

Canadian international merchandise trade, December 2022

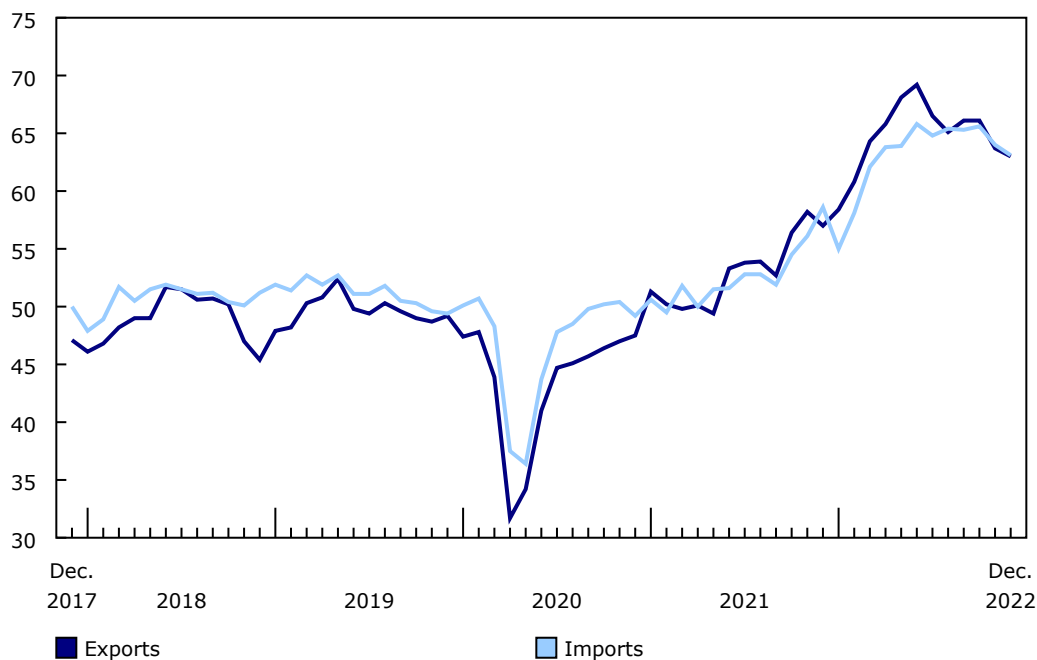
Released at 8:30 a.m. Eastern time in *The Daily*, Tuesday, February 7, 2023

In December, Canada's merchandise exports decreased 1.2%, mostly on lower exports of energy products. Meanwhile, imports were down 1.3%, mainly driven by lower imports of consumer goods. As a result, Canada's merchandise trade deficit with the world narrowed from \$219 million in November to \$160 million in December. These narrow trade balances are within the typical bounds for monthly revisions to imports and exports.

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](#).

Exports of energy and farm products down

Total exports fell 1.2% to \$63.0 billion in December, the lowest level since February 2022. Declines were observed in 7 of the 11 product sections, with exports of energy products leading the decreases. However, excluding energy products, exports posted an opposite movement, increasing by 0.8%. Total exports in real (or volume) terms were also up, rising 0.9% in December.



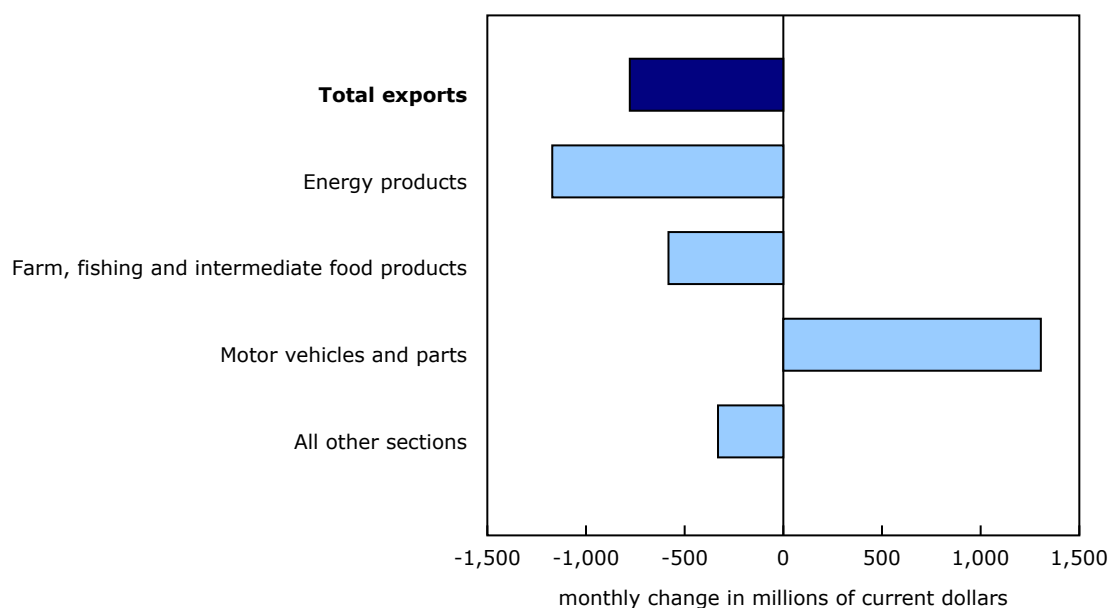
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Chart 2

Contribution to the monthly change in exports, by product, December 2022



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

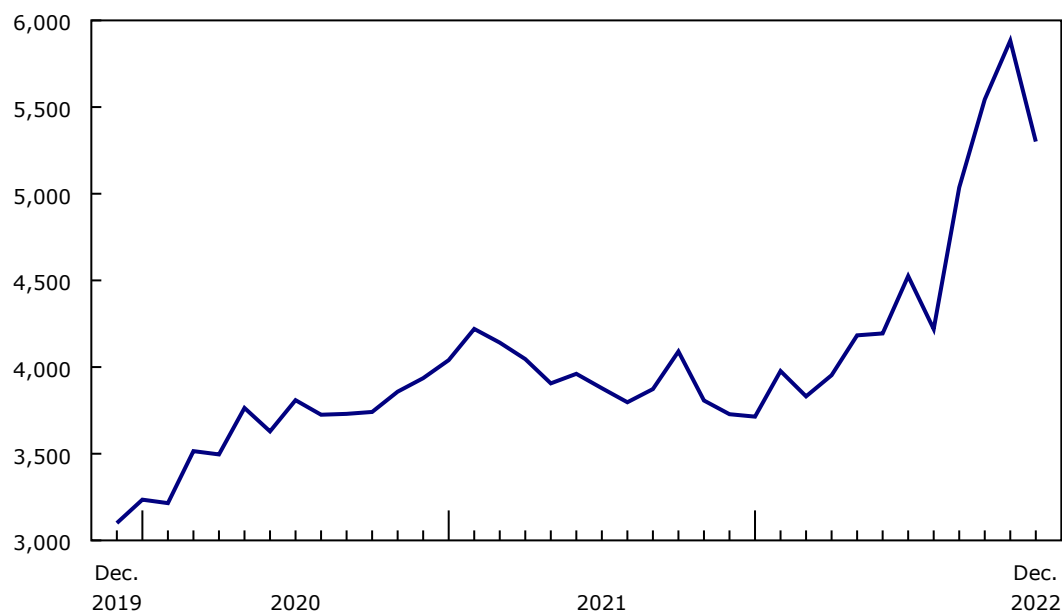
Source(s): Table [12-10-0121-01](#).

Exports of energy products decreased 7.6% to \$14.3 billion in December, a third consecutive monthly decline and the lowest level recorded in 2022. Energy products accounted for 22.7% of total exports in December, a considerable drop from the peak of 29.3% recorded in June 2022. Crude oil exports (-7.7%) fell the most in December, mainly on lower prices. This price decline coincided with the temporary closure in December of a pipeline in the United States that carries Canadian crude oil. This event contributed to higher Canadian crude oil inventories, which, among other factors, exerted downward pressure on crude oil export prices. In addition, following declines in October and November, crude oil export volumes fell for a third consecutive month and remained relatively low compared with the peak in September.

Exports of farm, fishing and intermediate food products were down 9.9% in December. This decline follows three strong monthly increases, largely reflecting higher production in the most recent crop year in Canada. Exports of wheat (-16.1%), canola (-16.2%) and other crop products (-12.9%) contributed the most to the decrease in December. Despite the monthly decline in December, exports of farm, fishing and intermediate food products jumped 21.4% in the fourth quarter and remain at historically high levels.

Chart 3
Exports of farm, fishing and intermediate food 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](#).

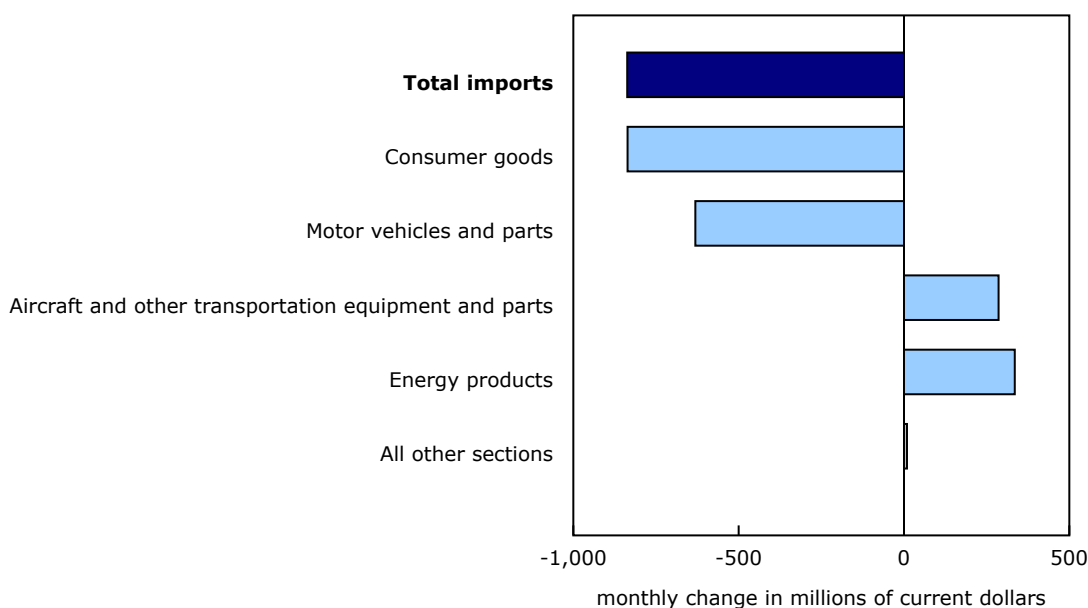
After two consecutive monthly declines, exports of motor vehicles and parts rose 21.0% in December, partly offsetting the aforementioned decreases. This monthly gain was the strongest in percentage terms since October 2021, and the level reached (\$7.5 billion) was the highest since September 2020. Exports of motor vehicle engines and parts (+41.1%) posted the largest increase, followed by exports of passenger cars and light trucks (+14.6%). Despite the monthly gain, exports of motor vehicles and parts edged down 0.2% in the fourth quarter.

For a third consecutive month, consumer goods imports fall in large part because of pharmaceutical products

Total imports fell 1.3% to \$63.1 billion in December, the lowest level since March 2022. Decreases were observed in 7 of the 11 product sections, but the decline in imports was largely attributable to negative movements in the consumer goods and motor vehicles and parts product sections. In real (or volume) terms, total imports fell 1.9%.

Chart 4

Contribution to the monthly change in imports, by product, December 2022



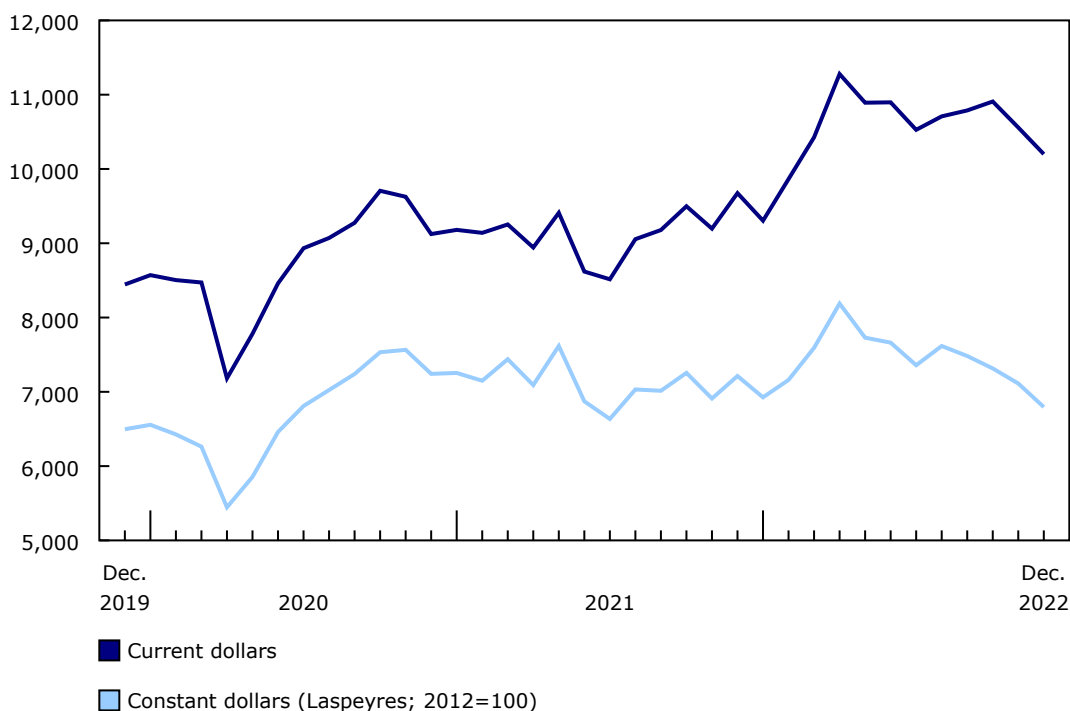
Note(s): Data are on a balance-of-payments basis and are seasonally adjusted.

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

Imports of consumer goods fell 6.4% in December, a third consecutive monthly decrease. As in previous months, imports of pharmaceutical products (-19.8%) contributed the most to the monthly decline, due in part to lower imports of medications to treat COVID-19 and "vaccines for human medicine other than for influenza," which includes COVID-19 vaccines. Since the high observed in September 2022, imports of consumer goods have fallen 12.9%. However, when pharmaceutical products are excluded, remaining imports of consumer goods still decreased 5.5% during this period. In December, imports of consumer goods excluding pharmaceutical products fell 3.4%.

Chart 5**Imports of consumer goods excluding pharmaceutical products, in current dollars and constant dollars**

millions of dollars

**Note(s):** Data are on a balance-of-payments basis and are seasonally adjusted.**Source(s):** Table [12-10-0121-01](#); data in constant dollars are derived using table [12-10-0128-01](#).

After two consecutive monthly increases, imports of motor vehicles and parts decreased 6.0% to \$9.9 billion in December, a similar level to the one observed in September. Lower imports of passenger cars and light trucks (-10.7%) were mostly responsible for the decline, mainly due to lower imports of light trucks from the United States. The December decrease follows two months of high levels for imports of these products. In the fourth quarter of 2022, imports of motor vehicles and parts rose 1.6%.

Imports of energy products rose 7.9% in December, partially offsetting the overall decrease in imports. This gain was driven by imports of refined petroleum products (+31.5%), which reached a record high in December. Increased shipments of diesel and biodiesel fuels from the United States contributed the most to the gain. Higher diesel imports were observed in the context of high prices, with supply of the fuel being at a significant low.

Trade with countries other than the United States falls

Imports from countries other than the United States decreased 3.8% in December, a second consecutive monthly decline. Imports from Switzerland (pharmaceutical products), Mexico (various products), and the Netherlands (motor gasoline) led the decreases.

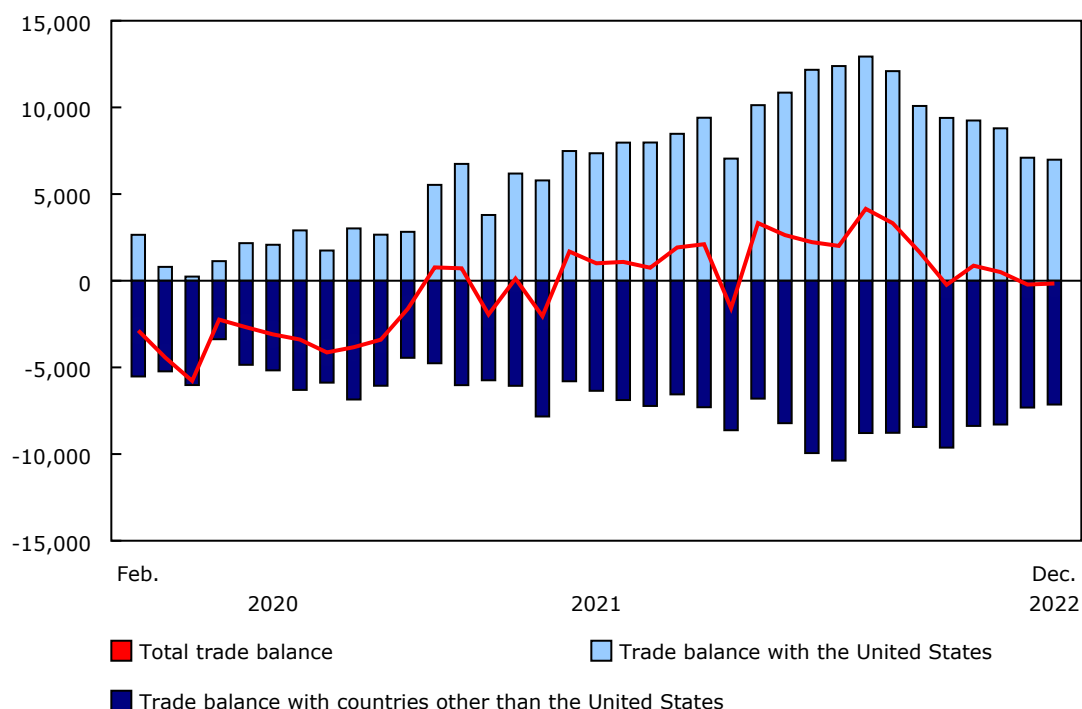
Exports to countries other than the United States were down 4.5% in December. Exports to China (oilseeds and canola) and the United Kingdom (gold) posted the largest decreases.

Canada's trade deficit with countries other than the United States narrowed from \$7.3 billion in November to \$7.1 billion in December.

Exports to the United States edged down 0.1% in December, while imports saw a 0.2% uptick. As a result, the merchandise trade surplus with the United States narrowed for a seventh consecutive month, moving from \$7.1 billion in November to \$7.0 billion in December.

Chart 6
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](#).

Quarterly exports and imports decline

In the fourth quarter of 2022, exports fell 2.5%, a second consecutive quarterly decline. Exports of energy products (-15.1%) were behind this decrease, largely because of lower prices. Exports of crude oil and natural gas both fell sharply in the quarter. Partially offsetting the decline in energy product exports were exports of farm, fishing and intermediate food products (+21.4%), which rose for a third straight quarter in the fourth quarter.

Imports fell 1.4% in the fourth quarter, the first decrease since the second quarter of 2020. Imports of consumer goods (-3.6%) posted the largest decline, mostly driven by lower imports of pharmaceutical products. Excluding pharmaceutical products, imports of consumer goods were down 1.1% in the fourth quarter of 2022.

In real terms (calculated using 2012 chained dollars), quarterly exports were down 0.5% in the fourth quarter. Meanwhile, real imports posted a stronger decline, falling 3.1%.

Canada's international merchandise trade posts a second consecutive annual surplus

Following annual deficits from 2015 to 2020, Canada's merchandise trade balance posted a surplus for a second consecutive year in 2022. Canada's merchandise trade surplus widened from \$4.6 billion in 2021 to \$20.1 billion in 2022.

The sharp rise in the annual trade surplus was primarily on account of higher exports (+22.1%), which were mostly driven by strength in prices. Imports (+19.8%) also rose considerably in 2022. Higher prices accounted for a significant part of the growth in imports in 2022, but to a lesser extent than for exports.

Consult ["The International Trade Explorer"](#) to explore the annual results of Canada's international trade (on a customs basis) in an interactive format.

Revisions to November merchandise export and import data

Imports in November, originally reported at \$64.4 billion in the previous release, were revised to \$64.0 billion in the current reference month. Exports in November, originally reported at \$64.4 billion in the previous release, were revised to \$63.7 billion in the current reference month's release, mainly because estimates for crude oil were replaced with actual data.

Monthly trade in services

In December, [monthly service exports were up 1.1%](#) to \$14.2 billion. Meanwhile, service imports decreased 0.6% to \$15.4 billion.

When international trade in goods and services were combined, exports decreased 0.8% to \$77.2 billion in December, while imports were down 1.2% to \$78.5 billion. As a result, Canada's trade deficit with the world went from \$1.6 billion in November to \$1.3 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 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 February 20.

Next release

Data on Canadian international merchandise trade for January 2023 will be released on March 8, 2023.

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

	December 2021	November 2022 ^r	December 2022	November to December 2022	December 2021 to December 2022
	millions of dollars			% change	
Total exports	56,994	63,746	62,968	-1.2	10.5
United States	43,663	47,361	47,315	-0.1	8.4
China	2,036	3,093	2,506	-19.0	23.1
Mexico	764	843	961	14.1	25.8
United Kingdom	1,689	1,712	1,274	-25.6	-24.6
Japan	1,133	1,277	1,440	12.7	27.0
Germany	579	727	455	-37.4	-21.4
South Korea	342	543	611	12.5	78.8
Netherlands	429	456	688	50.8	60.3
Switzerland	266	309	459	48.5	72.5
Italy	228	384	305	-20.7	33.7
Total imports	58,573	63,965	63,127	-1.3	7.8
United States	36,617	40,263	40,331	0.2	10.1
China	5,284	5,319	5,259	-1.1	-0.5
Mexico	1,842	2,161	1,908	-11.7	3.6
United Kingdom	794	683	886	29.8	11.7
Japan	931	952	1,078	13.2	15.8
Germany	1,406	1,664	1,668	0.2	18.6
South Korea	863	836	808	-3.3	-6.4
Netherlands	503	601	375	-37.6	-25.5
Switzerland	698	797	502	-37.1	-28.2
Italy	667	819	717	-12.5	7.4
Trade balance	-1,580	-219	-160	...	...
United States	7,046	7,097	6,983	...	...
China	-3,248	-2,226	-2,753	...	...
Mexico	-1,078	-1,318	-947	...	...
United Kingdom	895	1,029	387	...	...
Japan	203	325	362	...	...
Germany	-827	-937	-1,212	...	...
South Korea	-521	-293	-197	...	...
Netherlands	-74	-145	313	...	...
Switzerland	-432	-488	-43	...	...
Italy	-439	-434	-412	...	...

^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

	December 2021	November 2022 ^r	December 2022	November to December 2022	December 2021 to December 2022
	millions of dollars			% change	
Total exports	56,994	63,746	62,968	-1.2	10.5
Farm, fishing and intermediate food products	3,727	5,883	5,301	-9.9	42.2
Energy products	12,907	15,473	14,302	-7.6	10.8
Metal ores and non-metallic minerals	2,189	2,604	2,675	2.8	22.2
Metal and non-metallic mineral products	6,693	7,242	7,007	-3.3	4.7
Basic and industrial chemical, plastic and rubber products	3,589	3,656	3,601	-1.5	0.4
Forestry products and building and packaging materials	4,385	4,617	4,426	-4.1	0.9
Industrial machinery, equipment and parts	3,358	4,027	3,949	-1.9	17.6
Electronic and electrical equipment and parts	2,433	2,729	2,809	3.0	15.5
Motor vehicles and parts	6,768	6,221	7,526	21.0	11.2
Aircraft and other transportation equipment and parts	1,867	2,360	2,227	-5.6	19.3
Consumer goods	7,546	7,225	7,457	3.2	-1.2
Special transactions trade ²	315	313	330	5.5	4.8
Other balance of payments adjustments	1,216	1,395	1,356	-2.8	11.5
Total imports	58,573	63,965	63,127	-1.3	7.8
Farm, fishing and intermediate food products	2,213	2,319	2,318	-0.1	4.8
Energy products	3,349	4,220	4,555	7.9	36.0
Metal ores and non-metallic minerals	1,406	1,678	1,633	-2.7	16.1
Metal and non-metallic mineral products	5,297	5,131	5,111	-0.4	-3.5
Basic and industrial chemical, plastic and rubber products	5,198	5,502	5,403	-1.8	3.9
Forestry products and building and packaging materials	2,751	2,986	2,881	-3.5	4.7
Industrial machinery, equipment and parts	6,183	7,532	7,536	0.1	21.9
Electronic and electrical equipment and parts	7,159	6,922	7,058	2.0	-1.4
Motor vehicles and parts	8,920	10,504	9,873	-6.0	10.7
Aircraft and other transportation equipment and parts	1,744	1,852	2,138	15.4	22.6
Consumer goods	12,097	12,972	12,136	-6.4	0.3
Special transactions trade ²	1,185	1,236	1,394	12.8	17.7
Other balance of payments adjustments	1,073	1,111	1,092	-1.7	1.8

^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

	November 2022 ^r	December 2022	November to December 2022
	millions of dollars		% change
Exports			
Goods	63,746	62,968	-1.2
Services	14,052	14,202	1.1
Goods and services	77,798	77,170	-0.8
Imports			
Goods	63,965	63,127	-1.3
Services	15,445	15,360	-0.6
Goods and services	79,410	78,487	-1.2
Balances			
Goods	-219	-160	...
Services	-1,394	-1,158	...
Goods and services	-1,612	-1,318	...

^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 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).