

EXPORT PERFORMANCE MONITOR

Economic & Political Intelligence Centre

NOVEMBER 2016

Canadian merchandise exports increased by 0.1% in September as increases in prices (0.9%) were almost completely offset by a decline in volumes (-0.8%). While slight, this was the fourth consecutive month in which merchandise exports increased. Overall, the 5% rebound in Q3 merchandise exports reversed the 4.7% drop in Q2.

The biggest story in September trade numbers was the ballooning of Canada's trade deficit to a record \$4.1 billion. While this was more than double the \$2.0 billion deficit from the month before, it's almost entirely attributable to the import of a single module destined for the Hebron offshore oil project in Newfoundland and Labrador. Netting out this unique transaction, Canadian imports actually would have declined in September and narrowed the trade deficit to \$1.2bn.

On sector basis, 6 of 11 sectors saw gains with aircraft and other transportation equipment and parts growing by nearly 10.7% as end of quarter deliveries occurred. Other sectors that saw growth were energy, driven by stronger volume exports of crude oil and crude bitumen, electronic and electrical equipment and parts (3.3%) and motor vehicles and parts (0.5%) driven by growth in auto exports.

On the negative side, metals and ores declined by 3.7% in September with declines in volume shipments (-4.2%) overwhelming slight growth in prices. Overall forestry product exports declined with a softer US housing market weighing on prices.

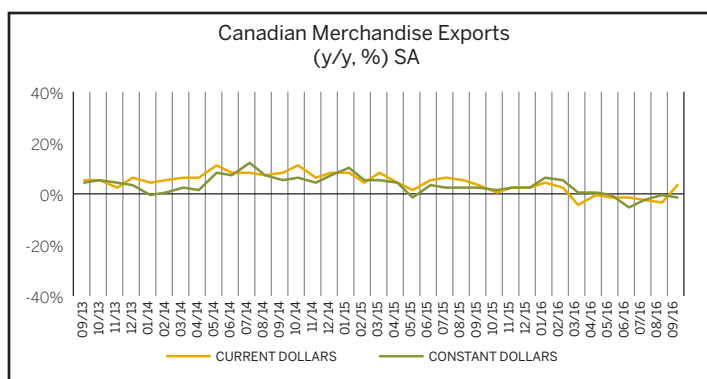
Merchandise exports to countries beyond the US increased by 2.3% with the United Kingdom and India offsetting a decline in exports to China. Canadian exports to the US declined by 0.6%.

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
Industrial Products and Materials	1.8%	-5.3%	0.5%	-4.6%	1	6	SK	ON	United Kingdom	9.3%	12.3%	1	1
Energy Products	1.8%	-25.2%	2.5%	-22.4%	2	7	BC	AB	EU (excluding UK)	6.9%	5.1%	2	4
Automotive products	0.5%	14.4%	0.9%	4.4%	3	1	ON	MB	Japan	0.6%	9.4%	3	2
Machinery and Equipment	0.4%	0.9%	0.2%	1.9%	4	4	QC	AB	United States	-0.6%	-2.5%	4	6
Forestry Products	-0.3%	3.7%	0.7%	0.3%	5	3	BC	NB	Germany	-7.0%	7.2%	5	3
Agriculture and Fishing Products	-0.7%	-0.9%	0.0%	0.6%	6	5	QC	ON	China	-10.5%	0.6%	6	5
Other Consumer Goods	-0.9%	7.8%	0.4%	4.4%	7	2	SK	ON					
TOTAL EXPORTS	0.1%	-2.2%	0.7%	-0.7%			SK	ON	TOTAL EXPORTS	0.1%	-2.2%		

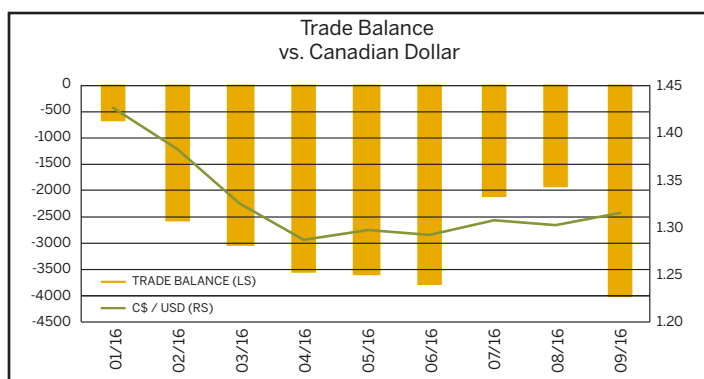
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Source: Statistics Canada



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PROVINCIAL PICTURE

Province	Growth Rate		Top Contributor		Weakest Contributor	
	m/m	YTD	Sector	Contribution	Sector	Contribution
NL	-2.8%	-18.1%	Energy Products	1.7%	Agriculture and Fishing Products	-0.1%
PE	9.3%	-0.5%	Industrial Products and Materials	0.1%	Other consumer goods	-0.1%
NS	-6.4%	-2.4%	Energy Products	0.0%	Forestry Products	-0.3%
NB	-12.1%	-14.9%	Industrial Products and Materials	0.5%	Energy Products	-1.4%
QC	0.1%	-3.2%	Agriculture and Fishing Products	1.5%	Forestry Products	-0.6%
ON	-4.2%	6.3%	Automotive products	1.5%	Other consumer goods	-6.0%
MB	0.8%	-3.0%	Agriculture and Fishing Products	0.7%	Machinery and equipment	-0.3%
SK	15.6%	-21.2%	Other consumer goods	1.5%	Agriculture and Fishing Products	-0.5%
AB	-5.2%	-21.9%	Agriculture and Fishing Products	0.3%	Energy Products	-5.8%
BC	2.5%	2.7%	Energy Products	1.8%	Other consumer goods	-0.2%

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