

## Quebec: Slight volume trade surplus in April

### Nominal trade balance:

April: -\$233M March: -\$87M February: -\$839M

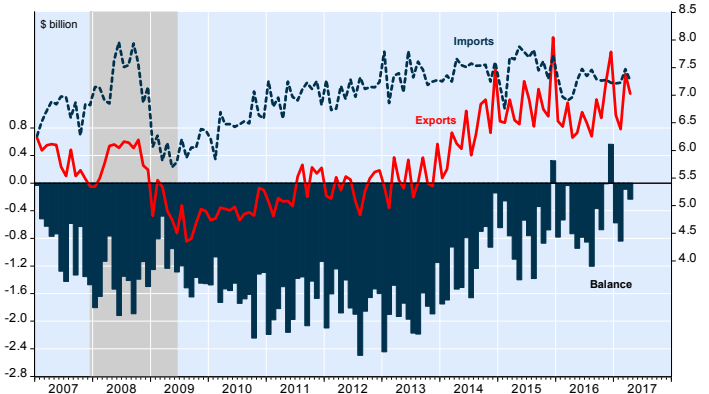
**FACTS:** The Institut de la statistique du Québec (ISQ) reports that in April Quebec ran an international merchandise trade deficit of \$233 million, a deterioration of \$147 million from \$87 million in March (top chart). Exports were down \$358 million (-4.8%; rest of Canada +0.9%), to \$7.0 billion. But declines were reported in only 12 of the 31 categories of goods accounting for 38% of all exports. The overall decrease was due to a \$596-million drop in aerospace exports from an abnormally high level in March. Imports, at \$7.3 billion, were down \$211 million (-4.8%) from March, with declines in 15 of the 31 categories accounting for 63% of all imports. Here as well the decline was due to a single product, conventional crude oil (-\$280 million). In volume terms the trade balance was \$82 million in surplus, an improvement of \$72 million from March, with volume exports down \$162 million (-2.5%) and volume imports down \$234 million (-3.7%). Export prices fell 2.3% while import prices rose 0.9%.

**OPINION:** The volume trade balance was in surplus in April for a second consecutive month, though these surpluses were smaller than those of last November and December (middle chart). They were due essentially to a decrease in volume imports, notably of energy. In our view, the recent sluggishness of volume exports is not unduly worrisome. It is attributable in large part to a loss of altitude in aerospace products, Quebec's largest category of exports along with aluminum. Volume exports excluding aerospace were close to a record in April (bottom chart). Since the outlook for aerospace is good, especially in commercial aviation, it should be only a matter of time before this industry is again contributing to the expansion of Quebec exports. Meanwhile, given the emergence of a volume surplus in April after a deficit in Q1, international merchandise trade is on track to contribute to Quebec economic growth in Q2.

Marc Pinsonneault

**Quebec: Nominal trade balance**

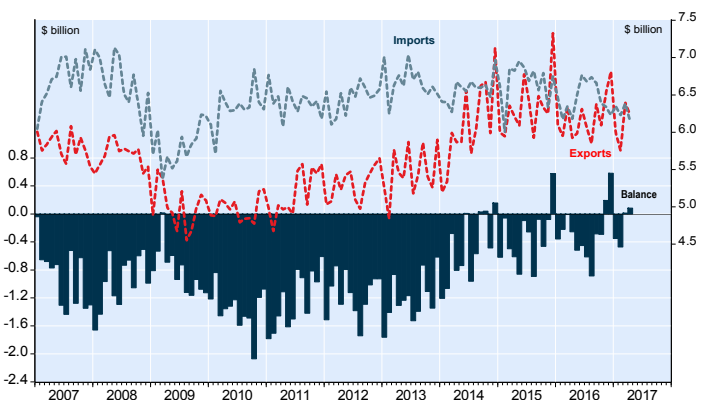
Customs basis



NBF Economics and Strategy, ISQ data

**Quebec: Volume trade balance – monthly**

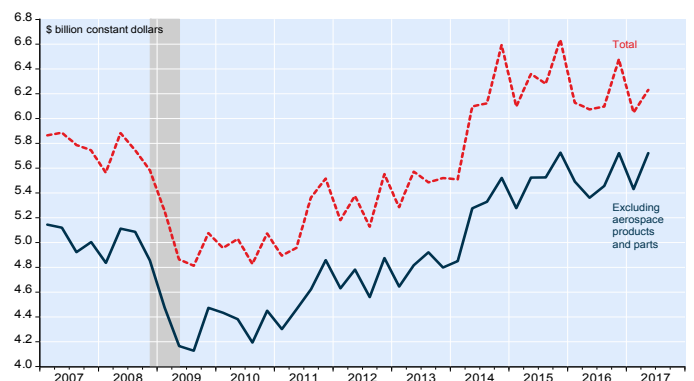
Customs basis



NBF Economics and Strategy, ISQ data

**Quebec volume exports**

Customs basis. Monthly average by quarter (Q2 2017 = April)



NBF Economics and Strategy, ISQ data

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