

**EXPORTS FLAT IN JANUARY BUT EMERGING MARKET SALES PICK UP**

Canadian exports rose 0.2% in January, while imports fell by 1.6%, slashing Canada's trade deficit to \$117 million. Most export destinations showed declines except for sales to the European Union and emerging markets.

**ENERGY AND AGRICULTURAL EXPORTS SOARED, OFF-SETTING BIG DECLINES IN AUTOMOTIVE AND METALS**

The top performer was Canada's energy sector which rose by a whopping 9.2% as crude oil shipments climbed 11.6% while natural gas increased by 11.0%. Canada's agriculture sector also had an exceptionally strong month rising 7.2% to \$2 billion in sales, driven mainly by wheat, canola and other crops. Outside of agriculture and energy, the export results were generally quite weak. Automotive exports decreased by 11% due to a huge 19.5% decline in shipments of auto parts, the largest decline since 2009. Metal ores also decreased, falling 11.7% on declining copper shipments.

**2014 WILL SEE A BIG IMPROVEMENT OVER LAST YEAR**

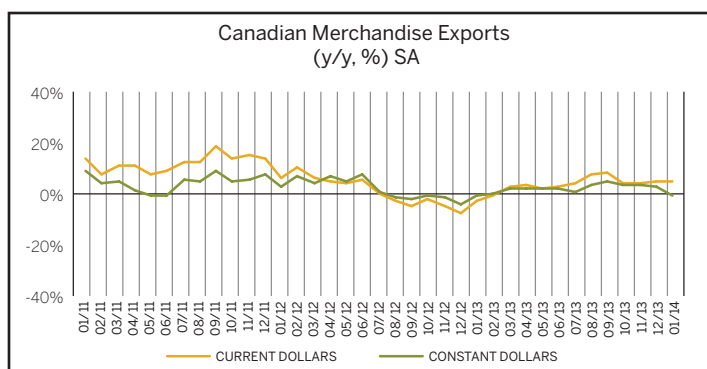
Exports were off to a slow start in January, as the generally positive economic data in the US was interrupted by severe weather. The polar vortex with its heavy snows and extremely cold temperatures delayed a great deal of construction and investment in the US. However, these delays are only temporary and we expect a bounce back in the month ahead. The weaker Loonie combined with rising business investment in the US should boost Canadian exports of machinery and equipment. At the same time, the improving European economy will support continued gains, after a 6.2% rise exports in January. Finally, emerging markets were the fastest growing destination for Canadian exporters, with a 9.3% gain and we expect that stellar growth to continue in the months and years ahead.

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
Energy Products	9.2%	19.6%	13.1%	12.0%	1	1	AB	SK	Emerging Markets	9.3%	7.4%	1	4
Agriculture and Fishing Products	7.4%	3.9%	2.1%	-0.3%	2	4	NS	ON	EU (excluding UK)	6.2%	14.9%	2	1
Other Consumer Goods	3.8%	9.2%	1.9%	1.6%	3	3	ON	QC	United States	-0.1%	7.5%	3	3
Forestry Products	1.8%	12.6%	1.7%	4.7%	4	2	SK	AB	Other OECD Countries	-5.6%	14.8%	4	2
Industrial Products and Materials	-2.0%	-2.5%	2.9%	-0.9%	5	7	NB	SK	United Kingdom	-10.3%	-52.0%	5	6
Machinery and Equipment	-2.1%	1.8%	0.5%	2.0%	6	5	QC	NL	Japan	-20.1%	-7.4%	6	5
Automotive products	-11.0%	0.5%	1.4%	4.6%	7	6	QC	ON					
TOTAL EXPORTS	0.2%	5.0%	3.8%	2.1%			QC	ON	TOTAL EXPORTS	0.2%	5.0%		

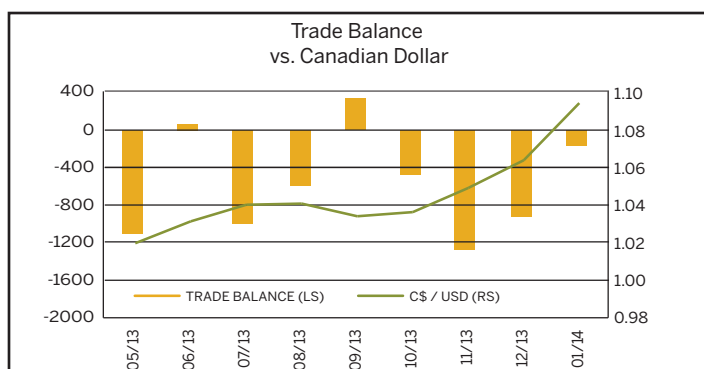
# EXPORT PERFORMANCE MONITOR

## Economic & Political Intelligence Centre

MARCH 2014



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	32.7%	13.5%	Energy Products	2.3%	Forestry Products	-0.2%
PE	15.1%	48.9%	Machinery and equipment	0.1%	Industrial Products and Materials	0.0%
NS	20.0%	10.6%	Agriculture and Fishing Products	2.6%	Other consumer goods	-0.4%
NB	4.8%	-2.9%	Industrial Products and Materials	3.6%	Other consumer goods	-0.2%
QC	13.6%	2.1%	Machinery and equipment	2.7%	Agriculture and Fishing Products	-4.8%
ON	-6.6%	-2.4%	Other consumer goods	2.7%	Automotive products	-16.3%
MB	-3.3%	6.3%	Machinery and equipment	1.1%	Other consumer goods	-0.9%
SK	-8.8%	-1.0%	Forestry Products	0.6%	Agriculture and Fishing Products	-3.3%
AB	2.5%	12.5%	Energy Products	2.7%	Agriculture and Fishing Products	-2.1%
BC	8.1%	9.0%	Machinery and equipment	1.1%	Agriculture and Fishing Products	-2.8%

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