

# Monthly Trade Bulletin

Volume 5 Number 1

March 2003

## Key Monthly Trade Indicators (January 2003)

### Highlights

-  In January, exports were up and imports were down as Canada's overall merchandise trade surplus with the world widened for the month.
-  Exports to the U.S. also increased, but less-so than imports from the U.S., resulting in a narrowing of the bilateral merchandise trade surplus.
-  Over January, the Canadian dollar climbed US2.3¢ in value to close the month at US65.7¢.

	\$ millions	% change over	
		previous month	previous year
<b>Exports</b>	34,967	1.3	6.3
- Exports to U.S.	29,350	0.2	4.8
<b>Imports</b>	30,045	-1.3	8.1
- Imports from U.S.	21,377	2.0	4.5
<b>Trade Balance*</b>	4,922	4,080	5,089
- Balance with U.S.*	7,973	8,333	7,542
<b>Commodity Prices**</b>	111.0	5.4	22.5
<b>Canadian Dollar (US¢)*</b>	65.7	63.4	63.0
<b>Export Prices***</b>	113.1	1.9	7.7
<b>Import Prices***</b>	106.7	1.6	-0.7

\* Data in levels only.

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

\*\*\* Index 1997 = 100

Source: DFAIT compilations based on Statistics Canada data.

## This Month's Feature Report: 2002 in Review

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

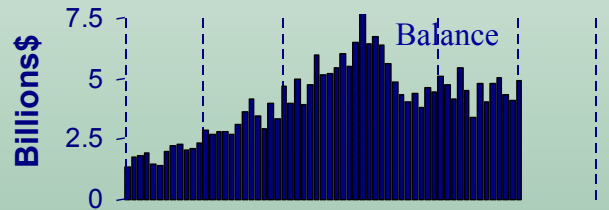
Volume 5 Number 1

March 2003

## Merchandise Trade

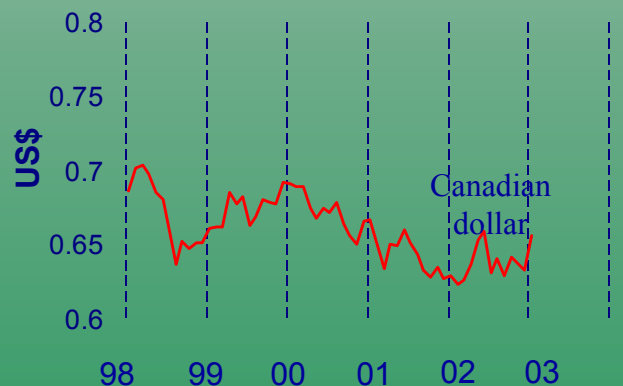
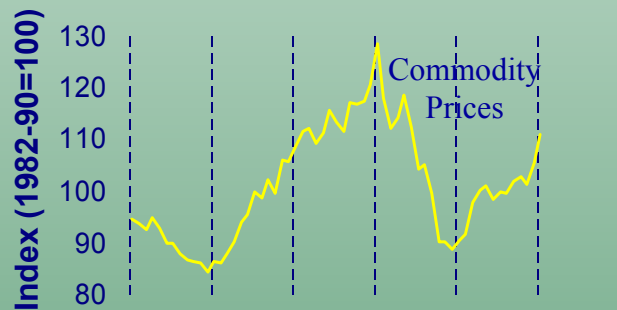
### Overall trade balances improve...

- The overall Canadian trade surplus increased \$842 million in January, to \$4.9 billion.
  - January's monthly surplus with the U.S. fell \$360 million to just under \$8.0 billion.
- Monthly trade balances with most other major trading partners improved for the month. Our deficit with the EU narrowed \$860 million to \$790 million in January, while the balance with Japan improved \$290 million, to register a \$19 million surplus for the month.



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

- The value of the Canadian dollar jumped up US2.3¢ in January to close the month at US65.7¢. The value of the dollar is US2.7¢ higher than its rate one year earlier.
- In lock-step with the rise in the dollar, export, import, and commodity prices increased across the board in January.



Source: Statistics Canada, Bank of Canada

# Monthly Trade Bulletin

Volume 5 Number 1

March 2003

2002 in Review

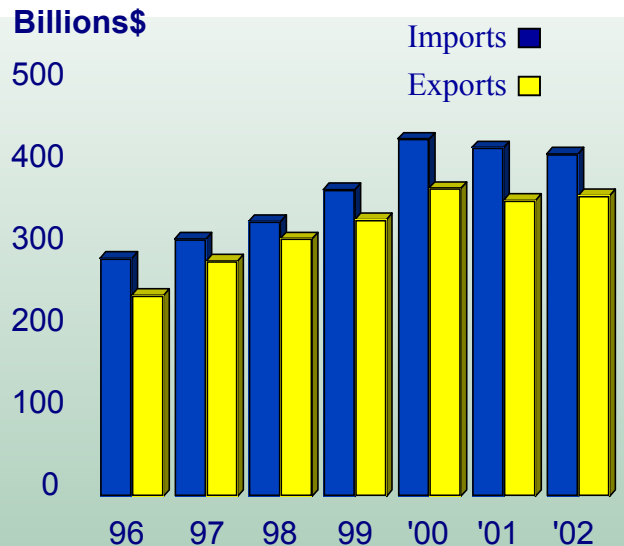
## Merchandise exports fell and imports rose in 2002...

- Canadian merchandise exports decreased from \$404 billion in 2001 to \$396.3 billion in 2002; a reduction of 1.9%.
- On the other hand, merchandise imports increased slightly, growing 1.6% in 2002 to reach \$348 billion.
- The global economic slowdown, mainly in the U.S., was the most important reason for the absolute decline in Canada's trade volumes for the past two years.

## ...resulting in a narrowing of Canada's trade surplus with the world

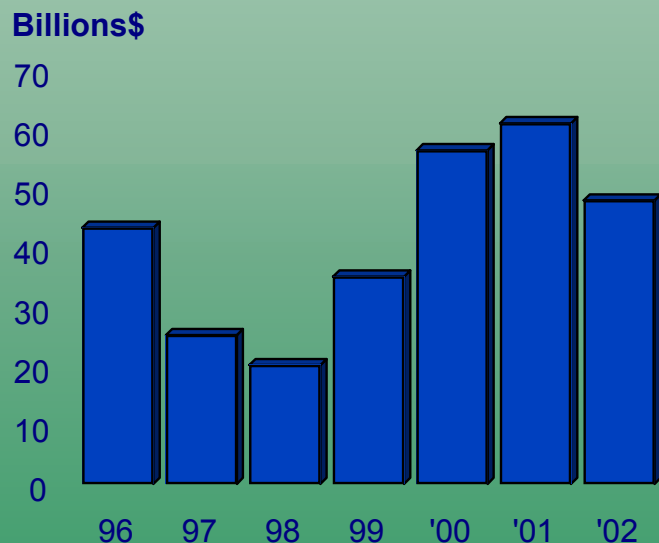
- The overall merchandise trade surplus dropped sharply by \$13 billion in 2002 to reach \$47.8 billion – a reduction of 21.0% from 2001.

## Canada's Merchandise Exports and Imports



Source: Industry Canada compilations based on Statistics Canada Data.

## Merchandise Trade Balance



Source: Industry Canada compilations based on Statistics Canada Data.

# Monthly Trade Bulletin

Volume 5 Number 1

March 2003

## 2002 in Review

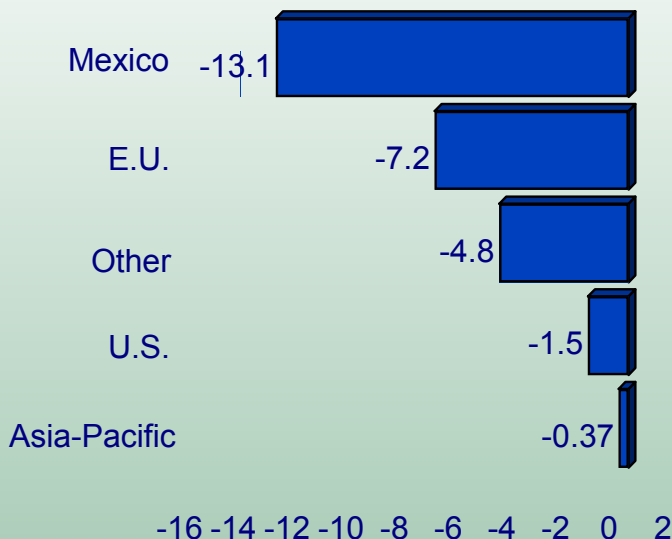
### Canada's exports to all destinations registered negative growth in 2002

- Merchandise exports to the U.S. declined 1.5% in 2002 while exports to the E.U. fell by 7.2%.
- Canada's exports to Mexico showed the strongest reduction of 13.1%.

### U.S. continues to be the most important market for Canadian exports

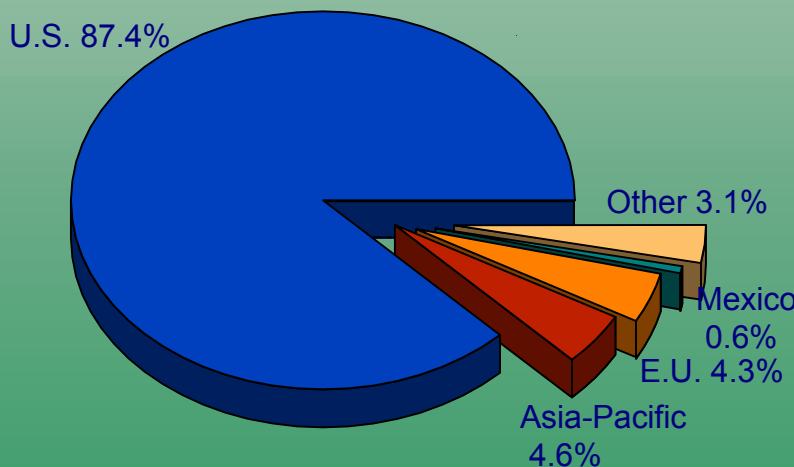
- In 2002, the U.S. economy accounted for 87.4% of Canada's total merchandise exports, which is slightly up from 87.1% in 2001.
- Mexico accounted for a very small share, about 0.6%, down from 0.7% in 2001.

### Growth in Merchandise Exports by Destination, 2002/2001, (percent)



Source: Industry Canada compilations based on Statistics Canada Data.

### Geographic Distribution of Merchandise Exports, 2002



Source: Industry Canada compilations based on Statistics Canada Data.

# Monthly Trade Bulletin

Volume 5 Number 1

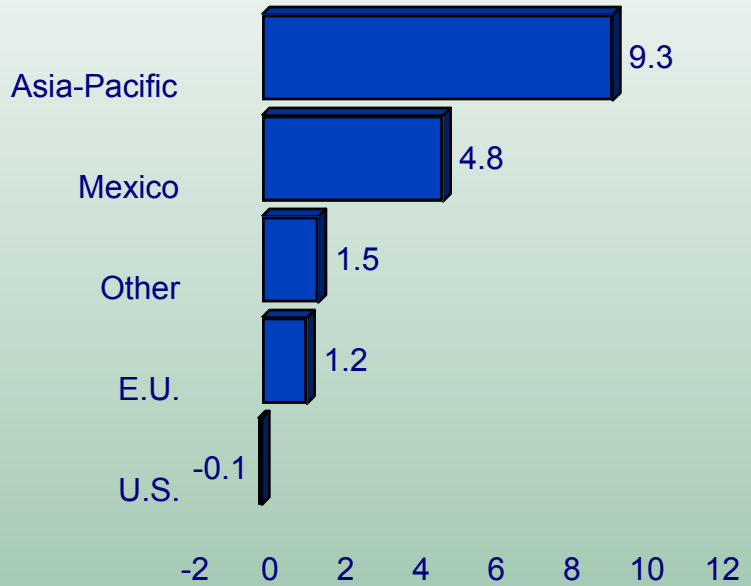
March 2003

## 2002 in Review

### Growth in Merchandise Imports by Origin, 2002/2001, (percent)

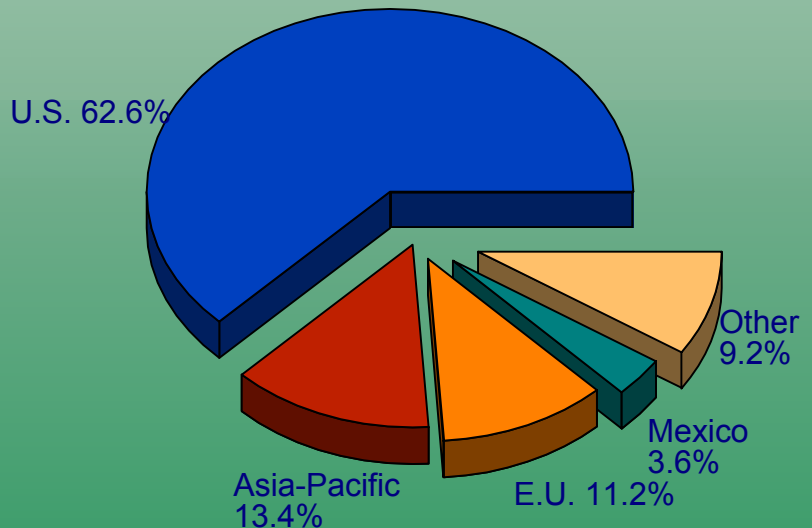
#### Imports from countries other than the U.S. were the driving force behind Canada's total import growth

- Canadian imports from the U.S. declined by 0.1% in 2002 while imports from all other origins increased.
- As a result, the U.S. share of Canada's total merchandise imports declined in 2002 by 1.4 percentage points, to 62.6%.
- The strong U.S. dollar was mainly responsible for the reduction in Canadian imports from the U.S.
- Imports from Asia-Pacific region witnessed the highest growth in 2002 (9.3%). The region increased its share of Canada's imports from 12.4% in 2001 to 13.4% in 2002.



Source: Industry Canada compilations based on Statistics Canada data.

### Geographic Distribution of Merchandise Imports, 2002



Source: Industry Canada compilations based on Statistics Canada data.

# Monthly Trade Bulletin

Volume 5 Number 1

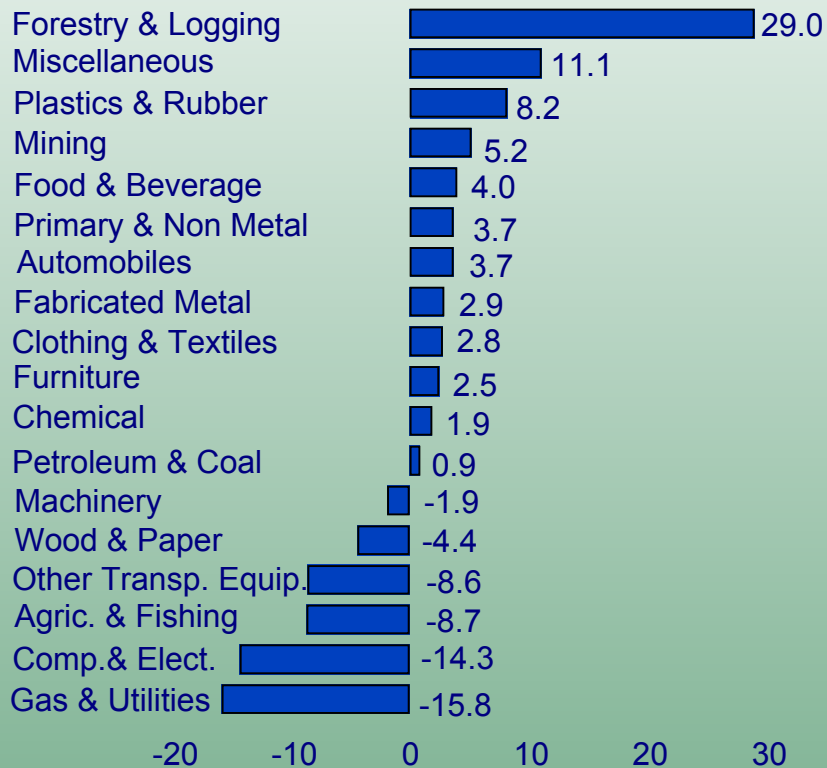
March 2003

## 2002 in Review

### Growth in Merchandise Exports, 2002/2001, (percent)

#### Forestry and Logging registered the highest export growth in 2002

- Forestry and logging led export growth, increasing 29.0% in 2002.
- On the other hand, gas and utilities experienced the highest growth reduction of all industries with -15.8% in 2002.
- Interestingly, automotive exports increased by 3.7% in 2002 – after a 5.5% reduction in 2001.
- On the other hand, high-tech exports (such as computer and electrical, machinery, and other transportation equipments) registered declines.



Source: Industry Canada compilations based on data from Statistics Canada.

# Monthly Trade Bulletin

Volume 5 Number 1

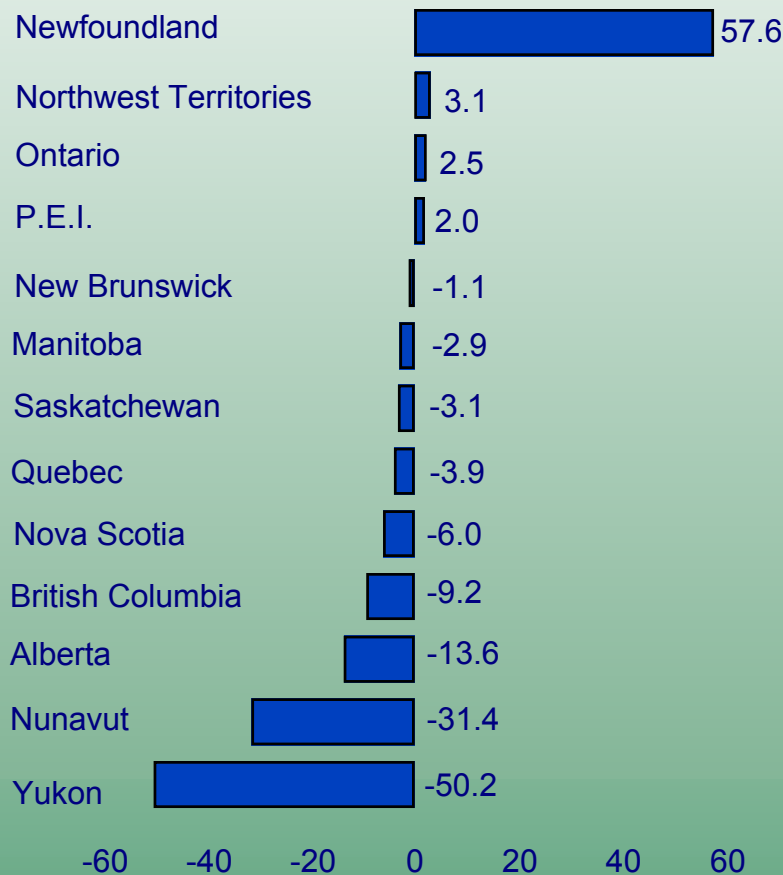
March 2003

## 2002 in Review

### Newfoundland's exports increased by almost 60.0% in 2002

- Newfoundland, N.W.T., Ontario and P.E.I. account for all of the growth in Canada's merchandise exports in 2002. All other provinces witnessed a negative export growth.
- But, Newfoundland accounts for just 1.4% of Canada's total merchandise exports.
- Ontario accounts for the majority of Canada's exports, representing 52.2% in 2002.
- But, managed to only register a positive export growth of 2.5%, largely as a result of growth in automotive exports.
- The prairie provinces and British Columbia registered an absolute decline in their exports.
- Nunavut and Yukon were the worst performers, experiencing reductions of -31.4% and -50.2% respectively in 2002.

### Growth in Merchandise Exports by Province, 2002/2001, (percent)



Source: Industry Canada compilations based on Statistics Canada Data.

# Monthly Trade Bulletin

Volume 5 Number 1

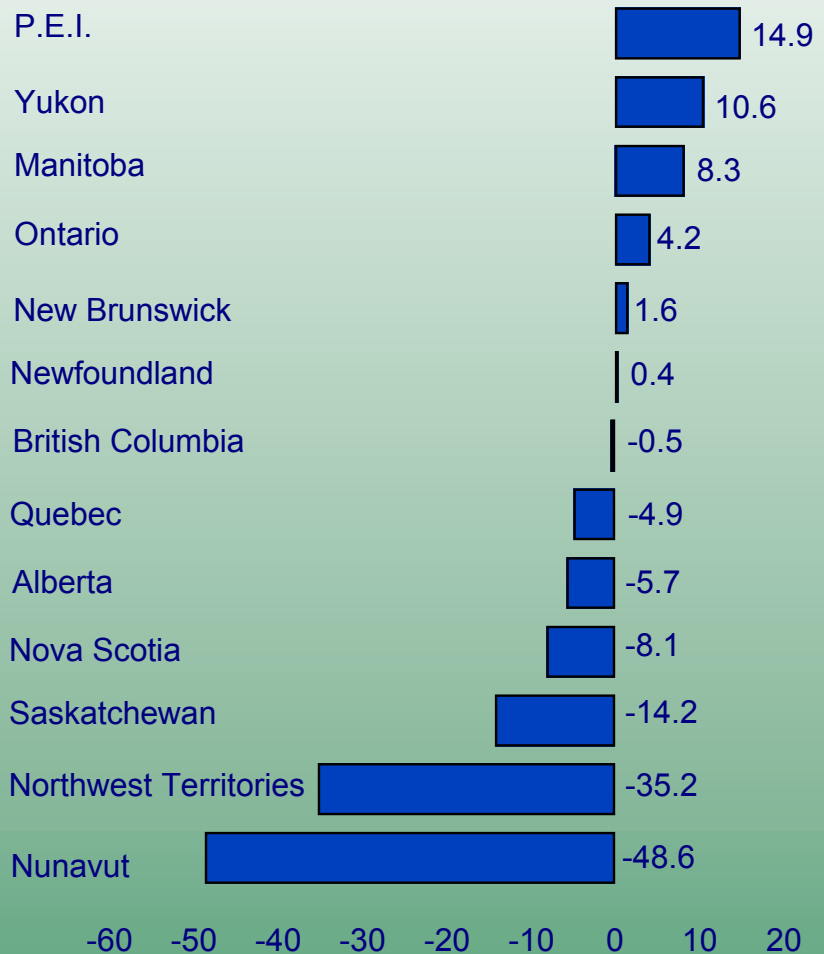
March 2003

## 2002 in Review

### P.E.I., Yukon and Manitoba led import growth in 2002

- P.E.I, Yukon and Manitoba led import growth in 2002. But, they accounted for less than 3.3% of total Canadian imports.
- Ontario, the driver of Canadian imports and exports, registered an import growth rate of 4.2% in 2002 – compared to 2.5% for exports.
- Quebec on the other hand is the second largest receiver of Canadian imports with 14.7% in 2002 but inputs there fell by -4.9%.
- The Atlantic provinces, aside from P.E.I., experienced very little input growth: New Brunswick at 1.6% and Newfoundland at 0.4%. Comparatively, Nova Scotia witnessed a reduction of -8.1%.
- Lastly, Nunavut and the N.W.T. experienced the largest reduction in 2002, with -48.6% and -35.2% respectively.

### Growth in Merchandise Imports by Province, 2002/2001, (percent)



Source: Industry Canada compilations based on Statistics Canada Data.