

The Daily

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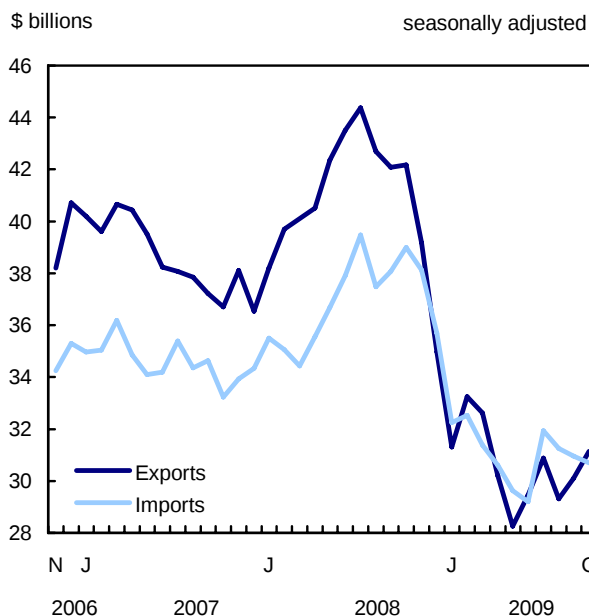
Releases

Canadian international merchandise trade

October 2009

Canada's merchandise exports rose 3.4% in October, led by a strong gain in exports to the United States, which accounted for three-quarters of the increase. Canada posted a trade surplus with the world of \$428 million, as imports decreased 0.8% in October compared with a deficit of \$850 million in September.

Exports and imports



Exports increased by \$1.0 billion to \$31.1 billion, as a result of a 2.6% rise in volumes and a 0.8% increase in prices. This was the second consecutive monthly increase in the value of exports and the fourth advance in five months.

Industrial goods and materials led the growth, representing more than half of the increase in exports. Energy products, agricultural and fishing products, as well as automotive products also contributed to the gain. Lower exports of machinery and equipment slowed the increase.

Imports declined to \$30.7 billion, as prices decreased 1.2% while volumes inched up 0.3%.

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 are calculated using the Laspeyres volume formula.

As of December 21, 2009, a new version of the Canadian International Merchandise Trade database will offer Harmonized System import and export data at the six digit level (HS6), at no cost. The data on the new version will be the same as released today. More refined data for imports at the HS10 level and for exports at the HS8 level will be available as custom tabulations exclusively from International Trade Division.

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.

This third consecutive monthly decrease in the value of imports was mostly due to machinery and equipment followed by industrial goods and materials. Higher imports of energy products moderated the decrease.

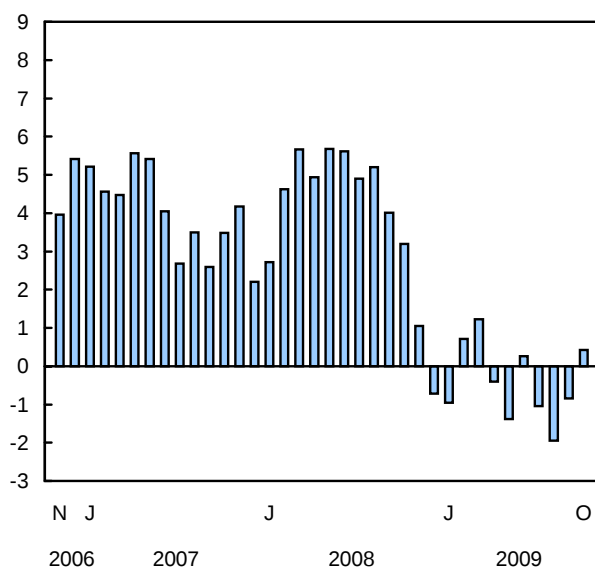
Exports to the United States grew 3.6% while imports fell 3.1%. As a result, Canada's trade surplus with the United States expanded to \$3.4 billion in October from \$2.0 billion in September. The October increase in exports to the United States was the third advance in five months.

Canada's trade deficit with countries other than the United States was \$3.0 billion in October compared with \$2.9 billion in September, as exports grew 2.9% and imports rose 3.2%.

Trade balance

\$ billions

seasonally adjusted

**Exports of precious metals reach a record high**

Exports of industrial goods and materials increased 8.8% to \$7.2 billion on the strength of precious metals. Exports of precious metals rose 34.0% to a record high of \$1.3 billion. Worldwide surges in gold prices and in the demand for gold bars fuelled the rise. Exports of copper ores and of other crude non-metallic minerals also posted solid gains in October. The growth in the industrial goods and material sector was largely the result of a 6.6% increase in volumes as prices grew 2.1%.

After three consecutive months of decline, exports of energy products rose 6.5% to \$6.8 billion, as prices increased 4.6% and volumes grew 1.8%. This was the fourth increase in prices since July 2008 while volumes increased for a fifth straight month. Petroleum and coal products such as fuel oils, followed by crude petroleum, largely accounted for the gain in this sector in October.

Exports of agricultural and fishing products rose 2.9% to \$2.8 billion, mostly due to increased exports of canola, up 48.0% to \$275 million. In June, exports of canola hit a record high of \$421 million. This peak was followed by three months of decline as crops matured late this year due to a cooler than usual summer. Wheat exports, down for the fourth consecutive month, moderated the growth.

Exports of automotive products increased 1.1% to \$4.2 billion, led by passenger autos, which rose 4.7%

as a result of higher demand in the United States. Since January 2009, exports of passenger autos have been on an upward trend and reached \$2.8 billion in October, the highest level since September 2008. Exports of trucks (-15.5%) and motor vehicles parts (-3.7%) declined in October.

Moderating the increase in overall exports, machinery and equipment fell 2.5% to \$6.2 billion. Exports of industrial machinery and other transportation equipment led the decline while aircraft and telecommunication equipment posted gains in October.

Machinery and equipment accounts largely for the decline in imports

For a third consecutive month, machinery and equipment imports were down, decreasing 4.4% to \$8.4 billion. Although the declines were widespread across the sector, industrial and agricultural machinery accounted for 61% of the drop.

Imports of industrial goods and materials declined 1.5% to \$6.3 billion. The drop was mainly due to lower imports of chemical products, metal in ores and other non-ferrous metals. Curbing the decline was a 21.3% gain in imports of precious metals, which grew for a third consecutive month and reached their highest level in October, reflecting the high demand for gold.

In contrast, imports of energy products grew 6.3% to \$2.8 billion as volumes increased 6.6%. Imports of crude petroleum led the gain.

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 October 2009 issue of *Canadian International Merchandise Trade*, Vol. 63, no. 10 (65-001-X, free), is now available from the *Key resource* module of our website, under *Publications*.

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 Mychèle Gagnon (613-951-0994), International Trade Division.

□

Merchandise trade

	September 2009 ^r	October 2009	September to October 2009	October 2008 to October 2009
Seasonally adjusted, \$ current				
	\$ millions		% change	
Principal trading partners				
Exports				
United States	21,947	22,735	3.6	-27.0
Japan	670	785	17.2	-28.8
European Union ¹	2,971	2,869	-3.4	-25.5
Other OECD countries ²	1,489	1,623	9.0	-13.6
All other countries	3,034	3,122	2.9	-25.5
Total	30,111	31,133	3.4	-26.2
Imports				
United States	19,939	19,329	-3.1	-22.2
Japan	744	755	1.5	-24.0
European Union ¹	3,031	3,418	12.8	-9.4
Other OECD countries ²	1,994	1,956	-1.9	-24.8
All other countries	5,252	5,247	-0.1	-22.5
Total	30,961	30,705	-0.8	-21.3
Balance				
United States	2,008	3,406	...	...
Japan	-74	30	...	...
European Union ¹	-60	-549	...	...
Other OECD countries ²	-505	-333	...	...
All other countries	-2,218	-2,125	...	...
Total	-850	428	...	...
Principal commodity groupings				
Exports				
Agricultural and fishing products	2,764	2,843	2.9	-21.8
Energy products	6,380	6,795	6.5	-33.9
Forestry products	1,557	1,567	0.6	-31.8
Industrial goods and materials	6,612	7,194	8.8	-27.0
Machinery and equipment	6,364	6,204	-2.5	-25.0
Automotive products	4,141	4,187	1.1	-14.8
Other consumer goods	1,383	1,423	2.9	-15.0
Special transactions trade ³	529	520	-1.7	-34.1
Other balance of payments adjustments	381	401	5.2	-13.2
Imports				
Agricultural and fishing products	2,352	2,374	0.9	-6.2
Energy products	2,645	2,811	6.3	-45.4
Forestry products	203	191	-5.9	-21.7
Industrial goods and materials	6,404	6,308	-1.5	-21.8
Machinery and equipment	8,784	8,396	-4.4	-22.2
Automotive products	4,831	4,793	-0.8	-19.2
Other consumer goods	4,695	4,686	-0.2	-7.9
Special transactions trade ³	388	486	25.3	12.8
Other balance of payments adjustments	660	661	0.2	-12.5

^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: Differences in Canadian and US income levels

1961 to 2008

In 2008, the purchasing power of Canadian income per capita was 92% of the US level. This was the highest relative income Canadians experienced since the oil shocks of the 1970s and early 1980s.

During the latest commodity boom, Canadian income per capita converted to US dollars rose from 85% of the US level in 2002 to 92% in 2008. Measured in US dollars, Canadian income per capita increased by \$11,300 from \$31,800 to \$43,100, while US per capita incomes increased by \$10,500, from \$36,300 to \$46,800 over the same period.

Relative income is calculated by converting Canadian gross domestic income (GDI) into US dollars and then comparing Canadian levels to US levels of income per capita. The metric used for converting Canadian to US dollars is referred to as a purchasing power parity (PPP).

PPPs are conversion rates based on the price levels of traded and non-traded goods and services in Canada and the United States. A PPP of 0.90 meant that it took 90 US cents to purchase the same bundle of goods that \$1 Canadian bought. They provide a more appropriate method for adjusting Canadian incomes into US dollars than the market exchange rate.

Historically, PPPs have been associated with gross domestic product (GDP), which is a measure of income based on production. Today's release extends Statistics Canada's PPP estimates to correspond to GDI, which is an income measure based on what can be purchased with production. The difference between the two reflects terms of trade.

Using these new PPP rates, incomes per capita in Canada were 92% of the US level in 2008. This is higher than the 85% using conventional PPPs and below the 96% when converting with the exchange rate.

Since 1961, the PPP for GDP and GDI tended to move in concert. The exceptions were during commodity booms when Canada's terms of trade rose and the US terms of trade declined. During the oil shocks and the post-2002 resource boom, Canada's PPP for GDI rose relative to its PPP for GDP.

Available on CANSIM: tables 380-0037, 380-0057 and 380-0058.

The study, "Differences in Canadian and US Income Levels, 1961 to 2008", is included in the December 2009 Internet edition of the *Canadian Economic Observer*, Vol. 22, no. 12 (11-010-X, free).

For more information, or to enquire about the concepts, methods or data quality of this release, contact Ryan Macdonald (613-951-5687; ryan.macdonald@statcan.gc.ca), Economic Analysis Division. ■

Survey of Fraud against Businesses 2008

About 57% of retail establishments experienced some type of fraudulent activity in 2007/2008. The vast majority of fraud-related losses for retail establishments did not exceed \$20,000. The most commonly experienced fraud among retailers was "return fraud", which refers to the return of stolen merchandise or merchandise using counterfeit receipts to obtain a monetary refund.

Nearly half of retail business establishments never, or rarely, contacted police when they detected fraud, suggesting that fraud, like many crimes, is under-reported. In more than half of the cases, businesses considered the fraud too minor to involve police.

Of the retail establishments reporting fraud, 80% had financial losses as a direct consequence.

Among these businesses, 89% experienced losses of \$20,000 or less. About 5% lost between \$20,000 and \$60,000, 4% lost between \$60,000 and \$100,000, and another 2% lost more than \$100,000.

In 2008, return fraud accounted for nearly one-third (32%) of all fraudulent incidents perpetrated against retailers. Credit card fraud and the use of counterfeit money were the next most frequently reported type of fraud against retail establishments, with each accounting for 15% of retail fraud.

Among retail establishments that experienced fraud, 56% reported recovering fraud-related losses as a result of detecting fraudulent activity.

About 47% of all retail business establishments, regardless of whether they had experienced fraud in the previous 12-month period, reported that they never or only rarely notified law enforcement in cases of fraud.

The most commonly cited reason by retailers (56%) for not informing police was that the incident was considered too minor to involve the law.

Still, 34% of retail establishments said they always or often reported incidents of fraud to police and 18% indicated that police were called sometimes. Police were more likely to be notified when losses were substantial.

About 45% of health and property insurance establishments experienced fraud, with more than three-quarters (77%) of all fraud incidents against these establishments involving false or inflated claims. Of the individual health and property insurance establishments experiencing fraud, about 7 in 10 reported financial losses as a consequence.

Nearly half (46%) of all health and property insurance establishments indicated that police were never or rarely contacted in cases of fraud. About 36% said that they did so on occasion. Overall, the most common reasons for not contacting police were that the incident was too minor (34%) or that it was handled in some other way (33%).

About 18% of all individual health and property insurance establishments said that they always or often reported fraud to police.

Note: The Survey of Fraud against Businesses was undertaken for the first time in 2008 to address key gaps in data on business fraud in Canada. It was conducted by Statistics Canada in partnership with Public Safety Canada through funds from the Policy Research Initiative.

This report provides data at the national level on various issues. These include: the prevalence and types of fraud experienced (e.g., return fraud, credit and debit card fraud, fraudulent use of cheques, use of false information, false billing, false insurance claims and information on the use of counterfeit currency), how businesses respond to incidents of fraud, the monetary and non-monetary costs of fraud and fraud detection and prevention practices.

The survey covered about 7,500 business establishments and head offices from the retail, banking, and health and property insurance sectors. For about 90% of the sample, information was collected from individual business establishments directly. For

the remainder, information was collected from head offices representing multiple establishments, then, where feasible, broken down to the level of single establishments. The sample estimates were weighted to represent industries as a whole.

Definitions, data sources and methods: survey number 5133.

The publication *Fraud Against Businesses in Canada: Results from a National Survey, 2007/2008* (85-571-X, free), is now available from the Key resource module of our website, under Publications.

For more information, or to enquire about the concepts, methods or data quality of this release, contact Information and Client Services (toll-free 1-800-387-2231; 613-951-9023; fax: 613-951-6615), Canadian Centre for Justice Statistics. ■

Survey on Living with Chronic Diseases in Canada 2009

Data from the 2009 Survey on Living with Chronic Diseases in Canada are now available.

The objective of the survey (sponsored by the Public Health Agency of Canada) was to assess the impact of arthritis and hypertension on quality of life and to provide more information on how Canadians manage their chronic condition.

Data were collected in February and March 2009. Approximately 10,500 individuals in the 10 provinces were interviewed.

Definitions, data sources and methods: survey number 5160.

Two fact sheets "Fast Facts from the Survey on Living with Chronic Disease in Canada: Arthritis" and "Fast Facts from the Survey on Living with Chronic Disease in Canada: Hypertension" have been prepared by the Public Health Agency of Canada and can be accessed at (www.phac-aspc.gc.ca).

For more information, or to enquire about the concepts, methods or data quality of this release, contact Client Services (613-951-1746; hd-ds@statcan.gc.ca), Health Statistics Division. ■

Greenhouse gas emissions 2008

Data on greenhouse gas emissions by major industrial emitters are now available. The survey was conducted by Statistics Canada on behalf of Environment Canada and Alberta Environment.

This survey collected details on emissions of carbon dioxide, methane and nitrous oxide, as well as emissions of hydrofluorocarbon, perfluorocarbon and sulphur hexafluoride. All facilities that emit more than 100 000 metric tonnes of greenhouse gases a year were required to report. The facilities reported the data online using a secure electronic data reporting system.

Accurate tracking of greenhouse gas emissions contributes to the development, implementation and evaluation of climate change and energy use policies and strategies.

Previous surveys were conducted for 2004, 2005, 2006 and 2007.

Definitions, data sources and methods: survey number 5081.

For more information, 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; med@statcan.gc.ca), Manufacturing and Energy Division. ■

Export and import price indexes October 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 October 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

October 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.

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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. ■

Chain Fisher real export and import values October 2009

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

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 the Marketing and Client Services Section (toll-free 1-800-294-5583), International Trade Division. ■

New products and studies

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Vol. 22, no. 12
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October 2009, Vol. 63, no. 10
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