

The Daily

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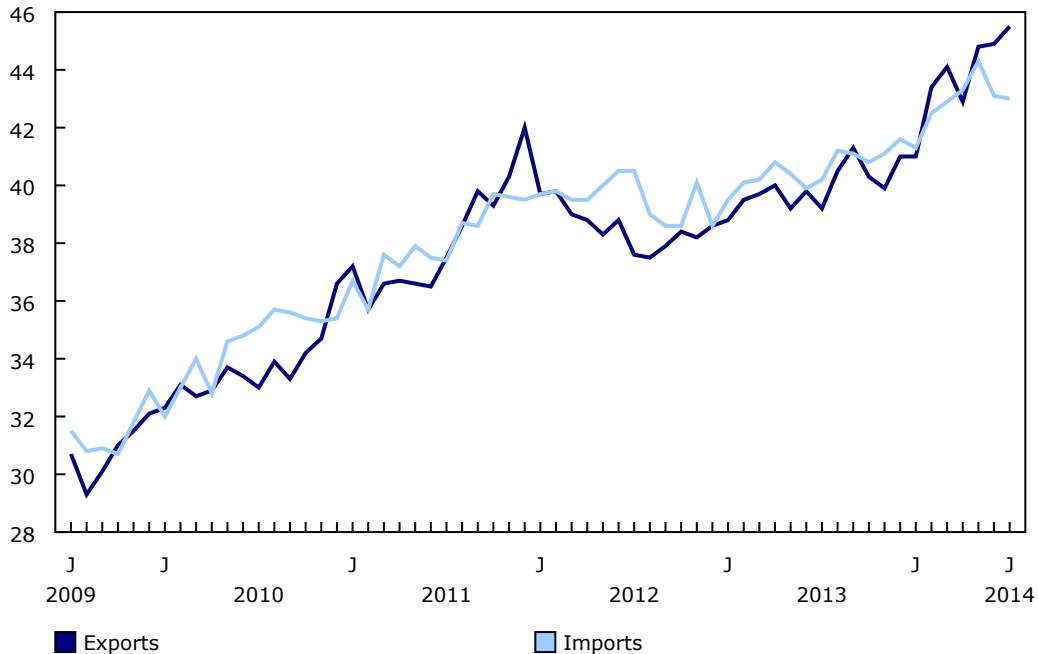
Releases

Canadian international merchandise trade, July 2014

Canada's merchandise exports increased 1.4% in July, while imports edged down 0.3%. As a result, Canada's trade surplus with the world widened from \$1.8 billion in June to \$2.6 billion in July.

Chart 1 Exports and imports

billions of dollars



Note(s): Data are seasonally adjusted.

Exports rose to \$45.5 billion, led by motor vehicles and parts. Overall, volumes increased 1.1% and prices 0.3%.

Imports edged down to \$43.0 billion, as prices declined 0.6% while volumes increased 0.4%. Lower imports of aircraft and other transportation equipment and parts, consumer goods as well as metal and non-metallic mineral products were partially offset by higher imports of motor vehicles and parts.

Exports to the United States increase

Exports to the United States rose 1.9% to \$34.4 billion in July and imports from the United States increased 1.2% to \$29.2 billion. Motor vehicles and parts was the main contributor to both gains. Canada's trade surplus with the United States widened from \$4.9 billion in June to \$5.1 billion in July.

Exports to countries other than the United States edged up 0.1% to \$11.2 billion. Imports from countries other than the United States declined 3.2% to \$13.7 billion, as imports from the principal trading area "all other countries" (-4.6%) and the European Union (-3.7%) fell. Canada's trade deficit with countries other than the United States narrowed from \$3.0 billion in June to \$2.6 billion in July.

Exports of motor vehicles and parts increase

Exports of motor vehicles and parts grew 9.7% to \$6.9 billion in July. Motor vehicles and parts increased for the fifth time in seven months, as automobile sales in both Canada and the United States have hit record highs throughout the year. In July, exports of passenger cars and light trucks (+10.2%) led the overall gain, with an increase also being recorded for motor vehicle engines and motor vehicle parts (+8.9%).

Exports of energy products declined 2.1% to \$11.3 billion, as prices were down 1.8% and volumes edged down 0.3%. The main contributor to the decrease in exports was crude oil and crude bitumen, which fell 1.6% to \$8.5 billion in July following a record high of \$8.6 billion in June. Exports of natural gas declined for a fifth consecutive month, down 6.3% to \$1.1 billion in July as volumes fell 4.6% and prices 1.8%.

Imports edge down

Imports of aircraft and other transportation equipment and parts fell 11.9% to \$1.4 billion in July. The main contributor to the decline was the commodity grouping "ships, locomotives, railway rolling stock, and rapid transit equipment," which decreased \$92 million to \$43 million in July. Aircraft engines and aircraft parts declined 9.2% to \$687 million.

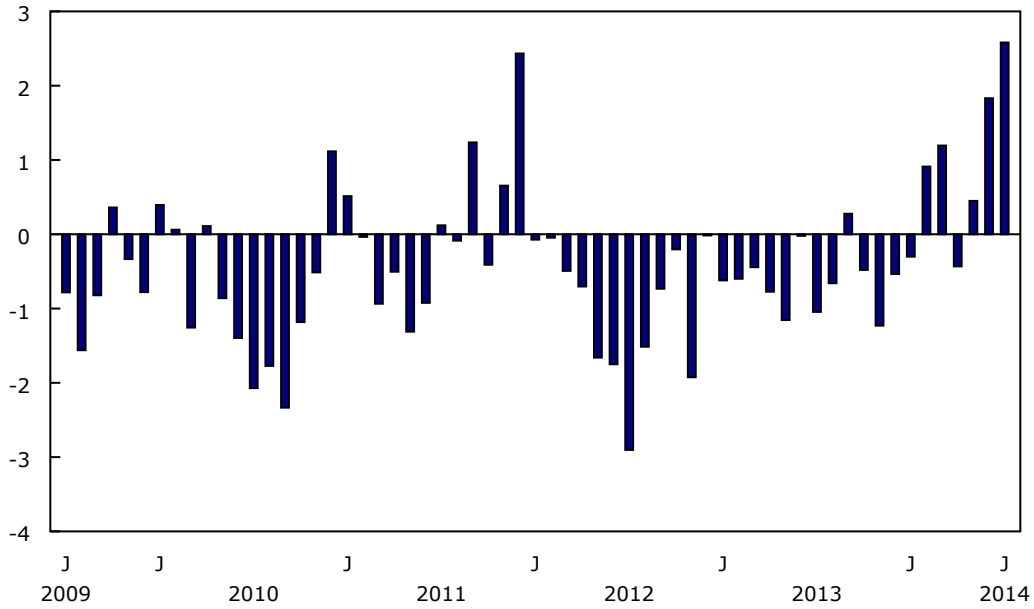
Imports of consumer goods declined 1.9% to \$8.6 billion, a third consecutive monthly decrease. Volumes decreased 1.0% and prices 0.9%. There were widespread declines in imports throughout the section, led by clothing, footwear and accessories (-4.4%) and miscellaneous goods and supplies (-2.6%).

Also declining in July were imports of metal and non-metallic mineral products, down 4.4% to \$3.5 billion on lower volumes. Lower imports were recorded for unwrought precious metals and precious metal alloys (-15.8%) and unwrought copper and copper alloys (-60.0%). Imports of these two commodities tend to fluctuate on a month-to-month basis.

Partially offsetting the declines were imports of motor vehicles and parts, which rose 2.7% to \$7.8 billion. Volumes were up 2.2%. Leading the gains were imports of motor vehicle engines and motor vehicle parts (+7.4%).

Chart 2
Trade balance

billions of dollars



Note(s): Data are seasonally adjusted.

Note to readers

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

International merchandise trade data by country are currently available on both a BOP 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. BOP data are derived from customs data by making adjustments for factors 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 BOP basis, seasonally adjusted and in current dollars. Constant dollars are calculated using the Laspeyres volume formula (2007=100).

For more information on seasonal adjustment, see [Seasonally adjusted data – Frequently asked questions](#).

More countries will be available on a BOP basis for trade in goods

The countries and country groupings for which Statistics Canada currently publishes data on a BOP basis will be replaced by a list of Canada's top 27 principal trading partners (PTPs). The list of PTPs is based on their annual share of total trade—merchandise imports and exports—with Canada in 2012.

Historical data based on the new list of PTPs for the reference period from January 1997 to December 2010 will be released on November 19, 2014.

The first regular release of data based on the new list of PTPs will be on December 5, 2014. This release will cover the period from January 2011 to October 2014. A calculated trade balance and the expanded list of PTPs will be featured in the new CANSIM table 228-0069.

A conceptual analysis of BOP versus customs-based data, titled *Balance of Payments Trade in Goods at Statistics Canada: Expanding Geographic Detail to 27 Principal Trading Partners (PTPs)*, will be available to users in the fall of 2014.

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 BOP based data.

The previous year's customs data are revised with the release of the January and February reference months as well as on a quarterly basis. The previous two years of customs based data are revised annually and are released in February with the December reference month.

The previous year's BOP based data are revised with the release of the January, February and March reference months. To remain consistent with the Canadian System of macroeconomic accounts, annual revisions will take place in December with the October reference month rather than in June, as was previously the case.

Factors influencing revisions include late receipt of import and export documentation, incorrect information on customs forms, replacement of estimates produced for the energy section 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.

Table 1
Merchandise trade: Principal trading areas – Seasonally adjusted, current dollars

	July 2013	June 2014 ^r	July 2014	June to July 2014	July 2013 to July 2014
	millions of dollars			% change	
Total exports	39,178	44,906	45,538	1.4	16.2
United States	29,724	33,733	34,358	1.9	15.6
Japan	889	973	1,020	4.9	14.8
European Union ¹	2,603	3,593	3,643	1.4	40.0
Other OECD countries ²	1,403	1,820	1,653	-9.2	17.9
All other countries	4,559	4,787	4,863	1.6	6.7
Total imports	40,223	43,075	42,957	-0.3	6.8
United States	26,303	28,880	29,215	1.2	11.1
Japan	826	756	749	-1.0	-9.4
European Union ¹	3,662	4,095	3,942	-3.7	7.6
Other OECD countries ²	2,937	2,926	2,925	0.0	-0.4
All other countries	6,495	6,418	6,126	-4.6	-5.7
Trade balance	-1,045	1,831	2,581	...	...
United States	3,422	4,853	5,142	...	...
Japan	63	217	272	...	...
European Union ¹	-1,059	-502	-298	...	...
Other OECD countries ²	-1,535	-1,106	-1,272	...	...
All other countries	-1,936	-1,632	-1,263	...	...

^r revised

... not applicable

1. The European Union includes Austria, Belgium, Bulgaria, Croatia, 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, Chile, Iceland, Israel, Mexico, New Zealand, Norway, South Korea, Switzerland and Turkey.

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

Table 2
Merchandise trade: North American Product Classification System¹– Seasonally adjusted, current dollars

	July 2013	June 2014 ^r	July 2014	June to July 2014	July 2013 to July 2014
	millions of dollars			% change	
Total exports	39,178	44,906	45,538	1.4	16.2
Farm, fishing and intermediate food products	2,301	2,788	2,871	3.0	24.8
Energy products	9,305	11,555	11,309	-2.1	21.5
Metal ores and non-metallic minerals	1,356	1,597	1,556	-2.5	14.8
Metal and non-metallic mineral products	4,113	4,785	4,848	1.3	17.9
Basic and industrial chemical, plastic and rubber products	2,860	2,977	2,895	-2.8	1.2
Forestry products and building and packaging materials	2,829	2,998	3,105	3.6	9.8
Industrial machinery, equipment and parts	2,210	2,422	2,440	0.7	10.4
Electronic and electrical equipment and parts	1,911	1,922	2,056	6.9	7.6
Motor vehicles and parts	5,803	6,255	6,860	9.7	18.2
Aircraft and other transportation equipment and parts	1,294	1,683	1,687	0.3	30.4
Consumer goods	4,333	4,975	4,946	-0.6	14.2
Special transactions trade ²	208	181	185	2.0	-11.2
Other balance of payments adjustments	655	767	780	1.6	19.0
Total imports	40,223	43,075	42,957	-0.3	6.8
Farm, fishing and intermediate food products	1,122	1,256	1,258	0.2	12.2
Energy products	3,168	3,474	3,499	0.7	10.4
Metal ores and non-metallic minerals	999	754	781	3.6	-21.9
Metal and non-metallic mineral products	3,356	3,692	3,531	-4.4	5.2
Basic and industrial chemical, plastic and rubber products	3,651	3,804	3,791	-0.3	3.8
Forestry products and building and packaging materials	1,741	1,901	1,868	-1.7	7.3
Industrial machinery, equipment and parts	3,773	4,129	4,188	1.4	11.0
Electronic and electrical equipment and parts	4,697	4,715	4,669	-1.0	-0.6
Motor vehicles and parts	7,054	7,599	7,804	2.7	10.6
Aircraft and other transportation equipment and parts	1,102	1,536	1,353	-11.9	22.8
Consumer goods	8,158	8,772	8,606	-1.9	5.5
Special transactions trade ²	565	582	746	28.1	31.9
Other balance of payments adjustments	837	862	863	0.1	3.1

^r revised

1. International merchandise trade data are based on the North American Product Classification System 2007.

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

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

Available in CANSIM: tables 228-0058 to 228-0064, 228-0066 and 228-0067.

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

These data are now available in the *Canadian International Merchandise Trade Database* (65F0013X). From the *Browse by key resource* module of our website, choose *Publications*.

The July 2014 issue of *Canadian International Merchandise Trade*, Vol. 68, no. 7 (65-001-X), is also available from the *Browse by key resource* module of our website under *Publications*.

Data on Canadian international merchandise trade for August will be released on October 3.

For more information, contact us (toll-free 1-800-263-1136; 514-283-8300; infostats@statcan.gc.ca).

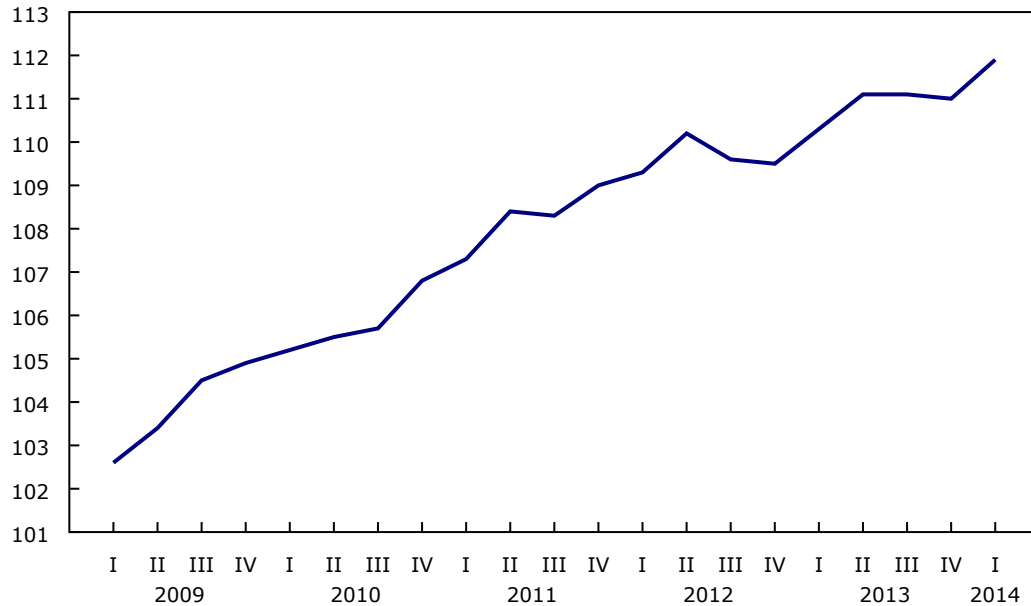
To enquire about the concepts, methods or data quality of this release, contact Alec Forbes (613-951-0325), International Accounts and Trade Division.

Retail Services Price Index, first quarter 2014

The Retail Services Price Index (RSPI) rose 0.8% in the first quarter. Of the 10 major retail sectors, 6 were up, 3 were down and 1 was unchanged.

Chart 1
Retail Services Price Index

index (2008=100)



Food and beverage stores (+1.8%) reported a reduction in discounts and promotions, resulting in increased margins. Retail margins for building material and garden equipment and supplies dealers (+1.7%) also rose. Because of their high relative importance in the index, these two sectors were the greatest contributors to the growth in the RSPI.

Miscellaneous store retailers (+2.1%) posted the largest increase in the first quarter, led by pet and pet supplies stores (+5.2%) and office supplies and stationary stores (+2.4%). Clothing and clothing accessories stores rose 0.9%. Growth was concentrated in the shoe stores (+3.5%) and jewellery, luggage and leather goods stores (+3.4%) categories. Health and personal care stores advanced 0.9%.

Because of their higher relative importance in the index, gasoline stations (-0.5%) and furniture and home furnishings stores (-1.0%) provided the greatest moderating effect on the overall rise of the RSPI in the first quarter. Sporting goods, hobby, book and music stores fell 1.9%, with book stores and news dealers reporting a 3.0% decline and musical instrument and supplies stores down 3.0%.

Year over year, the RSPI advanced 1.5%. This was the 21st consecutive year-over-year increase of the index since it was first released in 2009.

The growth of the RSPI was led by margin increases at gasoline stations (+6.1%). Growth was recorded by both gasoline stations with convenience stores (+7.1%) and other gasoline stations (+5.6%). Miscellaneous store retailers (+2.1%), health and personal care stores (+1.9%) and food and beverage stores (+1.3%) also reported notable year-over-year gains.

To a lesser extent, building material and garden equipment and supplies dealers (+0.6%) and clothing and clothing accessories stores (+0.3%) contributed to the year-over-year increase in the RSPI.

The year-over-year advance in the RSPI was slowed by margin declines at electronics and appliances stores (-1.0%), general merchandise stores (-0.8%) and sporting goods, hobby, book and music stores (-0.5%).

Year over year, margins for furniture and home furnishings stores were unchanged.

Note to readers

The Retail Services Price Index (RSPI) represents the change in the price of the retail service. The price of the retail service is defined as the margin price, which is the difference between the average purchase price and the average selling price of the retail product being priced. The RSPI is not a retail selling price index.

With each release, data for the previous quarter may have been revised. The series are also subject to an annual revision with the release of second quarter data of the following reference year. The indexes are not seasonally adjusted.

Table 1
Retail Services Price Index – Not seasonally adjusted

	Relative importance ¹	First quarter 2013	Fourth quarter 2013 ^r	First quarter 2014 ^p	Fourth quarter 2013 to first quarter 2014	First quarter 2013 to first quarter 2014
	%	(2008=100)			% change	
Retail Services Price Index	100.00	110.3	111.0	111.9	0.8	1.5
Motor vehicle and parts dealers ²	1.53	..	..	..	..	..
Furniture and home furnishings stores	3.33	103.9	105.0	103.9	-1.0	0.0
Electronics and appliance stores	3.42	78.1	77.3	77.3	0.0	-1.0
Building material and garden equipment and supplies dealers	5.97	117.6	116.3	118.3	1.7	0.6
Food and beverage stores	21.81	117.4	116.8	118.9	1.8	1.3
Health and personal care stores	6.68	113.8	115.0	116.0	0.9	1.9
Gasoline stations	11.52	100.3	106.9	106.4	-0.5	6.1
Clothing and clothing accessories stores	5.24	100.0	99.4	100.3	0.9	0.3
Sporting goods, hobby, book and music stores	2.48	101.1	102.5	100.6	-1.9	-0.5
General merchandise stores	11.47	118.5	117.4	117.6	0.2	-0.8
Miscellaneous store retailers	2.56	111.2	111.2	113.5	2.1	2.1

^r revised

^p preliminary

.. not available for a specific reference period

1. The relative importance is based on the weight that each three-digit code of the North American Industry Classification System (NAICS) contributes to the overall Retail Services Price Index. The total does not equal 100 as automobile dealers (NAICS 4411), other motor vehicle dealers (NAICS 4412) and non-store retailers (NAICS 454) were not surveyed.

2. Automobile dealers (NAICS 4411) and other motor vehicle dealers (NAICS 4412) were not surveyed and, therefore, data are not available at this time.

Available in CANSIM: tables 332-0003 and 332-0007.

Definitions, data sources and methods: survey number 5135.

The Retail Services Price Index for the second quarter will be released in November.

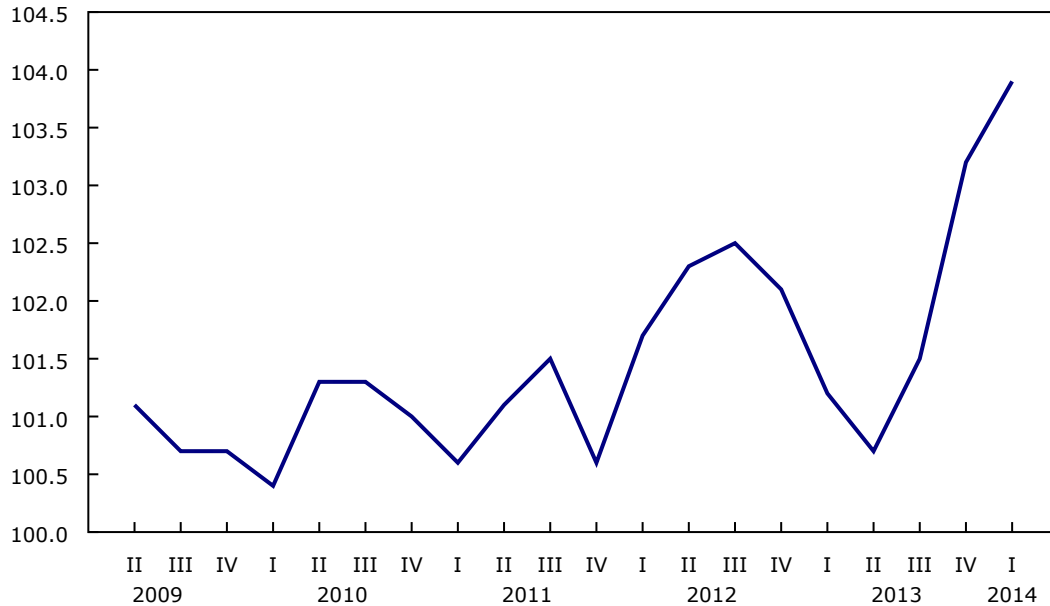
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Wholesale Services Price Index, first quarter 2014

The Wholesale Services Price Index (WSPI) rose 0.7% in the first quarter. Among the eight major wholesale sectors, margins were up in five and down in three.

Chart 1
Wholesale Services Price Index

index (2008=100)



The largest increase was posted by wholesalers of farm products (+8.8%). The increase in the farm product sector was largely attributable to margin gains by wholesalers of oilseed and grain products (+10.5%). Margins for canola and wheat recorded large increases during all three months of the first quarter.

To a lesser extent, margin increases by wholesalers of petroleum products (+1.6%), machinery, equipment and supplies (+1.3%) and food, beverage and tobacco products (+1.2%) also contributed to the first quarter advance of the WSPI. Gains registered by the petroleum product sector were mainly attributable to higher margins for natural gas products.

Margins for wholesalers of miscellaneous products were up 0.8%.

Conversely, increases in the WSPI were moderated by declines in the margins for wholesalers of personal and household goods (-1.0%), building material and supplies (-0.3%) and motor vehicle parts (-0.1%).

The WSPI was up 2.7% in the first quarter compared with the first quarter of 2013, posting its largest year-over-year increase since the first quarter of 2009.

The year-over-year gain in the WSPI was mainly attributable to margin increases in the farm product sector (+52.0%), specifically wholesalers of oilseed and grain products. Increased worldwide production of oilseed and grain products resulted in lower purchase prices; however, the declines in the selling prices were not as steep.

Margin gains by wholesalers of petroleum products (+9.0%), food, beverage and tobacco (+4.0%), the miscellaneous (+3.0%) and motor vehicles and parts (+2.1%) sectors also contributed to the year-over-year advance.

Year over year, the margin for machinery, equipment and supplies declined 0.5%. The Canadian dollar depreciated 8.6% against the US dollar year over year. Variations in exchange rates can have a strong influence on the WSPI given the high composition of imported machinery and equipment in the index.

Margins for wholesalers of building material and supplies (0.0%) were unchanged year over year.

Note to readers

The Wholesale Services Price Index (WSPI) represents the change in the price of the wholesale service. The price of the wholesale service is defined as the margin price, which is the difference between the average purchase price and the average selling price of the wholesale product being priced. The WSPI is not a wholesale selling price index.

With each release, data for the previous quarter may have been revised. The series are also subject to an annual revision with the release of second quarter data of the following reference year. The indexes are not seasonally adjusted.

Table 1
Wholesale Services Price Index – Not seasonally adjusted

	Relative importance ¹	First quarter 2013	Fourth quarter 2013 ^r	First quarter 2014 ^p	Fourth quarter 2013 to first quarter 2014	First quarter 2013 to first quarter 2014
	%	(2008=100)			% change	
Wholesale Services Price Index	100.00	101.2	103.2	103.9	0.7	2.7
Farm products	2.58	82.1	114.7	124.8	8.8	52.0
Petroleum products	4.94	75.6	81.1	82.4	1.6	9.0
Food, beverage and tobacco	14.90	113.7	116.9	118.3	1.2	4.0
Personal and household goods	16.60	101.2	100.9	99.9	-1.0	-1.3
Motor vehicles and parts	9.92	107.2	109.6	109.5	-0.1	2.1
Building material and supplies	13.88	93.3	93.6	93.3	-0.3	0.0
Machinery, equipment and supplies	21.67	104.1	102.3	103.6	1.3	-0.5
Miscellaneous	11.02	106.1	108.4	109.3	0.8	3.0

^r revised

^p preliminary

1. The relative importance is based on the weight that each three-digit code of the North American Industry Classification System contributes to the overall Wholesale Services Price Index. The total does not equal 100 as the Wholesale Agents and Brokers group was not surveyed and data are imputed.

Available in CANSIM: tables 332-0006 and 332-0008.

Definitions, data sources and methods: survey number 5106.

The Wholesale Services Prices Index for the second quarter will be released in November.

For more information, or to enquire about the concepts, methods or data quality of this release, contact us (toll-free 1-800-263-1136; 514-283-8300; infostats@statcan.gc.ca) or Media Relations (613-951-4636; mediahotline@statcan.gc.ca).

Chain Fisher real export and import values, July 2014

The monthly chain Fisher real dollar values (reference year 2007) for Canadian international merchandise trade are now available for July.

Available in CANSIM: tables 228-0061 and 228-0062.

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

The July 2014 issue of *Canadian International Merchandise Trade*, Vol. 68, no. 7 (65-001-X), is now available from the *Browse by key resource* module of our website under *Publications*.

Data on Canadian international merchandise trade for August will be released on October 3.

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Export and import price indexes, July 2014

Current- and fixed-weighted export and import price indexes (2007=100) on a customs or balance of payments basis are now available based on the North American Product Classification System 2007.

Current- and fixed-weighted export and import price indexes (2007=100) for all countries and the United States on customs basis, by Standard International Trade Classification, are also available.

Available in CANSIM: tables 228-0063, 228-0064, 228-0066 and 228-0067.

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

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Canadian foreign post indexes, September 2014

Data on Canadian foreign post indexes are now available for September.

Definitions, data sources and methods: survey number 2322.

The September 2014 issue of *Canadian Foreign Post Indexes* (62-013-X) is now available from the *Browse by key resource* module of our website under *Publications*.

For more information, contact us (toll-free 1-800-263-1136; 514-283-8300; infostats@statcan.gc.ca).

To enquire about the concepts, methods or data quality of this release, contact Claudio Perez (613-951-1733; claudio.perez@statcan.gc.ca), Consumer Prices Division.

New products and studies

New products

Canadian Foreign Post Indexes, September 2014
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