



Global Affairs
Canada

Affaires mondiales
Canada

Canada



OFFICE OF
THE CHIEF
ECONOMIST

MONTHLY TRADE REPORT

APRIL 2024

APRIL

	Goods	Services	Total
Exports (\$ billions)	64.4	16.9	81.4
m/m	+2.6%	-0.0%	+2.0% ▲
YTD	-1.0%	+5.8%	+0.4%
Imports (\$ billions)	65.5	18.0	83.5
m/m	+1.1%	+1.1%	+1.1% ▲
YTD	+0.9%	+7.1%	+2.2%
Balance (\$ billions)	-1.0	-1.1	-2.2
m/m (\$ billions)	+0.9	-0.2	+0.7 ▲

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.

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

Source: Office of the Chief Economist, Global Affairs Canada.

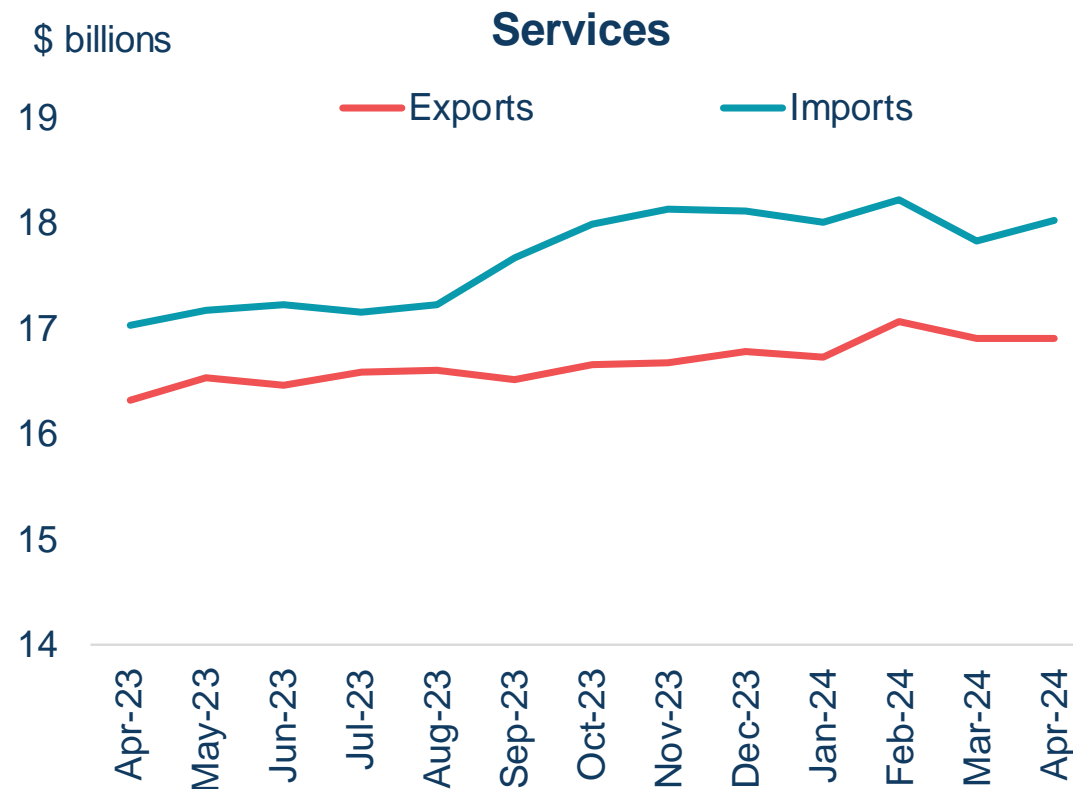
HIGHLIGHTS

- Trade picked up in April, as exports of goods and services grew 2.0% while imports rose 1.1%.
- Energy and gold contributed significantly to the overall increase in goods exports. In particular, oil and natural gas exports to the U.S. rebounded after a weak March. In contrast, services exports were flat during the month.
- Goods imports rose in more than half of the product categories, with notable increases in imports of automotive products, ships, and gold. Significant increases in commercial services offset lower travel services and lifted overall services imports.
- Goods trade with the U.S. expanded, with growth in exports outpacing growth in imports (2.4% vs. 1.8% respectively). Japan and United Kingdom led Canada's goods export growth outside of the U.S., while higher goods imports from Mexico, Germany and France partially offset lower imports from East Asia.
- Excluding the effects of price increases, goods export volumes rose 1.7% while goods import volumes edged down 0.2% month-over-month.



CANADA'S MONTHLY TRADE PERFORMANCE

(International trade in goods and services)



INDUSTRY VIEW—EXPORTS

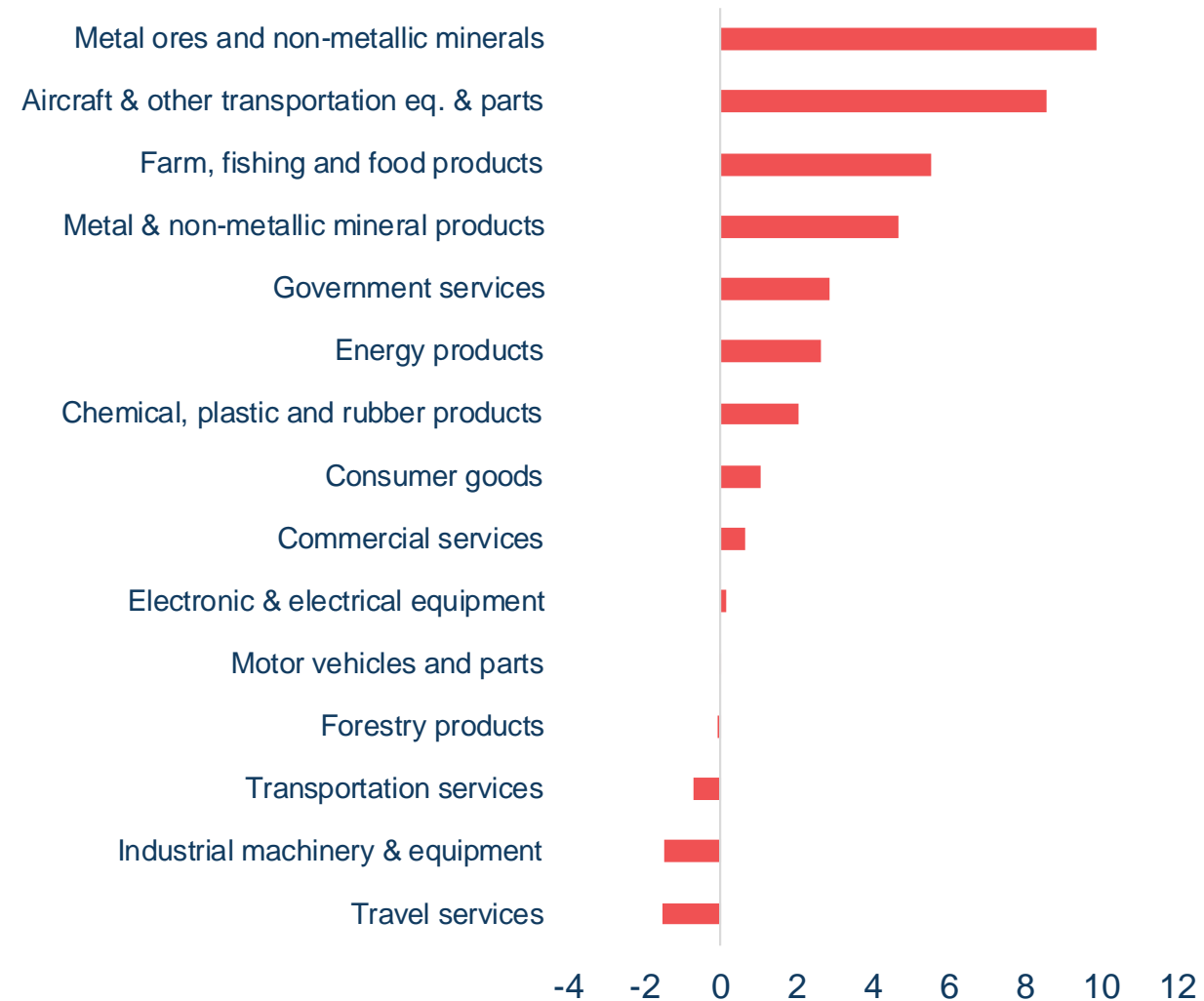
Exports were up in 8 of the 11 product categories in April. Energy products saw the largest increase in dollar terms, rising by \$378 million or 2.7% month-over-month. Following March lows, exports of natural gas jumped 60.1% in April to return to more typical levels. Exports of crude oil rose 3.0%, driven by a rebound in crude oil export volumes, as refining capacity in the U.S. Midwest picked up.

The second largest contributor to the overall increase in exports was metal and non-metallic mineral products which rose 4.7%. Exports of unwrought gold, silver and platinum group metals and their alloys increased 15.4% amidst high demand for gold and geopolitical uncertainty.

Exports of farm, fishing and intermediate food products increased 5.5% after dropping in March. There was also an 8.6% gain in aircraft and other transportation equipment and parts.

Meanwhile, service exports were flat during the month as a 1.5% decline in travel and 0.7% drop in transportation were offset by a 0.7% increase in commercial services exports.

Exports by industry and sector (monthly % change)



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

Source: Office of the Chief Economist, Global Affairs Canada.

INDUSTRY VIEW—IMPORTS

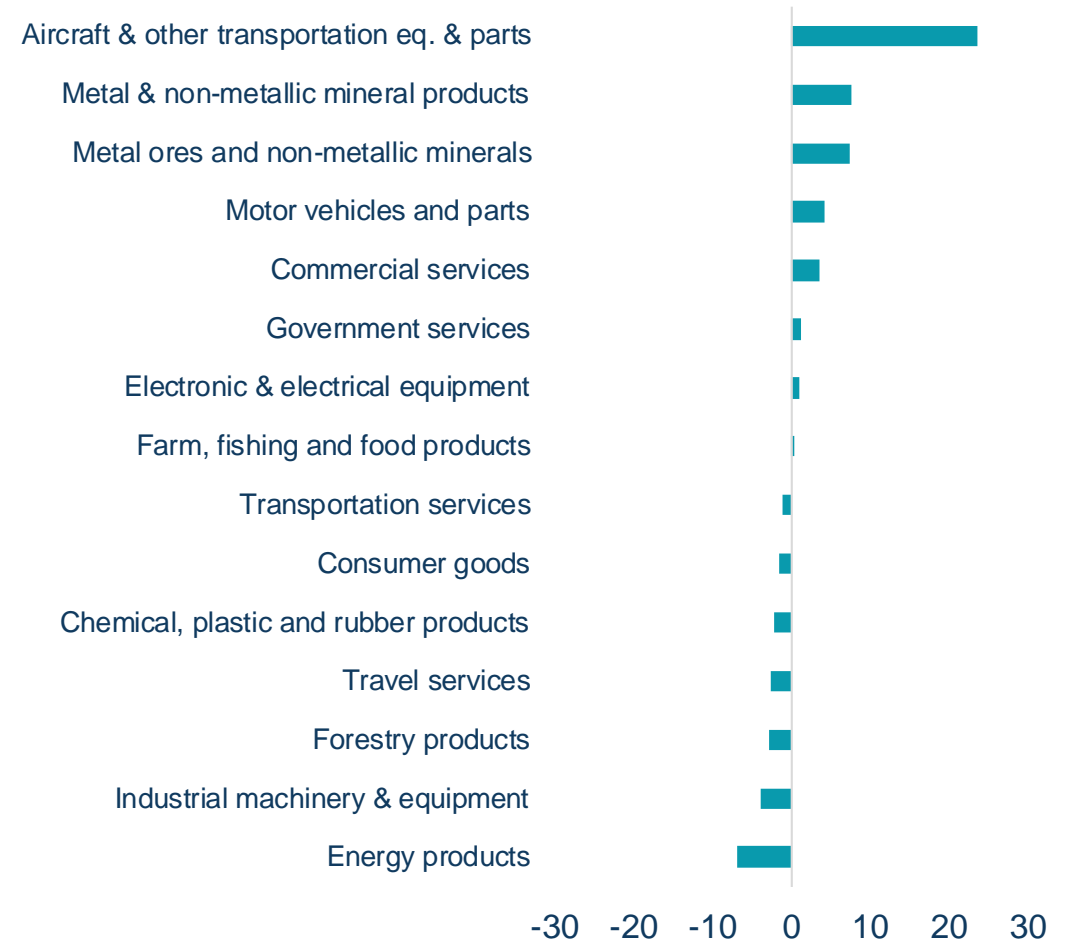
Imports increased in 6 of the 11 product categories in April. Motor vehicles and parts posted the largest increase in dollar terms, rising \$499 million or 4.2% compared to March. This was driven by imports of passenger cars and light trucks (+9.2%), as auto production in the U.S. picked up in April.

Aircraft and other transportation equipment and parts was the second largest contributor to the overall increase in imports, growing by 23.7%. Imports of ships accounted for almost 78% of the increase in the product category, rising by \$363 million, as several ships were delivered in April.

Elsewhere, imports of metal and non-metallic mineral products rose 7.7% on the back of higher purchases of unwrought gold.

Services imports increased in 2 of the 4 categories. Imports of commercial services grew 3.5%, on the strength of financial services. However, this was partially offset by a 2.5% decrease in travel services due to lower spending by Canadian visitors to the U.S.

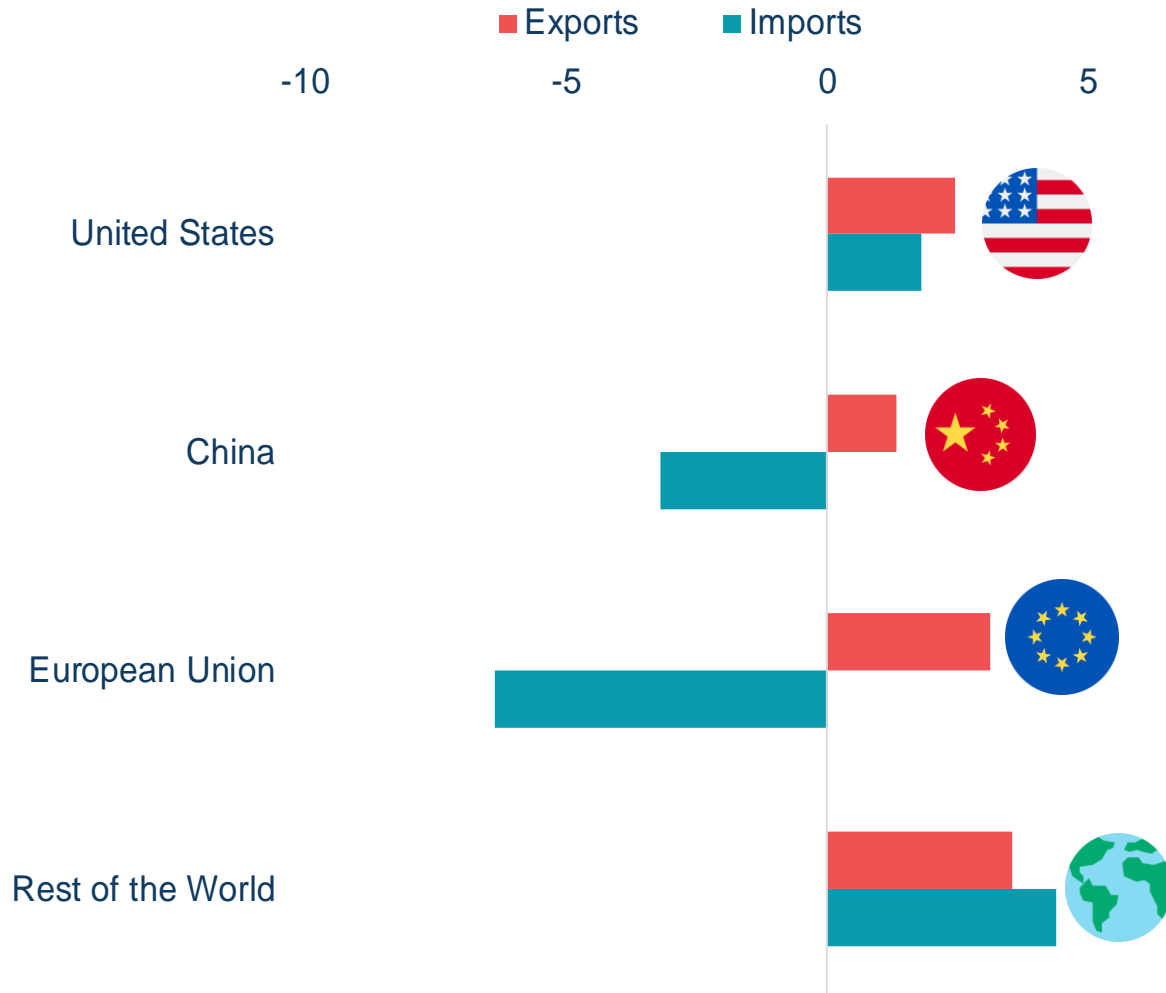
Imports by industry and sector (monthly % change)



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

Source: Office of the Chief Economist, Global Affairs Canada.

Goods trade by main markets (monthly % change)



GLOBAL MARKETS

Canada's exports of goods to the U.S. were up 2.4%, driven mainly by higher exports of crude oil and natural gas. Meanwhile, goods imports increased 1.8%, as Canadian imports of sport utility vehicles and light trucks from the U.S. picked up in April. As exports rose at a faster pace than imports, Canada's goods trade surplus with the U.S. widened from \$6.9 billion in March to \$7.3 billion in April.

Canada's goods exports to countries outside the U.S. grew 3.1%. Exports of copper ores and liquefied propane to Japan and unwrought gold to the United Kingdom rose month-over-month. In addition, there were higher exports of various products to Mexico.

In contrast, Canada's goods imports from countries other than the U.S. edged down 0.1% in April, as lower imports from East Asia (specifically Japan, China, and South Korea) were almost entirely offset by increases in imports from Mexico, Germany, France, and Italy. As a result, Canada's goods trade deficit with countries other than the U.S. narrowed from \$8.9 billion in March to \$8.4 billion in April.

PRICES AND VOLUMES

Goods export prices rose 0.9% in April, on the strength of higher metal and non-metallic products, ores and minerals prices. Excluding prices, goods export volumes rose 1.7% on the back of strong growth in farm, fishing and intermediate food products, aircraft and other transportation equipment and parts, metal ores and non-metallic minerals, and energy products.

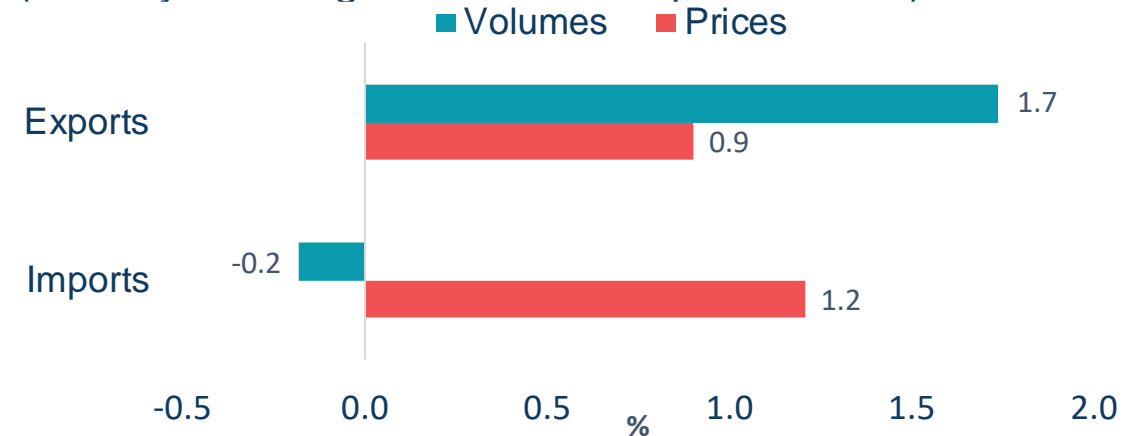
While goods import prices rose 1.2%, import volumes were relatively stable, declining slightly by 0.2%.

In April, the Canadian dollar depreciated to 73.13 US cents from 73.86 US cents in March, on the expectation that more persistence inflation in the U.S. will lead to slower speed of interest rate cuts compared to Canada.

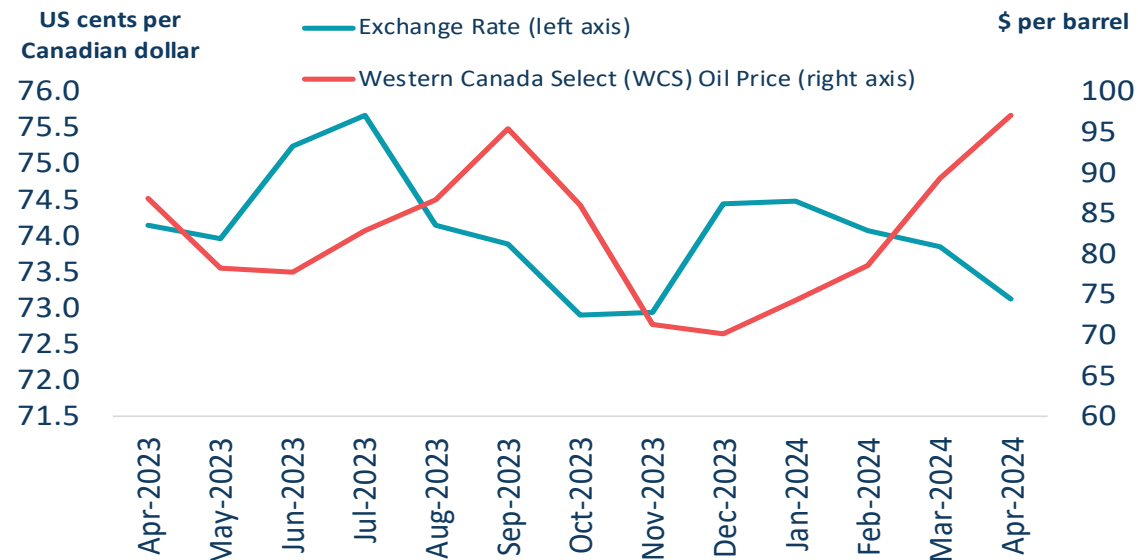
Meanwhile, the average monthly price of crude oil for Western Canada Select (WCS) continued its upward trend for the fourth consecutive month, reaching USD 97.14 per barrel from USD 89.36 per barrel in March.

Goods trade

(monthly % change in volume and price indices)



Exchange rate & oil price



Data: Statistics Canada Table 12-10-0168-01. Balance of payments basis, seasonally adjusted.
Bank of Canada Monthly Exchange Rate. Haver Analytics.
Source: Office of the Chief Economist, Global Affairs Canada.

WHAT TO WATCH

- Canada's real GDP growth picked up to 1.7% (annualized) in 2024 Q1 largely due to higher household spending, especially on services. Meanwhile, the annual inflation rate came down to 2.7% in April from 2.9% in March.
- Noting the progress on inflation and weaker-than expected economic conditions, the Bank of Canada announced a 25-basis point cut to the policy interest rate at its policy meeting on June 5th, the first cut in four years.
- Signs of softening are observed for the U.S. economy as consumer spending weakened in April and GDP growth slowed to 1.3% (annualized) in 2024 Q1, down from 3.4% in 2023 Q4. A slowing U.S. economy may lead to lower demand for Canadian exports.
- In China, the government has implemented new policy initiatives to boost economic growth, including easing monetary policy and stepping up programmes to support the troubled property sector. The IMF has upgraded its growth outlook on the back of these stimulus measures and stronger-than-expected Q1 growth, although Chinese economic growth is still forecasted to be weaker than the previous decade.

Next Monthly Trade Release: Wednesday, July 3

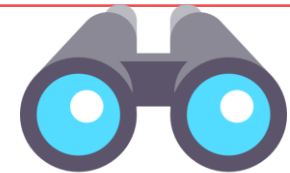


Table 1: Trade by industry sector
(\$ millions)

	Exports			Imports		
	Apr. 2024	m/m %	YTD %	Apr. 2024	m/m %	YTD %
Goods	64,448	2.6	-1.0	65,495	1.1	0.9
Primary products	37,607	3.5	-1.1	21,033	0.4	-0.9
Energy products	14,654	2.7	3.4	3,407	-6.9	-8.2
Non-primary products	25,006	0.9	-0.8	42,084	1.3	1.8
Industrial machinery & equipment	4,193	-1.5	-2.8	7,260	-3.9	-3.3
Electronic & electrical equipment	2,802	0.1	0.1	7,136	0.9	-2.2
Motor vehicles and parts	7,967	0.0	-1.3	12,463	4.2	8.2
Aircraft & other transportation eq. & parts	2,819	8.6	2.1	2,435	23.7	7.7
Consumer goods	7,226	1.0	-0.4	12,791	-1.5	0.7
Services	16,913	0.0	5.8	18,036	1.1	7.1
Commercial services	10,876	0.7	8.6	10,394	3.5	6.2
Travel services	4,222	-1.5	1.4	4,455	-2.5	11.7
Transportation services	1,670	-0.7	1.9	3,023	-1.2	3.8
Government services	145	2.8	-7.4	165	1.2	6.2
Total goods and services	81,361	2.0	0.4	83,531	1.1	2.2

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.

Data: Statistics Canada Tables 12-10-0163-01 and 12-10-0144-01. Balance of payments basis, seasonally adjusted.

Source: Office of the Chief Economist, Global Affairs Canada.

Table 2: Goods trade by main markets
(\$ millions)

	Exports			Imports		
	Apr. 2024	m/m %	YTD %	Apr. 2024	m/m %	YTD %
United States	48,590	2.4	-0.7	41,260	1.8	0.7
Mexico	895	18.8	2.6	2,423	10.8	1.7
European Union	2,774	3.1	-7.2	5,968	-6.4	-4.6
Germany	420	-29.4	-15.7	1,799	12.9	-4.2
France	343	45.0	-7.8	544	5.1	0.8
United Kingdom	2,664	20.2	61.5	1,020	19.3	7.1
Indo-Pacific region	5,739	-3.9	-6.8	9,279	-2.6	4.7
China	2,392	1.3	-15.7	5,209	-3.2	-1.5
Japan	1,620	28.8	-6.6	1,189	-4.7	21.3
South Korea	602	-3.1	8.4	1,255	-3.7	34.9
Indonesia	268	64.0	-15.4	147	3.0	33.7
India	266	-28.4	9.8	534	-0.1	6.0
Australia	219	-13.1	-9.8	169	11.1	-9.1
Taiwan	162	-7.8	-10.3	355	-3.5	-7.4
Singapore	124	22.3	-25.6	160	57.2	-19.5
Hong Kong SAR	86	-87.1	35.5	261	-11.5	-13.1
Rest of the world	3,786	1.0	-12.1	5,545	4.2	1.2
Total goods trade	64,448	2.6	-1.0	65,495	1.1	0.9

Notes: The Indo-Pacific region total includes only the 9 markets for which data are available. "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.

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

Source: Office of the Chief Economist, Global Affairs Canada.