

Canadian international merchandise trade, July 2022

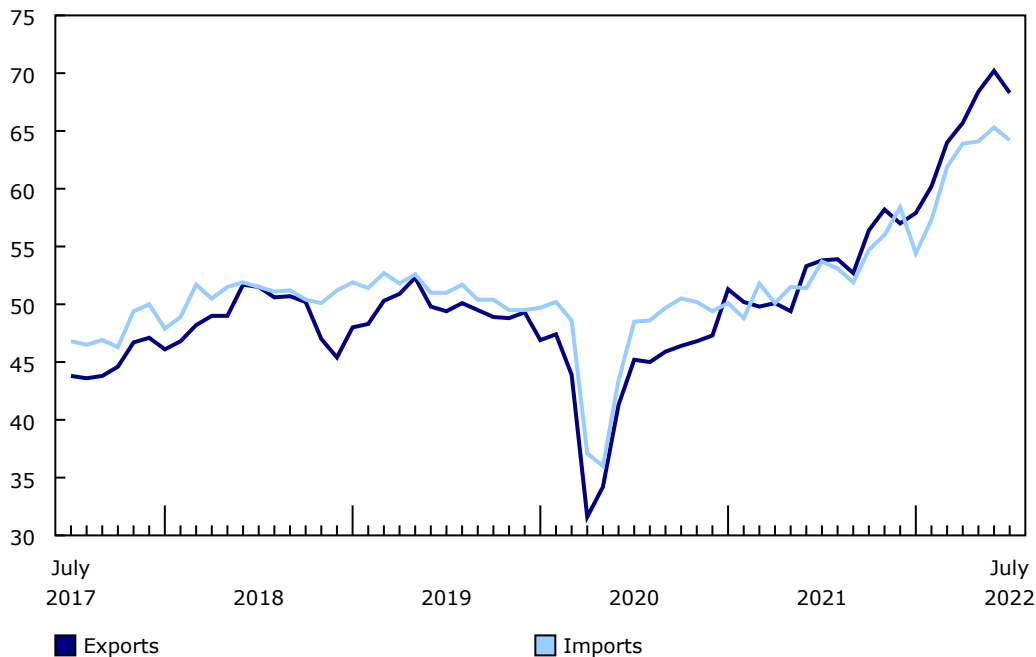
Released at 8:30 a.m. Eastern time in *The Daily*, Wednesday, September 7, 2022

In July, Canada's merchandise exports decreased 2.8%, while imports were down 1.8%. As a result, Canada's merchandise trade surplus with the world narrowed from \$4.9 billion in June to \$4.1 billion in July. So far in 2022, trade surpluses have been observed in every month.

Consult the "[International trade monthly interactive dashboard](#)" to explore the most recent results of Canada's international trade in an interactive format.

Chart 1 Merchandise exports and imports

billions of current dollars



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

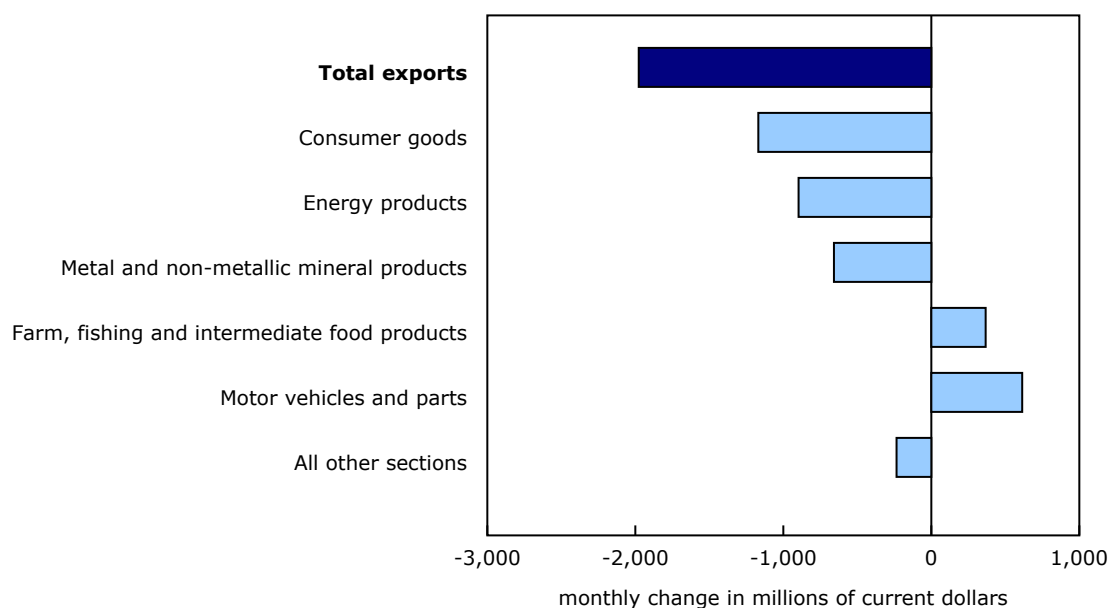
Source(s): Table 12-10-0121-01.

First monthly decrease in exports in 2022, amid lower prices

Following six consecutive monthly increases, total exports decreased 2.8% to \$68.3 billion in July. Declines were observed in 6 of the 11 product sections. Since the beginning of 2022, the value of exports has risen by almost 20%, and higher prices were behind the bulk of that increase. However, a sharp decrease in prices drove export values down in July, while total exports in real (or volume) terms increased 1.7%, a third consecutive monthly increase.



Chart 2
Contribution to the monthly change in exports, by product, July 2022



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

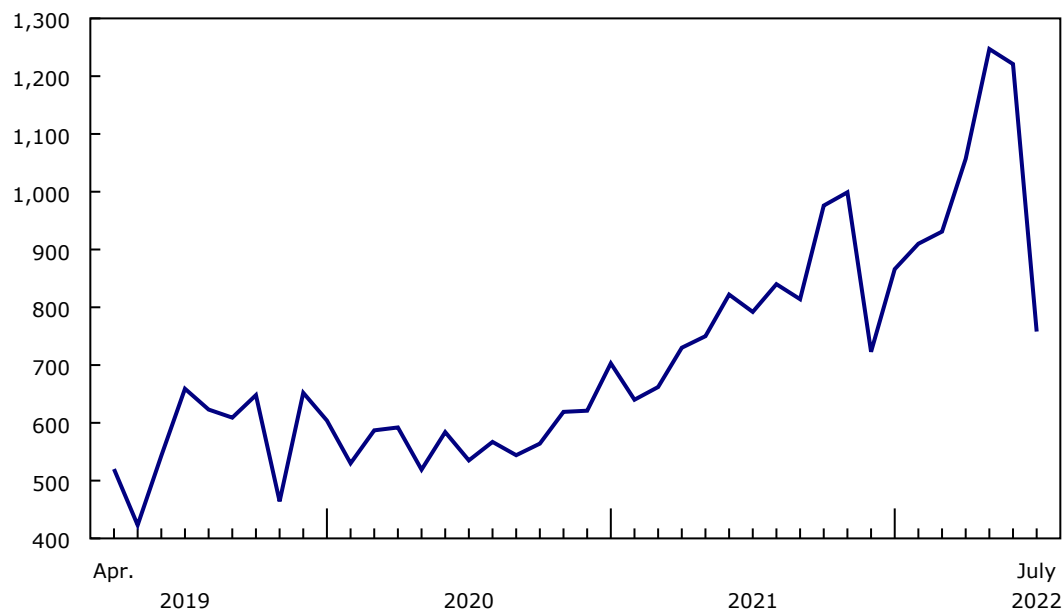
In July, exports of consumer goods (-14.3%) decreased the most, with exports of pharmaceutical products (-49.1%) falling sharply after a surge in the previous month. In June, large quantities of medications for the treatment of COVID-19 were exported to the United States, Australia and the Netherlands. These shipments were not repeated in July. Lower exports of other types of drugs also contributed to the decline.

Exports of energy products fell 4.2% in July, the first monthly decrease of the year. With oil prices down substantially, export values of crude oil (-4.7%) contributed the most to the decline. On a volume basis, however, crude oil exports were up for a second consecutive month in July. Exports of natural gas (-12.6%) also contributed to the decrease in export values, as both volumes and prices were down in July.

In July, exports of metal and non-metallic mineral products decreased 8.4%. The decline was largely the result of lower exports of unwrought aluminum and aluminum products (-37.9%). Exports of unwrought aluminum have grown steadily in 2022, reaching highs in May and June. While export prices were already at record levels by the end of 2021, Russia's invasion of Ukraine brought prices to new highs. It also resulted in higher demand for Canadian aluminum, which led to higher exported volumes as well, particularly in May and June. In July, however, both volumes and prices were down for exports of unwrought aluminum. This coincided with a recent increase in aluminum output from China, which bolstered global supplies.

Chart 3
Canadian exports of unwrought aluminum and aluminum alloys

millions of current dollars

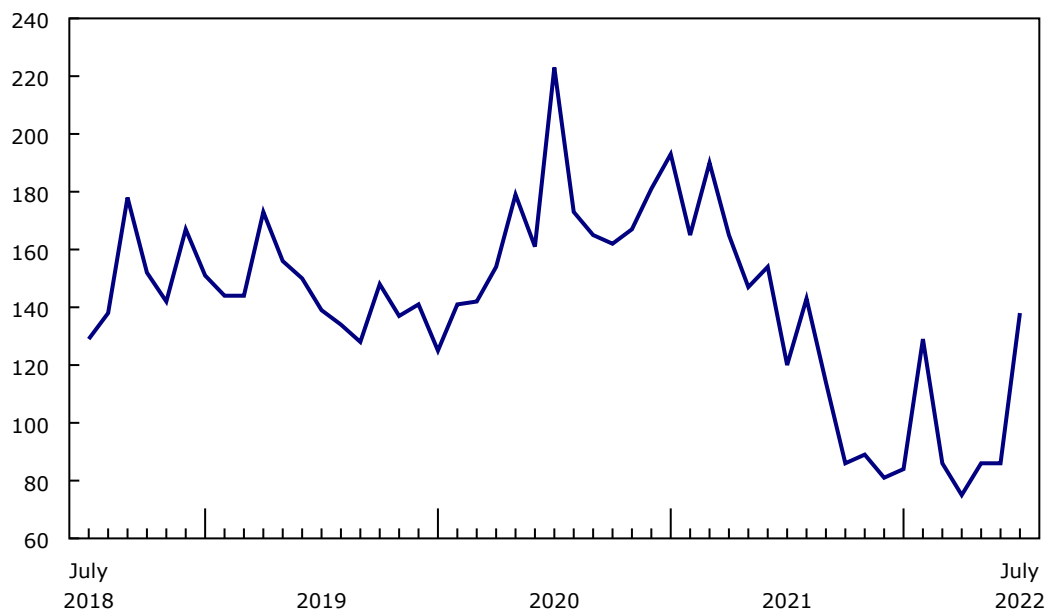


Note(s): Data are on a balance-of-payments basis and are seasonally adjusted.
Source(s): Table 12-10-0121-01.

Exports of farm, fishing and intermediate food products (+9.1%) partially offset the overall decrease in total exports in July, mainly because of higher exports of wheat (+55.8%). Following record-high exports in 2020, export volumes of wheat dropped at the end of 2021, and lower volumes persisted in the first half of 2022. Amid the [expected rebound in wheat production](#) in the new crop year, as well as the conflict in Ukraine, higher supplies from inventories and stronger demand for Canadian wheat pushed export values to a new record high in July.

Chart 4 Export volumes of wheat (2012=100)

Laspeyres index (2012=100)

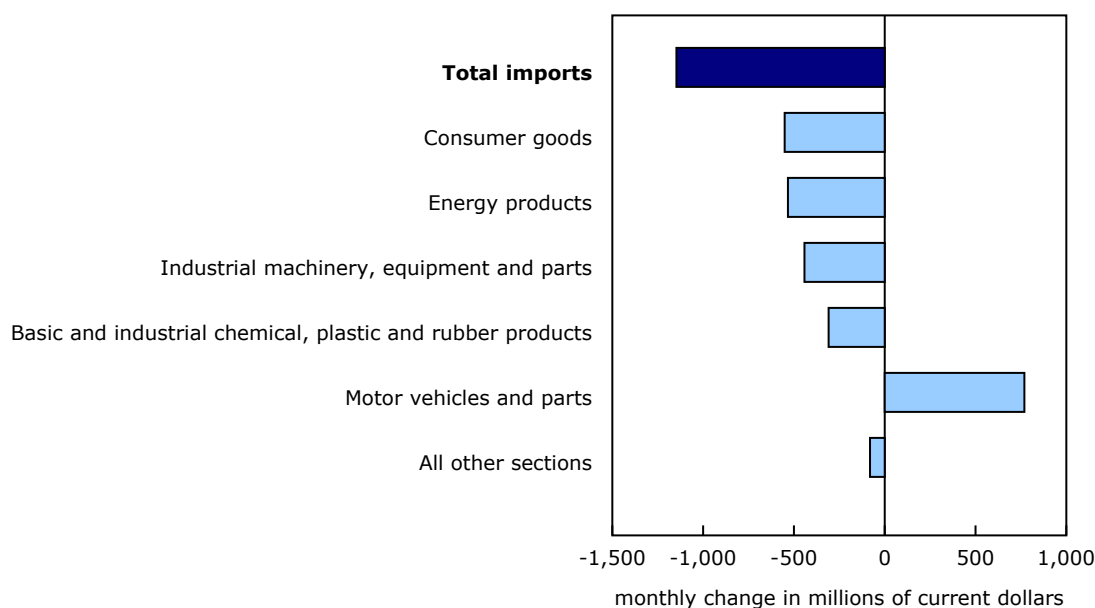


Note(s): Data are on a balance-of-payments basis and are seasonally adjusted.
Source(s): Table [12-10-0128-01](#).

Imports of consumer goods decrease the most

Total imports fell 1.8% in July to \$64.2 billion, the first decrease since January. Declines were observed in 7 of the 11 product sections. In real (or volume) terms, total imports decreased 1.4%.

Chart 5
Contribution to the monthly change in imports, by product, July 2022



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

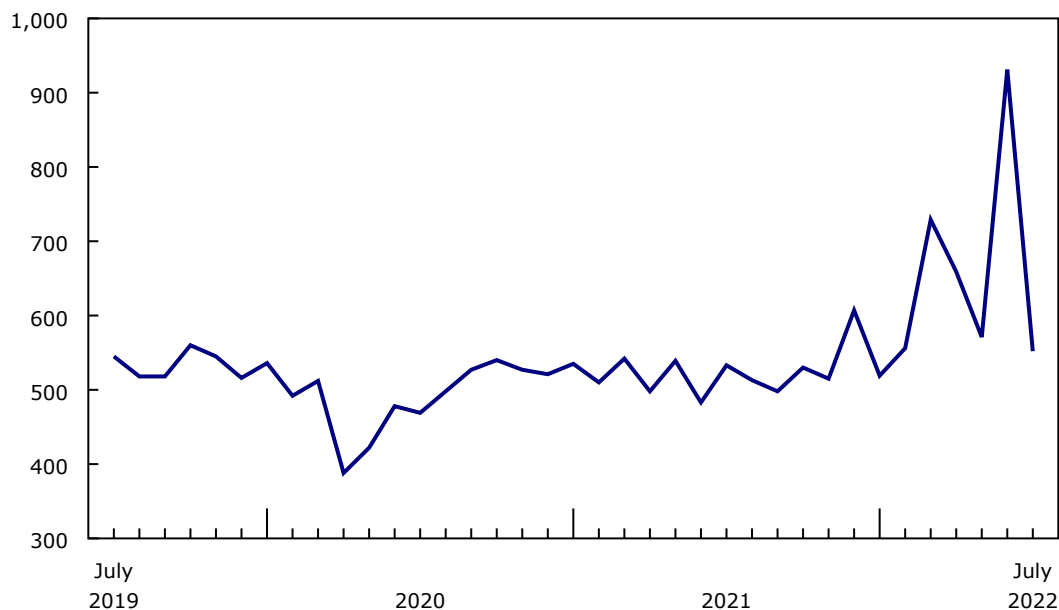
Imports of consumer goods were down 4.2% in July, a third consecutive monthly decline. Decreases were observed in most subcategories, with imports of miscellaneous goods and supplies (-9.8%) retreating the most. This decrease in July was mainly because of lower imports of gold bars from the United States, which had risen in June. Imports of pharmaceutical products were also down in July, partly because of a decline in imports within the category "vaccines for human medicine other than for influenza," which includes COVID-19 vaccines.

Following a price-driven surge in June, imports of energy products fell 10.2% in July, with both prices and volumes decreasing. As was the case in June, imports of refined petroleum energy products (-15.2%) were the main driver behind the monthly movement in July. Shipments of motor gasoline from the United States, the Netherlands and the United Kingdom were lower in July.

Imports of industrial machinery, equipment and parts (-6.0%) also decreased in July following a strong month in June (+7.6%). Lower imports of the product group "other industry-specific manufacturing machinery" were behind the decrease in July. Imports in this category had been rising lately, partly because of the imports of machinery and parts for the new liquefied natural gas terminal project currently being constructed in British Columbia. Shipments related to this project have fluctuated significantly from month to month, and imports in July were much lower compared with those observed in June. More imports for this project are expected in the months to come.

Chart 6 Canadian imports of other industry-specific manufacturing machinery

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.

Higher imports of motor vehicles and parts (+8.4%) partially offset the decrease in total imports. This increase was partly the result of higher imports of motor vehicle engines and parts (+21.0%). Following low levels of production in June in the Canadian auto manufacturing industry, the month-to-month variation in imports of motor vehicle engines and parts in July was less pronounced than usual, leading to a strong seasonally adjusted increase. Many factors have recently been impacting vehicle production in Canada, such as supply chain issues and plant retooling, which contributed to lower imports of motor vehicle engines and parts in May and June. In addition, summer vacation shutdowns in July were slightly less intensive in July 2022 compared with more typical years. These factors also affected exports of passenger cars and light trucks, which were up 6.7% in July.

Exports to the United States decrease for the first time in seven months

Exports to the United States decreased 2.2% in July, partly because of lower exports of crude oil and pharmaceutical products. Meanwhile, imports from the United States increased 0.7%. As a result, Canada's merchandise trade surplus with the United States narrowed from \$13.3 billion in June to \$11.8 billion in July.

When the average exchange rates for June and July are compared, the Canadian dollar lost 0.8 US cents relative to the American dollar.

Trade deficit with countries other than the United States narrows for third consecutive month

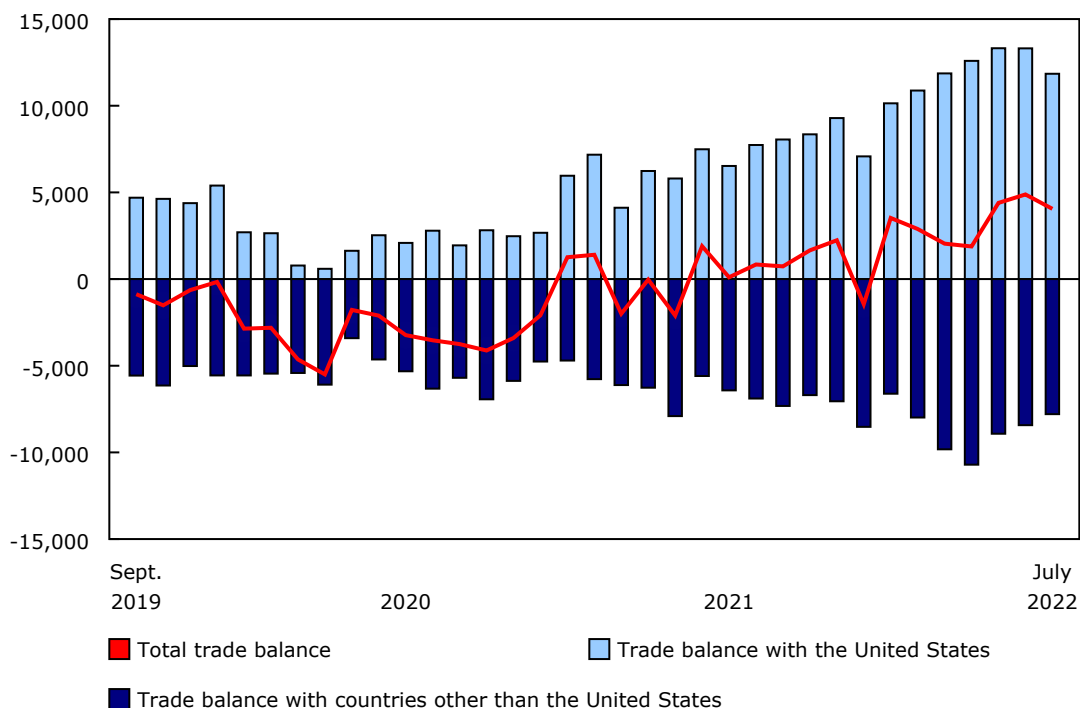
Imports from countries other than the United States decreased 5.7% in July. There were lower imports from the Netherlands (motor gasoline), Switzerland (non-ferrous metals), the United Kingdom (motor gasoline), and India (various products).

Exports to countries other than the United States were down 4.8% in July. Lower exports to the United Kingdom (gold and crude oil), the Netherlands (pharmaceutical products and iron ore), Australia (pharmaceutical products), Peru (diesel and wheat), and China (coal and copper) were partially offset by higher exports to Hong Kong (gold) and South Korea (crude oil, coal and potash).

The merchandise trade deficit with countries other than the United States narrowed from \$8.4 billion in June to \$7.8 billion in July, the lowest recorded deficit since January.

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 export and import data

Imports in June, originally reported at \$64.9 billion in the previous release, were revised to \$65.3 billion in the release for the current reference month. Exports in June, originally reported at \$69.9 billion in the previous release, were revised to \$70.2 billion in the current reference month's release.

Monthly trade in services

In July, [monthly service exports](#) edged down 0.1% to \$12.7 billion. Meanwhile, service imports increased 3.7% to \$14.4 billion.

When international trade in goods and international trade in services were combined, exports decreased 2.4% to \$80.9 billion in July, while imports fell 0.8% to \$78.6 billion. As a result, Canada's trade surplus with the world went from \$3.7 billion in June to \$2.3 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 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. The seasonal adjustment parameters are reviewed and updated annually and applied with the October reference month release.

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 September 19.

Next release

Data on Canadian international merchandise trade for August will be released on October 5.

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

	July 2021	June 2022 ^r	July 2022	June to July 2022	July 2021 to July 2022
	millions of dollars			% change	
Total exports	53,802	70,227	68,250	-2.8	26.9
United States	41,147	53,931	52,736	-2.2	28.2
China	2,079	2,273	2,134	-6.1	2.6
United Kingdom	1,783	2,255	1,718	-23.8	-3.6
Mexico	854	841	771	-8.4	-9.8
Japan	1,397	1,700	1,637	-3.7	17.2
Germany	527	611	517	-15.4	-1.8
Switzerland	244	353	220	-37.6	-9.9
South Korea	482	793	1,084	36.8	125.2
Italy	160	164	159	-2.8	-0.8
Netherlands	424	721	468	-35.0	10.4
Total imports	53,700	65,345	64,198	-1.8	19.6
United States	34,623	40,621	40,892	0.7	18.1
China	3,870	5,752	5,655	-1.7	46.2
United Kingdom	1,211	1,109	925	-16.6	-23.6
Mexico	1,483	1,958	2,047	4.6	38.0
Japan	888	986	995	0.9	12.1
Germany	1,420	1,532	1,482	-3.3	4.3
Switzerland	662	830	599	-27.8	-9.4
South Korea	707	886	860	-3.0	21.6
Italy	599	747	695	-7.0	16.0
Netherlands	592	797	553	-30.6	-6.5
Trade balance	103	4,881	4,052	...	...
United States	6,525	13,310	11,844	...	...
China	-1,790	-3,479	-3,521	...	...
United Kingdom	572	1,145	793	...	...
Mexico	-629	-1,117	-1,277	...	...
Japan	509	714	642	...	...
Germany	-893	-921	-965	...	...
Switzerland	-417	-477	-379	...	...
South Korea	-226	-93	225	...	...
Italy	-439	-583	-536	...	...
Netherlands	-167	-77	-85	...	...

^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 2020 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 2021	June 2022 ^r	July 2022	June to July 2022	July 2021 to July 2022
	millions of dollars			% change	
Total exports	53,802	70,227	68,250	-2.8	26.9
Farm, fishing and intermediate food products	3,879	4,040	4,407	9.1	13.6
Energy products	11,478	21,299	20,402	-4.2	77.8
Metal ores and non-metallic minerals	2,125	3,095	3,125	1.0	47.1
Metal and non-metallic mineral products	6,562	7,794	7,137	-8.4	8.8
Basic and industrial chemical, plastic and rubber products	3,375	4,020	3,877	-3.6	14.9
Forestry products and building and packaging materials	4,776	5,067	4,847	-4.3	1.5
Industrial machinery, equipment and parts	3,197	3,774	3,854	2.1	20.5
Electronic and electrical equipment and parts	2,331	2,656	2,706	1.9	16.1
Motor vehicles and parts	6,205	6,569	7,184	9.4	15.8
Aircraft and other transportation equipment and parts	1,900	2,050	2,036	-0.7	7.1
Consumer goods	6,542	8,166	6,997	-14.3	7.0
Special transactions trade ²	296	309	289	-6.2	-2.2
Other balance of payments adjustments	1,136	1,388	1,389	0.1	22.3
Total imports	53,700	65,345	64,198	-1.8	19.6
Farm, fishing and intermediate food products	1,964	2,407	2,383	-1.0	21.4
Energy products	2,741	5,225	4,693	-10.2	71.2
Metal ores and non-metallic minerals	1,135	1,630	1,649	1.2	45.3
Metal and non-metallic mineral products	5,051	5,549	5,580	0.6	10.5
Basic and industrial chemical, plastic and rubber products	4,549	5,962	5,653	-5.2	24.3
Forestry products and building and packaging materials	2,543	3,024	2,981	-1.4	17.2
Industrial machinery, equipment and parts	5,909	7,378	6,935	-6.0	17.4
Electronic and electrical equipment and parts	6,267	7,228	7,287	0.8	16.3
Motor vehicles and parts	8,602	9,112	9,880	8.4	14.9
Aircraft and other transportation equipment and parts	2,047	2,329	2,052	-11.9	0.2
Consumer goods	10,794	13,092	12,541	-4.2	16.2
Special transactions trade ²	1,128	1,274	1,448	13.6	28.3
Other balance of payments adjustments	970	1,136	1,117	-1.7	15.2

^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-payments basis, seasonally adjusted, current dollars

	June 2022 ^r	July 2022	June to July 2022
	millions of dollars		% change
Exports			
Goods	70,227	68,250	-2.8
Services	12,664	12,651	-0.1
Goods and services	82,891	80,901	-2.4
Imports			
Goods	65,345	64,198	-1.8
Services	13,888	14,407	3.7
Goods and services	79,233	78,605	-0.8
Balances			
Goods	4,881	4,052	...
Services	-1,224	-1,756	...
Goods and services	3,657	2,296	...

^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 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* release.

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

The Canadian International Merchandise Trade online database is no longer available. It has been replaced by the [Canadian International Merchandise Trade Web Application](#) ([71-607-X](#)), a modern tool that provides trade data users with a number of enhancements.

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 charts and tables. It 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, or to enquire about the concepts, methods or data quality of this release, contact us (toll-free 1-800-263-1136; 514-283-8300; infostats@statcan.gc.ca) or Media Relations (statcan.mediahotline-ligneinfomedias.statcan@statcan.gc.ca).