

The Daily

Statistics Canada

Wednesday, February 11, 2009

Released at 8:30 a.m. Eastern time

Releases

Canadian international merchandise trade, December 2008	2
Exports and imports dropped in December amid a global economic downturn, with exports falling 9.7% while imports declined 5.7%. This resulted in a trade deficit of \$458 million compared with a trade surplus of \$1.2 billion in November. This was the first trade deficit since March 1976.	
New Housing Price Index, December 2008	5
For-hire motor carriers of freight, top carriers, third quarter 2008	6
Export and import price indexes, December 2008	7
Chain Fisher real export and import values, December 2008	7

New products	8
---------------------	---



Releases

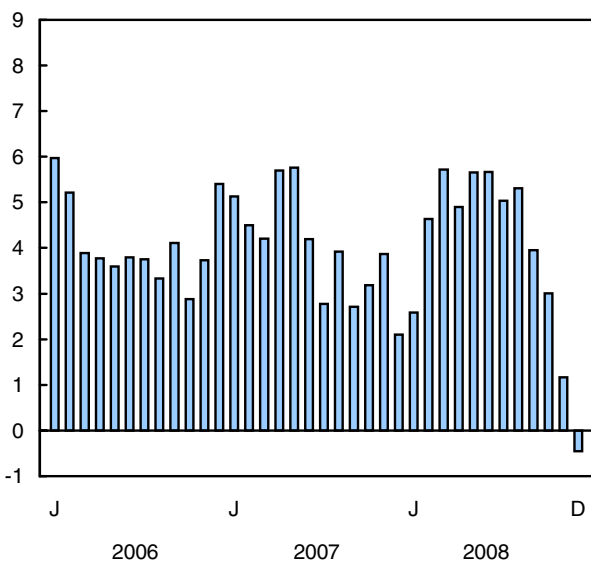
Canadian international merchandise trade

December 2008

Exports and imports dropped in December amid a global economic downturn with exports falling at a faster pace than imports. This resulted in a trade deficit of \$458 million compared with a trade surplus of \$1.2 billion in November. This was the first trade deficit since March 1976.

Trade balance

\$ billions



Exports dropped 9.7% to \$35.3 billion, as both prices and volumes declined. This marked the largest month-over-month percentage decrease since October 1982. The declines were widespread across most sectors. Overall, exports have been trending downwards since July 2008.

Imports also declined, falling 5.7% to \$35.8 billion. The decrease, reflecting mostly volume reductions, was largely attributable to machinery and equipment, automotive products, and industrial goods and materials.

Although exports and imports have been declining in recent months, trade in agricultural and fishing products as well as machinery and equipment has generally been on the rise throughout 2008.

Note to readers

Merchandise trade is one component of the current account of Canada's balance of payments, which also includes trade in services, investment income and transfers.

International merchandise trade data by country are available on both a balance of payments and a customs basis for the United States, Japan and the United Kingdom. Trade data for all other individual countries are available on a customs basis only. Balance of payments data are derived from customs data by making adjustments for characteristics such as valuation, coverage, timing and residency. These adjustments are made to conform to the concepts and definitions of the Canadian System of National Accounts.

Constant dollars referred to in the text are calculated using the Laspeyres volume formula, which is current dollars divided by Paasche indexes.

Revisions

In general, merchandise trade data are revised on an ongoing basis for each month of the current year. Current year revisions are reflected in both the customs and balance of payments based data. Revisions to customs based data for the previous year are released on a quarterly basis. Annual revisions to 2005, 2006 and 2007 data, on a customs basis, are released today.

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.

Revised data are available in the appropriate CANSIM tables.

Exports to the United States dropped 10.0% to \$25.9 billion. The slump in exports, led by crude petroleum, outpaced an 8.4% fall in imports. As a result, Canada's trade balance with the United States fell from \$4.6 billion in November to \$3.8 billion in December, its lowest level since December 1998.

Canada's trade deficit with countries other than the United States grew to \$4.2 billion in December from \$3.4 billion in November, as exports declined 9.0% while imports fell 1.0%.

Energy products and industrial goods continue to lead the downturn in exports

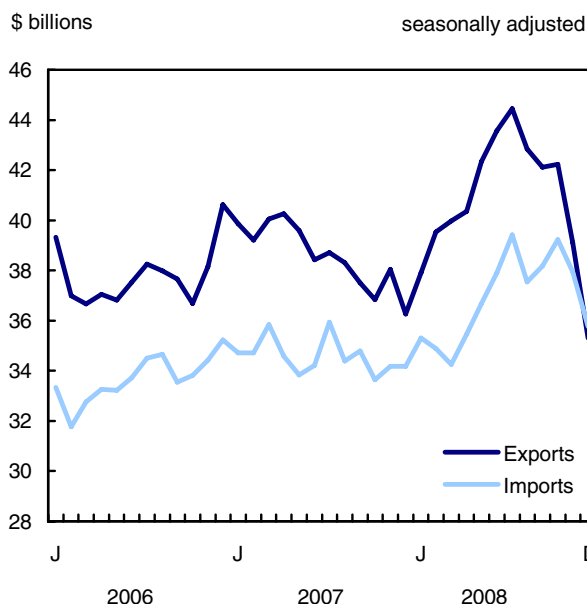
Exports of energy products dropped 19.4% to \$6.8 billion. This reflected slumping exports of crude petroleum which continued to decline, falling a further 29.1% to \$2.8 billion, the lowest level since March 2006. The decrease in crude petroleum was mostly the result of a 25.0% drop in prices.

Exports of industrial goods and materials fell 17.1% to \$7.4 billion, largely due to a drop in volume.

The sector has been on a downward trend since July 2008. Fertilizer exports dropped 36.8%, erasing two consecutive months of increases. In addition, exports of aluminium (including alloys) decreased 26.7% in December, as demand from the automotive sector waned with cutbacks in production.

Agricultural and fishing products exports dropped 7.0% to \$3.4 billion in December. The sector had been trending upward since June 2006. Decreases in exports of wheat, meat and meat preparations, and canola mostly accounted for the sector's decline following two monthly gains.

Exports and imports



Broad-based contraction in imports

After three consecutive monthly increases, imports of machinery and equipment fell 5.7% to \$10.6 billion, leading the decline in imports for December. This decrease was due to a combination of rising prices and falling volumes. Aircraft imports rose 26.7%, softening the sector's overall drop.

Imports of automotive products declined for the third consecutive month, dropping 9.8% to \$5.2 billion

as the industry continued to struggle with decreased sales. The latest decline is the result of a 10.6% fall in volume overshadowing a small rise in price. The main contributor was motor vehicle parts, which lost 17.0% as manufacturers continued to scale back production. Imports of passenger autos, on a downward trend since July, fell 6.8% to \$1.8 billion.

Imports of industrial goods and materials fell 5.8% to \$7.4 billion. This was the lowest level since April 2008, reflecting the decline in both price and volume. Leading the decrease was imports of chemicals and plastics, which dropped 11.9% as a result of lower motor vehicle production and construction activity. Mitigating the drop, iron and steel products rose 19.8%, largely due to increased imports of drilling pipes.

Available on CANSIM: tables 228-0001 to 228-0003, 228-0033, 228-0034, 228-0041 to 228-0043 and 228-0047 to 228-0057.

Definitions, data sources and methods: survey numbers, including related surveys, 2201, 2202 and 2203.

The December 2008 issue of *Canadian International Merchandise Trade*, Vol. 62, no. 12 (65-001-XWE, free) is now available from the *Publications* module of our website.

The publication includes tables by commodity and country on a customs basis. The publication format has changed from a bilingual format to separate English and French versions to comply with Treasury Board Common Look and Feel's Guidelines. Table numbers have been modified, for a concordance from the old to the new tables.

Current account data (which incorporate merchandise trade statistics, service transactions, investment income and transfers) are available quarterly in *Canada's Balance of International Payments* (67-001-XWE, free).

For more information, contact Sharon Nevins (toll-free 1-800-294-5583; 613-951-9798). To enquire about the concepts, methods or data quality of this release, contact Mychèle Gagnon (613-951-0994), International Trade Division.

□

Merchandise trade

	November 2008 ^r	December 2008	November to December 2008	December 2007 to December 2008
Seasonally adjusted, \$ current				
	\$ millions		% change	
Principal trading partners				
Exports				
United States	28,808	25,935	-10.0	-7.6
Japan	1,143	991	-13.3	27.5
European Union ¹	3,085	3,651	18.3	25.1
Other OECD countries ²	2,046	1,268	-38.0	-7.8
All other countries	4,023	3,459	-14.0	10.6
Total	39,104	35,304	-9.7	-2.7
Imports				
United States	24,205	22,169	-8.4	1.7
Japan	1,092	783	-28.3	-23.7
European Union ¹	3,713	4,091	10.2	21.6
Other OECD countries ²	2,484	2,324	-6.4	7.5
All other countries	6,447	6,395	-0.8	9.6
Total	37,942	35,762	-5.7	4.6
Balance				
United States	4,603	3,766	...	...
Japan	51	208	...	...
European Union ¹	-628	-440	...	...
Other OECD countries ²	-438	-1,056	...	...
All other countries	-2,424	-2,936	...	...
Total	1,162	-458	...	...
Principal commodity groupings				
Exports				
Agricultural and fishing products	3,663	3,405	-7.0	18.8
Energy products	8,434	6,799	-19.4	-15.9
Forestry products	2,151	2,051	-4.6	-3.2
Industrial goods and materials	8,904	7,384	-17.1	-7.0
Machinery and equipment	8,377	8,207	-2.0	15.3
Automotive products	4,855	4,695	-3.3	-16.9
Other consumer goods	1,456	1,635	12.3	14.9
Special transactions trade ³	724	674	-6.9	4.7
Other balance of payments adjustments	540	454	-15.9	8.4
Imports				
Agricultural and fishing products	2,563	2,537	-1.0	17.3
Energy products	3,663	3,283	-10.4	-6.9
Forestry products	246	214	-13.0	-13.4
Industrial goods and materials	7,891	7,435	-5.8	5.9
Machinery and equipment	11,277	10,636	-5.7	11.0
Automotive products	5,806	5,238	-9.8	-12.0
Other consumer goods	5,260	5,182	-1.5	14.2
Special transactions trade ³	477	540	13.2	25.9
Other balance of payments adjustments	759	698	-8.0	-2.4

^r revised

... not applicable

1. Includes Austria, Belgium, Bulgaria, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden, and United Kingdom.

2. Other countries in the Organisation for Economic Co-operation and Development (OECD) include Australia, Canada, Iceland, Mexico, New Zealand, Norway, South Korea, Switzerland and Turkey.

3. These are mainly low valued transactions, value of repairs to equipment, and goods returned to country of origin.

Note: Totals may not equal the sum of their components.

New Housing Price Index

December 2008

Contractors selling prices declined 0.1% between November and December, resulting in a New Housing Price Index of 157.4 (1997=100). This was the third consecutive monthly decrease at the Canada level.

New housing prices fell by 0.7% in Saskatoon in December, as some builders in the city reported reduced labour costs.

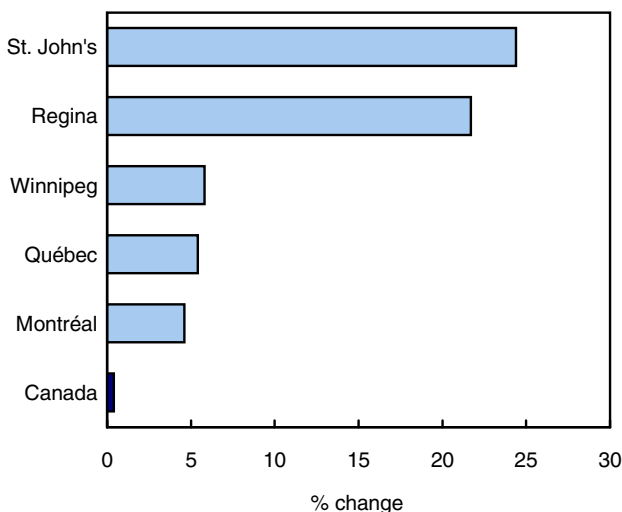
Between November and December, prices declined by 1.3% in Calgary and 0.3% in Edmonton.

Monthly prices increased by 0.2% in Ottawa–Gatineau in December, while they remained unchanged in Toronto and Oshawa, Québec, Montréal and Vancouver.

On a year-over-year basis, the New Housing Price Index increased by 0.4% in December, a slower pace than the 0.7% advance recorded in November.

Among surveyed cities, the largest year-over-year increase was registered in St. John's (+24.4%) followed by Regina (+21.7%).

Percentage change from the same month of the previous year (cities with the largest positive change)



In Québec, the 12-month growth rate was 5.4%, while in Montréal, prices increased by 4.6%.

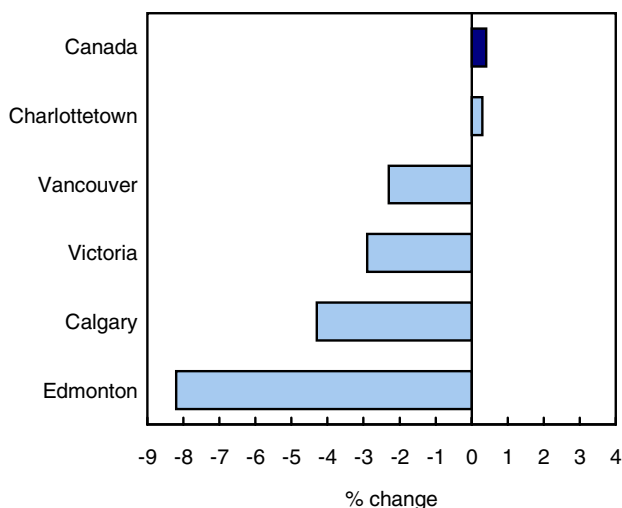
Compared with December 2007, contractors' selling prices were 4.5% higher in Ottawa–Gatineau and 1.9% higher in Toronto and Oshawa.

In Saskatoon, prices rose 0.9% year-over-year, confirming a continuing trend of deceleration in this city.

Edmonton (-8.2%) and Calgary (-4.3%) also recorded 12-month declines, a result of slow market conditions in both cities.

On the West Coast, Vancouver (-2.3%) and Victoria (-2.9%) posted year-over-year declines. This was the third consecutive month of year-over-year decreases for both cities.

Percentage change from the same month of the previous year (cities with the smallest or negative change)



Available on CANSIM: table 327-0005.

Definitions, data sources and methods: survey number 2310.

The third quarter 2008 issue of *Capital Expenditure Price Statistics* (62-007-XWE, free) will soon be available.

For more information, or to enquire about the concepts, methods or data quality of this release, contact Client Services (613-951-9606; toll-free 1-866-230-2248; fax: 613-951-2848; prices-prix@statcan.gc.ca), Prices Division.

□

New housing price indexes

	December 2008	December 2007 to December 2008	November to December 2008
	(1997=100)	% change	
Canada total	157.4	0.4	-0.1
House only	165.5	-0.7	-0.2
Land only	141.0	2.7	-0.1
St. John's	177.6	24.4	0.2
Halifax	150.3	3.6	0.1
Charlottetown	119.4	0.3	0.0
Saint John, Fredericton and Moncton	118.3	2.8	0.0
Québec	159.4	5.4	0.0
Montréal	163.7	4.6	0.0
Ottawa-Gatineau	169.6	4.5	0.2
Toronto and Oshawa	146.4	1.9	0.0
Hamilton	152.4	2.1	0.1
St. Catharines-Niagara	155.6	2.7	0.0
Kitchener	143.2	2.7	0.5
London	143.3	2.7	0.0
Windsor	103.7	0.6	0.1
Greater Sudbury and Thunder Bay	112.7	3.6	0.0
Winnipeg	181.4	5.8	0.0
Regina	248.7	21.7	0.0
Saskatoon	218.1	0.9	-0.7
Calgary	240.7	-4.3	-1.3
Edmonton	228.7	-8.2	-0.3
Vancouver	120.6	-2.3	0.0
Victoria	115.6	-2.9	-0.4

Note: View the census subdivisions that comprise the metropolitan areas online.

For-hire motor carriers of freight, top carriers

Third quarter 2008

The top 97 for-hire carriers (Canadian-based trucking companies earning \$25 million or more annually) generated operating revenue of \$2.6 billion and operating expenses of \$2.4 billion in the third quarter of 2008.

For these carriers, the year-over-year growth rates for operating revenues and for operating expenses were identical (+2.1% each) in the third quarter. This continues the steady but moderate year-over-year growth recorded in each of the first three quarters of 2008.

In the third quarter, the operating ratio (operating expenses divided by operating revenue) remained unchanged from the previous year at 0.95. A ratio greater than 1.00 represents an operating loss.

Note: Readers should note that, with few exceptions, additions and deletions to the top carriers are done

only for the first quarter of each calendar year, while the composition of a top carrier may change at any time due to acquisitions or divestitures. Year-over-year variations in revenues and expenses may arise from changes to the mix of companies included in the top carriers and/or changes in the financial results reported by individual carriers. The revenues and expenses attributed to top carriers may also include that of some companies with less than \$25 million in annual revenue, particularly when these companies exist in complex corporate structures where their individual activities may be difficult to accurately measure.

Definitions, data sources and methods: survey number 2748.

For more information, or to enquire about the concepts, methods or data quality of this release, contact the Dissemination Unit (toll-free 1-866-500-8400; fax: 613-951-0009; transportationstatistics@statcan.gc.ca), Transportation Division.

Export and import price indexes

December 2008

Current- and fixed-weighted export and import price indexes (2002=100) on a balance of payments basis are now available. Price indexes are listed from January 2002 to December 2008 for the five commodity sections and the major commodity groups (62 exports and 61 imports).

Current- and fixed-weighted US price indexes (2002=100) are also available on a customs basis. Price indexes are listed from January 2002 to December 2008. Included with the US commodity indexes are the 10 all-countries and US-only Standard International Trade Classification section indexes.

Indexes on a customs basis for the five commodity sections and the major commodity groups are also available upon request.

Available on CANSIM: tables 228-0001 to 228-0003, 228-0033, 228-0034, 228-0041 to 228-0043 and 228-0047 to 228-0057.

Definitions, data sources and methods: survey numbers, including related surveys, 2201, 2202 and 2203.

The December 2008 issue of *Canadian International Merchandise Trade*, Vol. 62, no. 12 (65-001-XWE, free), is now available from the *Publications* module of our website.

For more information, or to enquire about the concepts, methods or data quality of this release, contact the Marketing and Client Services Section (toll-free 1-800-294-5583), International Trade Division. ■

Chain Fisher real export and import values

December 2008

The monthly chain Fisher real dollar values (reference year 2002) for Canadian international merchandise trade are now available for December.

Available on CANSIM: tables 228-0056 and 228-0057.

Definitions, data sources and methods: survey numbers, including related surveys, 2201, 2202 and 2203.

The December 2008 issue of *Canadian International Merchandise Trade*, Vol. 62, no. 12 (65-001-XWE, free), is now available from the *Publications* module of our website.

For more information, or to enquire about the concepts, methods or data quality of this release, contact the Marketing and Client Services Section (toll-free 1-800-294-5583), International Trade Division. ■

New products

Canadian International Merchandise Trade,
December 2008, Vol. 62, no. 12
Catalogue number 65-001-XWE
(free).

All prices are in Canadian dollars and exclude sales tax. Additional shipping charges apply for delivery outside Canada.

Catalogue numbers with an -XWE, -XIB or an -XIE extension are Internet versions; those with -XMB or -XME are microfiche; -XPB or -XPE are paper versions; -XDB or -XDE are electronic versions on diskette; -XCB or -XCE are electronic versions on compact disc; -XVB or -XVE are electronic versions on DVD and -XBB or -XBE a database.

How to order products

To order by phone, please refer to:

- The title
 - The catalogue number
 - The volume number
 - The issue number
 - Your credit card number.
- From Canada and the United States, call: **1-800-267-6677**
From other countries, call: **1-613-951-2800**
To fax your order, call: **1-877-287-4369**
For address changes or account inquiries, call: **1-877-591-6963**

To order by mail, write to: Statistics Canada, Finance, 6th floor, R.H. Coats Bldg., Ottawa, K1A 0T6.
Include a cheque or money order payable to **Receiver General of Canada/Publications**. Canadian customers add 5% GST and applicable PST.

To order by Internet, write to: infostats@statcan.gc.ca or download an electronic version by accessing Statistics Canada's website (www.statcan.gc.ca). From the *Our products and services* page, under *Browse our Internet publications*, choose *For sale*.

Authorized agents and bookstores also carry Statistics Canada's catalogued publications.



Statistics Canada's official release bulletin

Catalogue 11-001-XIE.

Published each working day by the Communications and library Services Division, Statistics Canada, 10G, R.H. Coats Building, 100 Tunney's Pasture Driveway, Ottawa, Ontario K1A 0T6.

To access *The Daily* on the Internet, visit our site at <http://www.statcan.gc.ca>. To receive *The Daily* each morning by e-mail, send an e-mail message to lstproc@statcan.gc.ca. Leave the subject line blank. In the body of the message, type "subscribe daily firstname lastname".

Published by authority of the Minister responsible for Statistics Canada. © Minister of Industry, 2009. All rights reserved. The content of this electronic publication may be reproduced, in whole or in part, and by any means, without further permission from Statistics Canada, subject to the following conditions: that it be done solely for the purposes of private study, research, criticism, review or newspaper summary, and/or for non-commercial purposes; and that Statistics Canada be fully acknowledged as follows: Source (or "Adapted from", if appropriate): Statistics Canada, year of publication, name of product, catalogue number, volume and issue numbers, reference period and page(s). Otherwise, no part of this publication may be reproduced, stored in a retrieval system or transmitted in any form, by any means—electronic, mechanical or photocopy—or for any purposes without prior written permission of Licensing Services, Client Services Division, Statistics Canada, Ottawa, Ontario, Canada K1A 0T6.