

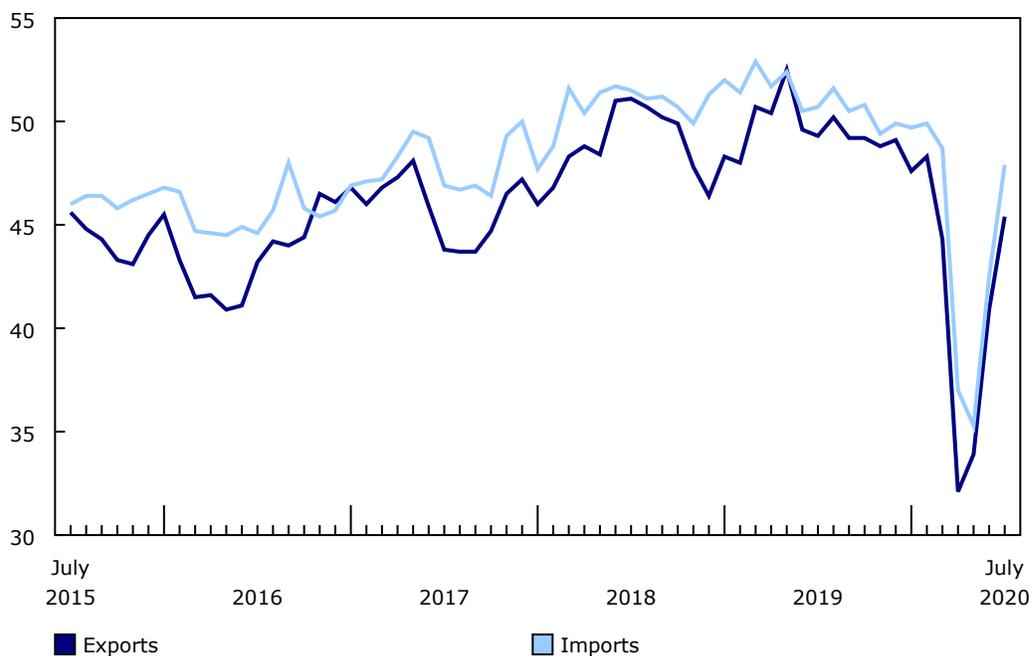
Canadian international merchandise trade, July 2020

Released at 8:30 a.m. Eastern time in *The Daily*, Thursday, September 3, 2020

In July, Canadian merchandise imports and exports continued to build on the strong gains that were observed in June. Imports increased 12.7% in July, while exports rose 11.1%. The largest contributor to this growth for both imports and exports was the motor vehicles and parts product category. Compared with February 2020, the month before the COVID-19 pandemic's economic impact was felt in Canada, imports (-4.1%) and exports (-6.0%) were down.

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.

Canada's merchandise trade deficit with the world widened from \$1.6 billion in June to \$2.5 billion in July.

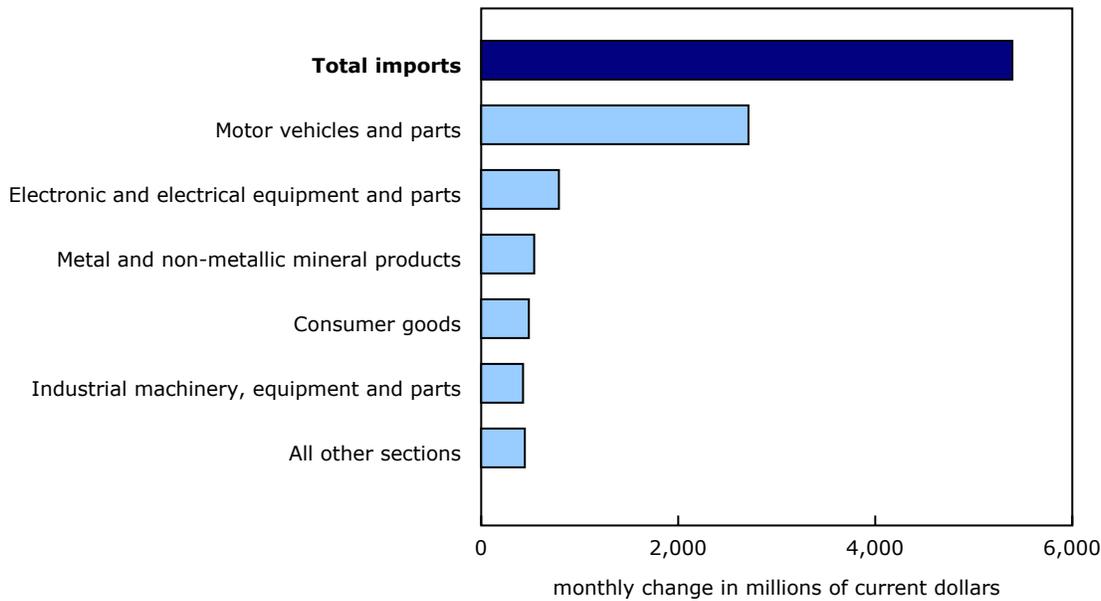
To explore the most recent results from Canada's international merchandise trade in an interactive format, see the new "[International merchandise trade monthly interactive dashboard](#)."

Imports of motor vehicles and parts increase

Total imports rose 12.7% in July to reach \$47.9 billion, which was \$2.0 billion below the pre-pandemic level recorded in February. Increases were observed in 9 of the 11 product sections in July. In real (or volume) terms, imports were up 11.2%.



Chart 2
Contributions to the monthly change in imports, by product, July 2020



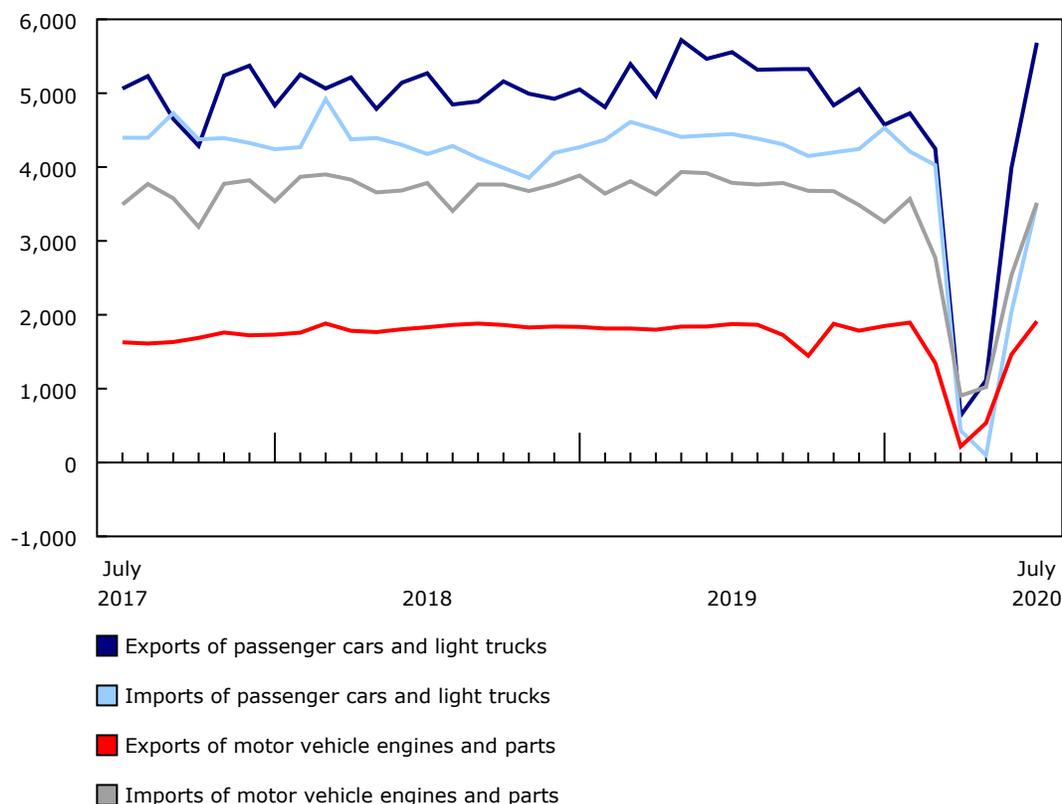
Note(s): Data are on a balance of payments basis and are seasonally adjusted.
Source(s): Table [12-10-0121-01](#).

In July, as was the case in June, motor vehicles and parts contributed the most to the growth in imports. March to June are usually the months when imports of motor vehicles are at their highest. Because COVID-19 heavily impacted the auto industry during this period, most assembly plants adjusted by increasing production in July and having shorter seasonal shutdowns this summer. This led to an atypical increase from June to July in supply and demand for motor vehicles and parts domestically and abroad.

As a result, imports of motor vehicles and parts increased 50.3% to reach \$8.1 billion, which was still 11.2% below the February level. Imports of passenger cars and light trucks rose 71.9% in July, mainly on higher imports from the United States and Mexico. Imports of motor vehicle engines and parts were up 38.7%, mostly on increased imports from Japan and the United States.

Chart 3
Imports and exports of passenger cars and light trucks, and motor vehicle engines and parts

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.

Imports of electronic and electrical equipment and parts rose 14.8% in July, mainly on higher imports of communication, and audio and video equipment. This increase was mainly the result of higher imports of cellphones from China, Vietnam and South Korea. The reopening of the retail industry in Canada, as well as the arrival on the market of new models, contributed to the July increase in cellphone imports.

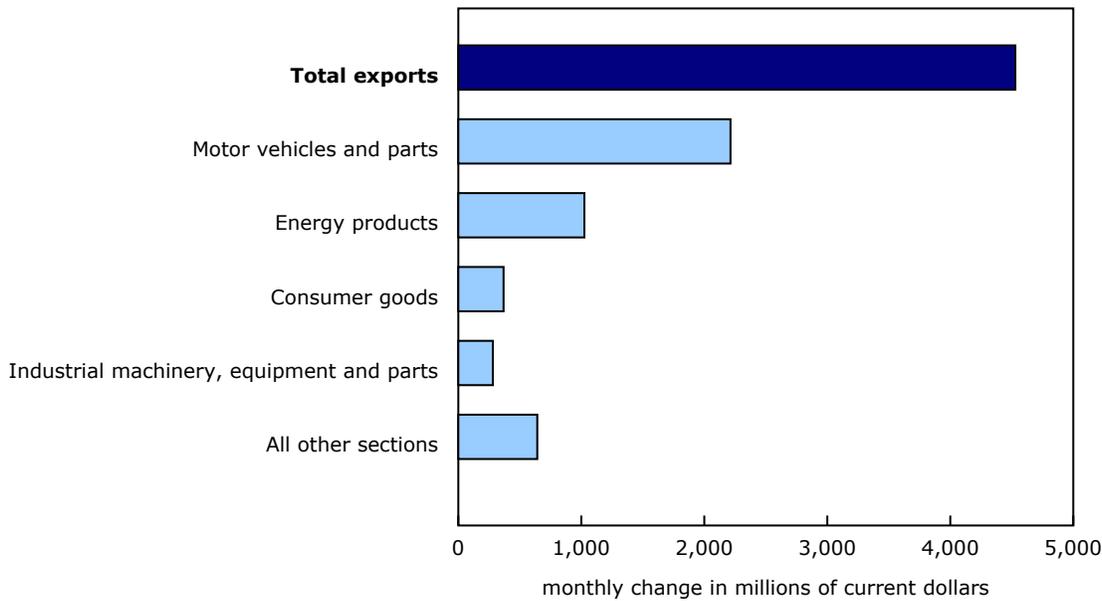
Imports of consumer goods rose 4.8% in July. Widespread increases throughout the subcategories were led by imports of miscellaneous goods and supplies (+18.9%). Imports of this product group were up on higher imports of other protective equipment and diagnostic products. In July, imports of consumer goods surpassed their February level. Imports of consumer goods have been increasing since May, in part because of the rise in imports of personal protective equipment.

Imports of industrial machinery, equipment and parts rose 9.2%, the third consecutive monthly gain since a 20.8% drop in April. All subcategories except one posted increases in July. Imports of industrial machinery, equipment and parts were 6.2% lower in July compared with the February level.

Exports of passenger cars and light trucks as well as crude oil increase

In July, total exports increased 11.1% to \$45.4 billion—\$2.9 billion lower than the February level. The growth in exports was also widespread in July, with 10 of the 11 product sections posting increases. Non-energy exports were up 9.9%. In real (or volume) terms, total exports rose 8.6%.

Chart 4
Contributions to the monthly change in exports, by product, July 2020



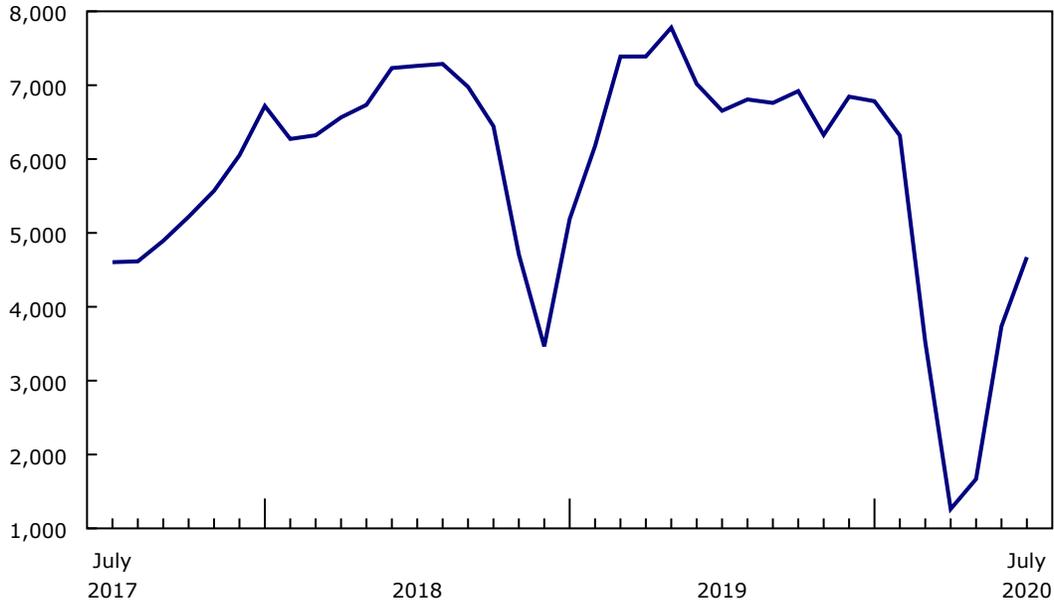
Note(s): Data are on a balance of payments basis and are seasonally adjusted.
Source(s): Table 12-10-0121-01.

Exports of motor vehicles and parts increased 37.0% to \$8.2 billion, exceeding the February level by 11.7%. As explained with the imports of motor vehicles and parts, the auto industry adjusted to the impact of COVID-19 by ramping up production and going through a shorter-than-usual shutdown period in July. This led to higher exports of passenger cars and light trucks (+42.4%) and motor vehicle engines and parts (+30.7%). These increases were mainly the result of higher exports to the United States.

Exports of energy products were up 18.9%, the third consecutive monthly increase. Despite the three monthly gains, exports of energy products were still 22.4% below the February level. In July, exports of crude oil (+25.0%) contributed the most to the growth. Both higher prices and higher volumes were behind the increase in crude oil exports in July.

Chart 5
Canadian exports of crude oil and bitumen

millions of current dollars



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

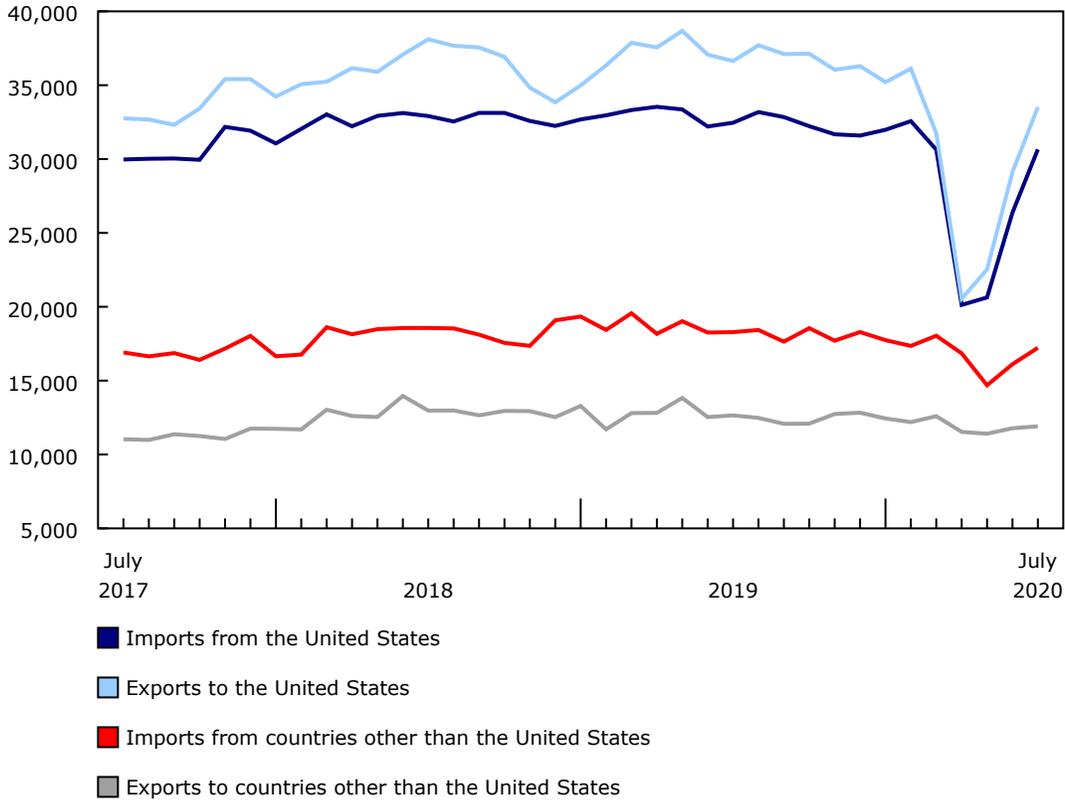
Trade with the United States increases

Following a 27.8% increase in June, imports from the United States rose 16.2% to \$30.7 billion in July, mainly on higher imports of motor vehicles and parts. However, imports from the United States were 5.9% lower compared with February.

In July, exports to the United States rose 15.1% to \$33.5 billion, mainly on higher exports of motor vehicles and parts, and crude oil. Exports to the United States were 7.2% below the February level. Canada's trade surplus with the United States widened from \$2.7 billion in June to \$2.9 billion in July.

Chart 6
Canada's imports and exports from the United States and countries other than the United States

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.

When the average exchange rates of June and July are compared, the Canadian dollar gained 0.3 cents US relative to the American dollar.

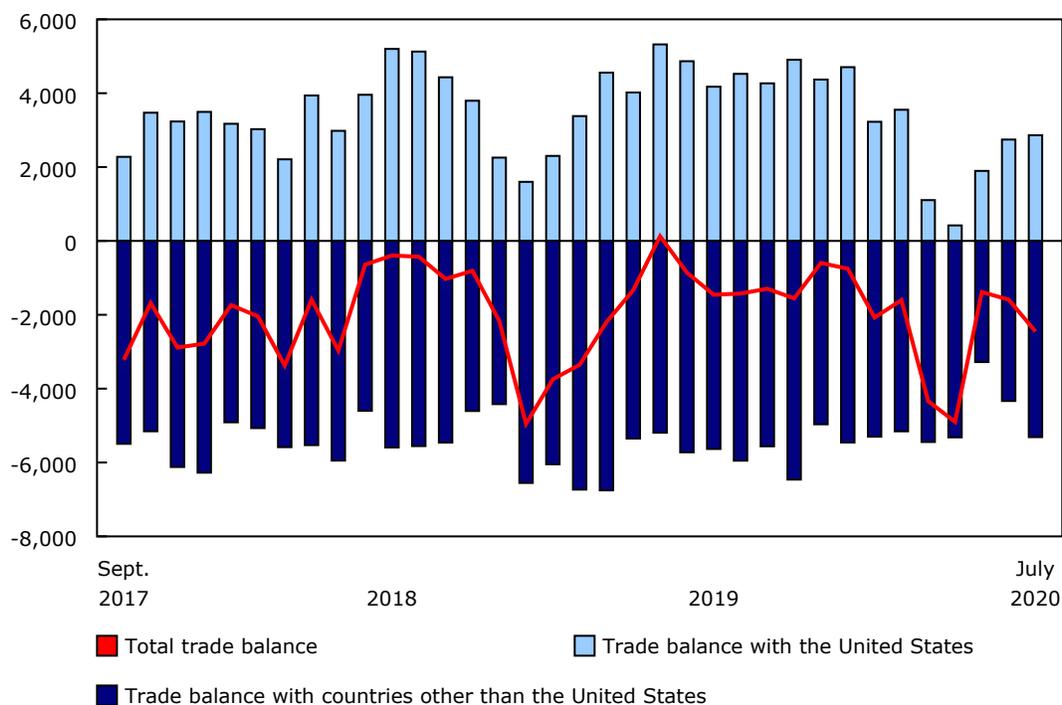
Following a 9.7% increase in June, imports from countries other than the United States rose 6.9% to \$17.2 billion in July. Imports from Spain (ships), Mexico (passenger cars and light trucks) and Japan (motor vehicles and parts) contributed the most to the increase. The import level from countries other than the United States in July was 0.7% lower than that observed in February.

Exports to countries other than the United States were up 1.1% to \$11.9 billion, led by higher exports to Saudi Arabia (refined gold), Japan (copper ores) and Italy (pharmaceutical products). Export levels to countries other than the United States were down 2.3% in July compared with February.

As a result, Canada's trade deficit with countries other than the United States widened from \$4.3 billion in June to \$5.3 billion in July.

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.

Revisions to June merchandise exports and imports

Imports in June, originally reported as \$42.9 billion in the previous release, were revised to \$42.5 billion in the current month's release. Exports in June, originally reported as \$39.7 billion in the previous release, were revised to \$40.9 billion, mainly because estimates for crude oil exports were replaced with actual data. These estimates can be subject to larger revisions during times of high volatility in energy prices.

Trade in medical and protective goods

Imports of medical and protective goods declined 6.2% in July following five consecutive monthly increases. Despite the monthly decrease, these imports were 42.8% higher compared with February. The main contributor to the decline in July was medical equipment and products. Imports of medical equipment and products fell 16.6% to \$1.3 billion, following an increase of similar magnitude in June. This decline was partially offset by higher imports of other protective equipment and diagnostic products. Exports of medical and protective goods decreased 2.1% in July to \$1.6 billion, the second consecutive monthly decline.

Monthly trade in services

Monthly [service](#) exports were up 0.6% to \$8.7 billion in July, while service imports edged up 0.2% to \$8.5 billion.

When international trade in goods and services combined is considered, exports increased 9.3% to \$54.1 billion in July, while imports rose 10.6% to \$56.3 billion. As a result, Canada's trade deficit with the world for goods and services combined was \$2.2 billion in July.

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-based data 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). Movements within aggregate Paasche prices can be influenced by changes in the share of values traded for specific goods, with sudden shifts in trading patterns—as observed presently with the pandemic—sometimes resulting in large movements in Paasche price indexes. Volumes, or constant dollars, are calculated using the Laspeyres formula (2012=100), unless otherwise stated.

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-based and BOP-based data.

The previous year's customs-based data are revised with the release of data for 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.

Revised data are available in the appropriate tables.

Real-time data table

Real-time table 12-10-0120-01 will be updated on September 14.

Next release

Data on Canadian international merchandise trade for August will be released on October 6.

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

	July 2019	June 2020 ^r	July 2020	June to July 2020	July 2019 to July 2020
	millions of dollars			% change	
Total exports	49,285	40,899	45,428	11.1	-7.8
United States	36,634	29,120	33,517	15.1	-8.5
China	1,814	2,412	2,242	-7.0	23.6
Mexico	754	551	577	4.8	-23.4
Japan	1,152	891	1,121	25.7	-2.7
United Kingdom	1,407	1,928	1,591	-17.4	13.1
Germany	581	514	498	-3.2	-14.3
South Korea	405	406	356	-12.3	-12.0
Netherlands	483	439	384	-12.5	-20.6
Italy	391	217	413	90.8	5.6
Belgium	288	230	205	-11.0	-28.9
Total imports	50,742	42,487	47,879	12.7	-5.6
United States	32,459	26,375	30,656	16.2	-5.6
China	3,681	4,081	4,192	2.7	13.9
Mexico	1,735	1,192	1,430	20.0	-17.5
Japan	1,081	395	583	47.5	-46.1
United Kingdom	569	638	684	7.1	20.3
Germany	1,323	1,123	1,046	-6.8	-20.9
South Korea	744	498	538	8.0	-27.7
Netherlands	526	335	363	8.6	-30.9
Italy	585	478	495	3.4	-15.5
Belgium	485	977	493	-49.6	1.6
Trade balance	-1,457	-1,589	-2,451	...	...
United States	4,176	2,745	2,861	...	...
China	-1,868	-1,669	-1,949	...	...
Mexico	-981	-642	-853	...	...
Japan	71	496	538	...	...
United Kingdom	838	1,289	908	...	...
Germany	-742	-608	-548	...	...
South Korea	-339	-92	-182	...	...
Netherlands	-43	104	20	...	...
Italy	-194	-262	-82	...	...
Belgium	-197	-747	-288	...	...

^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

	July 2019	June 2020 ^r	July 2020	June to July 2020	July 2019 to July 2020
	millions of dollars			% change	
Total exports	49,285	40,899	45,428	11.1	-7.8
Farm, fishing and intermediate food products	3,257	3,691	3,844	4.1	18.0
Energy products	9,200	5,415	6,440	18.9	-30.0
Metal ores and non-metallic minerals	1,856	1,776	1,700	-4.3	-8.4
Metal and non-metallic mineral products	5,514	5,121	5,139	0.3	-6.8
Basic and industrial chemical, plastic and rubber products	2,736	2,316	2,378	2.7	-13.1
Forestry products and building and packaging materials	3,434	3,120	3,241	3.9	-5.6
Industrial machinery, equipment and parts	3,363	2,635	2,916	10.7	-13.3
Electronic and electrical equipment and parts	2,502	2,134	2,139	0.2	-14.5
Motor vehicles and parts	8,152	5,985	8,198	37.0	0.6
Aircraft and other transportation equipment and parts	1,966	1,553	1,817	17.0	-7.6
Consumer goods	5,768	5,864	6,231	6.3	8.0
Special transactions trade ²	326	280	303	8.0	-7.3
Other balance of payments adjustments	1,211	1,008	1,082	7.4	-10.6
Total imports	50,742	42,487	47,879	12.7	-5.6
Farm, fishing and intermediate food products	1,771	1,744	1,851	6.1	4.5
Energy products	2,797	1,551	1,550	-0.1	-44.6
Metal ores and non-metallic minerals	1,187	1,460	1,298	-11.1	9.4
Metal and non-metallic mineral products	3,240	3,328	3,866	16.2	19.3
Basic and industrial chemical, plastic and rubber products	3,659	3,236	3,260	0.7	-10.9
Forestry products and building and packaging materials	2,188	2,055	2,117	3.0	-3.3
Industrial machinery, equipment and parts	5,815	4,595	5,020	9.2	-13.7
Electronic and electrical equipment and parts	5,902	5,342	6,131	14.8	3.9
Motor vehicles and parts	9,653	5,397	8,110	50.3	-16.0
Aircraft and other transportation equipment and parts	2,160	2,145	2,275	6.1	5.3
Consumer goods	10,582	10,063	10,547	4.8	-0.3
Special transactions trade ²	776	775	972	25.4	25.2
Other balance of payments adjustments	1,013	797	884	10.9	-12.8

^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 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

	June 2020 ^r	July 2020	June to July 2020
	millions of dollars		% change
Exports			
Goods	40,899	45,428	11.1
Services	8,618	8,673	0.6
Goods and services	49,517	54,101	9.3
Imports			
Goods	42,487	47,879	12.7
Services	8,454	8,469	0.2
Goods and services	50,941	56,348	10.6
Balances			
Goods	-1,589	-2,451	...
Services	164	204	...
Goods and services	-1,425	-2,247	...

^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 [12-10-0125-01](#), [12-10-0127-01](#), [12-10-0128-01](#), [12-10-0136-01](#), [12-10-0140-01](#) and [12-10-0144-01](#).

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

The product [International merchandise trade monthly interactive dashboard \(71-607-X\)](#) is now available. This new interactive dashboard is a comprehensive analytical tool that presents monthly changes in Canada's international merchandise trade data on a balance of payments basis, fully supporting the information presented every month in the *Daily* text.

The product [The International Trade Explorer \(71-607-X\)](#) is now available online.

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.