

Canadian international merchandise trade, February 2019

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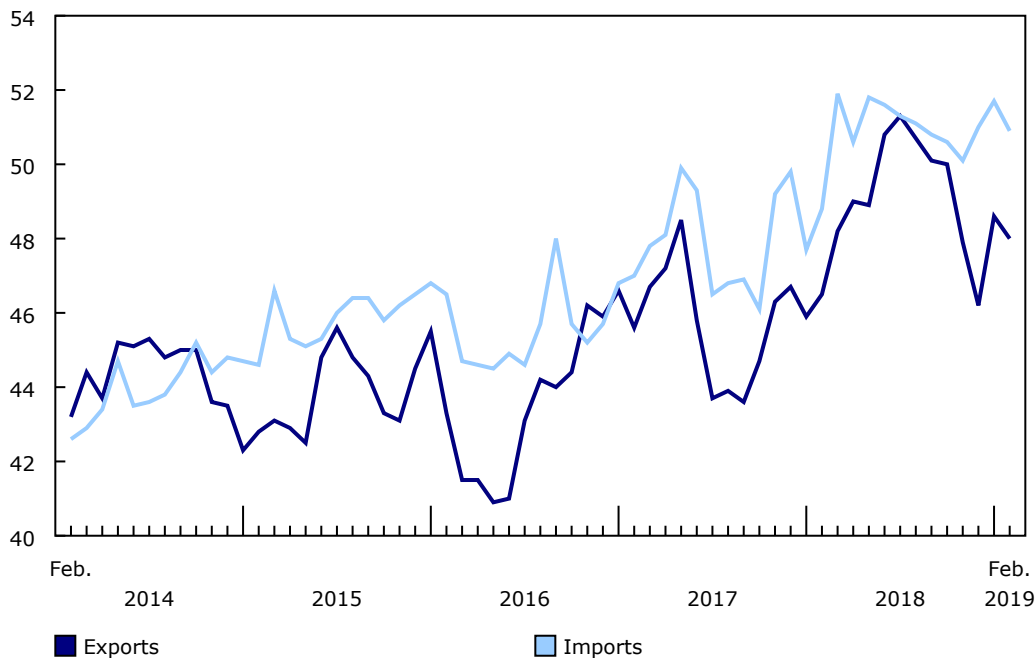
Canada's imports declined 1.6% in February, led by lower imports of gold. Exports were down 1.3% on lower exports of non-energy products. As a result, Canada's merchandise trade deficit with the world narrowed slightly, from \$3.1 billion in January to \$2.9 billion in February.

Given the late reporting of crude oil transactions, statistics on these exports must be estimated in the current month's release, and can be subject to large revisions during times of high volatility in energy prices. Recent months have been marked by significant swings in Canadian benchmark crude oil prices, creating challenging conditions for the estimation of export prices.

Owing to a \$1.2 billion upward revision to crude oil exports for the January reference month, the trade deficit, originally published as \$4.2 billion last month, was adjusted to \$3.1 billion in the current month's release. Comparable revisions to crude oil export statistics were also observed when benchmark prices fell sharply in 2015. January total imports were revised down by \$116 million in the current month's release.

Chart 1
Merchandise exports and imports

billions of current dollars



Note(s): Data are seasonally adjusted.

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

Widespread decrease in imports in February

Following two consecutive monthly increases, total imports declined 1.6% to \$50.9 billion in February. Imports were down in 8 of 11 product sections, with metal and non-metallic mineral products posting the largest decline. Import prices were down 1.6%, while volumes were essentially unchanged.



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Contributing the most to the overall decrease in February were lower imports of gold, which led to a 7.7% decrease in the metal and non-metallic mineral products section. Following increased gold refining activity in December and January, imports of unwrought gold were down in February.

Imports of electronic and electrical equipment and parts declined 3.8% in February to \$5.8 billion. After reaching high levels in the previous three months, imports of computers and computer peripherals (-9.5%) declined in February, mainly on lower imports of laptops from the United States and China.

Notable import decreases were also observed in other product categories in February, including the industrial machinery, equipment and parts (-3.5%), consumer goods (-1.9%) and motor vehicles and parts (-1.9%) sections.

Partially offsetting these decreases were higher imports of aircraft and other transportation equipment and parts, up 6.3% to \$2.8 billion. After increasing by \$680 million in January, imports of aircraft rose by \$378 million to a record in February, mostly on higher imports of airliners from the United States. This was moderated by lower imports of ships from Portugal and Norway.

Exports of non-energy products decline

Following a 5.3% increase in January, total exports were down 1.3% in February to \$48.0 billion. All non-energy product sections declined in February, led by the metal and non-metallic mineral products section. Excluding energy products, exports fell 4.0%. Overall, export volumes were down 4.1%, while prices were up 2.9%.

Following a strong increase in January, exports of metal and non-metallic mineral products declined 6.6% to \$5.2 billion in February. The decrease was largely due to lower exports of refined gold to the United Kingdom, which had increased significantly in January. There were also decreases in gold transfers within the banking sector in February.

Exports of metal ores and non-metallic minerals decreased 11.0% in February to \$1.7 billion. There were lower exports of potash to the United States, as well as lower exports of iron ores to the Netherlands.

Exports of motor vehicles and parts (-2.8%) were also down in February, mainly on lower exports of passenger cars and light trucks. This decrease coincided with a slowdown in auto production in February. Year over year, exports of passenger cars and light trucks were down 8.0%.

Exports of energy products partially offset the overall decrease in February, up 11.7% to \$9.3 billion. Following five months of decline, exports of crude oil (+8.5%) rose for a second consecutive month in February, again on the strength of higher prices. Meanwhile, export volumes for crude oil were down 5.3%, which coincided with production cuts in Alberta at the beginning of the year. Exports of natural gas (+46.2%) also contributed to the increase in February, mostly on higher prices.

Trade increases with the United States and declines with the rest of the world

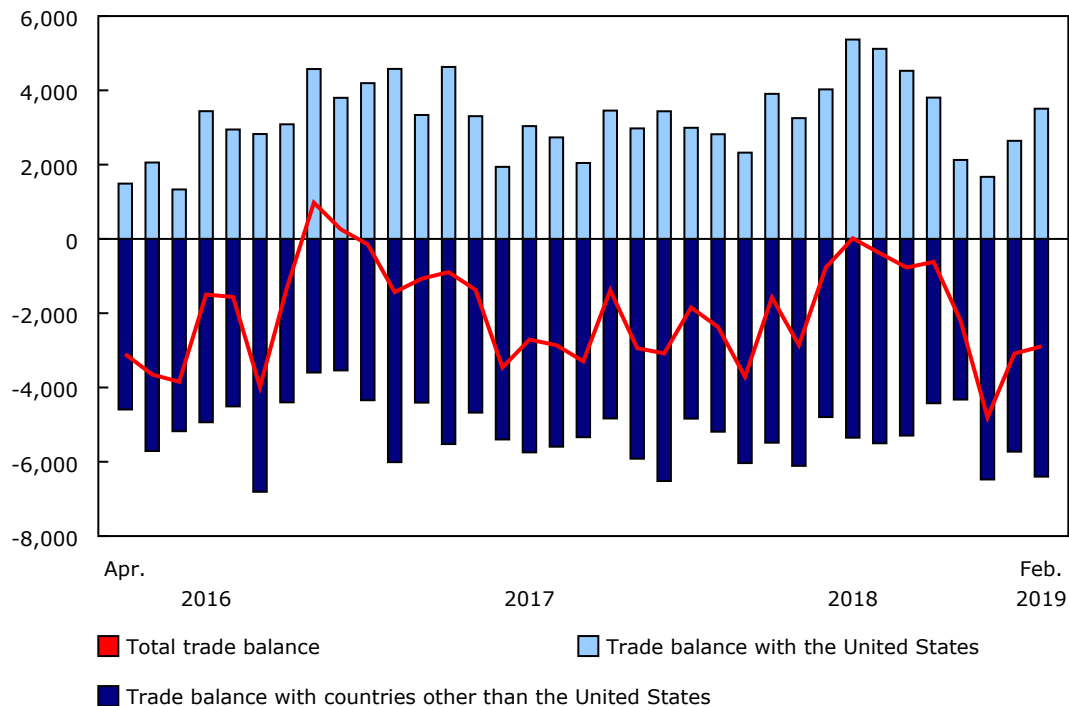
Exports to the United States rose 3.5% to \$36.3 billion in February, primarily on higher exports of crude oil. Imports from the United States were up 1.2% to \$32.8 billion, in part due to higher imports of aircraft. As a result, Canada's trade surplus with the United States widened from \$2.6 billion in January to \$3.5 billion in February. Comparing the average exchange rates of January and February, the Canadian dollar gained 0.6 US cents relative to the American dollar.

Exports to countries other than the United States declined 14.0% to \$11.7 billion in February, the lowest level since February 2018. Widespread decreases were led by lower exports to the United Kingdom (gold), Saudi Arabia (other transportation equipment), Japan (canola and other crop products) and the Netherlands (iron ores, crude oil and coal).

Imports from countries other than the United States also posted a strong decline, down 6.3% to \$18.1 billion. A number of countries contributed to the decrease, including China (various products), Mexico (autos), Germany (autos) and the United Kingdom (aircraft and parts, energy products). As a result, Canada's trade deficit with countries other than the United States widened from \$5.7 billion in January to \$6.4 billion in February.

Chart 2
International merchandise trade balance

millions of current dollars



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

New release dates for Canadian international merchandise trade data

Statistics Canada and the United States Census Bureau have identified May 9, 2019, as the new joint release date for the publication of international merchandise trade statistics for the March 2019 reference month. The publication date for April 2019 reference month remains June 6 as originally planned.

For more information, 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 (2012=100). Volumes, or constant dollars, are calculated using the Laspeyres formula (2012=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 April 29.

Next release

Data on Canadian international merchandise trade for March will be released on May 9.

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

	February 2018 ^r	January 2019 ^r	February 2019	January to February 2019	February 2018 to February 2019
	millions of dollars			% change	
Total exports	46,452	48,619	47,971	-1.3	3.3
United States	34,832	35,077	36,320	3.5	4.3
China	2,141	2,308	2,162	-6.3	0.9
Mexico	741	838	700	-16.6	-5.6
United Kingdom	1,110	2,101	1,398	-33.4	26.0
Japan	990	1,126	921	-18.2	-7.0
Germany	338	412	426	3.4	25.9
South Korea	450	472	502	6.4	11.5
Netherlands	461	419	239	-42.8	-48.1
Italy	257	213	338	58.4	31.2
France	276	284	235	-17.4	-15.1
Total imports	48,824	51,705	50,865	-1.6	4.2
United States	32,014	32,436	32,815	1.2	2.5
China	3,483	4,275	3,840	-10.2	10.3
Mexico	1,794	1,781	1,531	-14.1	-14.7
United Kingdom	625	800	659	-17.6	5.4
Japan	1,085	969	1,073	10.8	-1.1
Germany	1,387	1,446	1,290	-10.8	-7.0
South Korea	550	707	759	7.4	38.2
Netherlands	440	594	557	-6.2	26.7
Italy	548	558	561	0.5	2.3
France	374	431	410	-4.8	9.6
Trade balance	-2,372	-3,086	-2,895	...	...
United States	2,818	2,641	3,506	...	...
China	-1,341	-1,968	-1,679	...	...
Mexico	-1,053	-943	-831	...	...
United Kingdom	485	1,300	739	...	...
Japan	-94	158	-152	...	...
Germany	-1,049	-1,034	-863	...	...
South Korea	-99	-235	-257	...	...
Netherlands	21	-175	-318	...	...
Italy	-291	-345	-223	...	...
France	-98	-147	-176	...	...

^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**

	February 2018 ^r	January 2019 ^r	February 2019	January to February 2019	February 2018 to February 2019
	millions of dollars			% change	
Total exports	46,452	48,619	47,971	-1.3	3.3
Farm, fishing and intermediate food products	2,911	3,094	3,024	-2.2	3.9
Energy products	8,823	8,331	9,306	11.7	5.5
Metal ores and non-metallic minerals	1,509	1,913	1,702	-11.0	12.8
Metal and non-metallic mineral products	5,061	5,553	5,187	-6.6	2.5
Basic and industrial chemical, plastic and rubber products	2,931	2,844	2,690	-5.4	-8.2
Forestry products and building and packaging materials	3,717	3,802	3,680	-3.2	-1.0
Industrial machinery, equipment and parts	3,127	3,528	3,387	-4.0	8.3
Electronic and electrical equipment and parts	2,316	2,571	2,511	-2.3	8.4
Motor vehicles and parts	7,584	7,490	7,279	-2.8	-4.0
Aircraft and other transportation equipment and parts	1,945	2,324	2,182	-6.1	12.2
Consumer goods	5,243	5,763	5,755	-0.1	9.8
Special transactions trade ²	276	319	309	-3.3	11.9
Other balance of payments adjustments	1,007	1,087	958	-11.9	-4.9
Total imports	48,824	51,705	50,865	-1.6	4.2
Farm, fishing and intermediate food products	1,668	1,759	1,688	-4.0	1.2
Energy products	3,215	2,823	2,918	3.4	-9.3
Metal ores and non-metallic minerals	1,058	1,290	1,205	-6.6	14.0
Metal and non-metallic mineral products	3,212	3,545	3,273	-7.7	1.9
Basic and industrial chemical, plastic and rubber products	3,673	3,634	3,777	3.9	2.8
Forestry products and building and packaging materials	2,128	2,352	2,278	-3.2	7.0
Industrial machinery, equipment and parts	5,287	5,962	5,755	-3.5	8.9
Electronic and electrical equipment and parts	5,700	6,018	5,787	-3.8	1.5
Motor vehicles and parts	9,566	9,602	9,418	-1.9	-1.5
Aircraft and other transportation equipment and parts	1,972	2,662	2,829	6.3	43.5
Consumer goods	9,706	10,439	10,240	-1.9	5.5
Special transactions trade ²	702	644	744	15.5	6.0
Other balance of payments adjustments	936	974	952	-2.2	1.7

^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: [12-10-0005-01](#), [12-10-0011-01](#), [12-10-0099-01](#), [12-10-0119-01](#) and [12-10-0121-01](#) to [12-10-0129-01](#).

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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