

EXPORTS EDGE DOWN OVERALL, BUT SECTOR RESULTS HUGELY MIXED

Canadian exports fell 0.3% to \$40.5 billion in October, but several sectors benefited from enormous gains, while others struggled with tough declines in a strangely “bipolar” month for trade.

AGRICULTURE AND INDUSTRIAL MACHINERY BOOMED; METALS AND AUTOS FELL

The top performer was Canada's delicious agriculture sector which surged by 11.3%, because of a 49.6% rise in shipments of canola, and a 20.1% gain in other crops. Industrial machinery also powered ahead with a 7.1% gain. Rising investment in the US private sector pushed sales of commercial and service industry machines to a 6.6% gain, while other general purpose machinery grew 17.0%. Canada's forestry exports rose by 1.3%, driven by a 4.7% increase in lumber exports. The upward trend in US building permits, which hit 1.04 million SAAR in October points to strength in the American housing market and continued gains for forestry exports. On the other side, Canada's metals exports declined by 6.2% because of steep declines in copper, aluminum and gold. Motor vehicles fell by 5.0% in October, surprising because US auto sales gained 5.5% in the month and are up a healthy 8% year-over-year. Overall, six of eleven major export categories recorded growth on the month.

US SALES FLAT, THANK GOODNESS FOR A EUROPEAN BONANZA!

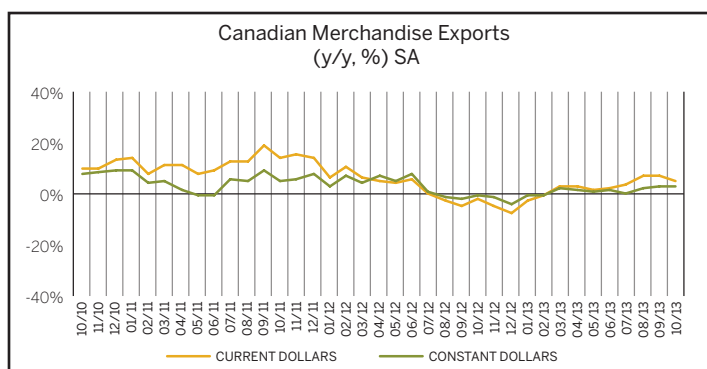
Canada's shipments to the US were essentially flat, rising just 0.2%, which is not bad considering that many analysts were worried about the possibility of an outright decline resulting from the government shutdown and debate over the debt ceiling. US consumer confidence took a significant hit in October and November, but should recover in December. The big surprise in October was a stunning 28.4% rise in exports to Europe (excluding the UK), the biggest increase since 1995. Sales to Emerging Markets posted a healthy 2.5% gain. Still, Canada's top performing export market for 2013 remains the USA, with exports up 5.3% so far this year. This is good news for the outlook as the US economy is set for a much stronger 2014.

SECTOR PERFORMANCE									REGIONAL PERFORMANCE				
Sector	Growth Rate		Price Change		Rank		Provincial Contribution		Regions	Growth Rate		Rank	
	m/m	YTD	m/m	YTD	Current Month	YTD	Strongest	Weakest		m/m	YTD	Current Month	YTD
Agriculture and Fishing Products	11.8%	3.2%	0.4%	1.9%	1	5	MB	BC	EU (ex. UK)	28.4%	-4.4%	1	5
Machinery and equipment	7.1%	-0.5%	0.0%	1.4%	2	6	ON	QC	Emerging Markets	2.5%	3.6%	2	2
Other consumer goods	6.2%	6.7%	0.4%	1.1%	3	2	ON	SK	United States	0.2%	5.3%	3	1
Industrial Products and Materials	6.1%	6.6%	0.3%	-2.9%	4	3	ON	SK	Japan	-1.6%	0.9%	4	4
Forestry Products	1.3%	9.7%	0.8%	5.5%	5	1	BC	NL	Other OECD Countries	-14.7%	1.7%	5	3
Energy Products	-2.1%	5.7%	-0.1%	13.7%	6	4	AB	QC	United Kingdom	-38.6%	-26.5%	6	6
Automotive products	-5.0%	-1.4%	0.0%	2.7%	7	7	ON	NS					
TOTAL EXPORTS	-0.3%	3.0%	0.1%	2.2%			AB	QC	TOTAL EXPORTS	-0.3%	3.0%		

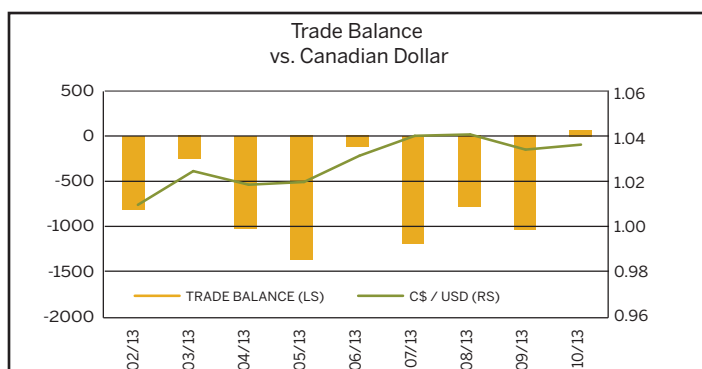
EXPORT PERFORMANCE MONITOR

Economic & Political Intelligence Centre

DECEMBER 2013



Source: Statistics Canada



Sources: Statistics Canada, Bank of Canada, Haver

PROVINCIAL PICTURE

Province	Growth Rate		Top Contributor		Weakest Contributor	
	m/m	YTD	Sector	Contribution	Current Month	Contribution
NL	-7.6%	3.6%	Industrial Products and Materials	1.2%	Other Consumer Goods	-0.5%
PE	13.9%	2.2%	Agriculture and Fishing Products	0.2%	Machinery and Equipment	0.0%
NS	1.8%	9.8%	Energy Products	0.1%	Machinery and Equipment	-0.1%
NB	-5.2%	-0.8%	Forestry Products	0.3%	Energy Products	-0.7%
QC	-7.5%	3.9%	Agriculture and Fishing Products	3.9%	Machinery and Equipment	-1.9%
ON	6.5%	0.2%	Other Consumer Goods	12.1%	Forestry Products	-0.2%
MB	31.5%	10.9%	Agriculture and Fishing Products	13.4%	Forestry Products	-0.1%
SK	13.8%	2.8%	Agriculture and Fishing Products	13.0%	Other Consumer Goods	-1.3%
AB	13.6%	6.8%	Energy Products	9.1%	Machinery and Equipment	-1.0%
BC	-0.3%	5.0%	Forestry Products	2.4%	Energy Products	-0.6%

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