

# Canadian international merchandise trade, December 2015

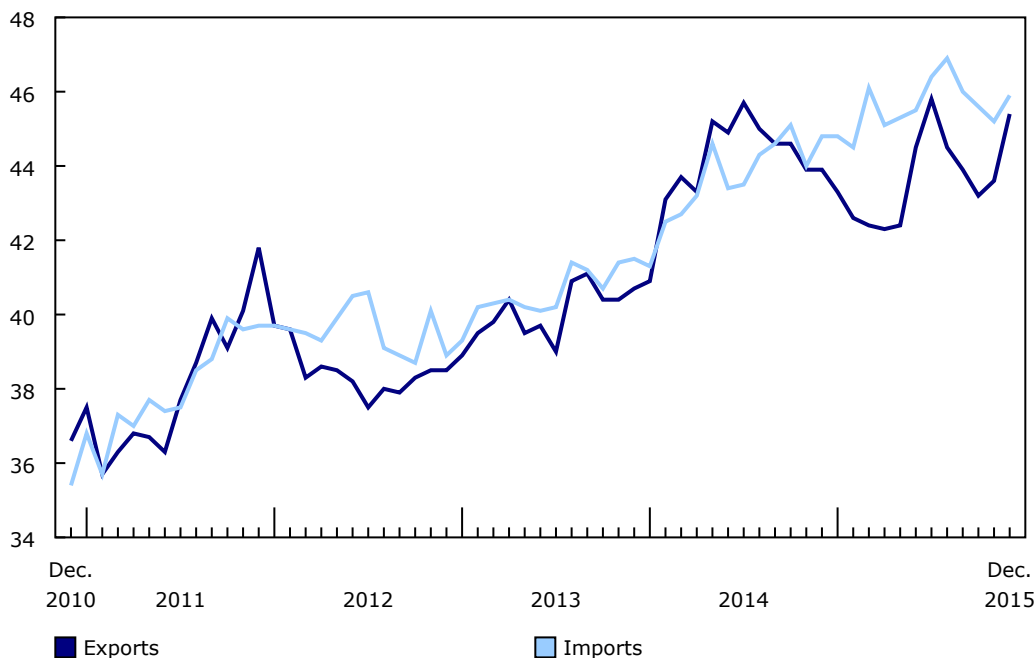
Released at 8:30 a.m. Eastern time in *The Daily*, Friday, February 5, 2016

Canada's exports increased 3.9% in December and imports were up 1.6%. Export volumes increased 2.1% and prices 1.8%. For imports, volumes were up 1.5% and prices 0.1%. Consequently, Canada's merchandise trade deficit with the world narrowed from \$1.6 billion in November to \$585 million in December.

In 2015, annual imports increased 4.4% while exports decreased 0.9%. Consequently, Canada's annual merchandise trade balance with the world shifted from a surplus of \$4.8 billion in 2014 to a deficit of \$23.3 billion in 2015. However, in real (or volume) terms, exports surpassed imports. Real exports rose 4.0% and imports were up 1.1% in 2015. As a result, Canada's annual trade balance in real terms shifted from a deficit of \$10.3 billion in 2014 to a surplus of \$3.1 billion in 2015.

**Chart 1**  
**Merchandise exports and imports**

billions of dollars



Note(s): Data are seasonally adjusted.

Source(s): CANSIM table [228-0069](#).

## Higher exports to the United States and non-US countries

Exports to the United States increased 2.9% to \$33.9 billion in December and imports were up 1.3% to \$30.7 billion. As a result, Canada's trade surplus with the United States widened from \$2.6 billion in November to \$3.2 billion in December.



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Exports to countries other than the United States rose 7.0% to \$11.4 billion. There were higher exports to Singapore and Hong Kong in December. Meanwhile, imports from countries other than the United States increased 2.1% to \$15.2 billion, mainly from Germany. Consequently, Canada's trade deficit with countries other than the United States narrowed from \$4.2 billion in November to \$3.8 billion in December.

### **Widespread gains in exports**

Total exports rose 3.9% to \$45.4 billion in December. The gains were widespread as 10 of 11 sections increased, with metal ores and non-metallic minerals posting the lone decline. Exports excluding energy products were up 4.5% in the month. Year over year, total exports increased 3.4%.

Exports of aircraft and other transportation equipment and parts rose 26.4% to \$2.3 billion in December. Aircraft exports were up 64.4% to \$1.0 billion. Exports in this commodity grouping tend to fluctuate from month to month.

Exports of metal and non-metallic mineral products increased 8.5% to \$5.0 billion in December. The main contributor was unwrought precious metals and precious metal alloys, which rose 32.7% to \$1.7 billion on higher volumes.

In December, exports of consumer goods were up 6.4% to \$6.4 billion on higher volumes. Widespread gains throughout the section were led by pharmaceutical and medicinal products, which rose 26.4% to \$1.1 billion.

Exports of motor vehicles and parts increased 4.6% to \$8.4 billion. Volumes increased 2.7% and prices 1.8%. In December, exports of passenger cars and light trucks rose 7.5% to \$5.9 billion, the highest export value since January 2000.

Partially offsetting these gains, exports of metal ores and non-metallic minerals fell 20.1% to \$1.5 billion. Exports of copper ores and concentrates declined \$242 million to reach \$278 million in December, following a \$289 million increase in November. For the section as a whole, volumes fell 17.9% and prices were down 2.6%.

### **Imports rise on higher volumes**

Total imports increased 1.6% to \$45.9 billion in December, following three consecutive monthly decreases. Imports rose in 9 of 11 sections, with the largest gains in metal and non-metallic mineral products; consumer goods; energy products; and electronic and electrical equipment and parts. Year over year, total imports were up 2.5%.

Imports of metal and non-metallic mineral products rose 5.4% to \$3.8 billion in December. The main contributor was unwrought precious metals and precious metal alloys, up 18.4% to \$860 million. For the section as a whole, volumes were up 4.0% and prices 1.3%.

Imports of consumer goods increased 2.0% to \$10.1 billion in December. Prices were up 2.6% while volumes declined 0.7%. There were higher imports of miscellaneous goods and supplies (+4.1%) and clothing, footwear and accessories (+3.3%).

In December, energy products imports rose 7.9% to \$2.3 billion. Higher imports of crude oil and crude bitumen (+31.4%) were partially offset by lower imports of refined petroleum energy products (-21.2%). Overall, volumes rose 19.6% while prices declined 9.8%.

Imports of electronic and electrical equipment and parts were up 2.3% to \$5.2 billion on higher prices. Imports of communications and audio and video equipment rose 5.7% to \$1.7 billion in December.

### **Quarterly trade declines**

Total exports fell 1.5% in the fourth quarter. Imports decreased 1.8%, the first quarterly decline since the fourth quarter of 2012.

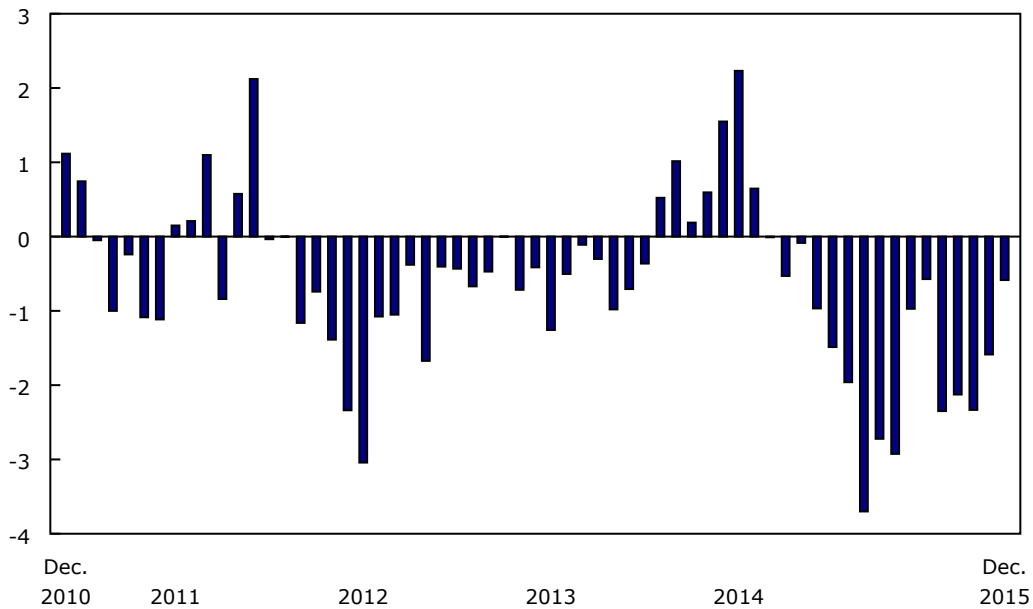
In real (or volume) terms, exports edged down 0.1% from the third quarter. Lower real exports of energy products (-2.6%) and aircraft and other transportation equipment and parts (-10.2%) were partially offset by higher real exports of metal and non-metallic mineral products (+4.8%). Meanwhile, quarterly real imports were down 2.6%. The main contributors to the decline were electronic and electrical equipment and parts (-6.4%) and consumer goods (-3.1%).

### Revisions to November imports and exports

Revisions reflect initial estimates being updated or replaced with administrative and survey data as they became available, as well as amendments made for late documentation of high-value transactions. Imports in November, originally reported as \$45.2 billion in last month's release, were virtually unchanged with the current month release. Exports, originally reported as \$43.3 billion in last month's release, were revised to \$43.6 billion.

**Chart 2**  
**International merchandise trade balance**

billions of dollars



**Note(s):** Data are seasonally adjusted.  
**Source(s):** CANSIM table [228-0069](#).

### Note to readers

Merchandise trade is one component of Canada's international balance of payments (BOP), which also includes trade in services, investment income, current transfers as well as capital and financial flows.

International trade data by commodity are available on both a BOP and a customs basis. International trade data by country are available on a customs basis for all countries, and on a BOP basis for Canada's 27 principal trading partners (PTPs). The list of PTPs is based on their annual share of total merchandise trade—imports and exports—with Canada in 2012. BOP data are derived from customs data by making adjustments for factors such as valuation, coverage, timing and residency. These adjustments are made to conform to the concepts and definitions of the Canadian System of National Accounts.

For a BOP versus customs-based data conceptual analysis, see "[Balance of Payments trade in goods at Statistics Canada: Expanding geographic detail to 27 principal trading partners.](#)"

Data in this release are on a BOP basis, seasonally adjusted and in current dollars. Constant dollars are calculated using the Laspeyres volume formula (2007=100).

For information on seasonal adjustment, see [Seasonally adjusted data – Frequently asked questions](#).

### Revisions

In general, merchandise trade data are revised on an ongoing basis for each month of the current year. Current year revisions are reflected in both the customs and BOP based data.

The previous year's customs data are revised with the release of the January and February reference months as well as on a quarterly basis. The previous two years of customs based data are revised annually and are released in February with the December reference month.

The previous year's BOP based data are revised with the release of the January, February, March and April reference months. To remain consistent with the Canadian System of macroeconomic accounts, revisions to BOP based data for previous years are released annually in December with the October reference month.

Factors influencing revisions include late receipt of import and export documentation, incorrect information on customs forms, replacement of estimates produced for the energy section with actual figures, changes in classification of merchandise based on more current information, and changes to seasonal adjustment factors.

For information on data revisions for crude oil and natural gas, see "[Revisions to trade data for crude oil and natural gas.](#)"

Revised data are available in the appropriate CANSIM tables.

### Real-time CANSIM tables

Real-time CANSIM table 228-8059 will be updated on February 16. For more information, consult the document [Real-time CANSIM tables](#).

### Next release

Data on Canadian international merchandise trade for January will be released on March 4.

**Table 1**  
**Merchandise trade: Canada's top 10 principal trading partners – Seasonally adjusted, current dollars**

	December 2014	November 2015 <sup>r</sup>	December 2015	November to December 2015	December 2014 to December 2015
	millions of dollars			% change	
<b>Total exports</b>	<b>43,852</b>	<b>43,639</b>	<b>45,351</b>	<b>3.9</b>	<b>3.4</b>
United States	32,743	32,958	33,919	2.9	3.6
China	1,664	1,820	1,774	-2.6	6.6
United Kingdom	1,489	1,408	1,349	-4.2	-9.4
Mexico	607	669	689	3.0	13.6
Japan	859	961	908	-5.6	5.7
Germany	276	313	338	7.9	22.1
South Korea	290	386	381	-1.2	31.7
Italy	272	323	309	-4.3	13.7
Hong Kong	633	212	366	72.9	-42.2
Netherlands	421	277	290	4.8	-31.2
<b>Total imports</b>	<b>44,819</b>	<b>45,226</b>	<b>45,935</b>	<b>1.6</b>	<b>2.5</b>
United States	30,281	30,333	30,731	1.3	1.5
China	3,007	3,115	3,105	-0.3	3.3
United Kingdom	893	581	609	4.8	-31.8
Mexico	1,577	1,462	1,462	0.0	-7.3
Japan	823	995	798	-19.8	-3.1
Germany	1,051	1,269	1,673	31.8	59.2
South Korea	499	529	429	-18.9	-14.0
Italy	408	489	460	-6.0	12.6
Hong Kong	346	338	399	18.1	15.4
Netherlands	294	409	409	0.0	38.8
<b>Trade balance</b>	<b>-967</b>	<b>-1,587</b>	<b>-585</b>	<b>...</b>	<b>...</b>
United States	2,462	2,625	3,188	...	...
China	-1,343	-1,294	-1,332	...	...
United Kingdom	597	827	740	...	...
Mexico	-971	-793	-773	...	...
Japan	36	-34	110	...	...
Germany	-774	-956	-1,335	...	...
South Korea	-210	-143	-48	...	...
Italy	-136	-166	-151	...	...
Hong Kong	287	-126	-34	...	...
Netherlands	127	-132	-119	...	...

<sup>r</sup> revised

... not applicable

**Note(s):**

Totals do not equal the sum of their components.

Countries listed are the top 10 principal trading partners of Canada based on annual 2014 total merchandise trade data.

**Source(s):** CANSIM table [228-0069](#).

**Table 2**  
**Merchandise trade: North American Product Classification System<sup>1</sup> – Seasonally adjusted, current dollars**

	December 2014	November 2015 <sup>r</sup>	December 2015	November to December 2015	December 2014 to December 2015
	millions of dollars			% change	
<b>Total exports</b>	<b>43,852</b>	<b>43,639</b>	<b>45,351</b>	<b>3.9</b>	<b>3.4</b>
Farm, fishing and intermediate food products	2,554	2,657	2,791	5.0	9.2
Energy products	8,362	6,133	6,145	0.2	-26.5
Metal ores and non-metallic minerals	1,595	1,829	1,461	-20.1	-8.3
Metal and non-metallic mineral products	5,540	4,610	5,001	8.5	-9.7
Basic and industrial chemical, plastic and rubber products	3,002	2,857	2,874	0.6	-4.3
Forestry products and building and packaging materials	3,179	3,468	3,472	0.1	9.2
Industrial machinery, equipment and parts	2,637	2,756	2,956	7.2	12.1
Electronic and electrical equipment and parts	2,216	2,318	2,348	1.3	6.0
Motor vehicles and parts	6,606	7,996	8,366	4.6	26.7
Aircraft and other transportation equipment and parts	1,884	1,793	2,267	26.4	20.3
Consumer goods	5,241	6,005	6,388	6.4	21.9
Special transactions trade <sup>2</sup>	205	340	349	2.5	69.9
Other balance of payments adjustments	832	876	933	6.6	12.2
<b>Total imports</b>	<b>44,819</b>	<b>45,226</b>	<b>45,935</b>	<b>1.6</b>	<b>2.5</b>
Farm, fishing and intermediate food products	1,352	1,447	1,429	-1.3	5.7
Energy products	3,151	2,090	2,255	7.9	-28.4
Metal ores and non-metallic minerals	874	793	805	1.4	-7.9
Metal and non-metallic mineral products	4,203	3,611	3,805	5.4	-9.5
Basic and industrial chemical, plastic and rubber products	3,786	3,721	3,757	1.0	-0.8
Forestry products and building and packaging materials	1,998	2,049	2,072	1.2	3.7
Industrial machinery, equipment and parts	4,312	4,526	4,547	0.5	5.5
Electronic and electrical equipment and parts	4,955	5,128	5,248	2.3	5.9
Motor vehicles and parts	8,113	8,551	8,608	0.7	6.1
Aircraft and other transportation equipment and parts	1,392	1,942	1,908	-1.8	37.0
Consumer goods	9,101	9,872	10,065	2.0	10.6
Special transactions trade <sup>2</sup>	688	630	570	-9.5	-17.1
Other balance of payments adjustments	893	866	867	0.2	-2.9

<sup>r</sup> revised

1. International merchandise trade data are based on the North American Product Classification System 2007.

2. These are mainly low valued transactions, value of repairs to equipment, and goods returned to country of origin.

**Note(s):** Totals may not equal the sum of their components.

**Source(s):** CANSIM table [228-0059](#).

Available in CANSIM: tables [228-0059](#) to [228-0069](#).

Definitions, data sources and methods: survey numbers [2201](#), [2202](#) and [2203](#).

Customs based data are now available in the *Canadian International Merchandise Trade Database* ([65F0013X](#)). From the *Browse by key resource* module of our website, choose *Publications*.

The December 2015 issue of *Canadian International Merchandise Trade*, Vol. 69, no. 12 ([65-001-X](#)), is also available from the *Browse by key resource* module of our website under *Publications*.

For more information, contact us (toll-free 1-800-263-1136; 514-283-8300; [STATCAN.infostats-infostats.STATCAN@canada.ca](mailto:STATCAN.infostats-infostats.STATCAN@canada.ca)).

To enquire about the concepts, methods or data quality of this release, contact Nita Boushey (613-404-4965; [nita.boushey@canada.ca](mailto:nita.boushey@canada.ca)), International Accounts and Trade Division.