

Canadian international merchandise trade, July 2019

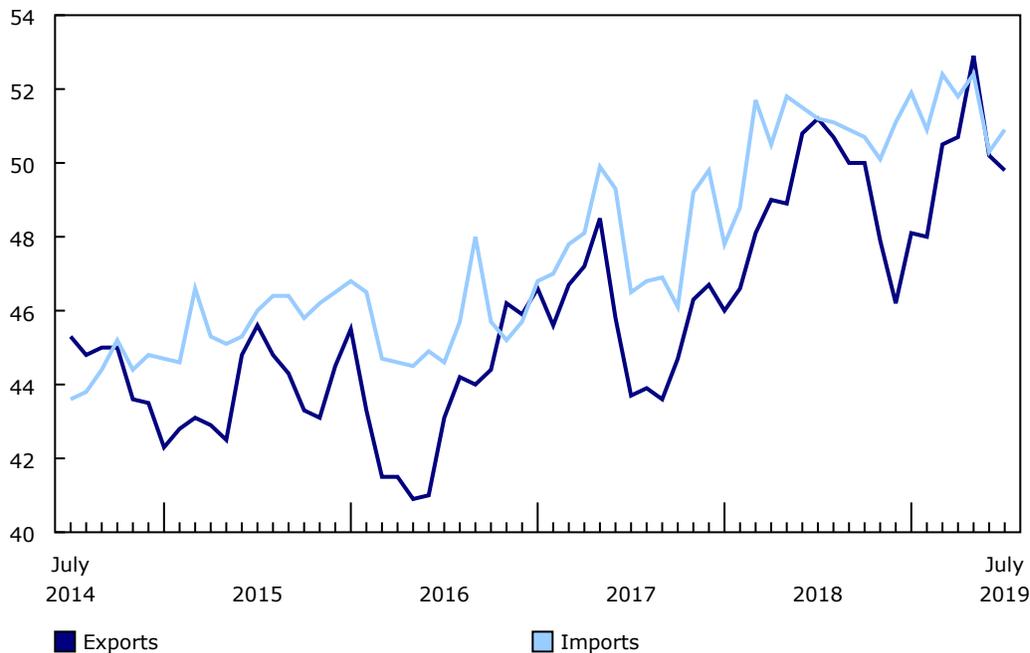
Released at 8:30 a.m. Eastern time in *The Daily*, Wednesday, September 4, 2019

After a strong decline in imports and exports in June, imports rose 1.2% in July, while exports fell 0.9%. As a result, Canada's merchandise trade balance with the world went from an essentially balanced position in June (slight deficit of \$55 million) to a \$1.1 billion deficit in July.

The slight trade deficit in June, which was originally reported as a \$136 million surplus, remains within the typical margins for revisions to the trade balance in subsequent months.

Chart 1
Merchandise exports and imports

billions of current dollars



Note(s): Data are seasonally adjusted and on a balance of payments basis.

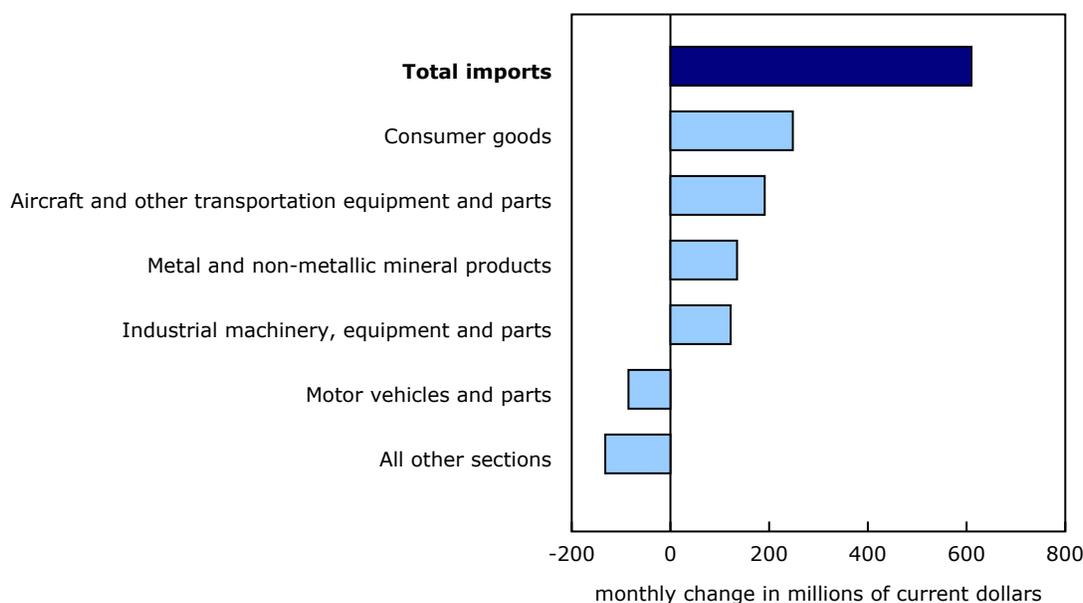
Source(s): Table 12-10-0121-01.

Imports increase in July after a sharp decline in June

Following a 4.0% decrease in June, total imports rose 1.2% to \$50.9 billion in July, with gains in 6 of 11 product sections. In real (or volume) terms, imports were up 2.3%.



Chart 2
Contributions to the monthly change in imports, by product, July 2019



Note(s): Data are seasonally adjusted and on a balance of payments basis.
Source(s): Table 12-10-0121-01.

Imports of consumer goods (+2.4%) contributed the most to the increase, driven by higher imports of pharmaceutical products (+19.7%), which hit a record high in July, mainly as a result of gains in imports from Switzerland and Germany.

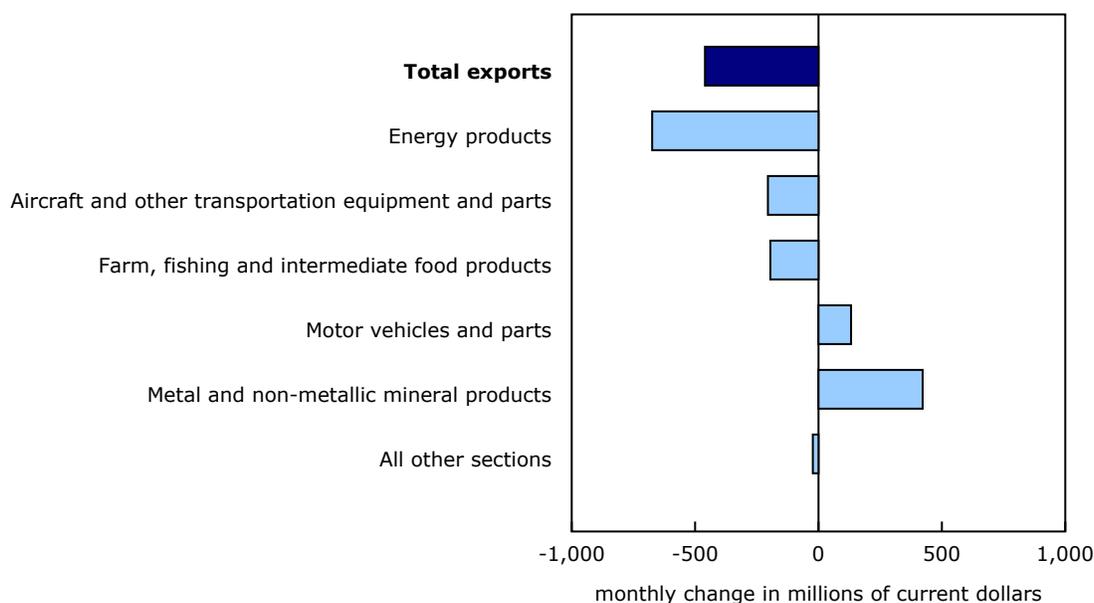
Imports of aircraft and other transportation equipment and parts (+10.2%) also contributed to the increase in July. Higher imports of locomotive cars used to transport crude oil, and parts for armoured vehicles were behind the growth.

Following a 13.6% drop in June, imports of metal ores and non-metallic minerals were up 12.6% in July, largely on the strength of other metal ores and concentrates. Higher imports of bauxite and aluminum oxide—used in aluminum production—contributed the most to the gain in July, as activities at certain aluminum smelters resumed. Gold imports also rose, driven mainly by increased shipments from Japan and Peru.

Energy product prices behind decrease in exports

After a strong decrease of 5.0% in June, total exports fell again in July, down 0.9% to \$49.8 billion. Despite this decline, 6 of 11 product sections recorded increases, and non-energy exports rose 0.5%. In real (or volume) terms, exports edged down 0.1%.

Chart 3
Contributions to the monthly change in exports, by product, July 2019

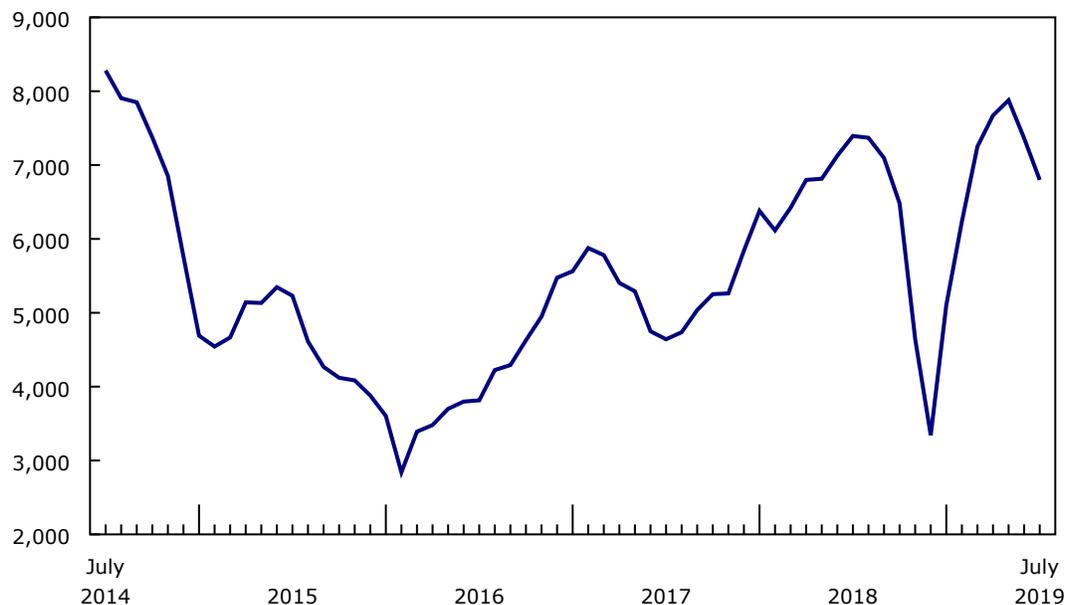


Note(s): Data are seasonally adjusted and on a balance of payments basis.
Source(s): Table 12-10-0121-01.

Following a 6.7% decline in June, energy product exports fell by 6.7% again in July, as a result of lower crude oil exports (-7.7%). As was the case in June, crude oil export prices (-7.4%) were behind the decrease in July. Crude oil export volumes, which peaked in June, remained at a high level in July, edging down 0.3%.

Chart 4 Canadian exports of crude oil and bitumen

millions of current dollars



Note(s): Data are seasonally adjusted and on a balance of payments basis.

Source(s): Table [12-10-0121-01](#).

Exports of farm, fishing and intermediate food products were down 5.4% in July, mainly as a result of lower wheat exports (-20.9%). Despite the decrease in July, wheat exports for this crop year (August 2018 to July 2019) were 11.2% higher compared with the previous crop year.

These declines were partially offset by an 8.5% increase in exports of metal and non-metallic mineral products in July. Gold exports contributed the most to the gain, on higher exports of refined gold to the United States and transfers of gold within the banking sector. Exports of unwrought aluminum (+18.2%) were also up in July, following a 36.4% increase in June, the first full month after the removal of US tariffs on Canadian aluminum.

Trade surplus with the United States narrows

Exports to the United States fell 1.1% in July, while imports from this country were up 1.6%. Following a strong surplus in May and June, Canada's trade surplus with the United States narrowed to \$4.6 billion in July.

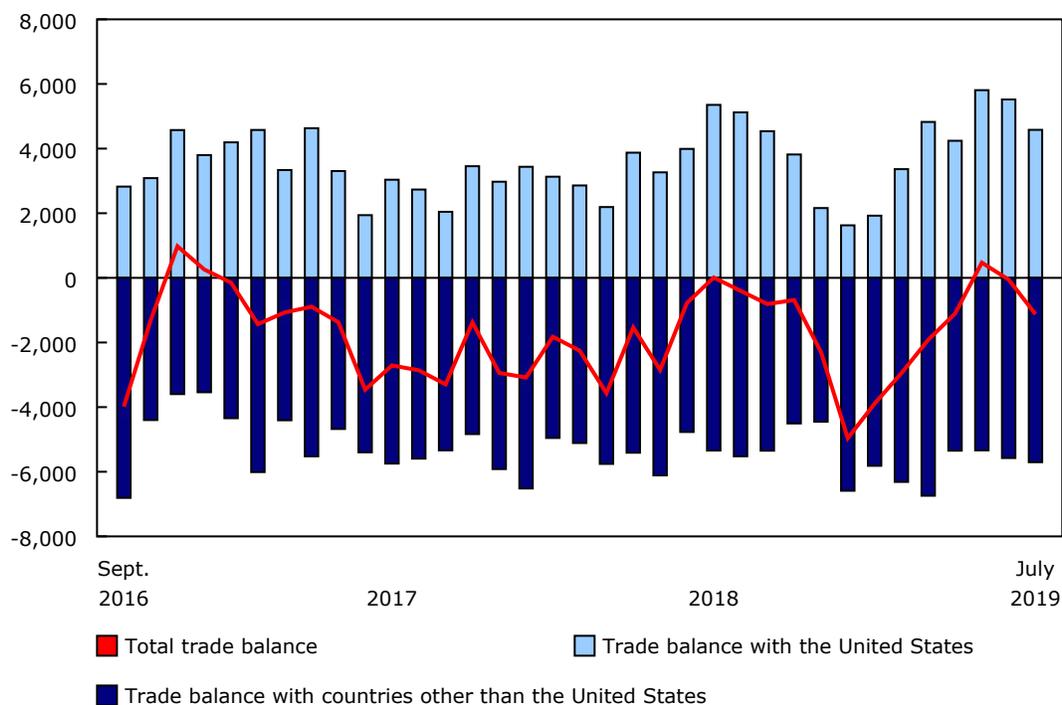
When the average exchange rates of June and July are compared, the Canadian dollar gained 1.0 US cent relative to the American dollar. This was the second consecutive monthly increase of 1.0 cent.

Imports from countries other than the United States rose 0.5% to \$18.4 billion. Higher imports from Switzerland (pharmaceutical products) and Belgium (parts for armoured vehicles and pharmaceutical products) were partially offset by lower imports from China (various products) and the United Kingdom (aircraft parts).

Exports to countries other than the United States edged down 0.3% to \$12.7 billion. Lower exports to China (metal ores and pork) were partially offset by higher exports to Hong Kong (gold). As a result, Canada's trade deficit with countries other than the United States widened from \$5.6 billion in June to \$5.7 billion in July.

Chart 5 International merchandise trade balance

millions of current dollars



Note(s): Data are seasonally adjusted and on a balance of payments basis.
Source(s): Table [12-10-0011-01](#).

Revisions to June 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 June, originally reported as \$50.3 billion in the previous release, were revised to \$50.2 billion. Imports in June, originally reported as \$50.2 billion in the previous release, were revised to \$50.3 billion in the current month's release.

The International Trade Explorer goes online

Today, Statistics Canada is releasing a set of user-friendly tools that will help Canadians learn more about the country's trade activities, and how these have evolved over time. Leveraging the analytical richness of customs data, the "[International Trade Explorer](#)" offers four different visualization tools: an interactive world map, a tree map, a stacked bar chart and a visualization tool for trade by province.

Infographic 1 – International Trade Explorer



Data and infographics on free trade agreements

In addition, today Statistics Canada is publishing a new table featuring monthly customs data on Canadian international merchandise trade with member countries of free trade agreements. Table [12-10-0140-01](#) includes data for member countries of agreements in force in Canada, as well as data for countries with which free trade discussions have begun.

An infographic, "[A look at free trade in Canada](#)," on free trade agreements in force in Canada has also been published today.

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-based 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 September 16.

Next release

Data on Canadian international merchandise trade for August will be released on October 4.

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

	July 2018	June 2019 ^r	July 2019	June to July 2019	July 2018 to July 2019
	millions of dollars			% change	
Total exports	51,248	50,224	49,764	-0.9	-2.9
United States	38,137	37,534	37,109	-1.1	-2.7
China	2,396	2,237	1,891	-15.5	-21.1
Mexico	769	680	743	9.4	-3.4
United Kingdom	1,751	1,469	1,399	-4.7	-20.1
Japan	1,029	1,064	1,175	10.4	14.1
Germany	381	514	572	11.3	50.3
South Korea	388	529	358	-32.4	-7.7
Netherlands	370	503	475	-5.6	28.2
Italy	384	254	388	53.0	1.3
France	296	314	336	6.8	13.2
Total imports	51,238	50,278	50,888	1.2	-0.7
United States	32,785	32,014	32,529	1.6	-0.8
China	3,846	3,945	3,740	-5.2	-2.7
Mexico	1,794	1,760	1,758	-0.1	-2.0
United Kingdom	746	627	554	-11.6	-25.7
Japan	1,079	1,091	1,085	-0.5	0.6
Germany	1,371	1,293	1,320	2.1	-3.7
South Korea	723	748	767	2.6	6.1
Netherlands	584	478	531	11.3	-9.1
Italy	546	577	532	-7.9	-2.6
France	467	429	444	3.4	-5.0
Trade balance	10	-55	-1,124	...	...
United States	5,353	5,520	4,580	...	...
China	-1,450	-1,708	-1,850	...	...
Mexico	-1,025	-1,080	-1,014	...	...
United Kingdom	1,006	842	845	...	...
Japan	-50	-27	89	...	...
Germany	-990	-779	-748	...	...
South Korea	-335	-218	-409	...	...
Netherlands	-214	26	-56	...	...
Italy	-162	-323	-143	...	...
France	-171	-115	-108	...	...

^r revised

... not applicable

Note(s):

Totals may not equal the sum of their components as a result of rounding.

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

	July 2018	June 2019 ^r	July 2019	June to July 2019	July 2018 to July 2019
	millions of dollars			% change	
Total exports	51,248	50,224	49,764	-0.9	-2.9
Farm, fishing and intermediate food products	3,398	3,577	3,383	-5.4	-0.5
Energy products	10,399	9,985	9,311	-6.7	-10.5
Metal ores and non-metallic minerals	1,556	1,865	1,906	2.2	22.5
Metal and non-metallic mineral products	5,527	4,967	5,388	8.5	-2.5
Basic and industrial chemical, plastic and rubber products	2,942	2,888	2,758	-4.5	-6.2
Forestry products and building and packaging materials	4,185	3,402	3,444	1.3	-17.7
Industrial machinery, equipment and parts	3,396	3,488	3,386	-2.9	-0.3
Electronic and electrical equipment and parts	2,473	2,490	2,576	3.4	4.2
Motor vehicles and parts	7,981	8,120	8,253	1.6	3.4
Aircraft and other transportation equipment and parts	2,310	2,184	1,979	-9.4	-14.3
Consumer goods	5,632	5,824	5,866	0.7	4.2
Special transactions trade ²	336	305	320	5.1	-4.7
Other balance of payments adjustments	1,114	1,127	1,194	5.9	7.2
Total imports	51,238	50,278	50,888	1.2	-0.7
Farm, fishing and intermediate food products	1,706	1,797	1,793	-0.2	5.1
Energy products	3,246	2,717	2,731	0.5	-15.9
Metal ores and non-metallic minerals	1,144	1,069	1,204	12.6	5.2
Metal and non-metallic mineral products	3,378	3,260	3,201	-1.8	-5.2
Basic and industrial chemical, plastic and rubber products	4,066	3,683	3,685	0.1	-9.4
Forestry products and building and packaging materials	2,335	2,195	2,187	-0.4	-6.3
Industrial machinery, equipment and parts	5,822	5,693	5,814	2.1	-0.1
Electronic and electrical equipment and parts	6,144	6,010	5,932	-1.3	-3.4
Motor vehicles and parts	9,477	9,820	9,735	-0.9	2.7
Aircraft and other transportation equipment and parts	1,896	1,869	2,060	10.2	8.6
Consumer goods	10,308	10,346	10,594	2.4	2.8
Special transactions trade ²	730	819	929	13.5	27.3
Other balance of payments adjustments	987	1,001	1,023	2.2	3.7

^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 as a result of rounding.

Source(s): Table 12-10-0121-01.

Available tables: [12-10-0011-01](#), [12-10-0099-01](#), [12-10-0119-01](#), [12-10-0121-01](#) to [12-10-0125-01](#) , [12-10-0127-01](#), [12-10-0128-01](#), [12-10-0130-01](#), [12-10-0132-01](#), [12-10-0133-01](#), [12-10-0136-01](#) and [12-10-0140-01](#).

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

The product "[International Trade Explorer](#)" ([71-607-X](#)) is now available on line. This product provides a new way of looking at Canada's trade relations. Leveraging the analytical richness of customs data, this product offers four different visualization tools: an interactive world map, a tree map, a stacked bar chart and a visualization tool for trade by province.

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 now 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, Spain and many others.

For more information, contact us (toll-free 1-800-263-1136; 514-283-8300; STATCAN.infostats-infostats.STATCAN@canada.ca).

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