

EXPORT PERFORMANCE MONITOR

Economic & Political Intelligence Centre

DECEMBER 2016

In the run up to November's US elections, Canadian merchandise exports increased by 0.5% in October in nominal terms. The growth in was supported by stronger pricing, fueled by a 1.4% depreciation in the Loonie against the US dollar in October. Overall, exports have now increased in four of the last five months.

On sector basis, 7 of 11 saw declines with aircraft and other transportation equipment (-4.5%) and consumer goods (-3.2%) experiencing the biggest declines. However, underneath the headline number, exports in nearly all segments of consumer goods grew in October. A 28.5% decline in the volatile pharmaceuticals and medical products weighed down the category.

The energy (5.5%), motor vehicles and parts (3.2%) and forestry products (0.4%) sectors were all contributors to Canada's export growth in October. The growth in the automotive side continues to benefit from a stronger economy and capacity constraints in the US.

Canada's trade balance with the world was \$1.1 billion in October, which was the smallest since the start of the year. It also represented a normalization of the deficit after a one-time machinery & equipment import had blown the gap to \$4.4 billion a month earlier.

Exports to the US grew by 1.6%, driven by growth in energy exports, while exports also increased to Japan (7.0%) and China (2.7%).

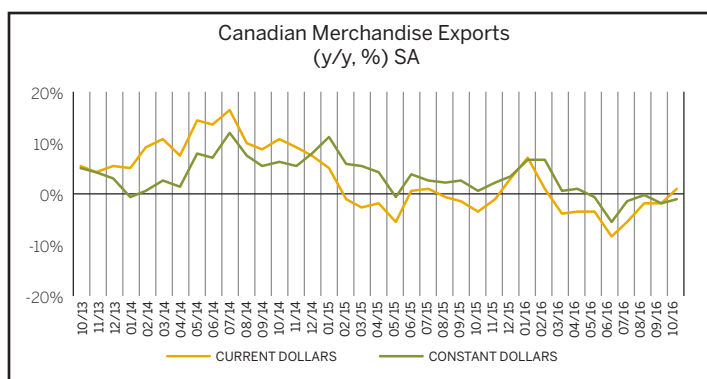
Canada's exports to the United Kingdom fell by nearly 23% in October due mainly to fewer shipments of precious metals.

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	5.5%	-23.0%	3.5%	-19.4%	1	7	BC	QC	Japan	7.0%	6.2%	1	3
Automotive products	3.2%	13.6%	0.8%	2.9%	2	1	ON	QC	China	2.7%	0.6%	2	5
Forestry Products	0.4%	4.4%	0.2%	0.2%	3	3	QC	BC	United States	1.6%	-2.1%	3	6
Industrial Products and Materials	-0.7%	-4.9%	2.3%	-4.8%	4	6	ON	NB	Germany	-1.8%	8.1%	4	2
Machinery and Equipment	-1.0%	0.7%	0.5%	1.3%	5	4	AB	ON	EU (excluding UK)	-7.3%	4.3%	5	4
Agriculture and Fishing Products	-1.5%	-1.5%	-0.1%	0.0%	6	5	ON	QC	United Kingdom	-22.9%	10.7%	6	1
Other Consumer Goods	-3.2%	6.7%	1.2%	3.8%	7	2	AB	ON					
TOTAL EXPORTS	0.5%	-1.9%	1.0%	-0.9%			ON	MB	TOTAL EXPORTS	0.5%	-1.9%		

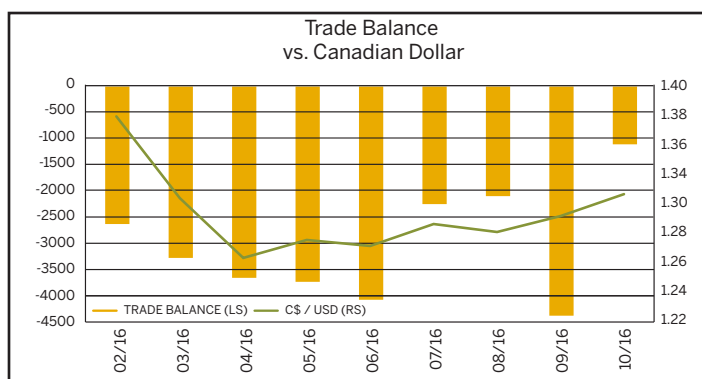
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Source: Statistics Canada



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PROVINCIAL PICTURE

Province	Growth Rate		Top Contributor		Weakest Contributor	
	m/m	YTD	Sector	Contribution	Sector	Contribution
NL	26.0%	-14.8%	Energy Products	1.8%	Agriculture and Fishing Products	0.0%
PE	-4.3%	0.6%	Other consumer goods	0.1%	Forestry Products	0.0%
NS	9.8%	-2.5%	Forestry Products	0.2%	Energy Products	0.0%
NB	2.1%	-14.3%	Energy Products	0.1%	Industrial Products and Materials	-1.0%
QC	-1.2%	-3.2%	Forestry Products	1.7%	Agriculture and Fishing Products	-2.0%
ON	1.4%	5.7%	Agriculture and Fishing Products	2.3%	Other consumer goods	-2.0%
MB	-7.1%	-3.0%	Forestry Products	0.2%	Agriculture and Fishing Products	-1.8%
SK	-2.3%	-23.0%	Agriculture and Fishing Products	1.1%	Forestry Products	-0.3%
AB	1.1%	-19.3%	Energy Products	1.0%	Industrial Products and Materials	-0.1%
BC	2.7%	6.0%	Energy Products	2.6%	Machinery and equipment	-1.3%

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