SECTION 4	SECTION 5	SECTION 6	SECTION 7	SECTION 8	SECTION 9
2000	4.26	0.24	2.83	1.72	0.12	9.98	14.58	54.20	10.16	1.92
2001	4.95	0.27	2.86	2.44	0.12	10.67	14.18	52.13	10.26	2.10
2002	5.30	0.27	2.89	1.90	0.14	11.14	14.34	52.07	9.94	2.01
2003	5.36	0.30	2.92	2.88	0.17	11.73	13.78	50.80	9.93	2.13
2004	5.10	0.29	2.87	3.49	0.18	11.95	14.35	49.71	9.74	2.32
2005	5.11	0.30	2.94	4.63	0.16	11.94	14.23	49.30	9.22	2.17
2006	5.33	0.33	3.08	4.30	0.16	12.06	14.56	48.41	9.17	2.61
2007	5.78	0.37	3.23	4.91	0.19	11.67	14.15	47.70	9.12	2.88
2008	6.39	0.44	3.50	7.46	0.24	11.62	14.39	43.69	9.16	3.09
2009	8.02	0.62	2.88	5.70	0.30	13.14	14.29	41.41	10.27	3.37
2010	7.20	0.57	3.16	6.08	0.27	12.79	14.72	42.62	9.37	3.23
2011	7.22	0.55	3.33	7.53	0.22	12.78	14.53	41.81	8.90	3.13
2012	7.44	0.58	2.95	7.44	0.23	12.47	14.27	42.61	8.85	3.17
2013	7.53	0.61	2.69	9.83	0.19	12.33	13.47	41.44	8.38	3.54
2014	7.38	0.61	2.81	12.81	0.15	12.16	12.79	40.37	7.80	3.12
2015	8.05	0.68	2.68	9.20	0.14	12.71	12.81	42.42	7.96	3.36
2016	8.30	0.69	2.54	7.68	0.14	12.96	12.72	43.28	8.04	3.63
2017	7.93	0.68	2.68	8.72	0.14	12.88	12.56	43.42	7.60	3.40
2018	7.59	0.63	2.82	10.88	0.13	12.44	11.98	42.51	7.28	3.74
2019	7.86	0.61	2.67	10.68	0.12	12.30	11.37	43.29	7.17	3.91
2020	9.23	0.75	2.86	8.12	0.16	14.13	12.32	39.54	7.33	5.56

Source: Own elaboration with data from UN Comtrade.

Table 7.6.- RTB Canada-USA. By Sections. SITC Revision 3 (one-digit code) (2000-2020)

	SECTION 0	SECTION 1	SECTION 2	SECTION 3	SECTION 4	SECTION 5	SECTION 6	SECTION 7	SECTION 8	SECTION 9
2000	18.96	44.24	48.06	86.09	25.87	-12.01	21.70	9.68	3.55	70.69
2001	21.45	43.48	47.27	82.59	28.89	-9.02	25.09	10.02	3.74	69.33
2002	21.19	41.28	45.15	84.14	23.86	-10.17	25.40	9.11	6.86	71.66
2003	18.27	37.67	41.38	82.11	19.96	-9.56	26.59	8.26	5.71	66.53
2004	20.16	36.55	49.07	80.27	27.32	-4.90	28.80	9.46	5.07	62.19
2005	18.57	27.18	45.79	78.89	24.27	-1.50	28.58	8.13	5.33	62.16
2006	16.27	20.16	41.03	79.92	32.06	-0.31	28.52	5.41	2.57	54.39
2007	13.47	8.54	33.31	78.39	34.01	2.09	26.47	3.76	-1.06	48.87
2008	12.13	-4.03	27.30	75.98	49.69	5.69	22.59	-0.99	-6.27	46.67
2009	5.85	-15.64	26.98	75.17	36.20	-1.40	15.94	-2.61	-10.09	43.14
2010	7.12	-13.03	27.44	75.28	38.91	-1.39	15.03	-2.07	-10.03	40.26
2011	5.75	-14.86	23.98	72.51	63.97	1.04	15.04	-2.63	-10.84	37.82
2012	5.46	-16.43	27.15	71.87	59.49	-3.50	11.00	-0.97	-14.57	34.42
2013	7.47	-18.73	33.24	65.23	60.17	-3.18	12.75	-2.20	-13.86	31.84
2014	9.82	-26.06	33.71	57.81	64.63	-4.08	14.07	-1.50	-11.11	42.28
2015	10.27	-27.83	33.62	56.40	68.95	-1.53	16.94	1.81	-1.42	45.58
2016	11.62	-23.26	38.90	56.19	72.95	-2.15	18.59	3.56	1.25	48.76
2017	12.52	-23.28	37.69	59.71	74.27	-6.60	20.29	0.36	1.50	46.35
2018	13.98	-17.85	34.87	55.29	72.65	-2.23	22.38	-1.60	2.56	41.00
2019	14.37	-9.39	31.20	56.97	76.33	-1.91	21.58	-0.79	4.91	43.52
2020	14.78	-10.46	40.20	59.09	73.10	-4.38	22.17	0.03	7.87	33.22

Source: Own elaboration with data from UN Comtrade

APPENDIX II: MEMORIA EN ESPAÑOL DEL TRABAJO FIN DE GRADO

Facultad de Ciencias Económicas y Empresariales

Universidad de León

Grado en Comercio Internacional

Curso 2021/2022

EVOLUCIÓN DEL COMERCIO EXTERIOR DE CANADÁ (2000-2020).
ESPECIAL ATENCIÓN A SU RELACIÓN CON EE. UU.

THE EVOLUTION OF CANADA'S FOREIGN TRADE (2000-2020).
SPECIAL ATTENTION TO ITS RELATIONSHIP WITH THE USA

Realizado por la Alumna Dña. Laura Fernández Sutil

Tutelado por la Profesora Dña. Ana I. Salvador Chamorro

Universidad de León, a 12 de julio 2022

INTRODUCCIÓN

Canadá deja de ser una colonia inglesa y se independiza en 1867, momento en el que empieza un proceso de transformación basado en la aplicación de diferentes políticas que tienen como objetivo su desarrollo económico como país independiente. A pesar del gran territorio que ocupa, su población es escasa, por lo que la inmigración ha sido un recurso importante para el desarrollo económico y estructural de Canadá. Aunque las políticas migratorias han cambiado a lo largo de la historia, la sociedad canadiense entiende la multiculturalidad como característica intrínseca de su identidad.

De igual manera, el desarrollo económico de Canadá también se ha basado en sus relaciones comerciales internacionales. Con una filosofía centrada en el multilateralismo y la cooperación, Canadá se ha caracterizado por ser un país abierto que ha buscado, a través de los Tratados de Libre Comercio, marcos comunes que potencien el intercambio entre sus diferentes socios comerciales. Por todo ello, Canadá presenta unas características interesantes que han incentivado la realización de este trabajo.

En este contexto, el siguiente trabajo tiene como objetivo analizar la evolución del comercio exterior de Canadá durante el periodo que abarca desde el año 2000 hasta el 2020. El análisis se divide en dos bloques. El primero de ellos, cuyo objetivo es contextualizar el estudio posterior, pretende analizar la estructura económica del país y sus relaciones comerciales con el exterior. En el segundo bloque se realiza un estudio empírico con datos del comercio exterior de Canadá durante el periodo 2000-2020, primero, a través de los indicadores agregados básicos y posteriormente se realiza un análisis desagregado geográficamente, identificando sus principales socios comerciales, su nivel de participación y su evolución a lo largo del periodo seleccionado. En este análisis se observa una relación comercial fuerte, larga y consolidada con Estados Unidos, su principal socio, razón por cual se dedica la última parte del trabajo a realizar un estudio desagregado por productos de los flujos comerciales entre ambos países.

En concreto, en el Capítulo 3 se estudia el contexto histórico, económico y estructural de Canadá y busca explicar su evolución como país. En el Capítulo 4 se lleva a cabo una descripción general de los principales acuerdos comerciales de Canadá para intentar comprender cómo funciona su actividad internacional. Y respecto al segundo bloque (el que contiene el estudio empírico con datos), en el Capítulo 5 se realiza un análisis

agregado del comercio exterior de Canadá durante el periodo 2000-2020, en el Capítulo 6 se lleva a cabo un estudio desagregado geográficamente con el fin de identificar los principales socios comerciales de Canadá, y en el Capítulo 7, tras haber observado la importancia de su principal socio comercial, Estados Unidos, se realiza un análisis desagregado por productos de los intercambios entre ambos países.

METODOLOGÍA

Este documento se divide en dos partes principales: Primero, el Capítulo 3 en el que se establece un contexto histórico, económico y estructural de Canadá que busca explicar su evolución como país. Luego, en el Capítulo 4, se lleva a cabo una descripción general de los principales acuerdos comerciales del país para comprender cómo funciona su actividad internacional. Y, por último, a lo largo de los Capítulos 5, 6 y 7, un análisis empírico sobre las importaciones y exportaciones de Canadá.

Como ya hemos comentado, este trabajo se divide en dos grandes apartados o bloques. En el primero de ellos (Capítulos 3 y 4) se estudia el contexto histórico, económico y estructural de Canadá, así como una descripción general de los principales acuerdos comerciales del país. Y en el segundo bloque (Capítulos 5, 6 y 7) se realiza un análisis empírico con datos de los intercambios comerciales de Canadá durante el periodo 2000-2020 con datos agregados, en primer lugar, y un estudio desagregado por países y por productos posteriormente, con especial atención a sus intercambios comerciales con EE. UU. . Dada esa estructura, metodológicamente las dos partes son muy diferentes en cuanto al proceso de análisis y las fuentes utilizadas.

Para realizar la primera parte del trabajo, la que contiene los Capítulos 3 y 4, se utilizaron fuentes secundarias como artículos de revistas, trabajos académicos, informes de instituciones internacionales, etc. El acceso a estos documentos fue a través de dos canales, incluyendo bibliotecas y canales en línea como Dialnet, Elsevier o webs oficiales de organizaciones internacionales y gobiernos nacionales. Además, de manera puntual, para obtener información cuantitativa, se accedió a bases de datos online de organismos oficiales como el Banco Mundial, Statistics Canada y la Base de Datos Estadísticos del Comercio de Bienes de las Naciones Unidas (UN Comtrade).

Por último, cabe destacar, que en esta primera parte el análisis abarca un periodo temporal que va desde la segunda mitad del siglo XIX hasta el final del siglo XX, aunque hay alguna información sobre el siglo XXI como forma de introducción a los capítulos posteriores. Esta decisión se tomó con el fin de entender los aspectos que hicieron progresar a Canadá hacia el país que es hoy en día y dar un contexto histórico y general suficiente para comprender la segunda parte del trabajo.

En la segunda parte, que comprende los Capítulos 5, 6 y 7, se realizó un análisis empírico con datos del comercio exterior de Canadá. El periodo temporal elegido contiene datos de los últimos veinte años disponibles, es decir, el análisis empírico de la actividad comercial de Canadá desde 2000 hasta 2020 (último dato disponible en el momento de realizar este estudio). Se considera que este periodo representa un amplio rango de tiempo que puede dar una visión general de la evolución comercial de Canadá dentro de la era globalizada desde sus inicios hasta la actualidad.

Para obtener la información necesaria para llevar a cabo este proceso analítico, la principal fuente de datos utilizada fue la Base de Datos sobre estadística de Comercio de Bienes de las Naciones Unidas (UN Comtrade), que da acceso a información exhaustiva sobre flujos comerciales entre países y cuya disponibilidad de datos para Canadá incluye desde 1989 hasta la actualidad. En este sentido es necesario destacar que todos los datos obtenidos se refieren a exportaciones e importaciones de bienes, excluyendo el comercio de servicios del análisis. Aunque de forma secundaria, también se utilizaron otras, como los datos de libre acceso del Banco Mundial, con información de Canadá desde 1960 hasta 2020.

Otro aspecto importante metodológicamente se refiere a las decisiones relativas a la desagregación por productos, que se realiza en el Capítulo 7 del trabajo al analizar la relación comercial entre Canadá y EE. UU. Para llevar a cabo dicha desagregación por productos, la base de datos utilizada (UN Comtrade) ofrece tres sistemas de clasificación: el Sistema Armonizado (SA), el de Grandes Categorías Económicas (GCE) y la Clasificación Uniforme para el Comercio Internacional (CUCI). La clasificación elegida para este estudio ha sido esta última, la Clasificación CUCI. En concreto, para este análisis se ha seleccionado la Revisión 3, ya que incluye todo el periodo de estudio (2000-2020). Por otro lado, la clasificación CUCI divide los productos en cinco niveles de

desagregación. Para realizar este estudio se eligió el primer nivel, la desagregación a un dígito, que divide los productos en diez Secciones (de la Sección 0 a la Sección 9).

Por último, se considera necesario destacar que en esta segunda parte del trabajo, para una correcta comprensión del análisis, se consultaron diversos artículos, trabajos y estudios académicos tanto para identificar y comprender adecuadamente los indicadores utilizados, como para intentar explicar los resultados obtenidos.

CONCLUSIONES

A lo largo de este trabajo se ha perseguido el objetivo de realizar un análisis de la evolución de los flujos comerciales de Canadá durante el periodo 2000-2020, para lo cual primero se realizó un estudio del contexto del país y posteriormente se llevó a cabo el análisis empírico con datos. De este modo, el trabajo se divide en dos bloques muy diferentes entre sí.

En el primero, en el que se incluyen los Capítulos 3 y 4, se han explicado en primer lugar las transformaciones llevadas a cabo en Canadá desde su independencia y los diferentes proyectos de expansión, con la construcción del ferrocarril, la transición energética o su proceso de urbanización. También se ha visto la postura de Canadá en diferentes hechos históricos como la guerra fría y en la creación de organizaciones internacionales como el GATT o la ONU. A su vez, se ha analizado el impacto de la inmigración como eje importante en su desarrollo económico, remarcando la multiculturalidad de la sociedad canadiense y su evolución. También se ha hecho hincapié en la distribución de su actividad económica tanto por sectores como geográficamente. Luego, se han analizado los diferentes Tratados de Libre Comercio de Canadá con sus principales socios comerciales, observando la evolución, composición y objetivos de cada uno.

En el segundo bloque, en el que se han incluido los Capítulos 5, 6 y 7, se analizan de manera empírica, con datos, los flujos comerciales de Canadá desde el año 2000 al 2020. En el Capítulo 5, donde se realizó un análisis agregado del comercio del país, se han estudiado los flujos comerciales totales y su crecimiento, la balanza comercial como porcentaje del PIB y el grado de apertura de Canadá. En los resultados obtenidos en todos ellos se ha podido observar un cambio de la primera mitad del periodo a la segunda, donde Canadá ha pasado de ser un país muy abierto a ir cerrándose a lo largo del tiempo. El país

empezó el periodo siendo un exportador neto, con una diferencia notable entre las exportaciones y las importaciones. Sin embargo, en la segunda mitad del periodo, los volúmenes de ambos flujos comerciales bajaron, con las importaciones sobrepasando ligeramente las exportaciones. De esta manera, Canadá pasó de tener saldos comerciales positivos e importantes en relación con su PIB, a tener saldos comerciales negativos al final del periodo, con valores cercanos a cero debido a la similitud entre las importaciones y las exportaciones.

En los capítulos 6 y 7 se ha realizado un análisis desagregado de los flujos comerciales de Canadá. En el Capítulo 6 se ha llevado a cabo una desagregación geográfica de las importaciones y exportaciones del país, observando una fuerte concentración de las mismas. La conclusión más relevante de esta parte del trabajo es el protagonismo de los intercambios comerciales con EE. UU, que es su principal destino en las exportaciones y su principal origen en las importaciones, con una gran diferencia de participación frente al resto de socios comerciales de Canadá. Su participación, pese a tener una tendencia decreciente casi desde el inicio del periodo, sigue representando en la actualidad casi un 50% de las importaciones y casi un 75% de las exportaciones. Entre el resto de socios comerciales de Canadá destacan especialmente en las importaciones China y México, con una tendencia creciente casi desde el principio del periodo estudiado y ocupando en la actualidad, casi un 15% y más de un 5% de participación respectivamente. Mientras en las exportaciones destacan China y Reino Unido, con una tendencia creciente en ambos países casi desde el principio del periodo, ocupando casi un 5% y casi un 4% respectivamente, siendo cuotas de exportaciones muy pequeñas.

Habiendo comprobado, tanto en el primer bloque del trabajo (desde un punto de vista histórico), como en el apartado 6 (a través del análisis de datos) la importancia de los intercambios comerciales entre Canadá y EE. UU. , se decidió profundizar en el estudio de la relación comercial entre ambos países. Para ello, en el Capítulo 7 se realiza, en primer lugar, un estudio agregado de los intercambios comerciales entre ellos. En este análisis descubrimos, a través del cálculo del saldo comercial, que durante los veinte años analizados, la evolución de los flujos comerciales entre Canadá y EE. UU. muestra amplias diferencias entre la primera mitad del periodo y la segunda. Hasta el año 2009 los intercambios comerciales entre ambos países crecen notablemente, mientras que, a partir de ese momento y hasta 2020, los flujos comerciales fluctúan en cifras

notablemente más bajas a las anteriores. Pese a ello, los volúmenes intercambiados entre ambos países siguen siendo grandes, con el valor de las exportaciones que Canadá realiza a Estados Unidos superando el valor de las importaciones que realiza del mismo, de modo que tiene superávit comercial con EE. UU. , es exportador neto respecto a dicho país a lo largo de todo el periodo estudiado. A continuación, se calculó el Saldo Comercial Relativo, que mide, además del "signo" de esa relación comercial, su importancia respecto al total de intercambios entre ambos países. Los resultados indican valores positivos a lo largo de todo el periodo de estudio, pudiéndose entender como una ventaja comparativa de Canadá sobre el país vecino.

Para profundizar en este análisis y conocer qué productos protagonizan los intercambios entre ambos países, a continuación, se procedió a realizar un estudio desagregado por productos de sus flujos comerciales. Para ello se realizó una desagregación a un dígito CUCI, es decir, por Secciones tanto de las exportaciones como de las importaciones de Canadá a EE. UU. . En los resultados obtenidos se observó el claro protagonismo de los productos pertenecientes a la Sección 7 (maquinaria y equipo de transporte), tanto en las exportaciones como en las importaciones. En el caso de las exportaciones ocupa en la actualidad casi un 30%, y junto con la Sección 3 (combustibles y lubricantes, minerales y productos conexos) y las Secciones 6 y 8 (artículos manufacturados) forman más del 75% del volumen total intercambiado de exportaciones de Canadá a EE. UU. . Cabe destacar el crecimiento de la Sección 0 (productos alimenticios y animales vivos), ocupando en el presente casi un 10% del total.

En cuanto a las importaciones, la Sección 7 (maquinaria y equipo de transporte) también es la más importante, esta vez con un volumen de casi el 40% en la actualidad. Le siguen, aunque con menor participación, las Secciones 6 y 8 (artículos manufacturados) y la Sección 5 (productos químicos y productos conexos). Ocupan entre todas ellas alrededor del 80% del total de importaciones de Canadá a EE. UU. . Con una tendencia decreciente en la Sección 7, son en este caso la Sección 3 (combustibles y lubricantes, minerales y productos conexos) y la Sección 0 (productos alimenticios y animales vivos) las que experimentan un mayor crecimiento, ocupando más del 12% de participación al final del periodo estudiado.

Una vez estudiada la distribución desagregada de las exportaciones e importaciones entre los dos países por Secciones, se intentó estudiar el posicionamiento comercial de Canadá con respecto a EE. UU. por grupos de productos. Para ello se utilizó el Saldo Comercial Relativo, esta vez relativo a las Secciones CUCI, para comprobar en qué productos o grupos de productos Canadá puede tener ventajas o desventajas comerciales con respecto a Estados Unidos .

A través de los resultados obtenidos se pudo observar que la Sección 7 (maquinaria y equipo de transporte) pese a ser la Sección con más volumen de intercambio, no supone tanta ventaja comparativa para Canadá sobre EE. UU. como se esperaba, ya que pasa de valores positivos en el primer tercio del periodo a fluctuar alrededor del cero, suponiendo una ventaja o desventaja pequeña durante la mayoría del periodo. En cambio, destacan los valores del SCR de la Sección 3 (combustibles y lubricantes, minerales y productos conexos), de la Sección 1 (bebidas y tabaco) y de la Sección 4 (aceites, grasas y ceras de origen animal y vegetal).

La Sección 3 (combustibles y lubricantes, minerales y productos conexos) comienza siendo la Sección que ofrece la mayor ventaja comparativa para Canadá en el intercambio con EE. UU. , con un valor del SCR cercano al 90%, pero su tendencia es decreciente y en 2014, pese a seguir teniendo unos valores altos, se coloca en segundo lugar ofreciendo una ventaja alrededor del 60%. Por otro lado, el SCR de la Sección 1 (bebidas y tabaco) sufre uno de los mayores cambios en la evolución de este indicador, pasando de ser la cuarta Sección que ofrece la mayor ventaja comparativa al principio del periodo a ser la Sección que ofrece la mayor desventaja comparativa para Canadá en el intercambio de sus productos con EE. UU. al final del mismo. Sus valores han pasado de más de un 40% al principio del periodo a alrededor de un -10% al final. En el extremo contrario se encuentra la Sección 4 (aceites, grasas y ceras de origen animal y vegetal), que siempre ha sido una Sección en la que Canadá tenía una ventaja comparativa sobre EE. UU. , pero ha representado la mejoría más significativa: de una quinta posición (con un SCR por debajo del 30% al principio del periodo) ha pasado a un SCR por encima del 70% en el último año, aumentando más del doble su valor inicial. En la actualidad la mayor ventaja comercial de Canadá con Estados Unidos se encuentra en los productos pertenecientes a esta Sección.

Por último, se podría concluir que Canadá es un país en el que el comercio exterior ha ocupado una parte importante de la economía del país. Mediante la cooperación internacional, busca abrir su abanico de socios comerciales, que de momento lidera Estados Unidos. A través de diferentes indicadores se ha observado que Canadá ha reducido su actividad comercial exterior en general durante el periodo analizado, con una tendencia decreciente tras la crisis económica mundial de 2008. Pese a ello, sigue intentando abrir nuevos canales de comercialización y diversificar su volumen de intercambios. China está ascendiendo como socio comercial, con un rápido crecimiento, especialmente como fuente importadora. Pese a todo, Estados Unidos sigue siendo su principal socio comercial, con una relación entre ambos alta y consolidada, en la que Canadá tiene una posición de ventaja comercial respecto a EE. UU. en términos agregados y también de forma desagregada, en la mayoría de las Secciones que hemos estudiado.