

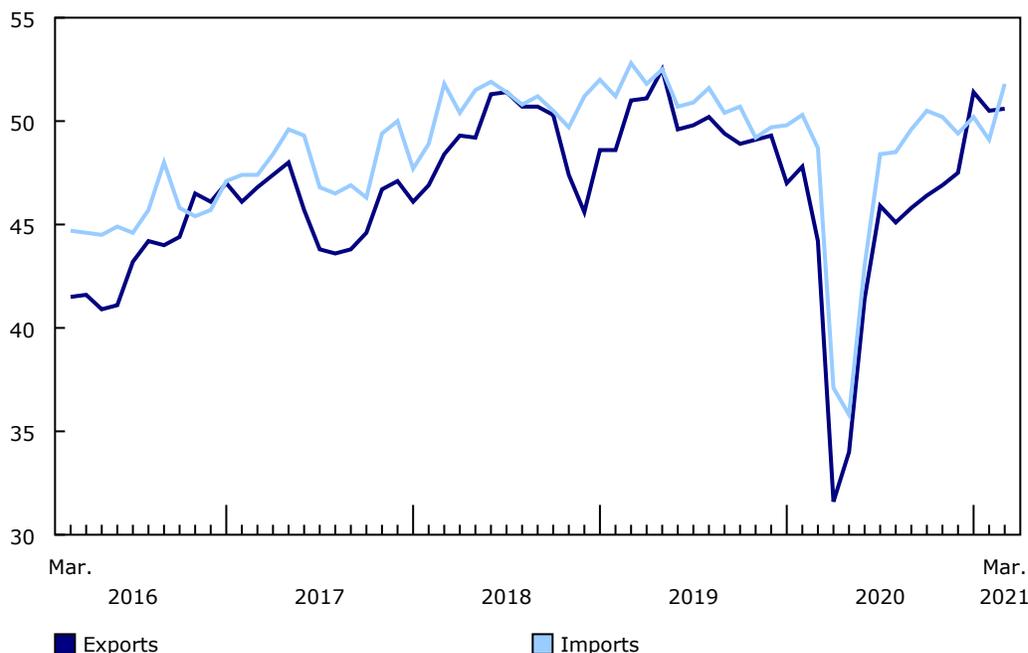
Canadian international merchandise trade, March 2021

Released at 8:30 a.m. Eastern time in *The Daily*, Tuesday, May 4, 2021

In March, Canada's imports posted a significant increase of 5.5%, while exports edged up 0.3%. As a result, following two consecutive monthly trade surpluses, Canada's merchandise trade balance returned to a deficit position, moving from a surplus of \$1.4 billion in February to a deficit of \$1.1 billion in March.

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.

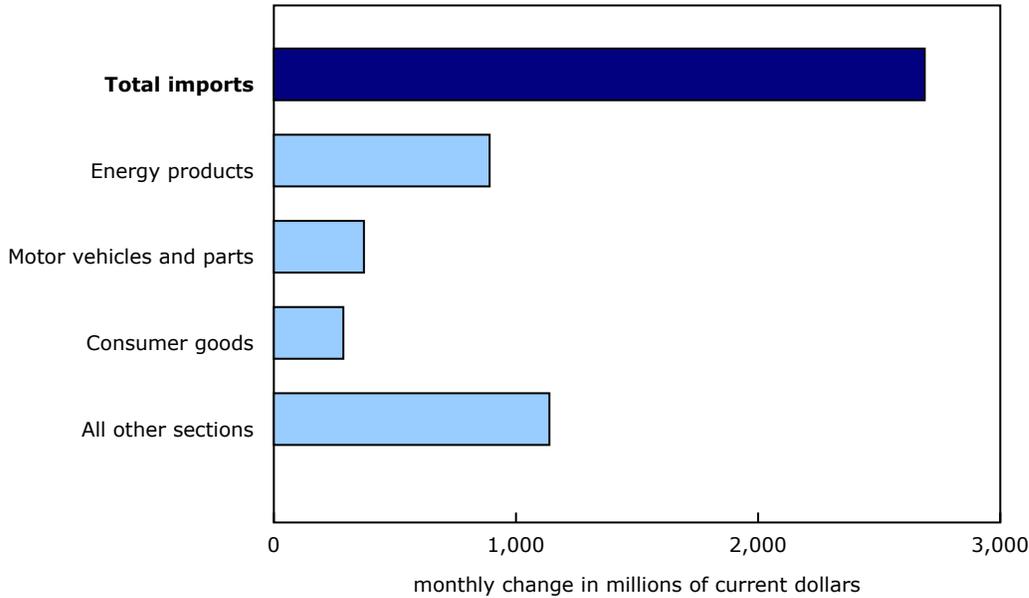
To explore the most recent results of Canada's international merchandise trade in an interactive format, see the "[International merchandise trade monthly interactive dashboard](#)." On April 14, 2021, Statistics Canada released "[Canadian international trade in 2020: A year without precedent](#)." This article provides an overview of the goods and services hit hardest by the decline in trade related to the COVID-19 pandemic in 2020.

Widespread increase in imports

Total imports rose 5.5% in March to \$51.8 billion, the highest level observed since May 2019. All 11 product sections posted increases, with 9 up more than \$100 million. Year over year, the value of imports rose 6.3% compared with March 2020, when pandemic restrictions began to have a significant impact on Canada's trade activity. In real (or volume) terms, total imports increased 7.0% in March.



Chart 2
Contribution to the monthly change in imports, by product, March 2021

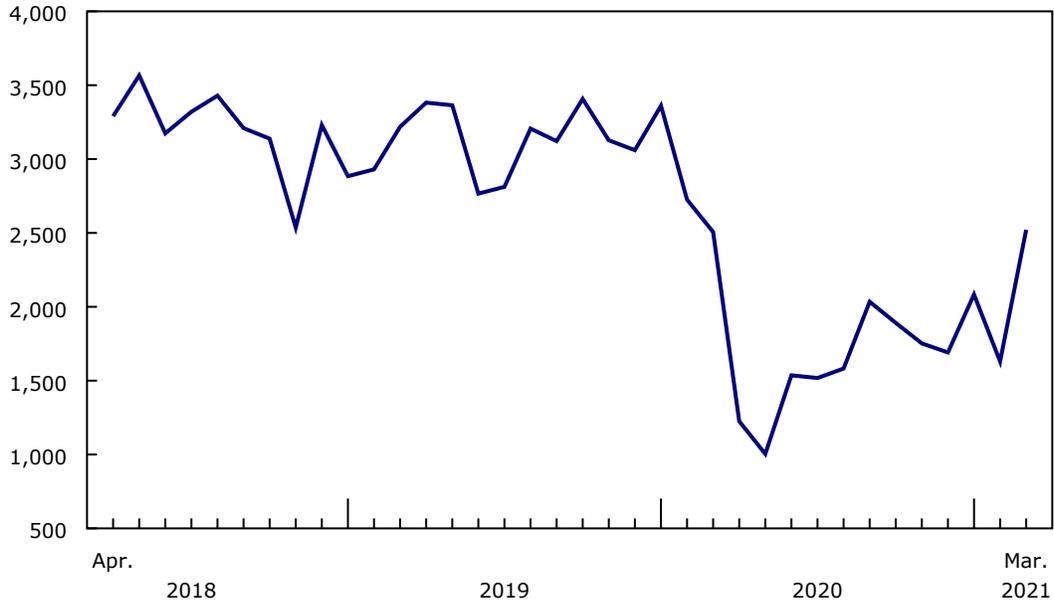


Note(s): Data are on a balance of payments basis and are seasonally adjusted.
Source(s): Table [12-10-0121-01](#).

Imports of energy products (+54.7%) posted the strongest gain in March. Since the low observed in May 2020, energy product imports have remained well below pre-pandemic levels, and they were 25.0% below their January 2020 level, when imports of these products last peaked. Imports of refined petroleum products contributed the most to the monthly growth, rising from \$279 million in February to \$726 million in March, as a result of higher imports of motor gasoline. Crude oil imports (+19.4%) also rose, topping \$1 billion for the first time since September 2020. Notably, some of the increase in imports of motor gasoline and crude oil originated from Texas, which was hit by extreme weather and power outages in February.

Chart 3
Canadian imports of energy products

millions of current dollars

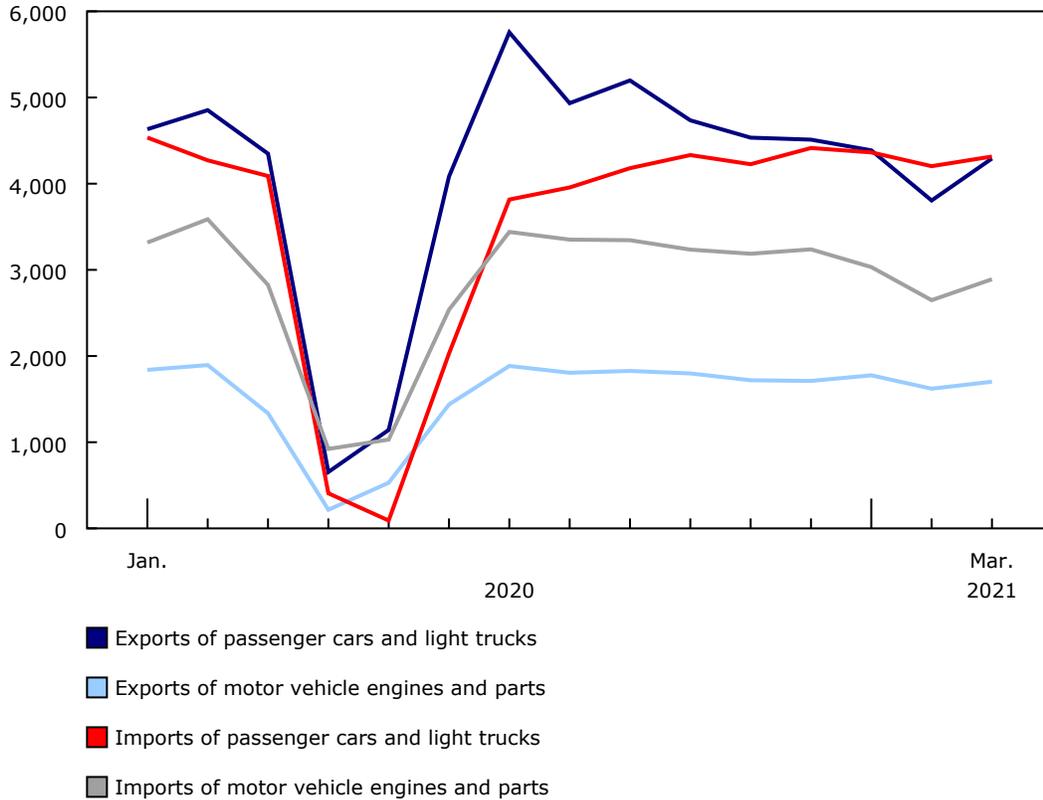


Note(s): Data are on a balance of payments basis and are seasonally adjusted.
Source(s): Table 12-10-0121-01.

After falling 6.6% in February, imports of motor vehicles and parts were up 4.6% in March. The decline in February was the result of production slowdowns and stoppages at several North American assembly plants because of the global shortage of semiconductor chips. Although the shortage persisted in March, the production slowdowns at assembly plants generally had more moderate impacts, resulting in higher imports of motor vehicle engines and parts (+9.2%) and passenger cars and light trucks (+2.7%). Despite the monthly growth, imports of motor vehicles and parts were down 4.2% in the first quarter of 2021.

Chart 4
Exports and imports of passenger cars and light trucks, and motor vehicle engines and parts

millions of dollars

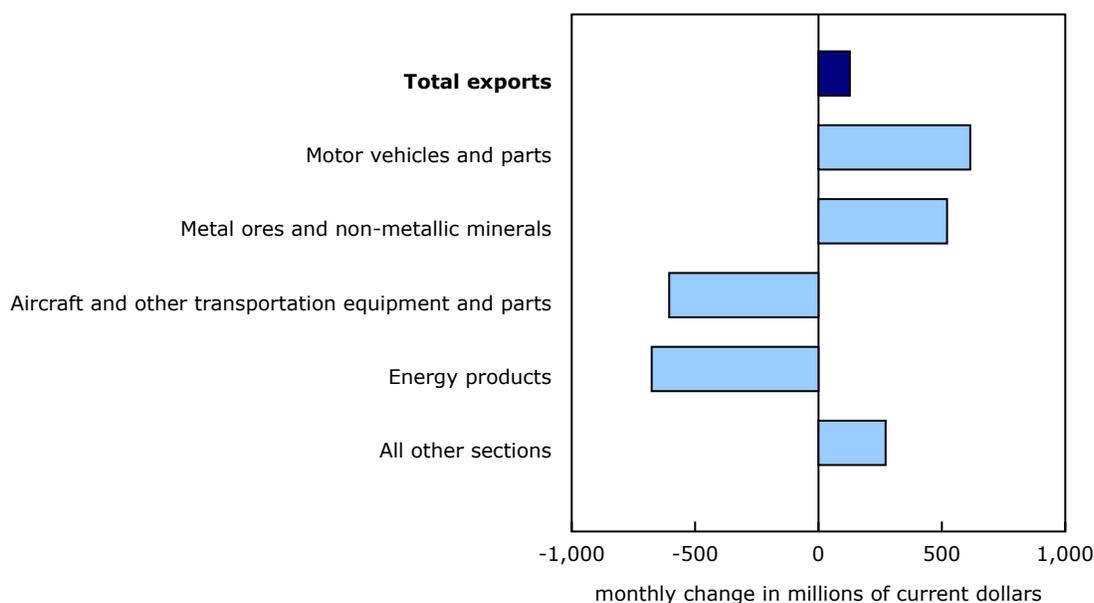


Note(s): Data are on a balance of payments basis and are seasonally adjusted.
Source(s): Table 12-10-0121-01.

Offsetting movements in exports

Total exports edged up 0.3% in March to \$50.6 billion, and were 14.4% higher than in March 2020. Exports of non-energy products rose 2.0% to \$41.2 billion, the third highest level on record. In real (or volume) terms, total exports were down 0.3%.

Chart 5
Contribution to the monthly change in exports, by product, March 2021



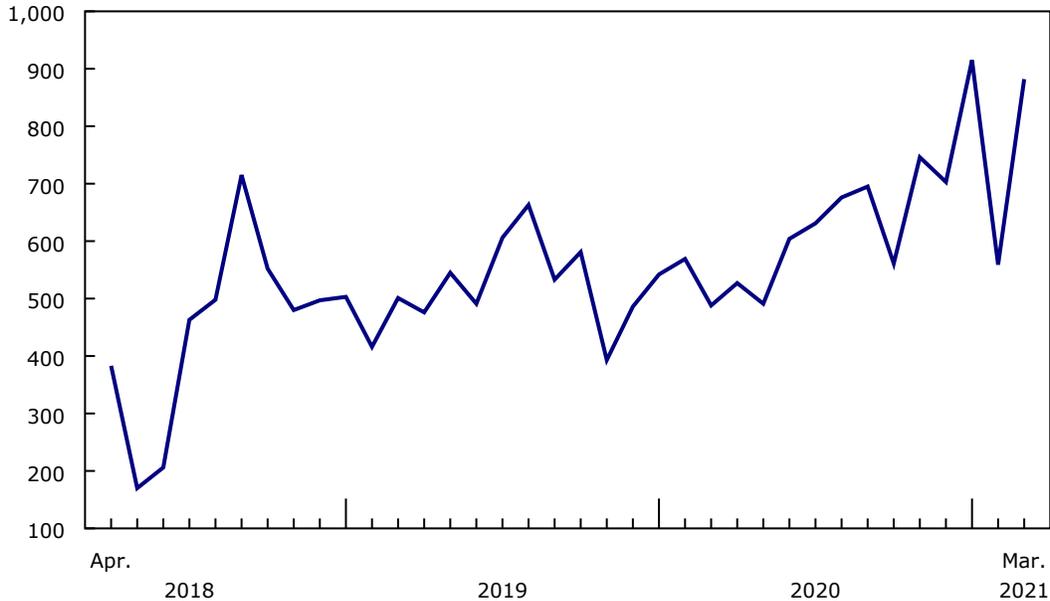
Note(s): Data are on a balance of payments basis and are seasonally adjusted.
Source(s): Table 12-10-0121-01.

After declining 11.5% in February, exports of motor vehicles and parts rose 10.2% in March. Exports of passenger cars and light trucks (+12.8%) contributed the most to the increase, as production slowdowns were felt less in March than in February. These slowdowns are expected to intensify and may have a greater impact on exports in April. Exports of motor vehicles and parts were down 6.2% in the first quarter of 2021.

Following a 25.0% decrease in February, exports of metal ores and non-metallic minerals were up 33.0% in March, essentially offsetting the decline in the previous month. Exports of iron ores, which were the main contributor to the February drop, rose 57.7% in March. Iron ore exports were up 80.7% compared with March 2020, coinciding with strong global demand for this metal ore and higher prices.

Chart 6
Canadian exports of iron ores and concentrates

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.

Partly offsetting these increases, exports of energy products fell 6.7% in March, mainly because of lower exports of natural gas (-46.7%). Natural gas exports had more than doubled in February as a result of a sudden increase in prices caused by extreme weather conditions and power outages in the southern United States. Prices for natural gas exports in March were almost back to January levels, accounting for the decline in the value of these exports.

Exports of aircraft and other transportation equipment and parts (-23.8%) also declined in March. After two months that saw a number of used aircraft delivered to the United States, exports of aircraft decreased 49.8% in March, with no used aircraft being exported that month.

Increase in trade activity with countries other than the United States

Following an 11.5% decline in February, exports to countries other than the United States rose 12.6% in March, the largest percentage increase in four years. Exports to Hong Kong (refined gold), the Netherlands (crude oil) and South Korea (metal ores and refined gold) contributed the most to the increase.

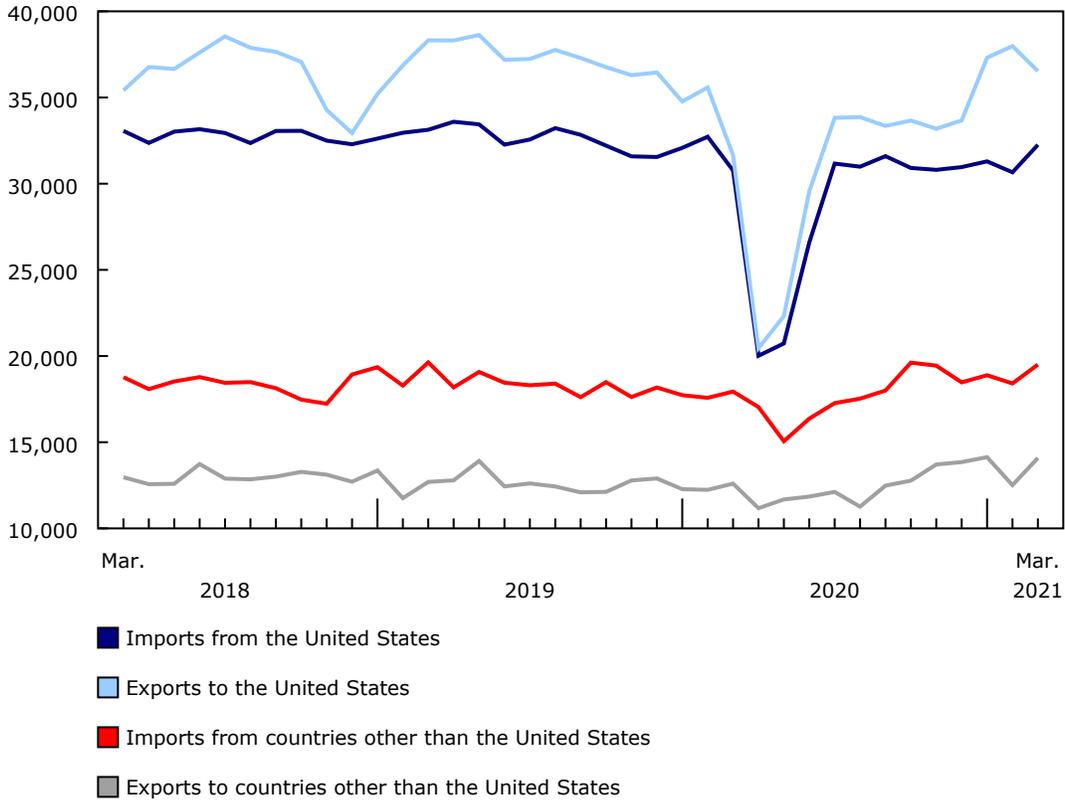
Imports from countries other than the United States rose 5.9% in March, mainly on a sharp increase in imports from China (+27.1%). Imports of electronics, furniture and appliances, among others, contributed to the widespread growth in imports from China in March.

As a result, Canada's trade deficit with countries other than the United States narrowed from \$5.9 billion in February to \$5.4 billion in March.

Chart 7

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

millions of current dollars

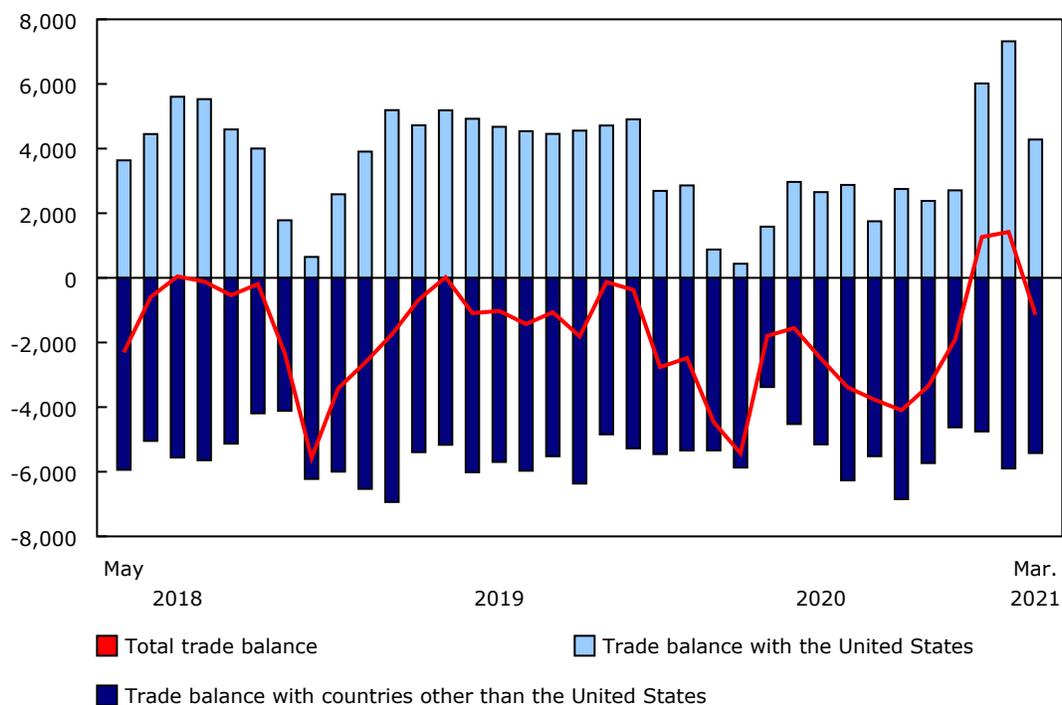


Note(s): Data are on a balance of payments basis and are seasonally adjusted.
Source(s): Table 12-10-0011-01.

Exports to the United States fell 3.8% in March, while imports rose 5.2%. After the two largest surpluses since 2008 were posted in January and February, the trade surplus with the United States narrowed from \$7.3 billion in February to \$4.3 billion in March.

Chart 8
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.

When the average exchange rates of February and March are compared, the Canadian dollar gained 0.8 US cents relative to the American dollar.

Strong growth in nominal exports in the first quarter of 2021

In the first quarter, exports posted a sharp gain, rising 8.3% to \$152.6 billion, their highest value since the second quarter of 2019. Exports of energy products (+31.2%), aircraft and other transportation equipment and parts (+43.6%), and forestry products (+11.9%) recorded the largest increases. Export prices rose 6.6% in the first quarter of 2021.

Quarterly imports edged up 0.5% to \$151.0 billion in the first quarter of 2021, led by higher imports of energy products (+16.8%).

Canada's merchandise trade balance posted a surplus of \$1.5 billion in the first quarter of 2021, the first surplus since the fourth quarter of 2016.

According to the Fisher formula, exports in constant dollars rose 1.6% in the first quarter, while quarterly imports in constant dollars were up 1.1%.

Revisions to February merchandise export and import data

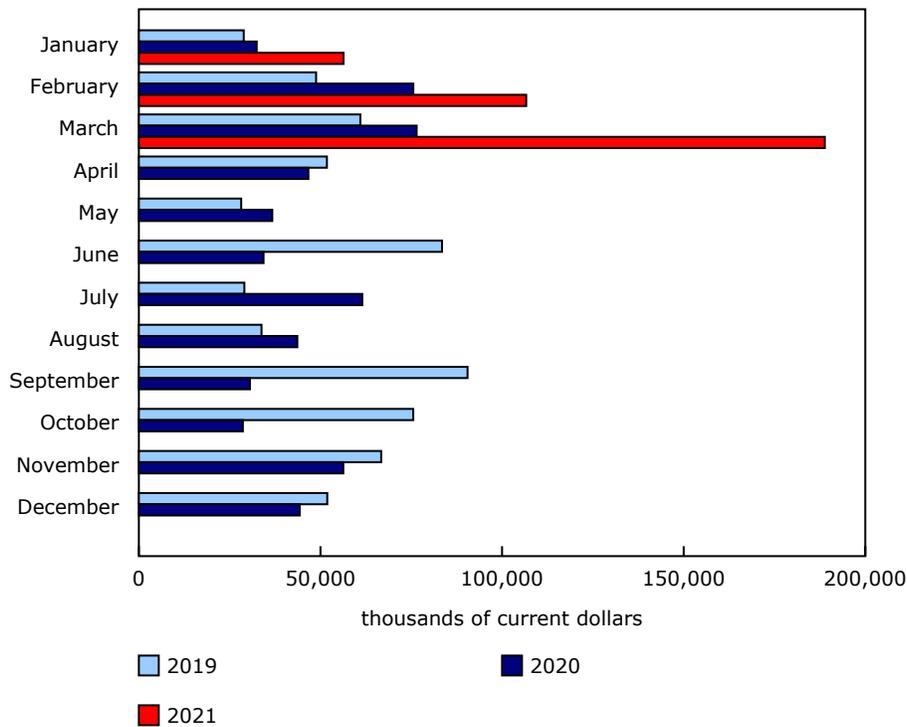
Imports in February, originally reported as \$48.8 billion in the previous release, were revised to \$49.1 billion in the release for the current reference month. Exports in February, originally reported at \$49.9 billion in the previous release, were revised to \$50.5 billion in the current month's release.

Trade in medical and protective goods and vaccines

Following three consecutive declines, imports of medical and protective goods rose 22.6% to \$3.2 billion in March on a customs basis. Year over year, imports were 27.7% higher. The monthly increase was led by higher imports of medical equipment and products (+19.3%) and diagnostic products (+31.2%). The main contributor to the increase in the latter category was imports of test kits and diagnostic instruments, which rose 30.7% to a record \$865 million in March. Higher imports of personal protective equipment (+20.5%) and disinfectant and sterilization products (+20.5%) also contributed to the overall increase in imports of medical and protective goods. Exports of medical and protective goods rose in March, up 11.0% to \$1.5 billion. Despite this monthly increase, exports were 13.3% lower compared with March 2020.

Imports of "vaccines for human medicine other than for influenza," the category that includes the COVID-19 vaccines, increased 77.1% to a record \$189 million in March. Imports in this category were more than double the import value from the same month a year earlier. COVID-19 vaccines were first imported into Canada in December 2020, and imports have risen each month since. Further increases are anticipated in the months ahead. Given that imports of COVID-19 vaccines are now clearly evident within the category "vaccines for human medicine other than for influenza," COVID-19 vaccine information will be presented under this category.

Chart 9
Imports of vaccines for human medicine other than for influenza



Note(s): Data are on a customs basis and are not seasonally adjusted.
Source(s): Canadian International Merchandise Trade (Customs Basis) (2201).

Monthly trade in services

In March, monthly [service](#) exports were up 1.2% to \$9.3 billion. Service imports increased 0.4% to \$9.1 billion.

When international trade in goods and international trade in services were combined, exports rose 0.4% to \$59.9 billion in March, while imports increased 4.7% to \$60.9 billion. As a result, Canada's trade deficit with the world for goods and services combined was \$1.0 billion in March.

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 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 COVID-19 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 the 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 May 17.

Next release

Data on Canadian international merchandise trade for April will be released on June 8.

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

	March 2020 ^r	February 2021 ^r	March 2021	February to March 2021	March 2020 to March 2021
	millions of dollars			% change	
Total exports	44,241	50,490	50,618	0.3	14.4
United States	31,644	37,981	36,534	-3.8	15.5
China	1,764	2,450	2,580	5.3	46.2
United Kingdom	1,519	1,687	1,636	-3.0	7.7
Mexico	611	712	852	19.8	39.6
Japan	1,081	1,251	993	-20.6	-8.1
Germany	803	493	601	21.9	-25.2
South Korea	385	316	544	72.4	41.5
Netherlands	358	231	487	110.6	36.2
Italy	374	206	243	17.7	-35.0
Belgium	211	255	273	7.4	29.4
Total imports	48,705	49,070	51,758	5.5	6.3
United States	30,767	30,661	32,254	5.2	4.8
China	3,069	4,466	5,675	27.1	84.9
United Kingdom	691	977	615	-37.0	-10.9
Mexico	1,478	1,483	1,526	2.9	3.2
Japan	990	919	913	-0.6	-7.7
Germany	1,250	1,164	1,186	1.8	-5.1
South Korea	643	690	729	5.7	13.3
Netherlands	375	467	419	-10.4	11.5
Italy	595	553	515	-6.9	-13.5
Belgium	425	493	430	-12.8	1.1
Trade balance	-4,464	1,421	-1,140	...	...
United States	877	7,320	4,281	...	...
China	-1,305	-2,015	-3,095	...	...
United Kingdom	828	710	1,021	...	...
Mexico	-867	-772	-673	...	...
Japan	91	332	80	...	...
Germany	-447	-671	-585	...	...
South Korea	-258	-374	-185	...	...
Netherlands	-18	-236	69	...	...
Italy	-222	-347	-272	...	...
Belgium	-214	-238	-157	...	...

^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 2019 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

	March 2020 ^r	February 2021 ^r	March 2021	February to March 2021	March 2020 to March 2021
	millions of dollars			% change	
Total exports	44,241	50,490	50,618	0.3	14.4
Farm, fishing and intermediate food products	3,502	4,152	4,150	0.0	18.5
Energy products	5,305	10,104	9,428	-6.7	77.7
Metal ores and non-metallic minerals	1,636	1,578	2,099	33.0	28.3
Metal and non-metallic mineral products	6,471	5,893	6,173	4.7	-4.6
Basic and industrial chemical, plastic and rubber products	2,563	2,964	3,062	3.3	19.5
Forestry products and building and packaging materials	3,433	4,331	4,503	4.0	31.2
Industrial machinery, equipment and parts	3,170	3,040	3,002	-1.3	-5.3
Electronic and electrical equipment and parts	2,276	2,189	2,160	-1.3	-5.1
Motor vehicles and parts	6,346	6,053	6,668	10.2	5.1
Aircraft and other transportation equipment and parts	1,888	2,538	1,933	-23.8	2.4
Consumer goods	6,089	6,298	5,964	-5.3	-2.1
Special transactions trade ²	305	292	298	2.0	-2.5
Other balance of payments adjustments	1,257	1,058	1,178	11.4	-6.3
Total imports	48,705	49,070	51,758	5.5	6.3
Farm, fishing and intermediate food products	1,880	1,879	1,895	0.8	0.8
Energy products	2,506	1,630	2,521	54.7	0.6
Metal ores and non-metallic minerals	1,118	1,243	1,412	13.5	26.3
Metal and non-metallic mineral products	4,214	4,406	4,597	4.3	9.1
Basic and industrial chemical, plastic and rubber products	3,849	3,688	3,794	2.9	-1.4
Forestry products and building and packaging materials	2,171	2,281	2,436	6.8	12.2
Industrial machinery, equipment and parts	5,269	5,339	5,533	3.6	5.0
Electronic and electrical equipment and parts	5,418	5,943	6,060	2.0	11.9
Motor vehicles and parts	8,149	8,114	8,487	4.6	4.1
Aircraft and other transportation equipment and parts	2,125	1,488	1,512	1.6	-28.9
Consumer goods	10,343	11,000	11,287	2.6	9.1
Special transactions trade ²	757	1,122	1,233	10.0	63.0
Other balance of payments adjustments	908	937	992	5.9	9.3

^r revised

1. International merchandise trade data are based on the 2017 North American Product Classification System.

2. These are mainly low-value transactions, value of repairs to equipment and goods returned to the 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

	February 2021 ^r	March 2021	February to March 2021
	millions of dollars		% change
Exports			
Goods	50,490	50,618	0.3
Services	9,185	9,291	1.2
Goods and services	59,675	59,909	0.4
Imports			
Goods	49,070	51,758	5.5
Services	9,110	9,148	0.4
Goods and services	58,180	60,906	4.7
Balances			
Goods	1,421	-1,140	
Services	75	143	
Goods and services	1,496	-997	

^r revised

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 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 (613-951-4636; STATCAN.mediahotline-ligneinfomedias.STATCAN@canada.ca), International Accounts and Trade Division.