

The Daily

Statistics Canada

Wednesday, August 12, 2009

Released at 8:30 a.m. Eastern time

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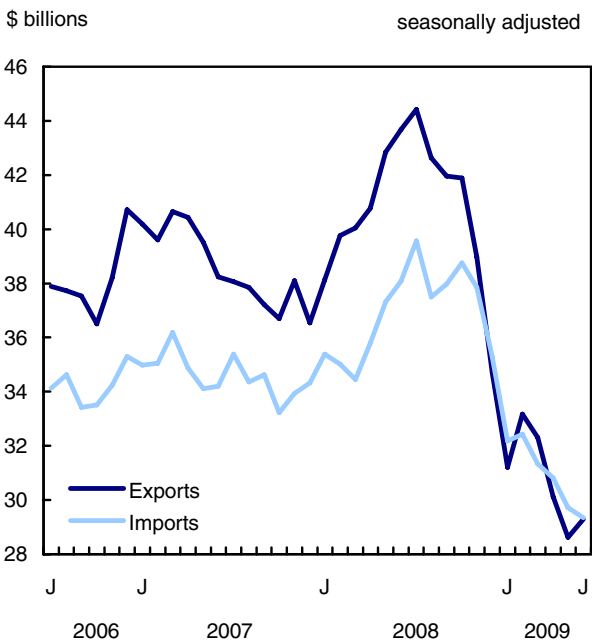
Releases

Canadian international merchandise trade

June 2009

Canada's merchandise exports increased 2.3% to just under \$29.3 billion in June, halting three consecutive monthly declines, while imports fell 1.3% to just over \$29.3 billion. As a result, Canada's trade deficit with the world narrowed to \$55 million from \$1.1 billion in May.

Exports and imports



The increase in exports was attributable to a substantial rise in exports of energy products. If they were excluded, total exports would have declined 0.5%.

Imports, which have been on a downward trend since October 2008, fell for the fourth consecutive month. Declines in three sectors (machinery and equipment, industrial goods and materials, and other consumer goods) more than offset increases in the remaining sectors: energy products, agricultural and fishing products, automotive products and forestry products.

Note to readers

Merchandise trade is one component of Canada's international balance of payments, which also includes trade in services, investment income, current transfers as well as capital and financial flows.

International merchandise trade data by country are available on both a balance of payments and a customs basis for the United States, Japan and the United Kingdom. Trade data for all other individual countries are available on a customs basis only. Balance of payments data are derived from customs data by making adjustments for characteristics such as valuation, coverage, timing and residency. These adjustments are made to conform to the concepts and definitions of the Canadian System of National Accounts.

Constant dollars referred to in the text are calculated using the Laspeyres volume formula.

Revisions

In general, merchandise trade data are revised on an ongoing basis for each month of the current year. Current year revisions are reflected in both the customs and balance of payments based data. Revisions to customs based data for the previous year are released on a quarterly basis. Revisions to balance of payments based data for the three previous years are released annually in June.

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.

Historical updates covering the period of 1988 to 2003 will be released on September 10, 2009, in conjunction with the July 2009 reference month data. These updates are the result of historical inconsistencies relating to the integrity between trade data and the underlying metadata and are minimal in dollar value.

For more information, view the document entitled "CANSIM notes: Historical updates" under the Definitions, data source and methods page, survey number 2201.

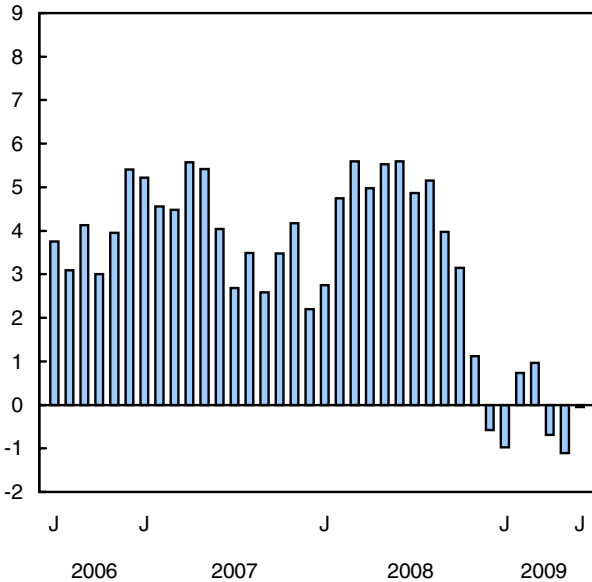
Export prices were up 2.2%, as the prices rose for energy products and industrial goods and materials. Import prices fell 0.8%, as all import sectors except for energy products declined. Export volumes were up 0.2%, while import volumes declined 0.5%.

Exports to the United States climbed 5.1%, largely the result of higher exports of crude petroleum, while imports fell 1.8%. This widened Canada's trade surplus with the United States to \$3.1 billion from \$1.7 billion in May.

Canada's trade deficit with countries other than the United States grew to \$3.1 billion from \$2.8 billion in May, as exports fell 4.5% and imports edged down 0.3%.

Trade balance

\$ billions



Gain in exports attributed to energy products

The contributors to the gain in exports in June were energy products, followed by industrial goods and materials. These increases were partially offset by lower exports of machinery and equipment and automotive products.

Exports of energy products rose 14.0% to \$6.4 billion in June. The increase was the result of a 5.1% increase in prices and an 8.4% rise in volumes.

Exports of crude petroleum rose 22.3%, reflecting increased demand from the United States. Crude petroleum accounted for 87% of the gain in energy products. On the other hand, natural gas exports declined 1.2%, continuing a downward trend that started in August 2008.

Higher exports of gold were behind the growth in the industrial goods and materials sector, which increased 6.1% to \$6.3 billion. Declines in exports of metal ores, in particular nickel and iron ores, moderated the increase in this sector. The gain in the industrial goods and materials sector was mainly the result of a 4.4% increase in prices.

Exports of machinery and equipment decreased 4.1% to \$6.4 billion, the lowest level since January 1998. This was mainly the result of declines in exports of telecommunication equipment and office electronic equipment.

Exports of automotive products fell 5.6% to \$2.9 billion. This represents about one-third of the peak value registered in January 2000. Exports of trucks and motor vehicle parts declined 35.3% and 9.7% respectively, as demand continued to fall. On the other hand, exports of passenger autos increased 3.2%.

Declines in three of seven import sectors

Imports of machinery and equipment fell 6.0% to \$8.5 billion as a result of widespread declines. Aircraft, engines and parts, as well as engines, turbines and motors were among the contributors to the decrease. The sector has been on a downward trend since November 2008.

Imports of industrial goods and materials decreased 4.3% to \$5.8 billion. Lower imports of chemical products were the main contributors to the decline. In contrast, precious metals, namely gold, grew 8.6%. The industrial goods and materials sector has generally been on a downward trend since October 2008.

Imports of other consumer goods were down 1.6% to \$4.7 billion, mainly the result of declining imports of footwear, apparel and house furnishing.

Higher imports of energy products, as well as agricultural and fishing products, mitigated the decline in overall imports. Imports of energy products grew 14.7% to \$2.7 billion on the strength of crude petroleum. The increase in energy products was due to volumes rising 11.2% and prices increasing 3.2%. Imports of agricultural and fishing products were up 4.6%, led by higher imports of wine and beer.

Available on CANSIM: tables 228-0001 to 228-0003, 228-0033, 228-0034, 228-0041 to 228-0043 and 228-0047 to 228-0057.

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

The June 2009 issue of *Canadian International Merchandise Trade*, Vol. 63, no. 6 (65-001-X, free), is now available from the *Publications* module of our website.

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-X, free).

For more information, contact Sharon Nevins (toll-free 1-800-294-5583; 613-951-9798). To enquire about the concepts, methods or data quality of this release, contact Mychèle Gagnon (613-951-0994), International Trade Division.

Merchandise trade

	May 2009 ^r	June 2009	May to June 2009	June to June 2009
Seasonally adjusted, \$ current				
	\$ millions		% change	
Principal trading partners				
Exports				
United States	20,465	21,503	5.1	-35.8
Japan	628	667	6.2	-36.0
European Union ¹	2,507	2,398	-4.3	-25.5
Other OECD countries ²	1,397	1,288	-7.8	-36.1
All other countries	3,619	3,429	-5.3	-12.3
Total	28,616	29,285	2.3	-33.0
Imports				
United States	18,754	18,408	-1.8	-22.2
Japan	713	715	0.3	-23.5
European Union ¹	3,218	3,182	-1.1	-22.7
Other OECD countries ²	1,811	2,012	11.1	-19.0
All other countries	5,225	5,022	-3.9	-27.0
Total	29,721	29,340	-1.3	-23.0
Balance				
United States	1,711	3,095	...	...
Japan	-85	-48	...	...
European Union ¹	-711	-784	...	...
Other OECD countries ²	-414	-724	...	...
All other countries	-1,606	-1,593	...	...
Total	-1,105	-55	...	...
Principal commodity groupings				
Exports				
Agricultural and fishing products	3,241	3,264	0.7	-5.7
Energy products	5,628	6,414	14.0	-50.5
Forestry products	1,573	1,567	-0.4	-27.0
Industrial goods and materials	5,936	6,297	6.1	-35.2
Machinery and equipment	6,699	6,423	-4.1	-12.4
Automotive products	3,087	2,915	-5.6	-45.2
Other consumer goods	1,547	1,509	-2.5	-7.0
Special transactions trade ³	517	506	-2.1	-24.8
Other balance of payments adjustments	387	389	0.5	-13.6
Imports				
Agricultural and fishing products	2,431	2,542	4.6	8.7
Energy products	2,354	2,701	14.7	-51.2
Forestry products	182	187	2.7	-23.4
Industrial goods and materials	6,014	5,754	-4.3	-24.2
Machinery and equipment	9,010	8,469	-6.0	-15.7
Automotive products	3,894	3,899	0.1	-38.8
Other consumer goods	4,786	4,709	-1.6	1.3
Special transactions trade ³	383	426	11.2	-23.2
Other balance of payments adjustments	667	652	-2.2	-13.9

^r revised

... not applicable

1. Includes Austria, Belgium, Bulgaria, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden, and United Kingdom.

2. Other countries in the Organisation for Economic Co-operation and Development (OECD) include Australia, Canada, Iceland, Mexico, New Zealand, Norway, South Korea, Switzerland and Turkey.

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

Note: Totals may not equal the sum of their components.

New Housing Price Index

June 2009

Contractors selling prices decreased 0.2% in June compared with a 0.1% decline in May.

Between May and June, prices declined the most in Vancouver (-0.9%) followed by Edmonton (-0.8%) and Victoria (-0.5%).

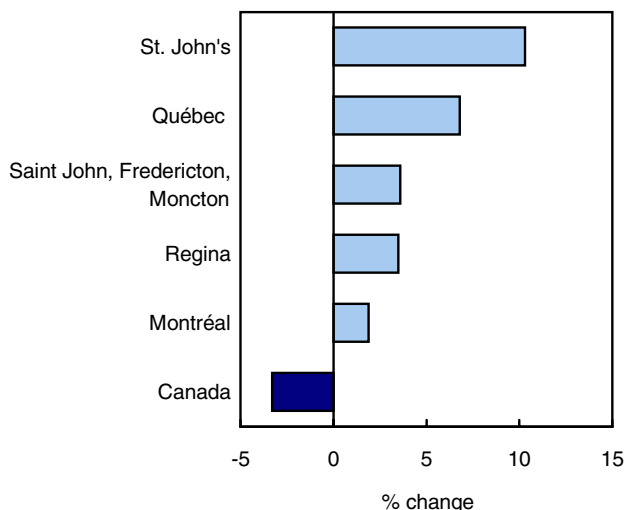
In Vancouver, some builders lowered their prices to stimulate sales and sell off their houses in inventory while others offered free upgrades and cash incentives. A small number of builders did increase their prices on some popular models that were selling well.

In Edmonton, lower negotiated selling prices between builders and homebuyers are the primary reason for the monthly decrease.

The largest monthly increase in new housing prices was recorded in Saskatoon (+0.5%), followed by 0.4% increases in both Winnipeg and St. John's.

Montréal, Ottawa–Gatineau and Hamilton saw monthly increases of 0.1%.

Percentage change from the same month of the previous year (cities with the largest positive change)

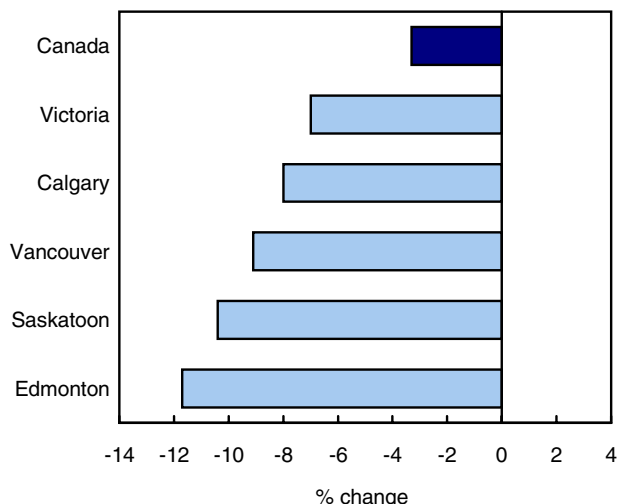


In June, the New Housing Price Index was down 3.3% from its level in June 2008, with the largest declines registered in Western Canada.

On the Prairies, 12-month declines were recorded in Edmonton (-11.7%), Saskatoon (-10.4%), and Calgary (-8.0%).

On the West Coast, Vancouver (-9.1%) and Victoria (-7.0%) also posted year-over-year declines.

Percentage change from the same month of the previous year (cities with the smallest or negative change)



The decreases in these five Western Canadian cities follow a period of significant highs in the new housing price indexes at the end of 2007 and the beginning of 2008, when strong economic conditions and high demand for new housing pushed up contractors' selling prices.

Among surveyed cities, the largest increase between June 2008 and June 2009 was registered in St. John's (+10.3%), due to the continued strength of the local economy.

In Québec, the 12-month growth rate was 6.8%, while in Montréal, prices increased 1.9%.

Compared with June 2008, contractors' selling prices were 3.6% higher in Saint John, Fredericton and Moncton. Regina (+3.5%) and Winnipeg (+1.7%) also posted increases.

Available on CANSIM: table 327-0005.

Definitions, data sources and methods: survey number 2310.

The second quarter 2009 issue of *Capital Expenditure Price Statistics* (62-007-X, free) will be available in October.

For more information, or to enquire about the concepts, methods or data quality of this release, contact Client Services (613-951-9606; toll-free 1-866-230-2248; fax: 613-951-3117; prices-prix@statcan.gc.ca), Producer Prices Division. □

New housing price indexes

	June 2009	June 2008 to June 2009	May to June 2009
	(1997=100)	% change	
Canada total	153.2	-3.3	-0.2
House only	160.5	-4.5	-0.2
Land only	137.9	-1.4	-0.1
St. John's	181.1	10.3	0.4
Charlottetown	121.0	1.1	0.0
Halifax	150.5	0.7	0.0
Saint John, Fredericton and Moncton	120.3	3.6	-0.2
Québec	165.6	6.8	0.0
Montréal	165.3	1.9	0.1
Ottawa-Gatineau	169.7	0.6	0.1
Toronto and Oshawa	144.6	-1.1	0.0
Hamilton	149.3	-2.0	0.1
St. Catharines-Niagara	155.4	-1.6	-0.1
London	144.4	0.8	0.0
Kitchener	142.7	0.2	0.0
Windsor	103.7	-0.1	0.0
Greater Sudbury and Thunder Bay	112.7	0.0	0.0
Winnipeg	182.7	1.7	0.4
Regina	250.9	3.5	0.0
Saskatoon	211.4	-10.4	0.5
Calgary	228.9	-8.0	-0.1
Edmonton	207.5	-11.7	-0.8
Vancouver	113.0	-9.1	-0.9
Victoria	109.9	-7.0	-0.5

Note: View the census subdivisions that comprise the metropolitan areas online.

Export and import price indexes

June 2009

Current- and fixed-weighted export and import price indexes (2002=100) on a customs or balance of payments basis are now available. Price indexes are listed from January 2002 to June 2009 for the five commodity sections and the major commodity groups (62 exports and 61 imports).

Current- and fixed-weighted US price indexes (2002=100) are also available on a customs basis. Price indexes are listed from January 2002 to June 2009. Included with the US commodity indexes are the 10 all-countries and US-only Standard International Trade Classification section indexes.

Available on CANSIM: tables 228-0001 to 228-0003, 228-0033, 228-0034, 228-0041 to 228-0043 and 228-0047 to 228-0057.

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Chain Fisher real export and import values

June 2009

The monthly chain Fisher real dollar values (reference year 2002) for Canadian international merchandise trade are now available for June.

Available on CANSIM: tables 228-0056 and 228-0057.

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

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For more information, or to enquire about the concepts, methods or data quality of this release, contact the Marketing and Client Services Section (toll-free 1-800-294-5583), International Trade Division. ■

New products

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June 2009, Vol. 63, no. 6
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Statistics Canada's official release bulletin

Catalogue 11-001-XIE.

Published each working day by the Communications and library Services Division, Statistics Canada, 10G, R.H. Coats Building, 100 Tunney's Pasture Driveway, Ottawa, Ontario K1A 0T6.

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