



Preliminary Statement of Canadian International Trade

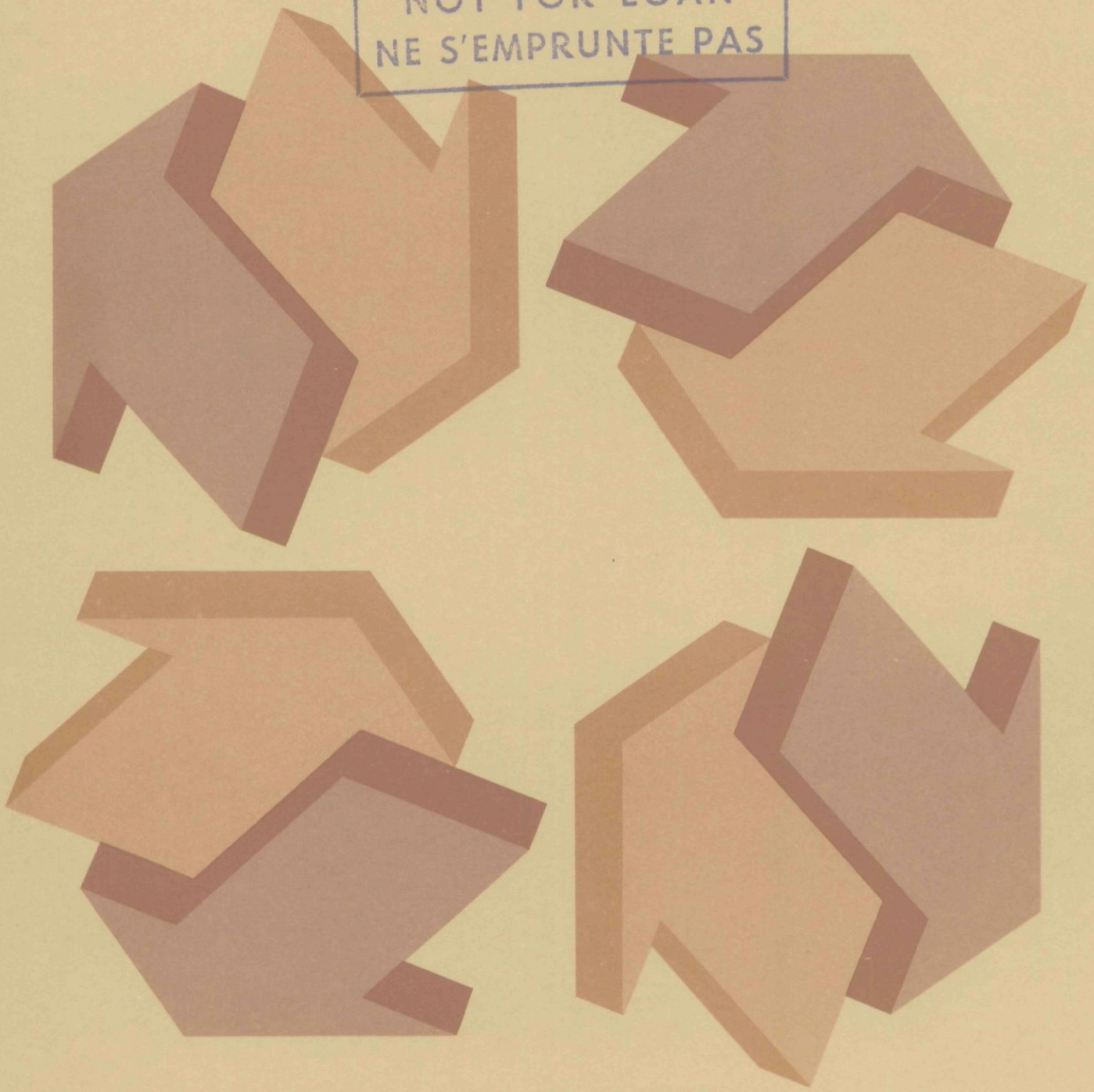
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Statistics Canada
International Trade Division

Preliminary Statement of Canadian International Trade (H.S. Based)

December 1988

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HIGHLIGHTS:

- Exports were down 2.7% to total \$11.0 billion.
- Imports declined 3.2% to \$10.7 billion.
- Canada's trade surplus with all its trading partners in December was \$361 million, below the \$500 million mark for the third consecutive month.
- The short-term trend for exports continued to fall, while the trend for imports continued to be up.
- The largest declines in exports in December were for automobiles and machinery and equipment, while on the import side substantial decreases were recorded for motor vehicle parts and machinery and equipment.
- The merchandise trade surplus for 1988 as a whole was \$8.8 billion, down \$2.2 billion from the 1987 level.

Note to Users

With the introduction of the Harmonized Commodity Description and Coding System which represents a major departure from the previous commodity classification and starting with January 1988:

- users should interpret levels and month-to-month movements in commodity data with caution;
- revisions to imports and exports have been greater than usual but should settle down to more normal levels in the months to come.

Users should also note as a further caution to interpretation of 1988 data as related to 1987 that:

- recording of imports is now based on the date the merchandise is released by Customs and not on the Customs stamp date as before January 1988.

In order to maintain continuity in concepts and definitions:

- the Balance of Payments data continue to be presented on a consignment basis;
- both raw and seasonally adjusted data for the previous periods reflect the above changes where applicable.

Preliminary Statement of Canadian International Trade

Seasonally Adjusted, Balance of Payments Basis

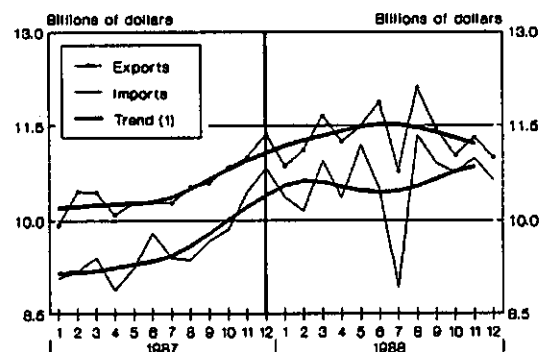
December 1988

Monthly Summary

Preliminary data, adjusted for seasonal fluctuations, indicate that exports declined 2.7% in December from the revised level for the previous month. This decline lowered the total value of exports to \$11.0 billion, down from the average monthly level of \$11.3 billion for 1988 as a whole. After peaking in August 1988 at \$12.1 billion, exports declined in subsequent months, fluctuating around the \$11.0 billion mark. The December decrease was attributable primarily to lower exports of manufactured goods, which are generally more sensitive to exchange rate fluctuations. Exports of automotive products in particular, down almost \$160 million, contributed largely to the drop in the December total.

Imports, on the other hand, were down 3.2% from the revised level for November to \$10.7 billion. In November, imports had risen 2.0% following two consecutive declines in September (-3.9%) and October (-1.3%). The decrease recorded in December was reflected in the majority of categories observed, although it was more pronounced in the finished products sector, particularly automotive products and machinery and equipment. The drop in machinery and equipment imports in December is not alarming at this point, since this category was very active throughout 1988, averaging over \$3.3 billion a month compared to \$2.7 billion in 1987. This series is generally considered to reflect business investment and the strength of total demand in Canada.

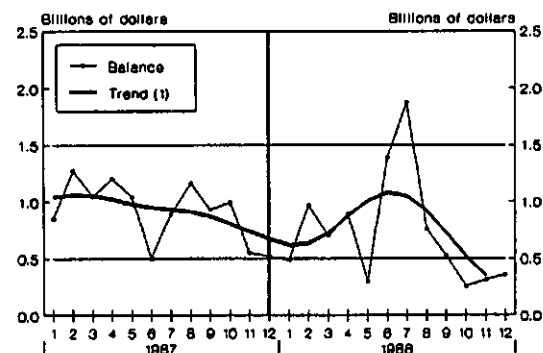
Merchandise Trade



(1) The short-term trend represents a weighted average of the data.

As a result of these movements in exports and imports, the international merchandise trade balance in December showed a surplus of \$361 million. This is the third consecutive month in which the surplus has fallen below the \$500 million mark. After peaking at \$1.9 billion in July, the surplus fell sharply after August, before recovering slightly at the end of the year.

Trade balance



(1) The short-term trend represents a weighted average of the data.

Short-Term Trend

(excluding the last month)

The movements shown for the short-term trend may differ from those shown for seasonally adjusted values published elsewhere in this report. The short-term trend is the result of a weighted moving average of thirteen terms, and it is therefore possible that the trend of the seasonally adjusted values may not point in the same direction as the short-term trend. In addition, the trend for the last month is not analysed since it frequently undergoes extensive change with the inclusion of data for subsequent months.

Exports

The rate of decline of the short-term trend for exports accelerated, rising from -0.8% in October (revised data) to -0.9% in November. This is the fifth successive decline.

- The downward trend noted since June 1988 in exports of passenger automobiles deteriorated further, passing from -4.6% in October to -5.5% in November.
- In spite of sharp price increases, the upward trend in wheat exports reversed in July, after posting major increases at the beginning of the year. The rate of decline rose from 1.9% in July to 8.8% in November.
- The trends for exports of motor vehicle parts and trucks, on the other hand, continued their upward movement in November, posting gains of 4.4% and 3.4% respectively. The trend for exports of parts, down from October 1987 to July 1988, reversed in August, subsequently posting monthly increases ranging from 1.3% to 4.5%.

Imports

The short-term trend continued to be up for the fifth straight month, in spite of a slight slowdown in the rate of growth in November (+0.7%) compared to the revised level for October of 1.1%.

- Growth occurred primarily in the finished products sector, in particular passenger automobiles and machinery and equipment. The slight decline noted previously in the latter sector in the seasonally adjusted data for December has not yet been reflected in the calculation of the trend.
- The trend for imports of crude petroleum, down since May, reversed to show an increase of 1.4%.
- The trend for imports of industrial goods has continued to be up since March 1987, ad-

vancing 0.7% in November from the October level.

- The largest decline, on the other hand, was recorded for imports of motor vehicle parts (-1.4%), following four consecutive months of increases.

Detailed Analysis by Commodities and Trading Partners

Commodities

The \$303 million drop in exports in December was reflected in 37 of the 62 categories listed. However, automotive products posted the largest decline in value. The slowdown in imports in December, on the other hand, was reflected in 39 of the 61 categories surveyed. This decrease in December confirms the volatility of imports since the end of 1987.

Exports of passenger automobiles were down \$170 million to total \$1.0 billion, the lowest level since August 1987. This decrease can be explained in part by a major slowdown in the production of motor vehicles at the GM plant in Oshawa as a result of preparations for the introduction of a new model line.

Total exports of machinery and equipment were down \$117 million from the November level. Exports of machinery and equipment other than that shown in the breakdown by summary category alone fell \$112 million, while exports of industrial and agricultural machinery were down \$39 million. Exports of aircraft, also included in this sector, were up \$34 million. For the first time since May 1987, exports of office machinery fell below the \$200 million mark, following a drop of \$59 million.

Exports of precious metals, a series which generally records large monthly fluctuations, posted the largest increase (\$108 million) of all the summary categories, bringing the total for this category in December to \$291 million.

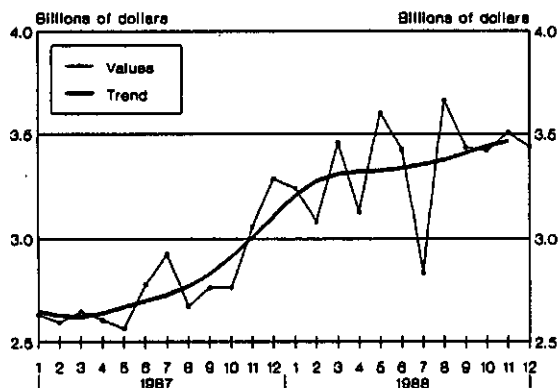
Following an increase of more than two and a half dollars in the average price per barrel, exports of crude petroleum in December moved back above the \$300 million mark (\$324 million), returning to levels which had prevailed before September.

The \$193 million drop in imports of motor vehicle parts was a major contributing factor in the decline in total imports in December. As was the case in July, the slowdown in Canadian automotive production caused by plant retooling in Oshawa (which maintains very low inven-

ories) certainly contributed to the decline in parts imports to Canada.

Imports of machinery and equipment (excluding aircraft) and office machinery and equipment also declined sharply. Imports of industrial and agricultural machinery alone dropped \$71 million, while imports of machinery and equipment other than that shown in the breakdown by summary category were down more than \$161 million. This drop in imports of machinery and equipment in December reflects a temporary slowdown, since imports were significantly higher in 1988 than in 1987 and clearly displayed an upward trend.

Imports of Machinery and Equipment



After rising sharply in November, imports of industrial goods fell in December to \$2.1 billion, down \$87 million from the previous month.

Canada imported \$390 million worth of aircraft in December, an increase of \$116 million from November. This increase reflected recent purchases by two airlines, Air Canada and Canadian International.

Trading Partners

Exports to the United States totalled \$8.1 billion, down \$88 million.

Exports to "Other E.E.C. countries", which totalled a record \$730 million in November, dropped sharply in December to \$604 million. Exports also declined to "Other O.E.C.D. countries" (-\$73 million), "Other countries" (-\$14 million) and Japan (-\$9 million). However, exports to the United Kingdom were up slightly (+\$8 million).

Imports from the United States totalled \$7.4 billion in December, a slight decline from the \$7.5 billion level registered in November. Imports from the United States represented more than 69% of total imports in December.

Other decreases were also recorded in imports from "Other countries" (-\$122 million), "Other O.E.C.D. countries" (-\$108 million) and Japan (-\$38 million).

After dropping below the \$400 million mark after July, imports from the United Kingdom regained lost ground in December to total \$435 million.

Quarterly Summary

Exports

Exports fell almost \$1 billion in the fourth quarter to total \$33.4 billion, the lowest level this year. This decline is the result of a \$785 million drop in exports of passenger automobiles, and major declines in exports of wheat of \$406 million and metals and alloys of \$150 million. Contrasting with the sharp declines recorded in the third quarter, exports of motor vehicle parts were up \$547 million, while forestry products advanced \$209 million.

Imports

Imports totalled \$32.4 billion in the fourth quarter, the highest quarterly level in 1988. This high level is attributable to higher imports of automotive products (up \$446 million) and machinery and equipment (up \$434 million). This rise in imports coincided with continued growth of the Canadian economy in the fourth quarter. Although most sectors posted substantial increases, imports of crude petroleum and forestry products were down.

Summary of 1988 Results

Exports rose \$9.8 billion to total \$136.0 billion. This increase was reflected primarily in exports of automotive products, which posted a gain of \$3.1 billion, and industrial goods, which rose \$4.3 billion.

Imports rose \$12.0 billion to reach a cumulative total of \$127.1 billion. The categories which contributed the most to the growth in imports in 1988 were machinery and equipment, up \$6.9 billion, and industrial goods.

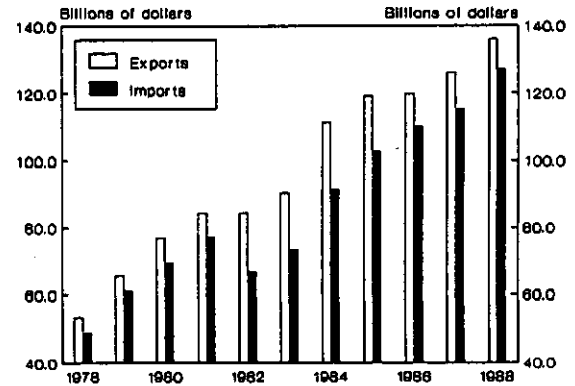
As a result of these movements, Canada's trade surplus totalled \$8.8 billion in 1988, a decrease of \$2.2 billion from 1987. Canada's trade surplus thus fell below the 1986 level of \$9.8 billion. It should be noted that Canada's trade surplus reached a peak of \$19.8 billion in 1984. The trade deficit in finished goods alone totalled \$1.9 billion, as a result of major increases in imports of machinery and equipment.

Commodities

The export categories recording the highest levels and largest increases in 1988 were: automobiles (\$16.6 billion), trucks (\$7.9 billion), newsprint (\$6.6 billion) and wood pulp (\$6.3 billion).

Commodity Groupings 1988	
Exports:	% of total
Passenger autos and chassis	12.2
Motor vehicle parts	7.9
Trucks and other motor vehicles	5.8
Newsprint paper	4.9
Woodpulp and similar pulp	4.6
Lumber	4.9
Wheat	3.4
Industrial machinery	3.1
Other equipment and tools	3.0
Crude petroleum	3.0
Imports:	
Motor vehicle parts	13.6
Passenger autos and chassis	9.5
Other equipment and tools	8.0
Other industrial machinery	5.7
Office machines and equipment	4.6
Other commun. and related equip.	4.3
Aircraft, engines, parts	3.2
Miscellaneous end products	3.0
Trucks and other motor vehicles	2.8
Crude petroleum	2.4

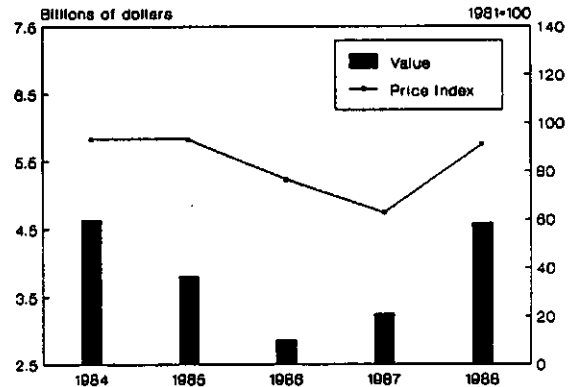
Merchandise Trade



Exports of aluminum and precious metals increased \$741 million and \$557 million respectively. The strong performance of these sectors in 1988 was accompanied by higher prices.

Exports of wheat increased by \$1.3 billion in 1988, in large part due to an increase in price. It should be noted that the grain crop was down 30% in 1988, as a result of the drought which ravaged Western Canada.

Wheat Exports



Total exports of wood pulp and newsprint rose \$2.2 billion. Producers of wood pulp benefitted in 1988 from price increases and low inventory levels. The expansion and construction of more than 42 plants throughout the world, which should be in full production in the 1990's, attest to the recovery in this sector.

In 1988, exports of automobiles and trucks showed strong growth, increasing 20% and

22.0% respectively. Vehicle production set new records never before attained; 1,031,000 cars and 949,000 trucks.

On the other hand, exports of motor vehicle parts, crude petroleum and lumber posted the largest declines. Exports of crude petroleum and electricity were off \$767 million and \$306 million from their 1987 levels. The decline in the price of a barrel of crude petroleum from an average of \$21.40 in 1987 to \$15.88 in 1988 affected the petroleum industry throughout the year.

Imports of industrial goods totalled \$24.4 billion in 1988, an increase of more than \$3.7 billion over the 1987 figure. Specifically, imports of metals and metal ores posted gains of \$1.3 billion, in spite of a \$176 million decline in imports of precious metals. Import prices for metals in general were up in 1988, with the exception of precious metals, for which the Laspeyres price index fell from 95.2 in 1987 to 85.0 in 1988.

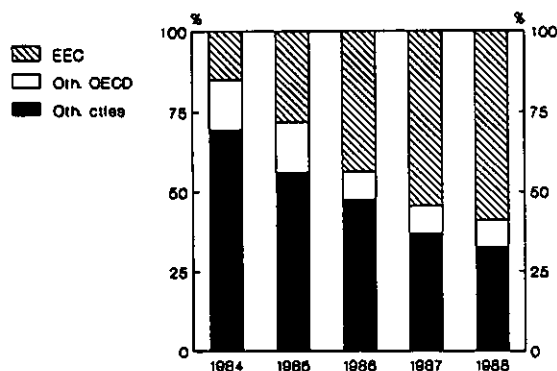
The significant increase of more than \$6.9 billion in the imports of machinery and equipment is attributable in part to the \$1.6 billion increase in imports of aircraft and other transportation equipment and the \$3.4 billion rise in imports of other machinery and equipment. This coincides with the first year of air transport deregulation as Canada's major airlines expanded their fleets. With regard to imports of other machinery and equipment, major increases were recorded for air conditioning and refrigeration equipment (+ \$578 million), switching and protection mechanisms (+ \$370 million) and

Imports of energy products totalled \$5.3 billion in 1988, a decrease of \$623 million from the previous year. More than 42% of this decrease is attributable to a reduction in imports of crude petroleum from "Other countries". Purchases of crude petroleum from the Common Market decreased slightly (-3.3%), due to an overall decline of 10.5%. Since 1984, imports of crude petroleum from E.E.C. countries have continued to increase rapidly, and their market share has risen from 14.8% in 1984 to 58.8% in 1988. The drop in petroleum imports coincided with a sustained decline in prices. According to the Laspeyres price index for imports, crude petroleum prices in 1988 were at their lowest level in the past ten years.

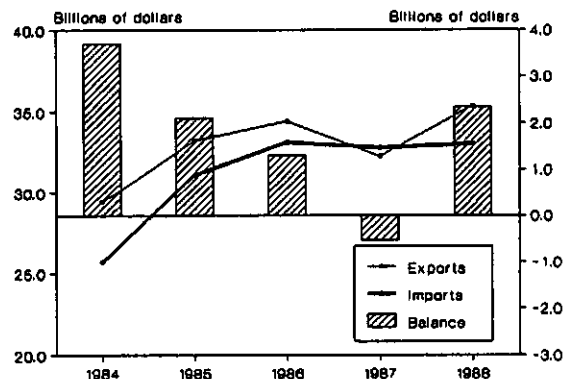
Trade in automotive products remains the most important sector of Canada's international trade and represents slightly more than a quarter of the total value of transactions.

The automotive trade surplus totalled \$2.4 billion for 1988, compared to the \$523 million deficit recorded in 1987. However, this surplus is below the \$3.7 billion record set in 1984.

Imports of Crude Petroleum
Market Shares By Principal Trading Areas



Trade in Automotive Products



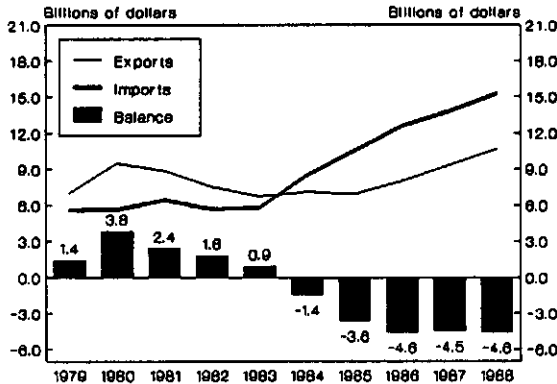
furniture and accessories (+ \$293 million).

Trading Partners

Exports to the United States showed a slight increase of +4.1%, while market share declined from 76.6% in 1987 to 74.0% in 1988. Imports from the United States increased \$8.5 billion in 1988 to total \$87.7 billion, resulting in a surplus of \$12.9 billion.

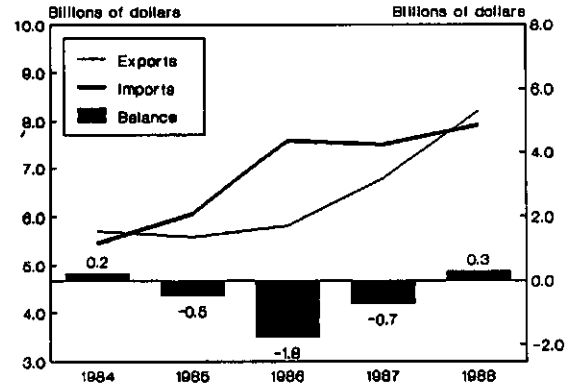
Canada has been running a deficit with the E.E.C. countries for the past four years, with this year's deficit totalling \$4.6 billion, a slight increase from 1987. The increase in imports of crude petroleum from these countries in recent years, as well as the rise in aircraft imports in 1988, partially explains this increase in the deficit.

Trade with E.E.C.



Canada's trade balance with Japan in 1988 showed a surplus of \$298 million, the first since 1984. This reversal in the trade balance with Japan came as a result of a \$1.4 billion increase in our exports, to total \$8.2 billion.

Trade with Japan



Canada's trade balance with "Other countries" also reversed from a deficit of \$724 million in 1987 to a \$841 million surplus in 1988. Exports to these countries for the current year total \$13.5 billion, up \$2.6 billion from 1987, while imports rose \$1.0 billion to total \$12.6 billion.

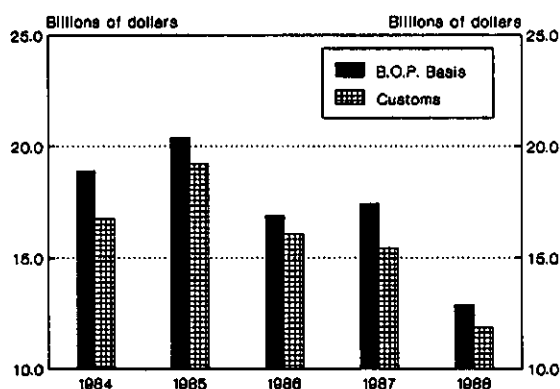
Exports to O.E.C.D. countries totalled \$3.0 billion, while imports totalled \$3.6 billion. Consequently, the deficit for the current year was \$587 million, essentially the same level as recorded in 1987.

Canada/United States Reconciliation

Customs Basis Statistics

Following reconciliation of statistics of international merchandise trade data between Canada and the United States for 1988, Canadian exports to the United States, on a customs basis corrected for undercoverage of exports, differences in definition of trade, valuation and transportation charges, totalled \$101.0 billion, a 4.9% increase over last year. This is the largest increase in exports since 1985. Imports for their part totalled \$88.1 billion, a rise of 11.2% over 1987. As such, the balance as recognized by Statistics Canada and the U.S. Bureau of the Census is \$12.9 billion, a decline from last year's total of 24%, due to the larger increase in imports over exports.

Trade Balance with the United States



Reconciled year-to-date merchandise trade statistics are published on a quarterly basis. It should be noted that the starting point for the reconciliation program is raw, customs data. A number of adjustments for non-response, transportation charges, definition of trade and valuation are then applied to obtain reconciled trade data between Canada and the United States. These reconciliation adjustments then become part of the balance of payments adjustments.

Table 2A
Reconciled merchandise trade between Canada and the United States

	1984	1985	1986	1987	1988
	\$ millions				
Exports:					
Customs Basis Published total *	85,231.6	93,190.0	93,392.2	94,799.6	100,822.4
Reconciliation Adjustments	1,645.3	1,851.0	2,330.8	1,488.7	227.4
Reconciled Basis	86,876.9	95,041.0	95,723.0	96,288.3	101,049.8
Other B.O.P. Adjustments	-2,061.1	-1,247.2	-2,400.0	293.1	-493.6
B.O.P. Basis	84,815.8	93,793.8	93,323.0	96,581.4	100,556.2
Imports:					
Customs Basis Published total *	69,107.2	74,599.0	77,581.5	79,533.0	89,186.1
Reconciliation Adjustments	-2,233.5	-1,055.0	-293.5	-254.5	-1064.5
Reconciled basis	66,873.7	73,544.0	77,288.0	79,278.5	88,121.6
Other B.O.P. Adjustments	-980.9	-137.6	-880.9	-124.7	-434.3
B.O.P. Basis	65,892.8	73,406.4	76,407.1	79,153.8	87,687.3
Balance:					
Reconciled Basis	20,003.2	21,497.0	18,435.0	17,009.8	12,928.2
B.O.P. Basis	18,923.0	20,387.4	16,915.9	17,427.6	12,868.9

*Including trade between Canada and Puerto Rico and the Virgin Islands.

Note: Exports on a customs basis were revised downwards \$183.1 million for the month of October. This revision should be incorporated in the December publication # 65004.

ECONOMIC INDICATORS

	$\Delta\%$ 87/86	$\Delta\%$ 88/87		$\Delta\%$ 87/86	$\Delta\%$ 88/87		$\Delta\%$ 87/86	$\Delta\%$ 88/87
Canada			United States			GNP¹		
Retail Trade	9.8	7.3*†	Retail Trade ³	4.9	6.5*	United States (4th Qtr) ⁵	8.3	7.0
Retail Trade - cars	12.4	11.6*†	Retail Trade - cars	3.2	10.1*†	Japan (3rd Qtr) ⁶	4.0	6.4
Shipments	6.3	7.4*†	Building Permits: res ⁴	-13.3	-4.6	West Germany (3rd Qtr) ⁷	3.1	5.3
GDP (3rd Qtr) ¹	9.0	8.5	Building Permits: n-res ⁴	1.1	2.3	O.E.C.D. (GDP, 2nd Qtr) ⁸	2.6	3.8
GDP (3rd Qtr)con\$	4.6	4.1				E.E.C. (GDP, 2nd Qtr) ⁸	7.3	5.8
Invest. in Mach. and Equip. ²	8.2	20.5						
Indust. Product								
Price Index (IPPI)	3.2	4.2						
Exchange rates	4.8	7.7						

* preliminary

† January to November

1. Percentage change on current values, seasonally adjusted

2. The 1986 value is actual, 1987 value is preliminary actual and 1988 is revised intent.

3. Source: Monthly and Annual Retail Trade Reports, U.S. Bureau of Census

4. Source: Building Permits Survey, U.S. Bureau of Census

5. Source: Survey of Current Business, Bureau of Economic Analysis, U.S. Bureau of Census

6. Source: Economic Statistics Monthly, the Bank of Japan

7. Source: Statistical Supplements to the Monthly Reports of the Deutsche Bundesbank

8. Source: Quarterly National Accounts, Department of Economics and Statistics, O.E.C.D.

For more detailed information on this release, order the December 1988 issue of "Summary of Canadian International Trade (H.S. Based)" (65-001, \$16.50/\$165), which will be available the first week of March 1989, or contact Gordon Blaney (613-951-9647), Trade Information Unit, or Jean-Pierre Simard (613-951-1711) (for analysis information), or Denis Pilon (613-951-4808) (for price index information), Trade Measures and Analysis Section, International Trade Division.

Available on CANSIM: matrices 3633-3642, 3651-3678, 3685-3713, 3718, 3719, 3887 to 3913.

Table 1
Merchandise Trade of Canada
 December 1988
 Balance of Payments Basis

	Exports (1)	Imports (1)	Exports Raw	Imports Raw	Exports S.A.(3)	Imports S.A.(3)	Balance S.A.(3)	Period-to-period change(2)		
								Exports S.A.(3)	Imports S.A.(3)	Balance S.A.(3)
								%	%	\$ millions
1982	84,530	67,856	84,393	66,738	84,393	66,738	17,654	0.0	-13.5	10,362
1983	90,613	75,520	90,556	73,098	90,556	73,098	17,457	7.3	9.5	-197
1984	112,384	95,460	111,330	91,493	111,330	91,492	19,838	22.9	25.2	2,381
1985	119,474	104,355	119,070	102,669	119,070	102,669	16,400	7.0	12.2	-3,437
1986	120,670	112,511	119,889	110,079	119,889	110,079	9,811	0.7	7.2	-6,590
1987	125,087	116,239	126,125	115,149	126,125	115,149	10,976	5.2	4.6	1,166
1988										
First quarter	29,171	27,666	29,372	26,924	30,106	27,913	2,193	-1.8	4.6	-1,786
Second quarter	31,283	29,637	31,020	28,949	29,451	26,872	2,578	-2.2	-3.7	385
Third quarter	28,431	27,284	28,341	26,697	29,923	27,598	2,326	1.6	2.7	-253
Fourth quarter	31,785	27,924	31,156	27,509	30,409	27,696	2,713	1.6	0.4	388
1987										
First quarter	29,714	27,776	30,278	27,346	30,833	27,662	3,171	1.4	-0.1	457
Second quarter	31,687	29,578	31,832	29,326	30,668	27,915	2,752	-0.5	0.9	-418
Third quarter	29,628	27,814	30,071	27,472	31,407	28,419	2,988	2.4	1.8	236
Fourth quarter	34,057	31,071	33,944	31,005	33,217	31,153	2,065	5.8	9.6	-924
1988										
First quarter	34,051	35,165	33,344	32,408	33,645	31,488	2,157	1.3	1.1	92
Second quarter	36,343	33,536	36,152	32,923	34,619	32,047	2,573	2.9	1.8	416
Third quarter	32,123	30,420	32,394	29,946	34,346	31,185	3,161	-0.8	-2.7	589
Fourth quarter	35,344	31,961	34,072	31,862	33,352	32,419	933	-2.9	4.0	-2,228
1987										
January	9,154	8,767	9,353	8,487	9,924	9,074	850	-2.1	-1.8	-41
February	9,889	8,974	10,074	9,001	10,460	9,185	1,274	5.4	1.2	424
March	10,671	10,034	10,851	9,858	10,449	9,403	1,046	-0.1	2.4	-229
April	10,223	9,407	10,334	9,310	10,090	8,882	1,208	-3.4	-5.5	162
May	10,658	9,493	10,589	9,432	10,285	9,242	1,043	1.9	4.0	-164
June	10,807	10,678	10,909	10,585	10,293	9,791	502	0.1	6.0	-542
July	9,528	9,508	9,635	9,476	10,280	9,391	889	-0.1	-4.1	388
August	9,362	8,560	9,564	8,496	10,532	9,364	1,168	2.4	-0.3	278
September	10,738	9,747	10,872	9,500	10,595	9,664	931	0.6	3.2	-237
October	11,336	10,138	11,343	10,073	10,850	9,853	997	2.4	1.9	66
November	11,513	10,622	11,382	10,670	11,003	10,452	551	1.4	6.1	-446
December	11,207	10,311	11,220	10,262	11,365	10,848	517	3.3	3.8	-34
1988										
January	10,304	12,447	10,180	10,088	10,870	10,380	490	-4.4	-4.3	-27
February	11,253	10,494	10,905	10,266	11,116	10,149	967	2.3	-2.2	477
March	12,494	12,224	12,259	12,054	11,659	10,959	700	4.9	8.0	-267
April	11,441	10,646	11,387	10,443	11,250	10,357	893	-3.5	-5.5	193
May	12,074	11,647	12,031	11,432	11,494	11,200	294	2.2	8.1	-599
June	12,829	11,242	12,735	11,047	11,875	10,489	1,386	3.3	-6.4	1,092
July	9,639	8,843	9,827	8,832	10,791	8,920	1,871	-9.1	-15.0	485
August	10,850	10,740	10,921	10,473	12,113	11,352	761	12.3	27.3	-1,110
September	11,634	10,837	11,646	10,641	11,442	10,913	529	-5.5	-3.9	-232
October	12,046	11,054	11,497	10,867	11,033	10,775	258	-3.6	-1.3	-271
November	12,217	11,201	11,793	11,165	11,311	10,996	315	2.5	2.0	57
December	11,080	9,707	10,782	9,829	11,009	10,648	361	-2.7	-3.2	46
Year-to-date										
1987	125,087	116,239	126,125	115,149	126,125	115,149	10,976	5.2	4.6	1,166
1988	137,861	131,082	135,962	127,138	135,962	127,138	8,824	7.8	10.4	-2,152

(1) Customs Basis

(2) Change over previous period

(3) Seasonally Adjusted.

Note: Due to rounding monthly data may not add up to quarterly data and quarterly data may not add up to annual data.

Table 2
Merchandise Trade by Principal Trading Areas
 December 1988
 Seasonally Adjusted, Balance of Payments Basis

	Nov.	Dec.	Period-to-period change				Year-to-date Total	Change over previous year	
			Nov.	Dec.	Nov.	Dec.		%	\$ millions
	\$ millions		%	%	\$ millions		\$ millions	%	\$ millions
Exports to:									
United States	8,210.8	8,123.1	0.7	-1.1	53.9	-87.7	100,556.2	4.1	3,975.0
United Kingdom	286.8	294.3	8.4	2.6	22.2	7.5	3,481.6	14.9	451.7
E.E.C. 86 excl. U.K.	727.0	604.3	14.0	-16.9	89.3	-122.7	7,196.9	14.5	910.4
Japan	730.5	721.4	9.0	-1.2	60.4	-9.1	8,213.3	21.2	1,434.2
Other O.E.C.D. 86 *	301.4	228.3	12.3	-24.2	33.1	-73.1	3,026.5	17.8	458.2
Other countries	1,054.4	1,037.1	1.9	-1.6	19.5	-17.3	13,487.4	24.0	2,608.4
Total	11,311.0	11,008.5	2.5	-2.7	278.5	-302.6	135,962.0	7.8	9,837.1
Imports from:									
United States	7,490.5	7,395.5	-0.2	-1.3	-13.1	-95.0	87,687.3	10.8	8,533.5
United Kingdom	357.4	435.3	8.9	21.8	29.1	77.9	4,719.7	5.0	226.2
E.E.C. 86 excl. U.K.	912.0	849.6	-3.0	-6.8	-28.2	-62.4	10,556.3	13.2	1,234.5
Japan	706.0	668.0	4.9	-5.4	32.7	-38.0	7,914.9	5.6	416.7
Other O.E.C.D. 86 *	402.7	294.3	39.1	-26.9	113.3	-108.4	3,613.0	17.4	534.6
Other countries	1,127.2	1,004.8	8.4	-10.9	87.0	-122.3	12,646.9	9.0	1,043.3
Total	10,995.8	10,647.6	2.0	-3.2	220.8	-348.2	127,138.0	10.4	11,989.2
Balance with:									
United States	720.3	727.6			67.0	7.3	12,868.9		-4,558.5
United Kingdom	-70.6	-141.0			-6.9	-70.4	-1,238.1		225.5
E.E.C. 86 excl. U.K.	-185.0	-245.3			117.5	-60.3	-3,359.4		-324.0
Japan	24.5	53.4			27.7	28.9	298.4		1,017.5
Other O.E.C.D. 86 *	-101.3	-86.0			-80.2	35.3	-586.5		-76.4
Other countries	-72.8	32.3			-67.5	105.0	840.6		1,565.0
Total	315.2	360.9			57.7	45.7	8,824.0		-2,152.1

*Series with no seasonality. Note: Portugal and Spain are included in the E.E.C.

Imports for December 1988 by country of origin from the United States (including Puerto Rico and the U.S. Virgin Islands) amounted to \$6,310.4 million. This represents the starting figure from which the Canada/United States reconciliation takes place.

Table 3
Exports by Commodity Groupings
 December 1988
 Balance of Payments Basis

	Seasonally adjusted					Raw values			
	Oct.	Nov.	Dec.	Year-to-date Value	% change	Percentage change Dec.'88/Dec.'87/Dec.'86/ Dec.'87 Dec.'86 Dec.'85			
				\$ millions					
AGRICULTURAL AND FISHING PRODUCTS	1,038.5	1,021.4	1,035.5	13,145.0	12.0	7.1	-4.5	8.8	
Wheat	294.3	293.7	304.7	4,589.3	41.1	13.5	-3.7	-20.4	
Other agricultural and fishing products	744.2	727.7	730.8	8,555.7	0.9	4.6	-4.9	26.6	
ENERGY PRODUCTS	926.2	918.1	917.4	11,833.6	-1.6	-5.4	18.6	-44.8	
Crude petroleum *	293.9	272.3	324.1	4,087.8	-15.8	-18.8	31.9	-49.8	
Natural gas	233.3	254.2	250.8	2,972.6	17.6	21.6	9.6	-43.1	
Other energy products	399.0	391.6	342.5	4,773.2	2.8	-9.9	13.0	-40.7	
FORESTRY PRODUCTS	1,725.3	1,891.7	1,873.6	21,352.2	5.9	0.2	26.5	14.0	
Lumber and sawmill products	548.1	602.9	606.9	7,022.3	-6.4	-12.0	36.7	-3.2	
Woodpulp and other wood products	529.8	592.3	577.0	6,313.0	18.0	14.8	31.8	36.1	
Newsprint and other paper and paperboard	647.3	696.5	689.7	8,016.9	9.6	-0.2	15.1	16.9	
INDUSTRIAL GOODS AND MATERIAL	2,508.1	2,534.1	2,482.3	29,256.1	17.3	1.2	37.0	2.5	
Metal ores	452.0	405.9	373.3	4,741.3	1.8	-27.4	47.0	-5.8	
Chemicals, plastics and fertilizers	557.3	628.4	575.8	6,919.6	26.3	10.9	35.9	0.9	
Metals and alloys	958.7	964.3	1,011.2	11,386.9	17.4	7.3	44.9	8.0	
Other industrial goods and materials	540.2	535.5	521.9	6,208.2	21.3	9.4	15.2	3.6	
MACHINERY AND EQUIPMENT	1,739.0	1,859.2	1,742.0	21,248.9	8.0	0.1	0.1	15.8	
Industrial and agricultural machinery	409.4	451.3	412.2	4,972.4	10.0	-0.1	15.5	-0.9	
Aircraft and other transportation equipment	360.4	361.5	395.5	4,243.7	-5.0	12.8	-27.7	37.2	
Other machinery and equipment	969.3	1,046.4	934.3	12,032.7	12.7	-4.3	9.4	13.8	
AUTOMOTIVE PRODUCTS	3,004.4	2,984.3	2,826.0	35,354.0	9.7	-8.8	7.0	2.6	
Passenger autos and chassis	1,305.9	1,213.8	1,044.2	16,627.2	19.6	-19.0	-11.4	17.0	
Trucks and other motor vehicles	736.3	758.8	767.0	7,918.0	22.0	1.4	99.8	-35.3	
Motor vehicle parts	962.2	1,011.6	1,014.7	10,808.8	-8.6	-0.2	3.4	3.8	
OTHER CONSUMER GOODS	215.3	220.6	227.3	2,787.4	5.5	-0.5	9.8	12.1	
SPECIAL TRANSACTIONS TRADE *	49.0	60.8	62.0	683.8	85.1	99.6	-26.0	47.5	
UNALLOCATED BOP ADJUSTMENTS *	-173.3	-179.1	-157.6	301.0	-87.1	-270.2	-36.5	2.4	
TOTAL	11,032.6	11,311.0	11,008.5	135,962.0	7.8	-3.9	12.9	-0.6	

*Series has no seasonality.

Table 4
Imports by Commodity Groupings
 December 1988
 Balance of Payments Basis

	Seasonally adjusted					Raw values		
	Oct.	Nov.	Dec.	Year-to-date		Percentage change		
				Value	% change	Dec.'88/Dec.'87	Dec.'87/Dec.'86	Dec.'86/Dec.'85
				\$ millions				
AGRICULTURAL AND FISHING PRODUCTS	610.7	689.5	660.0	7,555.7	2.2	-3.9	5.8	23.4
Fruits and vegetables	211.8	233.8	224.4	2,579.1	3.1	-6.6	16.5	15.0
Other agricultural and fishing products	398.8	455.8	435.6	4,976.6	1.8	-2.3	0.3	28.3
ENERGY PRODUCTS	355.4	448.9	461.6	5,291.4	-10.5	-21.0	36.5	-30.0
Crude petroleum	155.8	243.2	249.3	3,085.9	-10.5	-8.6	32.5	-44.9
Other energy products	199.7	205.7	212.4	2,205.5	-10.6	-34.2	41.0	1.1
FORESTRY PRODUCTS	91.7	103.9	104.3	1,277.1	9.6	0.6	-7.2	50.5
INDUSTRIAL GOODS AND MATERIALS	2,040.4	2,167.2	2,080.1	24,442.8	17.6	5.6	14.1	14.8
Metals and metal ores	638.4	648.6	720.2	7,475.4	21.8	13.7	14.7	15.1
Chemicals and plastics	599.6	630.8	558.7	7,041.1	13.1	-1.2	11.0	19.6
Other industrial goods and materials	802.4	887.9	801.2	9,926.3	17.9	4.1	16.0	11.0
MACHINERY AND EQUIPMENT	3,420.6	3,507.4	3,439.4	40,226.8	20.8	3.9	20.2	18.4
Industrial and agricultural machinery	1,127.2	1,145.8	1,074.6	12,721.7	12.7	1.6	6.4	20.6
Aircraft and other transportation equipment	482.3	448.2	584.0	5,964.9	36.1	32.4	19.2	8.4
Office machines and equipment	492.1	490.1	518.9	5,852.4	9.3	-5.6	30.4	26.9
Other machinery and equipment	1,319.0	1,423.4	1,262.0	15,687.8	27.9	0.1	29.3	16.7
AUTOMOTIVE PRODUCTS	2,987.1	2,726.4	2,587.3	32,998.9	0.8	-19.0	21.7	-7.2
Passenger autos and chassis	1,030.2	1,101.2	1,190.7	12,139.7	-1.7	4.9	24.9	-14.7
Trucks and other motor vehicles	335.4	303.4	267.7	3,535.1	-9.6	-32.5	29.2	4.0
Motor vehicle parts	1,621.5	1,321.8	1,128.8	17,324.1	5.1	-29.4	18.4	-4.8
OTHER CONSUMER GOODS	1,126.4	1,186.0	1,157.7	13,598.3	7.3	-0.6	14.5	17.5
Apparel and footwear	245.1	254.0	259.5	3,109.9	-0.5	2.0	11.7	17.0
Miscellaneous consumer goods	881.4	932.1	898.2	10,486.4	9.9	-1.3	15.2	17.7
SPECIAL TRANSACTIONS TRADE *	220.3	247.2	226.9	2,658.0	33.4	22.6	29.6	12.2
UNALLOCATED BOP ADJUSTMENTS *	-77.7	-80.8	-69.7	-909.0	13.7	4.6	10.7	-0.5
TOTAL	10,775.0	10,995.8	10,647.6	127,138.0	10.4	-4.2	18.7	6.5

(*)Series has no seasonality.

Table 5
Merchandise Trade of Canada
 Constant Dollars and Laspeyres Price Indexes
 December 1988
 Seasonally adjusted, Balance of Payments Basis

	Constant dollars (1981) (1)				Laspeyres price index (2)			
	\$ millions		Period-to-period change (3)		1981 = 100.0		Period-to-period change (3)	
	Exports	Imports	Exports	Imports	Exports	Imports	Exports	Imports
			%				%	
1982	84,001	64,408	-0.5	-16.5	100.8	104.3	0.8	4.3
1983	90,194	71,526	7.4	11.1	100.8	103.7	0.0	-0.6
1984	106,931	85,581	18.6	19.7	105.0	109.6	4.2	5.7
1985	113,829	94,123	6.5	10.0	106.0	113.4	1.0	3.5
1986	118,110	101,545	3.8	7.9	104.0	112.8	-2.0	-0.5
1987	126,027	109,825	6.7	8.2	105.1	112.3	1.1	-0.4
1988	136,149	124,784	8.0	13.6	107.9	110.6	2.7	-1.5
1986								
First quarter	29,106	25,282	-0.7	4.2	105.1	116.2	-0.8	1.0
Second quarter	29,050	24,805	-0.2	-1.9	103.8	112.2	-1.2	-3.4
Third quarter	29,640	25,630	2.0	3.3	103.5	112.2	-0.3	-0.0
Fourth quarter	30,314	25,829	2.3	0.8	103.9	112.7	0.4	0.5
1987								
First quarter	31,049	26,177	2.4	1.3	102.8	111.6	-1.0	-1.0
Second quarter	30,829	26,688	-0.7	2.0	104.9	112.3	2.0	0.6
Third quarter	31,340	27,267	1.7	2.2	105.8	112.7	0.9	0.4
Fourth quarter	32,809	29,693	4.7	8.9	106.8	113.4	0.9	0.6
1988								
First quarter	33,977	30,473	3.6	2.6	106.3	111.3	-0.5	-1.8
Second quarter	35,144	31,596	3.4	3.7	106.5	110.2	0.2	-1.0
Third quarter	34,203	30,834	-2.7	-2.4	108.7	110.2	2.1	0.0
Fourth quarter	32,825	31,881	-4.0	3.4	109.9	110.7	1.1	0.5
1987								
January	10,064	8,555	-0.9	-2.1	103.1	112.3	-0.5	-0.3
February	10,391	8,653	3.2	1.2	102.6	111.5	-0.6	-0.6
March	10,594	8,968	2.0	3.6	102.9	111.0	0.3	-0.5
April	10,268	8,531	-3.1	-4.9	103.5	110.9	0.7	-0.1
May	10,299	8,812	0.3	3.3	105.2	112.4	1.6	1.3
June	10,262	9,345	-0.4	6.1	105.7	113.2	0.5	0.7
July	10,260	9,009	0.0	-3.6	105.8	112.5	0.1	-0.6
August	10,534	8,990	2.7	-0.2	105.7	113.2	-0.1	0.6
September	10,547	9,269	0.1	3.1	105.8	112.7	0.1	-0.4
October	10,916	9,400	3.5	1.4	105.9	113.0	0.1	0.2
November	10,838	9,898	-0.7	5.3	107.3	113.7	1.4	0.6
December	11,055	10,395	2.0	5.0	107.6	113.5	0.2	-0.2
1988								
January	10,881	9,757	-1.6	-6.1	106.5	112.5	-1.0	-0.9
February	11,123	9,860	2.2	1.1	106.6	111.2	0.1	-1.2
March	11,973	10,857	7.6	10.1	105.9	110.5	-0.6	-0.6
April	11,447	10,221	-4.4	-5.9	106.2	110.3	0.3	-0.2
May	11,702	10,955	2.2	7.2	106.4	110.4	0.2	0.1
June	11,995	10,419	2.5	-4.9	107.1	109.9	0.7	-0.5
July	10,993	9,036	-8.4	-13.3	107.7	109.5	0.6	-0.4
August	11,903	11,061	8.3	22.4	109.0	110.3	1.2	0.8
September	11,307	10,737	-5.0	-2.9	109.5	110.9	0.4	0.5
October	10,876	10,522	-3.8	-2.0	109.3	109.9	-0.1	-0.9
November	11,114	10,790	2.2	2.5	110.5	111.2	1.1	1.1
December	10,834	10,568	-2.5	-2.1	109.9	111.0	-0.6	-0.2
Year-to-date								
1987	126,027	109,825	6.7	8.2				
1988	136,149	124,784	8.0	13.6				

(1) The Paasche current weighted price index used to calculate constant dollars can be derived by dividing current values by the constant dollars above.

(2) The Laspeyres price index uses fixed weights based on 1981 trade and therefore reflects changes in price only.

(3) Change over previous period.

Note: Due to rounding monthly data may not add up to quarterly data and quarterly data may not add up to annual data.

