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OFFICE OF  
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ECONOMIST

# MONTHLY TRADE REPORT

## APRIL 2022

# APRIL

	Goods (m/m change) [YTD change]	Services (m/m change) [YTD change]	Total (m/m change) [YTD change]	
<b>Exports</b>	\$64.3 billion (+0.6%) [+21.9%]	\$12.2 billion (+1.6%) [+13.6%]	\$76.5 billion (+0.7%) [+20.5%]	▲
<b>Imports</b>	\$62.8 billion (+1.9%) [+17.6%]	\$13.5 billion (+5.5%) [+23.1%]	\$76.3 billion (+2.5%) [+18.5%]	▲
<b>Balance</b>	+\$1.5 billion (-\$0.8 billion)	-\$1.3 billion (-\$0.5 billion)	+\$0.2 billion (-\$1.3 billion)	▼

Note: "m/m" is the change from the previous month; "YTD" is the year-to-date (January to recent month) cumulative change compared to the same period in the previous year.

Source: Statistics Canada. Balance of payments basis, seasonally adjusted.

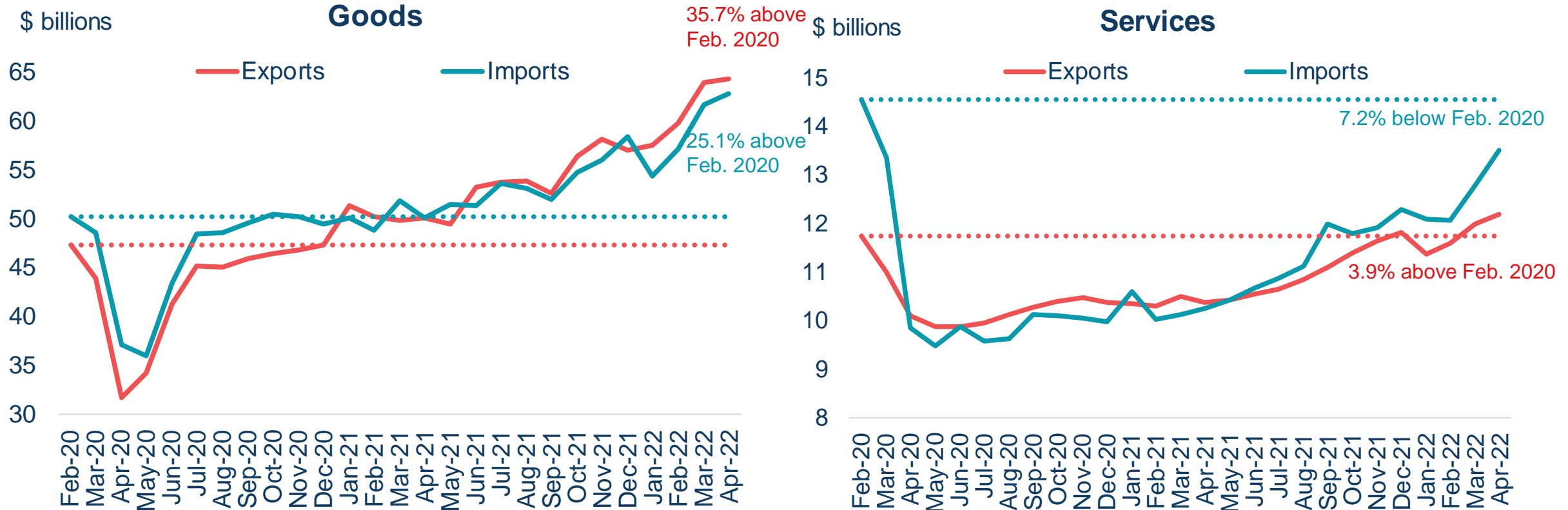
## HIGHLIGHTS

- In April, international trade in goods and services experienced a more modest growth than in the previous two months, with exports increasing 0.7% to \$76.5 billion, while imports were up 2.5% to \$76.3 billion.
- Services exports rose 1.6% and imports rose 5.5%, faster than goods which rose 0.6% and 1.9%, respectively. Travel and passenger transportation services, which have been much slower to recover than other sectors, benefited from the easing of border restrictions. Elevated marine shipping prices also supported transportation services imports.
- Canada's goods trade surplus with the U.S. narrowed from a record high to \$11.6 billion in April as exports growth lagged behind imports, partly due to higher imports of refined petroleum products. Canada's trade with the rest of the world decreased in April, with a sharp drop in imports from China coinciding with the lockdown of Shanghai.
- As commodity prices remained elevated due to the war in Ukraine, Canadian goods trade growth in April was driven entirely by price, with volumes of exports and imports both declining. In fact, all goods export growth since the beginning of 2022 has been driven by prices. Canada's terms of trade (price of exports to imports) is now at a record high.



# CANADA'S TRADE RELATIVE TO PRE-PANDEMIC LEVELS

(International trade in goods and services)



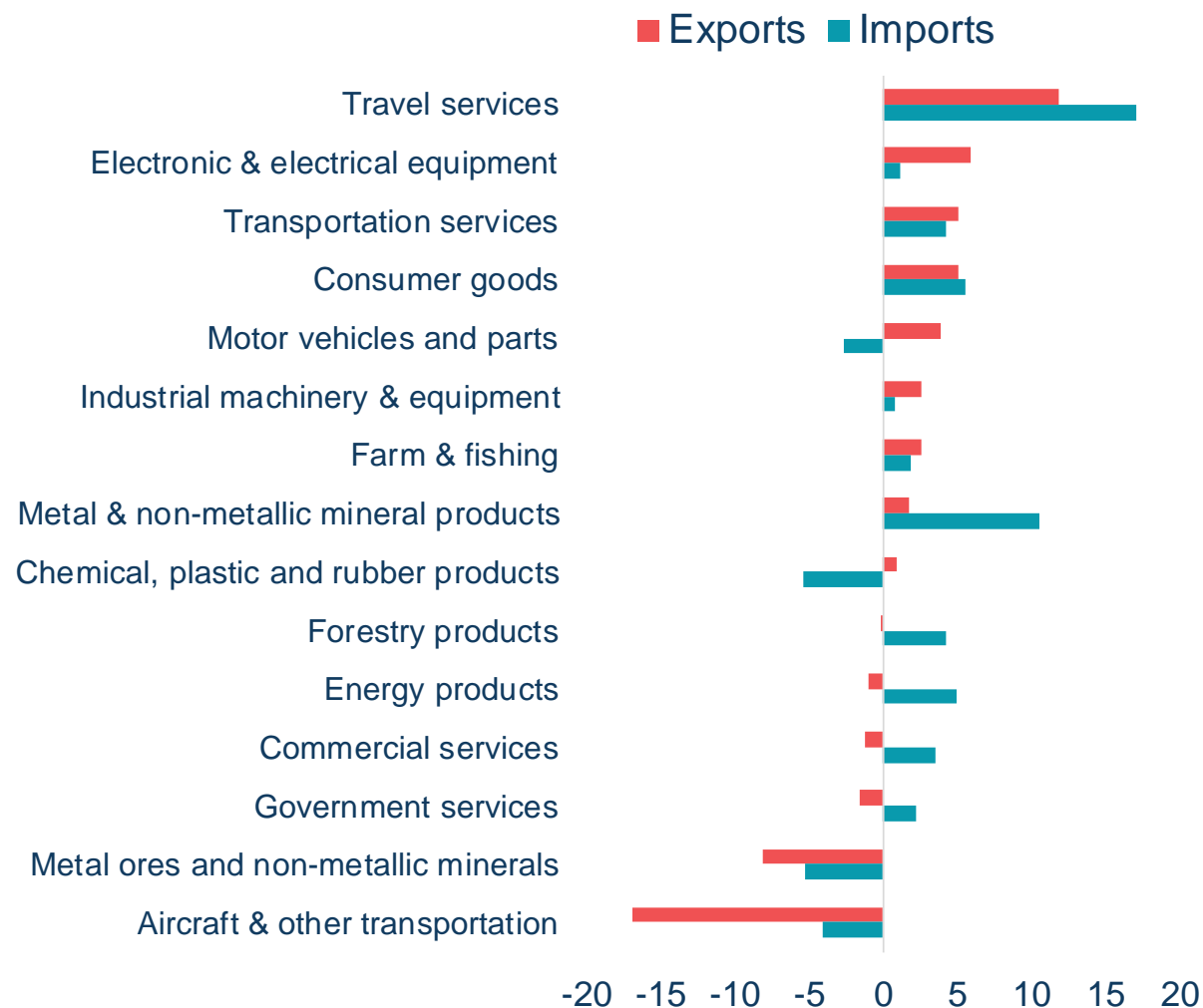
Sources: Statistics Canada Tables 12-10-0011-01 and 12-10-0144-01. Balance of payments basis, seasonally adjusted.

# INDUSTRY VIEW

In April, **exports** increased in 7 of the 11 goods product sectors, and in 2 of 4 services sectors. Goods exports increased 0.6% to \$64.3 billion, a fourth consecutive increase. Exports of consumer goods rose the most in value in April, driven by prepared and packaged seafood products (+52.4%). The snow crab season began earlier in 2022 for biological preservation reasons which drove the increase in exports of seafood products. Motor vehicles and parts exports rose 3.9% to \$7.1 billion in April—the highest level since October 2020—as the semi-conductor shortage eased in recent months. Exports of energy products fell 0.9% in April as crude oil exports dropped 14.3%, but increases in exports of natural gas (+48.4%) and coal (+62.8%) almost entirely offset the drop in crude oil exports. Services exports were up 1.6% to \$12.2 billion, driven by the ongoing recovery in travel (+11.9%) and transportation services (+5.1%) as border restriction continued to ease.

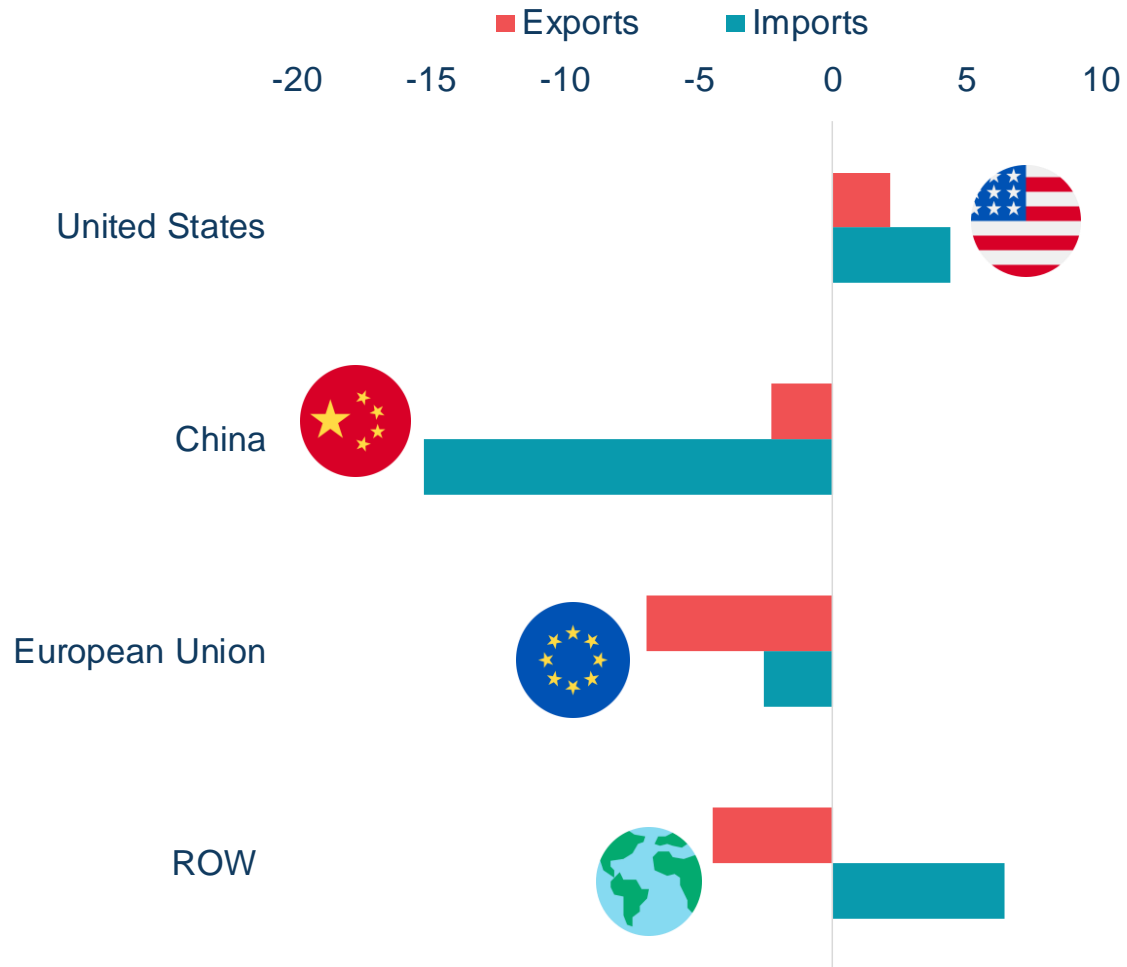
In April, **imports** rose in 7 of the 11 goods product sectors, and in all 4 services sectors. Goods imports rose 1.9% to \$62.8 billion, a more modest growth than in the two previous months. Imports of consumer goods rose 5.5%, and was the largest contributor to the increase in April. Consumer goods imports have experienced strong monthly variation since the onset of the pandemic due to production disruptions, marine transportation issues, and new inventory management strategies adopted by retailers to reduce the impact of disruptions. Imports of services increased 5.5% to \$13.5 billion, with travel services increasing 17.0% and transportation services rising 4.2%. Similar to exports, the easing of border restrictions helped travel and passenger transportation services imports, but additionally, the rise in the price of marine shipping also boosted transportation services imports.

## Trade by Industry and Sector (monthly % change)



Sources: Statistics Canada Tables 12-10-0121-01 and 12-10-0144-01.  
Balance of payments basis, seasonally adjusted.

## Goods Trade, by Major Trading Partner (monthly % change)



## GLOBAL MARKETS

Canada's growth in goods trade was mostly driven by the U.S. in April, as exports to many other top partners dropped and imports from two important partners (China and the European Union) declined.

Goods exports to the United States rose 2.1%, a fourth consecutive increase, and goods imports increased 4.4%, partly on higher imports of refined petroleum products. As a result, Canada's trade surplus with the United States narrowed from a record high of \$12.2 billion to \$11.6 billion in April.

Goods imports from countries other than the U.S. declined 1.9% in April, driven by a sharp drop in imports from China (-15.3%). This drop followed large increases in the two previous months, and coincided with the lockdown of Shanghai.

Goods exports to countries other than the U.S. fell 4.7% in April, as there were notable lower exports to the United Kingdom (driven by gold), South Korea (driven by copper ores), France (driven by canola and aircrafts), and Spain (driven by pharmaceutical products).

\*European Union does not include the United Kingdom.

Source: Statistics Canada Table 12-10-0011-01. Balance of payments basis, seasonally adjusted.

# PRICES AND VOLUMES

In April, the growth in the value of goods exports was solely due to a price effect. The volume of exports dropped by 2.1%, which was counteracted by a 2.7% growth in prices compared to March. Metal ores and non-metallic minerals and farm, fishing and intermediate food products led the growth in export prices. These products experienced an 8.0% and 6.1% increase in prices, respectively. The price of energy products also grew by 4.4% compared to the previous month.

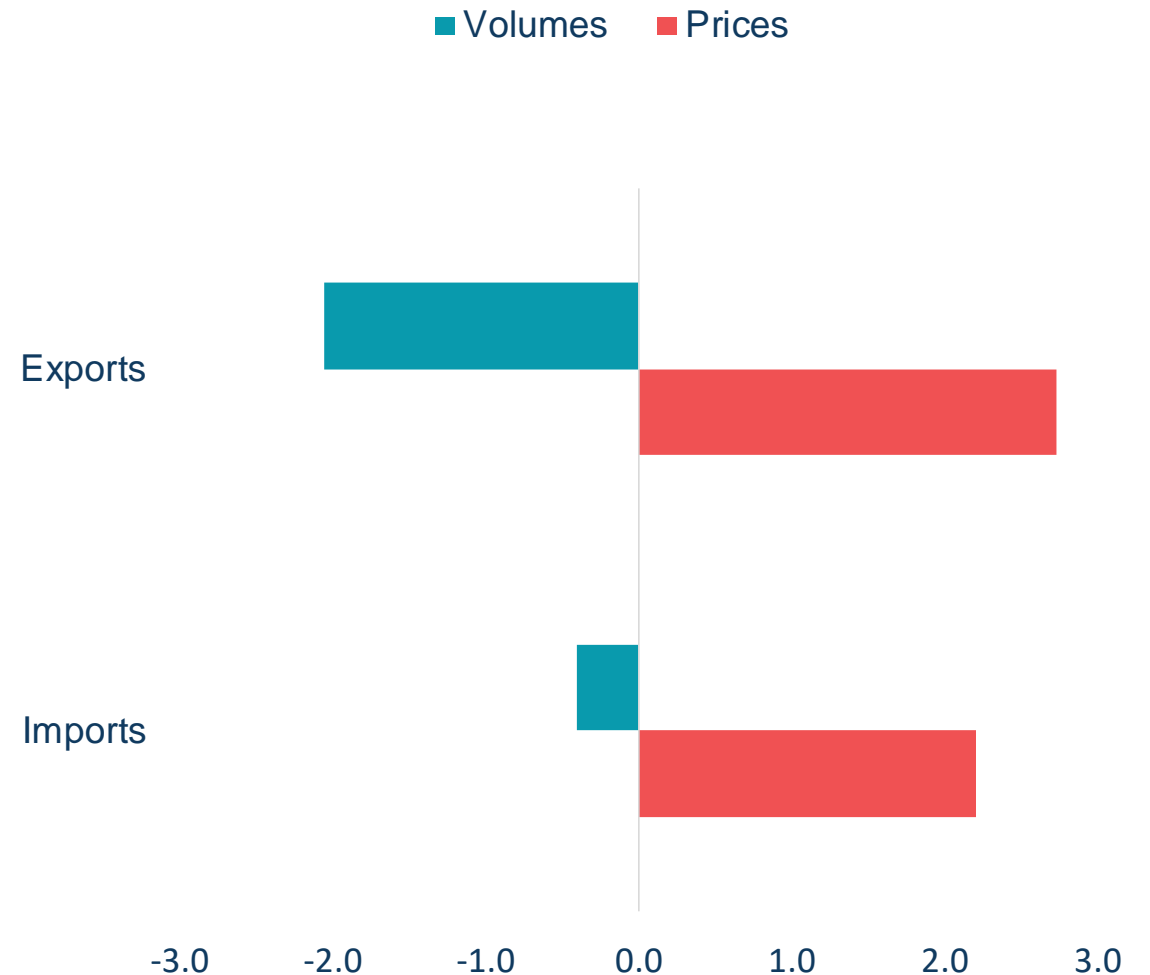
The growth in goods imports was also attributable to rising prices. Partitioning out the 2.2% growth in prices reveals that import volumes dropped by 0.4% in April.

After reaching historical highs in March, the average West Texas Intermediate (WTI) crude oil prices fell 6.2%. However, the price of crude oil still remained elevated at US\$101.8 per barrel in April.

The Canadian dollar gained 0.2 US cents relative to the American dollar over the previous month. In April, the average monthly exchange rate for Canadian to U.S. dollars was 0.79.

## Goods Trade

(monthly % change in volume and price indices)





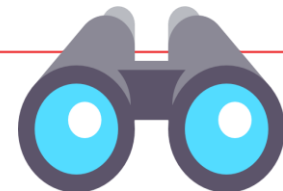
# WHAT TO WATCH

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- Many central banks around the world, including in Canada and the U.S., have started a cycle of fast interest rate hikes (50 basis points at a time) to combat the elevated level of inflation. While food and energy prices have been in focus on the news, elevated inflation is widespread. Supply disruptions, China's "COVID-zero" approach, the war in Ukraine, and strong global demand are some of the causes of inflation.
- The U.S. economy contracted 1.5% (annualized) in the first quarter of 2022, mostly due to a large surge in imports. Excluding trade, U.S. domestic demand grew a solid 2.7%, as both business investment and consumer spending experienced healthy growth, supported by a strong labour force. Solid U.S. domestic demand should support Canadian exports going forward.
- Canadian GDP grew 3.1% (annualized) in the first quarter of 2022, but net trade was a drag on economic growth. Growth in Canadian exports in recent months has been mainly driven by price effects, as high energy and commodity prices have led Canada's terms of trade (price of exports to imports) to record highs. Canadian export volumes have been lagging behind prices.
- As public concern about COVID-19 and border restrictions continue to ease, trade in travel and passenger transportation services are expected to continue to recover at a fast pace in the coming months.
- Statistics Canada released data in May that showed the number of goods exporters in Canada in 2021 reached elevated levels not seen since before the Global Financial Crisis.

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**Next Monthly Trade Release:** Thursday, July 7



**Table 1: Trade by Industry Sector**  
(\$ millions)

	Exports			Imports		
	April, 2022	m/m %	YTD %	April, 2022	m/m %	YTD %
<b>Goods</b>	<b>64,312</b>	<b>0.6</b>	<b>21.9</b>	<b>62,811</b>	<b>1.9</b>	<b>17.6</b>
Resource products	40,340	-0.4	32.9	22,285	2.3	28.8
Energy products	17,964	-0.9	80.6	4,011	5.0	53.8
Non-Resource products	22,388	2.5	7.0	38,084	1.4	12.4
Industrial machinery & equipment	3,571	2.6	12.6	6,797	0.8	17.2
Electronic & electrical equipment	2,641	5.9	15.3	6,976	1.2	11.7
Motor vehicles and parts	7,069	3.9	5.4	8,739	-2.6	6.3
Aircraft & other transportation	1,578	-16.9	-27.3	1,891	-4.0	17.7
Consumer goods	7,529	5.0	15.4	13,682	5.5	14.2
<b>Services</b>	<b>12,193</b>	<b>1.6</b>	<b>13.6</b>	<b>13,510</b>	<b>5.5</b>	<b>23.1</b>
Commercial services	8,443	-1.3	6.3	8,122	3.5	2.5
Travel services	2,101	11.9	56.6	2,046	17.0	272.9
Transportation services	1,524	5.1	20.8	3,206	4.2	48.9
Government services	124	-1.6	9.9	136	2.3	6.8
<b>Total Goods and Services</b>	<b>76,505</b>	<b>0.7</b>	<b>20.5</b>	<b>76,321</b>	<b>2.5</b>	<b>18.5</b>

Note: "m/m %" is the change from the previous month; "YTD %" is the year-to-date (January to recent month) cumulative change compared to the same period in the previous year.  
Source: Statistics Canada Tables 12-10-0121-01 and 12-10-0144-01. Balance of payments basis, seasonally adjusted.





**Table 2: Goods Trade by Trading Partner**  
(\$ millions)

	Exports			Imports		
	April, 2022	m/m %	YTD %	April, 2022	m/m %	YTD %
United States	50,410	2.1	28.3	38,764	4.4	16.7
Mexico	816	7.8	9.1	2,084	7.5	23.0
European Union	2,732	-7.0	13.6	5,338	-2.6	16.2
Germany	654	-11.1	7.5	1,290	-15.8	7.3
France	234	-36.0	-4.2	480	7.9	10.7
United Kingdom	1,195	-39.5	-6.3	926	18.1	9.0
India	590	40.1	110.9	522	32.3	24.4
China	2,015	-2.3	-15.3	6,060	-15.3	20.4
Japan	1,450	-2.3	32.7	1,010	3.3	8.5
South Korea	775	-17.8	59.3	962	9.0	27.4
Rest of the world	4,330	8.0	-5.6	7,147	3.4	20.3
<b>Total Goods Trade</b>	<b>64,312</b>	<b>0.6</b>	<b>21.9</b>	<b>62,811</b>	<b>1.9</b>	<b>17.6</b>

Note: "m/m %" is the change from the previous month; "YTD %" is the year-to-date (January to recent month) cumulative change compared to the same period in the previous year.  
Source: Statistics Canada Table 12-10-0011-01. Balance of payments basis, seasonally adjusted.