Catalogue no. 13-605-X
ISSN 1705-9658

Latest Developments in the Canadian Economic Accounts

Guide to Canadian International Merchandise Trade Statistics

Release date: January 22, 2024

Statistics Canada Statistique Canada

Canada

How to obtain more information

For information about this product or the wide range of services and data available from Statistics Canada, visit our website, www.statcan.gc.ca.

You can also contact us by

Email at infostats@statcan.gc.ca

Telephone, from Monday to Friday, 8:30 a.m. to 4:30 p.m., at the following numbers:

- Statistical Information Service 1-800-263-1136
- National telecommunications device for the hearing impaired 1-800-363-7629
- Fax line 1-514-283-9350

Standards of service to the public

Statistics Canada is committed to serving its clients in a prompt, reliable and courteous manner. To this end, Statistics Canada has developed standards of service that its employees observe. To obtain a copy of these service standards, please contact Statistics Canada toll-free at 1-800-263-1136. The service standards are also published on www.statcan.gc.ca under "Contact us" > "Standards of service to the public".

Note of appreciation

Canada owes the success of its statistical system to a long-standing partnership between Statistics Canada, the citizens of Canada, its businesses, governments and other institutions. Accurate and timely statistical information could not be produced without their continued co-operation and goodwill.

Published by authority of the Minister responsible for Statistics Canada

An HTML version is also available.

Cette publication est aussi disponible en français.

Table of contents

Guide to Canadian International Merchandise Trade Statistics

Introduction

Canadian international merchandise trade statistics are compiled, analyzed and released on a monthly basis by the Canadian International Merchandise Trade (CIMT) Program, which operates within the International Accounts and Trade Division (IATD) at Statistics Canada. These statistics are compiled in adherence with international standards, ensuring comparability with trade statistics from other countries. Additionally, they serve as inputs for various Canadian statistical programs, including the Balance of International Payments and Gross Domestic Product Programs.

The primary goal of this guide is to provide an overview of the CIMT data, the necessary definitions to better understand the data, and information related to concepts and methodology. This information is mainly related to customs-basis merchandise trade data, which form the foundation of the balance of payments-basis data, and ultimately serve as inputs into other programs in the Canadian Macroeconomic Accounts.

Data Sources

In general, merchandise trade statistics are compiled from administrative records used by customs agencies to facilitate and oversee the flow of goods across the border.

Import Data

Imports from all countries: Customs declarations from the CBSA

Customs-based international merchandise trade statistics for imports from all countries are compiled from the administrative files of the Canada Border Services Agency (CBSA). When goods are imported into Canada, customs declarations must be submitted to the CBSA by importers or their agents, including the commodity code, value of the merchandise, country of origin, port of clearance, and mode of transport, among other variables. The CBSA electronically transmits import data from the customs documents to Statistics Canada on a regular basis.

Export Data

Exports to countries other than the United States: Customs declarations from the CBSA

Canada's international merchandise trade statistics for exports to countries other than the United States are compiled using the CBSA's customs administrative files. Declarations of exports must be submitted prior to exportation using the CBSA's Canadian Export Reporting System (CERS) software, G7 Electronic Data Interchange Export Reporting program, or Export Summary Reporting program. The CBSA electronically transmits export data to Statistics Canada on a regular basis.

Exports to the United States: United States import data

International merchandise trade statistics for exports to the United States are compiled from the customs administrative files collected by the United States Customs and Border Protection (USCBP), which are received by Statistics Canada via the United States Census Bureau (USCB). Under the terms of a Memorandum of Understanding, Canada and the United States use the other country's import data for their export statistics. When goods are imported into the United States, importers are required to complete and submit a customs declaration to the USCBP. The completed declarations are provided by the USCBP to the USCB, which subsequently provides data to Statistics Canada.

US import values are collected in US dollars. To convert the US values to Canadian values, Statistics Canada provides the USCB with the monthly average of the Bank of Canada's daily rate. The USCB converts the value of imports from Canada to Canadian dollars prior to transmitting the data.

Data for customs- and balance of payments-basis exports of natural gas and electricity as well as balance of payments-basis crude oil exports are estimated for the current month and subsequently replaced with survey and administrative data as they become available, as described in the Estimates and Other Data Sources section.

Estimates and Other Data Sources

Estimates are used to account for the late receipt of customs declarations or other sources of data that are used in place of customs administrative data.

For imports, there are circumstances under which import documents are received from the CBSA too late for publication with the current month data. To account for these, estimates are calculated for the current month. The estimate for current month late arrivals is replaced with actual data in subsequent releases once the actual data become available. Once received, these import records are attributed to the appropriate data month and published as revisions.

For exports, data for certain energy products are estimated and/or based on sources other than customs administrative data.

Customs-basis crude oil exports are derived from customs administrative data. Balance of payments-basis crude oil data, however, are derived from other sources.

For balance of payments-basis crude oil exports to the US, volume data come from survey-based data published by Statistics Canada's Crude Oil and Natural Gas (MCONG) Program. In recent years, non-US export volumes from this program have been replaced by customs data. Non-US crude oil export shipments are sent by vessel, and accounting for these shipments in customs documents is not subject to the same challenges as accounting for continuous transmission commodities (CTC) shipments. Continuous transmission commodities include goods such as electricity, crude oil, and natural gas that are transported through wires, pipelines, or similar conduits. As these commodities flow continuously out of Canada, exports of these goods are reported to the CBSA on a monthly basis, rather than as individual shipments crossing the border.

Balance of payments-basis crude oil export price data are based on a weighted average of the Canada Energy Regulator (CER) export price. Average prices for heavy and light crude oil are calculated using transaction volumes as weights, and transportation costs to the Canadian border are estimated and stripped from the price. A final balance of payments-basis price is computed from the average heavy and light crude oil prices and combined with volume information to calculate the balance of payments value. This price is also converted to a price index and published explicitly in Statistics Canada data tables.

Statistics Canada does not receive customs data for natural gas and electricity exports from the USCB. Therefore, estimates of these data are published for the current or most recent months until other data sources become available. In the case of estimates of natural gas and electricity exports to the US for the current month, more timely information on prices and volumes as well as results from forecast models are initially used to estimate data in place of customs administrative data. As survey and administrative data become available, the estimates are replaced.

For customs- and balance of payments-basis natural gas exports, data from third party sources and trends in historical data from Statistics Canada's MCONG Program are used to estimate growth rates for the most recent two months, with the relative increases to prices and volumes applied to the most recent MCONG results available. Values are implicitly calculated from the prices and volumes.

Finally, for customs- and balance of payments-basis electricity exports, ARIMA models are used to forecast the price and volume for the most recent month, with CER monthly data from the previous 7 years used as inputs. Forecast movements for electricity prices and volumes are applied to the actual CER data received for the previous

month to arrive at the value published for the most recent month. Estimated data are replaced with values from CER export reports once these become available.

Exports of energy products can be a source of significant revisions in merchandise trade statistics. This is mainly caused by the replacement of estimated data with actual results. Energy products represent a significant share of total exports and are often driven by volatile prices – particularly in the case of crude oil and natural gas. This volatility makes the estimation process difficult. Natural gas prices in certain markets in the US frequently experience extreme swings, resulting in larger revisions during transitions between seasons or when sudden temperature changes occur. Crude oil prices can change rapidly due to a variety of factors in domestic and world markets.

For more information, please visit Methodology for Exports of Energy Products within the International Merchandise Trade Program.

Coverage

Scope and Timing

Conceptually, customs-basis trade statistics measure the change in stock of material resources of Canada resulting from the movement of merchandise into or out of the country.

Canadian trade statistics are compiled according to the "general" system of trade as defined by the United Nations Statistical Office. The general trade system is in use when the statistical territory of a country coincides with the economic territory. Consequently, under the general trade system, imports are recorded when goods enter the economic territory of a compiling country, and exports when goods leave the economic territory of a compiling country.

The closing of the statistical month for imports and exports is defined as the last calendar day of the month based on the date of clearance from the customs agencies. Documents received too late for incorporation in the current month are assigned to the month the transaction took place and are published as revisions the following statistical month.

Domestic Exports and Re-exports

Total exports are comprised of domestic exports and re-exports.

Domestic exports are exports of goods that are grown, extracted, or manufactured within Canada. The province of origin indicates the specific province or territory in which the goods were grown, extracted, or manufactured.

Re-exports are exports of goods of foreign origin that were previously imported and then exported either without significant alteration or after undergoing minor processing (such as packaging), which keeps their essential nature unchanged.

Re-imports

Re-imports refer to the import of domestically produced goods that were previously exported. In other words, the good was grown, extracted, or manufactured in Canada, then exported and subsequently re-imported in a state that was not significantly altered. Examples of re-imported goods include returned items or products imported after undergoing minimal transformations, like packaging.

In CIMT statistics, re-imports appear in the data as imports from Canada, as imports are attributed to their country of origin.

Confidentiality

Consistent with international standards, Statistics Canada follows a passive approach to confidentiality in Canada's international merchandise trade statistics. Passive suppression requires that appropriate measures be taken only at the request of importers or exporters who feel that their interests would be harmed by the dissemination of data. The onus of notifying the CIMT Program of suspected instances of the release of confidential data rests with the affected companies. Following notification and confirmation of the request, data are suppressed if necessary to prevent direct or residual disclosure of identifiable data. This is achieved by suppressing trade values from publication under the Harmonized System (HS) code; the values associated with that trade are then published together with low value trade under the four-digit HS code 9901.

Inclusions and Exclusions

Customs-basis trade statistics are meant to reflect the import and export of goods that change the stock of material resources of a country. Some trade transactions do not meet this definition, in that they do not result in a change in the stock of material resources of a country.

International standards for the compilation of international merchandise trade statistics provide guidance on the types of imports and exports that should be included or excluded, and Canada's trade statistics generally adhere to these. Below, two examples of excluded types of trade are described, which collectively contribute a substantial portion of the exclusions.

In-Transit Shipments

In-transit shipments reflect shipments between two countries that rely in part on a third country's transportation infrastructure. To illustrate, cargo containers may be off-loaded from a ship at a port in British Columbia onto a train or a truck, and then transported directly to the United States. In this case, an import declaration is not required in Canada because the goods are destined directly for the United States. Since this type of trade is simply passing through Canada and does not change the stock of material resources in Canada, it is excluded from Canada's trade statistics.

Temporary Trade

Goods that enter or leave Canada temporarily – that is, for less than one year – do not change the stock of Canada's material resources. Examples of temporary trade include goods imported or exported for repair, and goods imported or exported for exhibition.

Geographical Designations

International standards as well as data variable definitions have an impact on the concepts related to geography, such as partner countries, provinces/territories, and ports.

Partner Country Attribution

Customs-basis imports are attributed to their country of origin, which is defined as the country in which the goods were grown, extracted, or manufactured. Statistics Canada also collects the country of export, which is the country from which the goods were shipped directly to Canada.

In balance of payments-basis import data, the partner country is attributed to the country of export, as this is better aligned with the concept of change in ownership between residents and non-residents.

For exports, the partner country is attributed to the country of last known destination. It is possible that a shipment is re-exported after being imported into the country of last known destination that is declared on the export declaration. It is also possible that, after the export was declared to the CBSA, the last known destination changes

during transport and the goods are never shipped to the country on the export declaration but are shipped to another country altogether. Unless this situation comes to the attention of the Canadian exporter and that exporter revises their original export declaration, the final destination is unlikely to be reflected in Canada's export statistics. The extent to which the country of destination represents the actual final destination is not identifiable.

Canadian Ports and Provinces/Territories

For imports, Statistics Canada receives the customs office number where the import declaration was cleared through Canadian customs. This customs office is used to determine the province or territory, which represents the province or territory of clearance. It does not necessarily represent the province or territory for which the goods are ultimately destined or consumed, nor the province or territory into which the goods first entered Canada.

For exports to countries other than the United States, both the port and province dimensions are derived from data collected on export declarations. The port represents the Canadian port of exit. For domestic exports, the province of origin represents the province or territory in which the goods were grown, extracted, or manufactured. For re-exports, the province represents that in which the goods were further processed, or if they were not further processed in Canada, the province or territory from which the goods began their export movement.

For exports to the United States, the port is derived through a concordance between the US port of exit and an associated Canadian port of entry. The province of origin is derived from the province of origin dimension provided in the US source data.

Bilateral Trade Data Reconciliations

Bilateral (or multilateral) trade data reconciliations are undertaken to ensure the accuracy and consistency of trade statistics between two trading partners. This involves comparing one country's import data from a partner country with the partner country's export data to that country, for instance comparing Canada's imports from the US data with the US's exports to Canada data. Theoretically, it could be expected that these bilateral trade data would be identical, but there are a number of reasons why differences exist. Some of the main reasons for differences when comparing bilateral trade data are country attributions, lags due to shipment timing, differences in classification, and reporting errors.

More information can be found in the article Comparing Canadian and US bilateral trade in goods data, 2014, 2015 and 2016.

Valuation, Currency, and Freight

Valuation

For customs purposes, imports are recorded as values established according to the provisions of the *Customs Act*, which reflects valuation methods based on the General Agreement on Tariffs and Trade (GATT) Valuation Code System. 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.

The values of taxes, duties, and tariffs, including countervailing and anti-dumping duties, required on importation into Canada are not included in the value of imports.

Exports are recorded as the value declared on customs documents, which usually reflect the transaction value. Like imports, Canada's exports are valued as FOB port of exit from Canada, including domestic freight charges to that point but net of discounts and allowances.

Cost, insurance, and freight (CIF) valuation, which includes the costs of insurance and freight for transporting the goods to the point of entry in the importing country from the port of exit in the exporting country, are not collected or published for CIMT data.

More information can be found in the CBSA's Customs Valuation Handbook.

Currency

Data for imports from all countries are collected in Canadian dollars. However, if the value must be converted to Canadian dollars at the point of declaring imports to the CBSA, the conversion rate used is based on the date of direct shipment.

The value of exports to non-US countries can be declared in various currencies, which are converted by Statistics Canada using the monthly average of the Bank of Canada's daily rate. The value of exports to the US is collected by the USCBP in US dollars as imports from Canada. Using the monthly average of the Bank of Canada's daily rate, the USCB converts the value of US imports from Canada to Canadian dollars prior to transmitting the data to Statistics Canada.

Freight

For imports, the CBSA collects freight information on declarations of imports from the United States. CBSA guidelines stipulate that data on freight should be provided only for shipments valued at over $2,500 CAD; in practice, freight information is often provided for most other cases as well.

In essence, the freight amount recorded on the import declaration represents the charges incurred to transport goods from the direct shipment location in the exporting country to the consignee in Canada. This freight amount is not included in the value of Canada's imports, which are valued on a Free on Board (FOB) basis.

Statistics Canada shares its import data, including freight information, with the USCB for incorporation into their statistics on US exports to Canada. This freight data plays a crucial role in one valuation method used in compiling US export data. Therefore, for shipments originating in the United States, Statistics Canada applies a routine to assess the reported implicit freight rate (freight as a percentage of value) against historical norms and makes the necessary adjustments if these rates fall outside predetermined limits. Otherwise, freight data received from the CBSA are provided as is.

As with imports, the CBSA collects freight information on declarations for exports to non-US destinations. Freight values represent the cost of transporting goods from the place of lading to the exit point in Canada. For exports, this freight amount is included in the FOB value, which is the valuation method used for reporting Canada's exports.

For shipments to the US, freight amounts are collected by the USCBP and shared with Statistics Canada by the USCB.

Statistics Canada employs a basic edit process to identify cases where extreme freight amounts have been reported relative to the export value. When such extreme cases are found, the freight value is adjusted to a reasonable percentage of the total shipment value.

Data Processing and Quality Assurance

Automated Processes

Numerous automated processes are used in the CIMT Program to assess and improve the quality of the customs-basis merchandise trade data before publication. Business rules, validation edits, combination edits, and unit value edits are performed on both import and export microdata during the edit and imputation process.

Business rules are applied to remove out-of-scope transactions, recode incorrect information, or identify transactions for manual review.

Validation edits ensure that a reported variable respects its defined characteristics, for instance, numeric variables are reported as numeric, or valid codes have been provided. Combination edits ensure that logic is maintained between related variables. Where erroneous or incomplete data are found, a corresponding imputation occurs.

Automated processing is also applied to ensure the quality of unit values, which reflect the cost per unit of the quantity. For each HS code, unit values are evaluated, with outliers flagged and the quantity imputed to produce unit values that fall within an expected range.

Manual Processes

In terms of manual processes, microdata are reviewed by analysts to ensure data quality. High value import and export records are viewed in the context of the history of trade by commodity, company, and country. Records that fail the unit value edits may also be reviewed as well as records that meet certain predetermined criteria. If required, an analyst may follow up with the importer, exporter, or their representative to verify the information provided on customs declarations.

Prior to finalizing the data each month, transaction-level data are aggregated and subjected to month-over-month and year-over-year analysis to detect errors and explain observed movements.

International Merchandise Trade Data Published by Statistics Canada

Customs-basis international merchandise trade data form the basis of other data series and are inputs into other statistical programs in the Canadian Macroeconomic Accounts. The customs-basis data are adjusted according to specific standards and concepts to result in various series of trade data that are ultimately used for different purposes. As a result, Statistics Canada publishes several variations of Canada's merchandise trade statistics. This includes balance of payments-basis data, data that are seasonally adjusted, price and volume data, and trade data categorized according to several different product, industry and country or geographical classifications.

Customs- and Balance of Payments-Basis Data

Customs-basis trade data are derived from the administrative records of the CBSA and the USCBP. As mentioned previously, customs-basis trade statistics measure the change in stock of material resources of Canada resulting from the movement of merchandise into or out of the country. Data sources and other general concepts and methodology for producing customs-basis trade data are explained throughout this reference guide.

Balance of payments-basis merchandise trade statistics are produced by adjusting customs-basis trade statistics to conform to the Canadian Macroeconomic Accounts concepts and definitions, including valuation, coverage, and timing related adjustments. Balance of payments-basis data are intended to cover economic transactions between residents and non-residents.

The primary distinction between customs and balance of payments concepts lies in the focus of the data. Customs-basis statistics reflect the physical trade of goods between Canada and its trading partners, while balance of payments-basis data tracks the shifts in ownership between Canadian residents and non-residents.

For more information regarding customs-basis concepts, please visit Canadian International Merchandise Trade (Customs Basis). For more information regarding balance of payments-basis concepts, please visit Canadian International Merchandise Trade (Balance of Payments Basis).

The customs-basis trade data are useful for understanding the physical trade in goods between countries. For example, they can provide insight into how many cars were imported into Canada last year, or whether potash was exported from Canada last month.

Customs-basis trade data are accessible through several products on Statistics Canada's website. Data categorized by the HS classification and by country are available in the Canadian International Merchandise Trade Web Application. The data tables contain customs-basis data by various classifications and dimensions: the North American Product Classification System (NAPCS), North American Industry Classification System (NAICS), Broad Economic Categories (BEC), Principal Trading Partners (PTP), HS classification and province, free trade agreement, and Canada-US bilateral trade in goods. The International Trade Explorer is an interactive tool with four different data visualisations, including a world map, a tree map, a bar chart and a provincial view, to provide more information about the evolution of Canada's trading activity through time.

The balance of payments-basis data are useful for understanding economic transactions between Canadian residents and non-residents. As inputs into other statistical programs in the Canadian Macroeconomic Accounts, the data are consistent with other economic indicators, such as Gross Domestic Product. The balance of payments-basis trade data can be used to understand broader economic data and provide insight into Canada's imports, exports, and the resulting trade balance. Trade volumes are useful for understanding the impact of Canada's trade on real gross domestic product.

Balance of payments-basis data are also published in several products. The data tables contain balance of payments-basis data by NAPCS and by PTP. The International Trade Monthly Interactive Dashboard provides monthly balance of payments-basis data by NAPCS and PTP, price and volume data, and trade in services statistics. The Canada and the World Statistics Hub provides information from several Statistics Canada products related to Canada's economic and financial activity with the world.

Unadjusted and Seasonally Adjusted Data

The unadjusted data reflect the original observed values of trade, both on a customs- and balance of payments-basis. Unadjusted data represent the unaltered values recorded without adjustments for seasonality, thus fluctuations in time series may arise from diverse factors, including seasonal patterns, weather impacts, calendar-related effects, and irregular events.

Seasonal adjustment is a statistical technique used to remove predictable fluctuations and calendar-related effects from a time series. When a time series exhibits recurring peaks and troughs of similar magnitude during the same period each year, it is considered to have seasonal fluctuations. Calendar effects arise from variations in the number of working or trading days, as well as specific dates with quantifiable impacts (for example, public holidays). By seasonally adjusting the data, it becomes possible to analyze trends that are not influenced by the regular seasonal patterns or calendar effects.

Statistics Canada publishes unadjusted and seasonally adjusted series for customs-basis data, balance of payments-basis data, and price and volume indexes, categorized by the NAPCS classification and by PTP.

For more information on seasonal adjustment, please visit Seasonally adjusted data – Frequently asked questions.

Quantities and Units of Measure

In some cases, quantities may provide a more reliable indicator of the international movements of goods as they are free of the issues that often impact the value, such as valuation or price fluctuations. The use of similar quantity units may also result in more comparable import and export data.

To further the aims of international comparability, the World Customs Organization (WCO) created a set of standard units of measure to be used in conjunction with the HS classification. These are not obligatory, as they do not form an official part of the HS classification but are recommended by the WCO and the United Nations.

Units of measure for CIMT data are provided at two levels: at the international six-digit level and at the detailed eight-digit level for exports and ten-digit level for imports.

Units of measure at the detailed HS levels are specified by the CIMT Program. Products that require specific quantity units for tariff purposes are exceptions to this, in which case the CBSA specifies the required unit of measure. The units of measure required for all HS codes are available in the *Canadian Export Classification* for exports and the *Canadian Customs Tariff* for imports. Weight and quantity measures generally exclude packaging used for shipment.

While the quality of the data provided on customs declarations is generally reliable, the quantity data can sometimes be subject to error. Both manual and automated imputations are performed on import and export quantity data. Please see the section on Data Processing and Quality Assurance for more information.

Price and Volume Indexes

The International Merchandise Trade Price Index (IMTPI) is an indicator of the changes in import and export prices. These indexes show the magnitude of price changes for Canada's imported and exported goods relative to established base year prices.

The IMTPI measures price changes by comparing, through time, the weighted average cost of a basket of traded commodities. The price indexes are based in part on actual unit values processed by IATD and, where unit values are unavailable or too volatile, price relatives provided by other sources are used.

Fixed (Laspeyres) and current (Paasche) weighted price indexes as well as volume measures are calculated monthly, quarterly, and annually for Canadian merchandise imports and exports. These price and volume indexes are available in the data tables, both unadjusted or seasonally adjusted, and on a customs- and balance of payments-basis. The data tables also contain monthly and quarterly chained Fisher constant dollar volume series at the total import and export levels and by NAPCS section. Monthly balance of payments-basis price and volume data are also available in the International Trade Monthly Interactive Dashboard.

For more information, please visit International Merchandise Trade Price Index (IMTPI).

Product and Industry Classifications

CIMT data are published according to several different product and industry classifications. While the HS classification is used throughout data compilation, analysis and dissemination, trade data are also available by the NAPCS, NAICS, and BEC classifications.

Concordances between the HS classification and the product and industry classifications described below may be available by contacting statcan.itdtrade-dcicommerce.statcan@statcan.gc.ca.

Harmonized System Classification

The Harmonized Commodity Description and Coding System (HS) is an international product classification created by the WCO to categorize imported and exported goods for all member countries. It consists of 21 sections grouping similar goods, each containing one or more chapters with specific product HS codes.

For Canadian merchandise trade statistics, the HS classification is employed for imports and exports throughout the data compilation, analysis, and dissemination processes. The first six digits of the HS code are globally assigned by the WCO. Canadian import HS codes have an additional two digits for tariffs assigned by the Department of Finance Canada and two more digits for statistical purposes assigned by Statistics Canada, resulting in a ten-digit code. For exports, two digits are added for statistical purposes, resulting in an eight-digit code.

To illustrate, consider the HS code for Cheddar cheese, not elsewhere specified. Beginning with the international code, the HS6 "0406.90" was assigned by the WCO to categorize "cheese and curd, other cheese" (that is, cheese not specified in preceding codes). In Canada, for imports, "11" was added to the international code by the Department of Finance Canada to indicate an import tariff; this part of the code indicates that the product is "within access commitment". To this, Statistics Canada added "10" as a statistical suffix, to specify Cheddar cheese.

For exports, a tariff suffix is not added to the international code because Canada does not presently place tariffs on its exports. A statistical code is however added by Statistics Canada. Using the same international HS6 code for "cheese and curd, other cheese", the statistical suffix "10" is added to the international code "0406.90" to result in an HS8 that indicates Cheddar cheese. The structure of the Canadian HS code system is illustrated in the below tables:

Table 1
Import HS Codes

HS Code	Description	Component	Assigned by
04	Dairy produce; birds' eggs; natural honey; edible products of animal origin, not elsewhere specified or included	International code	World Customs Organization
0406	Cheese and curd	International code	World Customs Organization
0406.90	Cheese and curd, other cheese	International code	World Customs Organization
0406.90.11	Cheese and curd, other cheese, within access commitment	Tariff suffix	Department of Finance Canada
0406.90.11.10	Cheese and curd, other cheese, within access commitment, Cheddar	Statistical suffix	Statistics Canada

sources: Canadian Customs Tariff and Statistics Canada.

Table 2
Export HS Codes

HS Code	Description	Component	Assigned by
04	Dairy produce; birds' eggs; natural honey; edible products of animal origin, not elsewhere specified or included	International code	World Customs Organization
0406	Cheese and curd	International code	World Customs Organization
0406.90	Cheese and curd, other cheese	International code	World Customs Organization
0406.90.10	Cheese and curd, other cheese, Cheddar	Statistical suffix	Statistics Canada

sources: Canadian Export Classification and Statistics Canada.

Chapters 98 and 99 in the HS classification are reserved for commodities not elsewhere defined, and typically reflect specific conditions for traded goods. In the *Customs Tariff* for Canadian imports, Chapter 98 is used for unclassified imports and those without international financial implications, such as conveyances, low-value shipments, and travelers' purchases. Chapter 99 is mainly used for other unclassifiable imports and repairs. In the *Canadian Export Classification*, both chapters serve as special classification provisions, with Chapter 98 covering repairs, migrants' personal effects, and samples, while Chapter 99 mainly includes US goods returning without having increased in value.

The HS classification is not a static categorization and HS codes may change over time. There are various reasons for amendments to the HS classification. First, the WCO reviews and revises the HS classification every five years to ensure that it remains relevant and effective in facilitating international trade. As industries, trade practices and products evolve, the HS classification adapts to ensure that products can be accurately categorized. For instance, with the introduction of electric vehicles, it became necessary to develop HS codes for distinct products, like hybrid electric vehicles, plug-in hybrid vehicles and all-electric motor vehicles, to accurately identify trade in these goods.

Second, the introduction, removal of, or change to tariffs on imported products as required by the Department of Finance Canada can result in a change to the seventh and eighth digits of the Canadian import HS codes. Changes to tariff codes can be introduced by the Department of Finance Canada at any time, and thus the *Customs Tariff* is typically updated regularly in between WCO HS versions.

Finally, Statistics Canada may introduce, change, or delete suffixes at the statistical level, that is the ninth and tenth digits for import codes and the seventh and eighth digits for export codes. Reasons for this may include to fulfill industry requests for new HS codes or to eliminate HS codes that are no longer relevant. Changes to statistical suffixes are typically considered on an annual basis and are coordinated with WCO changes as much as possible.

It is important to note that the HS classification is based on product characteristics rather than end-use. As a result, information about the final destination or specific usage of the goods is not available.

At Statistics Canada, the Harmonized System is treated as a "living" classification that evolves over time as changes are required. HS code changes typically result in the termination of existing codes and the creation of new codes. When an HS code is terminated, the products that were previously associated with that HS code are now classified under a new or existing HS code. As such, some continuity in the trade data over time is possible, however the relationship between the old and new codes may not be one-to-one.

There are a few cases where data for trade under certain HS codes may not be available. The HS code may have been terminated and therefore no longer valid. In addition to this, data deemed confidential are not published under the detailed product code but recoded to HS 9901 as described in the Confidentiality section. Finally, as described in the Inclusions and Exclusions section, certain commodities are not considered in scope for international merchandise trade statistics and therefore data for these products are not published. One such example is trade of monetary gold.

Merchandise trade data categorized by the HS classification (customs-basis, not seasonally adjusted) are available in the data tables and the Canadian International Merchandise Trade (CIMT) Web Application.

North American Product Classification System

The North American Product Classification System (NAPCS) was developed collaboratively by the national statistical agencies of Canada, Mexico, and the United States. At Statistics Canada, it is the departmental standard for the classification of products. The NAPCS classification undergoes periodic revisions, leading to updates in trade data.

Under the merchandise import and export accounts variant of NAPCS, there are 12 product sections for customs-basis trade data and 13 sections for balance of payments-basis data. The sections are further broken out into more detailed divisions, groups, and classes.

The HS classification provides information on trade in specific products. In comparison, the NAPCS classification provides information on trade in broader categories. To illustrate, data related specifically to imports of apples are available in the HS classification. However, for data on imports of fresh fruits and vegetables generally, data categorized by the NAPCS classification may be more useful.

Data categorized by the NAPCS classification are available, unadjusted or seasonally adjusted, on a customs- and balance of payments-basis in the data tables.

For more information on the structure of the classification and its variants, please visit North American Product Classification System (NAPCS).

North American Industry Classification System

The North American Industry Classification System (NAICS) is an industry classification developed by the statistical agencies of Canada, Mexico, and the United States. Created against the backdrop of the North American Free Trade Agreement, it is designed to provide common definitions of the industrial structures of the three countries and a common statistical framework to facilitate the analysis of the three economies. NAICS is based on supply side or production-oriented principles.

Trade data by NAICS are produced from a concordance between HS codes and NAICS codes using the industry of origin (or supply side). While this is straightforward for exports, the industry of origin approach for imports means that import data are compared to the Canadian industries that would be the primary producers and competitors of these imported goods. Therefore, with few exceptions, manufactured goods are mapped to the manufacturing industries which typically produce these goods, and agricultural or other primary products are assigned to agricultural, mining, or other primary industries which tend to produce those goods.

Monthly customs-basis trade data (not seasonally adjusted) categorized by the NAICS classification are available in the data tables. The NAICS classification is revised periodically.

For more information on the structure of the classification and its variants, please visit North American Industry Classification System (NAICS).

Broad Economic Categories

The Broad Economic Categories (BEC) classification was established by the United Nations Statistical Commission to offer a comprehensive set of broad product categories for analyzing international merchandise trade statistics, in conjunction with other national and international economic data, such as the macroeconomic accounts and industry statistics.

Annual customs-basis trade data categorized by the BEC classification are available in the data tables.

Country Classifications

To show Canada's trade with its partner countries, Statistics Canada publishes data by various country categorizations: trade by country, Principal Trading Partners, and free trade agreements.

Trade By Country

Data are available for Canada's imports from and exports to all countries with which it trades. The country classification used in the CIMT Program and the associated codes are closely aligned with those developed by the International Organization for Standardization (ISO) and are adopted by most of the trading countries for customs purposes. ISO uses a two-letter code and a three-digit numeric code to identify each country. The CBSA provides country data classified according to these codes.

This country classification is designed for purposes of economic analysis and does not necessarily reflect the views or intentions of the Government of Canada on international issues of recognition, sovereignty, or jurisdiction.

Customs-basis trade data by country are available in the data tables, the Canadian International Merchandise Trade Web Application, and the International Trade Explorer.

Principal Trading Partners

Customs- and balance of payments-basis data are available for Canada's top trading partners, categorized as the Principal Trading Partners (PTP). The PTP classification was developed by Statistics Canada and is comprised of Canada's top 27 trading partners, based on a ranking of countries by total trade (imports plus exports) in 2012, as well as three residual country groups: other European Union countries not individually specified, other Organization for Economic Co-operation and Development (OECD) countries not individually specified, and all other countries. Data for trade by PTP are available unadjusted and seasonally adjusted, on a customs-and balance of payments-basis in the data tables. Customs-basis PTP data are also available in the International Trade Explorer. Balance of payments-basis data by PTP are available in the International Merchandise Trade Interactive Dashboard.

Free Trade Agreements

Canada has free trade agreements in force with numerous countries and has begun negotiations with several others. Some of these agreements are with individual countries and others with multiple countries. To highlight trade patterns under these partnerships, Statistics Canada publishes data for Canada's international merchandise trade by free trade agreement. These agreements can be in various stages of negotiation, ranging from discussions to agreements that are in force.

Customs-basis trade data by free trade agreement are available in the data tables and the International Trade Explorer.

For more information on Canada's free trade agreements, please visit Trade and investment agreements (international.gc.ca).

Trade in Goods by Exporter and Importer Characteristics

The Trade in Goods by Exporter and Importer Characteristics Programs examine the business characteristics of exporters and importers in Canada, such as their primary industry, location, and employment size. These estimates are generated by connecting customs trade data records to business entities in Statistics Canada's Business Register.

These data are available in the data tables as well as the Trade in Goods by Exporter and Importer Characteristics Interactive Tool.

For more information about Trade by Importer Characteristics, please visit Trade by Importer Characteristics - Goods (TIC). For more information about Trade by Exporter Characteristics, please visit Trade by Exporter Characteristics - Goods (TEC).

Dissemination

What trade data are available?

Various series of Canada's merchandise import and export data are available, categorized by different classifications, on Statistics Canada's website. Descriptions of these classifications and links to the products where they can be found are provided in the relevant sections above:

- Harmonized System (HS) Classification
- North American Product Classification System (NAPCS)
- North American Industry Classification System (NAICS)
- Broad Economic Categories (BEC)
- Principal Trading Partners (PTP)
- Free trade agreements
- Trade in Goods by Exporter and Importer Characteristics

Where can I find Canadian international merchandise trade data?

Canadian merchandise trade data are available in various official products on Statistics Canada's website.

The Daily

The monthly report on Canadian international merchandise trade is released in *The Daily* according to an established schedule. This report highlights imports and exports on a balance of payments-basis, including an analysis of the products and partner countries behind monthly fluctuations in merchandise trade.

The Daily is Statistics Canada's official release bulletin, the Agency's first line of communication with the media and the public. *The Daily* issues news releases on current social and economic conditions and announces new products. It provides a comprehensive overview of new information available from Statistics Canada. *The Daily* is released at 8:30 a.m. Eastern time each working day.

Data Tables

Most of the publicly available trade data are published in data tables on the Statistics Canada website. There are numerous data tables on a variety of topics and combinations of topics, such as those listed below:

- Trade values on a customs-basis and balance of payments-basis, unadjusted and seasonally adjusted;
- Trade price and volume indexes on a customs-basis and balance of payments-basis, unadjusted and seasonally adjusted;
- Data categorized by product classification, such as NAPCS or BEC;
- Data categorized by industry classification, such as NAICS;
- Data categorized by country, such as by PTP or free trade agreements;
- Trade with the US categorized by HS section;
- Trade by province, commodity and PTP;
- Trade in motor vehicles and parts;
- Canadian domestic export concentration; and
- Canadian and US bilateral trad e in goods.

Canadian International Merchandise Trade Web Application

The CIMT Web Application offers the most detailed commodity trade data using the HS classification (the 8-digit commodity level for exports and the 10-digit for imports).

The latest information on customs-basis monthly trade is available in the CIMT Web Application through tables and charts as well as a time series report. The application allows for the retrieval of data for the top 25 commodities traded by geography, the total for Canada or by province, the total for trade with the world or by a specific country, and by month for the period of interest. A data extraction feature allows for the extraction of data with specific criteria to produce a customized data set.

Canada and The World Statistics Hub

The Canada and the World Statistics Hub illustrates the nature and extent of Canada's economic and financial relationship with the world using interactive charts and tables. It provides easy access to information on trade, investment, employment and travel between Canada and a number of countries, including the United States, the United Kingdom, Mexico, China, Japan, Belgium, Italy, the Netherlands and Spain.

International Trade Explorer

The International Trade Explorer is an interactive tool that provides four different data visualisations: an interactive world map, a tree map, a bar chart and a provincial view. This set of easy-to-use tools is intended to provide more information about the evolution of Canada's trading activity through time and to quickly discover insights.

International Trade Monthly Interactive Dashboard

The International Trade Monthly Interactive Dashboard is a comprehensive analytical tool that presents monthly changes in Canada's international merchandise trade data on a balance of payments-basis. There are four sections available:

- a page summarizing the monthly results;
- a dashboard showing data by product;
- a dashboard on Canada's principal trading partners; and
- graphs that show the monthly change in price and volume indexes.

Canada's International Trade and Investment Country Fact Sheet

The Canada's international trade and investment country fact sheet provides easy and centralized access to Canada's international trade and investment statistics on a country-by-country basis. It contains annual information for nearly 250 trading partners in summary form, including charts, tables and a short analysis that can also be exported in PDF format.

Trade in Goods by Exporter and Importer Characteristics: Interactive Tool

The Trade in Goods by Exporter and Importer Characteristics: Interactive Tool presents characteristics of Canadian exporters and importers at the provincial and census metropolitan area (CMA) level. Characteristics include the number of exporters and importers as well as the value of goods traded by industry and the number of trading partners.

When are the data published?

Canadian international merchandise trade data are published monthly, according to pre-established release dates. Data are generally published about 35 days after the end of the reference month. This period allows time for the receipt of source data, data processing and verification, and data analysis.

For specific release dates, please refer to The Daily - release schedule.

Why are the data revised and when are revisions published?

Factors influencing revisions include late receipt of import and export documentation, incorrect information on customs forms, replacement of estimates with actual figures, changes in classification of merchandise based on more current information, and changes to seasonal adjustment factors.

Customs-basis merchandise trade data are revised on an ongoing basis for each month of the current year. The previous year's data are revised with the release of the January and February reference months, as well as on a quarterly basis. The previous two years of customs-basis data are revised annually and are released in February with the December reference month.

Balance of payments-basis merchandise trade data are revised on an ongoing basis for each month of the current year. Data for the previous year are revised with the release of the January, February, March, and April reference months. To remain consistent with other Canadian Macroeconomic Accounts programs, revisions to data for previous years are released annually in December with the October reference month.

Custom Data Requests

As noted above, numerous merchandise trade data series are published through various products on Statistics Canada's website. While several classifications and many data variables are publicly available – product and industry classifications, country, and province data – additional dimensions may be available upon request. If you are unable to find the data you require, Statistics Canada may be able to produce data sets based on your specifications for a fee. For further information about a custom request, kindly email us at statcan.itdtrade-dcicommerce.statcan@statcan.gc.ca.

Glossary

Balance of Payments-Basis Merchandise Trade Statistics: Balance of payments-basis trade statistics measure merchandise trade resulting from economic transactions between Canadian residents and non-residents.

Chain Fisher Volume Index: A measure of the change in volume from period to period. It is calculated as the geometric mean of a chain Paasche volume index and a chain Laspeyres volume index.

Continuous Transmission Commodities (CTC): These include goods, such as electricity, crude oil, and natural gas, that are continuously transportable by means of a wire, pipeline, or other conduit.

Cost, Insurance and Freight (CIF) Valuation: The value of goods that incorporates the costs of insurance and freight for transporting the goods to the point of entry in the importing country from the port of exit in the exporting country.

Country of Export: The country of export is the country from which a product was directly exported to Canada.

Country of Last Known Destination: This is the last country, as is known at the time of export, to which a product is ultimately destined. In data for Canada's exports to the United States, exports are attributed to the state of destination.

Country of Origin: The country of origin is the country in which a product is grown, extracted, or manufactured.

Customs-Basis Merchandise Trade Statistics: Customs-basis trade statistics measure the change in stock of material resources of Canada resulting from the movement of merchandise into or out of the country.

Domestic Exports: Domestic exports are exports of goods that are grown, extracted, or manufactured in Canada, including goods of foreign origin that have been materially transformed in Canada.

Free on Board (FOB) Valuation: Free on Board valuation includes production and other costs incurred up until the moment that goods are placed on board an international carrier for export. FOB values exclude international insurance and transport costs.

Harmonized System (HS) Classification: The Harmonized Commodity Description and Coding System (HS) of tariff nomenclature is an internationally standardized system of names and numbers for classifying traded products developed and maintained by the World Customs Organization (WCO). It is an international commodity classification system made up of 6 digits and based on the principle that goods are classified by what they are. The nomenclature is divided in 21 sections and generally groups goods produced in the same economic sector. In Canada, the international 6-digit root was extended to 8 digits for exports and 10 digits for imports.

In-Transit Trade: In-transit trade involves the movement of foreign goods through domestic territory from a point outside the domestic territory to another foreign point, as well as domestic goods moving from a point in the domestic territory through the foreign territory to another point in the domestic territory, or to a third country. For example, cargo containers may be off-loaded from a ship at a port in British Columbia onto a train or a truck, and then transported directly to the United States. These shipments are considered in-transit because they are simply moving through Canada to their final destination, which is not Canada.

ISO: Acronym for the International Standards Organization.

North American Industry Classification System (NAICS): The North American Industry Classification System (NAICS) is designed to provide common definitions of the industrial structures of Canada, Mexico and the United States and a common statistical framework to facilitate the analysis of the three economies. NAICS is based on supply side or production-oriented principles.

North American Product Classification System (NAPCS): The North American Product Classification System (NAPCS) categorizes goods into 12 product sections, to which a 13th was added in Canada for balance of payments-basis data. The sections are further broken out into more detailed divisions, groups, and classes.

Paasche Index: The Paasche index is calculated by using prices or volumes from the current period as weights.

Province of Clearance: The province of clearance is the Canadian province or territory where the goods were cleared by customs, either for immediate consumption or for entry into customs bonded warehouse. This may not always be the province or territory in which the goods are consumed or ultimately destined.

Province of Origin: The province of origin is the province or territory where the goods are grown, extracted, or manufactured. This may not always be the province or territory where the good were cleared at customs.

Re-Exports: Re-exports are goods originally imported into Canada that are exported, either in the same condition in which they were imported or after some minor operations (such as packaging) that leave them essentially unchanged.

Re-Imports: Re-imports refer to the import of domestically produced goods (goods that were grown, extracted, or manufactured in Canada) that were previously exported and are returning either in the same condition or after undergoing minor operations. Examples of re-imported goods include goods returned after minor processing, such as packaging.

Seasonal Adjustment: Seasonal adjustment is a process of estimating and removing seasonal or calendar influences from a time series to achieve a better knowledge of the underlying behaviour.

Tariff: A tax imposed on goods at importation as set out in the *Customs Tariff*, typically dependent on the country of origin of the goods. Please visit CBSA - Canadian customs tariff to access the most recent version.

Unit of Measure: The unit of measure is the unit in which the quantity of goods imported or exported are reported.

United States Census Bureau (USCB): The principal statistical agency of the United States.

United States Customs and Border Protection (USCBP): The customs agency of the United States.

Volume Index: A volume index is a measure of growth with the effects of price removed, presented in index form. The volume index published by the CIMT Program is the Laspeyres volume index.

WCO: Acronym for the World Customs Organization.