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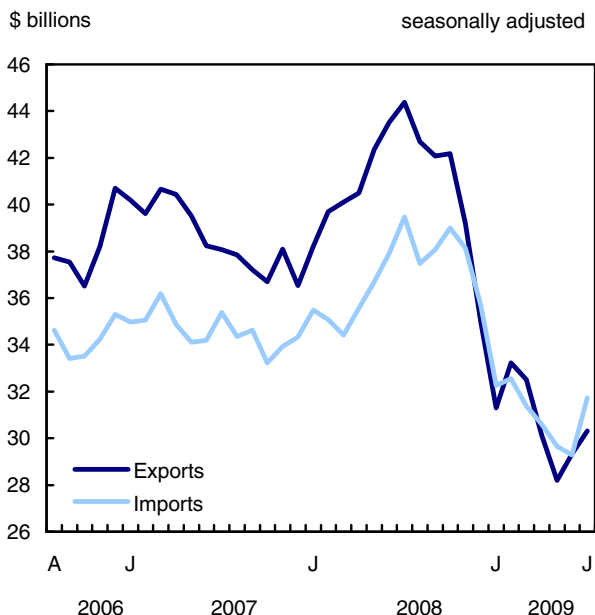
Releases

Canadian international merchandise trade

July 2009

Merchandise imports and exports both increased in July as a result of broad-based growth in volumes. Imports were up 8.3% to \$31.7 billion while exports grew 3.3% to \$30.3 billion. As a result, Canada registered a trade deficit of \$1.4 billion in July compared with a trade surplus of \$37 million in June.

Exports and imports



The gain in imports halted four consecutive months of decline and was the result of an 8.7% rise in volumes as prices edged down 0.4%. Although the increases were widespread, machinery and equipment, automotive products and energy products were the main sources of growth.

The second consecutive monthly advance in exports was attributable to a 5.9% increase in volumes, as prices declined 2.4%. Higher exports of machinery and equipment and automotive products led the increase in overall exports. Declines in exports of energy products tempered the gain.

Note to readers

Merchandise trade is one component of Canada's international balance of payments, which also includes trade in services, investment income, current transfers as well as capital and financial flows.

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.

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. Revisions to balance of payments based data for the three previous years are released annually in June.

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.

Historical updates covering the period of 1988 to 2003 are released today. These updates are the result of historical inconsistencies relating to the integrity between trade data and the underlying metadata and are minimal in dollar value.

For more information, view the document entitled "CANSIM notes: Historical updates" under the Definitions, data source and methods page, survey number 2201.

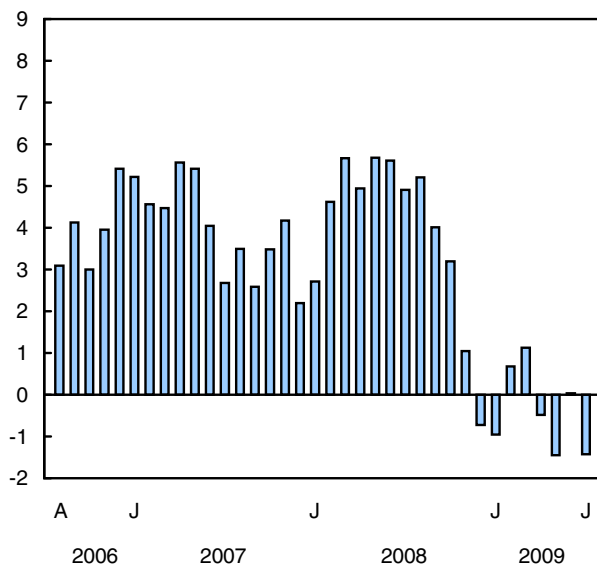
Canada's trade surplus with the United States shrank to \$1.9 billion in July from \$3.2 billion in June, as the growth in imports outpaced the increase in exports. Imports from the United States rose 9.9%, mainly as a result of higher imports of organic chemicals and aircraft. Exports were up 2.5%, mostly due to increases in exports of aircraft.

Imports and exports to countries other than the United States both advanced 5.7%, and the trade deficit with this group of countries grew to \$3.4 billion in July from \$3.2 billion in June.

Trade balance

\$ billions

seasonally adjusted



Crude petroleum and aircraft lead the growth in imports

Imports of machinery and equipment climbed 10.9% to \$9.3 billion, the result of an increase in volume. Although the increases were widespread, higher imports of aircraft and other transportation equipment were responsible for almost half of the gain in this sector.

After reaching the lowest levels in more than a decade in May and June, imports of automotive products increased 18.7% to \$4.6 billion in July. Although imports increased, they remained 32.7% lower than in July 2008. All components in the automotive sector posted gains in imports.

Imports of energy products rose 18.6% to \$3.2 billion, as volumes increased 14.9% and prices grew 3.2%. Imports of crude petroleum led the gain in this sector. Volumes of crude petroleum, up 24.0%, have generally been trending upward since February 2009.

Machinery and equipment account for almost three-quarters of the gain in exports

Exports of machinery and equipment rose 11.3% to \$7.1 billion, largely the result of higher exports of aircraft followed by telecommunication equipment. The gain was entirely due to an increase in volumes as prices declined.

Automotive sector exports rose 10.8% to \$3.2 billion. This value represented about one-third of the peak value registered in January 2000 and remained 39.5% below the July 2008 value. The gain was mainly due to increases in exports of motor vehicle parts. Exports of passenger autos and trucks also went up in July.

Exports of energy products declined 3.2% to \$6.4 billion, the result of lower prices as volumes rose. Exports of crude petroleum, down 8.9%, were largely responsible for the decline in this sector while higher exports of natural gas mitigated the decline.

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 July 2009 issue of *Canadian International Merchandise Trade*, Vol. 63, no. 7 (65-001-X, free), is now available from the *Publications* module of our website.

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-X, 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 Anne Couillard (613-951-6867), International Trade Division.

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Merchandise trade

	June 2009 ^r	July 2009	June to July 2009	July to July 2009
Seasonally adjusted, \$ current				
	\$ millions		% change	
Principal trading partners				
Exports				
United States	21,603	22,137	2.5	-35.2
Japan	686	764	11.4	-14.3
European Union ¹	2,367	2,396	1.2	-30.2
Other OECD countries ²	1,262	1,552	23.0	-20.1
All other countries	3,412	3,455	1.3	-12.5
Total	29,330	30,305	3.3	-31.7
Imports				
United States	18,376	20,198	9.9	-19.9
Japan	732	770	5.2	-22.7
European Union ¹	3,280	3,291	0.3	-25.1
Other OECD countries ²	2,127	2,209	3.9	-8.3
All other countries	4,777	5,264	10.2	-18.7
Total	29,293	31,732	8.3	-19.6
Balance				
United States	3,227	1,939	...	...
Japan	-46	-6	...	...
European Union ¹	-913	-895	...	...
Other OECD countries ²	-865	-657	...	...
All other countries	-1,365	-1,809	...	...
Total	37	-1,427	...	...
Principal commodity groupings				
Exports				
Agricultural and fishing products	3,256	3,154	-3.1	-5.0
Energy products	6,579	6,366	-3.2	-49.7
Forestry products	1,559	1,591	2.1	-27.3
Industrial goods and materials	6,261	6,447	3.0	-37.8
Machinery and equipment	6,354	7,073	11.3	-8.6
Automotive products	2,927	3,244	10.8	-39.5
Other consumer goods	1,501	1,509	0.5	-6.5
Special transactions trade ³	507	510	0.6	-26.2
Other balance of payments adjustments	386	410	6.2	-10.3
Imports				
Agricultural and fishing products	2,545	2,457	-3.5	1.8
Energy products	2,720	3,225	18.6	-42.3
Forestry products	187	190	1.6	-23.4
Industrial goods and materials	5,799	5,889	1.6	-26.6
Machinery and equipment	8,432	9,349	10.9	-9.1
Automotive products	3,883	4,610	18.7	-32.7
Other consumer goods	4,695	4,835	3.0	0.8
Special transactions trade ³	375	496	32.3	-2.7
Other balance of payments adjustments	655	681	4.0	-9.9

^r revised

... not applicable

1. The European Union 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.

Study: Trends in gross domestic product and self-employment of unincorporated enterprises

1987 to 2005

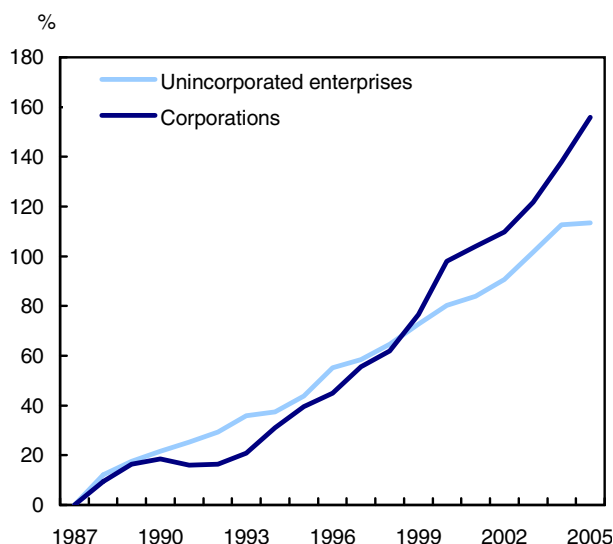
Throughout most of the 1990s, the gross domestic product (GDP) of unincorporated enterprises grew at a similar rate to that of corporations. However, since the late 1990s, the growth rate of unincorporated GDP was well below the growth rate of corporate GDP.

From 1987 to 1997, the GDP of unincorporated enterprises grew at an average annual rate of 4.7%, a similar growth rate to that of corporations. From 1997 to 2005, unincorporated GDP increased at an average annual rate of 3.8%, well below the pace of 6.4% for corporations.

Unincorporated enterprises in Canada showed a substantial structural shift from goods industries to services industries from 1987 to 2005. This transition was led by enterprises in the finance, health and professional services industries.

In 1987, the services sector accounted for 67.8% of GDP produced by unincorporated enterprises; by 2005, this proportion had increased to 76.5%. In contrast, the services sector accounted for 51.3% of GDP produced by corporate enterprises in 1987; by 2005, this had risen to 54.6%.

Cumulative growth of Canadian gross domestic product by type of business



During the same period, the share of unincorporated self-employment in the services industries increased from 63.4% to 74.6%.

Note to readers

This study provides estimates of the contribution of the unincorporated sector to Canada's economy between 1987 and 2005. It examines trends in the unincorporated sector's share of gross domestic product and self-employment.

Note that comparing gross domestic product with these employment estimates in this paper does not yield an estimate of productivity, since these estimates require information on hours worked.

The unincorporated sector is comprised of self-employed owners of unincorporated farms, businesses or professional practices and their workers.

Unincorporated enterprises cross many industries. They include landlords, insurance and stock brokers in the finance industry; physicians and dentists in the health industry; lawyers, accountants and consultants in the professional services industry; general and special trade contractors in the construction industry; owner-operator carriers in the trucking industry; and farmers, owners of retail stores, barbers, hair stylists and housecleaners.

In 2005, unincorporated enterprises contributed \$93.2 billion of GDP. This was almost double the level of \$43.7 billion two decades earlier.

Finance industry strongest contributor to shift from goods to services

Much of the transition to services in the unincorporated sector came from the finance, health and professional services industries. In 1987, these industries generated 45.1% of unincorporated GDP; by 2005, this share increased to 53.1%.

The finance industry led the way, representing 22.3% of total unincorporated GDP in 2005, up from 17.5% in 1987. This industry was primarily driven by lessors of real estate (landlords), who accounted for about 80% of the industry.

The health industry represented 18.2% of unincorporated GDP in 2005. The offices of physicians represented less than half of the industry's GDP. Since 2000, substantial increases occurred in other areas of the health industry (in particular acupuncturists, dental hygienists, denturists, dieticians, midwives, naturopaths, nutritionists and registered nurses) and child day-care services.

The share of total unincorporated GDP for the professional services industry increased from 9.2% in 1987 to 12.5% in 2005, as its economic output increased almost three-fold from \$4.0 billion in 1987 to \$11.6 billion in 2005. This large increase reflected increased activity in the offices of lawyers, accountants and other professionals.

In the goods-producing sector, over 80% of the unincorporated GDP came from construction and agriculture during the period. Agriculture's share of unincorporated economic output in goods-producing industries fell from 16.0% in 1987 to 7.5% in 2005. Conversely, unincorporated GDP in the construction industry increased substantially in the wake of the housing boom, lower interest rates and increases in housing starts.

Employment in the unincorporated sector declines after peak in 1998

From 1987 to 2005, the growth in total self-employment averaged 2.2% a year, outpacing the 1.4% increase for paid workers. During this time, self-employment rose by 812,500.

The unincorporated self-employed created most of the jobs in the business sector during most of the 1990s, adding 409,400 jobs between 1990 and 1998. However, job creation decreased sharply between 2000 and 2005 for the unincorporated sector.

In contrast, self-employment in the incorporated sector grew substantially from 1987 to 1999, averaging 3.8% a year. It continued to grow from 2000 to 2005, averaging 4.1% a year and expanding by 178,900 jobs. Evidence suggests that a shift in self-employment did not occur from the unincorporated sector to corporations.

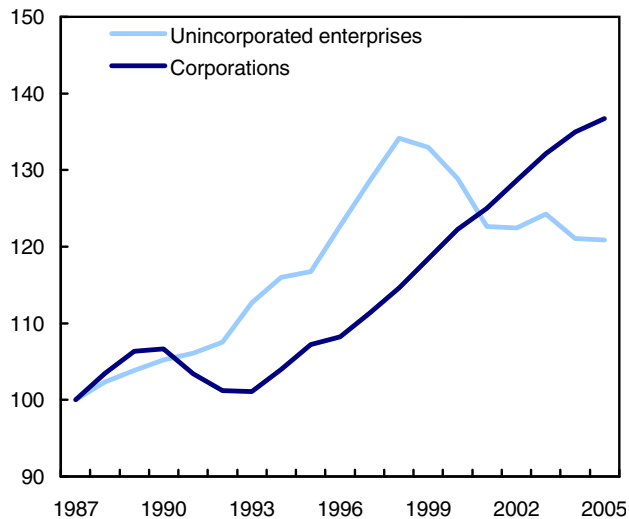
As was the case with GDP, the compositional shift in the industry structure from goods to services of the self-employed was more pronounced for unincorporated enterprises than for those self-employed individuals who incorporated.

The increase in the share of unincorporated self-employment for services occurred predominantly in professional services, business and other support

services, finance, educational services, health and information.

Employment in the Canadian economy by business structure

index (1987=100)



The study "Trends in gross domestic product and self-employment of unincorporated enterprises in the Canadian economy, 1987 to 2005" is released in the September 2009 edition of the *Canadian Economic Observer* (11-010-X, free), that is available today.

For more information, or to enquire about the concepts, methods or data quality of this release, contact Luke Rispoli (613-951-6407; luke.rispoli@statcan.gc.ca), Economic Analysis Division.

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Gross domestic product of unincorporated enterprises

Industrial group (based on the North American Industry Classification)	1987	1997	2005	1987 to 2005	1987 to 1997	1997 to 2005	1987	1997	2005
	Gross domestic product			Average annual growth rate			Proportion of total		
	\$ millions			%					
All Industries	43,658	69,219	93,159	4.3	4.7	3.8	100.0¹	100.0¹	100.0¹
Goods-producing industries	14,036	17,196	21,851	2.5	2.1	3.0	32.2	24.8	23.5
Crop and animal production	7,002	7,718	6,998	0.0	1.0	-1.2	16.0	11.2	7.5
Forestry and logging	519	782	775	2.2	4.2	-0.1	1.2	1.1	0.8
Fishing, hunting and trapping	881	603	558	-2.5	-3.7	-1.0	2.0	0.9	0.6
Support activities for agriculture and forestry	177	145	175	-0.1	-2.0	2.4	0.4	0.2	0.2
Mining and oil and gas extraction	156	297	278	3.3	6.7	-0.8	0.4	0.4	0.3
Utilities	4	7	16	8.0	5.8	10.9	0.0	0.0	0.0
Construction	4,860	6,903	12,239	5.3	3.6	7.4	11.1	10.0	13.1
Manufacturing	437	741	812	3.5	5.4	1.2	1.0	1.1	0.9
Service-producing industries	29,621	52,023	71,308	5.0	5.8	4.0	67.8	75.2	76.5
Wholesale trade	845	1,336	1,538	3.4	4.7	1.8	1.9	1.9	1.7
Retail trade	3,207	4,604	5,822	3.4	3.7	3.0	7.3	6.7	6.2
Transportation and warehousing	1,844	3,441	3,943	4.3	6.4	1.7	4.2	5.0	4.2
Information and cultural industries	10	147	303	20.8	30.7	9.5	0.0	0.2	0.3
Finance, insurance, real estate and rental and leasing	7,641	15,566	20,794	5.7	7.4	3.7	17.5	22.5	22.3
Professional, scientific and technical services	4,000	7,542	11,622	6.1	6.5	5.6	9.2	10.9	12.5
Administrative and support, waste management and remediation services	991	1,964	3,574	7.4	7.1	7.8	2.3	2.8	3.8
Educational services	200	841	1,291	10.9	15.4	5.5	0.5	1.2	1.4
Health care and social assistance	8,111	12,163	16,981	4.2	4.1	4.3	18.6	17.6	18.2
Arts, entertainment and recreation	295	642	802	5.7	8.1	2.8	0.7	0.9	0.9
Accommodation and food services	1,305	1,759	1,802	1.8	3.0	0.3	3.0	2.5	1.9
Other services (except public administration)	1,172	2,018	2,836	5.0	5.6	4.3	2.7	2.9	3.0

1. Data may not add up to totals as a result of rounding.

Note: The average annual growth rate is the compound growth rate calculated between end points of the period.

Production of eggs and poultry

July 2009 (preliminary)

Egg production reached 48.4 million dozens in July, down 0.7% from July 2008.

Poultry meat production totalled 104.3 million kilograms, a decrease of 2.8% compared with July 2008.

Definitions, data sources and methods: survey numbers, including related surveys, 3425 and 5039.

For more information, call Client Services (toll-free 1-800-465-1991). To enquire about the concepts, methods or data quality of this release, contact Sandra Venturino (613-951-9278; sandra.venturino@statcan.gc.ca), Agriculture Division. ■

Export and import price indexes

July 2009

Current- and fixed-weighted export and import price indexes (2002=100) on a customs or balance of payments basis are now available. Price indexes are listed from January 2002 to July 2009 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 July 2009. Included with the US commodity indexes are the 10 all-countries and US-only Standard International Trade Classification section indexes.

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 July 2009 issue of *Canadian International Merchandise Trade*, Vol. 63, no. 7 (65-001-X, 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 Client Services (toll-free 1-800-294-5583), International Trade Division. ■

Chain Fisher real export and import values

July 2009

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

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

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

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

Industrial concentration in the manufacturing sector

2007

Industrial concentration data for the manufacturing sector are now available for 2007 for Canada and the provinces. These data measure the market share of the industry's largest enterprises according to their sales. They also provide an indication of the degree of competition within manufacturing industries.

Definitions, data sources and methods: survey number 2103.

For more information, to order data, or to enquire about the concepts, methods or data quality of this release, contact the dissemination officer (toll-free 1-866-873-8789; 613-951-9497; manufact@statcan.gc.ca), Manufacturing and Energy Division. ■

New products

Canadian Economic Observer, September 2009,
Vol. 22, no. 9
Catalogue number 11-010-X (HTML, free)

Insights on the Canadian Economy: "Trends in Gross Domestic Product and Self-employment of Unincorporated Enterprises in the Canadian Economy, 1987 to 2005", no. 24
Catalogue number 11-624-M2009024 (PDF, free; HTML, free)

Canadian International Merchandise Trade,
July 2009, Vol. 63, no. 7
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