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OFFICE OF
THE CHIEF
ECONOMIST

MONTHLY TRADE REPORT

FEBRUARY 2024

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	Goods	Services	Total
Exports (\$ billions)	66.6	17.4	84.0
m/m	+5.8%	+1.9%	+5.0% ▲
YTD	-1.4%	+7.2%	+0.2%
Imports (\$ billions)	65.2	18.4	83.6
m/m	+4.6%	+0.8%	+3.7% ▲
YTD	-2.0%	+6.2%	-0.2%
Balance (\$ billions)	+1.4	-1.0	+0.4
m/m (\$ billions)	+0.8	+0.2	+1.0 ▲

Note: "m/m" is the change from the previous month; "YTD" is the year-to-date (January to recent month) cumulative change compared to the same period in the previous year.

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

Source: Office of the Chief Economist, Global Affairs Canada.

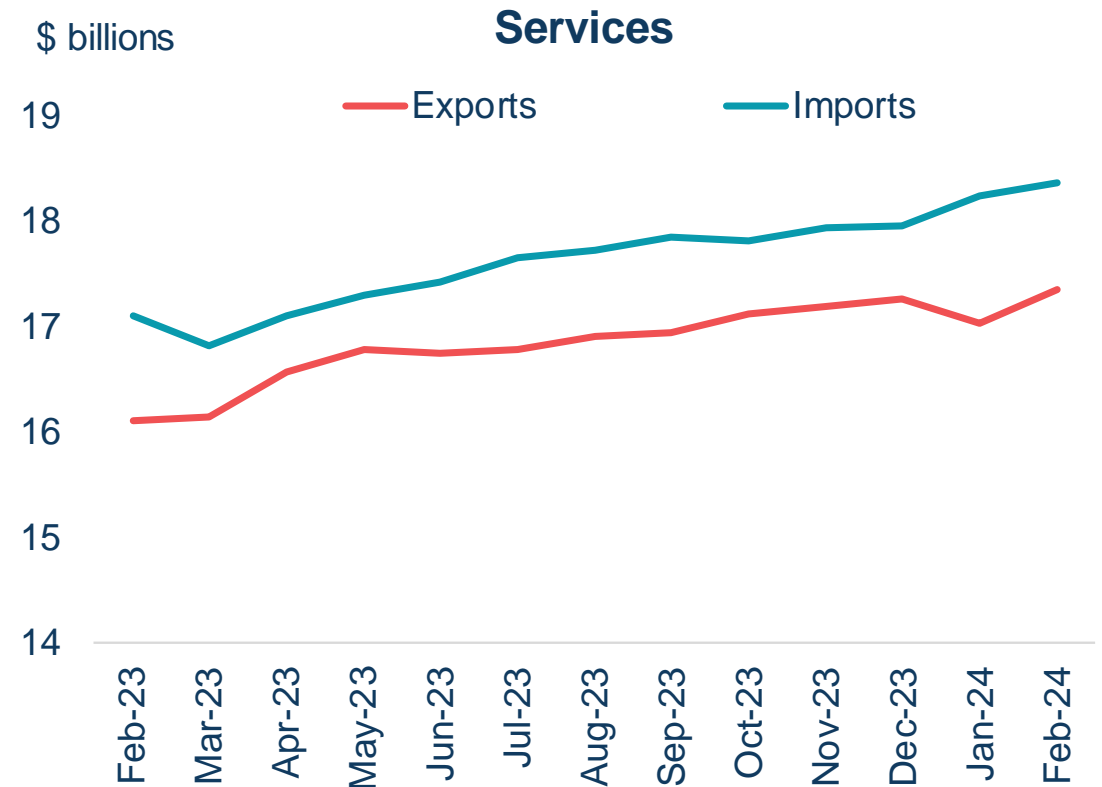
HIGHLIGHTS

- In February, there was a notable 5.0% increase in goods and services exports, along with a 3.7% growth in imports. Following declines across numerous categories in January, February saw widespread growth.
- Goods exports increased in 9 of the 11 product categories, led by metal and non-metallic mineral products (mainly unwrought gold). Meanwhile, service exports also increased with strong growth in travel and transportation services.
- Goods imports were up in all but one category, with electronic and electrical equipment and parts, consumer goods, and energy products being the largest contributors. Service imports edged up slightly with notable growth in transportation services.
- In February, goods trade with the U.S. rebounded, while trade with countries outside the U.S. surged, particularly exports to Switzerland and the UK and imports from several Asian countries as well as the UK.
- Excluding price effects, the volumes of goods exports rose 6.2%, and import volumes increased 4.0%.



CANADA'S MONTHLY TRADE PERFORMANCE

(International trade in goods and services)



INDUSTRY VIEW—EXPORTS

Exports were up in 9 of the 11 product categories and 3 of the 4 service sectors.

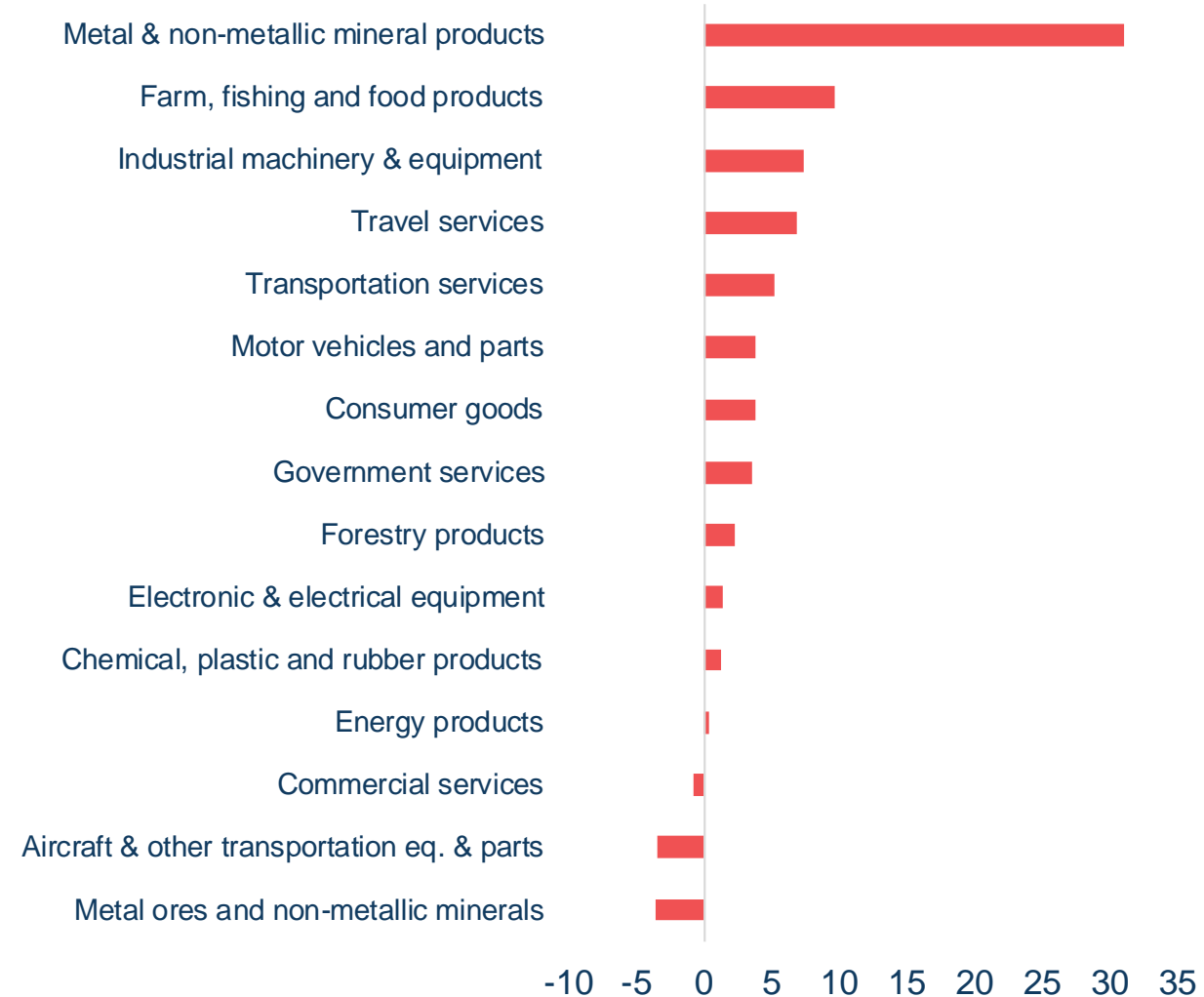
Exports of metal and non-metallic mineral products contributed the most to the growth in goods exports, increasing by 31.1% in February to a record \$9.4 billion. A surge in unwrought gold exports contributed to more than half of the growth in total goods exports. Increased shipments of refined gold, as well as transfers of gold assets in the banking sector, were observed in February, which coincided with a sharp rise in the market price of gold.

Exports of farm, fishing and intermediate food products posted the strongest percentage increase observed since July 2023, mainly from rebounding wheat exports to Asia.

Motor vehicles and parts exports also rose 3.8% in February, driven by passenger cars and light trucks exports.

Meanwhile, exports of travel services rose by 6.9% on higher visitor spending in Canada. Exports of transportation services also recorded a 5.3% increase, while commercial services were down 0.8%.

Exports by industry and sector (monthly % change)



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

Source: Office of the Chief Economist, Global Affairs Canada.

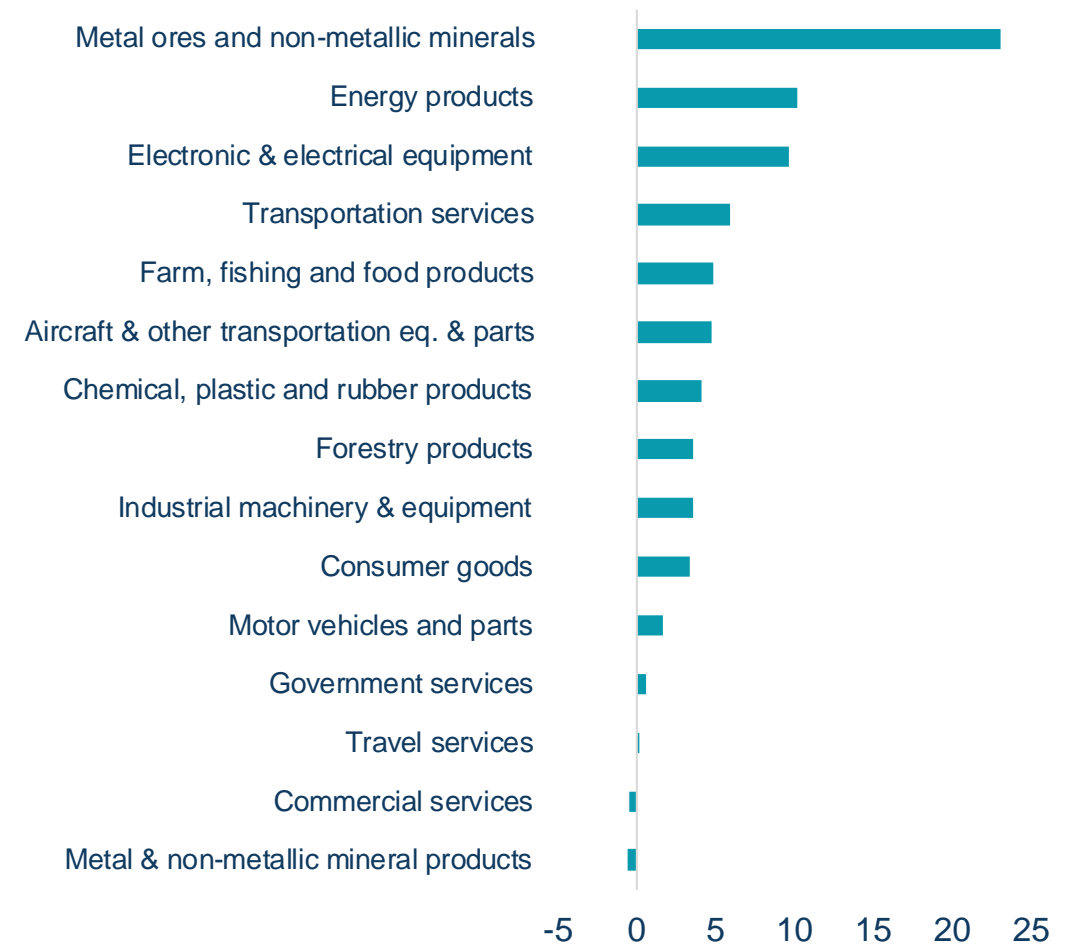
INDUSTRY VIEW—IMPORTS

Imports increased in 10 of 11 product categories and in 3 of the 4 service sectors.

Imports of electronic and electrical equipment and parts increased 9.7% to a record \$7.6 billion in February, supported by increased imports of high-value data processing units (servers). Other large contributors to the growth included consumer goods, which increased by 3.3% in February due to widespread gains, as well as energy products, which increased by 10.2% mainly from higher crude oil imports. Metal and non-metallic mineral products edged down slightly by 0.6% and was the only product category that contracted in February.

For services, transportation services imports posted the fastest growth of 5.9%, driven by maritime transportation services for goods entering Canada. Imports of commercial services declined 0.4%, due mainly to lower payments of financial services.

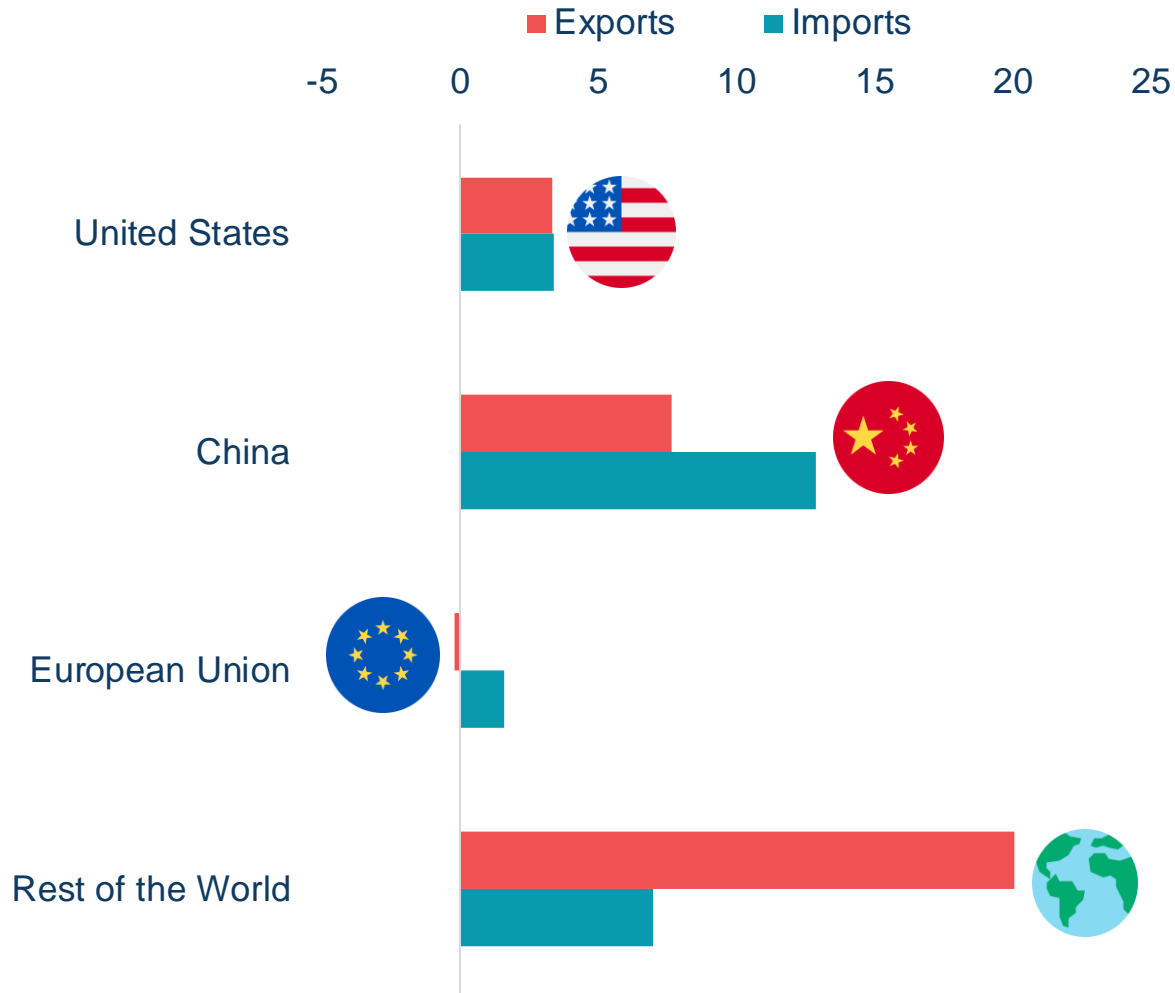
Imports by industry and sector (monthly % change)



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

Source: Office of the Chief Economist, Global Affairs Canada.

Goods trade by main markets (monthly % change)



GLOBAL MARKETS

In February, Canadian goods exports to the United States rose by 3.3%, while imports from the United States increased by 3.4%. As a result, Canada's goods trade surplus with the United States widened slightly from \$8.8 billion in January to \$9.1 billion in February.

Goods exports to countries other than the United States surged by 14.2% in February, mainly driven by a strong increase in unwrought gold exports to Switzerland and the United Kingdom.

Meanwhile, goods imports from countries other than the United States increased by 6.7%. Significant increases in imports were observed for China (various products), the United Kingdom (aircraft), Indonesia (scrap of non-ferrous metals) and South Korea (passenger cars and light trucks).

PRICES AND VOLUMES

Both good exports and imports grew in real terms in February.

Goods export volumes climbed 6.2%, while export prices fell by 0.4%. The growth in the exports of metal and non-metallic mineral products, which was this month's largest contributor to overall growth in goods export values, was primarily driven by volumes. Exports of this category grew 28.6% in terms of volumes, which eclipsed its export price growth of 2.0%.

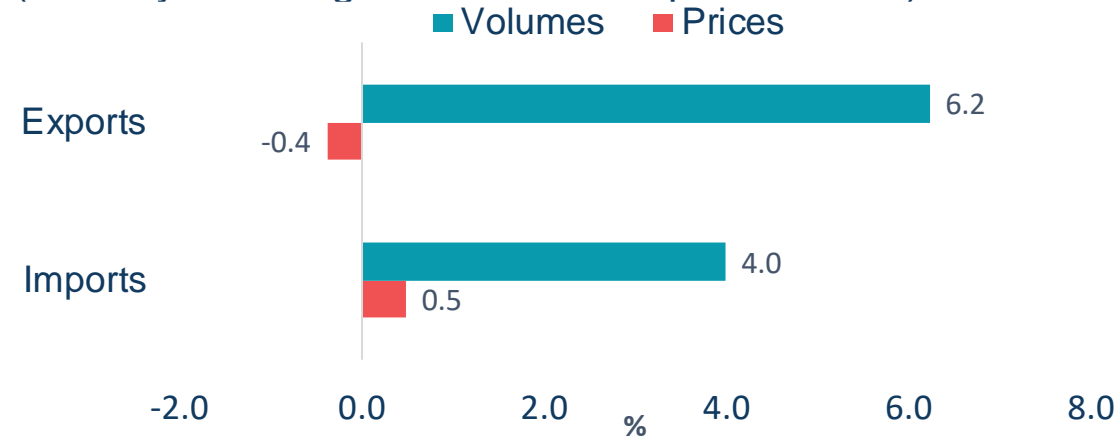
Goods import volumes also grew considerably in February (+4.0%), while prices only inched up 0.5%.

In February, the Canadian-US dollar exchange rate fell slightly to 74.1 US cents per Canadian dollar.

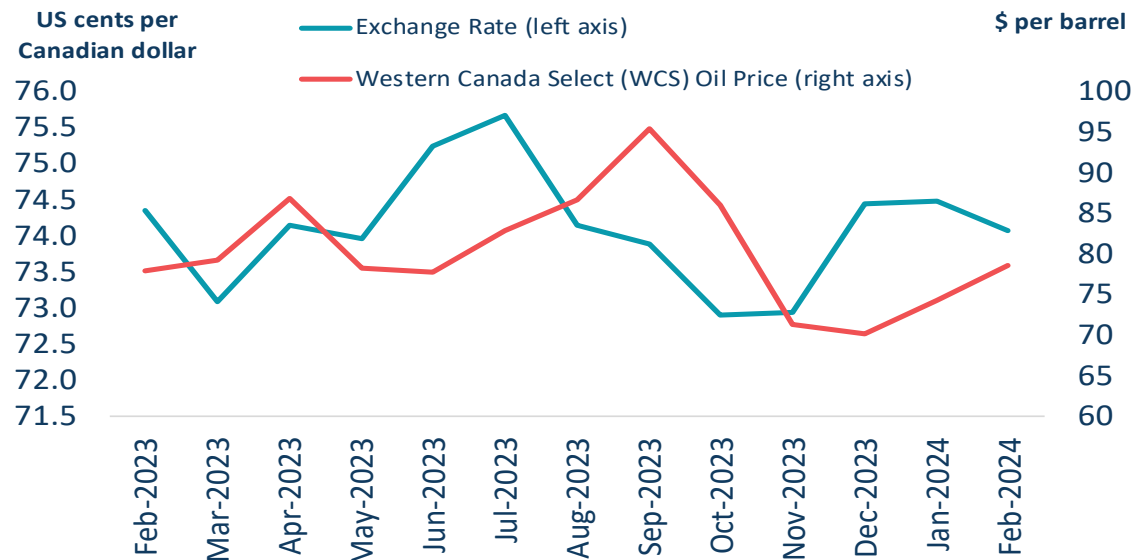
The average monthly price of crude oil for Western Canada Select (WCS) increased for a second consecutive month in February, reaching \$78.6 per barrel and marking a 13.7% increase from the previous month.

Goods trade

(monthly % change in volume and price indices)



Exchange rate & oil price



Data: Statistics Canada Table 12-10-0168-01. Balance of payments basis, seasonally adjusted.
Bank of Canada Monthly Exchange Rate. Haver Analytics.
Source: Office of the Chief Economist, Global Affairs Canada.

WHAT TO WATCH

- Rerouted vessels around Africa have caused shipping delays and increased shipping costs since the start of the Red Sea attacks. While global maritime shipping prices have come down from their mid-February peak, prices remain elevated.
 - Canada's Consumer Price Index (CPI) rose by 2.8% year-over-year in February, slightly lower than January's 2.9% increase. Conversely, the United States experienced an uptick in year-over-year CPI growth, accelerating from 3.1% in January to 3.2% in February. The Bank of Canada will announce its next rate decision on April 10, followed by the Federal Reserve on May 1.
 - As of April 1st, Canada's carbon price increased from \$65 to \$80 per tonne. Even amidst higher fuel and gas costs, estimates from the Bank of Canada suggest that the carbon tax has a minimal impact on inflation.
 - The federal budget is set to be unveiled on April 16, which will include a \$6 billion infrastructure fund aimed at boosting housing announced earlier this week. Key features of several provincial budgets have included measures to increase affordability, access to housing, and services (health and education).
 - The collapse of the Francis Scott Key Bridge in Baltimore at the end of March is affecting shipping in the region. Preliminary analysis suggests that the disruptions are unlikely to have a significant impact on global shipping prices or the Canadian economy, but the Port of Halifax may see increased volumes.
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Next Monthly Trade Release: Thursday, May 2



Table 1: Trade by industry sector
(\$ millions)

	Exports			Imports		
	Feb. 2024	m/m %	YTD %	Feb. 2024	m/m %	YTD %
Goods	66,624	5.8	-1.4	65,233	4.6	-2.0
Primary products	39,516	7.6	-2.4	20,782	5.5	-4.4
Energy products	15,254	0.4	0.8	3,795	10.2	-10.8
Non-primary products	25,368	3.4	0.2	41,974	4.1	-1.1
Industrial machinery & equipment	4,294	7.4	-4.1	7,690	3.6	-2.7
Electronic & electrical equipment	2,781	1.3	-1.2	7,588	9.7	-3.5
Motor vehicles and parts	8,604	3.8	2.0	11,484	1.7	3.2
Aircraft & other transportation eq. & parts	2,216	-3.5	-1.1	2,320	4.8	9.6
Consumer goods	7,472	3.8	1.6	12,893	3.3	-4.1
Services	17,352	1.9	7.2	18,377	0.8	6.2
Commercial services	10,638	-0.8	4.7	10,615	-0.4	8.7
Travel services	4,889	6.9	17.1	4,485	0.2	3.6
Transportation services	1,679	5.3	-1.1	3,118	5.9	2.4
Government services	146	3.5	-3.0	158	0.6	2.6
Total goods and services	83,976	5.0	0.2	83,610	3.7	-0.2

Note: "m/m %" is the change from the previous month; "YTD %" is the year-to-date (January to recent month) cumulative change compared to the same period in the previous year.

Data: Statistics Canada Tables 12-10-0163-01 and 12-10-0144-01. Balance of payments basis, seasonally adjusted.

Source: Office of the Chief Economist, Global Affairs Canada.

Table 2: Goods trade by main markets
(\$ millions)

	Exports			Imports		
	Feb. 2024	m/m %	YTD %	Feb. 2024	m/m %	YTD %
United States	50,209	3.3	-0.4	41,125	3.4	-1.0
Mexico	816	8.1	-2.9	2,353	-2.4	2.4
European Union	2,705	-0.2	-7.1	6,047	1.6	-10.8
Germany	513	3.5	-17.6	1,731	5.3	-8.3
France	505	34.7	6.1	570	14.7	-2.1
United Kingdom	2,425	41.7	37.3	933	30.4	-12.3
Indo-Pacific region	6,475	3.7	-3.4	9,214	9.4	-1.0
China	2,554	7.6	-19.5	5,047	12.9	-9.9
Japan	1,287	-2.0	-13.3	1,435	-4.8	40.4
South Korea	722	-5.2	33.4	1,123	15.9	16.8
Hong Kong SAR	715	49.3	65.0	284	4.7	-16.1
India	535	-16.8	72.6	466	6.2	-6.5
Indonesia	202	31.9	-21.5	267	146.7	40.6
Australia	198	-7.4	-6.9	217	6.3	-3.4
Taiwan	144	-22.8	0.9	287	-7.9	-19.3
Singapore	119	-4.3	-23.2	88	-35.9	-22.2
Rest of the world	3,994	35.2	-19.8	5,561	9.2	-0.1
Total goods trade	66,624	5.8	-1.4	65,233	4.6	-2.0

Notes: The Indo-Pacific region total includes only the 9 markets for which data are available. "m/m %" is the change from the previous month; "YTD %" is the year-to-date (January to recent month) cumulative change compared to the same period in the previous year.

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

Source: Office of the Chief Economist, Global Affairs Canada.