

EXPORT PERFORMANCE MONITOR

Economic & Political Intelligence Centre

OCTOBER 2017

Canadian exports in August slide for the third consecutive month, declining by 1.0%. This marked the lowest value of exports since September 2016 and came despite growth coming from 6 of 11 sectors. Since the record level reached in May, Canadian exports have declined by 10.6%. Imports were flat in August after a very sharp drop in July. As such, the merchandise trade deficit widened to \$3.4 billion from \$3 billion last month.

The plunge in exports was led by declines coming from a handful of sectors. Shutdowns at mines sent radioactive ores down sharply (-75%), while basic chemicals (-6%), rubber and plastics (-5%) and pharmaceuticals (-9%) were large value sectors that had weakness in August. Conversely, while a significant number of industry sectors did post gains, they were generally modest.

The decline in Canadian exports was largely the result of weaker shipments to the United States. Exports to the US were down 2% while they increased by 1.5% to all other countries, with exports increasing to the EU (10%) on strong sales to the UK. Exports to Japan increased by 23% in August, while they decreased by 9% for China.

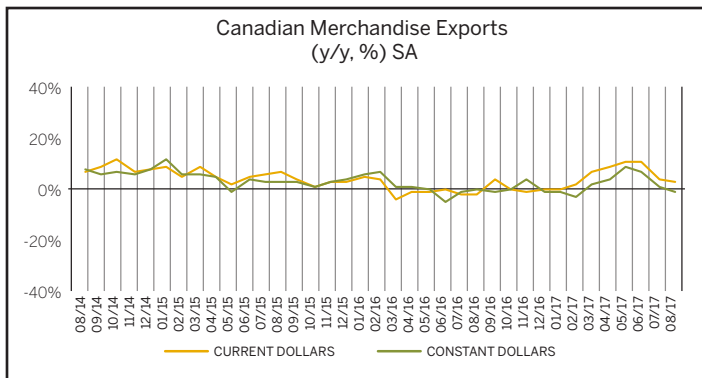
Though import growth was essentially flat in August, there were a couple of very fine silver linings in the numbers. Auto sector imports increased by 2.5% due mostly to stronger imports of engines and parts, an indication of a ramp-up of production after a summer of protracted shutdowns. Also, imports of metal ores and non-metallic minerals rose 9.9%, suggesting that industrial production lines are still aggressively purchasing inputs.

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	1.5%	47.9%	1.7%	24.8%	1	1	NS	AB	United Kingdom	25.6%	10.6%	1	4
Forestry Products	0.6%	3.5%	-0.8%	6.3%	2	4	AB	ON	Germany	22.8%	15.1%	2	1
Agriculture and Fishing Products	0.2%	4.6%	0.9%	1.0%	3	3	SK	ON	EU (excluding UK)	10.4%	10.8%	3	3
Automotive products	-0.5%	-2.9%	-0.2%	1.1%	4	6	AB	ON	United States	-1.8%	6.4%	4	6
Machinery and Equipment	-2.6%	6.7%	-0.1%	0.4%	5	2	AB	ON	China	-9.3%	14.4%	5	2
Other Consumer Goods	-3.8%	-3.6%	-1.0%	1.9%	6	7	AB	QC	Japan	-19.0%	9.3%	6	5
Industrial Products and Materials	-5.9%	3.5%	0.5%	5.6%	7	5	PE	ON					
TOTAL EXPORTS	-1.0%	8.0%	0.3%	5.9%			MB	AB	TOTAL EXPORTS	-1.0%	8.0%		

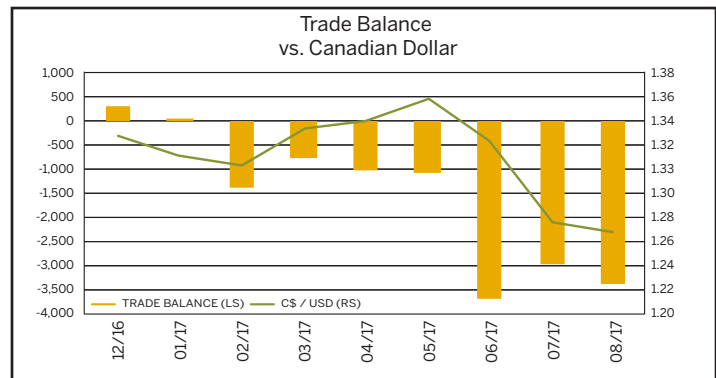
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Source: Statistics Canada



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PROVINCIAL PICTURE

Province	Growth Rate		Top Contributor		Weakest Contributor	
	m/m	YTD	Sector	Contribution	Sector	Contribution
NL	-11.2%	30.7%	Other consumer goods	0.1%	Energy Products	-0.7%
PE	0.2%	9.1%	Other consumer goods	0.1%	Agriculture and Fishing Products	-0.1%
NS	-4.4%	3.4%	Energy Products	0.1%	Industrial Products and Materials	-0.2%
NB	-12.6%	13.3%	Agriculture and Fishing Products	0.1%	Industrial Products and Materials	-1.8%
QC	-3.3%	8.9%	Machinery and equipment	0.7%	Other consumer goods	-2.4%
ON	-4.2%	-1.2%	Energy Products	-0.2%	Industrial Products and Materials	-3.7%
MB	0.4%	2.8%	Other consumer goods	0.3%	Agriculture and Fishing Products	-1.6%
SK	-15.3%	14.5%	Agriculture and Fishing Products	0.4%	Energy Products	-2.4%
AB	-8.4%	36.1%	Machinery and equipment	0.9%	Energy Products	-10.3%
BC	-4.6%	17.8%	Automotive products	0.0%	Energy Products	-2.6%

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