



# The Daily

Statistics Canada

**Tuesday, July 13, 2004**

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## MAJOR RELEASES

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- **Canadian International Merchandise Trade, May 2004** 2  
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## NEW PRODUCTS

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Statistics  
Canada

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## MAJOR RELEASES

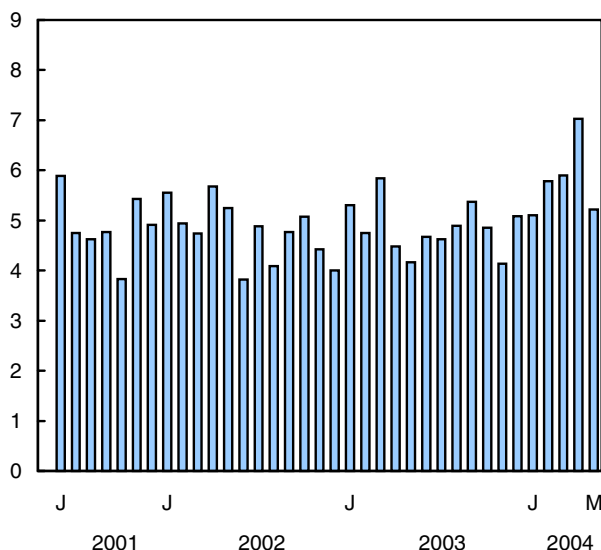
### Canadian International Merchandise Trade

May 2004

Strong machinery and equipment purchases propelled imports to a record high in May. The rise in exports was more modest, but still marked the fourth consecutive monthly increase. As a result, Canada's merchandise trade surplus declined to \$5.2 billion.

#### Trade balance

\$ billions



Canadian companies imported \$31.6 billion worth of merchandise in May, the strongest import month ever. The 7.8% increase from April was the biggest monthly gain since January 1997. With the small price increase taken into account, the value of imports registered in constant dollars also hit a new high (\$32.6 billion) as much of the growth in May was volume-induced.

The nation's merchandise trade surplus fell sharply from a recent high in April of \$7.0 billion. Despite the significant gain in imports, Canada's cumulative trade surplus for January to May is nearly \$4.5 billion higher than it was in the same five-month period last year. This is partly the result of a strong recovery in exports, which in May rose 1.3% to \$36.8 billion.

The trade surplus with the United States fell from \$9.1 billion to \$8.3 billion as imports grew more strongly than exports. Canadians

#### Note to readers

Effective May 2004, international merchandise trade statistics reflect the new membership of the European Union.

Merchandise trade is one component of the current account of Canada's balance of payments, which also includes trade in services.

"Other OECD countries" includes Australia, Iceland, Mexico, New Zealand, Norway, Switzerland, Turkey and South Korea.

#### Revisions

In general, merchandise trade data are revised on an ongoing basis for each month of the current year. Customs basis data are revised for the previous data year each quarter.

Factors influencing revisions include late receipt of import and export documentation, incorrect information on customs forms, replacement of estimates with actual figures, changes in classification of merchandise based on more current information, and changes to seasonal adjustment factors.

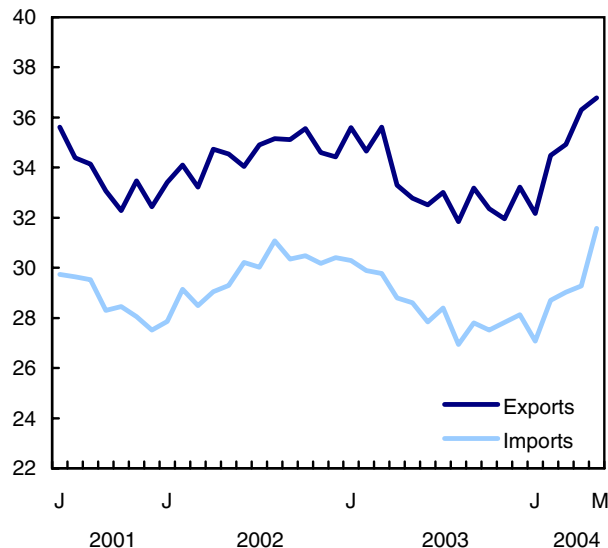
Revised data are available in the appropriate CANSIM tables.

purchased \$21.8 billion from south of the border, a 6.7% rise from April. Exports to the United States surpassed \$30.0 billion, as a result of higher exports of lumber, natural gas and trucks.

#### Exports and imports

\$ billions

Seasonally adjusted



Excluding the United States, Canada ran a trade deficit of 3.0 billion with all other countries. Imports

increased from most major trading regions, particularly Japan and the newly expanded European Union. Global economic conditions continued to improve, as exports grew modestly to most regions in May. Total exports to all regions showed strong growth compared with May 2003.

Canada has its largest country-to-country trade deficit with China, our imports from which have surged in recent years to second overall behind the United States.

### **Highest level for machinery and equipment imports in 20 years**

Purchases of machinery and equipment rose by \$1.2 billion in May, accounting for half of the total gain in imports. In total, companies imported more than \$9.6 billion in machinery and equipment, the highest monthly level for this sector in over 20 years.

Imports of machinery and equipment have recovered briskly from their decline in 2003, despite the strong value of the Canadian dollar compared with its US counterpart. With most machinery and equipment being imported, this may be an indication of increasing business and capital investment for Canadian companies.

This gain was widespread, led by higher imports of telecommunications equipment, office machinery, marine transportation equipment, home furnishing parts and laboratory equipment.

Imports of automotive products, mainly from the United States, rose 6.3% as imports of motor vehicle parts rebounded after two months of decline. Some growth in assembled trucks and automobiles also occurred.

Higher purchases of pharmaceutical products were a large contributor to the rise in imports of consumer goods, which hit a new high of \$4.1 billion. Also increasing were imports of home furnishings and apparel and footwear.

Imports of industrial goods and materials jumped \$200 million in May, following a \$250 million rise in April. Strength in plastics, chemicals and their related products led the gains in May, a change from the metal and metal ore commodities that had been rampant earlier.

Price increases for crude petroleum caused the bulk of the import rise in the energy sector, with most of the 30% growth from the previous year being price induced. Petroleum and coal products reached a record high of \$420 million on steady gains throughout the past few months.

### **Exports up for fourth straight month**

Merchandise exports grew by nearly \$500 million, marking their fourth straight gain on increased shipments of most products, particularly lumber, natural gas and automotive products.

Lumber exports rose 15.6% from April, also the fourth consecutive increase. Combined with other wood-fabricated materials (including oriented strand board), sales abroad continue to escalate, driven by strong demand from south of the border and high prices.

Natural gas prices rose only slightly for the month, accompanying a 6.3% rise in export volumes. Increased foreign-bound shipments of bituminous coal, mainly to destinations other than the United States, also provided some lift to the energy product sector.

Higher vehicle sales in the United States encouraged by sustained incentives and low financing rates contributed to increased truck and passenger automobile exports in May. Exports in the automotive sector have risen every month since January after a lacklustre performance during the second half of 2003.

Agricultural exports reached a record high in May, with \$200 million in growth from April. All commodities have shown year-over-year growth except for live animals, primarily because of trade restrictions arising from concerns over mad cow disease. Strong wheat yields, high fish exports overseas and a steady rebound in meat and its preparations all contributed to the growth.

The only two sectors to incur declines in May were industrial goods and materials and machinery and equipment, Canada's second and third largest export sectors. Machinery and equipment fell by \$150 million, with aircraft exports cooling off after two strong months. Declines in industrial goods and materials exports were more widespread, led by metal and alloys, ores and chemicals.

**Available on CANSIM: tables 228-0001 to 228-0003 and 228-0033 to 228-0046.**

**Definitions, data sources and methods: survey numbers, including related surveys, 2201, 2202 and 2203.**

The May 2004 issue of *Canadian International Merchandise Trade* (65-001-XIB, \$15/\$151) is now available. See *How to order products*. The publication includes tables by commodity and country on a customs basis. Current account data (which incorporate merchandise trade statistics, service transactions, investment income and transfers) are available quarterly in *Canada's Balance of International Payments* (67-001-XIB, \$32/\$100).

Merchandise trade data are available in PDF format on the morning of release.

For more information on the publications, contact Philip Armstrong, (1-800-294-5583; 613-951-6755).

To enquire about the concepts, methods or data quality of this release, contact Matthew MacDonald (613-951-8551), International Trade Division.

## Merchandise trade

	April 2004 <sup>r</sup>	May 2004	April to May 2004	May 2003 to May 2004	January to May 2003	January to May 2004	January-May 2003 to January-May 2004
\$ current, seasonally adjusted							
	\$ millions		% change		\$ millions		% change
<b>Principal trading partners</b>							
<b>Exports</b>							
United States	29,559	30,042	1.6	11.1	142,678	142,401	-0.2
Japan	857	920	7.4	21.2	4,392	4,316	-1.7
European Union	2,196	2,216	0.9	7.7	10,121	10,678	5.5
Other OECD countries <sup>1</sup>	1,296	1,257	-3.0	18.4	5,198	6,069	16.8
All other countries	2,393	2,350	-1.8	27.1	9,535	11,202	17.5
<b>Total</b>	<b>36,301</b>	<b>36,785</b>	<b>1.3</b>	<b>12.2</b>	<b>171,924</b>	<b>174,664</b>	<b>1.6</b>
<b>Imports</b>							
United States	20,415	21,791	6.7	8.5	103,563	101,417	-2.1
Japan	780	889	14.0	1.0	4,689	4,109	-12.4
European Union	2,949	3,279	11.2	12.7	15,111	14,663	-3.0
Other OECD countries <sup>1</sup>	1,855	2,085	12.4	25.5	8,553	9,110	6.5
All other countries	3,275	3,522	7.5	14.2	15,463	16,333	5.6
<b>Total</b>	<b>29,275</b>	<b>31,566</b>	<b>7.8</b>	<b>10.3</b>	<b>147,380</b>	<b>145,635</b>	<b>-1.2</b>
<b>Balance</b>							
United States	9,144	8,251	...	...	39,115	40,984	...
Japan	77	31	...	...	-297	207	...
European Union	-753	-1,063	...	...	-4,990	-3,985	...
Other OECD countries <sup>1</sup>	-559	-828	...	...	-3,355	-3,041	...
All other countries	-882	-1,172	...	...	-5,928	-5,131	...
<b>Total</b>	<b>7,026</b>	<b>5,219</b>	<b>...</b>	<b>...</b>	<b>24,544</b>	<b>29,029</b>	<b>...</b>
<b>Principal commodity groupings</b>							
<b>Exports</b>							
Agricultural and fishing products	2,597	2,790	7.4	20.6	12,331	12,823	4.0
Energy products	5,350	5,525	3.3	20.7	27,434	26,271	-4.2
Forestry products	3,352	3,631	8.3	31.9	14,139	16,116	14.0
Industrial goods and materials	6,753	6,477	-4.1	20.1	27,706	31,361	13.2
Machinery and equipment	7,834	7,679	-2.0	2.3	38,633	37,672	-2.5
Automotive products	7,757	7,880	1.6	8.7	37,133	37,289	0.4
Other consumer goods	1,481	1,529	3.2	7.4	7,281	7,295	0.2
Special transactions trade <sup>2</sup>	655	719	9.8	19.6	3,295	3,222	-2.2
Other balance of payments adjustments	522	555	6.3	-42.7	3,974	2,614	-34.2
<b>Imports</b>							
Agricultural and fishing products	1,782	1,839	3.2	-0.1	9,208	8,840	-4.0
Energy products	1,831	1,942	6.1	29.1	8,632	8,894	3.0
Forestry products	261	271	3.8	8.8	1,286	1,258	-2.2
Industrial goods and materials	5,919	6,105	3.1	9.7	28,238	28,664	1.5
Machinery and equipment	8,436	9,607	13.9	20.3	41,758	42,607	2.0
Automotive products	6,165	6,556	6.3	-1.1	33,657	31,066	-7.7
Other consumer goods	3,906	4,111	5.2	6.8	19,645	19,365	-1.4
Special transactions trade <sup>2</sup>	446	579	29.8	31.6	2,248	2,306	2.6
Other balance of payments adjustments	529	555	4.9	1.5	2,710	2,632	-2.9

... Figures not appropriate or not applicable.

<sup>r</sup> Revised figures

1. Includes Australia, Iceland, Mexico, New Zealand, Norway, Switzerland, Turkey and South Korea.

2. These are mainly low-valued transactions, value of repairs to equipment, and goods returned to country of origin.

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## OTHER RELEASES

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### Export and import price indexes

May 2004

Current- and fixed-weighted export and import price indexes (1997=100) are now available on a balance of payments basis. Price indexes are listed from January 1997 to May 2004 for the five commodity sections and the major commodity groups (62 exports and 61 imports).

Current- and fixed-weighted US price indexes (1997=100) are also available on a customs basis. Price indexes are listed from January 1997 to May 2004. Included with the US commodity indexes are the 10 all-countries and US-only Standard International Trade Classification section indexes.

Indexes for the five commodity sections and the major commodity groups are also available on a customs basis.

**Available on CANSIM: tables 228-0001 to 228-0003 and 228-0033 to 228-0046.**

**Definitions, data sources and methods: survey numbers, including related surveys, 2201, 2202 and 2203.**

The May 2004 issue of *Canadian International Merchandise Trade* (65-001-XIB, \$15/\$151) is now available. See *How to order products*.

For more information, or to enquire about the concepts, methods or data quality of this release, contact Jocelyne Elibani (1-800-294-5583; 613-951-9647), International Trade Division. ■

### Steel primary forms, weekly data

Week ending June 26, 2004 (preliminary)

Steel primary forms production for the week ending June 26 totaled 289 689 metric tonnes, down 3.5% from 300 075 tonnes a week earlier and up 0.3% from 288 815 tonnes in the same week of 2003.

The year-to-date total as of June 26 was 7 936 895 tonnes, up 1.9% from 7 788 195 tonnes in the same period of 2003.

**Definitions, data sources and methods: survey number 2131.**

For more information, or to enquire about the concepts, methods or data quality of this release, contact the dissemination officer (1-866-873-8789; 613-951-9497; [manufact@statcan.ca](mailto:manufact@statcan.ca)), Manufacturing, Construction and Energy Division. ■

## NEW PRODUCTS

**Infomat: A Weekly Review**, July 13, 2004  
Catalogue number 11-002-XWE (\$100).

**Canadian International Merchandise Trade**,  
May 2004, Vol. 58, no. 5  
Catalogue number 65-001-XIB (\$15/\$151).

All prices are in Canadian dollars and exclude sales tax. Additional shipping charges apply for delivery outside Canada.

Catalogue numbers with an -XIB or an -XIE extension are Internet versions; those with -XMB or -XME are microfiche; -XPB or -XPE are paper versions; -XDB or -XDE are electronic versions on diskette and -XCB or -XCE are electronic versions on compact disc.

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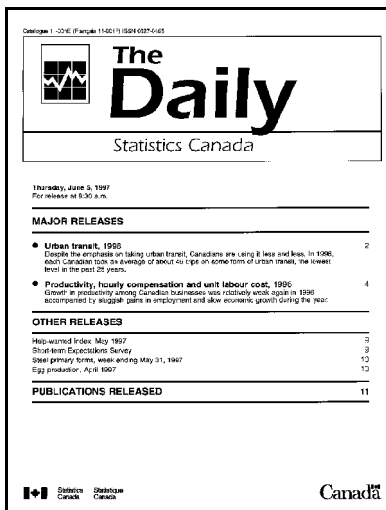
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### Statistics Canada's official release bulletin

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