

Canadian international merchandise trade, December 2018

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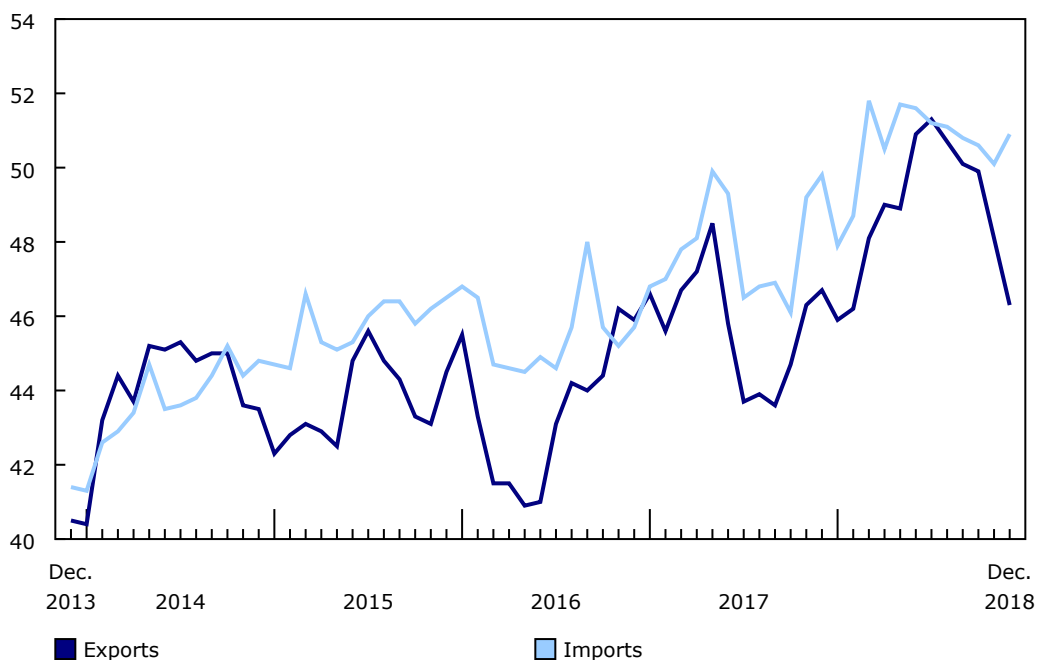
Canada's exports declined 3.8% in December, almost entirely on lower exports of energy products, which were down as a result of falling crude oil prices. Imports were up 1.6%, mainly on higher imports of energy products. As a result, Canada's merchandise trade deficit with the world widened from \$2.0 billion in November to a record \$4.6 billion in December.

Energy products lead the decrease in exports

Total exports were down 3.8% to \$46.3 billion in December, the fifth consecutive monthly decline since the record set in July. Exports have fallen 9.8% or by \$5.0 billion since July, with energy products being responsible for 80% of the decrease. Excluding energy products, exports were essentially unchanged in December. Overall, export prices decreased 2.4% and volumes were down 1.4%.

Chart 1 Merchandise exports and imports

billions of current dollars



Note(s): Data are seasonally adjusted.
Source(s): Table 12-10-0011-01.

Exports of energy products fell 21.7% to \$6.4 billion in December, the lowest level since July 2016. Crude oil exports declined 28.7% to \$3.3 billion, down by more than half since peaking in July 2018. Following a 29.7% decline in November, crude oil export prices (-25.8%) were once again largely responsible for the decrease in December. Despite ending the year with five consecutive monthly declines, crude oil export values were up 19.7% in 2018 compared with 2017.



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Exports of metal and non-metallic mineral products also contributed to the decline in December, down 9.8% to \$4.9 billion, mainly on lower exports of gold to the United Kingdom and Hong Kong. This was mainly the result of reduced transfers of gold within the banking sector in December.

The overall decrease in December was partially offset by higher exports of aircraft and other transportation equipment and parts, which rose 16.0% to \$2.4 billion, mostly on increased exports of aircraft engines to the United States.

Imports of energy products increase

Total imports rose 1.6% to \$50.9 billion in December, mainly on higher volumes. Increased imports of energy products, motor vehicles and parts, and metal ores and non-metallic minerals were partially offset by lower imports of aircraft and other transportation equipment and parts.

Imports of energy products rose 19.7% to \$3.3 billion in December. Refined petroleum energy products (+33.2%) contributed the most to the increase, mainly on higher imports of diesel and biodiesel fuels. This coincided with recent maintenance and turnaround work at some Canadian refineries, increasing the demand for foreign refined petroleum energy products. In 2018, imports of refined petroleum energy products reached the highest level on record.

Imports of motor vehicles and parts were up 4.0% to \$9.4 billion in December. Following three consecutive monthly declines, imports of passenger cars and light trucks (+8.7%) led the increase in December. For 2018 as a whole, imports of passenger cars and light trucks were down 1.7% compared with the record set in 2017, reflecting a slowdown in sales.

Imports of metal ores and non-metallic minerals increased 32.8% to a record high \$1.4 billion in December. Following two consecutive monthly declines, imports of other metal ores and concentrates (+43.0%) increased in December on higher imports of bauxite and aluminum oxide (used in the production of aluminum) from Brazil.

Partially offsetting the overall increase in December were lower imports of aircraft and other transportation equipment and parts, which fell 24.9% to \$1.7 billion. After three consecutive monthly gains, imports of aircraft (-75.9%) posted the largest decline, mostly on lower imports of airliners from the United States. Despite the decrease in December, imports of aircraft in 2018 were the highest since 2015.

Record imports from non-US countries

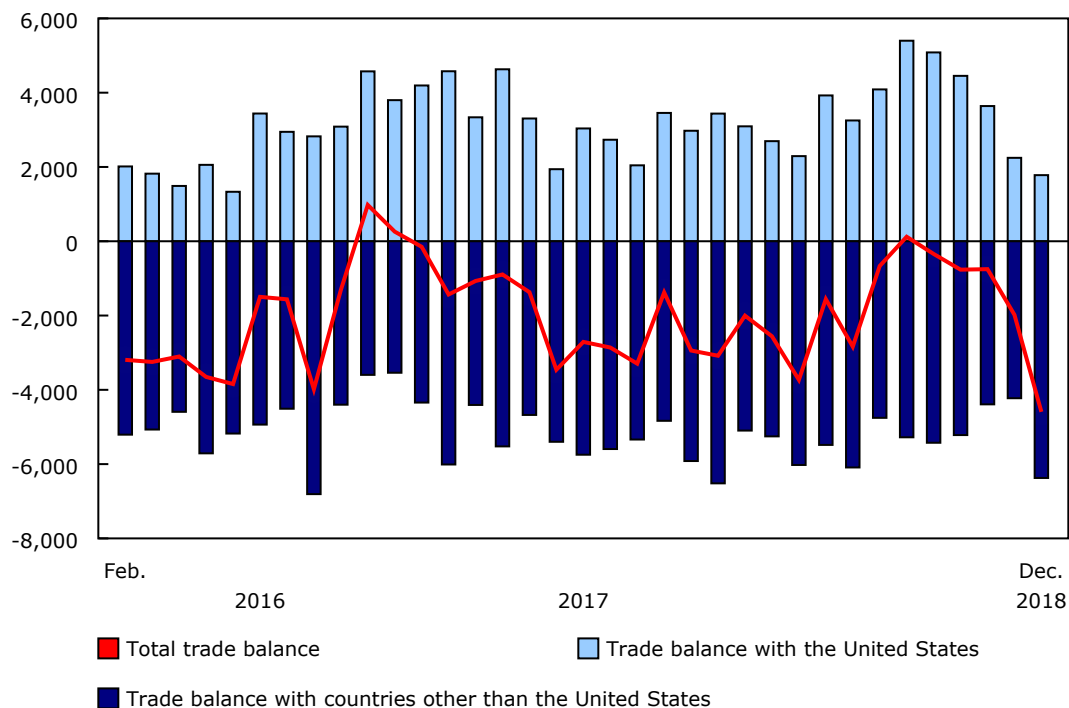
Imports from countries other than the United States rose 9.2% to a record \$19.0 billion in December. Widespread increases were led by higher imports from Brazil (bauxite and aluminum oxide), China (various products) and the Russian Federation (crude oil).

Exports to countries other than the United States were down 4.2% to \$12.6 billion. Lower exports to the United Kingdom and Hong Kong (gold in both cases) were partially offset by higher exports to China (various products). As a result, Canada's trade deficit with countries other than the United States widened from \$4.2 billion in November to \$6.4 billion in December.

Following a 5.0% decrease in November, exports to the United States were down 3.6% to \$33.7 billion in December, mostly on lower crude oil exports. Imports from the United States were down 2.4% to \$31.9 billion, mainly on lower imports of aircraft. As a result, Canada's trade surplus with the United States narrowed from \$2.2 billion in November to \$1.8 billion in December. Comparing the average exchange rates, the Canadian dollar lost 1.4 US cents relative to the American dollar from November to December.

Chart 2 International merchandise trade balance

millions of current dollars



Note(s): Data are seasonally adjusted.

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

Annual trade deficit narrows in 2018

Annual imports were up 5.7% to \$607.1 billion in 2018 with increases in all product sections. Consumer goods and industrial machinery, equipment and parts posted the largest increases. Despite recent monthly declines, annual exports were up 6.5% to \$585.4 billion, led by higher exports of energy products. Canada's merchandise trade deficit with the world therefore narrowed from \$24.6 billion in 2017 to \$21.7 billion in 2018.

In real (or volume) terms, annual imports were up 3.3% to \$543.4 billion, while annual real exports rose 4.2% to \$556.4 billion.

Revisions to November exports and imports

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 November, originally reported as \$48.3 billion in the last release, were revised to \$48.1 billion. November imports, originally reported as \$50.4 billion in the last release, were revised to \$50.1 billion in the current month's release.

New release dates for Canadian international merchandise trade data

Statistics Canada and the United States Census Bureau have identified March 27, 2019, as the new joint release date for the publication of international merchandise trade statistics for the January 2019 reference month.

In addition, the release date for the February 2019 reference month has been postponed to April 17, and the March 2019 reference month to May 9. Presently, the publication date for April 2019 reference month remains June 6 as originally planned.

For more information, please consult ["Impacts of the US government shutdown in the upcoming release of Canadian international merchandise trade data."](#)

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.

Real-time data table

Real-time table 12-10-0120-01 will be updated on March 18.

Next release

Data on Canadian international merchandise trade for January will be released on March 27.

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

	December 2017	November 2018 ^r	December 2018	November to December 2018	December 2017 to December 2018
	millions of dollars			% change	
Total exports	46,734	48,119	46,309	-3.8	-0.9
United States	34,950	34,966	33,706	-3.6	-3.6
China	2,066	2,657	2,803	5.5	35.7
Mexico	736	791	729	-7.8	-0.9
United Kingdom	1,417	1,635	1,337	-18.2	-5.6
Japan	1,106	1,167	1,101	-5.7	-0.5
Germany	423	482	423	-12.3	0.0
South Korea	543	493	582	18.1	7.2
Netherlands	263	390	327	-16.0	24.3
Italy	190	268	156	-41.9	-17.8
France	295	291	286	-1.7	-3.3
Total imports	49,815	50,099	50,902	1.6	2.2
United States	31,513	32,719	31,926	-2.4	1.3
China	3,899	4,021	4,169	3.7	6.9
Mexico	1,764	1,628	1,652	1.5	-6.3
United Kingdom	750	686	668	-2.5	-10.9
Japan	1,108	970	1,019	5.0	-8.1
Germany	1,445	1,389	1,426	2.7	-1.3
South Korea	666	707	793	12.2	19.1
Netherlands	642	401	520	29.9	-18.9
Italy	542	518	629	21.4	16.1
France	372	411	433	5.5	16.3
Trade balance	-3,082	-1,980	-4,593	...	...
United States	3,437	2,246	1,780	...	...
China	-1,833	-1,364	-1,366	...	...
Mexico	-1,027	-837	-923	...	...
United Kingdom	667	950	669	...	...
Japan	-2	198	83	...	...
Germany	-1,022	-907	-1,003	...	...
South Korea	-123	-214	-212	...	...
Netherlands	-378	-11	-193	...	...
Italy	-352	-250	-473	...	...
France	-77	-120	-148	...	...

^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 2017 total merchandise trade data.

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

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

	December 2017	November 2018 ^r	December 2018	November to December 2018	December 2017 to December 2018
	millions of dollars			% change	
Total exports	46,734	48,119	46,309	-3.8	-0.9
Farm, fishing and intermediate food products	3,156	3,345	3,437	2.8	8.9
Energy products	8,708	8,186	6,410	-21.7	-26.4
Metal ores and non-metallic minerals	1,448	1,743	1,917	9.9	32.4
Metal and non-metallic mineral products	5,414	5,430	4,899	-9.8	-9.5
Basic and industrial chemical, plastic and rubber products	2,800	2,847	2,838	-0.3	1.4
Forestry products and building and packaging materials	3,811	3,703	3,814	3.0	0.1
Industrial machinery, equipment and parts	3,131	3,430	3,366	-1.9	7.5
Electronic and electrical equipment and parts	2,372	2,508	2,517	0.4	6.1
Motor vehicles and parts	7,628	7,592	7,506	-1.1	-1.6
Aircraft and other transportation equipment and parts	1,884	2,096	2,431	16.0	29.0
Consumer goods	5,151	5,759	5,706	-0.9	10.8
Special transactions trade ²	303	329	314	-4.5	3.6
Other balance of payments adjustments	927	1,150	1,153	0.3	24.4
Total imports	49,815	50,099	50,902	1.6	2.2
Farm, fishing and intermediate food products	1,601	1,747	1,841	5.4	15.0
Energy products	3,243	2,741	3,280	19.7	1.1
Metal ores and non-metallic minerals	1,280	1,068	1,419	32.8	10.8
Metal and non-metallic mineral products	3,281	3,343	3,304	-1.2	0.7
Basic and industrial chemical, plastic and rubber products	3,687	3,896	3,679	-5.6	-0.2
Forestry products and building and packaging materials	2,182	2,310	2,293	-0.7	5.1
Industrial machinery, equipment and parts	5,730	5,859	5,908	0.8	3.1
Electronic and electrical equipment and parts	5,843	6,082	5,972	-1.8	2.2
Motor vehicles and parts	9,630	9,004	9,366	4.0	-2.7
Aircraft and other transportation equipment and parts	1,773	2,229	1,673	-24.9	-5.6
Consumer goods	9,902	10,077	10,393	3.1	5.0
Special transactions trade ²	726	776	794	2.3	9.4
Other balance of payments adjustments	936	967	981	1.5	4.8

^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).

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