

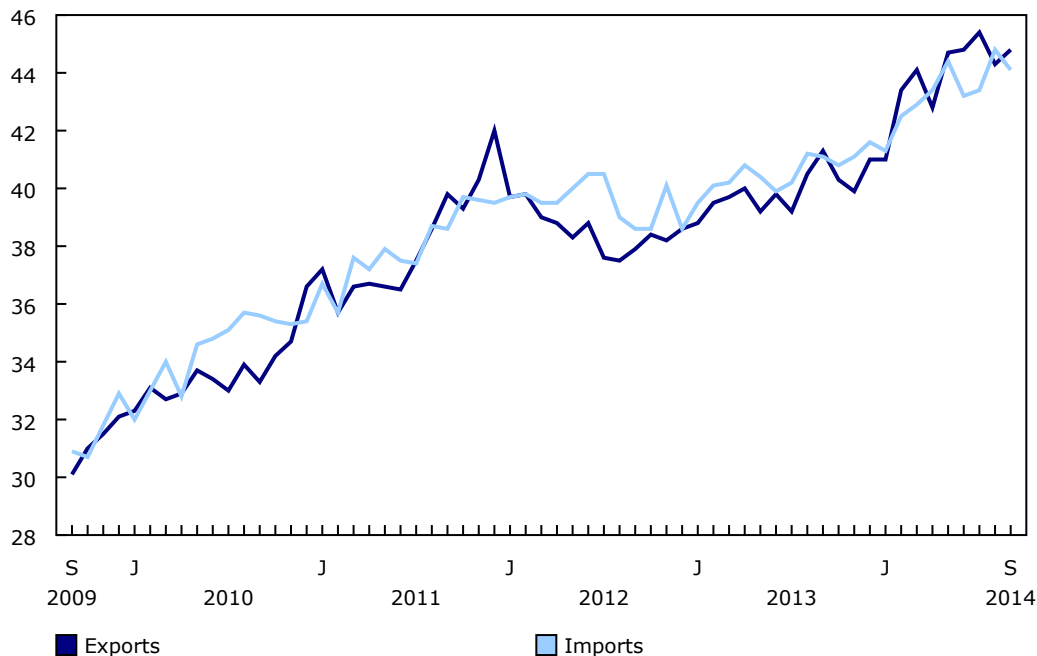
Canadian international merchandise trade, September 2014

Released at 8:30 a.m. Eastern time in *The Daily*, Tuesday, November 4, 2014

Canada's merchandise imports declined 1.5% in September, while exports rose 1.1%. As a result, Canada's trade balance with the world went from a deficit of \$463 million in August to a surplus of \$710 million in September.

Chart 1
Exports and imports

billions of dollars



Note(s): Data are seasonally adjusted.

Imports declined to \$44.1 billion, as volumes decreased 1.0% and prices were down 0.6%. The main contributors to the decline in imports were energy products as well as metal and non-metallic mineral products.

Exports rose to \$44.8 billion, as volumes were up 1.6% while prices edged down 0.4%. Increases were reported in 8 of 11 sections, led by motor vehicles and parts, consumer goods as well as metal and non-metallic mineral products.

Imports from countries other than the United States decline

Imports from countries other than the United States fell 5.8% to \$14.3 billion in September. There were reduced imports from the principal trading area "all other countries" (-12.6%), primarily crude oil and crude bitumen. Exports to countries other than the United States increased 2.1% to \$11.1 billion, led by the European Union (+6.8%). Canada's trade deficit with countries other than the United States narrowed from \$4.3 billion in August to \$3.2 billion in September.



Imports from the United States were up 0.7% to \$29.7 billion in September, led by motor vehicles and parts. Exports to the United States increased 0.8% to \$33.7 billion. Canada's trade surplus with the United States was virtually unchanged from August to September at \$3.9 billion.

Energy products as well as metal and non-metallic mineral products contribute to decline in imports

Imports of energy products fell 19.4% to \$3.4 billion in September, as volumes were down 14.5%. The main contributor to the decrease in imports was the commodity grouping crude oil and crude bitumen, which declined 36.4% to \$1.6 billion as some Canadian refineries were conducting maintenance.

Imports of metal and non-metallic mineral products decreased 12.0% to \$3.9 billion in September following a 25.1% increase in August. There were declines in imports of unwrought precious metals and precious metal alloys (-22.9%), unwrought iron, steel and ferro-alloys, and basic and semi-finished ferrous metal products (-16.2%) and unwrought copper and copper alloys (-79.9%). The declines for these three commodity groupings in September followed strong increases in August.

Following a record high in August, imports of consumer goods decreased 3.0% to \$8.8 billion in September, entirely on volumes. There were decreases in imports of miscellaneous goods and supplies (-11.5%), published products and recorded and unrecorded media (-12.9%) as well as clothing, footwear and accessories (-3.4%).

Imports of industrial machinery, equipment and parts rose 5.3% to a record high \$4.4 billion. There were increases across most commodity groupings within this section. Overall, volumes were up 5.2%.

Electronic and electrical equipment and parts also increased in September, as imports were up 5.1% to \$5.2 billion on the strength of volumes. Communications and audio and video equipment (+10.7%) led the section's import gains.

Imports of motor vehicles and parts increased 7.0% to \$7.8 billion. Motor vehicle engines and motor vehicle parts (+13.3%) contributed the most to September's gains, although growth was widespread throughout the section.

Exports increase on higher volumes

Exports of motor vehicles and parts increased 6.0% to \$6.4 billion in September. The main contributor was passenger cars and light trucks (+8.6%).

Exports of consumer goods rose 6.6% to \$5.2 billion, as volumes were up 5.5%. Leading the section's gains in exports was pharmaceutical and medicinal products (+14.1%), which was up for a second consecutive month. Also contributing to the increase were miscellaneous goods and supplies (+10.2%), meat products (+8.4%) and other food products (+3.8%).

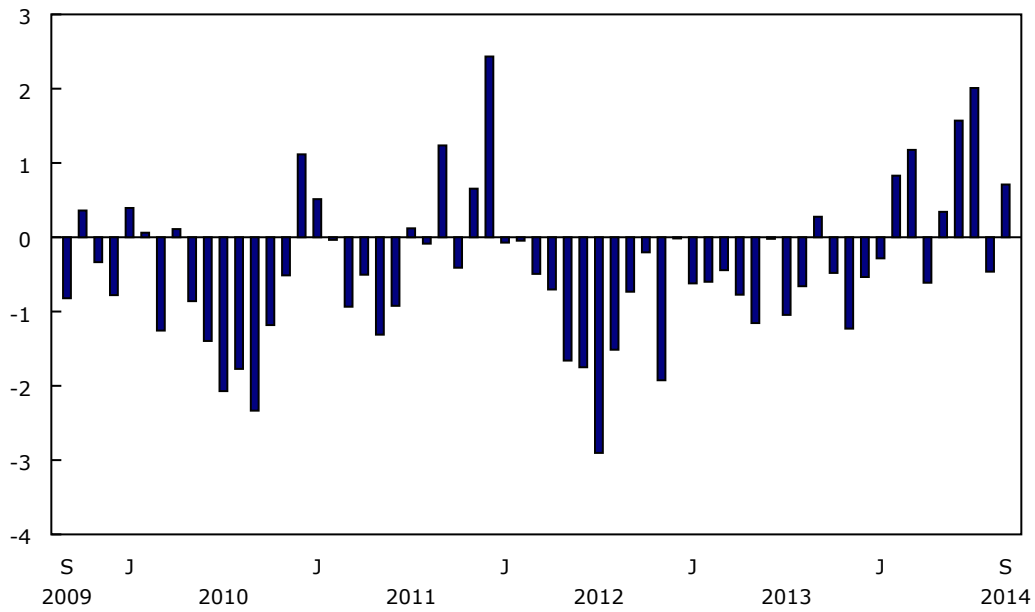
Exports of metal and non-metallic mineral products advanced 6.2% to \$5.2 billion, the highest value since the record high \$5.6 billion in December 2011. Unwrought nickel and nickel alloys (+42.9%) and unwrought precious metals and precious metal alloys (+7.0%) posted the largest increases for September. For the section as a whole, volumes were up 10.6% while prices were down.

Exports of farm, fishing and intermediate food products declined 10.5% to \$2.5 billion, entirely on lower volumes. There were lower exports of wheat (-25.1%) and canola (-21.6%).

Also declining in September were exports of aircraft and other transportation equipment and parts, down 20.9% to \$1.7 billion. Exports of aircraft declined \$396 million in September to \$679 million, following an increase of \$344 million in August. Also contributing to the section's decrease was the commodity grouping "ships, locomotives, railway rolling stock, and rapid transit equipment," which declined \$126 million to \$46 million in September following an increase of \$143 million in August.

Chart 2
Trade balance

billions of dollars



Note(s): Data are seasonally adjusted.

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 as well as capital and financial flows.

International merchandise trade data by country are currently available on both a BOP and a customs basis for the United States, Japan and the United Kingdom. Trade data for all other individual countries are available on a customs basis only. BOP data are derived from customs data by making adjustments 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.

Data in this release are on a BOP basis, seasonally adjusted and in current dollars. Constant dollars are calculated using the Laspeyres volume formula (2007=100).

For more information on seasonal adjustment, see [Seasonally adjusted data – Frequently asked questions](#).

More countries will be available on a BOP basis for trade in goods

The countries and country groupings for which Statistics Canada currently publishes data on a BOP basis will be replaced by a list of Canada's top 27 principal trading partners (PTPs). The list of PTPs is based on their annual share of total trade—merchandise imports and exports—with Canada in 2012.

Historical data based on the new list of PTPs for the reference period from January 1997 to December 2010 will be released on November 19, 2014.

The first regular release of data based on the new list of PTPs will be on December 5, 2014. This release will cover the period from January 2011 to October 2014. A calculated trade balance and the expanded list of PTPs will be featured in the new CANSIM table 228-0069.

For a conceptual analysis of BOP versus customs-based data, see "Balance of Payments trade in goods at Statistics Canada: Expanding geographic detail to 27 principal trading partners."

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 and BOP based data.

The previous year's customs data are revised with the release of the January and February reference months as well as on a quarterly basis. The previous two years of customs based data are revised annually and are released in February with the December reference month.

The previous year's BOP based data are revised with the release of the January, February and March reference months. To remain consistent with the Canadian System of macroeconomic accounts, annual revisions will take place in December with the October reference month rather than in June, as was previously the case.

Factors influencing revisions include late receipt of import and export documentation, incorrect information on customs forms, replacement of estimates produced for the energy section with actual figures, changes in classification of merchandise based on more current information, and changes to seasonal adjustment factors.

For more information on revisions for crude oil and natural gas, see "Revisions to trade data for crude oil and natural gas."

Revised data are available in the appropriate CANSIM tables.

Table 1
Merchandise trade: Principal trading areas – Seasonally adjusted, current dollars

	September 2013	August 2014 ^r	September 2014	August to September 2014	September 2013 to September 2014
	millions of dollars			% change	
Total exports	41,338	44,288	44,792	1.1	8.4
United States	31,054	33,378	33,657	0.8	8.4
Japan	922	907	983	8.3	6.6
European Union ¹	2,959	3,527	3,765	6.8	27.2
Other OECD countries ²	1,708	1,593	1,669	4.8	-2.3
All other countries	4,694	4,884	4,718	-3.4	0.5
Total imports	41,062	44,751	44,082	-1.5	7.4
United States	26,399	29,514	29,733	0.7	12.6
Japan	746	759	762	0.4	2.1
European Union ¹	3,911	4,298	4,296	0.0	9.8
Other OECD countries ²	2,942	2,920	2,947	0.9	0.2
All other countries	7,063	7,261	6,343	-12.6	-10.2
Trade balance	276	-463	710	...	...
United States	4,655	3,864	3,924	...	...
Japan	176	148	221	...	...
European Union ¹	-952	-772	-531	...	...
Other OECD countries ²	-1,234	-1,327	-1,278	...	...
All other countries	-2,369	-2,377	-1,626	...	...

^r revised

... not applicable

1. The European Union includes Austria, Belgium, Bulgaria, Croatia, Cyprus, the Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, the Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden and the United Kingdom.

2. Other countries in the Organisation for Economic Co-operation and Development (OECD) include Australia, Canada, Chile, Iceland, Israel, Mexico, New Zealand, Norway, South Korea, Switzerland and Turkey.

Note(s): Totals may not equal the sum of their components.

Table 2
Merchandise trade: North American Product Classification System¹– Seasonally adjusted, current dollars

	September 2013	August 2014 ^r	September 2014	August to September 2014	September 2013 to September 2014
	millions of dollars			% change	
Total exports	41,338	44,288	44,792	1.1	8.4
Farm, fishing and intermediate food products	2,209	2,811	2,515	-10.5	13.9
Energy products	10,597	10,558	10,620	0.6	0.2
Metal ores and non-metallic minerals	1,533	1,509	1,631	8.0	6.4
Metal and non-metallic mineral products	4,537	4,860	5,161	6.2	13.8
Basic and industrial chemical, plastic and rubber products	2,852	3,055	2,996	-1.9	5.0
Forestry products and building and packaging materials	2,831	3,038	3,112	2.4	9.9
Industrial machinery, equipment and parts	2,231	2,408	2,423	0.6	8.6
Electronic and electrical equipment and parts	1,854	2,008	2,024	0.8	9.2
Motor vehicles and parts	5,801	6,039	6,403	6.0	10.4
Aircraft and other transportation equipment and parts	1,588	2,179	1,724	-20.9	8.5
Consumer goods	4,422	4,882	5,202	6.6	17.6
Special transactions trade ²	217	168	190	13.1	-12.7
Other balance of payments adjustments	667	773	793	2.6	18.9
Total imports	41,062	44,751	44,082	-1.5	7.4
Farm, fishing and intermediate food products	1,086	1,220	1,228	0.7	13.1
Energy products	3,731	4,232	3,410	-19.4	-8.6
Metal ores and non-metallic minerals	886	1,082	891	-17.6	0.6
Metal and non-metallic mineral products	3,244	4,423	3,890	-12.0	19.9
Basic and industrial chemical, plastic and rubber products	3,324	3,755	3,551	-5.4	6.8
Forestry products and building and packaging materials	1,751	1,889	1,966	4.1	12.3
Industrial machinery, equipment and parts	3,792	4,151	4,373	5.3	15.3
Electronic and electrical equipment and parts	4,877	4,938	5,189	5.1	6.4
Motor vehicles and parts	7,320	7,258	7,765	7.0	6.1
Aircraft and other transportation equipment and parts	1,266	1,254	1,373	9.5	8.5
Consumer goods	8,367	9,082	8,811	-3.0	5.3
Special transactions trade ²	578	590	745	26.4	28.9
Other balance of payments adjustments	842	878	888	1.1	5.5

^r revised

1. International merchandise trade data are based on the North American Product Classification System 2007.

2. These are mainly low-valued transactions, value of repairs to equipment as well as goods returned to the country of origin.

Note(s): Totals may not equal the sum of their components.

Available in CANSIM: tables [228-0058](#) to [228-0067](#).

Definitions, data sources and methods: survey numbers [2201](#), [2202](#) and [2203](#).

These data are now available in the *Canadian International Merchandise Trade Database* ([65F0013X](#)). From the *Browse by key resource* module of our website, choose *Publications*.

The September 2014 issue of *Canadian International Merchandise Trade*, Vol. 68, no. 9 ([65-001-X](#)), is also available from the *Browse by key resource* module of our website under *Publications*.

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

For more information, contact us (toll-free 1-800-263-1136; 514-283-8300; infostats@statcan.gc.ca).

To enquire about the concepts, methods or data quality of this release, contact Alec Forbes (613-951-0325), International Accounts and Trade Division.