

Canadian international merchandise trade, December 2019

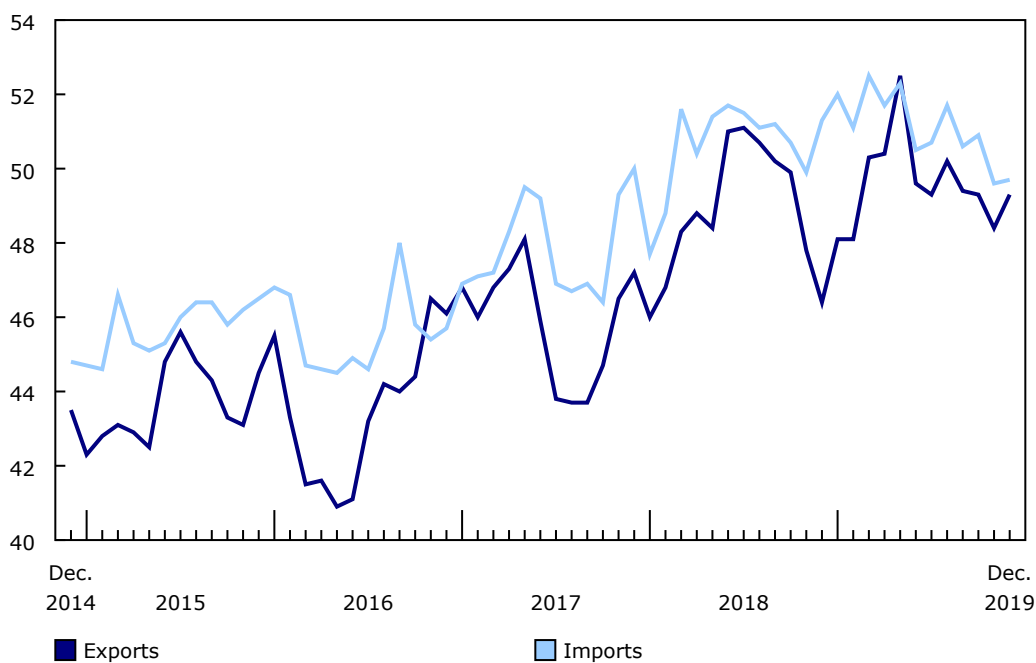
Released at 8:30 a.m. Eastern time in *The Daily*, Wednesday, February 5, 2020

Canada's merchandise exports rose 1.9% in December, mostly on higher crude oil exports, while imports edged up 0.2%. As a result, Canada's merchandise trade deficit with the world narrowed from \$1.2 billion in November to \$370 million in December.

Total exports for 2019 rose 1.7%, a slowdown from the gains in 2018 (+6.3%) and 2017 (+5.4%). Compared with the previous year, total imports were up 1.0% in 2019, also a deceleration from 2018 (+5.7%) and 2017 (+4.9%). The trade deficit totalled \$18.3 billion in 2019, the smallest deficit since 2014, when the last annual surplus was observed.

Chart 1 Merchandise exports and imports

billions of current dollars



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

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

Exports rebound following the low in November

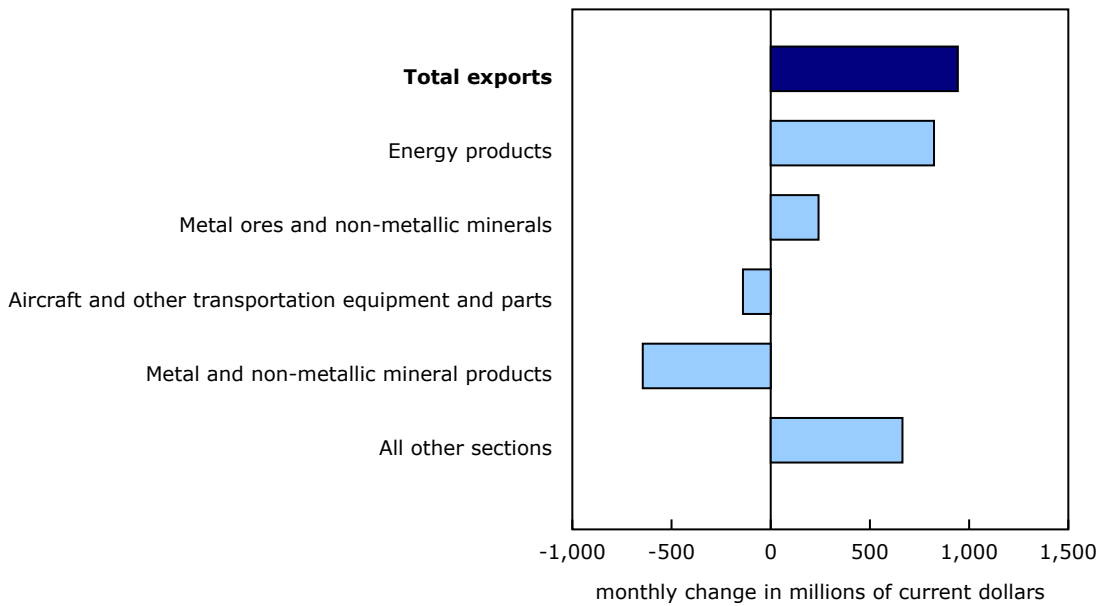
Exports increased 1.9% in December to \$49.3 billion, with 8 of 11 product sections posting gains. This followed a 1.9% decline in exports in November, when disruptions in rail and pipeline transportation slowed Canadian trade activity. In real (or volume) terms, exports rose 2.8% in December.



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Chart 2
Contributions to the monthly change in exports, by product, December 2019

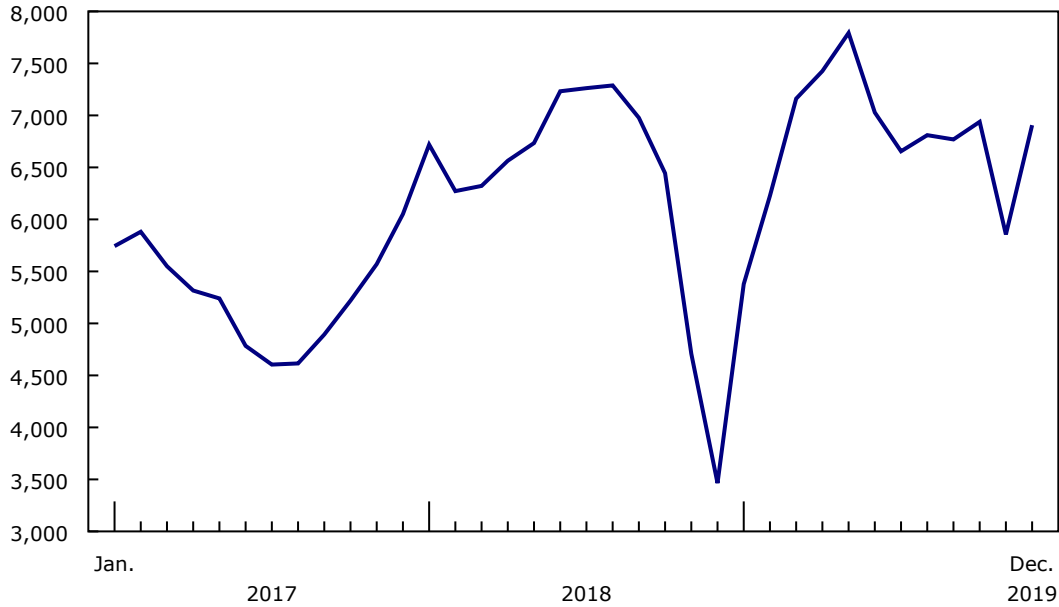


Note(s): Data are on a balance of payments basis and are seasonally adjusted.
Source(s): Table [12-10-0121-01](#).

Exports of energy products (+9.5%) posted the largest monthly gain in December, led by higher crude oil exports (+18.0%). In November, crude oil exports fell, primarily because of a rupture of the Keystone pipeline in North Dakota. As the situation was resolved before the end of November, crude oil exports rebounded strongly in December. Excluding energy products, exports edged up 0.3%.

Chart 3
Canadian exports of crude oil and bitumen

millions of current dollars

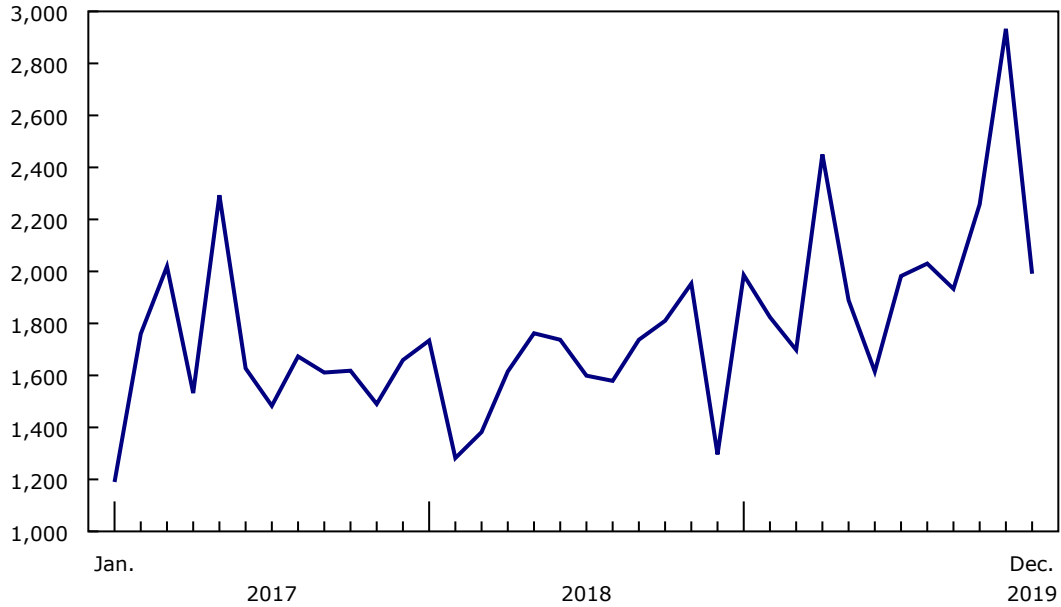


Note(s): Data are on a balance of payments basis and are seasonally adjusted.
Source(s): Table 12-10-0121-01.

The overall export increase was attenuated by a decline in exports of metal and non-metallic mineral products (-10.5%). Following a record high in November, exports of precious metals (mainly gold bars) fell 32.1% in December to return to levels close to the 2019 monthly average. Despite this decrease, exports of this product rose 20.8% in the last quarter of 2019, compared with the previous quarter. The monthly decline in precious metals was partially offset by a gain in aluminum, iron and steel product exports, which were notably impacted by the disruptions in rail transportation in November.

Chart 4 Canadian exports of precious metals¹

millions of current dollars



1. Unwrought gold, silver, and platinum group metals, and their alloys.

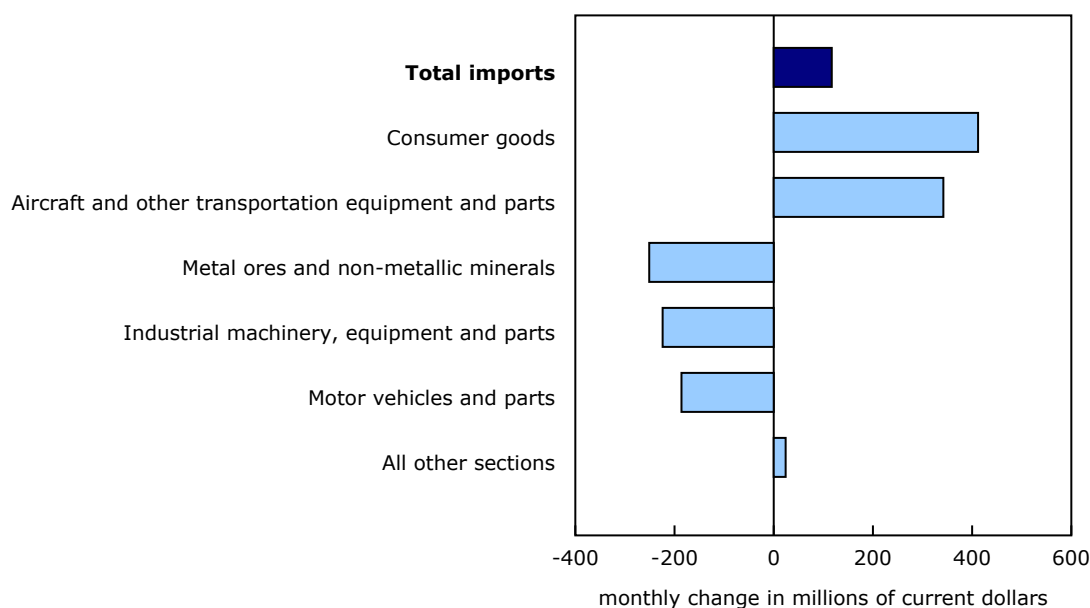
Note(s): Data are on a balance of payments basis and are seasonally adjusted.

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

Imports of pharmaceutical products increase

Following a 2.7% decline in November, total imports edged up 0.2% in December to \$49.7 billion, with the gains concentrated in 5 of the 11 product sections.

Chart 5
Contributions to the monthly change in imports, by product, December 2019



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

In December, imports of consumer goods (+4.0%) posted the largest increase. Pharmaceutical products were the main contributor to this growth, rising 11.6% to a record \$2.1 billion.

Imports of aircraft and other transportation equipment and parts (+19.9%) were also up in December, primarily on higher imports of parts of other transportation equipment from Belgium. Imports of these products peaked in December and posted an overall increase of 22.4% in 2019 compared with 2018.

A decline in imports of metal ores and non-metallic minerals (-20.6%) tempered the overall import increase in December. This decrease was led by lower imports of other metal ores and concentrates (-27.6%), which were down due to lower imports of gold for refining purposes, as well as zinc.

Crude oil drives up exports to the United States

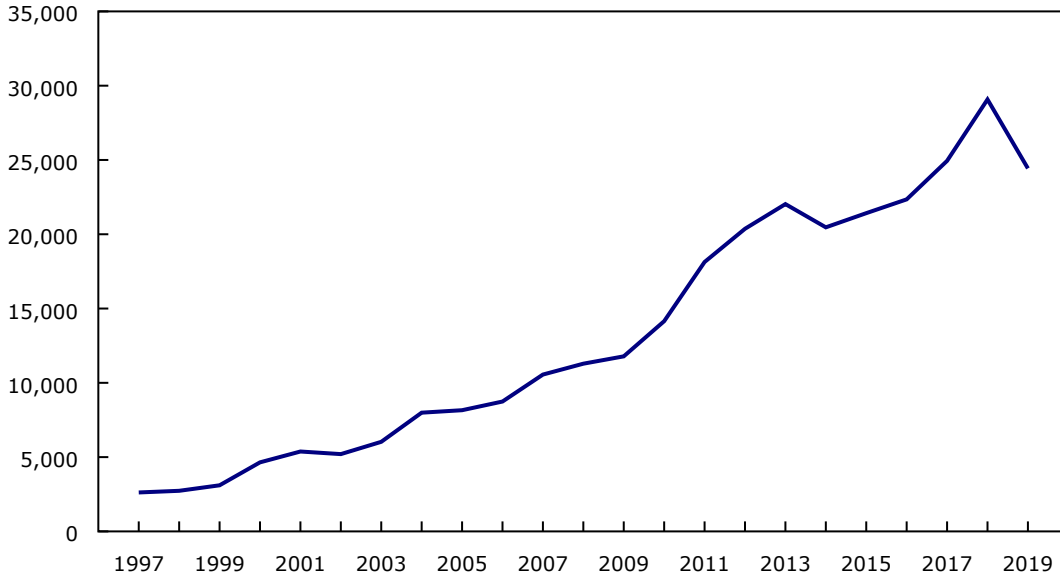
Exports to the United States rose 2.9% in December, mainly due to crude oil exports. Imports from the United States were down 0.2%, a fourth consecutive monthly decline.

As a result, Canada's trade surplus with the United States widened from \$4.1 billion in November to \$5.2 billion in December. On an annual basis, the merchandise trade surplus with the United States was \$51.6 billion in 2019, the highest level since 2008.

Exports to countries other than the United States declined 0.9% in December. Exports to the United Kingdom, which reached a record high in November, posted the largest decline in December due to lower exports of gold bars. However, this decrease was partly offset by higher exports to China, mainly of gold and potash. Overall, exports to China were down 16.0% in 2019, the first annual decline since 2014.

Chart 6
Canada's annual exports to China

millions of current dollars



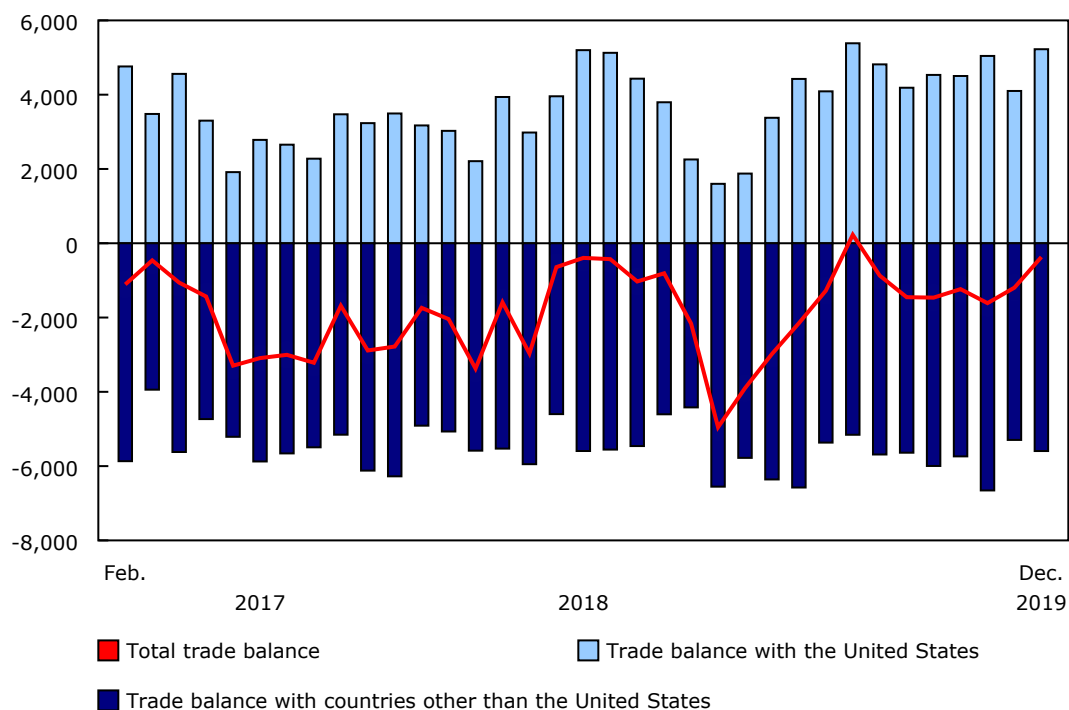
Note(s): Data are on a balance of payments basis and are seasonally adjusted.
Source(s): Table [12-10-0011-01](#).

Imports from countries other than the United States rose 1.0% in December, with imports from Belgium (other transportation equipment) and China (various products) posting the most significant increases.

Canada's trade deficit with countries other than the United States widened from \$5.3 billion in November to \$5.6 billion in December.

Chart 7 International merchandise trade balance

millions of current dollars



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

Motor vehicles and parts lead quarterly declines in imports and exports

Imports were down 1.8% in the fourth quarter, mainly due to lower imports of motor vehicles and parts (-4.6%) and industrial machinery, equipment and parts (-3.9%).

Following a 2.4% decline in the third quarter, exports continued to trend downward in the fourth quarter (-1.2%). Exports of motor vehicles and parts (-5.5%) and other crop products (-31.4%) were the largest contributors to the quarterly decline.

In real (or volume) terms, exports were down 2.0% in the fourth quarter, after decreasing 0.5% in the third quarter. Meanwhile, import volumes decreased 0.6% in the fourth quarter.

Revisions to November merchandise exports and imports

Imports in November, originally reported as \$49.8 billion in the previous release, were revised to \$49.6 billion in the current month's release. Exports in November, originally reported as \$48.7 billion in the previous release, were revised to \$48.4 billion.

Monthly trade in services

Monthly exports of [services](#) rose 0.6% in December to \$11.5 billion. Imports of services declined 0.7% to \$12.8 billion.

Combining international trade in goods and services, exports were up 1.7% in December to \$60.8 billion, while imports were essentially unchanged at \$62.5 billion. As a result, Canada's trade deficit with the world for goods and services combined was \$1.7 billion in December.

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 thereafter 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 data for 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 February 17.

Next release

Data on Canadian international merchandise trade for January will be released on March 6.

Table 1
Merchandise trade: Canada's top 10 principal trading partners – Balance of payments basis, seasonally adjusted, current dollars

	December 2018	November 2019 ^r	December 2019	November to December 2019	December 2018 to December 2019
	millions of dollars			% change	
Total exports	46,370	48,378	49,321	1.9	6.4
United States	33,841	35,819	36,875	2.9	9.0
China	2,763	1,645	1,950	18.6	-29.4
Mexico	707	653	663	1.5	-6.2
Japan	1,089	1,047	1,067	1.9	-2.0
United Kingdom	1,380	2,288	1,720	-24.8	24.6
Germany	407	653	649	-0.6	59.5
South Korea	581	399	335	-16.0	-42.2
Netherlands	326	377	487	29.2	49.4
Italy	156	251	401	59.6	157.1
Belgium	323	237	282	19.0	-12.8
Total imports	51,323	49,573	49,690	0.2	-3.2
United States	32,241	31,719	31,650	-0.2	-1.8
China	4,166	3,630	3,854	6.2	-7.5
Mexico	1,688	1,619	1,635	1.0	-3.2
Japan	1,057	1,023	1,041	1.7	-1.5
United Kingdom	679	778	722	-7.2	6.4
Germany	1,435	1,281	1,280	-0.1	-10.8
South Korea	784	644	545	-15.3	-30.5
Netherlands	563	611	582	-4.7	3.5
Italy	644	582	575	-1.2	-10.8
Belgium	420	585	871	49.0	107.2
Trade balance	-4,953	-1,195	-370	...	...
United States	1,600	4,100	5,224	...	...
China	-1,402	-1,985	-1,904	...	...
Mexico	-981	-966	-972	...	...
Japan	33	24	27	...	...
United Kingdom	701	1,510	998	...	...
Germany	-1,028	-629	-632	...	...
South Korea	-203	-245	-210	...	...
Netherlands	-237	-234	-95	...	...
Italy	-488	-331	-174	...	...
Belgium	-97	-348	-589	...	...

^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 2018 total merchandise trade data.

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

Table 2

Merchandise trade: North American Product Classification System¹ – Balance of payments basis, seasonally adjusted, current dollars

	December 2018	November 2019 ^r	December 2019	November to December 2019	December 2018 to December 2019
	millions of dollars			% change	
Total exports	46,370	48,378	49,321	1.9	6.4
Farm, fishing and intermediate food products	3,404	3,018	3,031	0.4	-11.0
Energy products	6,473	8,643	9,466	9.5	46.2
Metal ores and non-metallic minerals	1,905	1,421	1,662	16.9	-12.7
Metal and non-metallic mineral products	4,880	6,137	5,492	-10.5	12.6
Basic and industrial chemical, plastic and rubber products	2,826	2,731	2,892	5.9	2.3
Forestry products and building and packaging materials	3,821	3,289	3,397	3.3	-11.1
Industrial machinery, equipment and parts	3,348	3,279	3,386	3.3	1.1
Electronic and electrical equipment and parts	2,550	2,462	2,420	-1.7	-5.1
Motor vehicles and parts	7,491	7,509	7,612	1.4	1.6
Aircraft and other transportation equipment and parts	2,483	2,592	2,453	-5.4	-1.2
Consumer goods	5,729	5,964	6,032	1.1	5.3
Special transactions trade ²	313	317	324	2.2	3.4
Other balance of payments adjustments	1,147	1,016	1,154	13.6	0.6
Total imports	51,323	49,573	49,690	0.2	-3.2
Farm, fishing and intermediate food products	1,855	1,689	1,811	7.2	-2.4
Energy products	3,291	3,226	3,188	-1.2	-3.1
Metal ores and non-metallic minerals	1,353	1,219	968	-20.6	-28.5
Metal and non-metallic mineral products	3,374	3,155	3,157	0.1	-6.4
Basic and industrial chemical, plastic and rubber products	3,734	3,651	3,674	0.6	-1.6
Forestry products and building and packaging materials	2,294	2,187	2,178	-0.4	-5.1
Industrial machinery, equipment and parts	5,988	5,601	5,377	-4.0	-10.2
Electronic and electrical equipment and parts	6,012	6,043	5,896	-2.4	-1.9
Motor vehicles and parts	9,420	9,205	9,019	-2.0	-4.3
Aircraft and other transportation equipment and parts	1,804	1,719	2,061	19.9	14.2
Consumer goods	10,469	10,173	10,585	4.0	1.1
Special transactions trade ²	751	759	826	8.7	10.0
Other balance of payments adjustments	979	947	952	0.5	-2.7

^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.

Table 3
Canada's international trade in goods and services – Balance of payment basis, seasonally adjusted, current dollars

	November 2019 ^r	December 2019	November to December 2019
	millions of dollars		% change
Exports			
Goods	48,378	49,321	1.9
Services	11,422	11,487	0.6
Goods and services	59,800	60,808	1.7
Imports			
Goods	49,573	49,690	0.2
Services	12,909	12,820	-0.7
Goods and services	62,482	62,510	0.0
Balances			
Goods	-1,195	-370	...
Services	-1,487	-1,333	...
Goods and services	-2,682	-1,703	...

^r revised

... not applicable

Note(s): Totals may not equal the sum of their components as a result of rounding.

Source(s): Tables [12-10-0011-01](#) and [12-10-0044-01](#).

Available tables: [12-10-0011-01](#), [12-10-0099-01](#), [12-10-0119-01](#), [12-10-0121-01](#) to [12-10-0130-01](#) , [12-10-0132-01](#), [12-10-0133-01](#), [12-10-0136-01](#), [12-10-0140-01](#), [12-10-0143-01](#) and [12-10-0144-01](#).

Definitions, data sources and methods: survey numbers [2201](#), [2202](#), [2203](#) and [5295](#).

The product "[International Trade Explorer](#)" ([71-607-X](#)) is available online and now includes 2019 annual data. 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, 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.