COUNTRY PROFILE

CANADA

JAMAICA AND CANADA

Canada is one of Jamaica's key economic partners; it is Jamaica's second largest trade partner resulting from the level of export to Canada, high remittances from over 200,000 Jamaicans in the diaspora and annual Canadian tourist arrivals to Jamaica.

- Canada is Jamaica's second largest export partner with US$181 million worth of goods exported in 2015. Imports from the northern country of $94 million were spread across pharmaceuticals, meats and electronic devices, among others.
- Canadian tourists account for 20 per cent of stopover arrivals to Jamaica annually.
- Canadian investment in the financial sector is evident in its establishment of institutions including CIBC, First Caribbean and Scotiabank, along with other interests.
- The Jamaican diaspora in Canada is consistently growing with thousands of temporary workers traveling annually and others attaining citizenship, as Canada remains open to migration.
- This large movement of people has led to a high value of remittances from Canada annually, the second largest behind the USA at over US$1 billion annually.

Key Indicators 2012-2016:

Indicator	2012	2013	2014	2015	2016
Trade Balance (US$000s)	$20,724	$124,582	$115,446	$87,776	$59,786
Tourist Arrivals	403,200	399,331	419,898	391,409	372,137
FDI	-	51.6	14.1	92.4	NA
Net Migration	2,185	2,470	3,055	3,430	NA
Remittance (US$ mil)	-	$246	$250m	$226	$230.7

MARKET ACCESS

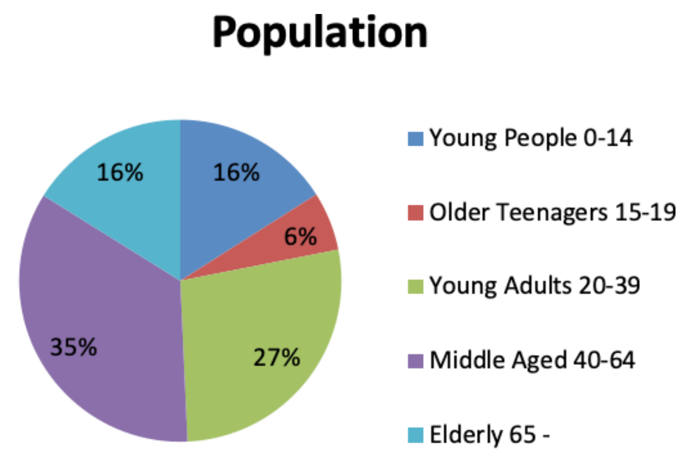
Since 1986, Commonwealth Caribbean countries have been afforded duty free access to the Canadian market through the Caribbean/Canada Free Trade Agreement (CARIBCAN). All goods, excluding textiles and clothing, footwear, leather garments, luggage, handbags and lubricating oil, are permissible. Goods must be wholly produced in Jamaica.

JAMPRO TRADE & INVESTMENT JAMAICA

DEMOGRAPHY

Canada's large land mass makes it the second largest country in the world. It has a population of 36 million spread across 10 provinces and three territories. Like most developed countries, Canada has an aging society with more than half the population over 40 years. Strong migration increases the Canadian population figures in the young adult and middle-aged categories. The largest market – middle-aged Canadians aged 40 – 64 years, comprises some 34 million persons.

Spending by Canadians has been supporting economic growth as the domestic market has had to respond to the external shocks of lower oil prices. Despite economic shortfalls, the median household income has grown by 10 per cent in the decade 2005 to 2015, reaching CAN$70,336. (Statcan, 2017)



KEY DEMAND DRIVERS AND TRENDS

Health conscious consumers seeking to avoid consumption of

- Unhealthy foods such as trans fats and high sugar products
- Growing trends in the metropolitan/urban centres towards luxury products
- On the go, health conscious lifestyles leading consumers to favouring precooked, pre-packaged foods over canned products
- Clean and clear labels highlighting origins and natural ingredients

OPPORTUNITIES

Jamaica's trade with Canada is dominated by high exports of alumina. Outside of the extractive industry, the Canadian appetite for Jamaican products is in the food and beverage industry.

FRESH PRODUCE

Fresh produce is a key part of the Canadian diet, accounting for 23 per cent of all food sales or CAN$20 billion. The market for fresh vegetables in 2016 stood at CAN$12 billion and fruits CAN$8 billion (BMI Research, 2017). Consumption in Quebec is higher than the national average, with 38.3 per cent followed by British Colombia and Ontario (Statcan, 2016). At least 31.5 per cent of Canadians over age 12 consume fresh fruit and vegetables five or more times per day.

Canada is a net importer of fruits and vegetables, US$7.5 billion relying heavily on the United States of America, Mexico, China, Chile, Spain, Peru, Guatemala and Costa Rica. (Trade Map) Based on new products launched in the market, key trends for attributes of vegetable products were: microwaveable, ease of use, kosher, convenient packaging and organic. Despite a positive trade balance in vegetables, Canada is a net importer of lettuce, onions and shallots, pumpkins, yams, sweet potatoes and other tubers. The $8 billion fruit market is serviced by US$4.5 billion in imports and accounts for the large trade imbalance in Canadian fresh produce trade due to the Canadian climate and high demand for tropical fruits. Grapes, bananas, strawberries and apples account for 31 per cent of all fruit trade.

BAKED GOODS

The Canadian market for baked goods (excluding bread) was valued at CAN$2.3 billion in 2016. Quebec reports the highest per capita consumption of bakery products (CAN$685 annually)followed by Newfoundland and Labrador, and New Brunswick. While markets like Ontario, Alberta and British Columbia are below the national average of approximately CAN$574.

The Canadian baked goods market is supported by US$1.4 billion in imported goods from the US, Mexico and UK. The US controls 77 per cent of the market.

Canada is a vibrant market for artisanal and niche bakery products, with overall consumption of bread stagnating as consumers move away from products high in wheat content. The average Canadian is reported to spend CAN$565 annually on bread. However, interest in the niche products segment is growing in ethnic and gluten free foods.

Cakes, pastries and biscuits are experiencing differing levels of performance. Cake consumption continues to grow steadily with larger consumption on unpackaged vs packaged. Pastry consumption is declining year over year and biscuits are performing above average with more preference for savoury biscuits and crackers. Sweet biscuits with chocolate flavouring still have the largest market share.
Overall there is growing supply and demand for products made with rice flour. An estimated 10 million Canadians are consuming gluten free products, not due to Celiac disease but to promote weight loss, healthy skin and digestive health.

SAUCES AND CONDIMENTS

The Canadian market for sauces and condiments is growing slowly. It reached CAN$1.9 billion in 2016. The average Canadian consumes 9.7 kg of sauces and condiments annually, relatively flat over the last decade. (Statista, 2017)

Canada is a net importer of sauces and condiments. The import market of CAN$1 billion or 465,013 tons has been growing year on year, 88 per cent in value since 2012 and 57 per cent in volume. Sauces and condiments other than soya, ketchup and mustard are the market leaders accounting for 61 per cent of imports, CAN$615 million, 196,000 tons. (Trade Map) .

Canadian preferences for sauces, condiments and dressings have been influenced by many factors including healthy diets, fusion cuisine and ethnic flavours. This has driven demand for hot sauces, salad dressings, low carb and alternatives to salt. Combining spices for flavour enhancement and protection against diseases in meat is also growing, as knowledge about the phenolic compounds increases (Agriculture and Agri-Food Canada, 2016). Notwithstanding, the Canadian market for sauces and condiments is growing slowly. It reached CAN$1.9 billion in 2016. The average Canadian consumes 9.7 kg of sauces and condiments annually, relatively flat over the last decade. (Statista, 2017). There is still opportunity, however for Jamaican sauces and condiments to continue to grow in this market.

COFFEE

Canada is a large coffee drinking society with 67 per cent of Canadians aged 18-79 consuming this beverage daily. The CAN$6.7 billion coffe industry is driven by sales at food service establishments, accounting for 77 per cent of all sales. Like most developed markets, single serve brew systems made a large impact with ownership growing from 7 per cent to 38 per cent in 2015 and has plateaued since while growth is more rapid in the specialty coffee market with consumption of specialty coffee reaching 19 per cent of persons (Coffee Association of Canada, 2017).

Canada is a net importer of coffee, importing green beans and roasted beans for resale in the domestic market. Total imports of all coffee products was CAN$1.7 billion for 284,000; green beans and roasted constitute 90 per cent of all products brought into the market (Trade Map). Leading brands in Canada are Tim Horton's, McCafe and Folgers. (Statista, 2017)

TOP TRADED PRODUCTS

The table below outlines some of Jamaica's top commodity exports and the import market size in Canada. The largest market is that of aluminium oxide, which Jamaica already supplies as the number three supplier behind Brazil and Australia, however based on historical demand and future performance in the minerals sector of Canada there is the potential for an increased demand supply can increase.

Product	5-year Average (CAN$000s)	Value (CAN$ 000s)	Quantity (Tons)
Aluminium oxide	1,418,478	1,566,898	4,727,688
Aluminium ores	135,032	141,593	3,581,842
Rum	89,883	92,723	14,694
Coffee beans	706,961	825,402	180,877
Yams	26,212	34,749	20,000
Sauces	479,308	615,178	196,944
Beer	674,089	755,992	381,217
Baked goods	1,221,041	1,445,270	375,448
Aluminium Hydroxide	8,818	8,033	8,972
Preparations for animal feeds	292,428	327,641	296,428

DISTRIBUTION CHANNELS

Unlike its North American neighbour, Canada has a less competitive mass grocery retail sector due to the high number of non organised businesses which account for between 20 – 30 per cent of sales. The market segmentation has allowed for the entrance of US brands Walmart and Costco to compete with legacy companies Sobey's and Loblaw. The most notable competition in the market is between the convenience stores and supermarkets trying to get closer to consumer homes, as online shopping channels are still not as robust compared to other developed markets.

Company/Brand	Type	Stores
7-Eleven Canada	Convenience stores	500
Allmentatton Couche Tard	Convenience stores	5,850
Loblaw Companies Ltd	Supermarkets, superstores, other	1,116
Sobeys Inc	Supermarkets,	1,546
Metro	Supermarkets, superstores and other	590
Costco	Supercentres	94
Walmart Canada Inc	Supercentres and discount stores	410

Resources:

- BMI Research
- Indsutry Canada
- Statcan
- Trade Map

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