

The Daily

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Canada's merchandise exports rose 3.1% to \$34.0 billion in August, following two months of declines, while imports fell 0.5%. As a result, Canada's trade deficit with the world narrowed to \$1.3 billion in August from \$2.5 billion in July.	
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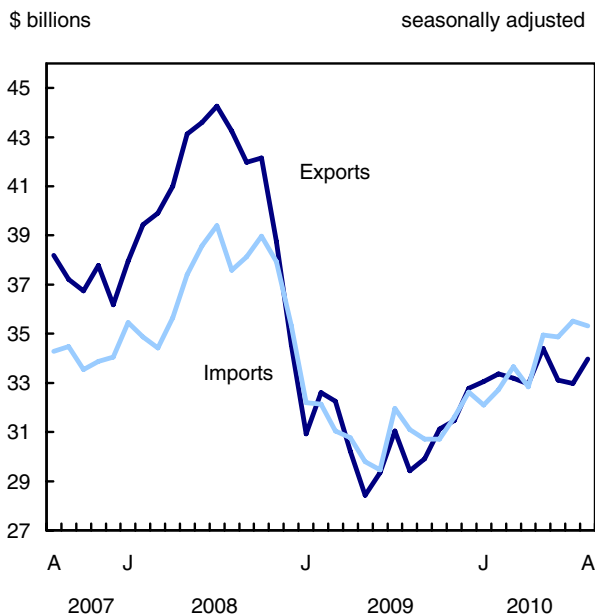
Releases

Canadian international merchandise trade

August 2010

Canada's merchandise exports rose 3.1% to \$34.0 billion in August, following two months of declines. Industrial goods and materials and other consumer goods accounted for over three-quarters of the growth.

Exports and imports



Export volumes rose 2.9% and have been on an upward trend since May 2009.

After a gain in July, imports declined 0.5% to \$35.3 billion, as prices fell 0.8%. Import volumes, which have been on an upward trend since March 2009, increased 0.3% in August.

The main sectors behind the decline in imports were automotive products and industrial goods and materials. These declines were tempered by increases in imports of other consumer goods and energy 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.

Data in this release are on a balance of payments basis, seasonally adjusted in current dollars. Constant dollars 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.

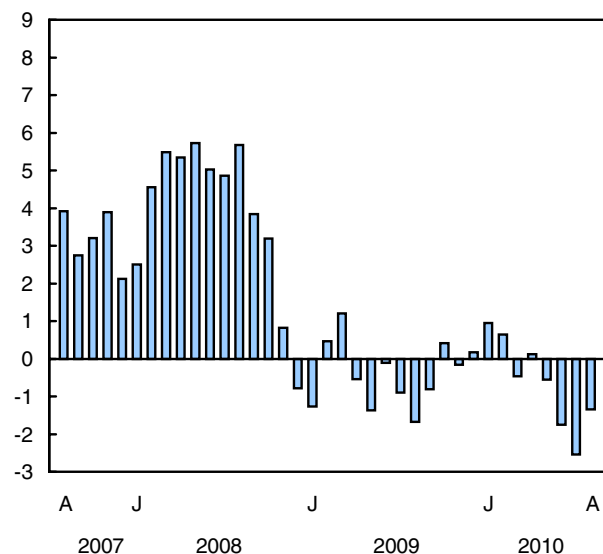
Factors influencing revisions include late receipt of import and export documentation, incorrect information on customs forms, replacement of estimates with actual figures, changes in classification of merchandise based on more current information, and changes to seasonal adjustment factors.

Revised data are available in the appropriate CANSIM tables.

Canada's trade deficit with the world narrowed to \$1.3 billion in August from \$2.5 billion in July.

Exports to the United States rose by 2.7%, led by higher exports of passenger autos, while imports fell by 3.3%. Consequently, Canada's trade surplus with the United States increased to \$2.9 billion in August from \$1.5 billion in July. This was the first increase in Canada's trade surplus with the United States since December 2009.

Exports to countries other than the United States grew 4.2%, while imports rose 4.5%. Both gains were largely the result of increases in trade with the European Union. Canada's trade deficit with countries other than the United States rose to \$4.3 billion in August from \$4.1 billion in July.

Trade balance\$ billions seasonally adjusted**Widespread increases in exports**

All export sectors grew in August with the exception of automotive products. Exports of industrial goods and materials grew 5.8% to \$8.0 billion, a second consecutive monthly increase. The growth in the sector was largely the result of a 4.4% increase in prices, mostly reflecting higher prices for gold and metal ores. Precious metals increased 21.9%, followed by copper ores and nickel ores. Fertilizers and fertilizer materials also recorded solid gains.

Exports of other consumer goods rose 26.8% to \$1.6 billion, following a 9.2% decline in July. The increase was the result of a 25.9% gain in volumes. Medicinal and pharmaceutical products in dosage largely accounted for the advance in the sector.

In the machinery and equipment sector, exports increased 2.2% to \$6.5 billion, the highest level since July 2009. The increase reflected a 4.8% rise in volumes, as prices fell 2.4%. Prices of machinery and equipment have been on a downward trend since March 2009. Within the sector, the main contributors

to the rise in exports were aircrafts, engines and parts, telecommunication equipment and industrial machinery.

Exports of automotive products totalled \$5.2 billion in August, virtually unchanged from July. A strong increase in exports of passenger autos was offset by declines in exports of motor vehicle parts and trucks and other motor vehicles. Export volumes rose 1.3%, while prices fell.

Automotive products lead the decline in imports

Imports of automotive products fell 6.5% to \$5.8 billion, as volumes decreased 6.1%. Imports of passenger autos, which declined 12.9%, represented over two-thirds of the decrease in the sector. Lower imports from overseas mainly accounted for the decline in imports of passenger autos. Imports of trucks and motor vehicle parts also fell in August.

Imports of industrial goods and materials decreased 3.3% to \$7.1 billion, led by a decline in imports of metal in ores, namely nickel ores and zinc ores. Precious metals also contributed to the decrease. Higher imports of other chemicals, such as fertilizers, moderated the decline. Prices of industrial goods and materials fell 3.4% in August.

Imports of other consumer goods rose 2.4% to \$5.0 billion as a result of higher volumes. Increases throughout the sector were led by higher imports of miscellaneous end products such as articles for the Christmas season. Imports of apparel and accessories also grew.

Imports of energy products rose 2.5% in August to \$3.4 billion, on the strength of coal and other related products, notably natural gas. Imports of crude petroleum as well as petroleum and coal products decreased after solid gains in July. Volumes of energy products rose 8.0%, while prices fell 5.1%.

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

The merchandise imports and exports data in the following tables are presented in dollar values.

Tables 228-0001 to 228-0003: Customs and balance of payments basis, by major groups and principal trading areas for all countries; monthly, quarterly, and annual.

Table 228-0033: Imports, customs-based, by province of clearance; monthly.

Table 228-0034: Domestic exports, customs-based, by province of origin; monthly.

Tables 228-0041 to 228-0043: Customs and balance of payments basis, by sector and sub-sector, for all countries; monthly, quarterly, and annual.

The merchandise imports and exports data in the following tables are indexes (2002=100).

Tables 228-0047 to 228-0049: Balance of payments and customs-based price and volume indexes for all countries; monthly, quarterly, and annual.

Tables 228-0050 to 228-0052: Customs-based price indexes, Canada and United States trade, and Standard International Trade Classification (SITC revision 3) price indexes for all countries and the United States; monthly, quarterly, and annual.

Tables 228-0053 to 228-0055: Price and volume indexes, customs and balance of payments basis, by sector and sub-sector, for all countries; monthly, quarterly, and annual.

Tables 228-0056 and 228-0057: Balance of payments basis, by sector, seasonally adjusted, Fisher formula, chained 2002 dollars, for all countries; monthly and quarterly.

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

These data are available in the Canadian international merchandise trade database.

The August 2010 issue of *Canadian International Merchandise Trade*, Vol. 64, no. 8 (65-001-X, free), is now available from the *Key resource* module of our website under *Publications*.

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).

Data on Canadian international merchandise trade for September will be released on November 10.

For more information, or to order data, contact Client Services (toll-free 1-800-294-5583; 613-951-9647; trade@statcan.gc.ca). To enquire about the concepts, methods or data quality of this release, contact Mychèle Gagnon (613-951-0994), International Trade Division.

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Merchandise trade: Principal trading areas

	August 2009	July 2010 ^r	August 2010	July to August 2010	August 2009 to August 2010
Seasonally adjusted, \$ current					
	\$ millions		% change		
Principal trading areas					
Exports					
United States	22,190	24,489	25,149	2.7	13.3
Japan	641	841	828	-1.5	29.2
European Union ¹	2,095	2,964	3,261	10.0	55.7
Other OECD countries ²	1,316	1,290	1,340	3.9	1.8
All other countries	3,177	3,382	3,402	0.6	7.1
Total	29,419	32,967	33,980	3.1	15.5
Imports					
United States	19,764	22,958	22,201	-3.3	12.3
Japan	809	803	786	-2.1	-2.8
European Union ¹	2,892	3,183	3,648	14.6	26.1
Other OECD countries ²	2,649	2,370	2,307	-2.7	-12.9
All other countries	4,984	6,199	6,384	3.0	28.1
Total	31,099	35,512	35,325	-0.5	13.6
Balance					
United States	2,426	1,531	2,948	...	...
Japan	-168	38	42	...	...
European Union ¹	-797	-219	-387	...	...
Other OECD countries ²	-1,333	-1,080	-967	...	...
All other countries	-1,807	-2,817	-2,982	...	...
Total	-1,680	-2,545	-1,345	...	...

^r revised

... not applicable

1. The European Union includes Austria, Belgium, Bulgaria, Cyprus, the Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, the Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden, and the 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.

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

Merchandise trade: Principal commodity groupings

	August 2009	July 2010 ^r	August 2010	July to August 2010	August 2009 to August 2010
Seasonally adjusted, \$ current					
	\$ millions		% change		
Exports					
Agricultural and fishing products	2,761	3,011	3,013	0.1	9.1
Energy products	6,567	7,026	7,040	0.2	7.2
Forestry products	1,536	1,794	1,819	1.4	18.4
Industrial goods and materials	6,235	7,576	8,016	5.8	28.6
Machinery and equipment	6,144	6,366	6,508	2.2	5.9
Automotive products	3,834	5,160	5,158	0.0	34.5
Other consumer goods	1,413	1,275	1,617	26.8	14.4
Special transactions trade ¹	513	293	347	18.4	-32.4
Other balance of payments adjustments	416	465	463	-0.4	11.3
Total	29,419	32,967	33,980	3.1	15.5
Imports					
Agricultural and fishing products	2,423	2,460	2,514	2.2	3.8
Energy products	3,040	3,319	3,402	2.5	11.9
Forestry products	194	234	223	-4.7	14.9
Industrial goods and materials	5,845	7,350	7,111	-3.3	21.7
Machinery and equipment	8,676	9,863	9,894	0.3	14.0
Automotive products	5,250	6,241	5,836	-6.5	11.2
Other consumer goods	4,637	4,861	4,979	2.4	7.4
Special transactions trade ¹	388	446	639	43.3	64.7
Other balance of payments adjustments	646	740	727	-1.8	12.5
Total	31,099	35,512	35,325	-0.5	13.6

^r revised

1. 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.

Commercial Rents Price Index

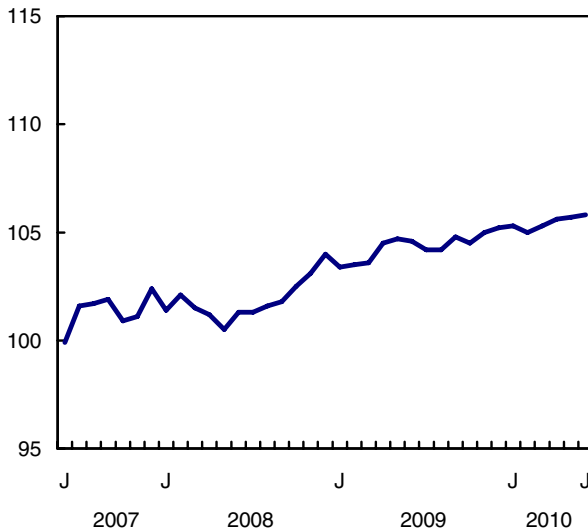
Second quarter 2010

The Commercial Rents Price Index rose 0.5% in the second quarter, following a 0.3% increase in the first quarter.

On a year-over-year basis, the index advanced 1.1% in the second quarter compared with the same quarter in 2009.

Services Producer Price Index: Commercial rents

index (2006=100)



Note: All data in this release are seasonally unadjusted and are subject to revision. With the release of the final fourth-quarter data for any given year, finalized data for all quarters of that year are also made available.

The Commercial Rents Price Index is part of the Services Producer Price Index program. This is a monthly index disseminated on a quarterly basis. Prices collected are average rents measured in price per square foot for a sample of commercial buildings. Data are used to estimate a price index for the non-residential commercial rent services sector. The index can be joined with other business service indexes to provide better estimates of real output and productivity, and to monitor inflation in the services sector. Indexes are available at the Canada level only.

Available on CANSIM: table 332-0001.

Definitions, data sources and methods: survey number 5123.

For more information, or to enquire about the concepts, methods or data quality of this release, contact Client Services (toll-free 1-888-951-4550; 613-951-4550; fax: 613-951-3117; ppd-info-dpp@statcan.gc.ca), Producer Prices Division.

Services Producer Price Index: Commercial rents

	Relative importance ¹	Second quarter 2009	First quarter 2010 ^r	Second quarter 2010 ^p	First quarter to second quarter 2010	Second quarter 2009 to second quarter 2010
		(2006=100)			% change	
Services Producer Price Index: Commercial rents	100.00	104.6	105.2	105.7	0.5	1.1

^r revised

^p preliminary

1. The Commercial Rent Price Index is released at the national level with no industry breakdown, and therefore carries a relative importance of 100.

Export and import price indexes

August 2010

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 August 2010 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 August 2010. Included with the US commodity indexes are the 10 all-countries and US-only Standard International Trade Classification section indexes.

Available on CANSIM: tables 228-0047 to 228-0055.

Merchandise imports and exports data in the following tables are indexes (2002=100).

Tables 228-0047 to 228-0049: Balance of payments and customs-based price and volume indexes for all countries; monthly, quarterly and annual.

Tables 228-0050 to 228-0052: Customs-based price indexes, Canada and the United States trade, and Standard International Trade Classification (SITC revision 3) price indexes for all countries and the United States; monthly, quarterly and annual.

Tables 228-0053 to 228-0055: Price and volume indexes, customs and balance of payments basis, by sector and subsector, for all countries; monthly, quarterly and annual.

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Chain Fisher real export and import values

August 2010

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

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

Tables 228-0056 and 228-0057: Balance of payments basis, by sector, seasonally adjusted, Fisher formula, chained 2002 dollars, for all countries; monthly and quarterly.

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

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New products and studies

Canadian Economic Observer, October 2010, Vol. 23,
no. 10
Catalogue number 11-010-X (HTML, free)

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

Canadian International Merchandise Trade,
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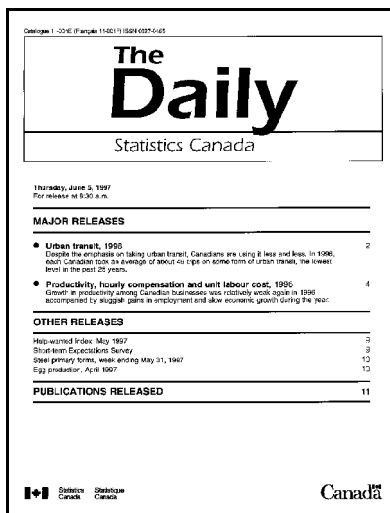
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