

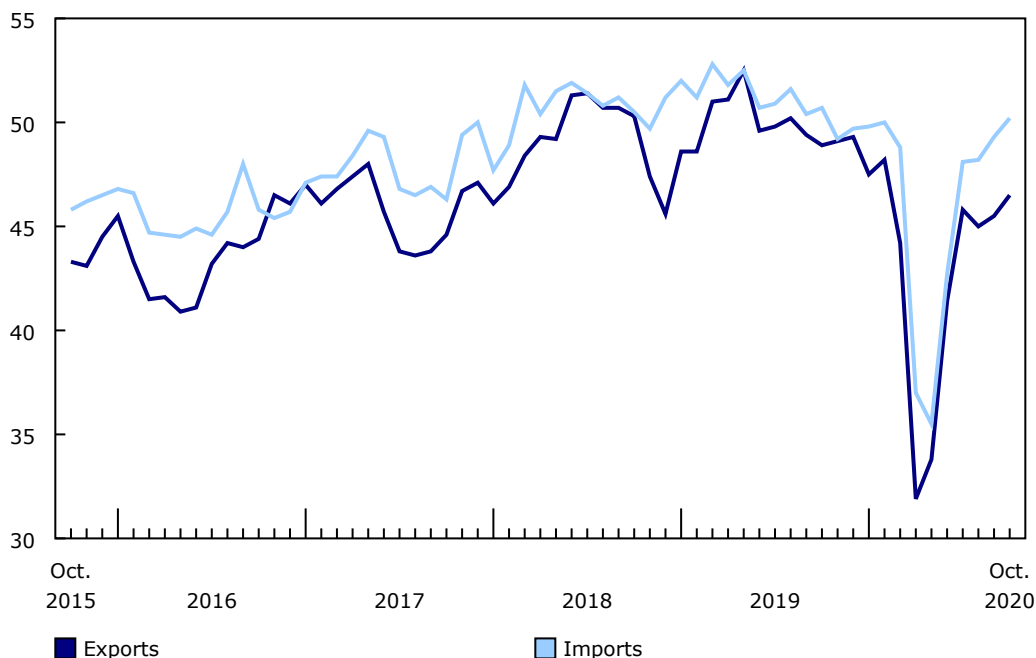
# Canadian international merchandise trade, October 2020

Released at 8:30 a.m. Eastern time in *The Daily*, Friday, December 4, 2020

In October, Canada's merchandise exports increased 2.2%, partially on higher exports of pharmaceutical products. Imports rose 1.9%, in part due to higher imports of cell phones. As a result, Canada's merchandise trade deficit with the world was virtually unchanged at \$3.8 billion in October.

**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.

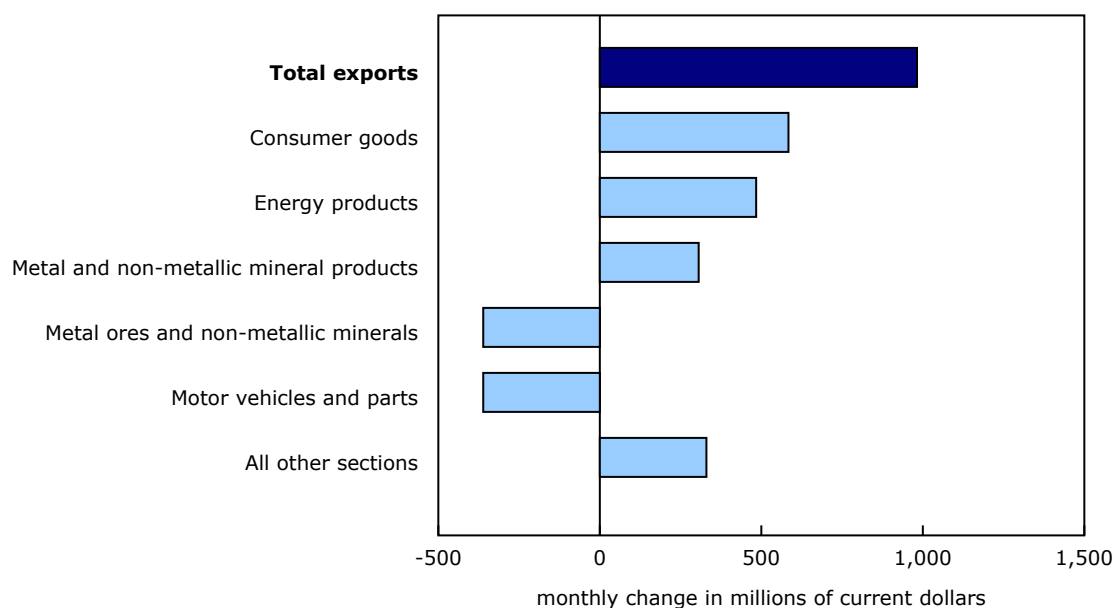
To explore the most recent results from Canada's international merchandise trade in an interactive format, see the new "[International merchandise trade monthly interactive dashboard](#)."

## Exports of pharmaceutical products rebound

Total exports rose 2.2% to \$46.5 billion in October, which was \$1.7 billion below the level posted in February. In October, 8 of 11 product sections increased, and non-energy exports were up 1.3%. In real (or volume) terms, total exports rose 1.2%.



**Chart 2**  
**Contribution to the monthly change in exports, by product, October 2020**



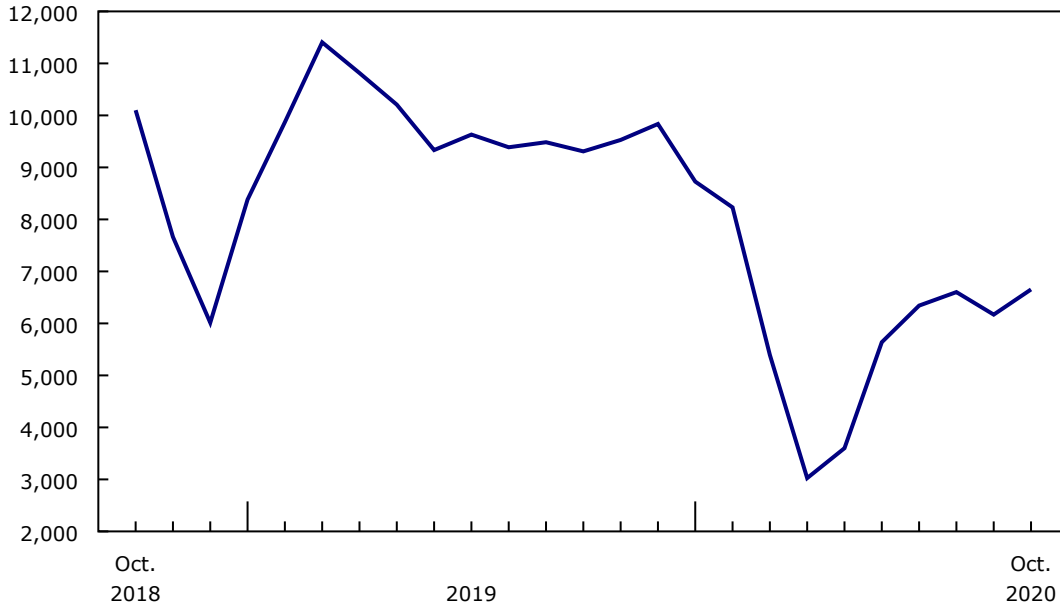
**Note(s):** Data are on a balance of payments basis and are seasonally adjusted.  
**Source(s):** Table 12-10-0121-01.

After a sharp 6.2% decrease in September, exports of consumer goods rose 10.2% to \$6.3 billion in October. This was driven by a rebound in exports of pharmaceutical products (+39.0%), which declined 28.2% in September on lower exports to the United States of medication used to treat depressive disorders. However, in October, exports to the United States of medication for treating different forms of psoriasis offset the drop in September.

Exports of energy products rose 7.8% to \$6.7 billion, led by higher exports of crude oil (+4.6%) and natural gas (+26.7%). Both crude oil and natural gas exports saw gains in volumes and prices in October. Despite this growth, exports of energy products were down 19.2% compared with February.

**Chart 3**  
**Canadian exports of energy products**

millions of current dollars



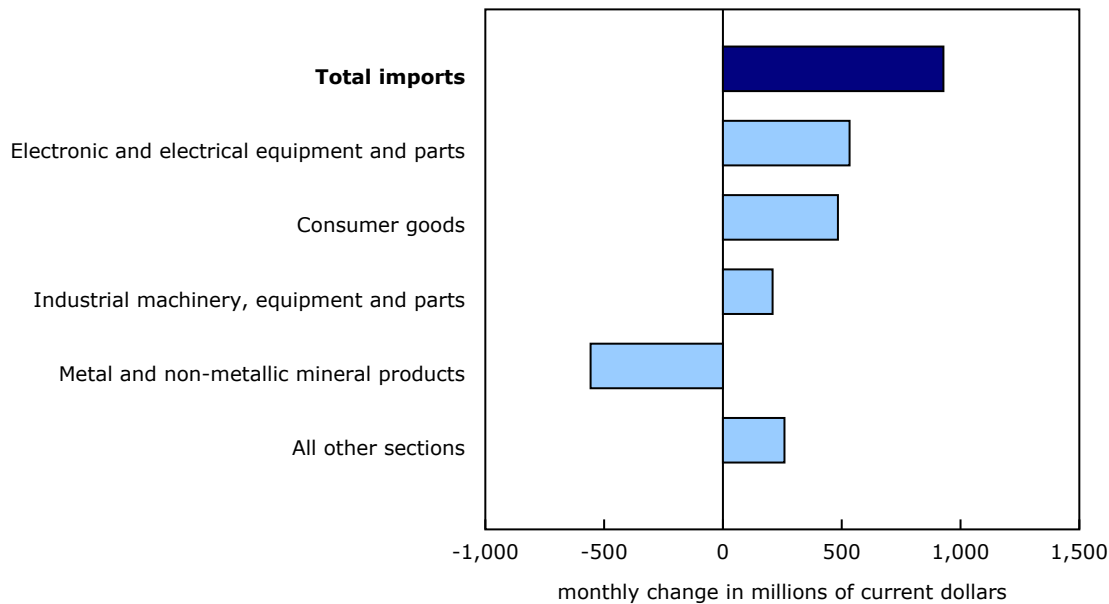
**Note(s):** Data are on a balance of payments basis and are seasonally adjusted.  
**Source(s):** Table 12-10-0121-01.

These increases were partially offset by a decline in exports of motor vehicles and parts (-4.7%). Exports of passenger cars and light trucks fell 6.8% to \$4.8 billion in October, partly on a slowdown in production, as automotive assembly plants adjusted to demand. Despite the monthly decline, export of passenger cars and light trucks in October were higher than in February.

**Imports of cellphones and clothing, footwear and accessories follow an atypical trend**

Total imports were up 1.9% to \$50.2 billion, exceeding the February level for the first time since the COVID-19 pandemic began. Of the 11 product sections, 7 increased. In real (or volume) terms, imports rose 1.7%.

**Chart 4**  
**Contribution to the monthly change in imports, by product, October 2020**



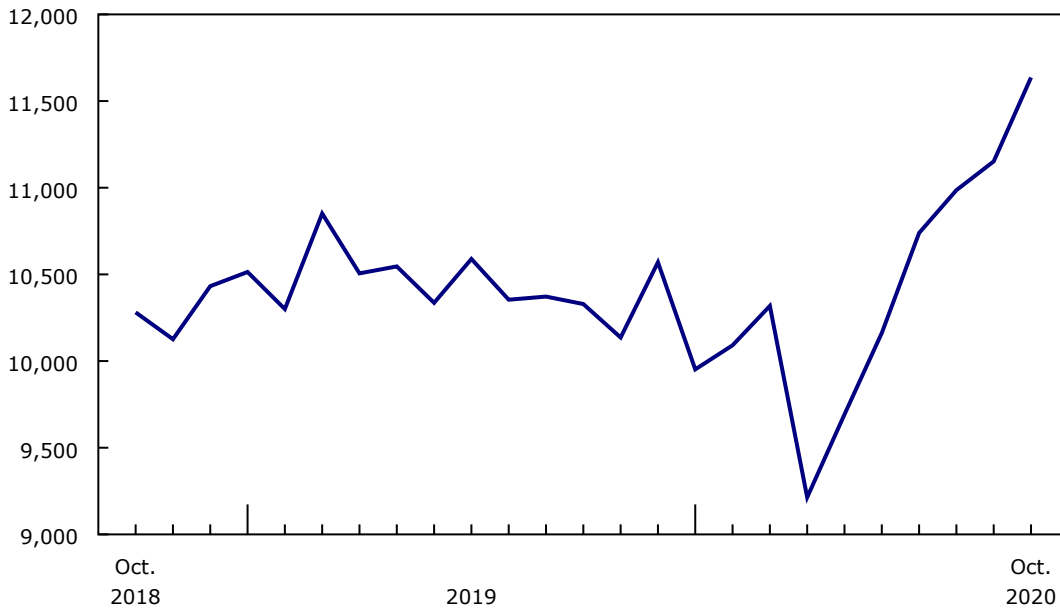
**Note(s):** Data are on a balance of payments basis and are seasonally adjusted.  
**Source(s):** Table 12-10-0121-01.

Imports of electronic and electrical equipment and parts (+9.5%) contributed the most to the increase in imports. Following a 37.8% decrease in September, imports of communication, and audio and video equipment—a category consisting largely of cell phones—rebounded 41.3% in October. As mentioned in the September publication, the pandemic drove the cell phone industry to introduce new models outside the typical release cycle. The introduction of new models in Canada in October rather than September, the usual month for new releases, accounts for this strong increase. Despite the gain in October, imports of communication, and audio and video equipment were down 17.4% since the beginning of the year compared with the same period in 2019.

Imports of consumer goods, the largest product section for Canadian imports, rose 4.3% to a record \$11.6 billion in October. Imports of clothing, footwear and accessories (+22.0%), which posted an atypical movement for the month of October, contributed the most to the gain. However, for the January to October period, imports of clothing, footwear and accessories were down 21.9% in 2020 compared with 2019. Meanwhile, imports of appliances (+21.2%) also increased in October.

**Chart 5**  
**Canadian imports of consumer goods**

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.

These gains were partly offset by lower imports of metal and non-metallic mineral products (-12.4%). Imports of unwrought gold, silver and platinum group metals, and their alloys (-38.7%) contributed the most to this drop, mainly on lower imports of gold and silver. Despite this monthly decline, imports in this product group reached record levels in 2020. For the year to date, these imports are almost five times higher than in the same period in 2019.

**Trade rises with non-US countries, but stagnates with the United States**

Since the sharp gains in July, trade with countries other than the United States has trended differently than trade with the United States. Combining exports and imports, total trade with the United States in October was 0.3% below July levels. Meanwhile, total trade with countries other than the United States not only posted smaller losses in the spring, it has also risen 10.6% since July.

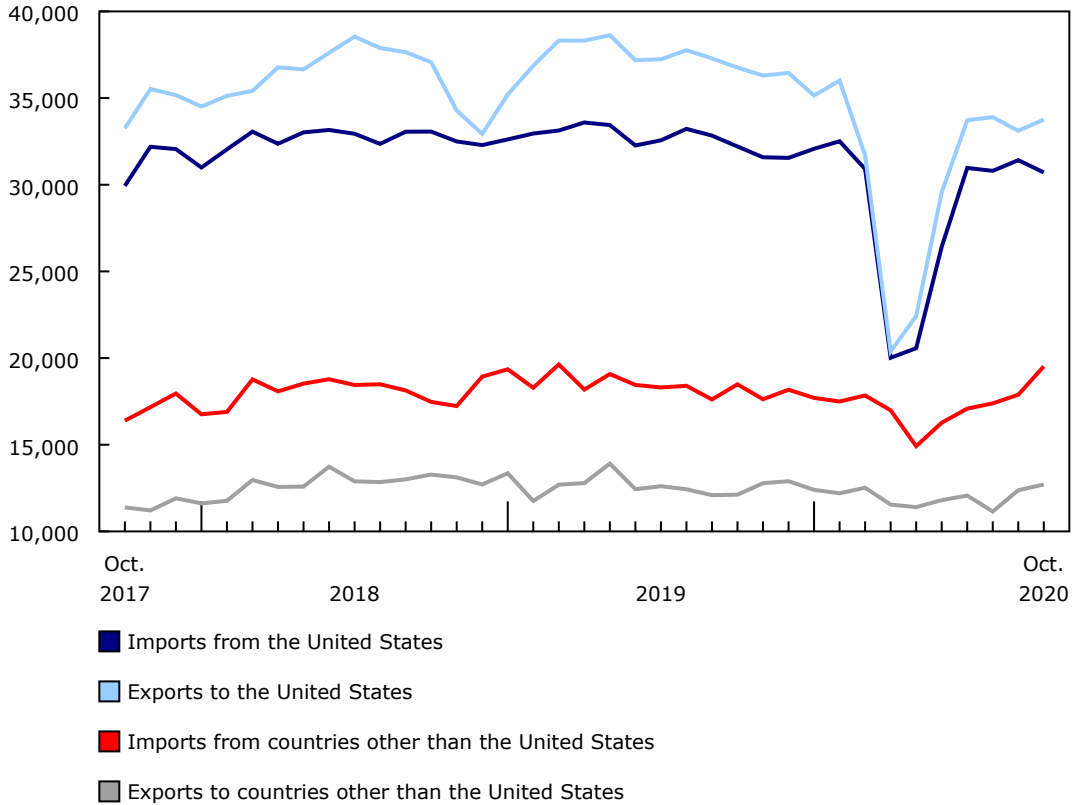
In October, imports (+9.1%) and exports (+2.7%) with countries other than the United States rose again. It was the fifth consecutive monthly increase for imports and a fourth increase in the last five months for exports.

China (cell phones and various products) and South Korea (various products) posted the largest increases in imports, while the United Kingdom (gold and crude oil) and the Netherlands (oilseeds) contributed the most to growth in exports. Canada's trade deficit with countries other than the United States widened from \$5.5 billion in September to \$6.8 billion in October.

Exports to the United States rose 2.0% in October, while imports fell 2.3%. As a result, Canada's trade surplus with the United States widened from \$1.7 billion in September to \$3.0 billion in October.

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

millions of current dollars

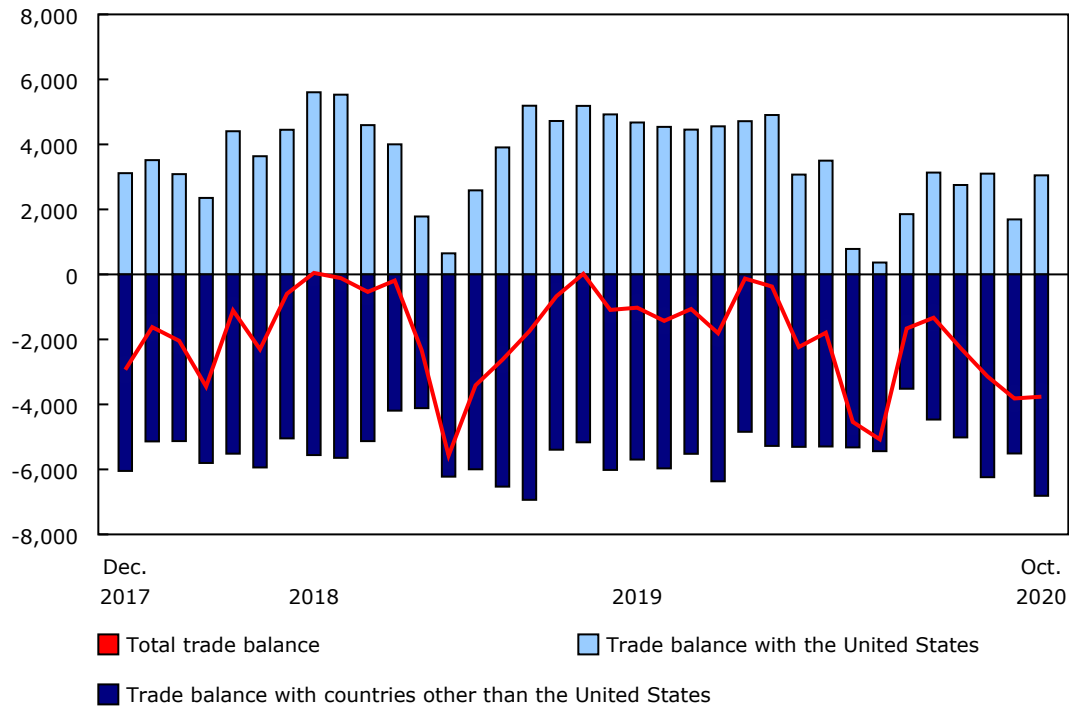


**Note(s):** Data are on a balance of payments basis and are seasonally adjusted.  
**Source(s):** Table [12-10-0011-01](#).

When the average exchange rates of September and October are compared, the Canadian dollar was stable relative to American dollar.

## 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 September merchandise exports and imports data

Imports in September, originally reported as \$48.8 billion in the previous release, were revised to \$49.3 billion in the current month's release. Exports in September, originally reported at \$45.5 billion in the previous release, were essentially unchanged in the current month's release.

## Trade in medical and protective goods

In October, imports of medical and protective goods decreased for a second consecutive month, down 3.6% to \$3.0 billion on a customs basis. The largest declines were observed in imports of diagnostic products (-11.8%), personal protective equipment (-5.2%), and medical equipment and products (-0.4%). Higher imports of disinfectant and sterilization products (+5.4%) moderated these declines. Year over year, imports of medical and protective goods were up 29.8%. Meanwhile, exports of medical and protective goods rose 18.1% to \$1.5 billion in October. Higher exports of medical equipment and products (+29.0%) this month followed a decrease in September.

## Monthly trade in services

In October, [monthly service exports](#) were up 1.9% to \$9.3 billion, and service imports increased 1.7% to \$9.4 billion.

When international trade in goods and services are combined, exports increased 2.1% to \$55.8 billion in October, while imports rose 1.9% to \$59.6 billion. As a result, Canada's trade deficit with the world for goods and services combined was \$3.8 billion in October.

## 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 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 adjusting 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)*.

The 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 currently 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, the replacement of estimates produced for the energy section with actual figures, changes in merchandise classification based on more current information, and changes to seasonal adjustment factors.

For information on data revisions for exports of energy products, see [Methodology for Exports of Energy Products within the International Merchandise Trade Program](#).

Revised data are available in the appropriate tables.

## Real-time data table

The real-time data table 12-10-0120-01 will be updated on December 21.

## Next release

Data on Canadian international merchandise trade for November 2020 will be released on January 7, 2021.



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

	October 2019	September 2020 <sup>r</sup>	October 2020	September to October 2020	October 2019 to October 2020
	millions of dollars			% change	
<b>Total exports</b>	<b>48,880</b>	<b>45,484</b>	<b>46,467</b>	<b>2.2</b>	<b>-4.9</b>
United States	36,762	33,110	33,758	2.0	-8.2
China	1,720	2,350	2,262	-3.7	31.5
Mexico	610	620	619	-0.1	1.6
Japan	1,034	993	1,063	7.1	2.8
United Kingdom	1,901	1,709	1,928	12.8	1.4
Germany	579	726	573	-21.0	-1.0
South Korea	527	377	315	-16.4	-40.2
Netherlands	353	486	618	27.1	75.2
Italy	251	317	300	-5.4	19.2
Belgium	231	215	255	18.7	10.4
<b>Total imports</b>	<b>50,690</b>	<b>49,302</b>	<b>50,230</b>	<b>1.9</b>	<b>-0.9</b>
United States	32,207	31,417	30,710	-2.3	-4.6
China	3,714	3,813	4,792	25.7	29.0
Mexico	1,757	1,530	1,591	4.0	-9.5
Japan	1,019	1,085	1,083	-0.3	6.3
United Kingdom	731	808	702	-13.1	-4.0
Germany	1,369	1,314	1,294	-1.5	-5.5
South Korea	673	626	881	40.7	30.9
Netherlands	567	420	430	2.3	-24.1
Italy	614	693	622	-10.2	1.4
Belgium	575	334	344	3.0	-40.1
<b>Trade Balance</b>	<b>-1,810</b>	<b>-3,817</b>	<b>-3,763</b>	<b>...</b>	<b>...</b>
United States	4,555	1,692	3,049	...	...
China	-1,994	-1,463	-2,530	...	...
Mexico	-1,148	-911	-972	...	...
Japan	16	-93	-19	...	...
United Kingdom	1,170	901	1,226	...	...
Germany	-790	-588	-721	...	...
South Korea	-146	-249	-566	...	...
Netherlands	-214	66	188	...	...
Italy	-362	-376	-322	...	...
Belgium	-344	-119	-89	...	...

<sup>r</sup> 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 System<sup>1</sup> – Balance of payments basis, seasonally adjusted, current dollars**

	October 2019	September 2020 <sup>r</sup>	October 2020	September to October 2020	October 2019 to October 2020
	millions of dollars			% change	
<b>Total exports</b>	<b>48,880</b>	<b>45,484</b>	<b>46,467</b>	<b>2.2</b>	<b>-4.9</b>
Farm, fishing and intermediate food products	2,802	3,777	3,850	1.9	37.4
Energy products	9,308	6,169	6,653	7.8	-28.5
Metal ores and non-metallic minerals	1,605	1,936	1,576	-18.6	-1.8
Metal and non-metallic mineral products	5,671	5,248	5,554	5.8	-2.1
Basic and industrial chemical, plastic and rubber products	2,969	2,648	2,790	5.4	-6.0
Forestry products and building and packaging materials	3,411	3,942	4,039	2.5	18.4
Industrial machinery, equipment and parts	3,420	2,878	3,063	6.5	-10.4
Electronic and electrical equipment and parts	2,497	2,253	2,299	2.0	-7.9
Motor vehicles and parts	7,495	7,650	7,289	-4.7	-2.7
Aircraft and other transportation equipment and parts	2,506	1,881	1,706	-9.3	-31.9
Consumer goods	5,797	5,726	6,310	10.2	8.9
Special transactions trade <sup>2</sup>	320	312	302	-3.3	-5.6
Other balance of payments adjustments	1,081	1,064	1,035	-2.7	-4.2
<b>Total imports</b>	<b>50,690</b>	<b>49,302</b>	<b>50,230</b>	<b>1.9</b>	<b>-0.9</b>
Farm, fishing and intermediate food products	1,755	1,800	1,894	5.2	7.9
Energy products	3,407	2,023	1,867	-7.7	-45.2
Metal ores and non-metallic minerals	1,183	1,350	1,507	11.7	27.5
Metal and non-metallic mineral products	3,347	4,510	3,953	-12.4	18.1
Basic and industrial chemical, plastic and rubber products	3,736	3,419	3,415	-0.1	-8.6
Forestry products and building and packaging materials	2,213	2,219	2,314	4.2	4.5
Industrial machinery, equipment and parts	5,673	5,296	5,506	3.9	-2.9
Electronic and electrical equipment and parts	6,133	5,595	6,128	9.5	-0.1
Motor vehicles and parts	9,207	8,719	8,797	0.9	-4.5
Aircraft and other transportation equipment and parts	1,965	1,342	1,215	-9.5	-38.1
Consumer goods	10,329	11,152	11,636	4.3	12.6
Special transactions trade <sup>2</sup>	775	964	1,040	7.9	34.3
Other balance of payments adjustments	968	912	958	5.0	-1.0

<sup>r</sup> 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**

	September 2020 <sup>r</sup>	October 2020	September to October 2020
	millions of dollars		% change
<b>Exports</b>			
Goods	45,484	46,467	2.2
Services	9,177	9,349	1.9
Goods and services	54,661	55,816	2.1
<b>Imports</b>			
Goods	49,302	50,230	1.9
Services	9,249	9,404	1.7
Goods and services	58,551	59,634	1.9
<b>Balances</b>			
Goods	-3,817	-3,763	...
Services	-72	-55	...
Goods and services	-3,889	-3,818	...

<sup>r</sup> 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 [12-10-0128-01](#) , [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](mailto: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](mailto:benoit.carriere@canada.ca)), International Accounts and Trade Division.