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OFFICE OF  
THE CHIEF  
ECONOMIST

# MONTHLY TRADE REPORT

## AUGUST 2024

# TABLE 1: CANADA'S TRADE PERFORMANCE

## AUGUST 2024

	Goods	Services	Total
Exports (\$ billions)	64.3	16.9	81.2
m/m	-1.0%	+0.5%	-0.7%
YTD	+1.2%	+3.4%	+1.6%
Imports (\$ billions)	65.4	18.2	83.6
m/m	+0.3%	-0.6%	+0.1%
YTD	+1.1%	+7.1%	+2.4%
Balance (\$ billions)	-1.1	-1.3	-2.4
m/m (\$ billions)	-0.8	+0.2	-0.6

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.

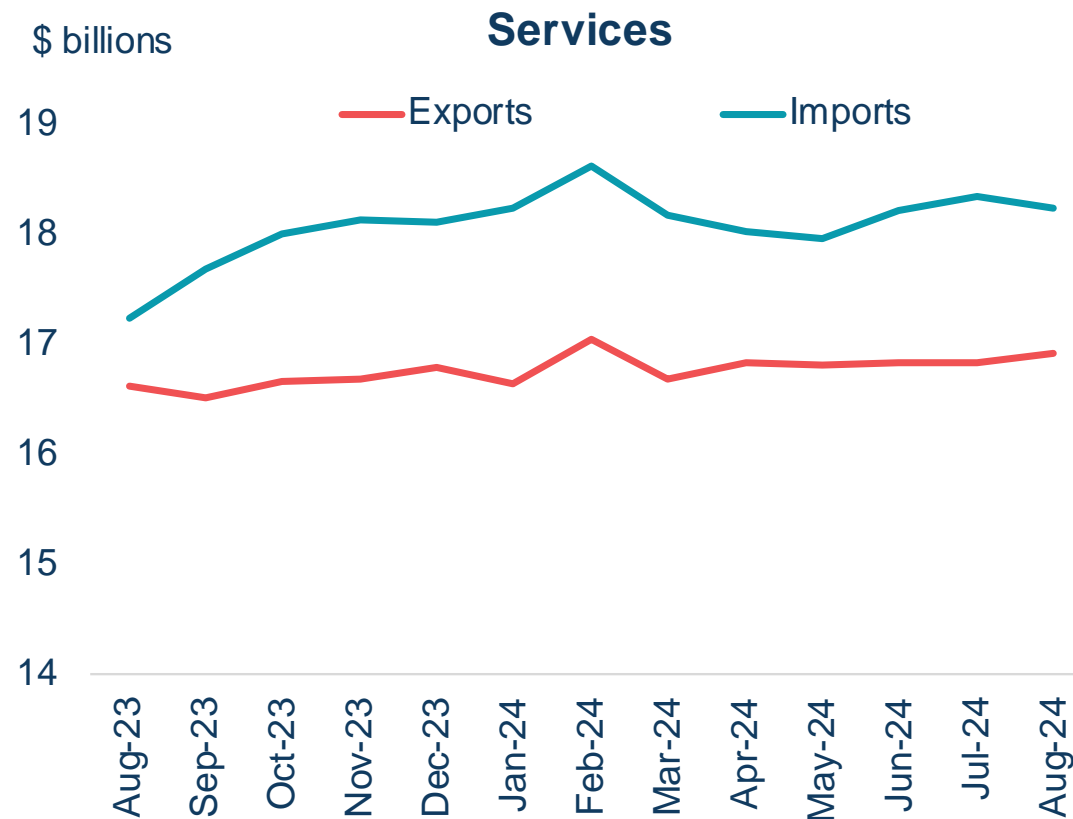
## HIGHLIGHTS

- After a weak trading performance in July, Canada's exports of goods and services decreased 0.7% in August while imports grew 0.1%.
- Goods exports dropped by 1.0% in August, driven mainly by decreased exports of energy products (-3.0%). Service exports grew 0.5% with growth seen in all 4 service sectors.
- Goods imports grew 0.3% in August, largely due to motor vehicle and parts. Service imports dropped 0.6% due to lower commercial and travel services imports.
- Goods exports to the U.S. fell 4.3% in August while imports saw an increase of 0.9%. In contrast, exports to countries other than the U.S. grew 10.3% while imports decreased 0.7%.
- Excluding price effects, the volume of goods exports edged up 0.1%, and imports increased by 0.4% in July.



# FIGURE 1: CANADA'S MONTHLY TRADE PERFORMANCE

(International trade in goods and services)



Data: Statistics Canada Tables 12-10-0011-01 and 12-10-0144-01. Balance of payments basis, seasonally adjusted.  
Source: Office of the Chief Economist, Global Affairs Canada.

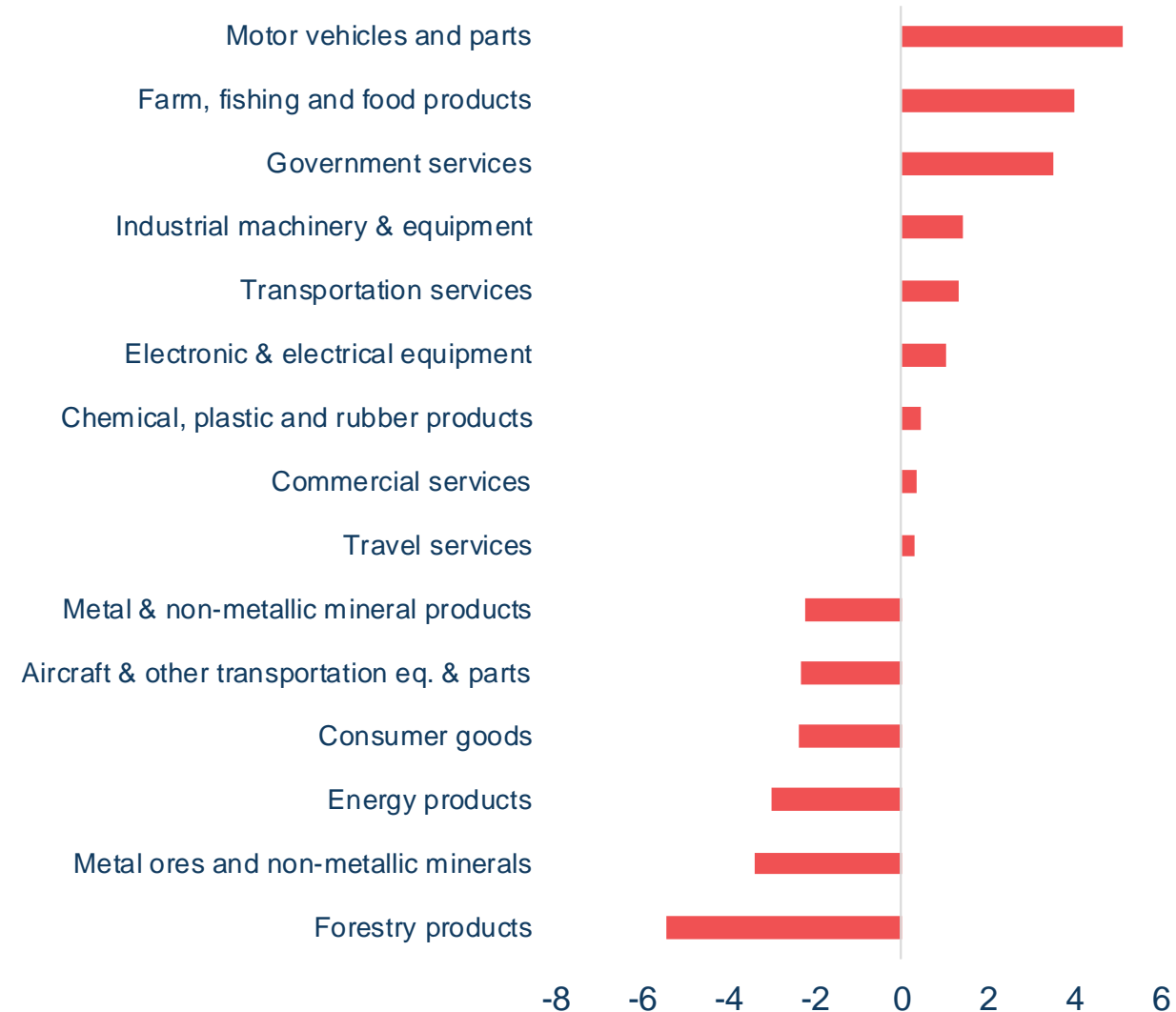
# INDUSTRY VIEW—EXPORTS

Export decreases were observed in 6 out of 11 product sections with energy products accounting for the largest total decrease (-3.0%), mainly attributed to lower exports of crude oil (-4.1%). The decline was mainly due to lower prices for crude oil as concerns over oil demand put downward pressure on prices.

Exports of forestry products and building and packaging materials fell 5.5% to \$3.8 billion, its lowest level since July 2023. Meanwhile, exports of motor vehicles and parts increased 5.1%, with passenger cars and lights trucks driving the increase (6.1%) as light truck production in Canada saw a boost.

Export increases were seen in all 4 service sectors in August, increasing 0.5% overall. Higher commercial service exports (0.4%) were largely due to higher receipts of financial services while both transportation services (1.3%) and travel services (0.3%) also increased in August.

**Figure 2: Exports by industry and sector (monthly % change)**



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.

# INDUSTRY VIEW—IMPORTS

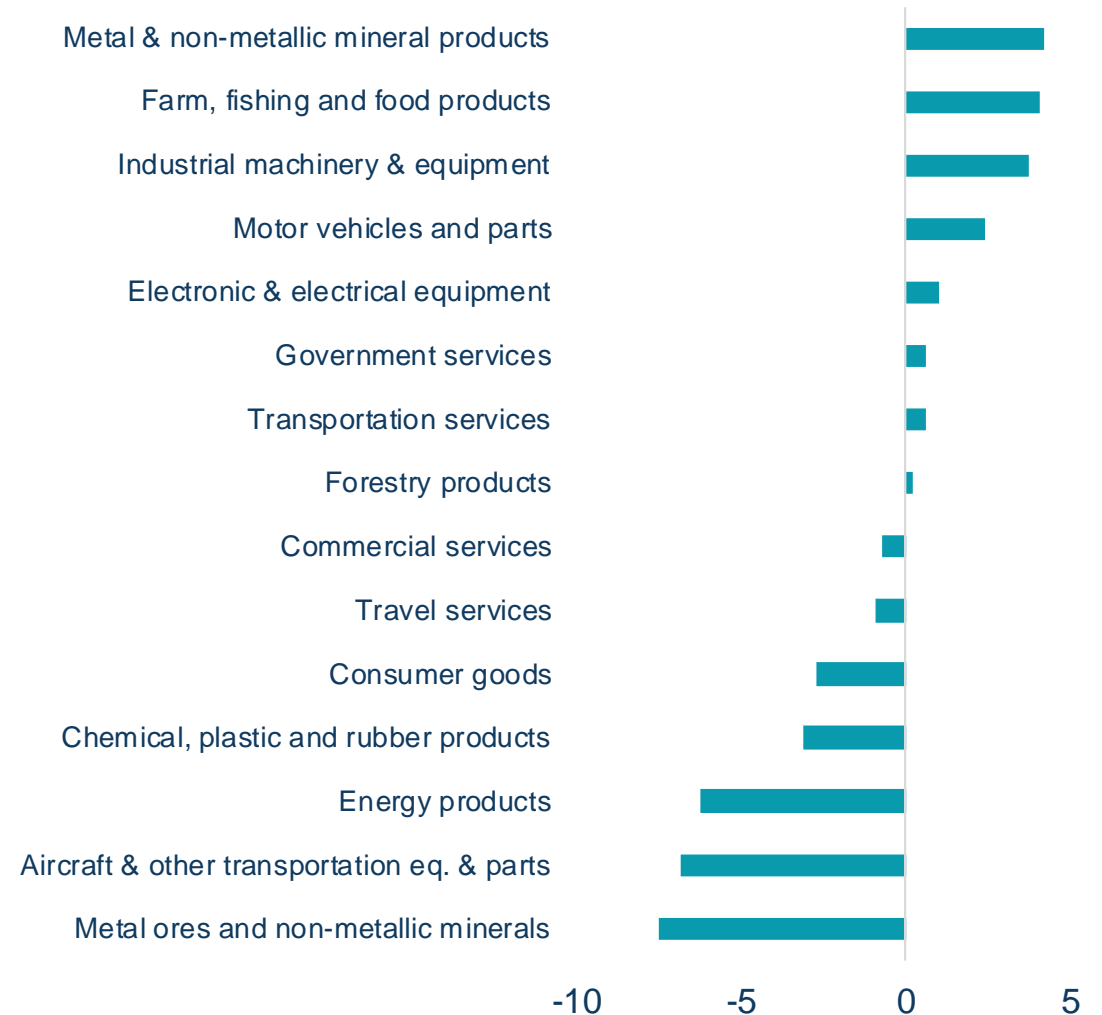
Imports grew in 6 out of 11 product sections and in 2 out of 4 service sectors.

The increase in total goods imports was mainly driven by motor vehicles and parts (+2.4), particularly passenger cars and light trucks (+5.6%). This growth happened concurrently with higher production of light trucks and sport utility vehicles in the U.S.

Imports of industrial machinery, equipment and parts also saw an increase in August (3.8%). In particular, imports of logging, construction, mining, and oil and gas machinery grew 10.4% and accounted for almost one-third of this sector's growth. Meanwhile, imports of consumer goods dropped 2.8%, largely due to lower imports of pharmaceutical ingredients from Ireland.

Imports of services were down 0.6%, with commercial services dropping 0.8% due to lower financial services payments. Imports of travel services also decreased 0.9% due to lower spending by Canadian travelers in the U.S.

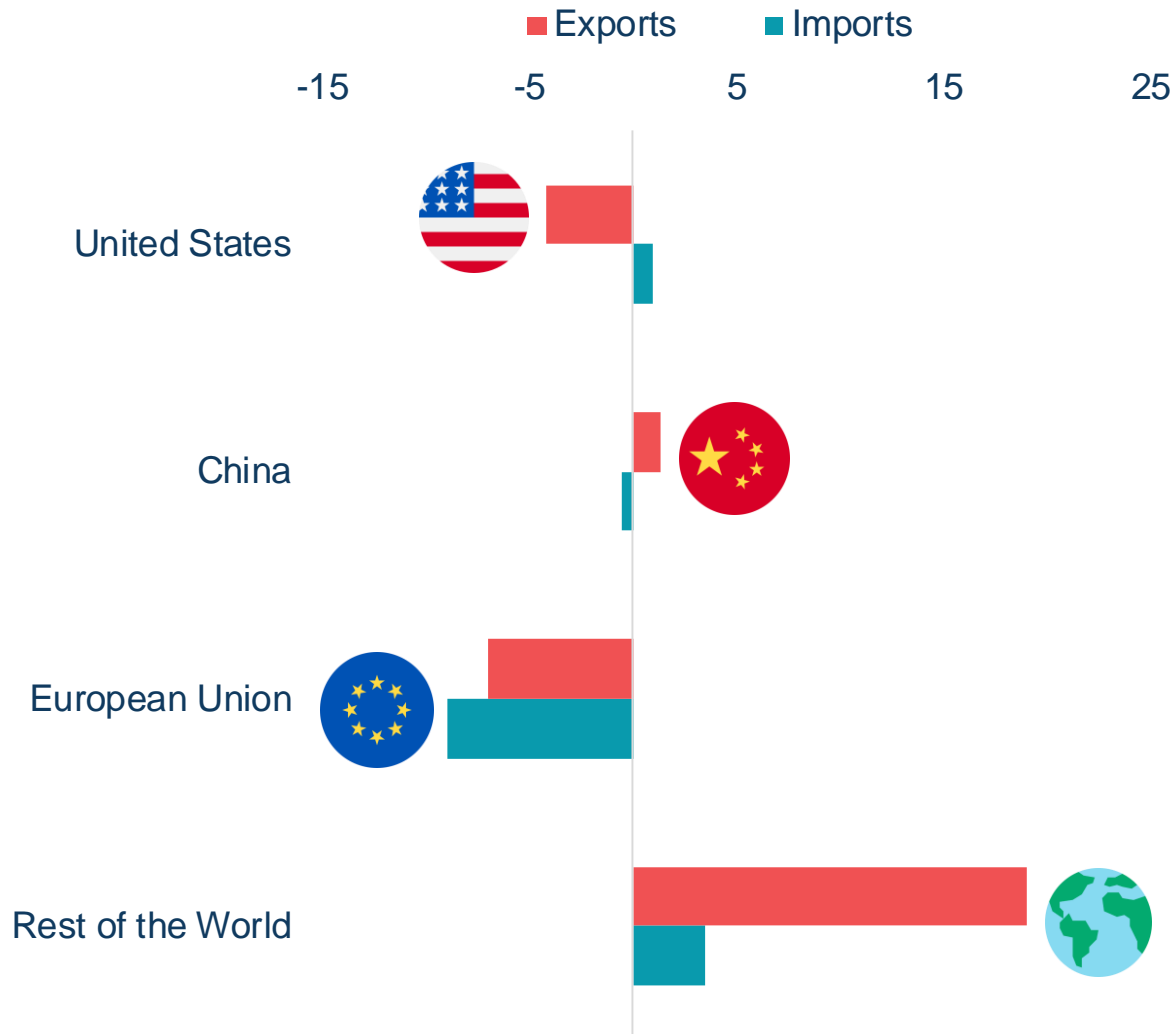
**Figure 3: Imports by industry and sector (monthly % change)**



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.

**Figure 4: Goods trade by main markets**  
(monthly % change)



## GLOBAL MARKETS

Goods exports to the U.S. decreased 4.3% in August due to lower energy exports, while imports grew 0.9%. This resulted in Canada's trade surplus with the U.S. to narrow from \$10.5 billion in July to \$8.0 billion in August.

Exports to countries other than the U.S. grew 10.3% in August. This increase was largely due to higher exports to the United Kingdom (unwrought gold), as well as Sweden (unwrought gold).

Meanwhile, imports from countries other than the U.S. fell 0.7% in August. Lower imports from Ireland (pharmaceutical products) and Mexico (passenger cars and light trucks) drove this decrease, while higher imports from Switzerland (unwrought gold) partially offset the decline.

As a result of these changes, Canada's trade deficit with countries other than the U.S. narrowed from \$10.8 billion in July to \$9.1 billion in August.



# PRICES AND VOLUMES

The drop in the monthly value of goods exports was driven by a 1.1% decrease in prices, as volumes rose 0.1%. The significant drop in energy products exports was due to a notable decline in prices (-4.0%), while volumes increased 1.0%.

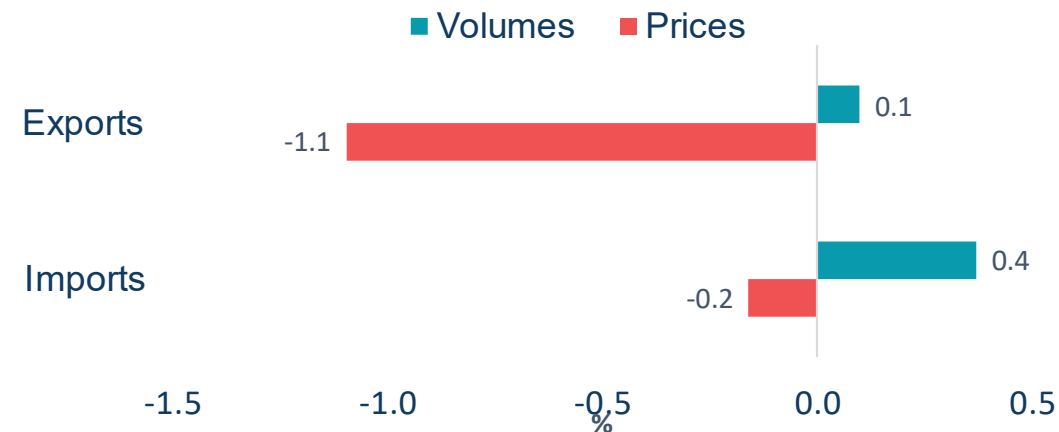
The increase in goods imports was due to a 0.4% increase in volumes, while prices fell 0.2% from July. This is largely accounted for by a growth in motor vehicles and parts import volumes (2.7%), while prices decreased 0.4%.

The monthly average value of the Canadian dollar went up in August to 73.25 US cents, but this remains lower than levels in August 2023 and those seen in the beginning of 2024.

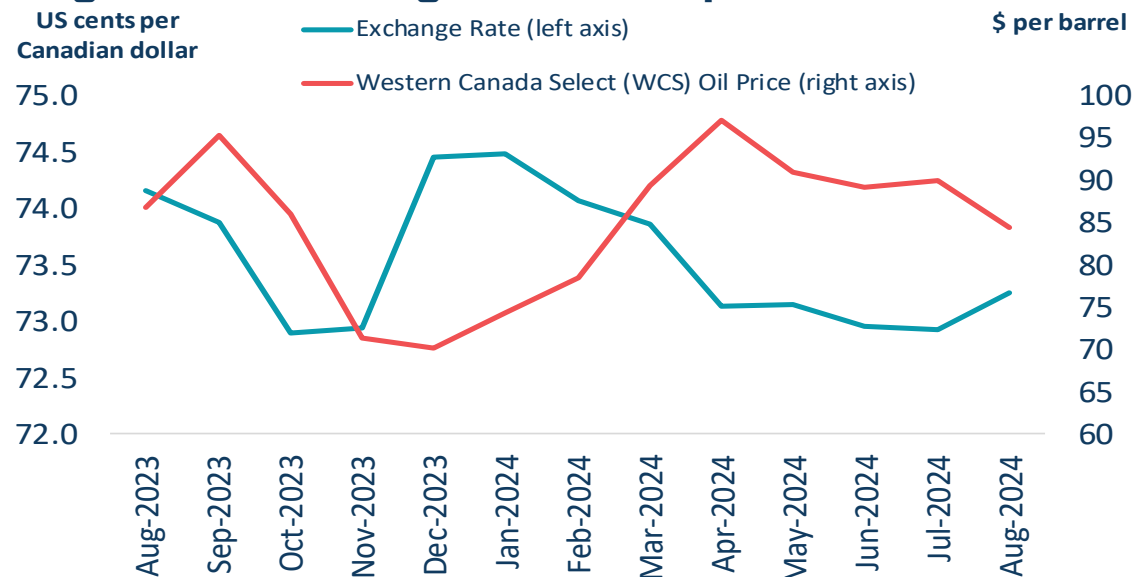
The monthly price of Western Canada Select crude oil dropped in August to \$US84.43 per barrel, which dragged down the value of energy products exports, and goods exports in general.

## Figure 5: Goods trade

(monthly % change in volume and price indices)



## Figure 6: 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.

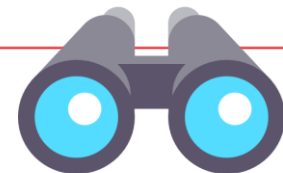
# WHAT TO WATCH

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- There were several brief strikes at various ports in Canada and the U.S. in September and October that may show up in upcoming trade data. In Canada, employees of 6 grain terminals at the Port of Vancouver were on strike on Sep. 24-27. Dockworkers of 2 of the 4 terminals at the Port of Montreal had a work stoppage on Oct.1-3.
- In the U.S., dockworkers went on strike at 36 ports along the U.S. East and Gulf Coasts on Oct.1. The strike was suspended on Oct. 4 with a tentative agreement on wages and to extend the negotiations of other elements to Jan. 15, 2025.
- On Oct.1, a 100% tariff on the imports of Chinese-made electrical vehicles (EVs) to Canada came into effect. China is Canada's 3rd largest supplier of EVs, making up 13% of imports. Additionally, a 25% surtax on imports of steel and aluminum products from China will come into effect on Oct. 15. China supplied 11.1% of Canada's imports of steel and aluminum products in 2023.
- Canada's year-over-year headline inflation moderated to 2.0% in August, the slowest pace of price growth since February 2021. The Bank of Canada's policy rate is currently 4.25% and the Bank is scheduled to make its next rate announcement and publish the latest *Monetary Policy Report* on Oct. 23.

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**Next Monthly Trade Release:** Tuesday, November 5





**Table 2: Trade by industry sector**  
(\$ millions)

	Exports			Imports		
	Aug. 2024	m/m %	YTD %	Aug. 2024	m/m %	YTD %
<b>Goods</b>	<b>64,311</b>	<b>-1.0</b>	<b>1.2</b>	<b>65,408</b>	<b>0.3</b>	<b>1.1</b>
Primary products	37,603	-1.9	2.6	21,271	-0.6	-0.1
Energy products	14,842	-3.0	6.9	2,891	-6.3	-13.2
Non-primary products	25,029	0.9	-0.8	41,615	0.2	1.7
Industrial machinery & equipment	4,242	1.4	-1.8	7,484	3.8	-1.5
Electronic & electrical equipment	2,890	1.0	2.4	7,428	1.0	0.6
Motor vehicles and parts	7,692	5.1	-6.3	11,619	2.4	2.3
Aircraft & other transportation eq. & parts	2,529	-2.3	3.5	2,135	-6.8	4.0
Consumer goods	7,676	-2.4	3.4	12,949	-2.8	3.3
<b>Services</b>	<b>16,909</b>	<b>0.5</b>	<b>3.4</b>	<b>18,240</b>	<b>-0.6</b>	<b>7.1</b>
Commercial services	11,035	0.4	6.4	9,978	-0.8	3.7
Travel services	4,032	0.3	-2.8	5,217	-0.9	17.0
Transportation services	1,692	1.3	2.3	2,881	0.6	4.1
Government services	148	3.5	-6.4	164	0.6	4.8
<b>Total goods and services</b>	<b>81,220</b>	<b>-0.7</b>	<b>1.6</b>	<b>83,648</b>	<b>0.1</b>	<b>2.4</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.  
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 3: Goods trade by main markets**  
(\$ millions)

	Exports			Imports		
	Aug. 2024	m/m %	YTD %	Aug. 2024	m/m %	YTD %
United States	48,142	-4.3	0.3	40,168	0.9	0.0
Mexico	791	-14.4	-1.4	2,343	-9.1	3.3
European Union	2,798	-7.0	-5.4	6,187	-9.0	-2.6
Germany	523	-19.4	-12.8	1,580	-1.3	-9.0
France	363	48.8	-8.0	525	-4.7	1.2
United Kingdom	3,234	67.3	86.5	840	3.2	-14.1
Indo-Pacific region	6,016	1.9	-1.8	9,583	1.0	8.4
China	2,792	1.3	-2.2	5,168	-0.6	3.5
Japan	1,125	4.1	-10.2	1,482	5.8	17.3
South Korea	636	-14.3	15.5	1,155	-2.7	40.5
India	385	0.1	9.0	487	8.9	5.9
Singapore	115	-54.2	-2.3	209	-24.1	-0.2
Australia	380	66.4	-3.9	306	44.3	-2.7
Indonesia	155	-27.4	8.4	144	-1.0	31.2
Taiwan	194	37.9	-5.9	327	-1.5	-4.5
Hong Kong SAR	233	118.7	-7.7	306	5.6	-13.6
Rest of the world	3,329	15.5	-5.7	6,287	9.6	3.6
<b>Total goods trade</b>	<b>64,311</b>	<b>-1.0</b>	<b>1.2</b>	<b>65,408</b>	<b>0.3</b>	<b>1.1</b>

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.