

## Quebec: Volume exports still high in Q3

By Marc Pinsonneault

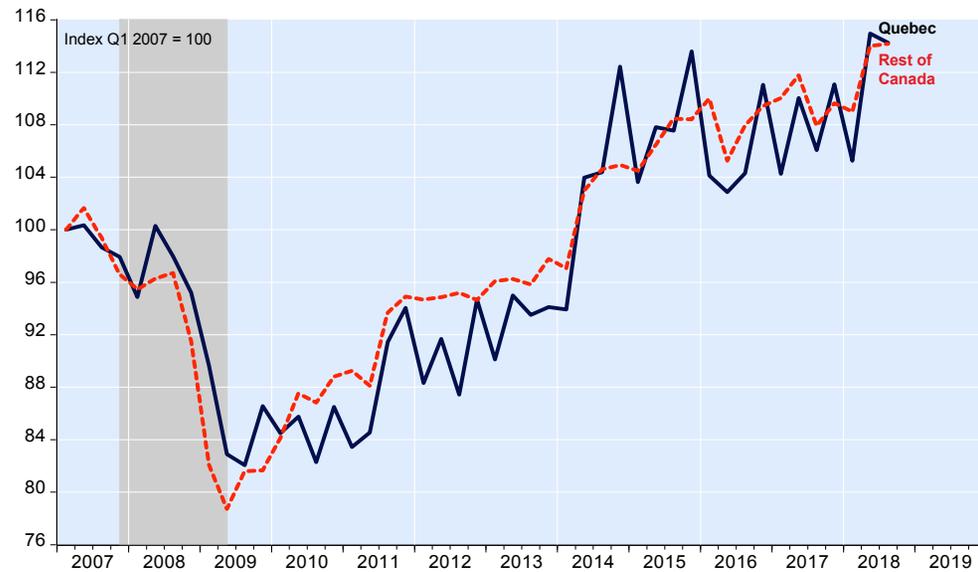
Quebec's volume international merchandise exports in Q3 were down only slightly from their record Q2 volume (left chart). The province's exports, like those of the rest of Canada, seem to be spurred by a U.S. economy that is on track to grow at almost 3.0% in 2018. In the first nine months of 2018, the value of Quebec exports to the U.S. was up 6.5% from the same period a year earlier. Moreover, since volume imports declined more than exports in Q3, international trade contributed to economic growth for a second consecutive quarter. But even if the opposite was true, imports would not be cause for concern, since they consist partly of machinery and equipment acquired by Quebec producers to increase their productivity, which will ultimately fuel economic growth. Quebec imports of machinery and equipment have been rising strongly over the last four quarters (right chart).

### HIGHLIGHTS:

- The Institut de la Statistique du Québec reports that Quebec's volume international merchandise exports in Q3 were down 0.6% from the record volume of Q2.
- Volume exports were down from Q2 in 16 of the 31 major categories of goods, accounting for 51% of all exports. The largest declines were in aerospace products (-\$248 million), chemicals (-\$168 million) and electricity (-\$155 million), offset in part by gains in metal ores (+\$269 million) and pharmaceutical and medical products (+\$182 million).
- Volume imports fell 1.3% in Q3, with declines in 19 of 31 categories accounting for 63% of all imports.

### Quebec: Volume exports still high in Q3

Customs basis, constant dollars



NBF Economics and Strategy, ISQ and Statistics Canada data

### Quebec: Rebound in machinery and equipment exports

International imports of non-transportation machinery and equipment, in constant dollars<sup>^</sup>



NBF Economics and Strategy, ISQ data

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