

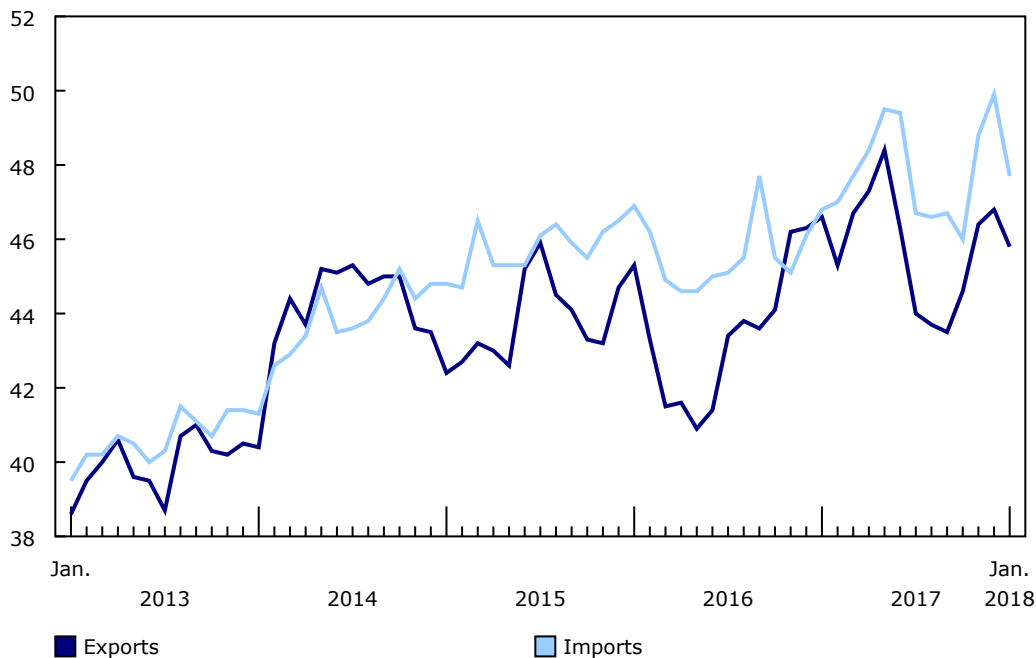
Canadian international merchandise trade, January 2018

Released at 8:30 a.m. Eastern time in *The Daily*, Wednesday, March 7, 2018

Canada's merchandise trade deficit totalled \$1.9 billion in January, narrowing from a \$3.1 billion deficit in December. Imports decreased 4.3%, mainly due to lower imports of industrial machinery, equipment and parts. Exports fell 2.1%, primarily on fewer exports of passenger cars and light trucks.

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 imports

Following a record high in December, total imports were down 4.3% in January to \$47.7 billion, with declines in all commodity sections. Industrial machinery, equipment and parts, consumer goods, as well as electronic and electrical equipment and parts were the main contributors to the decline in January. Year over year, imports increased 2.0%.

Imports of industrial machinery, equipment and parts fell 11.3% to \$4.5 billion in January, following two consecutive months of strong increases. Imports of logging, mining and construction machinery and equipment (-40.0%), which reached a record high in December, were largely behind the January decline. New regulations on off-road diesel engine and machine emissions came into effect on January 1, 2018, limiting imports to machinery that meets the new standards.



Imports of consumer goods declined 4.6% to \$10.0 billion in January. Lower imports of clothing, footwear and accessories (-18.0%) led the decline in January, following a record fourth quarter in 2017. For the entire section, volumes were down 3.0% and prices decreased 1.7%.

Imports of electronic and electrical equipment and parts declined 6.3% to \$5.4 billion in January. Communications and audio and video equipment (-10.3%) were largely responsible for the decrease, mainly due to lower imports of cell phones from China. This decline followed high import levels of cell phones in November and December.

Passenger cars and light trucks lead the decrease in exports

After three consecutive monthly increases, total exports fell 2.1% in January to \$45.8 billion, with declines in 7 of 11 sections. Lower exports of motor vehicles and parts, aircraft and other transportation equipment and parts, as well as forestry products and building and packaging materials were partially offset by higher exports of energy products. Year over year, exports decreased 1.5%. Exports excluding energy products fell 3.2%.

Exports of motor vehicles and parts were down 5.7% to \$7.2 billion in January, on lower exports of passenger cars and light trucks (-13.1%). Atypical plant closures for this time of year were responsible for the decline in January. These temporary shutdowns also led to lower imports of motor vehicle engines and parts (-7.6%).

Exports of forestry products and building and packaging materials declined 6.6% to \$3.4 billion in January, on lower exports of lumber and other sawmill and millwork products (-14.5%). This decrease occurred as the US Department of Commerce resumed collecting import duties on Canadian lumber in late December 2017.

Partially offsetting these declines were exports of energy products (+2.9%), up for the sixth consecutive month. Since July 2017, exports of energy products have risen 28.7%, entirely due to higher prices.

Sharply lower imports from countries other than the United States

Following a record high in December, imports from countries other than the United States were down 8.5% to \$16.8 billion in January, mostly attributable to lower imports from China (cell phones) and the Netherlands (refined petroleum products). There were also notable declines in imports from South Korea, the United Kingdom and Mexico.

Exports to countries other than the United States edged up 0.4% to \$11.8 billion in January. Higher exports to the United Kingdom (unwrought gold) were largely offset by lower exports to Spain and China (oilseeds) as well as Turkey (coal).

As a result, Canada's merchandise trade deficit with countries other than the United States narrowed from \$6.6 billion in December to \$5.0 billion in January.

Exports to the United States fell 2.9% to \$34.1 billion, mainly due to lower exports of passenger cars and light trucks, as well as aircraft. Imports from the United States were down 1.8% to \$30.9 billion, primarily attributable to lower imports of logging, mining and construction machinery and equipment. As a result, Canada's trade surplus with the United States narrowed from \$3.6 billion in December to \$3.1 billion in January.

Widespread declines in import and export prices

The decrease in nominal imports and exports in January occurred as the Canadian dollar gained 2.2 US cents on average relative to the American dollar from December to January. Import prices fell 0.4%, while export prices grew 1.5%. However, import prices were down in 9 of 11 commodity sections, while export prices fell in every commodity section except energy products. Excluding the price of energy products, which rose sharply in January, the prices of both imports (-1.1%) and exports (-1.8%) fell.

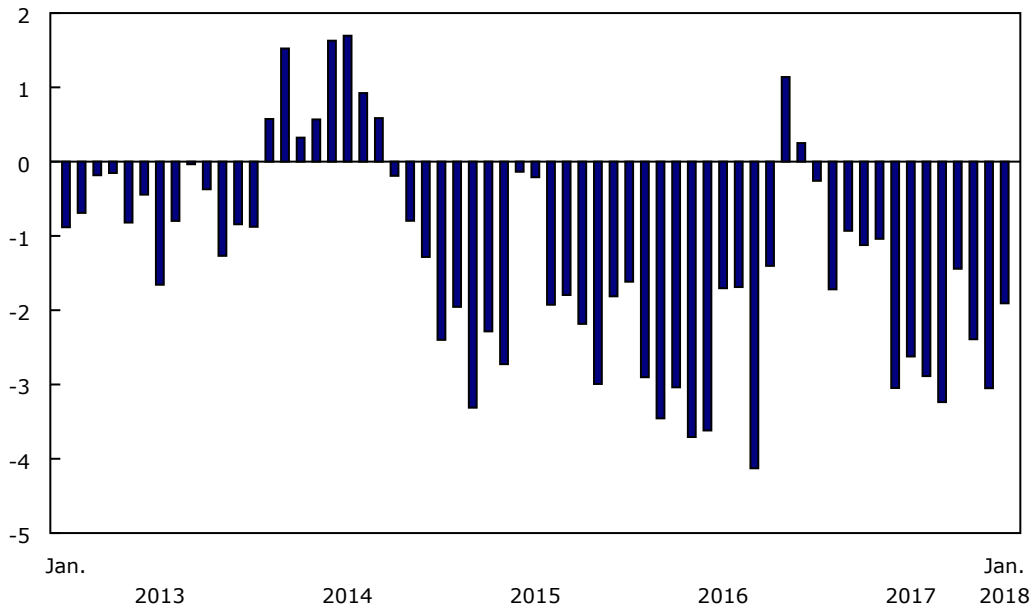
In real terms (or in volume), total imports fell 3.9% in January and real exports were down 3.6%.

Revisions to December exports and imports

Revisions reflected initial estimates being updated with or replaced by administrative and survey data as they became available, as well as amendments made for late documentation of high-value transactions. Exports in December, originally reported as \$46.5 billion in last month's release, were revised to \$46.8 billion in the current month's release. December imports, originally reported as \$49.7 billion in last month's release, were revised to \$49.9 billion.

Chart 2 International merchandise trade balance

billions of current 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 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.

Comparing Canadian and US bilateral trade in goods data

A release entitled "[Comparing Canadian and US bilateral trade in goods data](#)," which outlines the primary factors responsible for differences between the published imports of one country and the published exports of the other, was published in *The Daily* last month. As a way to help data users understand and monitor these differences, Statistics Canada will begin publishing bilateral trade in goods comparative tables for key trading partners, starting with the United States. These tables will be published on the [Canada and the World Statistics Hub](#) beginning in March and will be updated quarterly.

Real-time CANSIM tables

Real-time CANSIM table 228-8059 will be updated on March 19. For more information, consult the document [Real-time CANSIM tables](#).

Next release

Data on Canadian international merchandise trade for February will be released on April 5.

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

	January 2017 ^r	December 2017 ^r	January 2018	December 2017 to January 2018	January 2017 to January 2018
	millions of dollars			% change	
Total exports	46,556	46,815	45,839	-2.1	-1.5
United States	34,877	35,108	34,083	-2.9	-2.3
China	2,459	2,058	1,953	-5.1	-20.6
Mexico	743	748	759	1.4	2.2
United Kingdom	1,360	1,414	1,938	37.1	42.6
Japan	1,058	1,100	1,053	-4.2	-0.4
Germany	391	423	371	-12.3	-5.2
South Korea	573	481	404	-16.0	-29.4
Italy	158	190	191	0.6	21.1
France	261	298	317	6.4	21.5
Netherlands	292	268	285	6.0	-2.4
Total imports	46,814	49,865	47,746	-4.3	2.0
United States	30,755	31,509	30,949	-1.8	0.6
China	3,259	3,899	3,460	-11.3	6.2
Mexico	1,694	1,751	1,616	-7.7	-4.6
United Kingdom	878	739	603	-18.5	-31.4
Japan	761	1,094	1,077	-1.5	41.5
Germany	1,253	1,477	1,393	-5.7	11.1
South Korea	499	665	525	-21.0	5.4
Italy	474	544	535	-1.7	12.8
France	367	367	400	9.0	9.2
Netherlands	549	630	419	-33.5	-23.6
Trade balance	-257	-3,050	-1,907	...	...
United States	4,122	3,599	3,133	...	...
China	-800	-1,841	-1,508	...	...
Mexico	-952	-1,003	-857	...	...
United Kingdom	481	675	1,336	...	...
Japan	297	6	-24	...	...
Germany	-862	-1,055	-1,022	...	...
South Korea	74	-183	-121	...	...
Italy	-316	-354	-344	...	...
France	-106	-70	-84	...	...
Netherlands	-257	-362	-135	...	...

^r 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 2016 total merchandise trade data.

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

Table 2
Merchandise trade: North American Product Classification System¹ – Seasonally adjusted, current dollars

	January 2017 ^r	December 2017 ^r	January 2018	December 2017 to January 2018	January 2017 to January 2018
	millions of dollars			% change	
Total exports	46,556	46,815	45,839	-2.1	-1.5
Farm, fishing and intermediate food products	3,036	2,821	2,982	5.7	-1.8
Energy products	8,303	8,777	9,035	2.9	8.8
Metal ores and non-metallic minerals	1,616	1,599	1,554	-2.8	-3.8
Metal and non-metallic mineral products	4,780	5,627	5,512	-2.0	15.3
Basic and industrial chemical, plastic and rubber products	2,941	3,015	3,019	0.1	2.7
Forestry products and building and packaging materials	3,559	3,678	3,435	-6.6	-3.5
Industrial machinery, equipment and parts	2,683	2,840	2,825	-0.5	5.3
Electronic and electrical equipment and parts	2,241	2,305	2,299	-0.3	2.6
Motor vehicles and parts	8,207	7,619	7,184	-5.7	-12.5
Aircraft and other transportation equipment and parts	1,935	1,791	1,480	-17.4	-23.5
Consumer goods	5,986	5,521	5,548	0.5	-7.3
Special transactions trade ²	326	303	62	-79.6	-81.1
Other balance of payments adjustments	943	919	906	-1.4	-3.9
Total imports	46,814	49,865	47,746	-4.3	2.0
Farm, fishing and intermediate food products	1,325	1,402	1,392	-0.8	5.0
Energy products	2,832	3,152	2,905	-7.8	2.6
Metal ores and non-metallic minerals	854	1,315	1,218	-7.4	42.6
Metal and non-metallic mineral products	3,821	3,642	3,479	-4.5	-8.9
Basic and industrial chemical, plastic and rubber products	3,891	4,063	4,024	-1.0	3.4
Forestry products and building and packaging materials	1,984	2,163	2,020	-6.6	1.8
Industrial machinery, equipment and parts	4,241	5,053	4,481	-11.3	5.7
Electronic and electrical equipment and parts	5,477	5,750	5,387	-6.3	-1.6
Motor vehicles and parts	9,115	9,477	9,183	-3.1	0.7
Aircraft and other transportation equipment and parts	1,681	1,740	1,697	-2.5	1.0
Consumer goods	10,119	10,479	9,994	-4.6	-1.2
Special transactions trade ²	584	698	1,061	52.0	81.7
Other balance of payments adjustments	890	932	906	-2.8	1.8

^r 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](#), [228-0069](#) and [228-0080](#).

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

Customs based data are now available in the [Canadian International Merchandise Trade Database \(65F0013X\)](#).

The updated [Canada and the World Statistics Hub – United States \(13-609-X\)](#) is now available from the home page of our website. This product illustrates the nature and extent of Canada's economic and financial relationship with the United States using interactive graphs and tables. This product provides easy access to information on trade, investment, employment and travel, including merchandise trade by Canadian provinces and US states.

For more information, contact us (toll-free 1-800-263-1136; 514-283-8300; 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), International Accounts and Trade Division.