

Canadian international merchandise trade, August 2023

Released at 8:30 a.m. Eastern time in *The Daily*, Thursday, October 5, 2023

In August, Canada's merchandise exports increased 5.7%, while imports rose 3.8%. These strong monthly gains followed disruptions in port operations in British Columbia, which affected merchandise trade activity in July.

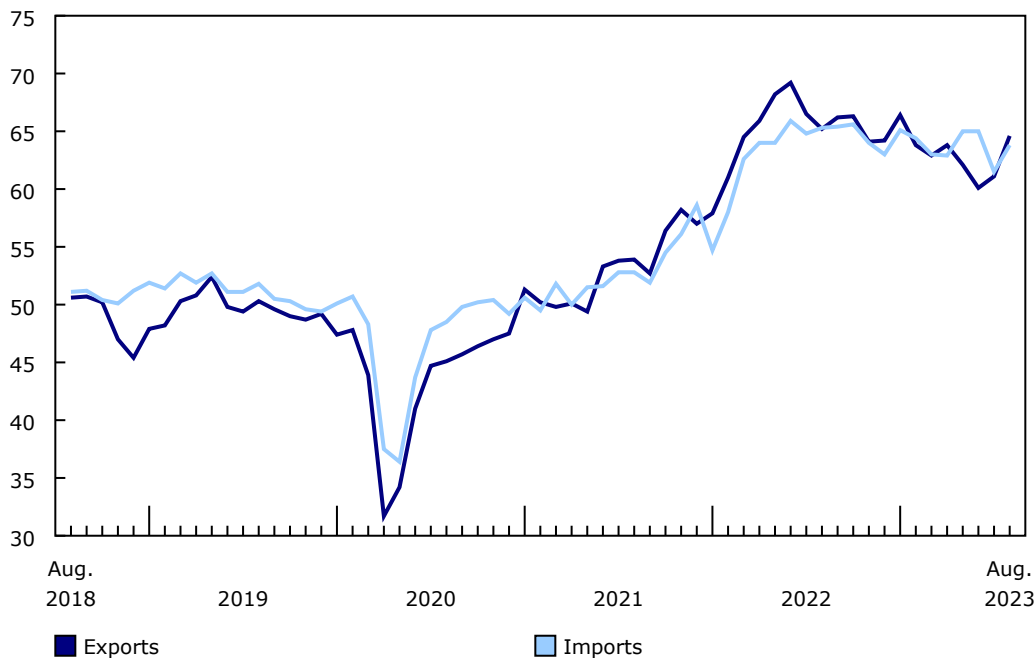
Canada's merchandise trade balance went from a deficit of \$437 million in July to a surplus of \$718 million in August, the first trade surplus observed since April. These trade balances are close to the typical bounds for monthly revisions to imports and exports.

The contribution of prices to the monthly movements was noteworthy in the results for merchandise exports and imports. In real (or volume) terms, exports rose 3.0% in August compared with July, while imports in real terms increased 1.2%.

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



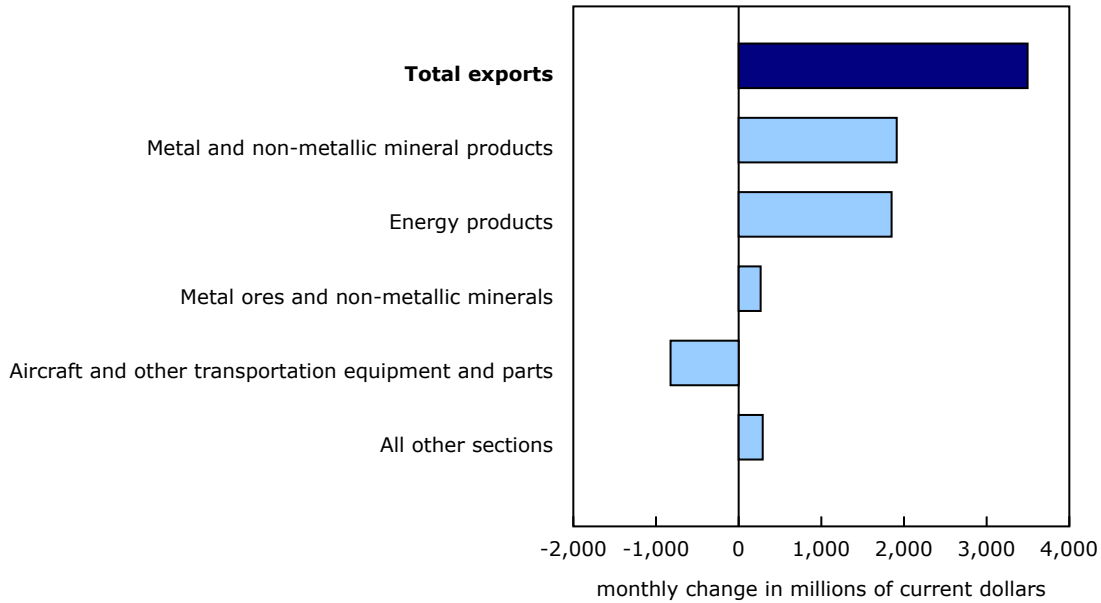
Note(s): Data are on a balance-of-payments basis and are seasonally adjusted.
Source(s): Table 12-10-0121-01.

Higher exports of gold and crude oil

Total exports rose 5.7% in August, the strongest percentage increase since October 2021. Overall, exports were up in 7 of the 11 product sections, with exports of unwrought gold and crude oil contributing the most to the monthly gain. Excluding gold and crude oil, exports were essentially unchanged in August.



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

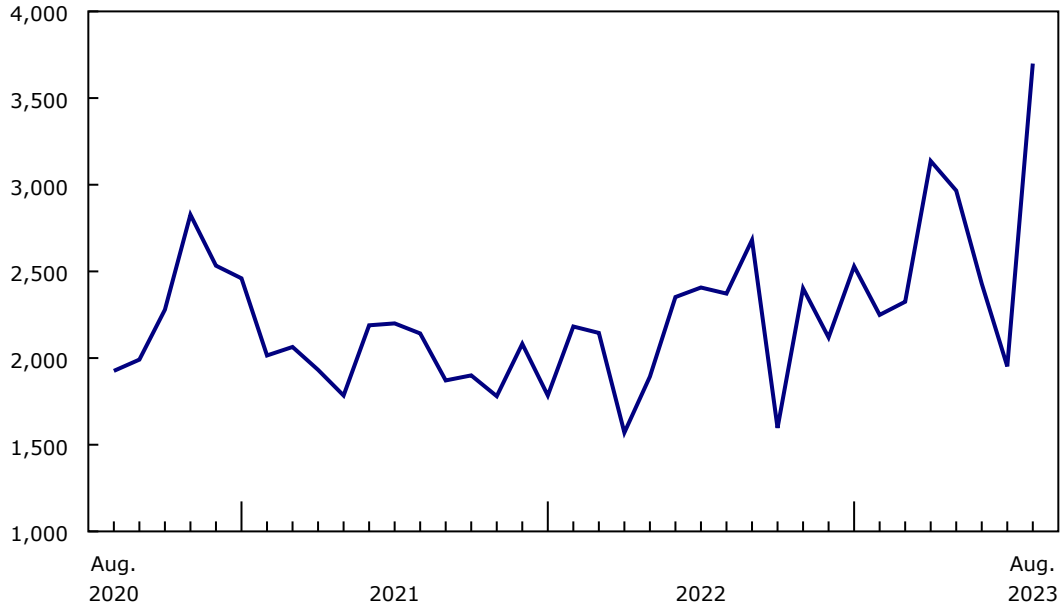


Note(s): Data are on a balance-of-payments basis and are seasonally adjusted.
Source(s): Table 12-10-0121-01.

Exports of metal and non-metallic mineral products increased 29.1% in August to a record \$8.5 billion. This gain follows three consecutive months of large declines. Exports of unwrought gold, silver, and platinum group metals (+89.5%) were the largest contributor to the August increase, due in part to higher exports of gold to the United States. An increase in gold asset transfers in the banking sector contributed the most to the monthly movement.

Chart 3
Exports of unwrought gold, silver, and platinum group metals, and their alloys

millions of current dollars

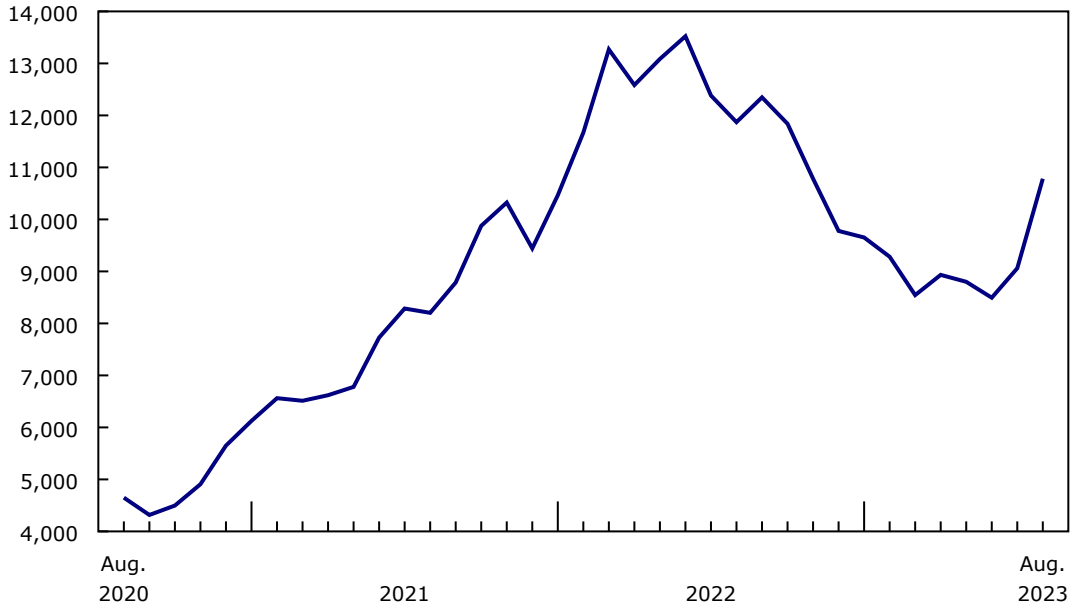


Note(s): Data are on a balance-of-payments basis and are seasonally adjusted.
Source(s): Table 12-10-0121-01.

The value of energy product exports increased 14.6% in August, driven mostly by prices, which posted their strongest growth since March 2022. After falling 37.2% from the record high observed in June 2022 to the low observed in June 2023, the value of crude oil exports (+19.0% in August) rose for a second consecutive month in August and was the largest contributor to the increase in this product section. Market prices for crude oil rose recently, partly because of [the anticipation that certain countries from the Organization of the Petroleum Exporting Countries and its partners \(OPEC+\) would continue their voluntary restrictions on crude production.](#)

Chart 4
Exports of crude oil and bitumen

millions of current dollars



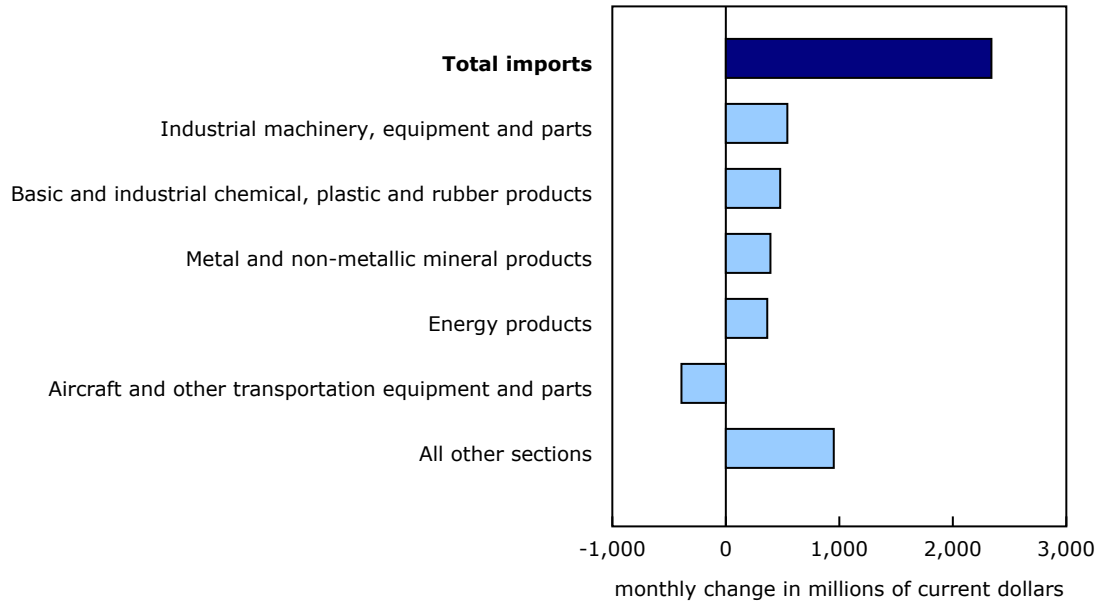
Note(s): Data are on a balance-of-payments basis and are seasonally adjusted.
Source(s): Table [12-10-0121-01](#).

Amid the resumption of port activities in British Columbia, increases were observed in subcategories of products largely exported from this province, such as coal (+14.2%), potash (+21.4%) and lumber (+5.8%).

Widespread increase in imports

After posting the sharpest decline in 18 months in July (-5.4%), total imports increased 3.8% in August, offsetting two-thirds of the previous month's decrease. Overall, increases were observed in 9 of the 11 product sections.

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



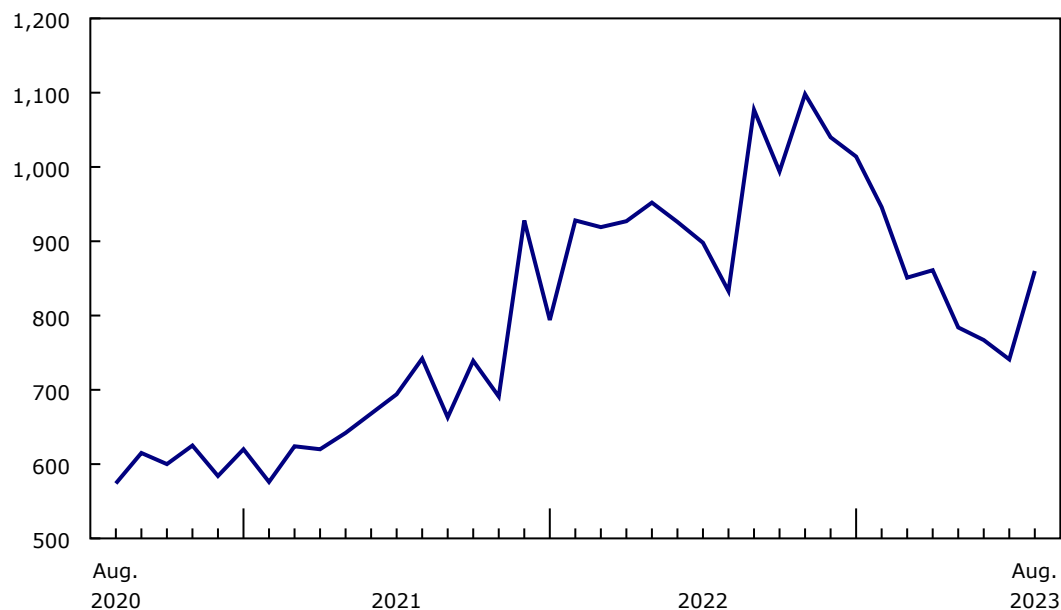
Note(s): Data are on a balance-of-payments basis and are seasonally adjusted.
Source(s): Table 12-10-0121-01.

After falling 5.5% in July, imports of industrial machinery, equipment and parts rose 7.5% in August, with seven of the eight product subcategories increasing. Imports of other general-purpose machinery and equipment (+10.6%) posted the strongest growth. Heavy machinery for the steel and automotive manufacturing industries was imported from the United States, Italy, and Thailand in August. Also contributing to the increase in imports of industrial machinery, equipment and parts were imports of agricultural, lawn and garden machinery and equipment, which rose 40.7% in August, after dropping 29.2% in July.

Following four consecutive monthly declines, imports of chemical products were up 11.2% in August. The largest increase was observed in imports of basic chemical products (+15.7%), largely due to high-value imports of active pharmaceutical ingredients from Switzerland. Imports of fertilizers, pesticides and other chemical products (+16.1%) also contributed to the gain. While fertilizer imports generally begin to rise in September, they posted an atypical increase in August. Fertilizer market prices have fallen sharply in recent months, potentially driving importers to buy earlier than usual.

Chart 6 Imports of fertilizers, pesticides and other chemical 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.

Other product sections also benefitted from the resumption of port operations in British Columbia in August and offset part of the losses recorded in July, including imports of consumer goods (+2.2%) and electronic and electrical equipment and parts (+3.7%).

Trade with countries other than the United States rises

Exports to countries other than the United States were up 7.7% in August. Exports to Japan (various products), the United Kingdom (gold and crude oil) and the Netherlands (various products) saw the sharpest increases. After falling 12.6% in July, imports from countries other than the United States rose 9.8% in August. Imports from China (widespread increases throughout imported products) and South Korea (various products) saw the largest gains. Canada's trade deficit with countries other than the United States widened from \$8.6 billion in July to \$9.7 billion in August.

Trade surplus with the United States widens

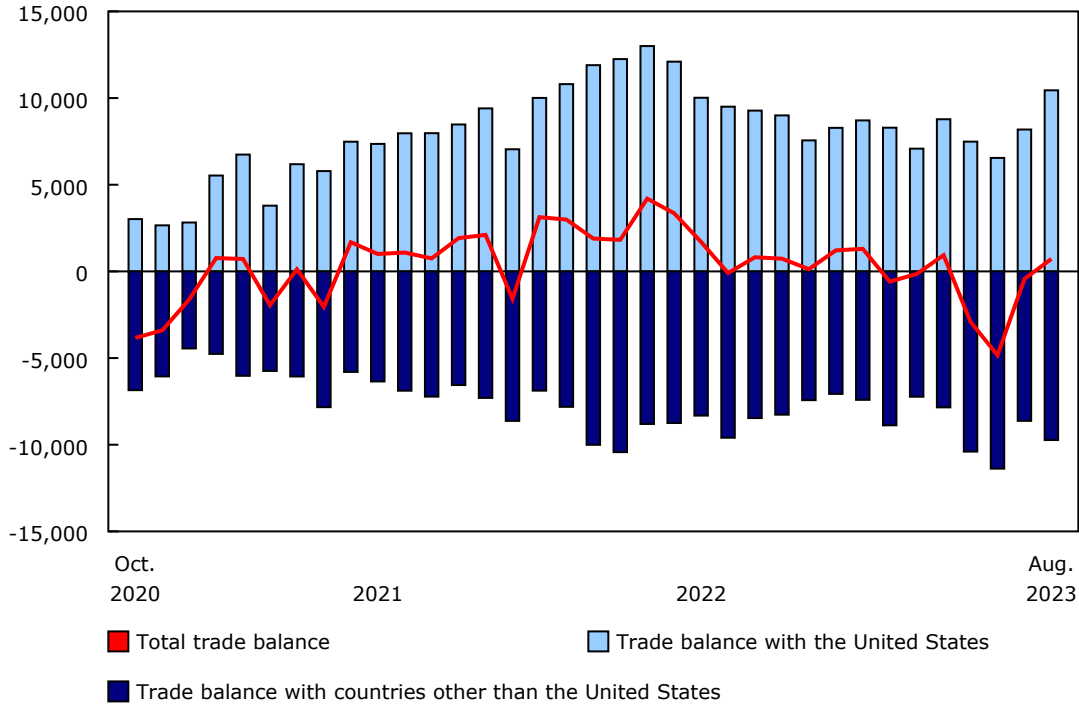
Exports to the United States increased 5.2% in August, boosted by strong energy product prices. Meanwhile, imports from the United States rose 0.6%. As a result, Canada's trade surplus with the United States widened from \$8.2 billion in July to \$10.4 billion in August, the highest surplus observed since June 2022, when Canadian exports to the United States were at a record high.

Revisions to July merchandise export and import data

Imports in July, originally reported at \$61.4 billion in the previous release, were revised to \$61.5 billion in the current reference month. Exports in July, originally reported at \$60.4 billion in the previous release, were revised to \$61.1 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 August, [monthly service exports decreased 0.7%](#) to \$15.0 billion. Meanwhile, service imports were up 0.7% to \$16.4 billion.

When international trade in goods and services are combined, exports increased 4.5% to \$79.5 billion in August, while imports rose 3.2% to \$80.3 billion. As a result, Canada's trade deficit with the world went from \$1.7 billion in July to \$743 million in August.

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 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 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 indexes will be updated from 2012 to 2017 (2017=100).

Nominal values based on NAPCS 2022 for the periods from 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 from 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.

Note on the potential US government shutdown

Under a 1990 agreement between Canada and the United States, each country uses the other's import data to produce statistics on its exports. If a US federal government shutdown was to occur, the United States Census Bureau would close, and Statistics Canada would not receive data on Canada's exports to the United States for the duration of the shutdown. As in the past, a prolonged shutdown could lead to a postponement of the publication of Canadian International Merchandise Trade statistics. Statistics Canada is closely monitoring this situation and will provide further information on potential impacts to its statistical programs as needed.

Real-time data table

The real-time data table 12-10-0120-01 will be updated on October 16.

Next release

Data on Canadian international merchandise trade for September will be released on November 7.

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

	August 2022	July 2023 ^r	August 2023	July to August 2023	August 2022 to August 2023
	millions of dollars			% change	
Total exports	65,228	61,062	64,557	5.7	-1.0
United States	50,155	48,156	50,653	5.2	1.0
China	2,504	2,396	2,392	-0.1	-4.4
Mexico	772	761	896	17.7	16.2
United Kingdom	1,401	1,048	1,314	25.5	-6.2
Japan	1,407	1,040	1,478	42.1	5.1
Germany	880	528	624	18.2	-29.1
South Korea	590	381	489	28.4	-17.2
Netherlands	427	510	671	31.5	57.0
Switzerland	418	387	381	-1.6	-9.0
Italy	237	95	208	118.0	-12.3
Total imports	65,321	61,499	63,839	3.8	-2.3
United States	40,652	39,972	40,206	0.6	-1.1
China	6,100	3,923	4,663	18.9	-23.6
Mexico	2,048	2,346	2,341	-0.2	14.3
United Kingdom	679	964	904	-6.2	33.1
Japan	1,178	1,151	1,229	6.7	4.3
Germany	1,646	1,866	1,745	-6.5	6.0
South Korea	870	731	1,050	43.7	20.7
Netherlands	622	487	534	9.6	-14.1
Switzerland	691	778	850	9.2	23.0
Italy	725	851	858	0.8	18.3
Trade balance	-93	-437	718	...	...
United States	9,503	8,185	10,447	...	...
China	-3,597	-1,527	-2,270	...	...
Mexico	-1,276	-1,584	-1,444	...	...
United Kingdom	722	84	410	...	...
Japan	229	-111	249	...	...
Germany	-766	-1,338	-1,121	...	...
South Korea	-280	-350	-561	...	...
Netherlands	-194	23	137	...	...
Switzerland	-273	-392	-469	...	...
Italy	-489	-756	-651	...	...

^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

	August 2022	July 2023 ^r	August 2023	July to August 2023	August 2022 to August 2023
	millions of dollars			% change	
Total exports	65,228	61,062	64,557	5.7	-1.0
Farm, fishing and intermediate food products	4,247	4,623	4,550	-1.6	7.1
Energy products	18,121	12,691	14,541	14.6	-19.8
Metal ores and non-metallic minerals	3,010	1,802	2,068	14.8	-31.3
Metal and non-metallic mineral products	7,236	6,569	8,481	29.1	17.2
Basic and industrial chemical, plastic and rubber products	3,734	3,539	3,603	1.8	-3.5
Forestry products and building and packaging materials	4,902	3,925	4,084	4.1	-16.7
Industrial machinery, equipment and parts	3,774	4,134	4,201	1.6	11.3
Electronic and electrical equipment and parts	2,636	2,840	2,911	2.5	10.4
Motor vehicles and parts	6,714	8,682	8,668	-0.2	29.1
Aircraft and other transportation equipment and parts	2,141	3,157	2,333	-26.1	9.0
Consumer goods	7,003	7,450	7,381	-0.9	5.4
Special transactions trade ²	275	320	347	8.5	26.3
Other balance of payments adjustments	1,435	1,330	1,389	4.4	-3.2
Total imports	65,321	61,499	63,839	3.8	-2.3
Farm, fishing and intermediate food products	2,288	2,231	2,396	7.4	4.7
Energy products	4,788	3,526	3,891	10.4	-18.7
Metal ores and non-metallic minerals	1,659	1,335	1,517	13.6	-8.5
Metal and non-metallic mineral products	5,323	4,823	5,216	8.2	-2.0
Basic and industrial chemical, plastic and rubber products	5,635	4,277	4,756	11.2	-15.6
Forestry products and building and packaging materials	3,044	2,670	2,741	2.6	-10.0
Industrial machinery, equipment and parts	7,479	7,222	7,765	7.5	3.8
Electronic and electrical equipment and parts	7,162	6,789	7,039	3.7	-1.7
Motor vehicles and parts	10,270	11,931	11,785	-1.2	14.7
Aircraft and other transportation equipment and parts	2,149	2,462	2,071	-15.9	-3.6
Consumer goods	13,175	11,895	12,155	2.2	-7.7
Special transactions trade ²	1,224	1,292	1,397	8.1	14.1
Other balance of payments adjustments	1,123	1,046	1,110	6.1	-1.2

^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

	July 2023 ^r	August 2023	July to August 2023
	millions of dollars		% change
Exports			
Goods	61,062	64,557	5.7
Services	15,055	14,956	-0.7
Goods and services	76,117	79,513	4.5
Imports			
Goods	61,499	63,839	3.8
Services	16,298	16,417	0.7
Goods and services	77,797	80,256	3.2
Balances			
Goods	-437	718	...
Services	-1,243	-1,461	...
Goods and services	-1,680	-743	...

^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 online Canadian International Merchandise Trade 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).