



Global Affairs  
Canada

Affaires mondiales  
Canada

Canada



OFFICE OF  
THE CHIEF  
ECONOMIST

# MONTHLY TRADE REPORT

## NOVEMBER 2021

# NOVEMBER

	Goods (m/m change) [YTD change]	Services (m/m change) [YTD change]	Total (m/m change) [YTD change]
<b>Exports</b>	\$58.6 billion (+3.8%) [+22.2%]	\$11.7 billion (+2.9%) [+2.5%]	\$70.3 billion (+3.7%) ▲ [+18.4%]
<b>Imports</b>	\$55.4 billion (+2.4%) [+11.6%]	\$11.9 billion (+0.3%) [-1.5%]	\$67.4 billion (+2.0%) ▲ [+9.1%]
<b>Balance</b>	+\$3.1 billion (+\$0.9 billion)	-\$0.2 billion (+\$0.3 billion)	+\$2.9 billion (+\$1.2 billion) ▲

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.

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

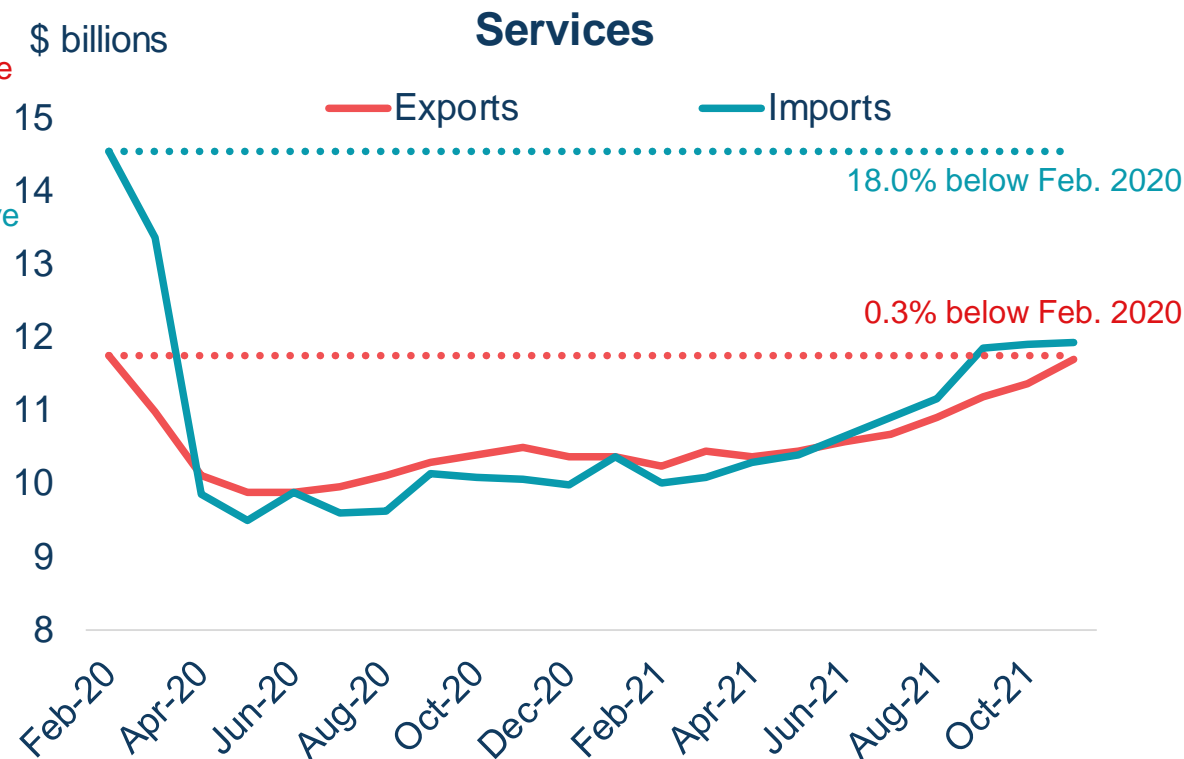
## HIGHLIGHTS

- Despite transportation disruptions caused by flooding and landslides in British Columbia, November was a strong month for Canada's trade. Total exports of goods and services were up 3.7% in November to \$70.3 billion. Total imports of goods and services were up 2.0% to \$67.4 billion.
- On the heels of a record highs in October, goods exports and imports continued rising in November, growing by 3.8% and 2.4% respectively. Stripping out price impacts, goods export volumes increased 3.5% while goods import volumes increased 0.8%.
- Higher goods trade was in part due to imports of consumer goods, especially COVID-19 pharmaceutical products which came to Canada for the purpose of packaging and labelling. These newly labeled and packaged products were subsequently exported during the same month, resulting in a boost to both imports and exports.
- The atypical shipments in pharmaceutical products led to a new record-high in goods trade with the United States. In November, goods exports to the U.S. rose 6.4% to \$45.2 billion and goods imports were up 4.9% to \$35.4 billion.
- Monthly service exports were up 2.9% to \$11.7 billion, just 0.3% below the pre-pandemic level. Service imports increased 0.3% to \$11.9 billion. Travel services continued to recover in November as imports increased 21.1%, an eighth consecutive monthly increase, and exports rose 9.0%. Despite recent increases, both travel service imports and exports were still well below their pre-pandemic February 2020 levels in November, -68.5% and -26.3% lower respectively.



# CANADA'S TRADE RELATIVE TO PRE-PANDEMIC LEVELS

(International trade in goods and services)



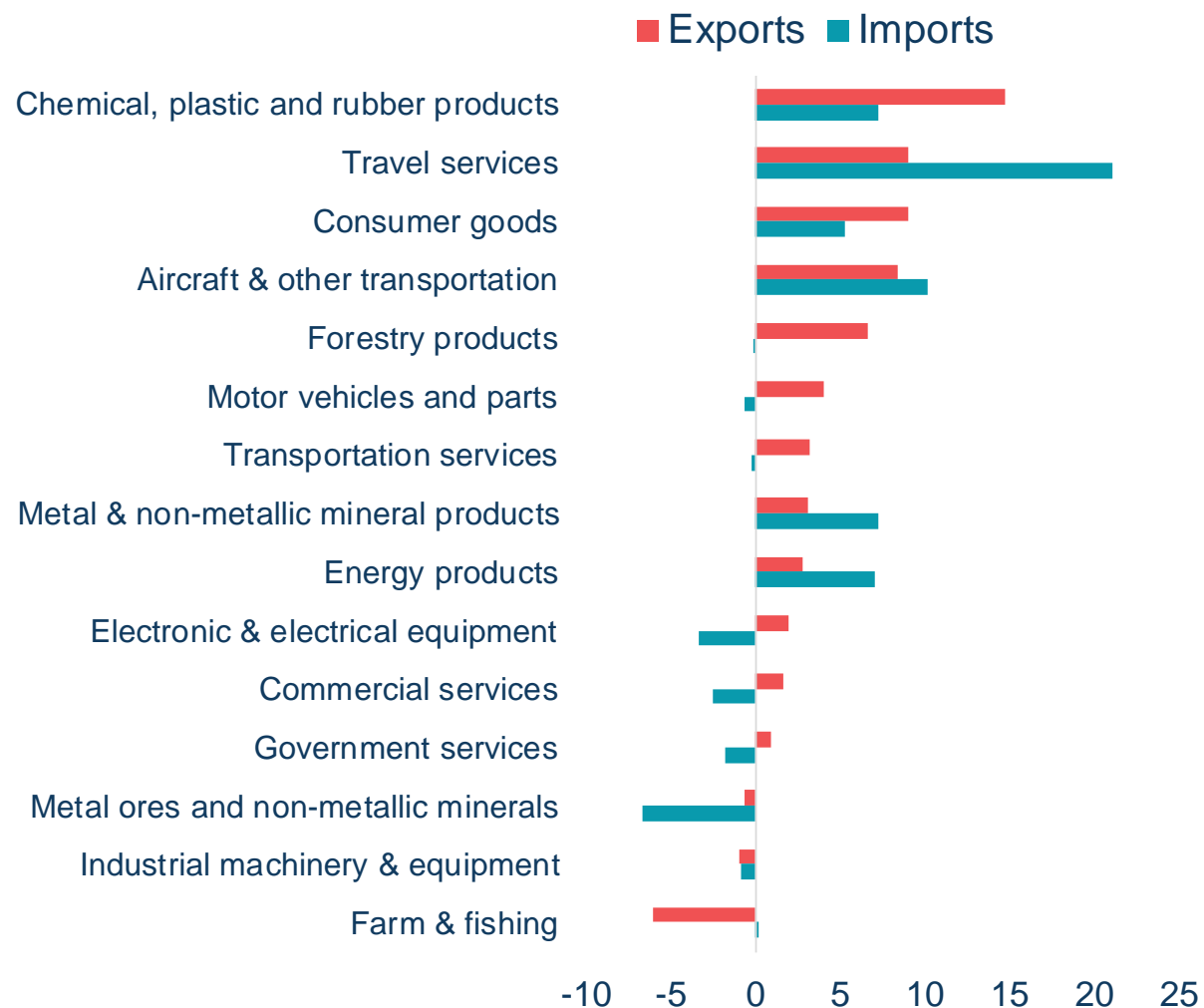
Sources: Statistics Canada Tables 12-10-0011-01 and 12-10-0144-01.  
Balance of payments basis, seasonally adjusted.

# INDUSTRY VIEW

**Import** increases were observed in 6 of the 11 product categories for goods, and only 1 of the 4 service sectors. Imports of consumer goods rose for the fourth consecutive month in November (+5.2%). Pharmaceutical products, especially COVID-19 medication sent to Canada to be packaged and labelled, were responsible for the gain. Consumer goods were also supported by a sharp increase in the imports of "vaccines for human medicine other than for influenza," a category that includes vaccines for COVID-19. Imports of metal and non-metallic mineral products rose 7.3% in November, mainly from higher imports of iron and steel products from South Korea. Imports of basic and industrial chemical, plastic and rubber products (+7.3%) also contributed to the overall gain in November, supported by higher imports of crude oil diluents from the United States. Travel services was the only service import sector to increase in November, growing by 21.1%. Cross-border restrictions were further lifted as the United States opened its land borders to all fully vaccinated travellers on November 8th.

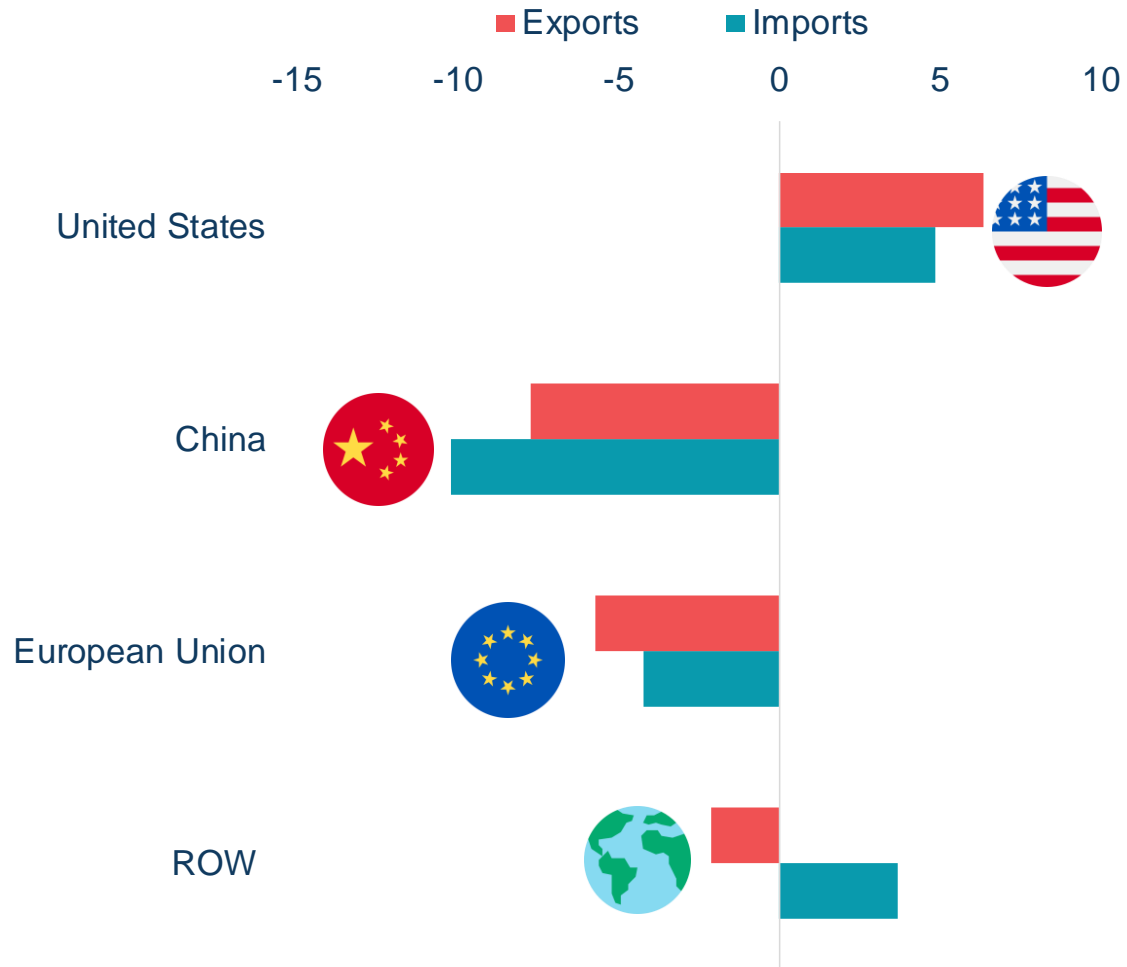
**Export** increases were observed in 8 of the 11 product categories for goods, and in all 4 service sectors. Exports of consumer goods increased 9.0% in November, mainly because the large shipments of COVID-19 medications imported for packaging and labelling were subsequently exported during the same month. Though medication was a strong driver of growth in November, there were many other products that saw gains, including chemical, plastic and rubber products (+14.7%), energy products (+2.8%), and forestry products and building and packaging materials (+6.7%). When pharmaceutical products are excluded, goods exports grew 2.8% in November (compared to 3.8% for total goods exports). It is worth noting that while widespread increases were observed in November for goods exports from most Canadian provinces, goods exported from British Columbia fell 7.8% (customs basis and not seasonally adjusted) as the transportation of goods through key ports of entry and exit on the West Coast were disrupted by the flooding and landslides in mid-November. All services categories posted respectable increases in the month, with travel (+9.0%) and transportation services (+3.2%) posting the fastest growth. As a result, total service exports rose 2.9% to \$11.7 billion in November, just 0.3% below the pre-pandemic level.

## Trade by Industry and Sector (monthly % change)



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

## Goods Trade, by Major Trading Partner (monthly % change)



## GLOBAL MARKETS

Canadian goods exports to the United States rose 6.4% in November to a new record high of \$45.2 billion, while goods imports from the United States were up 4.9% to \$35.4 billion, also a new record. The large growth in November was mainly supported by the atypical shipments of COVID-19 pharmaceutical products to be labelled and packaged. Canada's trade surplus with the United States widened from \$8.8 billion in October to \$9.8 billion in November, the largest trade surplus since January 2006.

Goods exports to non-U.S. countries were down 4.0% in the month of November, partly because of the transportation disruptions in British Columbia. Exports destined to Hong Kong (crude oil), China (coal, and farm and fishing products) and the Netherlands (various products) contributed the most to the decrease.

Goods imports from non-U.S. countries also declined, falling by 1.8% in November. Lower imports from China (various products) were partially offset by higher imports from Japan (turbines and light trucks).

\*European Union does not include the United Kingdom.

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

# PRICES AND VOLUMES

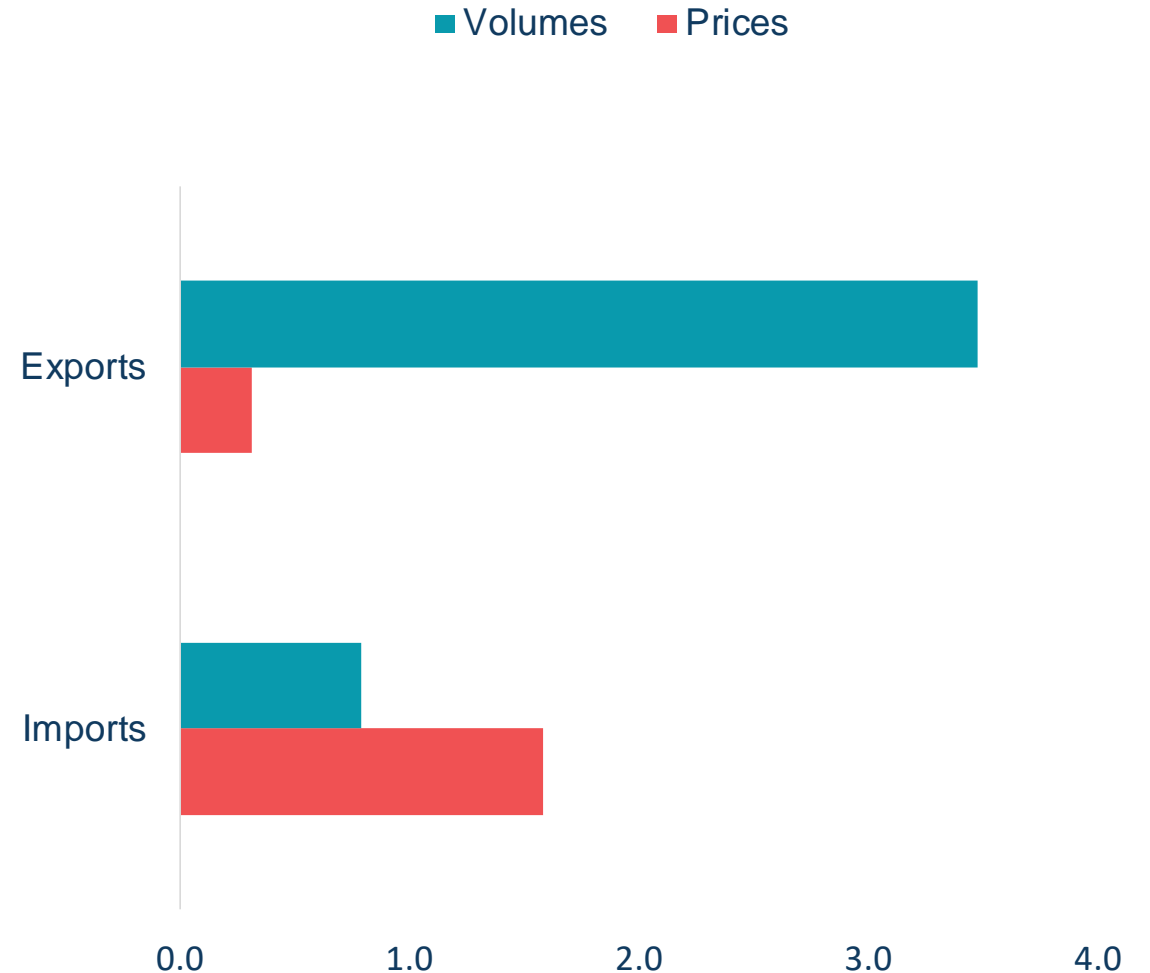
The 2.4% increase in the value of goods imports was two thirds driven by increased prices (1.6%) and one third driven by volumes increases (0.8%). Notably, there was a 15.3% increase in import prices for energy.

On the other hand, the increase in exports (3.8%) was almost entirely driven by increases in volumes (3.5%), with a small increase in prices (0.3%). Of note, there was a large increase in the volume of basic and industrial chemical, plastic and rubber products (15.3%).

In November, the value of the Canadian dollar relative to the USD depreciated 1.1% to sit at 79.6 cents per USD . This erased a major chunk of the gains in the previous month, where the Canadian dollar appreciated 1.9% in October.

## Goods Trade

(monthly % change in volume and price indices)





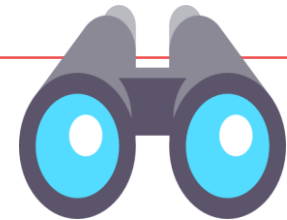
## WHAT TO WATCH

---

- New coronavirus variants represent significant near-term downside risks for the world economy. As health conditions and consumer sentiment deteriorated in Canada, Oxford Economics' Canada Recovery Tracker fell 1.9 percentage points in the week that ended December 17, its sixth decline in the previous seven weeks and its first drop below pre-pandemic levels since June 2021.
- Besides the spread of the Omicron variant, high inflation and supply chain issues are beginning to restrain the economic recovery in Canada.
  - In November 2021, Canada's Consumer Price Index rose by 4.7% on a year-over-year basis, matching the increase in October.
  - The automotive industry has entered the recovery stage, but prolonged supply chain issues such as semiconductor shortages, shipping delays, and high seaborne freight costs mean the recovery will be gradual.

---

Next Monthly Trade Release (Annual 2021): Tuesday, February 8, 2022



**Table 1: Trade by Industry Sector**  
(\$ millions)

	Exports			Imports		
	November, 2021	m/m %	YTD %	November, 2021	m/m %	YTD %
<b>Goods</b>	<b>58,572</b>	<b>3.8</b>	<b>22.2</b>	<b>55,439</b>	<b>2.4</b>	<b>11.6</b>
Resource products	35,981	3.2	37.9	18,981	4.2	17.4
Energy products	14,667	2.8	83.6	3,151	7.0	33.2
Non-Resource products	21,084	5.0	4.7	34,270	1.4	8.2
Industrial machinery & equipment	3,261	-0.9	4.8	5,793	-0.8	13.6
Electronic & electrical equipment	2,367	2.0	5.0	5,991	-3.4	7.6
Motor vehicles and parts	6,310	4.0	-5.0	8,430	-0.7	9.0
Aircraft & other transportation	1,827	8.3	10.5	1,778	10.1	-0.8
Consumer goods	7,319	9.0	13.0	12,279	5.2	6.9
<b>Services</b>	<b>11,704</b>	<b>2.9</b>	<b>2.5</b>	<b>11,935</b>	<b>0.3</b>	<b>-1.5</b>
Commercial services	8,442	1.6	5.1	7,906	-2.5	3.9
Travel services	1,790	9.0	-14.5	1,420	21.1	-48.8
Transportation services	1,355	3.2	7.1	2,496	-0.2	12.0
Government services	117	0.9	3.3	111	-1.8	-1.2
<b>Total Goods and Services</b>	<b>70,276</b>	<b>3.7</b>	<b>18.4</b>	<b>67,374</b>	<b>2.0</b>	<b>9.1</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.  
Source: Statistics Canada Tables 12-10-0121-01 and 12-10-0144-01. Balance of payments basis, seasonally adjusted.





**Table 2: Goods Trade by Trading Partner**  
(\$ millions)

	Exports			Imports		
	November, 2021	m/m %	YTD %	November, 2021	m/m %	YTD %
United States	45,225	6.4	26.9	35,402	4.9	11.5
Mexico	722	-3.0	33.5	1,658	-2.1	16.5
European Union	2,497	-5.7	8.9	4,625	-4.2	11.4
Germany	504	-1.9	5.3	1,324	0.0	11.1
France	340	2.9	2.1	465	7.1	14.1
United Kingdom	1,434	6.3	-12.1	784	-2.3	7.7
India	216	-21.4	-24.4	372	-4.1	15.3
China	2,610	-7.7	16.4	4,724	-10.2	14.4
Japan	1,220	-3.8	17.1	993	36.6	13.2
South Korea	661	10.4	26.3	708	9.4	17.0
Rest of the world	3,988	-4.7	14.0	6,174	2.1	8.0
<b>Total Goods Trade</b>	<b>58,572</b>	<b>3.8</b>	<b>22.2</b>	<b>55,439</b>	<b>2.4</b>	<b>11.6</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.  
Source: Statistics Canada Table 12-10-0011-01. Balance of payments basis, seasonally adjusted.