

Canadian international merchandise trade, October 2018

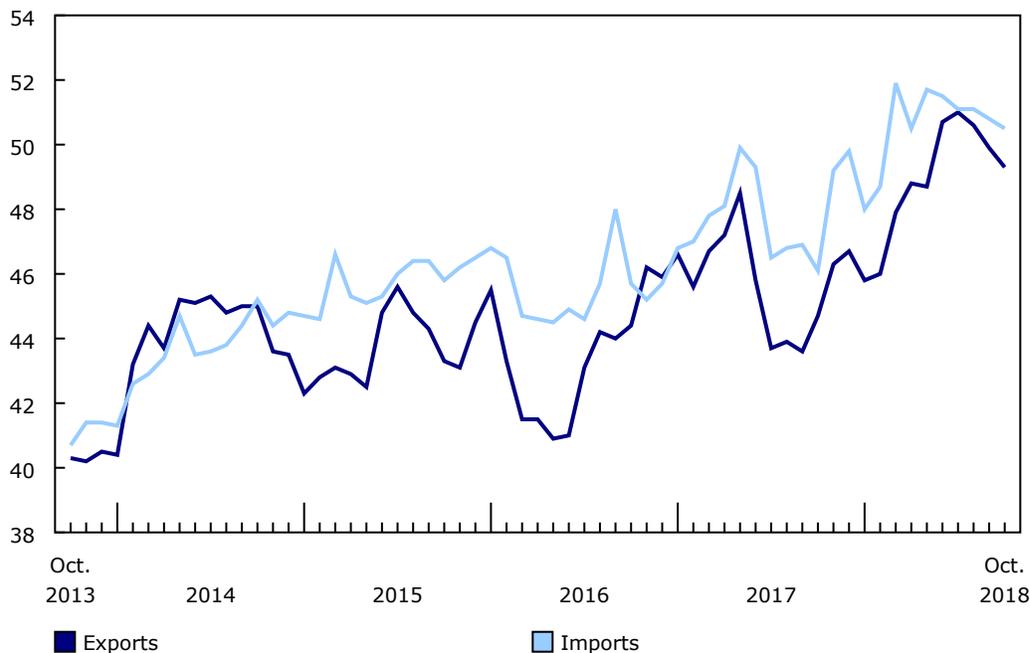
Released at 8:30 a.m. Eastern time in *The Daily*, Thursday, December 6, 2018

Canada's exports were down 1.2% in October, principally on lower exports of crude oil. Imports were down 0.6%, mainly due to fewer imports of passenger cars and light trucks. As a result, Canada's merchandise trade deficit with the world widened from \$891 million in September to \$1.2 billion in October.

In real (or in volume) terms, exports showed an opposite movement (+1.2%) compared with nominal export values in October, as lower energy product prices led to a 2.3% decrease in total export prices. Meanwhile, real imports were essentially unchanged in October.

Chart 1
Merchandise exports and imports

billions of current dollars



Note(s): Data are seasonally adjusted.

Source(s): Table 12-10-0011-01.

Energy product exports slide

On a nominal basis, total exports fell 1.2% in October, despite increases in 7 of 11 sections. A decline in exports of energy products was partially offset by higher exports of motor vehicles and parts, and farm, fishing and intermediate food products. Exports excluding energy products were up 1.6%.

Exports of energy products fell 12.4% to \$8.8 billion in October. Exports of crude oil (-16.2%) drove the decrease, offsetting most of the earlier gains in 2018. Crude oil export prices were down 15.4%, the strongest monthly decrease since February 2016. The drop in October coincided with deepening price discounts for Canadian produced crude oil. Crude oil export volumes declined 0.9%.



Statistics Canada
Statistique Canada

Canada

Partially offsetting the overall decrease were higher exports of motor vehicles and parts, up 4.4% to \$7.8 billion. Passenger cars and light trucks (+6.6%) contributed the most to the increase in October. This reflected a drawdown of motor vehicle inventories that had increased in recent months. Year to date, the cumulative value of exports of passenger cars and light trucks was down 7.6% compared with the same period last year.

Exports of farm, fishing and intermediate food products also partially offset the decrease in October, up 4.8% to \$3.4 billion. Higher exports of canola were behind the increase. The canola harvest season was delayed this year due to unfavourable weather conditions during the summer, leading to atypically low levels of exports throughout the third quarter. In spite of the October increase, the year-to-date cumulative value of exports of canola was 12.7% lower compared with the same period last year.

Lower imports of motor vehicles and parts

Total imports fell 0.6% to \$50.5 billion in October, the fourth decrease in the past five months. Declines were observed in 7 of 11 sections, led by motor vehicles and parts, and basic and industrial chemical, plastic and rubber products. Partially offsetting these decreases were higher imports of aircraft and other transportation equipment and parts. Year over year, total imports increased 9.6%.

Imports of motor vehicles and parts declined 3.5% to \$9.1 billion in October. There were lower imports of passenger cars and light trucks, down 5.8% to \$3.9 billion, the first time import levels have fallen below \$4 billion since December 2016. This was the sixth decrease in the past seven months for imports of passenger cars and light trucks, reflecting lower auto sales in Canada in recent months. Moreover, imports of electric cars fell sharply in October after peaking in September, coinciding with the end of the rebate program in Ontario for these vehicles.

Imports of basic and industrial chemical, plastic and rubber products also contributed to the decrease in October, down 4.5% to \$4.0 billion. Lubricants and other petroleum refinery products (-13.6%) contributed the most to the decline, mainly on lower imports of crude oil diluents from the United States.

Partially offsetting the overall decrease in October were higher imports of aircraft and other transportation equipment and parts, up 11.3% to \$1.7 billion. After reaching its lowest level in more than five years in the third quarter of 2018, imports of aircraft rose in October, mainly on higher imports of airliners from the United States.

Trade deficit with non-US countries narrows

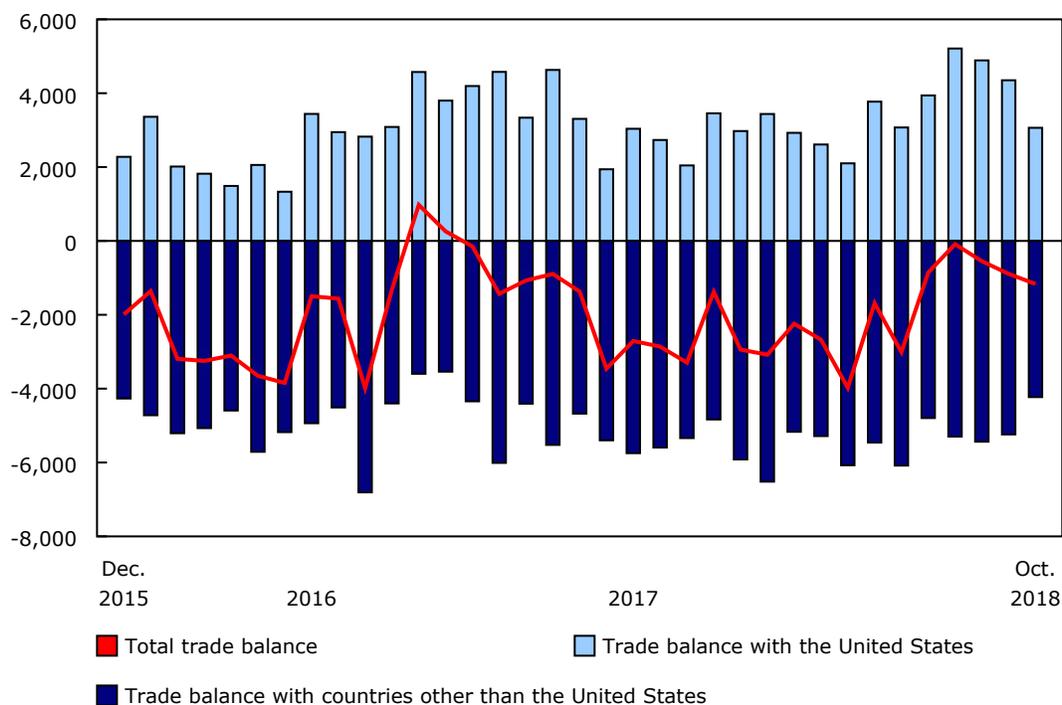
Imports from countries other than the United States fell 4.1% to \$17.1 billion in October. Contributing to the decrease were lower imports from China (various products), Japan (passenger cars and light trucks), the United Kingdom (motor gasoline) and Saudi Arabia (crude oil).

Exports to countries other than the United States were up 2.3% to \$12.9 billion. Higher exports to Hong Kong (gold) and Japan (canola) were partially offset by lower exports to the United Kingdom (gold). As a result, Canada's trade deficit with countries other than the United States narrowed from \$5.2 billion in September to \$4.2 billion in October, the smallest deficit since December 2016.

Exports to the United States fell 2.3% to \$36.5 billion, mainly on lower exports of crude oil. Imports were up 1.3% to \$33.4 billion. As a result, Canada's trade surplus with the United States narrowed from \$4.3 billion in September to \$3.1 billion in October, the smallest surplus since March 2018.

Chart 2 International merchandise trade balance

millions of current dollars



Note(s): Data are seasonally adjusted.

Source(s): Table 12-10-0011-01.

Revisions to September export and import data

Revisions reflect initial estimates being updated with or replaced by administrative and survey data as they become available, as well as amendments made for late documentation of high-value transactions. Exports in September, originally reported as \$50.4 billion in last month's release, were revised to \$49.9 billion, mainly on revised exports of crude oil. September imports, originally reported as \$50.8 billion in last month's release, were essentially unchanged in the current month's release.

Change in product classification and base year

With this release, Statistics Canada is publishing international merchandise trade data classified according to the North American Product Classification System (NAPCS) 2017 version 1.0. Previously, NAPCS 2007 was used to classify merchandise trade by product.

In addition, price and volume measures previously calculated using 2007 as the base year have been recalculated using a new selection of representative goods, with 2012 as the base year. New price information and changes in basket weights have also been introduced.

Monthly NAPCS 2017 values are now available from 1988 to present. Previously published values at the total export and total import levels have been preserved, but changes will be apparent at all other levels of the NAPCS 2017 classification.

Base year 2012 prices and volumes classified according to NAPCS 2017 are available from 1997 to present. Compared with previously published data, prices and volumes will be different for all levels of detail, including total exports and total imports.

For more information, please see [NAPCS 2017](#) and [Variant of NAPCS Canada 2017 Version 1.0 - Merchandise import and export accounts](#).

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 the *User Guide: Canadian System of Macroeconomic Accounts (13-606-G)*.

Data in this release are on a BOP basis and are seasonally adjusted. Unless otherwise stated, values are expressed in nominal terms, or current dollars. References to prices are based on aggregate Paasche (current-weighted) price indexes (2007=100). Volumes, or constant dollars, are calculated using the Laspeyres 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 tables.

Release of monthly trade in services statistics

On December 19, Statistics Canada is planning to release experimental statistics for monthly trade in services covering the reference period January 2007 to October 2018.

Real-time data table

Real-time table 12-10-0120-01 will be updated on December 17. This table replaces table 12-10-0089-01 which will be archived.

Next release

Data on Canadian international merchandise trade for November 2018 will be released on January 8, 2019.

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

	October 2017	September 2018 ^r	October 2018	September to October 2018	October 2017 to October 2018
	millions of dollars			% change	
Total exports	44,690	49,911	49,323	-1.2	10.4
United States	33,451	37,325	36,451	-2.3	9.0
China	1,959	2,819	2,720	-3.5	38.9
Mexico	807	825	794	-3.8	-1.6
United Kingdom	1,488	1,201	1,099	-8.4	-26.1
Japan	984	1,132	1,239	9.4	25.9
Germany	335	466	464	-0.4	38.7
South Korea	500	502	482	-3.9	-3.6
Italy	228	217	193	-10.9	-15.5
France	273	284	287	1.0	5.0
Netherlands	365	544	542	-0.3	48.5
Total imports	46,068	50,802	50,488	-0.6	9.6
United States	29,996	32,975	33,388	1.3	11.3
China	3,353	4,005	3,811	-4.8	13.7
Mexico	1,627	1,703	1,699	-0.2	4.5
United Kingdom	656	730	609	-16.5	-7.2
Japan	953	916	763	-16.7	-19.9
Germany	1,225	1,371	1,346	-1.8	9.9
South Korea	650	670	689	2.7	5.9
Italy	527	578	542	-6.3	2.8
France	405	418	424	1.4	4.7
Netherlands	412	415	376	-9.4	-8.7
Trade balance	-1,379	-891	-1,165	...	...
United States	3,455	4,349	3,063	...	...
China	-1,394	-1,186	-1,091	...	...
Mexico	-820	-878	-905	...	...
United Kingdom	832	471	490	...	...
Japan	31	216	476	...	...
Germany	-890	-905	-882	...	...
South Korea	-150	-169	-206	...	...
Italy	-299	-362	-349	...	...
France	-132	-134	-137	...	...
Netherlands	-47	128	166	...	...

^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): Table [12-10-0011-01](#).

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

	October 2017	September 2018 ^r	October 2018	September to October 2018	October 2017 to October 2018
	millions of dollars			% change	
Total exports	44,690	49,911	49,323	-1.2	10.4
Farm, fishing and intermediate food products	3,202	3,223	3,379	4.8	5.5
Energy products	7,938	10,051	8,806	-12.4	10.9
Metal ores and non-metallic minerals	1,311	1,825	1,868	2.4	42.5
Metal and non-metallic mineral products	5,282	5,398	5,352	-0.9	1.3
Basic and industrial chemical, plastic and rubber products	2,858	2,999	3,064	2.2	7.2
Forestry products and buliding and packaging materials	3,666	4,032	3,949	-2.1	7.7
Industrial machinery, equipment and parts	3,201	3,353	3,332	-0.6	4.1
Electronic and electrical equipment and parts	2,331	2,449	2,536	3.6	8.8
Motor vehicles and parts	6,756	7,459	7,790	4.4	15.3
Aircraft and other transportation equipment and parts	1,831	2,212	2,214	0.1	20.9
Consumer goods	5,089	5,579	5,677	1.8	11.5
Special transactions trade ²	313	321	338	5.3	7.8
Other balance of payments adjustments	910	1,010	1,018	0.7	11.8
Total imports	46,068	50,802	50,488	-0.6	9.6
Farm, fishing and intermediate food products	1,612	1,724	1,689	-2.0	4.8
Energy products	2,762	3,190	3,276	2.7	18.6
Metal ores and non-metallic minerals	952	1,396	1,314	-5.9	38.0
Metal and non-metallic mineral products	3,092	3,394	3,394	0.0	9.8
Basic and industrial chemical, plastic and rubber products	3,410	4,156	3,967	-4.5	16.3
Forestry products and buliding and packaging materials	2,084	2,291	2,265	-1.2	8.7
Industrial machinery, equipment and parts	5,113	5,739	5,825	1.5	13.9
Electronic and electrical equipment and parts	5,398	6,019	5,965	-0.9	10.5
Motor vehicles and parts	8,822	9,403	9,076	-3.5	2.9
Aircraft and other transportation equipment and parts	1,846	1,524	1,697	11.3	-8.1
Consumer goods	9,407	10,309	10,198	-1.1	8.4
Special transactions trade ²	680	713	869	21.9	27.8
Other balance of payments adjustments	892	946	953	0.8	6.9

^r revised

1. International merchandise trade data are based on the 2017 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): Table 12-10-0121-01.

Available tables: [12-10-0011-01](#), [12-10-0099-01](#), [12-10-0119-01](#) and [12-10-0121-01](#) to [12-10-0128-01](#) .

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 \(13-609-X\)](#) is available online. This product illustrates the nature and extent of Canada's economic and financial relationship with the world using interactive graphs and tables. This product provides easy access to information on trade, investment, employment and travel between Canada and a number of countries, including the United States, the United Kingdom, Mexico, China, Japan, Belgium, Italy, the Netherlands and Spain.

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.