

Canadian international merchandise trade, May 2023

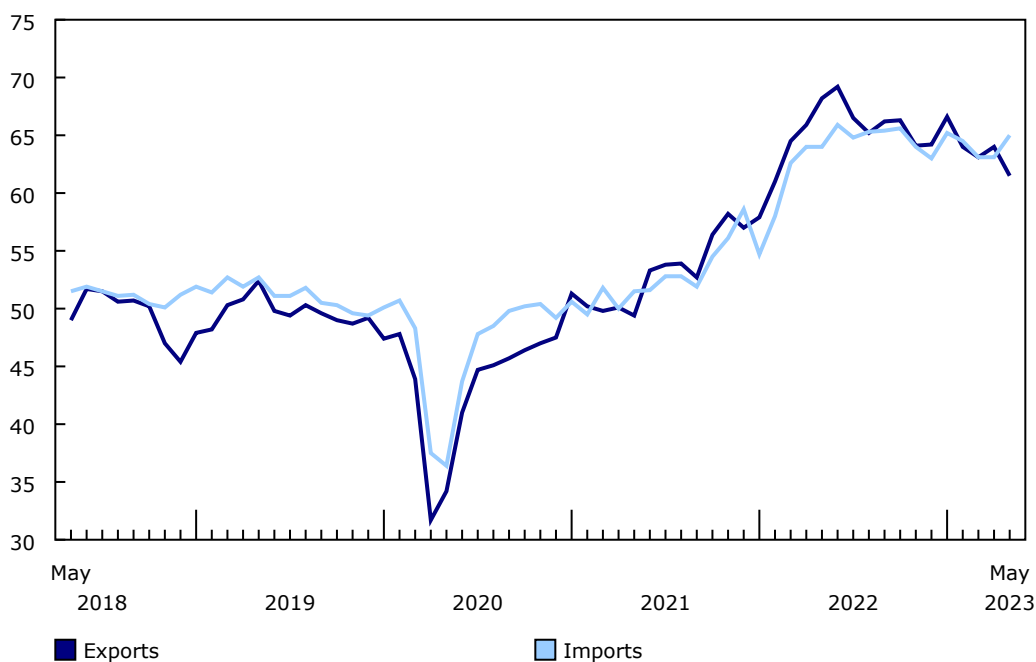
Released at 8:30 a.m. Eastern time in *The Daily*, Thursday, July 6, 2023

In May, Canada's merchandise imports rose 3.0%, while exports decreased 3.8%. With imports and exports posting strong variations in opposite directions, Canada's merchandise trade balance went from a \$894 million surplus in April to a \$3.4 billion deficit in May, the largest deficit since October 2020. In proportion of total trade, comparable changes in the trade balance have been observed in the past.

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.

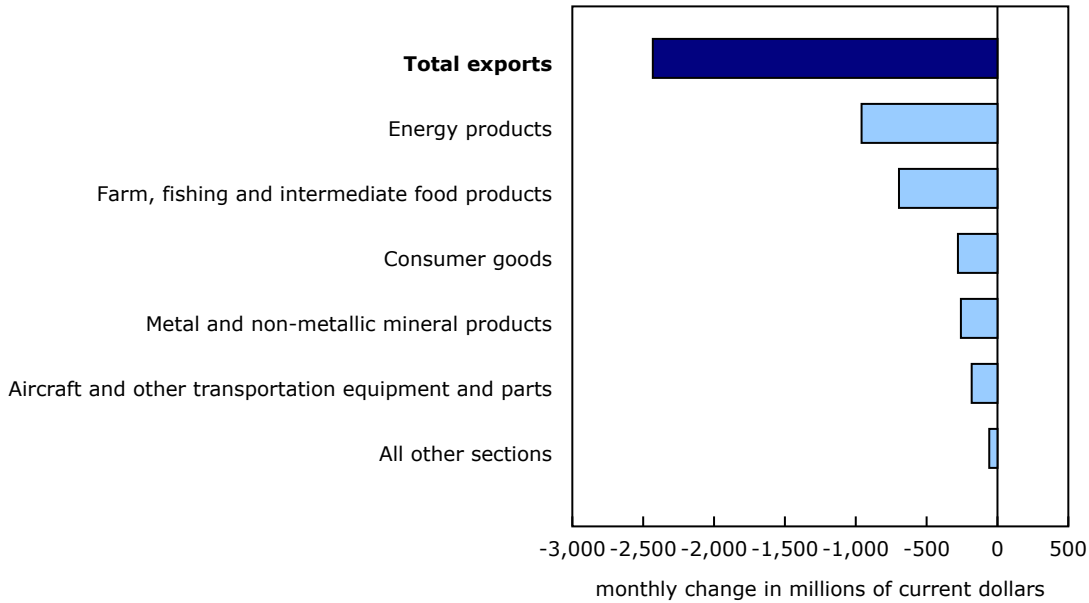
Source(s): Table [12-10-0121-01](#).

Exports of crude oil and wheat decrease the most

Total exports fell 3.8% in May, with 7 of the 11 product sections posting decreases. Exports of energy products and farm, fishing and intermediate food products were responsible for more than two-thirds of the retreat. In real (or volume) terms, exports decreased 2.5% in May.



Chart 2
Contribution to the monthly change in exports, by product, May 2023

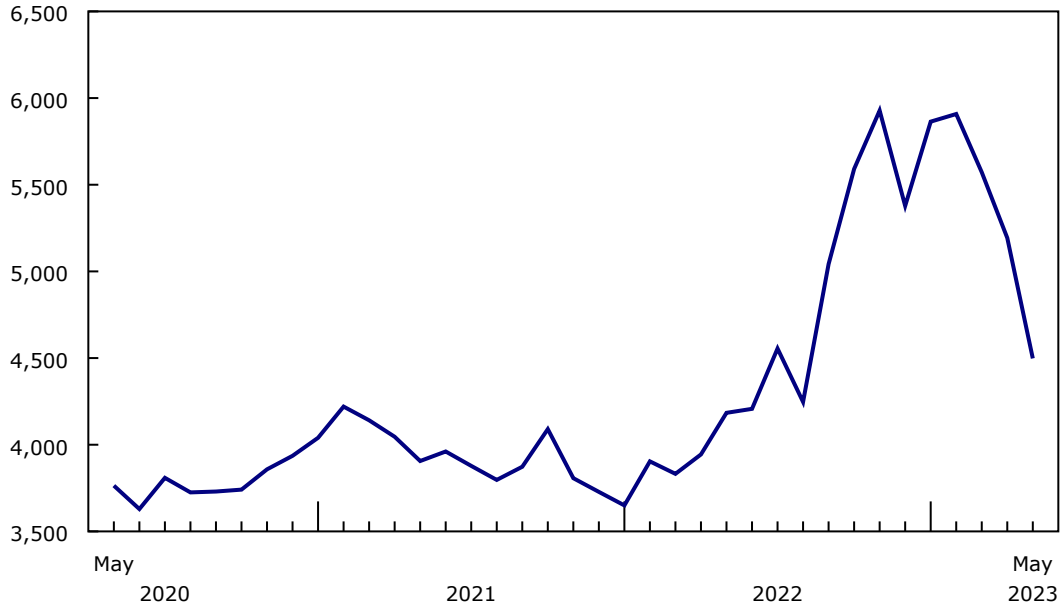


Note(s): Data are on a balance-of-payments basis and are seasonally adjusted.
Source(s): Table 12-10-0121-01.

Exports of energy products fell 7.3% in May, in large part because of lower prices. Since the record reached in June 2022, export values for these products have been generally trending downward. Following an increase of 3.6% in April 2023, crude oil exports fell 8.3% and contributed the most to the decline in exports of energy products in May. The drop was mainly the result of lower prices and, to a lesser extent, crude oil export volumes. Exports of coal (-14.5%) also declined in May, with lower shipments of metallurgical coal destined to Asian countries.

Chart 4 Exports of farm, fishing and intermediate food products

millions of current dollars

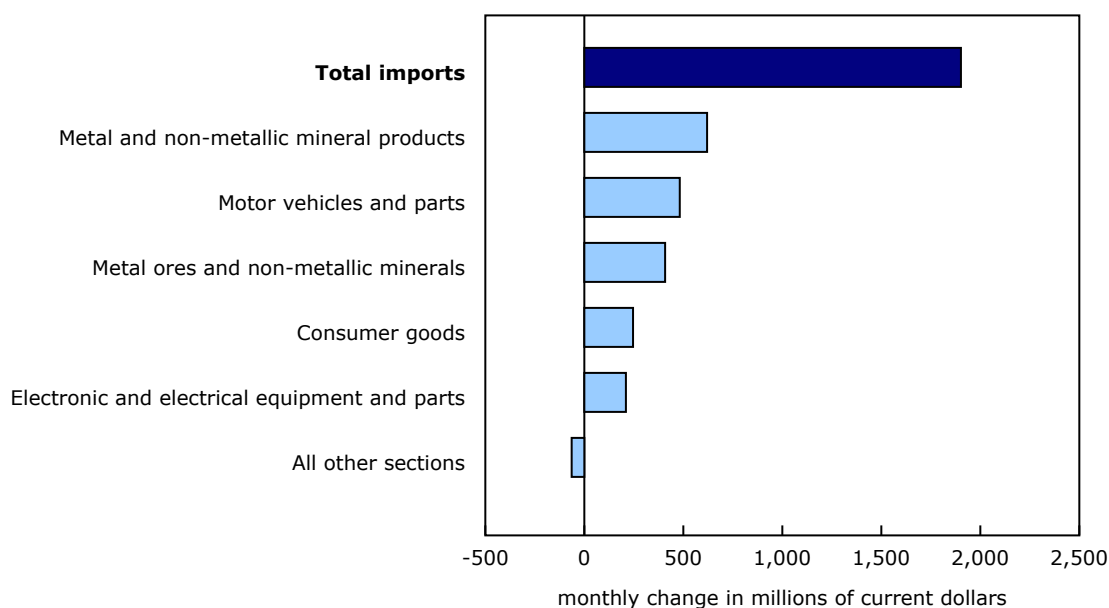


Note(s): Data are on a balance-of-payments basis and are seasonally adjusted.
Source(s): Table 12-10-0121-01.

Silver, gold, and motor vehicles and parts contribute the most to the increase in imports

Following three consecutive monthly declines, total imports rose 3.0% in May, with 8 of the 11 product sections posting increases. In real (or volume) terms, total imports increased 3.5%.

Chart 5
Contribution to the monthly change in imports, by product, May 2023



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

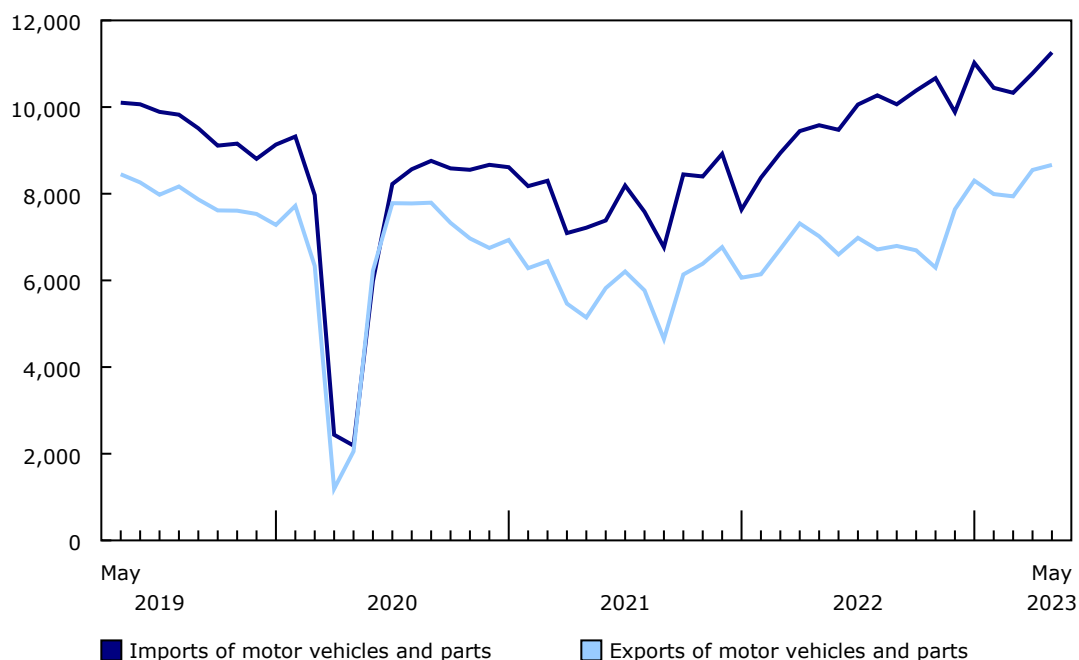
Source(s): Table 12-10-0121-01.

Imports of metal and non-metallic mineral products rose 12.3% in May, in large part because of higher imports of unwrought gold, silver, and platinum group metals and their alloys (+42.8%). While movements in imports of this product category are usually driven by unwrought gold, unwrought silver made up the bulk of the increase in May, largely on shipments from the United Kingdom. Like gold, demand for silver tends to increase in times of economic uncertainty.

Imports of motor vehicles and parts increased 4.5% in May to reach a record-high \$11.3 billion. In the first five months of 2023, imports of motor vehicles and parts were up 22.4% compared with the same period in 2022. In May 2023, both imports of engines and parts (+6.9%) and imports of passenger cars and light trucks (+4.6%) contributed to the gain. Higher imports of engines and parts reflected better supply chain conditions for Canadian automakers in 2023, which have led to increases in production and exports of passenger cars and light trucks since the beginning of the year. Meanwhile, higher imports of passenger cars and light trucks reflected higher sales as well as timelier deliveries to Canadian dealerships in May, especially for electric vehicles.

Chart 6
Imports and exports of motor vehicles 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.

Trade surplus with the United States at its lowest in two years

Exports to the United States decreased 2.9% in May, in part because of lower exports of crude oil. Imports from that country were up 1.3%, mainly on higher imports of motor vehicle engines and parts as well as aircraft. As a result, Canada's merchandise trade surplus with the United States narrowed from \$8.7 billion in April to \$6.7 billion in May, the lowest surplus since May 2021.

Exports to countries other than the United States decreased 6.6% in May 2023. Lower exports to Saudi Arabia (other transportation equipment), the United Kingdom (gold) and Brazil (various products) were partially offset by higher exports to China (articles of precious metals and iron ores).

Imports from countries other than the United States rose 6.0% in May, with higher imports coming from the United Kingdom (silver), Saudi Arabia (crude oil) and China (passenger cars and light trucks and cellphones).

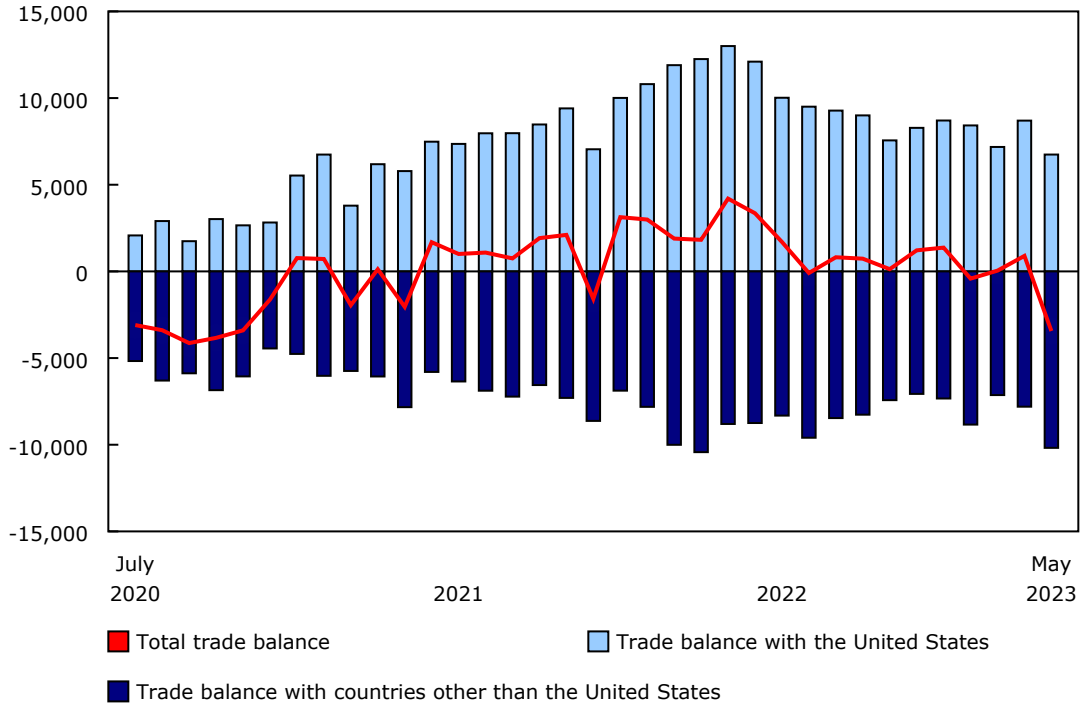
Canada's merchandise trade deficit with countries other than the United States widened from \$7.8 billion in April to \$10.2 billion in May.

Revisions to April merchandise export and import data

Imports in April, originally reported at \$62.9 billion in the previous release, were revised to \$63.1 billion in the current reference month. Exports in April, originally reported at \$64.8 billion in the previous release, were revised to \$64.0 billion in the current reference month's release.

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](#).

Monthly trade in services

In May, [monthly service exports were essentially unchanged](#) at \$14.6 billion. Meanwhile, service imports were down 0.5% to \$15.7 billion.

When international trade in goods and services are combined, exports decreased 3.1% to \$76.1 billion in May, while imports increased 2.3% to \$80.7 billion. As a result, Canada's trade balance with the world went from a deficit of \$316 million in April to a deficit of \$4.6 billion in May.

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 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.

Upcoming changes within the Canadian International Merchandise Trade program

In the fall of 2023, Statistics Canada will be updating the North American Product Classification System (NAPCS) used for merchandise import and export statistics. The NAPCS 2022 version will replace NAPCS 2017, which is the version currently in use. Additionally, the reference year applicable to merchandise trade price and volume statistics will be updated from 2012 to 2017 (2017=100).

Nominal values based on NAPCS 2022 for the periods January 1988 to October 2023 will be published on December 6, 2023. At the same time, price and volume statistics for the new reference year will be published for the periods January 2017 to October 2023. These changes will be reflected in the third quarter statistics for the Balance of International Payments and gross domestic product, which are scheduled to be published in November 2023.

For more information, please see [NAPCS 2022](#) and [Variant of NAPCS Canada 2022 Version 1.0 - Merchandise import and export accounts \(forthcoming\)](#), or contact International Accounts and Trade Division Client Services at itdtrade@statcan.gc.ca.

Real-time data table

The real-time data table 12-10-0120-01 will be updated on July 17.

Next release

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

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

	May 2022 ^r	April 2023 ^r	May 2023	April to May 2023	May 2022 to May 2023
	millions of dollars			% change	
Total exports	68,227	63,961	61,529	-3.8	-9.8
United States	52,422	48,816	47,391	-2.9	-9.6
China	2,043	2,433	2,722	11.9	33.2
Mexico	739	722	873	20.9	18.1
United Kingdom	2,087	1,019	814	-20.1	-61.0
Japan	1,636	1,408	1,313	-6.8	-19.8
Germany	576	504	668	32.5	16.0
South Korea	851	796	652	-18.2	-23.4
Netherlands	512	624	688	10.3	34.3
Switzerland	242	345	193	-44.2	-20.6
Italy	246	211	116	-45.1	-52.9
Total imports	64,030	63,067	64,968	3.0	1.5
United States	39,422	40,117	40,650	1.3	3.1
China	5,791	4,913	5,097	3.7	-12.0
Mexico	1,900	2,271	2,397	5.5	26.2
United Kingdom	941	679	1,241	82.7	31.9
Japan	905	1,160	1,255	8.2	38.7
Germany	1,713	1,721	1,714	-0.4	0.1
South Korea	925	836	776	-7.1	-16.0
Netherlands	777	601	519	-13.6	-33.2
Switzerland	681	577	505	-12.4	-25.9
Italy	734	796	765	-3.9	4.2
Trade balance	4,198	894	-3,439	...	...
United States	13,000	8,699	6,741	...	...
China	-3,748	-2,480	-2,375	...	...
Mexico	-1,161	-1,549	-1,524	...	...
United Kingdom	1,146	339	-427	...	...
Japan	731	248	58	...	...
Germany	-1,137	-1,217	-1,046	...	...
South Korea	-74	-39	-125	...	...
Netherlands	-265	23	169	...	...
Switzerland	-439	-232	-313	...	...
Italy	-488	-585	-649	...	...

^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

	May 2022 ^r	April 2023 ^r	May 2023	April to May 2023	May 2022 to May 2023
	millions of dollars			% change	
Total exports	68,227	63,961	61,529	-3.8	-9.8
Farm, fishing and intermediate food products	4,184	5,193	4,498	-13.4	7.5
Energy products	19,694	13,063	12,104	-7.3	-38.5
Metal ores and non-metallic minerals	2,971	2,408	2,282	-5.2	-23.2
Metal and non-metallic mineral products	7,455	8,201	7,942	-3.2	6.5
Basic and industrial chemical, plastic and rubber products	3,888	3,475	3,492	0.5	-10.2
Forestry products and building and packaging materials	5,316	4,026	3,867	-4.0	-27.3
Industrial machinery, equipment and parts	3,773	4,277	4,324	1.1	14.6
Electronic and electrical equipment and parts	2,617	2,868	2,893	0.9	10.6
Motor vehicles and parts	7,018	8,548	8,665	1.4	23.5
Aircraft and other transportation equipment and parts	2,068	2,640	2,458	-6.9	18.8
Consumer goods	7,548	7,493	7,214	-3.7	-4.4
Special transactions trade ²	299	341	348	2.1	16.4
Other balance of payments adjustments	1,395	1,429	1,442	0.9	3.3
Total imports	64,030	63,067	64,968	3.0	1.5
Farm, fishing and intermediate food products	2,430	2,316	2,246	-3.0	-7.6
Energy products	4,571	3,538	3,639	2.8	-20.4
Metal ores and non-metallic minerals	1,611	1,437	1,845	28.4	14.5
Metal and non-metallic mineral products	5,760	5,039	5,659	12.3	-1.7
Basic and industrial chemical, plastic and rubber products	6,061	5,255	4,787	-8.9	-21.0
Forestry products and building and packaging materials	3,049	2,793	2,818	0.9	-7.6
Industrial machinery, equipment and parts	6,838	7,582	7,497	-1.1	9.6
Electronic and electrical equipment and parts	6,957	7,074	7,285	3.0	4.7
Motor vehicles and parts	9,581	10,779	11,261	4.5	17.5
Aircraft and other transportation equipment and parts	1,658	2,306	2,422	5.0	46.0
Consumer goods	13,117	12,572	12,818	2.0	-2.3
Special transactions trade ²	1,276	1,307	1,576	20.6	23.5
Other balance of payments adjustments	1,120	1,068	1,117	4.6	-0.3

^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-payments basis, seasonally adjusted, current dollars

	April 2023 ^r	May 2023	April to May 2023
	millions of dollars		% change
Exports			
Goods	63,961	61,529	-3.8
Services	14,573	14,575	0.0
Goods and services	78,534	76,104	-3.1
Imports			
Goods	63,067	64,968	3.0
Services	15,783	15,704	-0.5
Goods and services	78,850	80,672	2.3
Balances			
Goods	894	-3,439	...
Services	-1,210	-1,130	...
Goods and services	-316	-4,569	...

^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 [12-10-0144-01](#).

Available tables: [12-10-0005-01](#), [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).