

Canada

Executive Summary

This country fact sheet provides key trade, investment and tourism related statistics for Canada. Specifically, it shows global trade and investment flows including an analysis of top markets and products for Canada in relation to South Africa and the Western Cape, highlighting the largest and fastest growing products and sub-sectors. It also analyses tourism trends between Canada and South Africa. The key highlights in the Canada fact sheet are provided below:

TRADE

- Canada's trade performance trade is influenced by its direct neighbour and NAFTA trade partner, the United States.
- Canada is one of the largest energy producers in the world, producing about 6% of global energy supply. Canada's mineral fuel exports are represented by crude petroleum oils (USD40m), non-crude petroleum (USD8.1m) and petroleum gases (USD7.8m).
- In 2016, both South African exports and imports with Canada declined by 10% and 8% respectively, these declines led to a 21% decrease in the trade deficit.
- South Africa mainly exported agricultural goods to Canada, with 3 agricultural products in the top 10 exports accounting for 30% of total exports.
- Trade between the Western Cape and Canada has been growing continually with exports (USD125m) greater than imports (USD45m).
- Wine, citrus and grapes were the Western Capes largest exports to Canada in 2016.

FDI

- Between January 2003 and June 2017 a total of 42 FDI projects were recorded from Canada into South Africa. These projects represent a total capital investment of USD2.06b which is an average investment of USD49.00m per project. During the period, a total of 6059 jobs were created.
- In terms of investment projects and capital expenditure the following investments received the largest shares from Canada to South Africa:
 - Minerals-17% projects and 14% Capex
 - Business Services-14% projects and 2% Capex
 - Metals-14% projects and 17% Capex
- Between January 2003 and June 2017 a total of 12 FDI projects were recorded from South Africa into Canada, with one originating from the Western Cape, from AgriProtein worth USD87.7m.

TOURISM

- Canadian tourist arrivals into South Africa dipped in 2015, but rose above 2014 levels in 2016 to reach 61 179 arrivals, growing by 8.8%.
- Canadian tourist numbers into the province have grown successively from 2013 to 2016, with a dip in growth in 2015 following the national trend.

1. General Information

Canada is a country in North America consisting of 10 provinces and 3 territories. Canada extends from the Atlantic Ocean to the Pacific Ocean and northward into the Arctic Ocean. At 9.98 million square kilometres in total, Canada is the world's second-largest country by total area, and its common border with the United States is the world's longest land border shared by two countries.

Canada is a member of the Commonwealth of Nations. The country is officially bilingual at a federal level and it is one of the world's most ethnically diverse and multicultural nations.

Canada's participation in economic international and intergovernmental institutions or groupings includes the Group of Eight (G8); the Group of Ten (economic); the Group of Twenty (G-20 major economies); the North American Free Trade Agreement; and the Asia-Pacific Economic Cooperation forum. Canada's alliances include the North Atlantic Treaty Organization (NATO).

GENERAL INFORMATION - CANADA	
Capital	Ottawa
Population	35,623,680
Government type	A parliamentary democracy, a federation, and a constitutional monarchy
Head of Government	Prime Minister Stephen Joseph Harper
Life expectancy	81.67 years
Literacy	99%
Ethnic groups	Canadian 32.2%, English 19.8%, French 15.5%, Scottish 14.4%, Irish 13.8%, German 9.8%, Italian 4.5%, Chinese 4.5%, North American Indian 4.2%, other 50.9%
Religion(s)	Catholic 39%, Protestant 20.3% (includes United Church 6.1%, Anglican 5%, Baptist 1.9%, Lutheran 1.5%, Pentecostal 1.5%, Presbyterian 1.4%, other Protestant 2.9%), Orthodox 1.6%, other Christian 6.3%, Muslim 3.2%, Hindu 1.5%, Sikh 1.4%, Buddhist 1.1%, Jewish 1%, other 0.6%
Languages	English (official) 58.7%, French (official) 22%, Punjabi 1.4%, Italian 1.3%, Spanish 1.3%, German 1.3%, Cantonese 1.2%, Tagalog 1.2%, Arabic 1.1%, other 10.5%

Source: CIA World Factbook, 2017

2. Economic Overview

Canada is one of the richest developed countries and has the tenth highest nominal per capita income globally as well as the ninth highest ranking in the Human Development Index. It ranks among the highest in international measurements of government transparency, civil liberties, quality of life, economic freedom, and education.

Canada is an advanced economy and is one of the largest in the world, relying upon its wealth of natural resources and well developed trade networks. Canada's long and complex relationship with the United States has had a significant impact on its economy and culture.

Canada is unusual among developed countries due to its reliance on the primary sector, with the logging and oil industries being two of Canada's most important. Canada also has a sizable manufacturing sector, centred in central Canada, with the automobile industry and aircraft industry especially important. With a long coastline, Canada has the 8th largest commercial fishing and seafood industry in the world (Fisheries and Oceans Canada, 2017). Canada is one of the global leaders of the entertainment software industry.

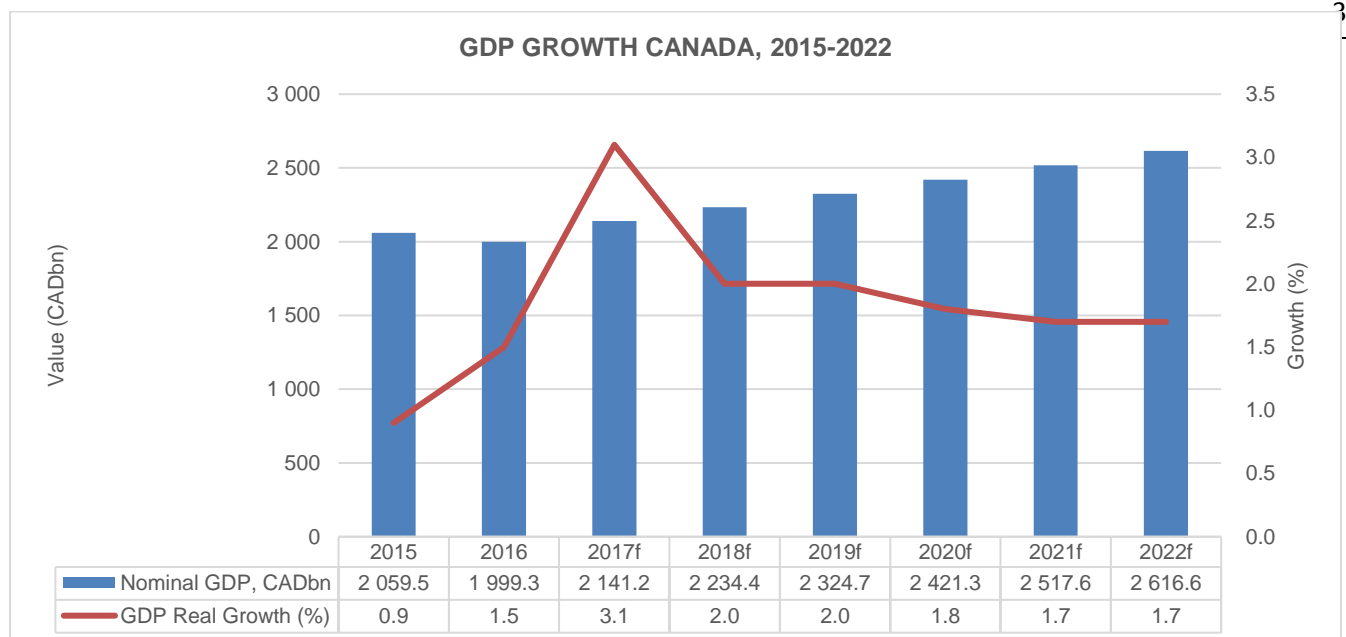
Some of the best gains in Canada over the past 10 years have been in technological readiness with the development of a smart city now occurring in the quayside area in Toronto, with Alphabet investing \$50m.

The sharp structural drop in prices for Canada's principal export commodity - hydrocarbons - will continue reshaping the external accounts, as a weaker exchange rate will gradually see a rise in non-commodity goods exports. Canada's country risk ranks third together with Sweden and Denmark in BMI Research's proprietary ratings, this provides a country-comparative evaluation of the political, economic and operational risks to stability over a short- and long-term time horizon.

ECONOMIC INFORMATION	
GDP (PPP) (2016 est.)	USD1.682trn
GDP growth (2016 est.)	1.4%
GDP per capita	\$47 500
Inflation (2016 est.)	1.4%
Bank lending rate (2016)	2.7%
Unemployment rate	7%
Doing Business in 2017 ranking	22
Total Exports (2016)	USD393.5bn
Total Imports (2016)	USD413.4bn

Source: CIA World Factbook, 2017

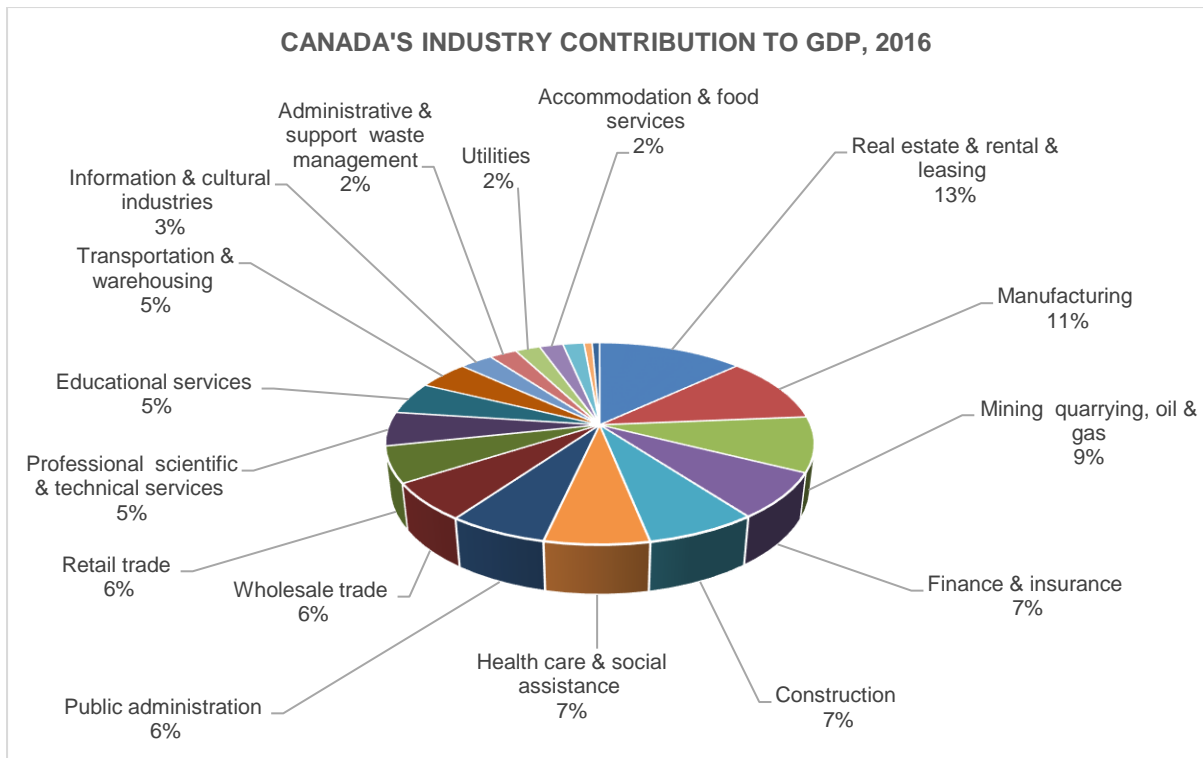
The graph below depicts Canadian economic growth from 2015 to 2022f. Canada's economy remains vulnerable to a hard landing in the housing market, given record-high household debt levels relative to disposable income. Moreover, the drop in commodity prices in recent years, most notably with oil prices collapsing since June 2014, has exposed the economy's high reliance on energy exports. The adverse effect on job formation and fixed investment in the economy has led to increased short-term risk. While recent economic growth figures have been good, we do not expect growth to sustain above 2.0% over the long-term amid lack of diversification in non-energy intensive production.



Source: BMIResearch; 2017

The diagram below shows Canada's industry contribution to Gross Domestic Product in 2016. The largest industry contributors in 2016 were:

- Real estate and rental and leasing - 13%;
- Manufacturing - 11%;
- Mining, quarrying, and oil and gas extraction - 9%;
- Finance and insurance - 7%.
- Construction - 7%; and



Source: Statistics Canada, 2017

The Forbes Global 2000 is an annual list of the world's 2000 largest publicly listed corporations. Below is a compilation of Canadian companies featured on the list in 2017:

CANADA TOP FORBES COMPANIES, 2017					
Global Rank	Company	Sales (USDbn)	Profits (USDbn)	Assets (USDbn)	Market Value (USDbn)
#44	Royal Bank of Canada	\$35.3 B	\$8.3 B	\$891.1 B	\$107.2 B
#56	TD Bank Group	\$31.9 B	\$6.9 B	\$910.4 B	\$92 B
#81	Bank of Nova Scotia	\$26.7 B	\$5.5 B	\$680.3 B	\$70.5 B
#133	Bank of Montreal	\$19.7 B	\$3.8 B	\$531.1 B	\$48.6 B
#137	Manulife	\$38.9 B	\$2.2 B	\$511.3 B	\$34.4 B
#193	Canadian Imperial Bank	\$14.6 B	\$3.6 B	\$393.7 B	\$34.5 B
#202	Brookfield Asset Management	\$24.9 B	\$1.6 B	\$159.8 B	\$35.4 B
#212	Enbridge	\$26.1 B	\$1.6 B	\$64 B	\$69.3 B
#239	Sun Life Financial	\$19.9 B	\$1.9 B	\$188.7 B	\$21.9 B
#296	BCE	\$16.4 B	\$2.3 B	\$37.4 B	\$40.5 B
#358	Power Corp of Canada	\$35.4 B	\$856 M	\$311.2 B	\$10.8 B
#373	Canadian National Railway	\$9.1 B	\$2.7 B	\$28 B	\$55.9 B
#410	Magna International	\$36.4 B	\$2 B	\$22.6 B	\$15.3 B
#487	Suncor Energy	\$20.2 B	\$328 M	\$66.1 B	\$51.7 B

CANADA TOP FORBES COMPANIES, 2017					
Global Rank	Company	Sales (USDbn)	Profits (USDbn)	Assets (USDbn)	Market Value (USDbn)
#517	Couche Tard	\$35.7 B	\$1.1 B	\$13.8 B	\$25.9 B
#560	National Bank of Canada	\$6.2 B	\$1.1 B	\$179.6 B	\$14.3 B
#643	TELUS	\$9.6 B	\$923 M	\$20.7 B	\$19.5 B
#668	Rogers Communications	\$10.3 B	\$644 M	\$21.1 B	\$22.9 B
#669	Barrick Gold	\$8.6 B	\$649 M	\$25.3 B	\$22.3 B
#689	George Weston	\$36.2 B	\$415 M	\$28.3 B	\$10.9 B

Source: Forbes Global 2000, 2017

2.1 Doing Business in Canada

The table below shows the various aspects of doing business in Canada. Canada is currently ranked 22nd overall, moving down by two places from 2016. The North American nation ranked highly on starting a business (2), protecting investors (4) and paying taxes (8).

CANADA EASE OF DOING BUSINESS, 2017	
SELECTED INDICATORS	RANKING OUT OF 190 COUNTRIES, 2017
Starting a Business	2
Dealing with Construction Permits	116
Getting Electricity	145
Registering Property	55
Getting Credit	28
Protecting Investors	4
Paying Taxes	8
Trading Across Borders	45
Enforcing Contracts	58
Resolving Insolvency	9
Doing Business 2017	22

Source: Cost of Doing Business, 2017

2.2 Canada's Risk Ratings

A credit rating is an evaluation of the credit worthiness of a debtor, especially a business or a government, but not individual consumers. The evaluation is made by a credit rating agency of the debtor's ability to pay back the debt and the likelihood of default.

Only 11 nations are currently rated as AAA by Fitch, the smallest number since 2003. The last time Canada lost the trust of international credit graders was in the early 1990s, when swelling government indebtedness elicited downgrades from Standard & Poor's and Moody's Investors Service. Moody's and S&P raised their credit ratings for the country to AAA in 2002, while Fitch upgraded it in August 2004.

Stable and predictable policymaking and political institutions, a highly resilient economy, and strong monetary and fiscal flexibility underpin Canada's strong creditworthiness. Canada's potential vulnerabilities include a high dependence on the United States economy, as well as possible asset-quality problems that could come from the financial system as a result of rising household credit.

CANADA COUNTRY RATINGS				
STANDARD & POORS SOVEREIGN RATINGS			FITCH RATING	MOODY'S RATINGS
Local Currency Rating	Foreign Currency Rating	T&C Assessment	Credit Rating	Credit Rating
AAA	AAA	AAA	AAA	Aaa

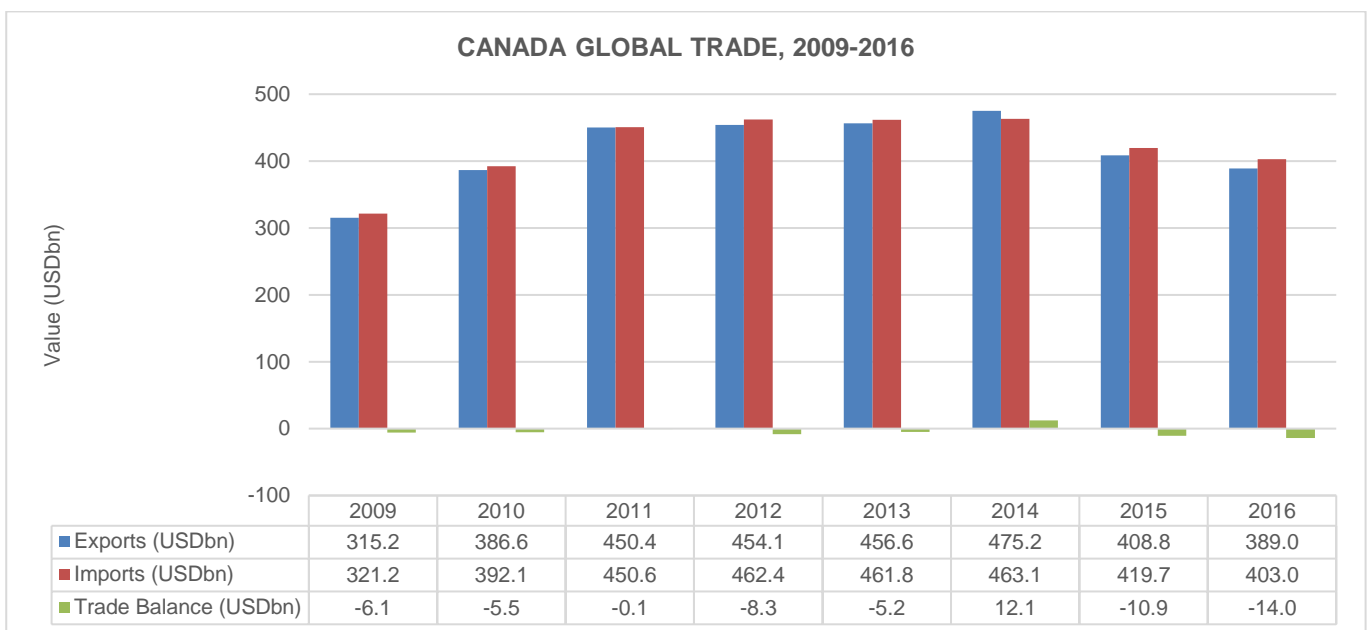
Source: Standard & Poors, 2017

3. Trade

3.1 Canada Global Trade

The 1989 Canada-US Free Trade Agreement and the 1994 North American Free Trade Agreement (which includes Mexico) dramatically increased trade and economic integration between the US and Canada. Canada and the US enjoy the world's most comprehensive and highly balanced bilateral trade and investment relationship, with merchandise trade of USD544bn in 2016, services trade of over USD80bn, and two-way investment stocks of nearly USD700bn. Over three-fourths of Canada's exports are destined for the US each year. The crown corporation said in October 2017 that overall exports are expected to grow eight per cent in 2017, led by "massive gains" in the commodity space, and four per cent next year.

Todd Evans, principal at Export Development Canada said that despite disputes with the U.S., including Bombardier tariffs, softwood lumber, and general NAFTA renegotiations, he still expects eventual resolutions. "Our baseline is that given the strength of the Canada-U.S. economic relationship, we believe that a deal will be reached eventually and Canada-U.S. trade will remain intact."



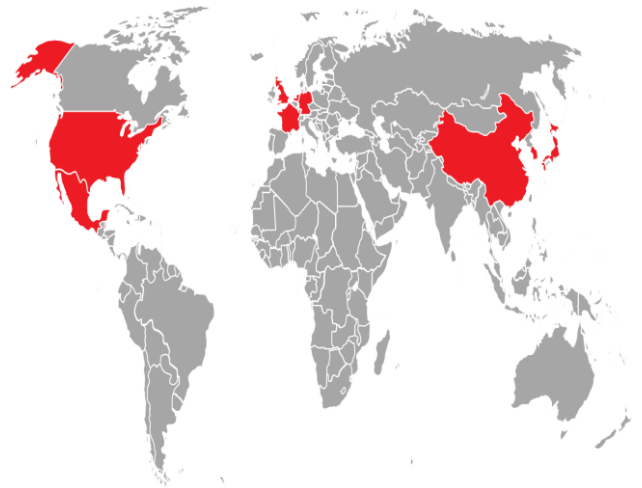
Source: Trademap, 2017

Canada's largest trading partner was the United States. The world's largest economy imported USD297bn worth of Canadian made goods. China (USD16bn) was the second largest export destination followed by the United Kingdom (USD13bn). NAFTA's third member, Mexico (USD6bn) was the fifth largest export destination. South Africa was Canada's 41st largest export destination and imported USD0.35bn worth of goods.

The United States is Canada's major trade market for energy products and services. Canada sends around 98% of its total energy exports to the United States, meaning that Canada is the largest supplier of energy exports to the world's largest economy.

TOP 10 DESTINATION MARKETS FOR CANADIAN EXPORTS, 2016			
RANK	COUNTRY	VALUE 2016 (USDbn)	% GROWTH 2015-2016
1	United States	296.54	-5.44
2	China	15.83	0.29
3	United Kingdom	12.91	3.40
4	Japan	8.09	5.83
5	Mexico	5.76	10.73
6	Korea, Republic of	3.30	4.85
7	India	3.01	-11.00
8	Germany	2.96	9.34
9	France	2.57	4.69
10	Belgium	2.43	-0.78
TOTAL EXPORTS		388.96	-4.85

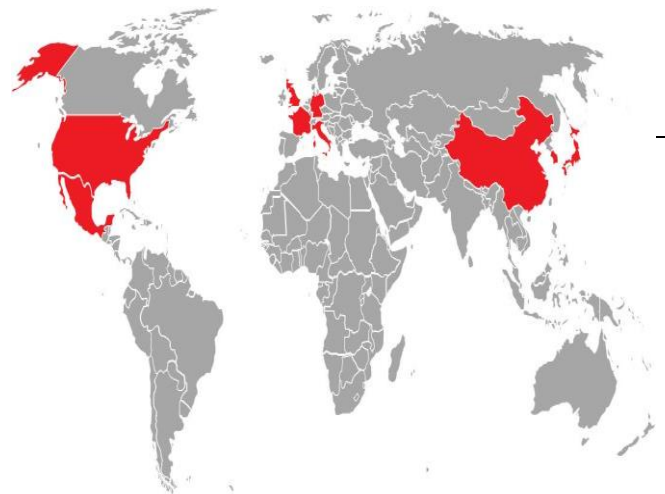
Source: Trademap, 2017



Canada imported 52% of all its goods from the United States, making it its largest import market in 2016. China (USD48.6bn) and Mexico (USD25.1bn) were the second and third largest import markets. Cumulatively, the top three import markets accounted for 69% of all Canadian imports. South Africa was Canada's 47th largest import market.

TOP 10 SOURCE MARKETS FOR CANADIAN IMPORTS, 2016			
RANK	COUNTRY	VALUE 2016 (USDbn)	% GROWTH 2015-2016
1	United States of America	210.3	-5.9
2	China	48.6	-5.3
3	Mexico	25.1	2.7
4	Germany	13.0	-4.1
5	Japan	11.9	3.3
6	Korea, Republic of	8.0	24.2
7	United Kingdom	6.2	-13.3
8	Italy	5.7	-1.2
9	France	4.5	-15.2
10	Taipei	3.8	-10.1
TOTAL IMPORTS		403.0	-4.0

Source: Trademap, 2017



Canada's largest exports were cars, crude petroleum and gold. Canada is one of the largest energy producers in the world, producing about 6% of global energy supplies. Canada's mineral fuel exports are represented by crude petroleum oils (USD40bn), refined petroleum (USD8bn) and petroleum gases (USD7.8bn). The structure of the Canadian oil market is a dual one. On the one hand, 17% of domestic crude oil production is exported. The oil produced in the western provinces is used in refineries in Western Canada and is exported to the United States. Due to logistics and transportation costs, refineries in Quebec and the Atlantic (Eastern) provinces refine primarily imported oil. Refineries in Ontario use a mix of both imported and domestically produced oil.

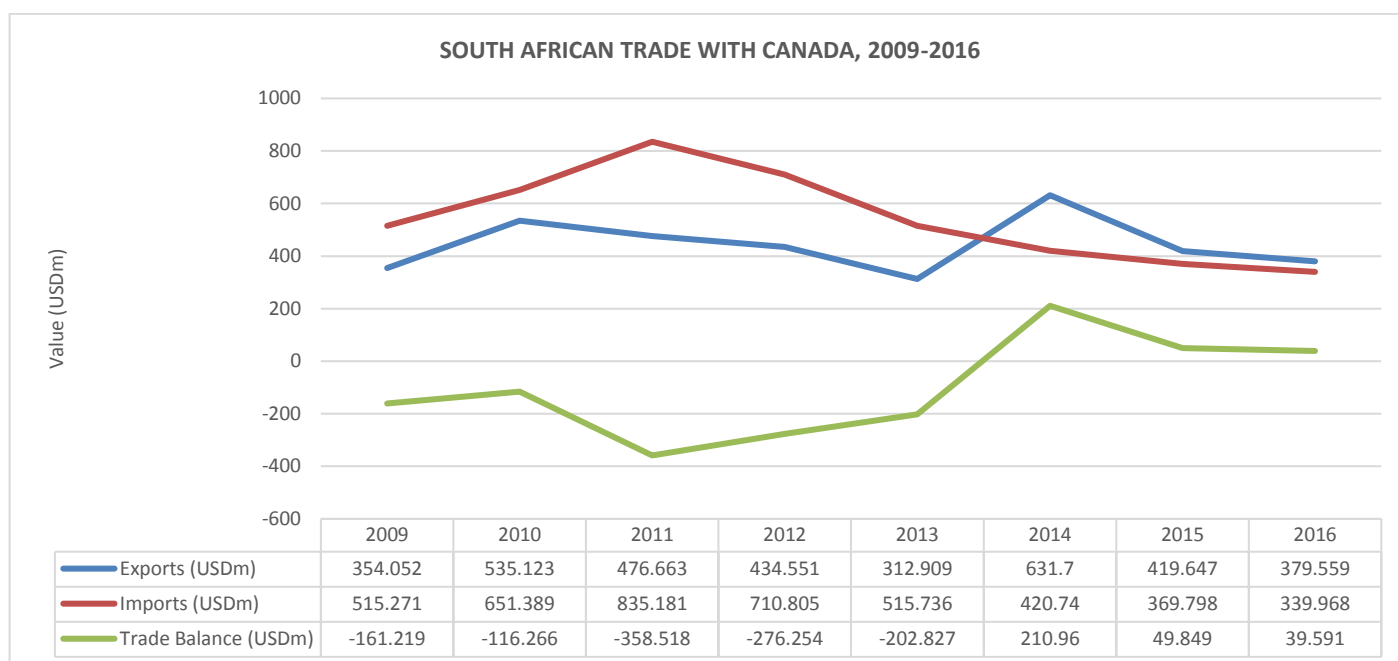
Cars were Canada's largest import to the value of USD26.4bn, followed by tractor and car parts (USD20.6bn) as well as motor vehicles for the transport of goods (USD13bn). Canada's automobile-related exports and imports are a legacy of the Auto Pact under which American car companies set up plants in Canada and parts were shipped back and forth across the border for free. The Auto Pact between the two countries was cancelled more than a decade ago, but its effect is still evident.

TOP 10 PRODUCTS EXPORTED BY CANADA, 2016				TOP 10 PRODUCTS IMPORTED BY CANADA, 2016			
RANK	PRODUCT	VALUE 2016 (USDbn)	% GROWTH 2015-2016	RANK	PRODUCT	VALUE 2016 (USDbn)	% GROWTH 2015-2016
1	Motor cars and other motor vehicles principally designed for the transport of persons	48.8	8.82	1	Motor cars and other motor vehicles principally designed for the transport of persons	26.4	0.5
2	Crude Petroleum oils	39.5	-21.27	2	Parts and accessories for tractors, motor vehicles for the transport of ten or more persons	20.6	3.4
3	Gold, incl. gold plated with platinum	12.5	0.31	3	Motor vehicles for the transport of goods,	13.0	9.4
4	Parts and accessories for tractors	10.6	-2.90	4	Refined petroleum oils and oils obtained from bituminous minerals	11.1	-7.2
5	Refined petroleum oils and oils obtained from bituminous minerals	8.1	-28.74	5	Crude petroleum oils and oils obtained from bituminous minerals	10.9	-17.2
6	Wood sawn or chipped lengthwise	7.8	12.56	6	Telephone sets, incl. telephones for cellular networks or for other wireless networks	9.0	-6.0
7	Petroleum gas and other gaseous hydrocarbons	7.8	-15.35	7	Automatic data-processing machines and units thereof; magnetic or optical readers	7.8	-1.2
8	Medicaments consisting of mixed or unmixed products for therapeutic or prophylactic uses	7.4	10.87	8	Medicaments consisting of mixed or unmixed products for therapeutic or prophylactic uses	7.2	-4.1
9	Powered aircraft "e.g. helicopters and aeroplanes"; spacecraft, incl. satellites	6.2	-25.14	9	Gold, incl. gold plated with platinum, unwrought or not further worked than	5.6	-14.5
10	Turbojets, turbopropellers and other gas turbines	5.2	8.94	10	Spark-ignition reciprocating or rotary internal combustion piston engine	4.9	20.4
TOTAL EXPORTS		389.0	-4.85	TOTAL IMPORTS		403.0	-4.0

Source: Trademap, 2017

3.2 Trade with South Africa

From 2014-2016, South Africa registered a trade surplus with Canada. South Africa recorded its largest trade deficit in 2011. Substantial increases in sulphur, (722% growth), malt (1582%), unset/ unmounted diamonds (11897%) and motor vehicles for the transport of goods (30%) resulted in the large deficit. In 2016, there was a decline in both exports and imports by 10% and 8% respectively.



Source: Quantec; 2017

10

In 2016, motor cars was South Africa's largest export to Canada to the value of USD67m. Citrus fruit (USD44m) and wine (USD39m) were second and third respectively. South Africa mainly exported agricultural goods to Canada with 3 agricultural products in the top 10 accounting for 30% of total exports (USD114m). The growth exhibited by powered aircraft is a positive sign that other products outside the agricultural sector can be marketed to Canada.

Imports of powered aircraft (USD19m), medicaments consisting of mixed or unmixed products (USD18m) and iron ores and concentrates (USD17m) were South Africa's largest imports to Canada.

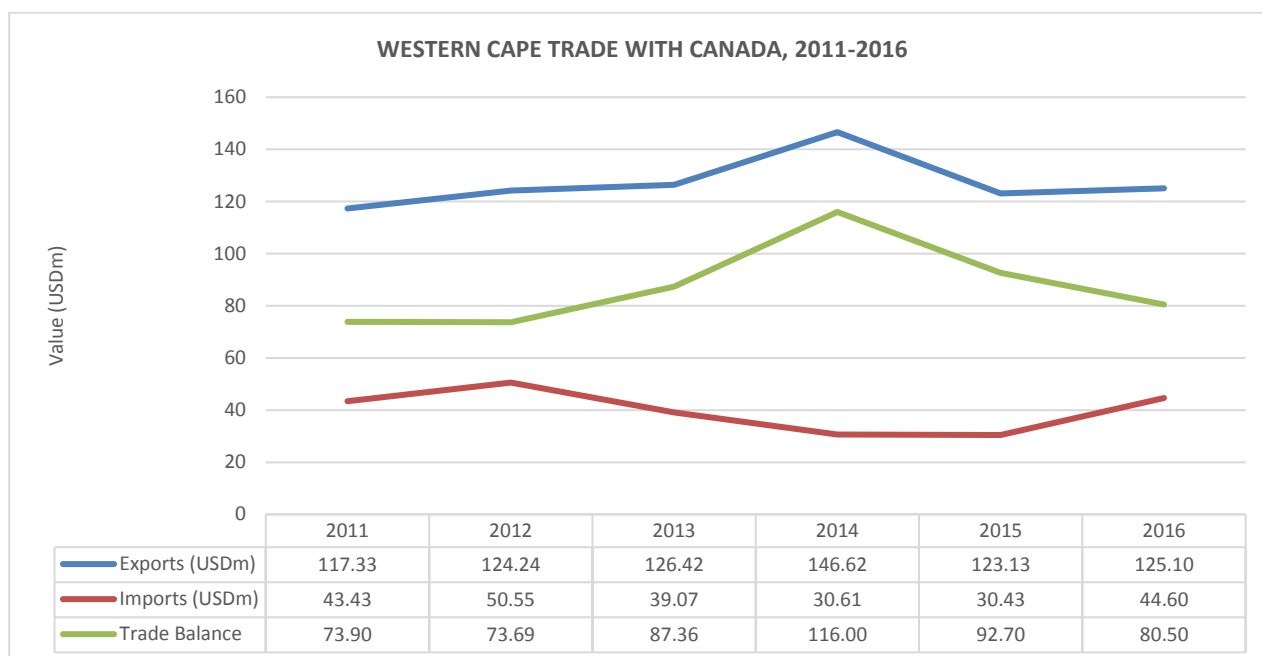
TOP 10 SOUTH AFRICAN EXPORTS TO CANADA, 2016				TOP 10 SOUTH AFRICAN IMPORTS FROM CANADA, 2016			
RANK	PRODUCT	VALUE 2016 (USDm)	% GROWTH 2015-2016	RANK	PRODUCT	VALUE 2016 (USDm)	% GROWTH 2015-2016
1	Motor cars and other motor vehicles principally designed for the transport of persons	68.85	-31.46	1	Powered aircraft "e.g. helicopters and aeroplanes"	19.205	3.536579
2	Citrus fruit	43.94	-4.54	2	Medicaments consisting of mixed or unmixed products	17.708	33.01284
3	Wine of fresh grapes	39.30	-7.25	3	Iron ores and concentrates	16.818	-
4	Grapes	22.31	73.04	4	Parts of pulleys hoists and moving machinery	15.982	-35.0272
5	Centrifuges, incl. centrifugal dryers	18.80	-13.72	5	Wheat and meslin	14.092	-72.9219
6	Powered aircraft "e.g. helicopters and aeroplanes"	14.01	39940.00	6	Spark-ignition reciprocating or rotary internal combustion piston engine	13.739	27.2601
7	Titanium ores and concentrates	13.93	87.94	7	Dried leguminous vegetables, shelled, whether or not skinned or split	9.863	16.81867
8	Machinery for sorting, screening, separating, washing, crushing, grinding, mixing or kneading	12.00	-8.38	8	Electric sound or visual signalling apparatus, e.g. bells, sirens, indicator panels	9.769	-0.60033

TOP 10 SOUTH AFRICAN EXPORTS TO CANADA, 2016				TOP 10 SOUTH AFRICAN IMPORTS FROM CANADA, 2016			
RANK	PRODUCT	VALUE 2016 (USDm)	% GROWTH 2015-2016	RANK	PRODUCT	VALUE 2016 (USDm)	% GROWTH 2015-2016
9	Sauce and preparations therefor; mixed condiments and mixed seasonings; mustard flour and meal	8.45	424.07	9	Turbojets, turbopropellers and other gas turbines	7.222	-43.767
10	Ferro-alloys	7.57	-58.51	10	Machinery, plant or laboratory equipment whether or not electrically heated	7.175	168.5254
TOTAL EXPORTS		379.56	-9.55	TOTAL IMPORTS		339.968	-8.06657

Source: Quantec; 2017

3.3 Trade with the Western Cape

Provincial trade follows a trend contrary to that of South Africa. In the period shown below (2011-2016). This export dominance translated to sustained trade surpluses for the past 5 years. Exports further increased by 1.6% in 2016. The Province's highest recorded export level was in 2014, with a trade balance of USD116m. Imports grew by 47%



Source: Quantec; 2017

Wines were the Western Cape's largest export to Canada. The top two exports cumulatively amounted to 50% of total exports from the Western Cape. The province's agricultural prowess can be seen by the 6 products in the top ten exports. Iron ores and concentrates (USD17m) was the Province's largest import from Canada. Harvesting and threshing machinery (USD3.25m) was the second largest import followed by leguminous vegetables (USD2.5m).

12

TOP 10 WESTERN CAPE EXPORTS TO CANADA, 2016				TOP 10 WESTERN CAPE IMPORTS FROM CANADA, 2016			
RANK	PRODUCT	VALUE 2016 (USDm)	% GROWTH 2015-2016	RANK	PRODUCT	VALUE 2016 (USDm)	% GROWTH 2015-2016
1	Wine	38.89	-1.14	1	Iron ores and concentrates	16.79	-
2	Citrus fruit, fresh or dried.	23.46	-6.55	2	Harvesting or threshing machinery	3.25	17.05
3	Grapes, fresh or dried.	14.35	18.74	3	Dried leguminous vegetables	2.46	22.49
4	Apples, pears and quinces, fresh.	6.73	9.99	4	Bread, pastry, cakes, biscuits and other bakers' wares, whether or not containing cocoa	1.45	103.65
5	Fruit, nuts and other edible parts of plants	5.79	-1.49	5	Fish, frozen, excluding fish fillets	1.40	-
6	Fruit juices (including grape must) and vegetable juices	5.69	33.36	6	Meat and edible offal, of poultry	1.24	1333.12
7	Flat-rolled products of iron or non-alloy steel, of a width of 600 mm or more	5.19	-	7	Trailers and semi-trailers; other vehicles, not mechanically propelled	1.21	-
8	Undenatured ethyl alcohol of an alcoholic strength by volume of less than 80 %	3.49	-17.22	8	Telephone sets, including telephones for cellular networks	0.71	13.24
9	Beauty or make-up preparations and preparations for the care of the skin	2.60	-11.27	9	Binoculars, monoculars, other optical telescopes, and mountings therefor	0.64	-
10	Yachts and other vessels for pleasure or sports; rowing boats and canoes	2.29	-	10	Refined petroleum oils and oils obtained from bituminous minerals	0.55	14.04

TOP 10 WESTERN CAPE EXPORTS TO CANADA, 2016				TOP 10 WESTERN CAPE IMPORTS FROM CANADA, 2016			
RANK	PRODUCT	VALUE 2016 (USDm)	% GROWTH 2015-2016	RANK	PRODUCT	VALUE 2016 (USDm)	% GROWTH 2015-2016
TOTAL EXPORTS		125.10	0.83	TOTAL IMPORTS		44.60	0.40

Source: Quantec; 2017

3.4 Trade Agreements

Free trade agreement in force

- Canada - Panama - Brought into force: April 1, 2013
- Canada - Jordan - Brought into force: October 1, 2012
- Canada - Colombia - Brought into force: August 15, 2011
- Canada - Peru - Brought into force: August 1, 2009
- Canada - European Free Trade Association - Brought into force: July 1, 2009
- Canada - Costa Rica - Brought into force: November 1, 2002
- Canada - Chile - Brought into force: July 5, 1997
- Canada - Israel - Brought into force: January 1, 1997
- North American Free Trade Agreement (NAFTA) - Brought into force: January 1, 1994

As of 2016, Canada has also concluded two trade agreements that are potentially bigger than NAFTA:

- Comprehensive Economic and Trade Agreement (concluded 5 August 2014, signed 30 October 2016, provisionally applied on 21 September 2017)
- Trans-Pacific Partnership (signed 4 February 2016)

Republic of South Africa Trade and Investment Cooperation Arrangement

Objectives of this agreement are for the parties to:

1. Enhance economic relations between the two countries, in particular in trade for goods and services and in investment;
2. Strengthen cooperation with a view to liberalizing trade between them in accordance with the principles of the World Trade Organization,
3. Promote a favourable environment and complementary, activities to encourage private sector investment between the countries;
4. Highlight the importance of private sector trade and investment initiatives as sources of prosperity and means of promoting economic development.

3.5. Tariffs

Tariffs imposed by Canada on South African exports are listed below.

TARIFFS IMPOSED BY CANADA ON SOUTH AFRICAN EXPORTS, 2016					
HS CODE AND PRODUCT DESCRIPTION	TARIFF (%)	HS CODE AND PRODUCT DESCRIPTION	TARIFF (%)	HS CODE AND PRODUCT DESCRIPTION	TARIFF (%)
H01: Live animals	9	H33: Essential oils, perfumes, cosmetics, toiletries	5	H65: Headgear and parts thereof	8
H02: Meat and edible meat offal	53	H34: Soaps, lubricants, waxes, candles, modelling pastes	5	H66: Umbrellas, walking-sticks, seat-sticks, whips	7
H03: Fish, crustaceans, molluscs, aquatic invertebrates	0	H35: Albuminoids, modified starches, glues, enzymes	11	H67: Bird skin, feathers, artificial flowers, human hair	8
H04: Dairy products, eggs, honey, edible animal product	212	H36: Explosives, pyrotechnics, matches, pyrophorics	7	H68: Stone, plaster, cement, asbestos, mica, articles	3
H05: Products of animal origin	0	H37: Photographic or cinematographic goods	3	H69: Ceramic products	5
H06: Live trees, plants, bulbs, roots, cut flowers	6	H38: Miscellaneous chemical products	0	H70: Glass and glassware	0
H07: Edible vegetables and certain roots and tubers	5	H39: Plastics and articles thereof	1	H71: Pearls, precious stones, metals, coin	1
H08: Edible fruit, nuts, peel of citrus fruit, melons	1	H40: Rubber and articles thereof	3	H72: Iron and steel	0
H09: Coffee, tea, mate and spices	0	H41: Raw hides and skins (other than furskins) and leather	0	H73: Articles of iron or steel	1

TARIFFS IMPOSED BY CANADA ON SOUTH AFRICAN EXPORTS, 2016					
HS CODE AND PRODUCT DESCRIPTION	TARIFF (%)	HS CODE AND PRODUCT DESCRIPTION	TARIFF (%)	HS CODE AND PRODUCT DESCRIPTION	TARIFF (%)
H10: Cereals	24	H42: Articles of leather, animal gut, harness, travel goods	8	H74: Copper and articles thereof	0
H11: Milling products, malt, starches, inulin, wheat gluten	12	H43: Furskins and artificial fur, manufactures thereof	3	H75: Nickel and articles thereof	0
H12: Oil seed, oleagious fruits, grain, seed, fruit,	0	H44: Wood and articles of wood, wood charcoal	1	H76: Aluminium and articles thereof	1
H13: Lac, gums, resins, vegetable saps and extracts	0	H45: Cork and articles of cork	0	H78: Lead and articles thereof	0
H14: Vegetable plaiting materials, vegetable products	0	H46: Manufactures of plaiting material, basketwork, etc.	5	H79: Zinc and articles thereof	0
H15: Animal, vegetable fats and oils, cleavage products,	9	H47: Pulp of wood, fibrous cellulosic material, waste	0	H80: Tin and articles thereof	0
H16: Meat, fish and seafood food preparations	47	H48: Paper & paperboard, articles of pulp, paper and board	0	H81: Other base metals, cermets, articles thereof	0
H17: Sugars and sugar confectionery	2	H49: Printed books, newspapers, pictures	0	H82: Tools, implements, cutlery, of base metal	3
H18: Cocoa and cocoa preparations	51	H50: Silk	0	H83: Miscellaneous articles of base metal	2
H19: Cereal, flour, starch, milk preparations and products	24	H51: Wool, animal hair, horsehair yarn and fabric thereof	0	H84: Nuclear reactors, boilers, machinery	0
H20: Vegetable, fruit, nut food preparations	5	H52: Cotton	0	H85: Electrical, electronic equipment	1
H21: Miscellaneous edible preparations	32	H53: Vegetable textile fibres paper yarn, woven fabric	0	H86: Railway, tramway locomotives, rolling stock, equipment	7
H22: Beverages, spirits and vinegar	4	H54: Manmade filaments	0	H87: Vehicles other than railway, tramway	5
H23: Residues, wastes of food industry, animal fodder	5	H55: Manmade staple fibres	0	H88: Aircraft, spacecraft, and parts thereof	0
H24: Tobacco and manufactured tobacco substitutes	10	H56: Wadding, felt, nonwovens, yarns, twine, cordage	2	H89: Ships, boats and other floating structures	20
H25: Salt, sulphur, earth, stone, plaster, lime and cement	0	H57: Carpets and other textile floor coverings	12	H90: Optical, photo, technical, medical apparatus	0
H26: Ores, slag and ash	0	H58: Special woven or tufted fabric, lace, tapestry	0	H91: Clocks and watches and parts thereof	4
H27: Mineral fuels, oils, distillation products,	1	H59: Impregnated, coated or laminated textile fabric	0	H92: Musical instruments, parts and accessories	4
H28: Inorganic chemicals, precious metal compound, isotopes	0	H60: Knitted or crocheted fabric	0	H93: Arms and ammunition, parts and accessories thereof	-
H29: Organic chemicals	0	H61: Articles of apparel, accessories, knit or crochet	18	H94: Furniture, lighting, signs, prefabricated buildings	5
H30: Pharmaceutical products	0	H62: Articles of apparel, accessories, not knit or crochet	17	H95: Toys, games, sports requisites	1
H31: Fertilizers	0	H63: Other made textile articles, sets, worn clothing	16	H96: Miscellaneous manufactured articles	9
H32: Tanning, dyeing extracts, tannins, derivatives, pigments	2	H64: Footwear, gaiters and the like, parts thereof	13	H97: Works of art, collectors pieces and antiques	2

Source: TradeMap, 2017

NOTE: Exporters should not take the HS2 tariff as conclusive and as the actual tariff that will be applied to the exported product. The tariffs indicated above are average tariffs and for products within the category it may be higher or lower than indicated. Where the tariff is zero it can be assumed that there is zero tariff applicable to all products within that HS code. Tariffs are determined according to the importing country's national tariff line from the HS6 level and upwards. Exporters are advised to visit www.macmap.org to determine the exact tariff applicable to the product at HS6.

3.6. Logistics

Canada is a developed country whose economy includes the extraction and export of raw materials. Because of this, it has a transportation system which includes more than 1,400,000km of road, 10 major international airports, 300 smaller airports, 72,093 km of functioning railway track, and more than 300 commercial ports and harbours that provide access to the Pacific, Atlantic and Arctic oceans.

The tables below gives the transit times from Cape Town to various Canadian ports.

TRANSIT TIME FROM CAPE TOWN TERMINAL TO CANADA, 2016		
TERMINAL	DISTANCE	TRANSIT TIME
Annapolis Royal	12 342.34 km	19 days 19 hours
Halifax Terminal	12 038.48 km	19 days 8 hours
Montreal Terminal	13 232.07 km	21 days 6 hours
St Johns	11 514.52 km	18 days 12 hours
Toronto Terminal	13 793.92 km	22 days 3 hours
Georgetown Terminal	12 069.5 km	19 days 9 hours

Source: SeaRates, 2017

Below is a table of Canada's ten biggest airports by passenger traffic in 2017.

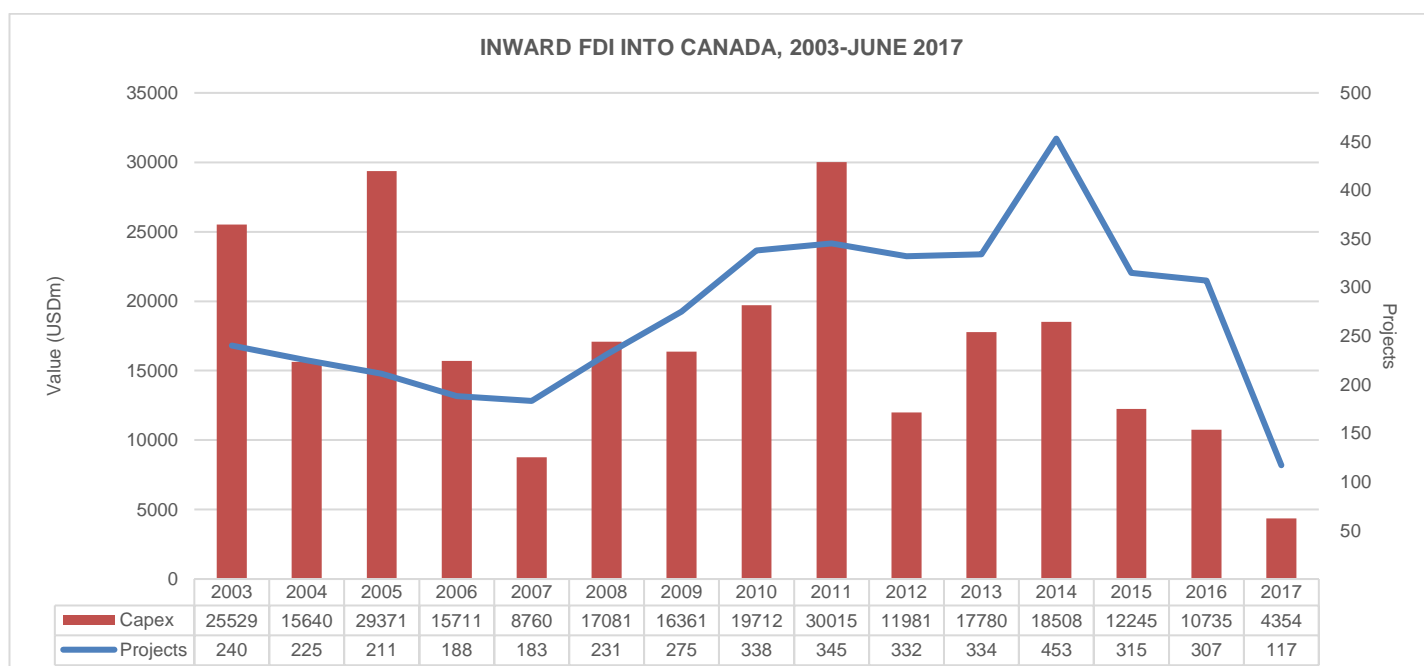
CANADA'S TEN BIGGEST AIRPORTS BY PASSENGER TRAFFIC, 2017			
RANK	AIRPORT	LOCATION	TOTAL PASSENGERS
1	Toronto Pearson International Airport	Toronto	44,335,198
2	Vancouver International Airport	Vancouver	22,288,522
3	Montréal-Pierre Elliott Trudeau International Airport	Montreal	15,511,116
4	Calgary International Airport	Calgary	15,475,759

Source: ACI World Traffic Statistics, 2017

4. Investment

4.1 Global Investment into Canada

Between January 2003 and June 2017 4094 FDI projects were recorded into Canada. These projects represent a total capital investment of USD253.78bn which is an average investment of USD62.00m per project. During the period, 418,926 jobs were created.



Source: FDi Intelligence, 2017

The United States was the largest investor into Canada with its companies investing in 2131 projects (52.1%) equating to USD123bn in capital expenditure. France invested in the second largest amount of projects and capex. Six of the teen investors are European.

TOP 10 SOURCE MARKETS FOR FDI INTO CANADA, 2003 – JUNE 2017						
RANK	COUNTRY	PROJECTS	% PROJECTS	CAPEX (USDbn)	% CAPEX	COMPANIES
1	United States	2131	52.1	123.0	48.5	1 362
2	France	316	7.7	17.8	7.0	229
3	UK	311	7.6	15.7	6.2	235
4	Germany	224	5.5	13.8	5.4	163
5	Japan	139	3.4	12.7	5.0	101
6	Switzerland	96	2.3	3.3	1.3	77
7	India	86	2.1	4.7	1.8	54
8	Italy	86	2.1	4.6	1.8	64
9	China	78	1.9	4.0	1.6	64
10	Sweden	72	1.8	3.3	1.3	33
TOTAL		4094	100.00%	253.8	100.00%	2 808

Source: FDi Intelligence, 2017

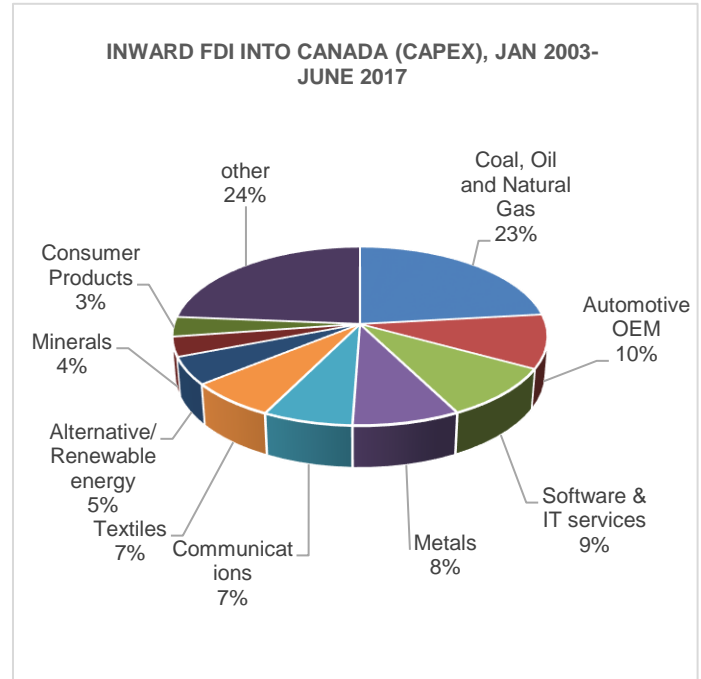
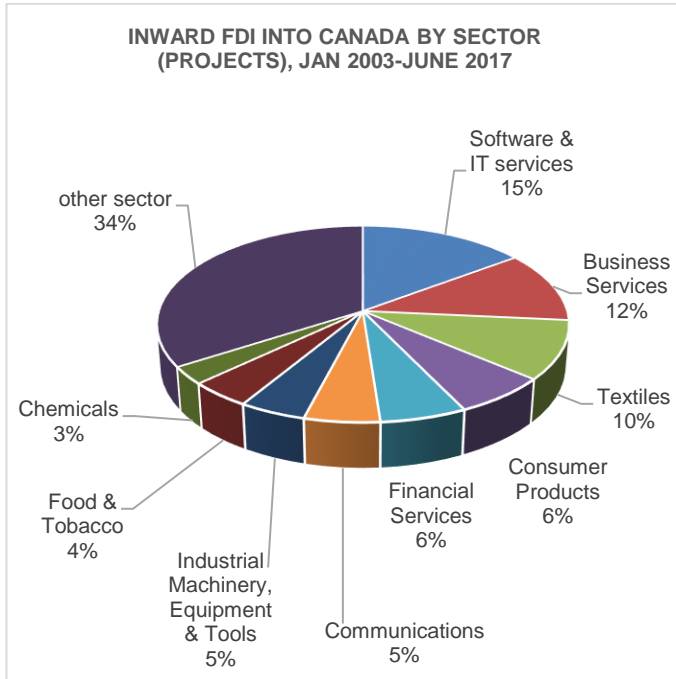
The two diagrams below represent inward investment into Canada by the various sectors. When looking at sector investment by the number of projects, the following sectors received the most investment:

- Software & IT services 15%;
- Business Services 12%; and

- Textiles 10%.

In terms of capital expenditure, the following sectors received the largest investment:

- Coal, Oil and Natural Gas 23%;
- Automotive OEM 10%;
- Software & IT services 9%.



Source: FDi Intelligence, 2017

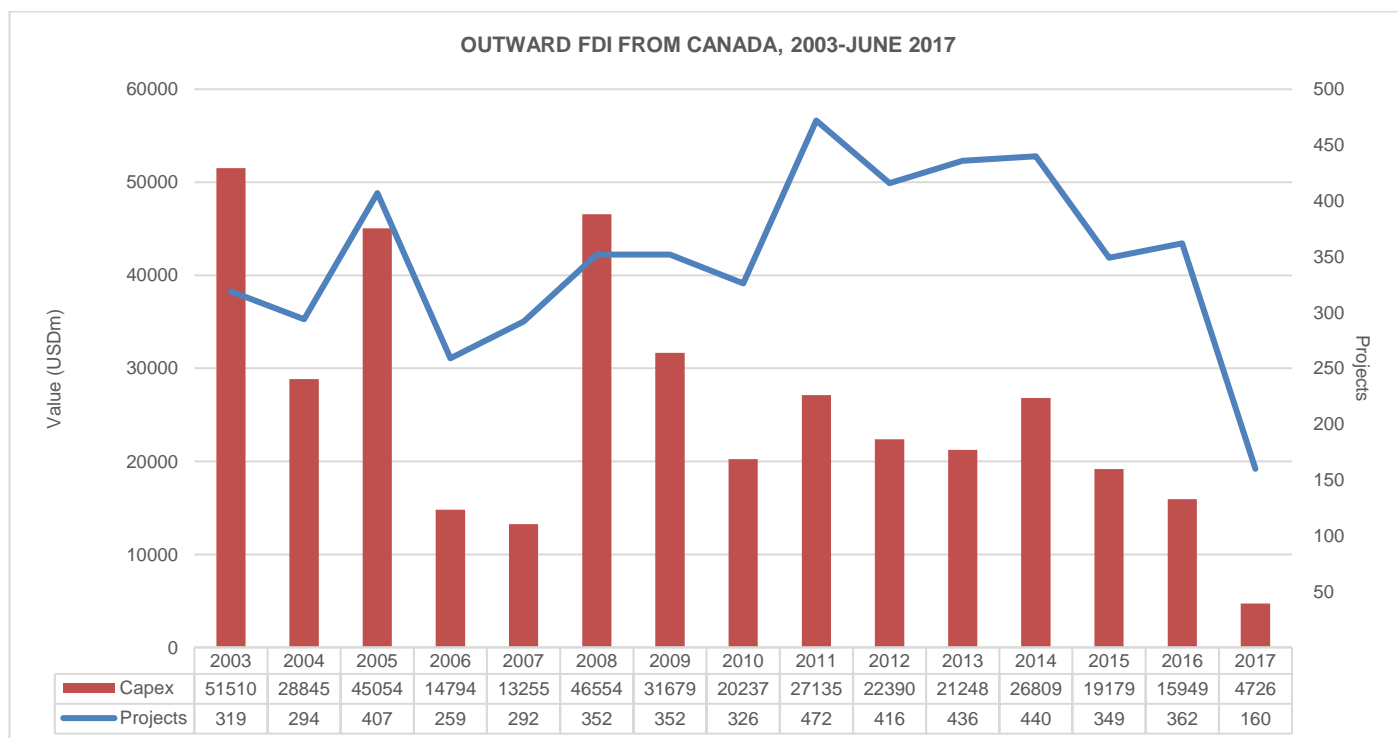
The table below shows the largest companies investing into Canada. The companies represented on this list are mainly in the technology and retail sectors. The largest capex investor was computer giant IBM with USD983.6m however fellow technology giant, Apple invested in the most projects.

TOP 10 COMPANIES INVESTING IN CANADA, 2003 - JUNE 2017			
RANK	INVESTING COMPANY	PROJECTS	CAPEX (USDm)
1	Apple Inc	17	23.8
2	Wal-Mart	17	766.7
3	Hennes & Mauritz (H&M)	16	685.1
4	Lowes	16	789.4
5	Wal-Mart Canada	16	688
6	Convergys	14	35.2
7	IBM	13	983.6
8	United Parcel Services (UPS)	13	535
9	Cabela's	12	368.1
10	IKEA	12	399
TOTAL		4 094	253 782.50

Source: FDi Intelligence, 2017

4.2 Global Investment from Canada

Between January 2003 and June 2017 a total of 5,236 FDI projects were recorded. These projects represent a total capital investment of USD389.36bn which is an average investment of USD74.40m per project. During the period, a total of 790,408 jobs were created. In the period analysed, Canada was a net foreign investor as its outward investment was greater than the investment received from other countries.



Source: FDI Intelligence, 2017

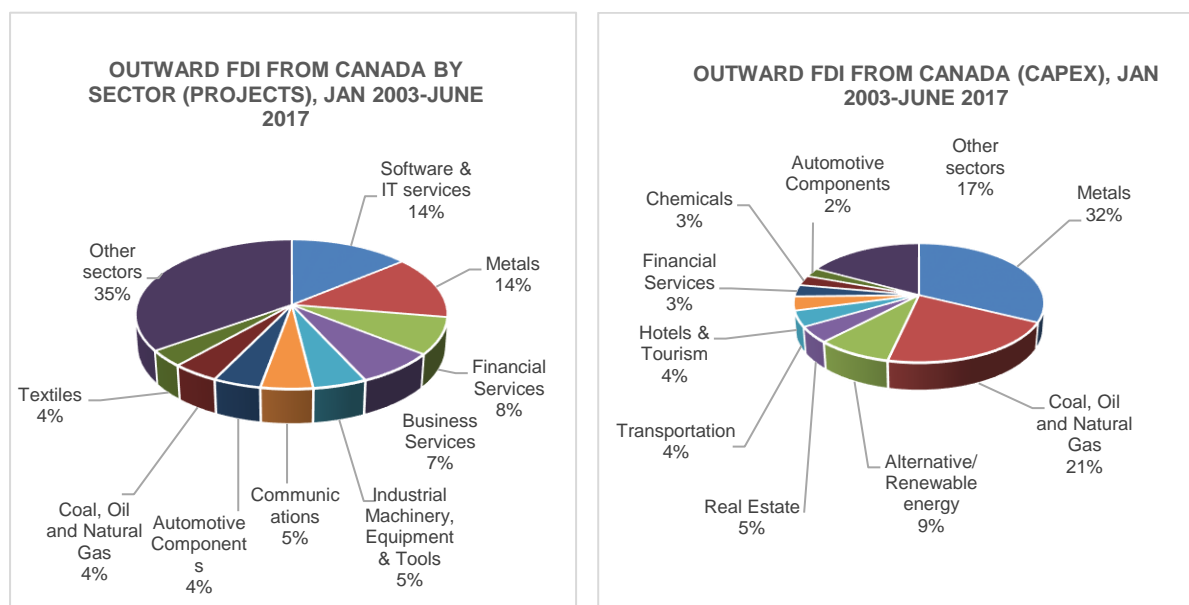
The United States was the largest foreign recipient of investment from Canada with 1660 projects, these projects equated to USD68bn. China (379 projects) and the United Kingdom (365 projects) were the second and third largest investment destinations. Fellow NAFTA member, Mexico was the fourth largest recipient of Canadian investment.

TOP 10 DESTINATION MARKETS FOR FDI CANADA, 2003– JUNE 2017						
RANK	COUNTRY	PROJECTS	% PROJECTS	CAPEX (USDm)	% CAPEX	COMPANIES
1	United States	1 660	31.70	67 814.5	17.4	1 029.0
2	China	379	7.24	19 208.4	4.9	240.0
3	United Kingdom	365	6.97	22 789.8	5.9	291.0
4	Mexico	259	4.95	15 733.1	4.0	172.0
5	France	195	3.72	4 340.6	1.1	131.0
6	Germany	171	3.27	2 437.1	.6	138.0
7	India	157	3.00	12 860.4	3.3	115.0
8	Australia	143	2.73	10 262.9	2.6	112.0
9	Brazil	99	1.89	8 238.9	2.1	78.0
10	UAE	79	1.51	3 875.4	1.0	65.0
TOTAL		5 236	100.00	389 363.00	100.0	2458.0

Source: FDI Intelligence, 2017

The figures below show global outward FDI from Canada by sector, for the period January 2003 to June 2017 by number of projects and CAPEX. In terms of projects software & IT services (14%); metals (14%) and financial services (8%) received the most investment from Canadian companies.

In terms of capital expenditure, metals were once again the largest recipient of Canadian investment with a sizable 32% followed by coal, oil and natural gas (21%). These two sectors accounted for 18% of projects investments but commanded a larger 53% share in capital expenditure due to the nature of their start-up costs.



Source: FDi Intelligence, 2017

The table below shows the largest companies investing from Canada between 2003 and June 2017:

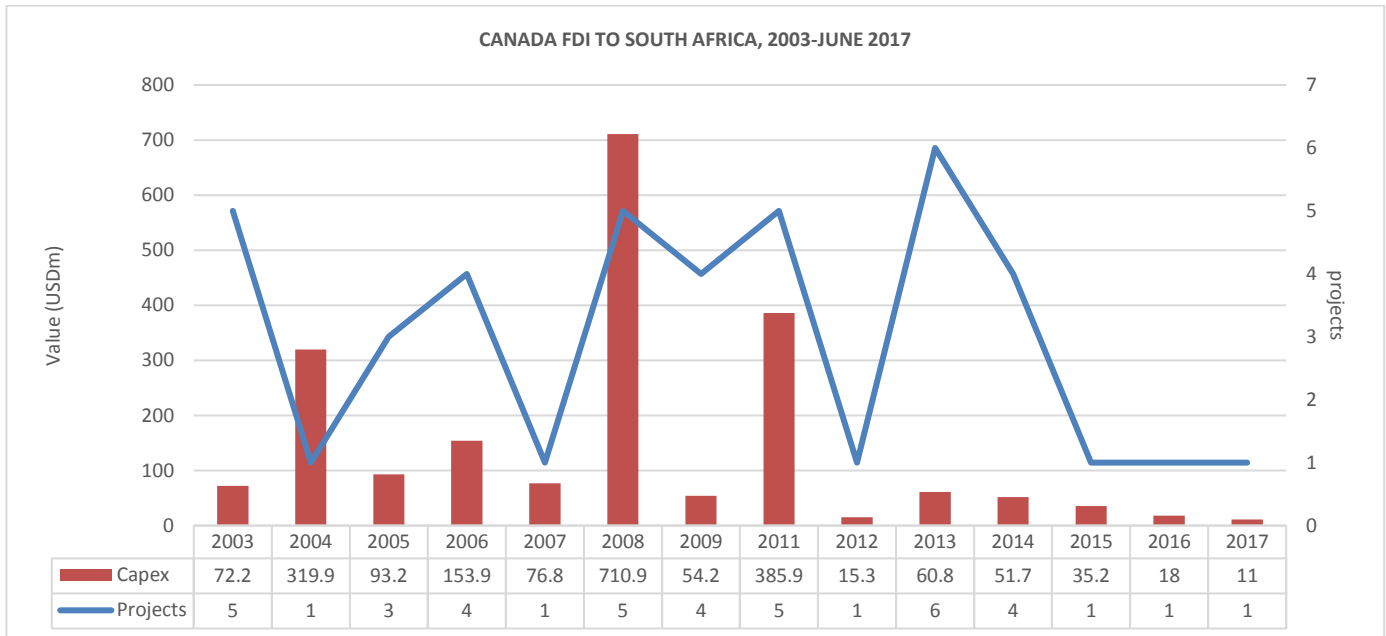
TOP 10 COMPANIES INVESTING FROM CANADA, 2003-JUNE 2017			
RANK	INVESTING COMPANY	PROJECTS	CAPEX (USDm)
1	Magna International	65	5 430.2
2	CGI Group	57	1 420.0
3	TD Bank	56	643.7
4	Bombardier	52	2 053.1
5	Avison Young	50	965.2
6	BlackBerry (Research in Motion)	48	1 086.3
7	lululemon	45	1 012.5
8	Four Seasons Hotels & Resorts	41	6 270.5
9	Canadian Solar Inc (CSI)	40	7 967.4
10	Bombardier Aerospace	34	1 495.7
TOTAL		5 236	389 363.0

Source: FDi Intelligence, 2017

4.3 Investment Relations between South Africa and Canada

4.3.1 Foreign Direct Investment from Canada into South Africa

Between January 2003 and June 2017 a total of 42 FDI projects were recorded from Canada into South Africa. These projects represent a total capital investment of USD2.06b which is an average investment of USD49.00m per project. During the period, a total of 6059 jobs were created.

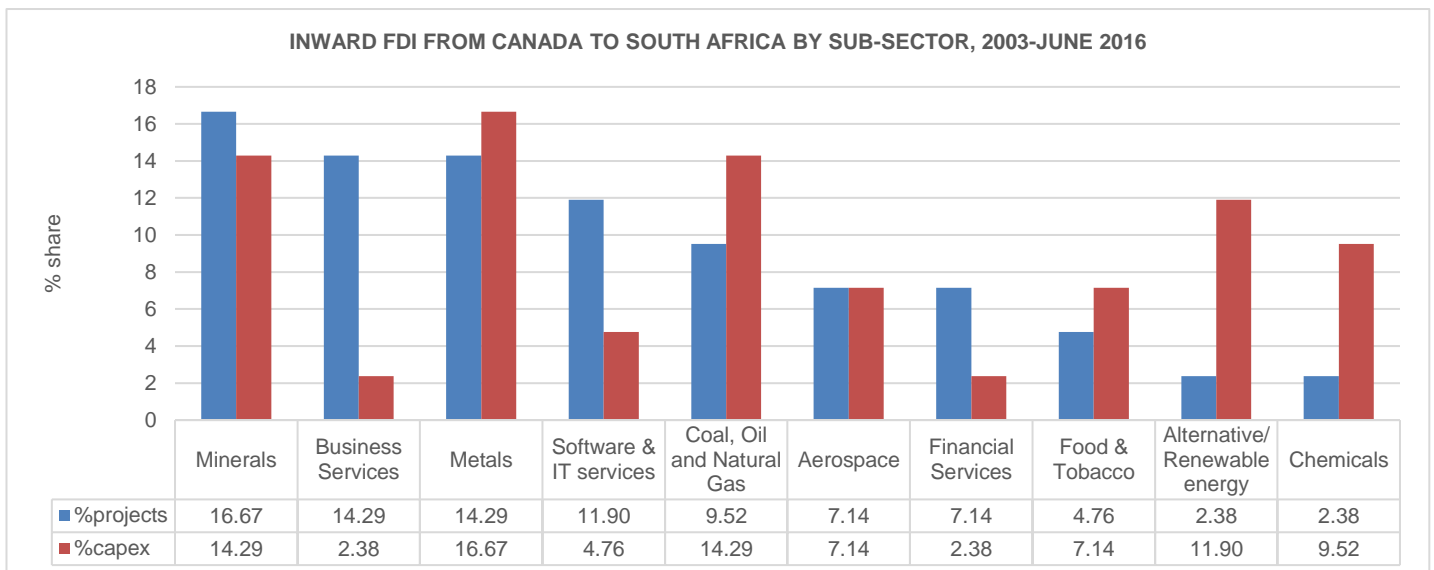


Source: FDi Intelligence, 2017

When analysing the different sectors Canadian companies chose to invest in, the following was observed:

In terms of investment projects and capital expenditure the following received the largest shares:

- Minerals-17% projects and 14% Capex
- Business Services-14% projects and 2% Capex
- Metals-14% projects and 17% Capex
- Software & IT services-12% projects and 5% Capex
- Coal, Oil and Natural Gas 10% projects and 14% Capex



Source: FDi Intelligence, 2017

Below are the largest Canadian companies (by capex) that have invested into South Africa:

TOP 10 CANADIAN COMPANIES INVESTING IN SOUTH AFRICA, 2003-JUNE 2017				
RANK	INVESTING COMPANY	PROJECTS	CAPEX (USDm)	JOBS
1	First Uranium Corporation	2	443.9	1 166
2	Platinum Group Metals	1	319.9	1 012
3	Homeland Energy Group	2	260.5	282
4	Slater Coal	2	193	428
5	SkyPower	1	155.5	22
6	McCain Foods	2	104.7	570
7	Caledonia Mining	1	76.8	223
8	Eastern Platinum (Eastplats)	1	76.8	223
9	Etruscan Resources	2	56.6	384
10	Monroe Minerals	1	55.6	383
TOTAL		42	2 059.00	6 059

Source: FDI Intelligence, 2017

4.3.2 Foreign direct investment from South Africa into Canada

The table below shows South African companies investing in Canada from 2003 to March 2017. The most recent investment was made by Western Cape company AgriProtein who have opened a new office in Markham, Canada. The North America team will focus on developing business locally and building an R&D capability. It will also identify suitable locations and licensing partners for fly-farm operations in the US and Canada.

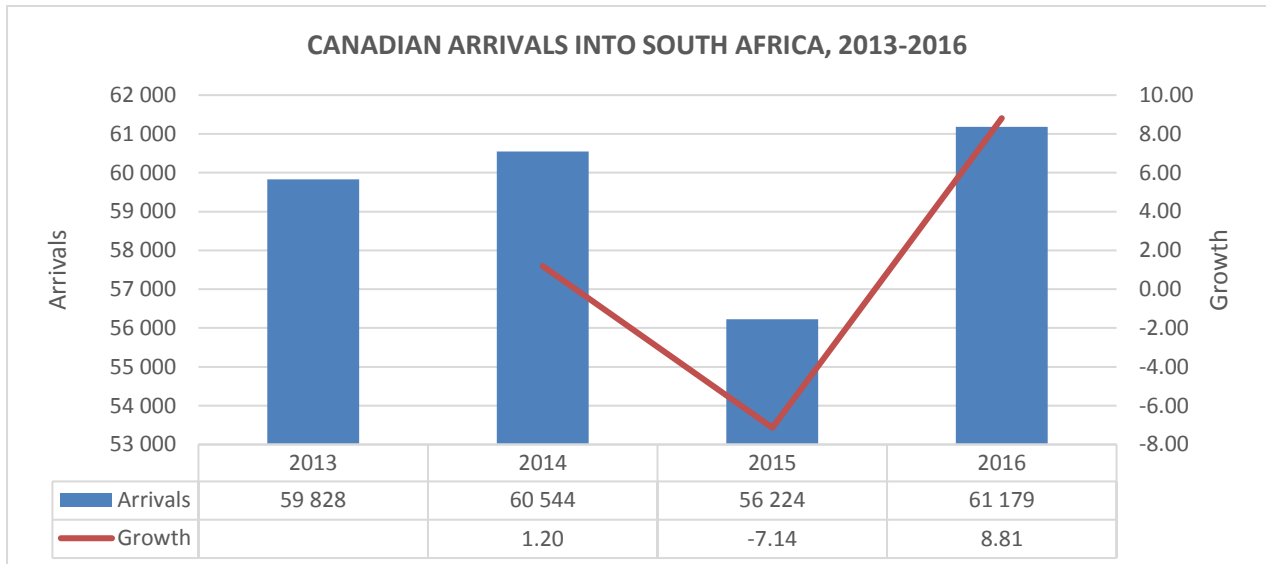
SOUTH AFRICAN FDI TO CANADA, 2003- MARCH 2017								
DATE	INVESTING COMPANY	DESTINATION CITY	SOURCE CITY	INDUSTRY SECTOR	SUB-SECTOR	INDUSTRY ACTIVITY	CAPEX (USDm)	JOBS
Mar 2017	AgriProtein	Ontario	Western Cape	Food & Tobacco	Animal food	Sales, Marketing & Support	78.50	42
Sep 2016	Aspen Pharmicare Holdings	New Brunswick	KwaZulu-Natal	Pharmaceuticals	Pharmaceutical preparations	Sales, Marketing & Support	49.21	67
Sep 2016	Megaroller	Ontario	North West	Industrial Machinery, Equipment & Tools	General purpose machinery	Manufacturing	130.06	72
Feb 2016	De Beers Diamond Jewellers	Ontario	Gauteng	Consumer Products	Jewellery & silverware	Retail	432.36	166
Oct 2013	De Beers Diamond Jewellers	British Columbia	Gauteng	Consumer Products	Jewellery & silverware	Retail	432.36	166
Oct 2007	Dimension Data Holdings (DiData)	Ontario	Gauteng	Software & IT services	Computer facilities management services	Sales, Marketing & Support	118.34	38
Dec 2006	SRK Consulting	Ontario	Gauteng	Business Services	Architectural, engineering, & related services	Business Services	67.96	8
Nov 2006	SRK Consulting	Saskatchewan	Gauteng	Business Services	Architectural, engineering, & related services	Business Services	67.96	8
Jun 2006	De Beers Canada	Ontario	Gauteng	Minerals	Nonmetallic mineral mining & quarrying	Extraction	16904.20	1000
Nov 2005	De Beers Canada	Northwest Territories	Gauteng	Minerals	Nonmetallic mineral mining & quarrying	Extraction	6761.91	400
Oct 2004	De Beers Canada	Ontario	Gauteng	Minerals	Other non-metallic mineral products	Extraction	8365.98	380
Oct 2004	De Beers Canada	Northwest Territories	Gauteng	Minerals	Other non-metallic mineral products	Extraction	5835.09	550

Source: FDI Intelligence, 2017

5. Tourism

5.5. Canada's Tourist Arrivals into South Africa

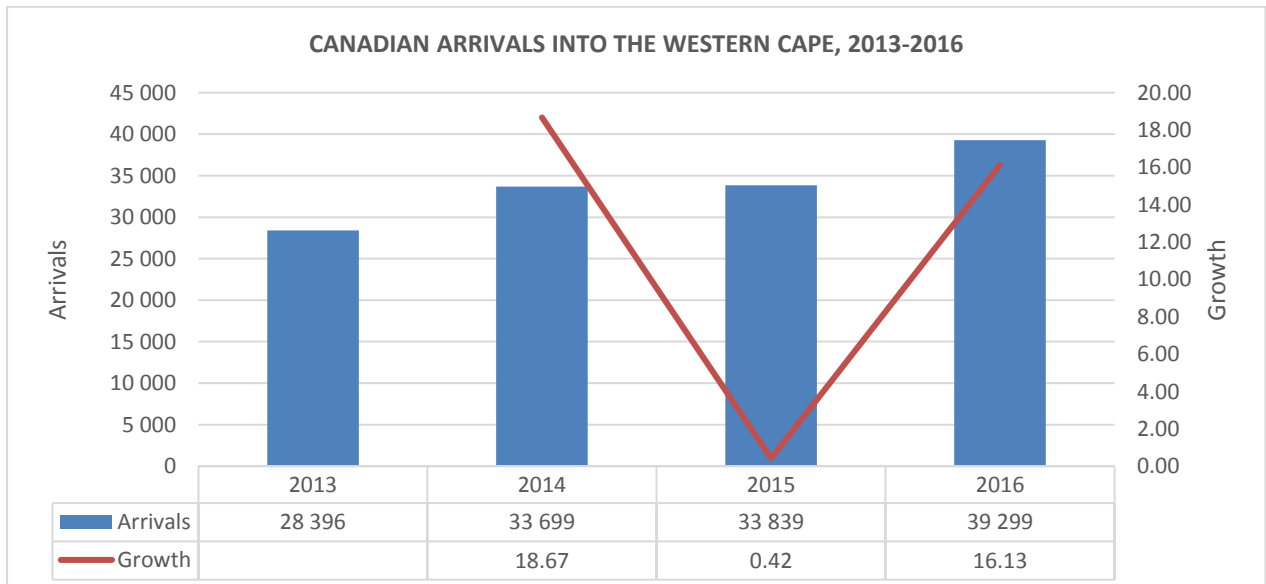
Canadian tourist arrivals into South Africa dipped in 2015, but rose above 2014 levels in 2016 to reach 61 179 arrivals, growing by 8.8%.



Source: SA Tourism, 2017

5.2 Tourist arrivals into the Western Cape

Canadian tourist numbers into the province have grown successively from 2013 to 2016, with a dip in growth in 2015 following the national trend.



Source: SA Tourism, 2017

For more information on this publication and other Wesgro publications please contact research@wesgro.co.za or for more publications visit the Wesgro publications portal on our website at <http://wesgro.co.za/publications>