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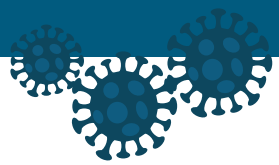

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by Nita Boushey

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Trade in medical and protective goods, May 2020

by **Nita Boushey**

Statistics Canada continues to monitor the impact of the COVID-19 pandemic on Canada's international merchandise trade statistics. The current article describes trade in personal protective equipment with a particular focus on monthly variations in imports and exports in May 2020.

Sharp increase in imports of personal protective equipment in May following a surge in April

Following a surge in April, imports of personal protective equipment continued to rise in May 2020. Imports were up 70.4% in May to reach $845 million, more than twice the average monthly value throughout 2019.

Table 1
Monthly import values and period-to-period percent change of disinfectant and sterilization products, personal protective equipment, medical equipment and products, and diagnostic products, and their subgroups

	Monthly value (millions of dollars)				% change		
	May 2019	March 2020	April 2020	May 2020	April 2020 over March 2020	May 2020 over April 2020	May 2020 over May 2019
Total of all products	**2,261.0**	**2,514.7**	**2,640.0**	**2,860.5**	**5.0**	**8.4**	**26.5**
Disinfectant and sterilization products	166.2	180.3	192.4	211.4	6.7	9.9	27.2
Disinfectants and sterilizers	110.3	119.2	136.5	155.9	14.5	14.2	41.3
Wipes	55.9	61.1	55.9	55.5	-8.5	-0.7	-0.7
Personal protective equipment	320.1	294.3	495.6	844.6	68.4	70.4	163.9
Face and eye protection	32.5	35.2	200.7	351.0	469.9	74.8	981.2
Gloves	43.5	52.2	43.9	59.6	-15.9	35.7	37.0
Other protective equipment	244.2	206.9	250.9	434.1	21.3	73.0	77.8
Medical equipment and products	1,404.7	1,506.7	1,456.2	1,253.3	-3.4	-13.9	-10.8
Medical consumables	150.3	158.4	129.1	156.7	-18.5	21.4	4.3
Medical devices	230.2	279.6	229.1	199.1	-18.1	-13.1	-13.5
Medicaments	998.8	1,033.8	1,070.6	868.7	3.6	-18.9	-13.0
Oxygen therapy	25.4	35.0	27.5	28.8	-21.5	4.8	13.5
Diagnostic products	370.0	533.4	495.9	551.2	-7.0	11.2	49.0
Test kits and diagnostic instruments	358.2	520.4	482.0	527.9	-7.4	9.5	47.4
Thermometers	11.8	12.9	13.9	23.3	7.5	67.6	97.1

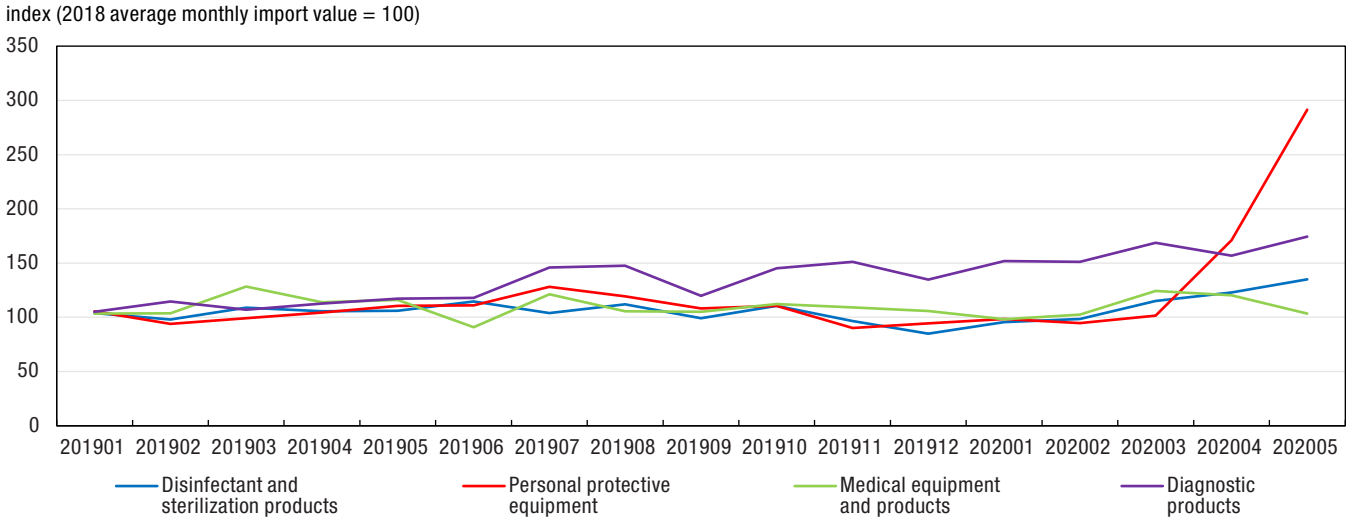
Source: Statistics Canada, Canadian International Merchandise Trade Program.

Imports in all three sub-groups within this category rose in May, led by other protective equipment. After rising 21.3% in April, imports in this sub-group increased 73.0% to $434 million. In both April and May, the main contributor to the growth in imports in this sub-group was under a Harmonized System (HS) code that includes a variety of made up textile articles, including respirators to be employed in a noxious atmosphere. Imports of these goods rose $112 million to reach $186 million in May, imported almost exclusively from China. Additionally, the average unit value was 41.2% lower in May in comparison with the average monthly unit value in 2019.

For the third consecutive month, imports of face and eye protection increased in May, up 74.8% to $351 million. This monthly import value was ten times that of May 2019. Face masks of textile materials were the main contributor to the increase, reaching $322 million in May, mainly from China. As a comparison, the average monthly value of imports of face masks of textile materials was approximately $850 thousand in 2019. The monthly average unit value of face masks of textile materials was 41.6% lower in the first five months of 2020 than in the same period in 2019.

Following a decline in April, imports of gloves were up 35.7% to $60 million in May, the highest monthly value in the past three years. There were higher imports of plastic disposable gloves, rubber gloves, mittens and mitts, and rubber protective gloves for use with protective suits a noxious atmosphere, mainly from Malaysia and China.

Chart 1
Monthly imports of disinfectant and sterilization products, personal protective equipment, medical equipment and products, and diagnostic products, January 2019 to May 2020



Source: Statistics Canada, Canadian International Merchandise Trade Program.

Imports of diagnostic products increased 11.2% to $551 million in May. Imports in the first five months of the year were up 44.3% over the same period in 2019, mainly on higher imports of test kits and diagnostic instruments.

In May 2020, imports of disinfectants and sterilization products rose 9.9% to $211 million, the highest value in the past three years. Year-over-year imports were up sharply in April and May.

Exports of personal protective equipment in May follow seasonal pattern

Exports of personal protective equipment rose 9.9% to $166 million in May, following the seasonal pattern for this category. In 2020, monthly export values were lower than in 2019.

Table 2
Monthly export values and period-to-period percent change of disinfectant and sterilization products, personal protective equipment, medical equipment and products, and diagnostic products, and their subgroups

	Monthly value (millions of dollars)				% change		
	May 2019	March 2020	April 2020	May 2020	April 2020 over March 2020	May 2020 over April 2020	May 2020 over May 2019
Total of all products	**1,435.6**	**1,736.9**	**1,534.4**	**1,540.0**	**-11.7**	**0.4**	**7.3**
Disinfectant and sterilization products	79.9	112.5	108.9	130.4	-3.2	19.8	63.3
Disinfectants and sterilizers	65.1	91.7	93.5	109.4	1.9	17.0	68.0
Wipes	14.8	20.8	15.4	21.0	-25.7	36.4	42.5
Personal protective equipment	192.2	198.0	151.5	166.4	-23.5	9.9	-13.4
Face and eye protection	30.0	30.2	36.5	45.2	20.9	23.8	50.4
Gloves	5.5	5.1	6.9	5.6	34.8	-18.6	2.2
Other protective equipment	156.8	162.7	108.1	115.7	-33.5	7.0	-26.2
Medical equipment and products	1,069.2	1,292.1	1,150.6	1,097.6	-10.9	-4.6	2.7
Medical consumables	62.2	29.9	29.5	33.9	-1.3	15.2	-45.4
Medical devices	124.7	175.8	132.6	116.1	-24.5	-12.4	-6.9
Medicaments	868.9	1,072.8	971.3	926.4	-9.5	-4.6	6.6
Oxygen therapy	13.4	13.6	17.3	21.1	26.7	22.4	57.2
Diagnostic products	94.3	134.3	123.5	145.6	-8.1	17.9	54.4
Test kits and diagnostic instruments	87.3	128.1	116.7	140.9	-9.0	20.8	61.5
Thermometers	7.0	6.2	6.8	4.6	9.5	-31.9	-33.9

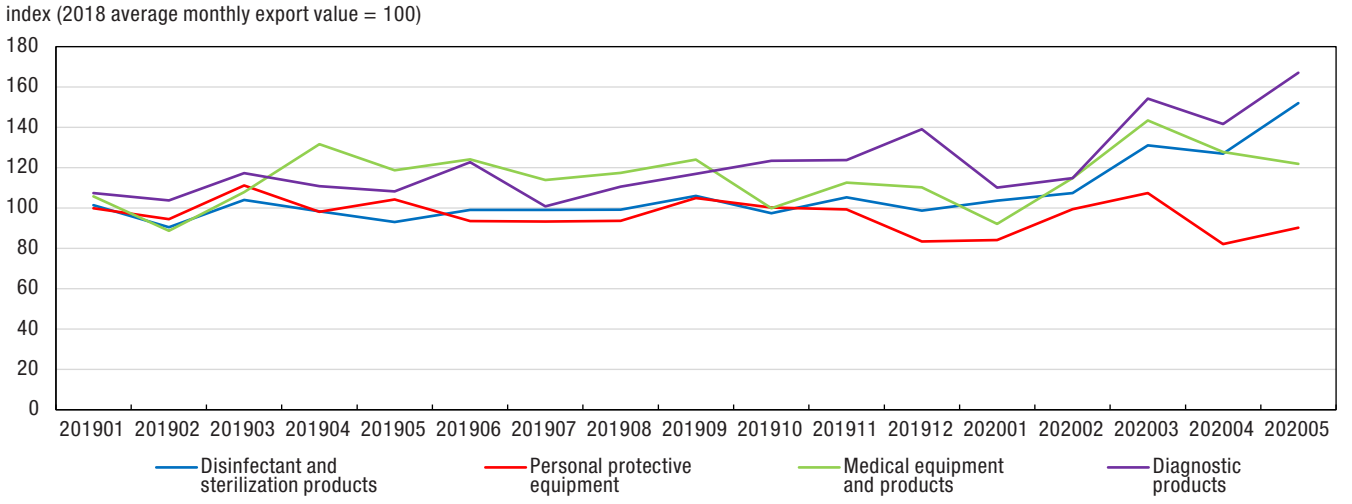
Source: Statistics Canada, Canadian International Merchandise Trade Program.

For the fourth consecutive month, exports of face and eye protection increased in May, up 23.8% to $45 million, the highest value of the past three years. In May, there were higher exports of made up articles of textile materials to the United States. The export value of these particular goods in May were almost double the average monthly value of 2019.

Following a decline in April, exports of other protective equipment rose 7.0% to $116 million in May. These monthly fluctuations followed the seasonal pattern for this sub-group. Exports were 26.2% lower year-over-year.

Exports of gloves declined 18.6% in May to $6 million. From January through May, exports of gloves were slightly higher in 2020 than in 2019.

Chart 2
Monthly exports of disinfectant and sterilization products, personal protective equipment, medical equipment and products, and diagnostic products, January 2019 to May 2020



Source: Statistics Canada, Canadian International Merchandise Trade Program.

Exports of diagnostic products rose substantially in 2020, up 54.4% year-over-year. Exports reached $146 million in May, the highest monthly value in the past three years. The increase in May was led by higher exports of composite diagnostic or laboratory reagents to the United States.

Disinfectant and sterilization products increased 19.8% to $130 million in May. Year-over-year exports in this category rose each month of 2020.

Methodology

The data in the analysis are on a customs basis and are not seasonally adjusted.

Unit values are calculated by dividing the value by the quantity of Harmonized System (HS) codes that require units of measure in the *Customs Tariff and the Canadian Export Classification*. They provide some insight into the price charged or paid per item. They reflect the mix of items that happen to be traded under an HS code within that particular month. The mix of goods traded under an HS code can change from month to month, which will impact the unit value. For example, an HS code for masks could reflect trade in high quality medical masks in one month, then in the following month reflect a shift towards trade in less expensive paper masks. In this case, the unit price will go down from one month to the next as a result of a change in the product mix as opposed to change in the price paid for the goods.

Additionally, while quantity data undergo quality assurance processing and review, it is possible that aggregate quantities may include inaccurately reported data and therefore some caution needs to be used in interpreting average unit prices. It is also possible that the import price does not reflect the price paid by government authorities or hospitals, as the import may have been arranged by a wholesaler or an intermediary.

In general, the value for duty of imported goods must be equivalent to the transaction value or the price actually paid. The transaction value of imported goods includes all transportation and associated costs incurred up to the

point of direct shipment to Canada. Therefore, Canada's imports are valued Free on Board (FOB), place of direct shipment to Canada. It excludes freight and insurance costs in bringing the goods to Canada from the point of direct shipment.

Canada's exports are valued at FOB place of exit, including domestic freight charges to that point but net of discounts and allowances.

The categorization of goods used in this article was developed by Statistics Canada for the purpose of analysis. It was developed based on the Harmonized System (HS) classification guidelines produced by the World Customs Organization and the World Health Organization. The Canadian Border Services Agency's Customs Notice 20-12, outlining applicable HS codes that can be used for the importation of such goods into Canada, was also considered in the development of these categories.

Note that many of the HS codes are broadly defined and therefore may include goods unrelated to the category into which they are placed. Additionally, data for trade under these categories may include goods that were not relevant to trade in response to the COVID-19 pandemic.

Notes

The source of these data is the Canadian International Merchandise Trade Program. Customs basis, not seasonally adjusted data by HS classification at the 6-digit level and country are available in the Canadian International Merchandise Trade database (table 65F0013X). Data at the 8-digit level for exports and 10-digit level for imports are available upon request.

On the subject of trade in medical and protective goods related to the COVID-19 pandemic, please see Trade in medical and protective goods (published May 5, 2020) and Trade in medical and protective goods, April 2020 (published June 4, 2020).