

# Monthly Trade Bulletin

Volume 5 Number 3

May 2003

## Key Monthly Trade Indicators (March 2003)

### Highlights

-  In March, exports advanced for the third consecutive month while imports edged down slightly. As a result, Canada's overall merchandise trade surplus with the world widened for the month.
-  In particular, exports to the United States (U.S.) also grew faster than imports in March.
-  Over March, the Canadian dollar climbed US 0.7¢ in value to close the month at US 68.1¢.

	\$ millions	% change over	
		previous month	previous year
<b>Exports</b>	35,901	2.8	9.0
- Exports to U.S.	30,204	2.6	7.6
<b>Imports</b>	29,953	-0.5	4.1
- Imports from U.S.	21,261	-2.5	-0.8
<b>Trade Balance*</b>	5,948	4,831	4,176
- Balance with U.S.*	9,463	8,174	7,146
<b>Commodity Prices**</b>	125.6	6.4	28.4
<b>Canadian Dollar (US¢)*</b>	68.1	67.4	62.7
<b>Export Prices***</b>	113.9	0.2	7.7
<b>Import Prices***</b>	101.4	-3.6	-3.5

\* Data in levels only.

\*\* Index (1982-90 = 100)

\*\*\* Index 1997 = 100

Source: DFAIT compilations based on Statistics Canada data.

## This Month's Feature Report: A Profile of Canadian Exporters

Current analysis done by Rick Cameron of the Trade and Economic Analysis Division, DFAIT under the direction of John M. Curtis. Feature report prepared by Malick Souare and Sarah Fisher of the Micro-Economic Policy Analysis Branch, Industry Canada under the direction of Someshwar Rao.

ISSN 1496-192X



Department of Foreign Affairs  
and International Trade

Ministère des Affaires étrangères  
et du Commerce international



Industry  
Canada

Industrie  
Canada

# Monthly Trade Bulletin

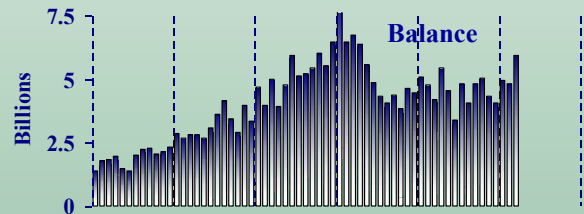
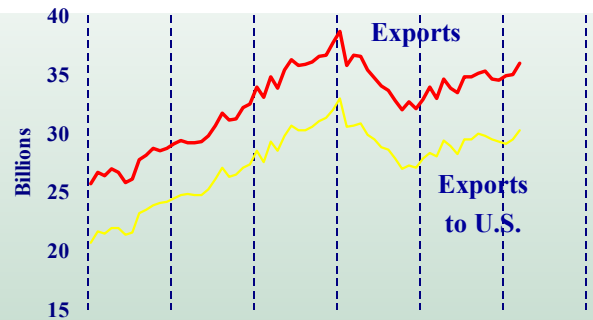
Volume 5 Number 3

May 2003

## Merchandise Trade

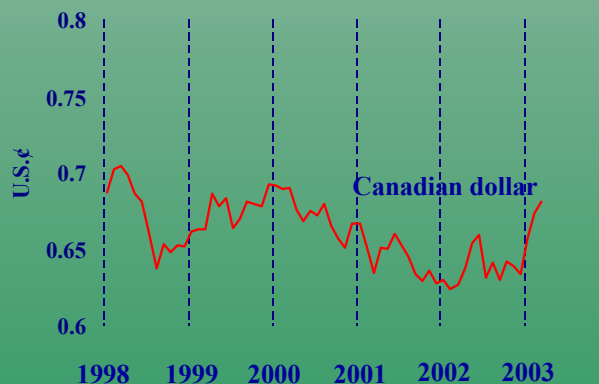
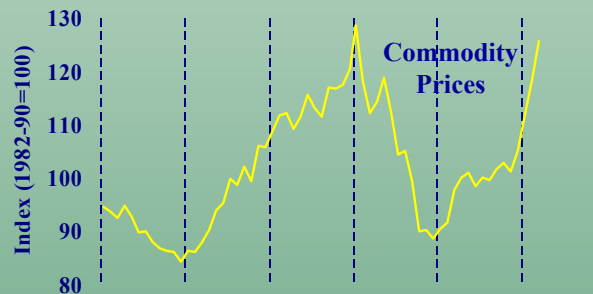
### Trade balances widen...

- The overall Canadian trade surplus grew by \$1.1 billion in March, to \$5.9 billion.
  - March's monthly surplus with the U.S. expanded by \$1.3 billion to almost \$9.5 billion.
- Monthly trade deficits with the other principal trading regions expanded for the month. Canada's deficit with the European Union (EU) widened \$386 million to just under \$1.6 billion in March. With Japan, it grew by \$158 million to a \$179 million deficit for the month.



### ... and the value of the Canadian dollar rises

- The value of the Canadian dollar climbed for the third consecutive month, up a further US0.7¢ in March. It closed the month at US68.1¢. The value of the dollar is US5.4¢ higher than its rate one year earlier.
- Commodity prices were up sharply for the third month in a row. The terms of trade also improved as export prices increased while import prices fell in March.



Source: Statistics Canada, Bank of Canada

# Monthly Trade Bulletin

Volume 5 Number 3

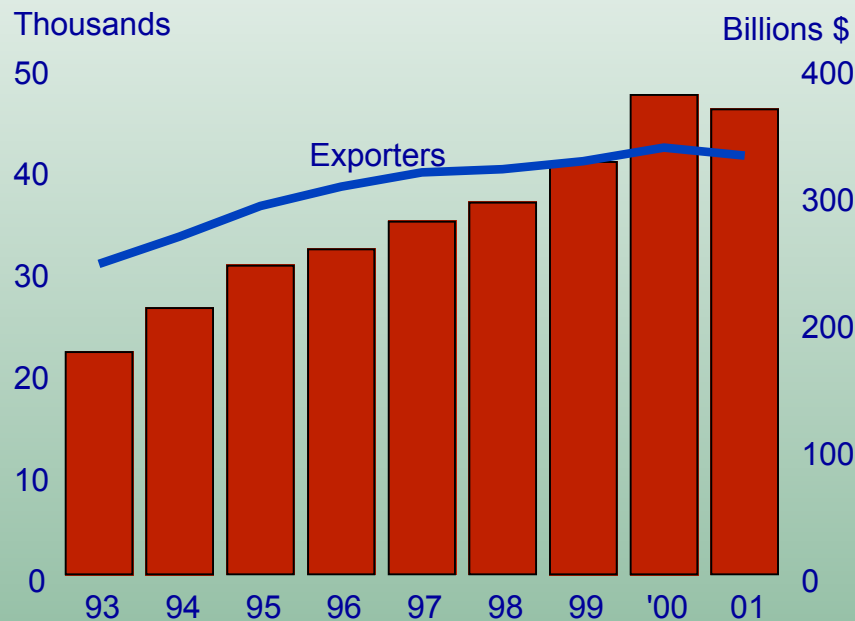
May 2003

## A Profile of Canadian Exporters

### Canada's merchandise exports and exporting community have increased steadily since 1993

- The number of Canadian exporting establishments increased steadily between 1993 and 2001, reading 41,267 in 2001; 35% more than in 1993.
- The value of domestic exports of these establishments reached \$367 billion in 2001, more than double the amount in 1993.
- Exports to the U.S. accounted for over 85% of the value of Canada's merchandise exports in 2001.

### Value of Exports in Relation to Number of Exporters, 1993-2000



**Note:** All data in this report was obtained from a publication by Statistics Canada titled "A Profile of Canadian Exporters," which is based on the Exporter Registry.

# Monthly Trade Bulletin

Volume 5 Number 3

May 2003

## A Profile of Canadian Exporters

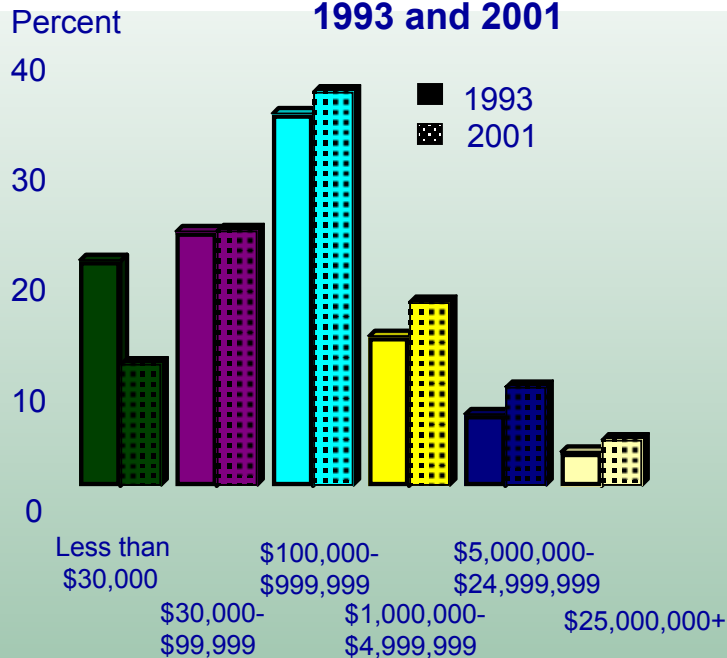
### Small exporters continue to represent the largest proportion of Canada's exporting establishments...

- Exporters with a value of exports under \$1 million annually accounted for 70.5% of all exporting establishments in 2001, down from 77.1% in 1993.
- Conversely, establishments that exported over \$25 million in merchandise accounted for 4.1% of all exporting establishments, up from 3.0% in 1993.

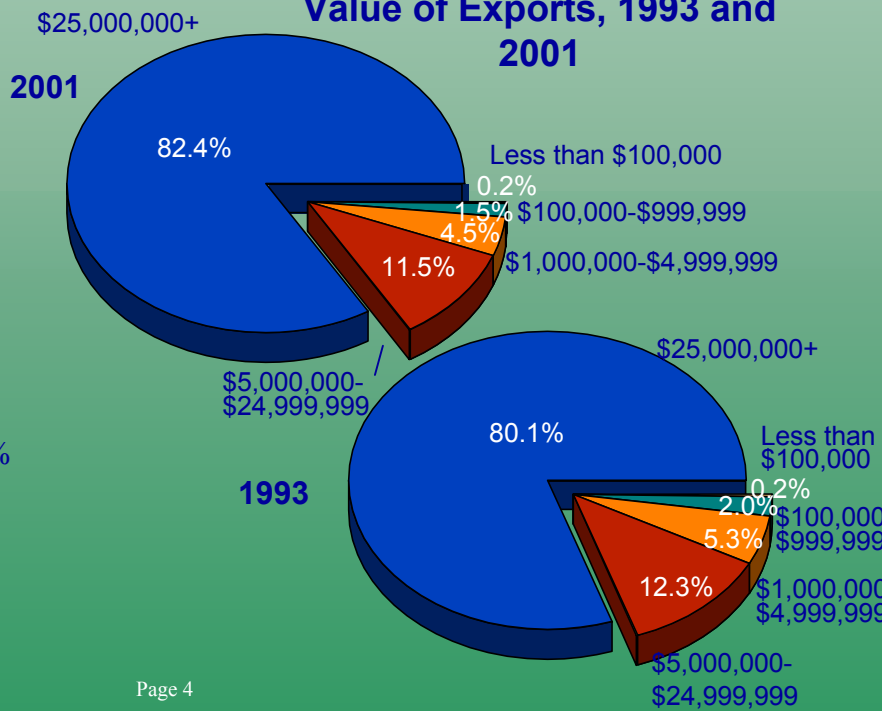
### ...but, they still account for a minimal share of the total value of exports

- Establishments exporting less than \$1 million annually made up only 1.7% of Canada's total merchandise exports in 2001; a reduction of 0.5 percentage points from 1993.
- In contrast, establishments exporting over \$25 million accounted for 82.4% of the total value of exports in 2001; an increase of 2.3 percentage points from 1993.

**Percent Distribution of Exporters by Value of Exports, 1993 and 2001**



**Share of Total Exports by Value of Exports, 1993 and 2001**



# Monthly Trade Bulletin

Volume 5 Number 3

May 2003

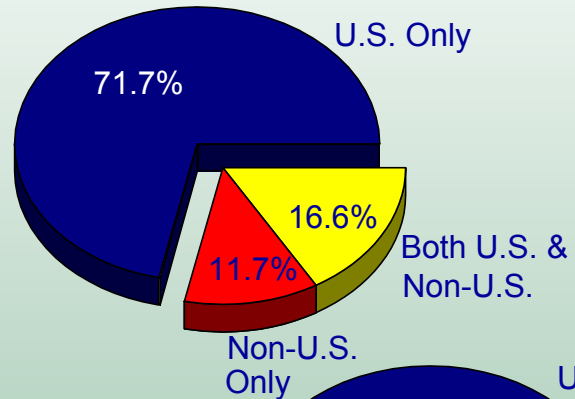
## A Profile of Canadian Exporters

### Most of Canadian exporters export only to the United States

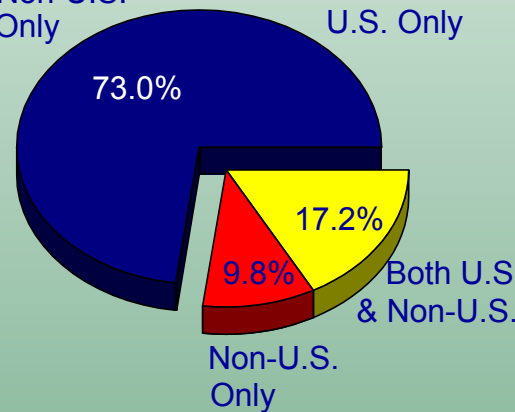
- In 2000, almost 72.0% of all exporting establishments exported exclusively to the U.S., compared with 73.0% in 1993.
- These establishments represented 62.0% of total Canadian exports to the U.S. in 2000.
- On the other hand, only 11.7% of all exporting establishments exported exclusively to non-U.S. locations up from 9.8% in 1993.
- The remaining 16.6% of establishments exported to both U.S. and non-U.S. markets, down from 17.2% in 1993.

### Distribution of Exporters by Destination\*

2000



1993



\*Statistics Canada has not yet released detailed data for 2001.

# Monthly Trade Bulletin

Volume 5 Number 3

May 2003

## A Profile of Canadian Exporters

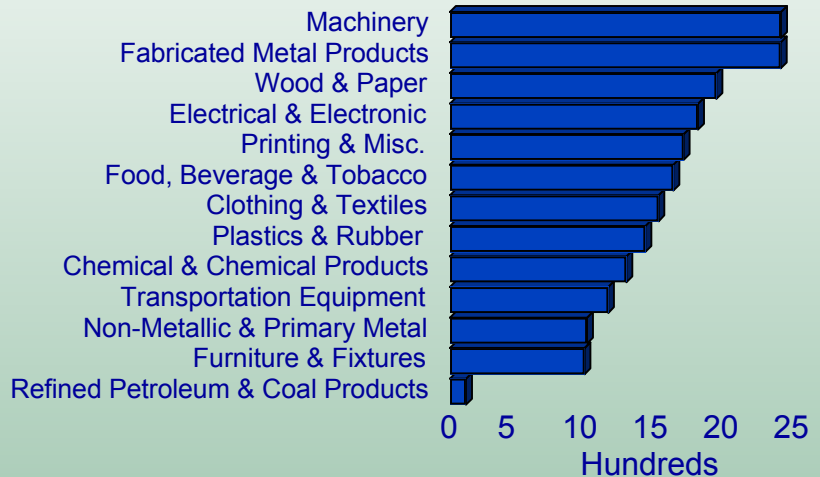
### Machinery and Fabricated metal products industries dominate in terms of the number of exporters

- In 2000, there were respectively 2,343 and 2,340 exporting establishments in Machinery and Fabricated metal products industries.
- Meanwhile, there were just 114 exporting establishments in Refined petroleum & Coal products industry.

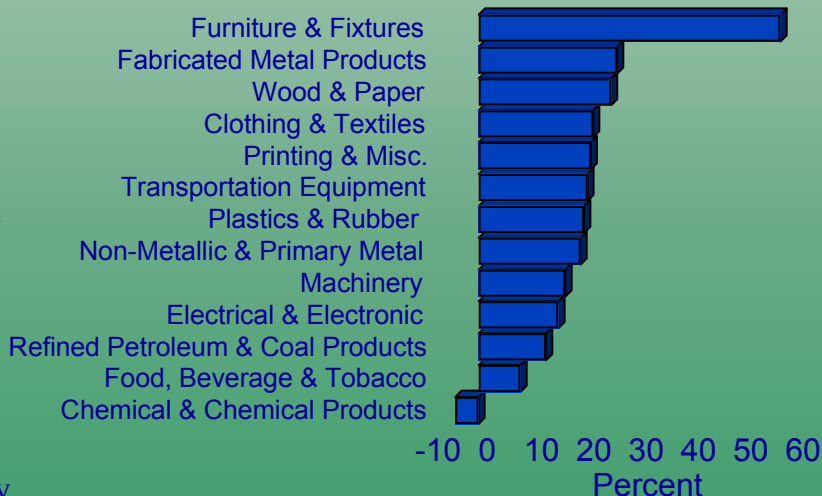
### ...but, growth between 1993-2000 was the highest in furniture and fixtures industry

- Between 1993-2000, the number of exporting establishments increased in all manufacturing industries, except in Chemical and Chemical Products.
- But, the largest increase occurred in the Furniture & Fixtures industry, 58.0%.
- On the other hand, Chemicals industry registered a negative growth of 4.4% over the same period.

### Number of Exporters by Manufacturing Industry, 2000\*



### Percent Change in Number of Establishments in Manufacturing, 1993-2000\*



\*Statistics Canada has not yet released detailed data for 2001.

# Monthly Trade Bulletin

Volume 5 Number 3

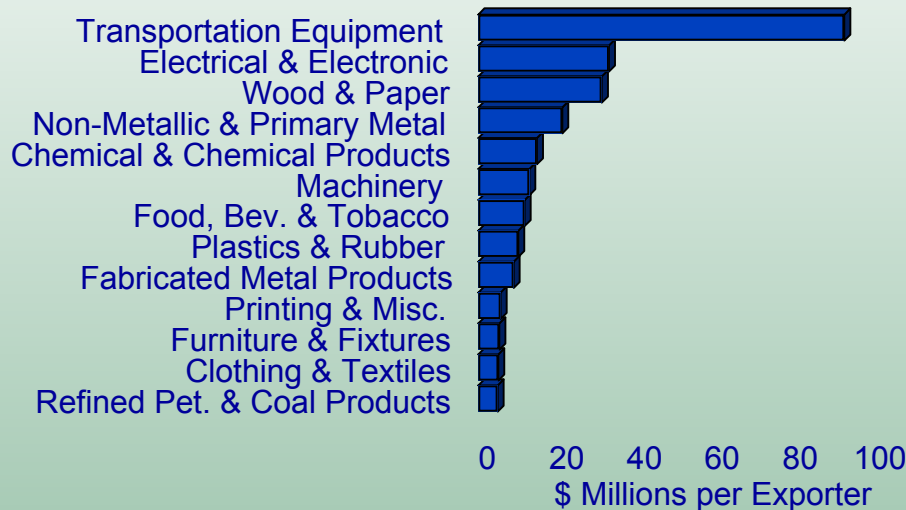
May 2003

## A Profile of Canadian Exporters

### Average size of exporters also varies greatly within the manufacturing sector

- In 2000, as in previous years, Transportation equipment industry showed the highest average value of exports per exporter, around \$84 million per year.
- In 2000, the Transportation equipment industry represented 25% of Canada's total manufactured exports.

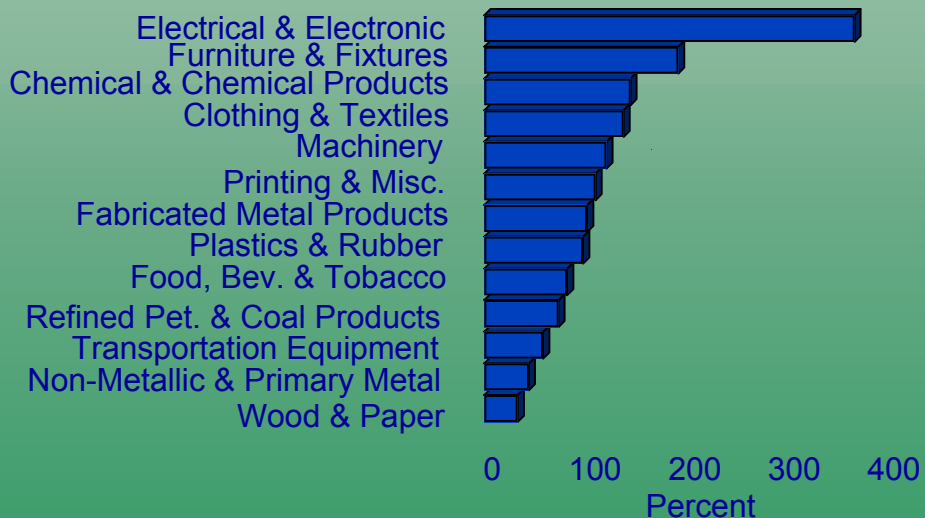
### Average Size of Exporter in Manufacturing, 2000\*



### ...however, all industries exhibited an increase in the average size

- Between 1993 to 2000, the average size of exporters increased in all manufacturing industries.
- In terms of growth in export value, the Electrical & Electronic industry posted the highest growth rate of 371%.

### Percent Change in Average Size of Exporters in Manufacturing, 1993-2000\*



\*Statistics Canada has not yet released detailed data for 2001.

# Monthly Trade Bulletin

Volume 5 Number 3

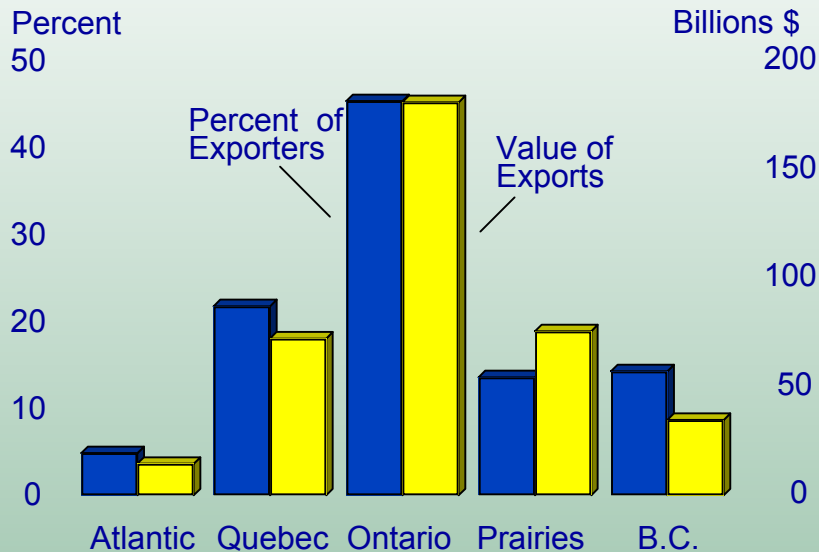
May 2003

## A Profile of Canadian Exporters

### Ontario accounts for the largest proportion of both the number of exporters and the value of exports...

- In 2000, 45.4% of Canadian exporting establishments were located in Ontario and these establishments accounted for 47.9% of the total value of exports.
- These distributions for the year 2000 followed the distributions of previous years. For example, in 1993, 47.5% of establishments were in Ontario and represented 52.8% of exports.

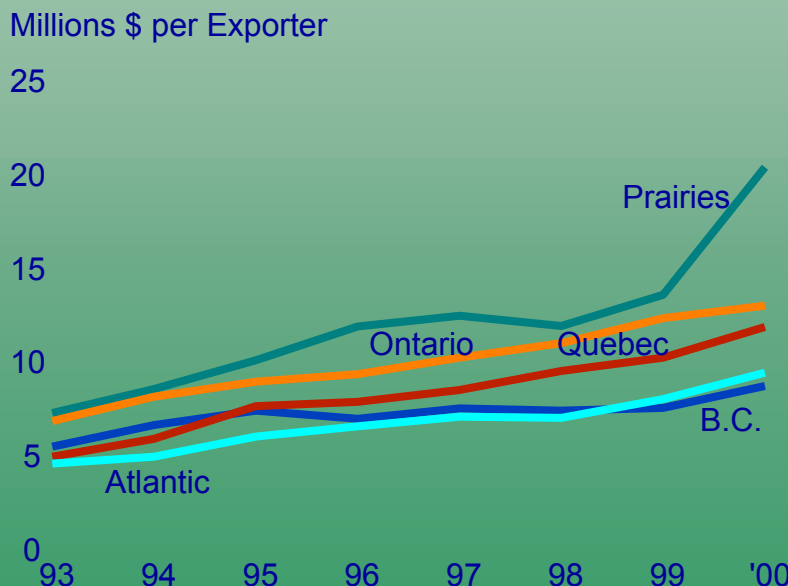
**Percent Distribution of Exporters and Value, 2000\***



### ...while the Prairie provinces dominate in terms of the value of exports per exporter

- Every year since 1993, the Prairie provinces had the highest average value of exports per exporter, which increased sharply in 2000 to reach almost \$22 million.
- Nonetheless, over the same period, the average exporter size has increased in all regions.

**Average Size of Exporter by Province, 1993-2000\***



\*Statistics Canada has not yet released detailed data for 2001.