

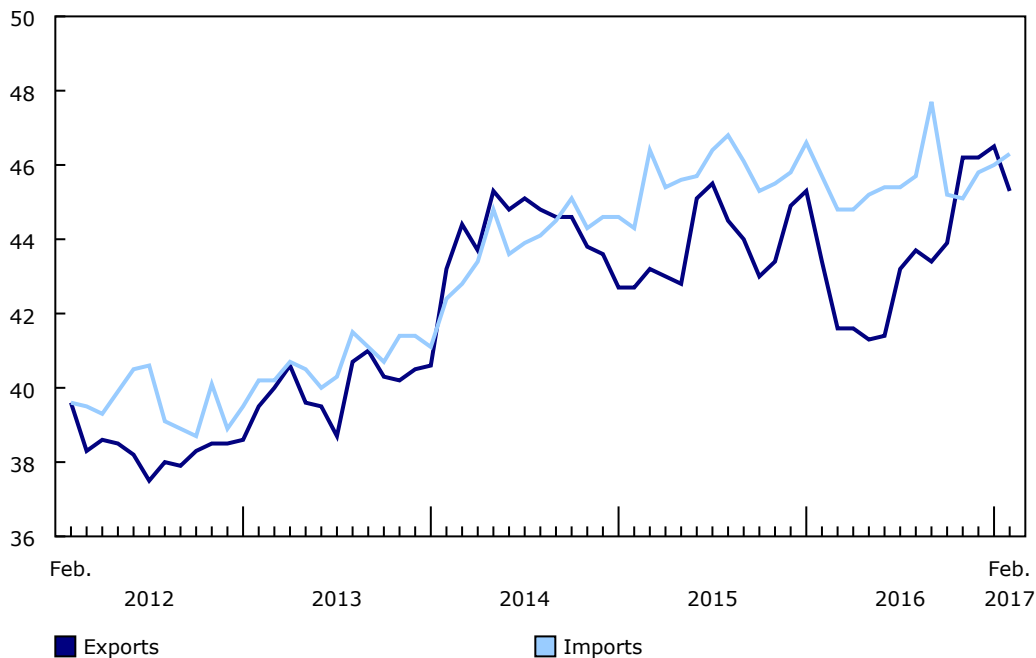
# Canadian international merchandise trade, February 2017

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Following three consecutive monthly surpluses, Canada's merchandise trade balance with the world posted a \$972 million deficit in February. Exports were down 2.4%, with decreases in 8 of 11 sections. Imports edged up 0.6%, on higher imports of special transactions trade and motor vehicles and parts.

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

billions of current dollars



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

## Widespread declines in exports

After reaching a record high in January, total exports fell 2.4% to \$45.3 billion in February on lower volumes. Year over year, exports were up 4.4%. There were lower exports of farm, fishing and intermediate food products, aircraft and other transportation equipment and parts, as well as consumer goods. In February, exports excluding energy products were also down 2.4%.

Following a record high in January, exports of farm, fishing and intermediate food products fell 10.6% to \$2.7 billion in February, returning to December levels. Canola contributed the most to the decline in February, down 33.7% to \$552 million. This followed three consecutive monthly increases during which exports of canola more than doubled, reflecting higher Chinese demand for Canadian canola. Overall, volumes were down 10.2% and prices declined 0.5%.

Exports of aircraft and other transportation equipment and parts decreased 15.2% to \$1.6 billion in February. Leading the decline were exports of aircraft, down 23.1% to \$447 million in February, a third consecutive monthly decrease. Exports of boats and other personal transportation equipment also contributed to the movement, down 41.1% to \$181 million in February. This represented a return to December levels, following a \$134 million increase in January on higher exports to Saudi Arabia.

In February, exports of consumer goods were down 4.3% to \$5.7 billion, a second consecutive monthly decrease. Miscellaneous goods and supplies led the decrease, down 17.5% to \$640 million, mostly on lower exports of gold coins to the United States.

### **Special transactions and trucks lead increase in imports**

Total imports edged up 0.6% in February to \$46.3 billion, despite declines in 7 of 11 sections. Volumes and prices were both up 0.3%. Higher imports of special transactions trade, motor vehicles and parts, and farm, fishing and intermediate food products contributed the most to the increase. Year over year, total imports rose 1.4%.

Special transactions trade led the increase in imports in February, up 33.1% to \$815 million. This commodity grouping includes low-valued transactions, value of repairs to equipment, as well as an estimate for the late documentation of transactions. The increase for this section in February was due mainly to a return from atypically low import levels of low-valued transactions in January.

Imports of motor vehicles and parts rose 1.8% to \$9.1 billion in February, the highest value since the record high set in August 2016. Imports of passenger cars and light trucks led the increase, up 1.9% to \$4.2 billion. This ramp up in inventory was potentially in anticipation of higher truck sales in March. For the section as a whole, volumes were up 1.9% while prices edged down 0.2%.

Imports of farm, fishing and intermediate food products rose 8.7% to \$1.4 billion in February. Overall, volumes were up 4.6% and prices increased 3.8%. Imports of food and tobacco intermediate products rose 14.1% to \$321 million, mainly on higher imports of tobacco. This increase followed two months of particularly low imports.

### **Trade deficit with non-US countries widens**

In February, imports from countries other than the United States increased 4.9% to \$16.4 billion, mainly on higher imports from Japan, Norway and Brazil. In contrast, exports to countries other than the United States fell 5.9% to \$11.0 billion in February. Lower exports to China (mainly canola) and South Korea (mainly coal) were responsible for the decrease in February. As a result, Canada's trade deficit with countries other than the United States widened from \$4.0 billion in January to \$5.4 billion in February.

Imports from the United States decreased 1.6% to \$29.9 billion in February, led by lower imports of aircraft and crude oil. Exports to the United States were down 1.2% to \$34.4 billion. As a result, Canada's trade surplus with the United States widened slightly from \$4.4 billion in January to \$4.5 billion in February. The Canadian dollar gained 0.5 cents US relative to the US dollar in February.

### **Real trade balance turns to a deficit**

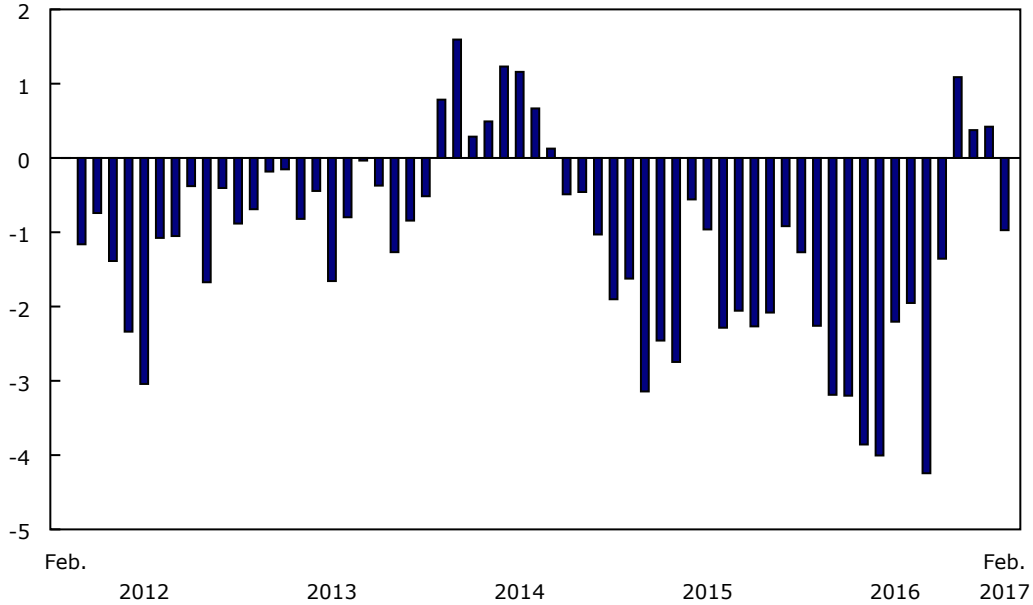
In real (or volume) terms in February, exports fell 2.5% and import volumes were up 0.3%, leading to Canada's first real deficit since September 2016. The \$132 million real trade deficit in February followed a \$1.0 billion surplus in January.

### **Revisions to January imports and exports**

Revisions reflected initial estimates being updated with or replaced by administrative and survey data as they became available, and amendments made for late documentation of high-value transactions. Exports, originally reported as \$46.5 billion in last month's release, were virtually unchanged in the current month's release. Imports in January, originally reported as \$45.6 billion in last month's release, were revised to \$46.0 billion.

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

billions of current dollars



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



In celebration of the country's 150th birthday, Statistics Canada is presenting snapshots from our rich statistical history.

**Impact of World War One on Canadian trade**

From 1914 to 1918, Canada took part in the First World War, during which exports rose 248% and imports grew by 54%. After running deficits from 1903 to 1915, Canada recorded trade surpluses from 1916 to 1920.

Exports of manufactures experienced the highest growth, increasing by \$593.2 million. The share of manufactures exported to the United Kingdom rose from 15% in 1914 to 71% in 1917.

Total exports to France rose from \$3.6 million in 1914 to \$201.5 million in 1918. Combined exports to Germany and Austria-Hungary were \$4.4 million in 1914, with no exports recorded between 1916 and 1919.

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

For more information on these and other macroeconomic concepts, see the *Methodological Guide: Canadian System of Macroeconomic Accounts (13-607-X)* and *User Guide: Canadian System of Macroeconomic Accounts (13-606-G)*.

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 and then on a quarterly basis. The previous two years of customs-based data are revised annually and revisions 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 the 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.

## Changes to the Harmonized Commodity Description and Coding System

Changes were introduced to the Harmonized Commodity Description and Coding System (HS) starting in January 2017.

The changes are due in part to World Customs Organization updates to the six-digit HS codes, which are applied every five years to reflect changing international standards and trade patterns.

Additional changes have been applied at the HS ten-digit (import) and HS eight-digit (export) levels in order to improve the coding system. The changes are intended to address data gaps, eliminate seldom-used categories and reduce response burden for importers and exporters.

A concordance between the 2012 and the 2017 six-digit HS classification codes is now available. This [concordance table](#) lists the terminated HS codes alongside with the new 2017 recoded HS codes at the six-digit level.

More detailed concordances at the eight- and ten-digit Harmonized Commodity Description and Coding System classification code level are available upon request ([statcan.itdtrade-dcicommerce.statcan@canada.ca](mailto:statcan.itdtrade-dcicommerce.statcan@canada.ca)).

## Real-time CANSIM tables

Real-time CANSIM table 228-8059 will be updated on April 18. For more information, consult the document [Real-time CANSIM tables](#).

**Next release**

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

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

	February 2016 <sup>r</sup>	January 2017 <sup>r</sup>	February 2017	January to February 2017	February 2016 to February 2017
	millions of dollars			% change	
<b>Total exports</b>	<b>43,424</b>	<b>46,459</b>	<b>45,340</b>	<b>-2.4</b>	<b>4.4</b>
United States	32,750	34,795	34,362	-1.2	4.9
China	1,968	2,406	1,989	-17.3	1.1
Mexico	704	753	768	2.0	9.0
United Kingdom	1,446	1,359	1,584	16.6	9.5
Japan	986	1,062	981	-7.6	-0.5
Germany	274	391	280	-28.5	2.1
South Korea	284	573	255	-55.5	-10.1
Hong Kong	184	156	165	5.4	-10.5
Netherlands	222	281	194	-30.9	-12.8
France	286	269	338	25.4	18.2
<b>Total imports</b>	<b>45,682</b>	<b>46,038</b>	<b>46,312</b>	<b>0.6</b>	<b>1.4</b>
United States	30,395	30,380	29,887	-1.6	-1.7
China	3,312	3,201	3,338	4.3	0.8
Mexico	1,493	1,639	1,663	1.4	11.4
United Kingdom	642	702	569	-18.9	-11.3
Japan	856	736	1,092	48.3	27.7
Germany	1,260	1,259	1,286	2.1	2.1
South Korea	477	452	602	33.2	26.3
Hong Kong	368	343	330	-3.6	-10.2
Netherlands	289	600	677	12.8	134.1
France	373	362	346	-4.4	-7.2
<b>Trade balance</b>	<b>-2,259</b>	<b>421</b>	<b>-972</b>	<b>...</b>	<b>...</b>
United States	2,355	4,415	4,474	...	...
China	-1,344	-795	-1,349	...	...
Mexico	-789	-887	-895	...	...
United Kingdom	804	657	1,015	...	...
Japan	131	326	-111	...	...
Germany	-986	-868	-1,007	...	...
South Korea	-193	121	-347	...	...
Hong Kong	-184	-186	-166	...	...
Netherlands	-67	-319	-483	...	...
France	-87	-93	-8	...	...

<sup>r</sup> revised

... not applicable

**Note(s):**

Totals do not equal the sum of their components.

Countries listed are Canada's top 10 principal trading partners based on annual 2015 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**

	February 2016 <sup>r</sup>	January 2017 <sup>r</sup>	February 2017	January to February 2017	February 2016 to February 2017
	millions of dollars			% change	
<b>Total exports</b>	<b>43,424</b>	<b>46,459</b>	<b>45,340</b>	<b>-2.4</b>	<b>4.4</b>
Farm, fishing and intermediate food products	2,850	3,057	2,733	-10.6	-4.1
Energy products	4,601	8,532	8,313	-2.6	80.7
Metal ores and non-metallic minerals	1,519	1,552	1,420	-8.5	-6.5
Metal and non-metallic mineral products	4,805	4,869	5,149	5.7	7.2
Basic and industrial chemical, plastic and rubber products	2,894	2,973	2,934	-1.3	1.4
Forestry products and building and packaging materials	3,457	3,563	3,381	-5.1	-2.2
Industrial machinery, equipment and parts	2,728	2,663	2,732	2.6	0.2
Electronic and electrical equipment and parts	2,433	2,282	2,279	-0.1	-6.3
Motor vehicles and parts	8,545	7,856	7,911	0.7	-7.4
Aircraft and other transportation equipment and parts	2,038	1,897	1,609	-15.2	-21.0
Consumer goods	6,333	5,957	5,699	-4.3	-10.0
Special transactions trade <sup>2</sup>	354	323	293	-9.2	-17.3
Other balance of payments adjustments	867	934	889	-4.8	2.5
<b>Total imports</b>	<b>45,682</b>	<b>46,038</b>	<b>46,312</b>	<b>0.6</b>	<b>1.4</b>
Farm, fishing and intermediate food products	1,526	1,312	1,426	8.7	-6.6
Energy products	1,586	2,536	2,574	1.5	62.3
Metal ores and non-metallic minerals	863	839	824	-1.7	-4.5
Metal and non-metallic mineral products	3,738	3,796	3,711	-2.2	-0.7
Basic and industrial chemical, plastic and rubber products	3,704	3,845	3,900	1.4	5.3
Forestry products and building and packaging materials	2,073	1,958	1,956	-0.1	-5.6
Industrial machinery, equipment and parts	4,431	4,166	4,133	-0.8	-6.7
Electronic and electrical equipment and parts	5,367	5,401	5,356	-0.8	-0.2
Motor vehicles and parts	8,776	8,975	9,133	1.8	4.1
Aircraft and other transportation equipment and parts	1,780	1,656	1,545	-6.7	-13.2
Consumer goods	10,350	10,061	10,049	-0.1	-2.9
Special transactions trade <sup>2</sup>	615	613	815	33.1	32.7
Other balance of payments adjustments	873	881	890	1.0	2.0

<sup>r</sup> revised

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

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 [228-0065](#) and [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](#)).

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 Benoît Carrière (613-415-5305; [benoit.carriere@canada.ca](mailto:benoit.carriere@canada.ca)), International Accounts and Trade Division.