

Quebec: Record volume exports in Q2

By Marc Pinsonneault

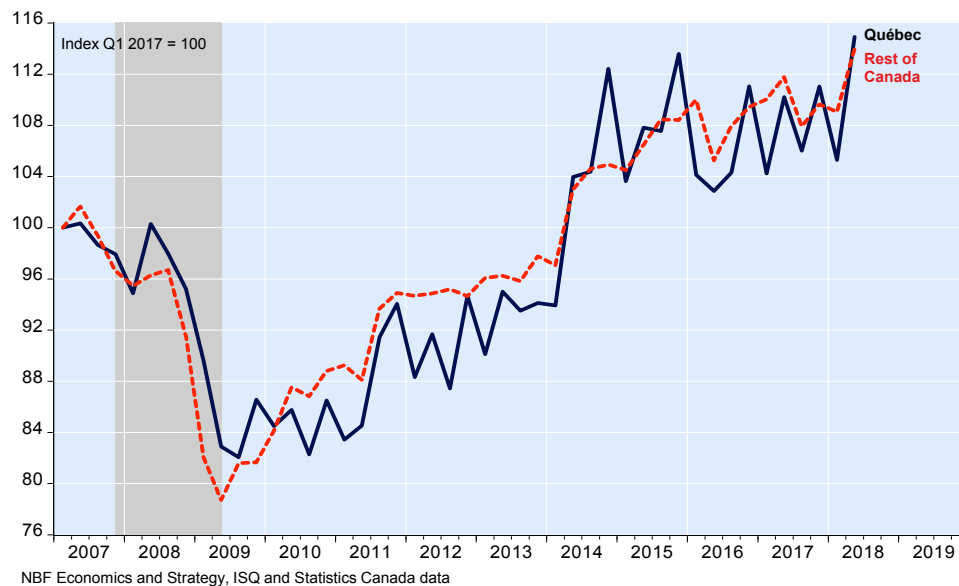
Quebec's volume international merchandise exports rose to a new high in Q2, up 4.3% from the same quarter a year earlier versus 1.5% for the rest of Canada (left chart). Exports were up from a year earlier in a majority of the major categories of goods, with more than a third of the rise coming from aerospace products, closely followed by chemicals. The upshot is that in the first half of 2018 volume exports were running 2.1% above the 2017 average, leaving the Quebec economy on track to realize our forecast of 2018 economic growth exceeding 2%. Moreover, although volume imports in Q2 were up 6.3% from a year earlier and international merchandise trade thus subtracted from economic growth over the period, this is not a concern, since the rise of imports is consistent with rising domestic demand. In particular, the recovery of machinery and equipment imports in recent quarters (right chart) probably means that Quebec producers are investing to make themselves more competitive internationally.

HIGHLIGHTS:

- The Institut de la Statistique du Québec reports that Quebec's volume international merchandise exports reached an all-time high in Q2, up 4.3% from a year earlier (rest of Canada: 1.5%).
- Volume exports were up in 18 of the 31 major categories of goods accounting for 61% of all exports. Declines in exports of aluminum and of machinery, equipment and industrial parts were more than offset by rises in aerospace and chemicals exports.
- Meanwhile, Q2 volume imports were up 6.3% from a year earlier, with imports of machinery and equipment (other than transportation equipment) up 5.8%. Volume imports were up from a year earlier in 22 of the 31 categories accounting for 88% of all imports. In addition to machinery and equipment, there were gains in imports of motor vehicles and parts, aerospace products, farm and fishery products and intermediate food products.

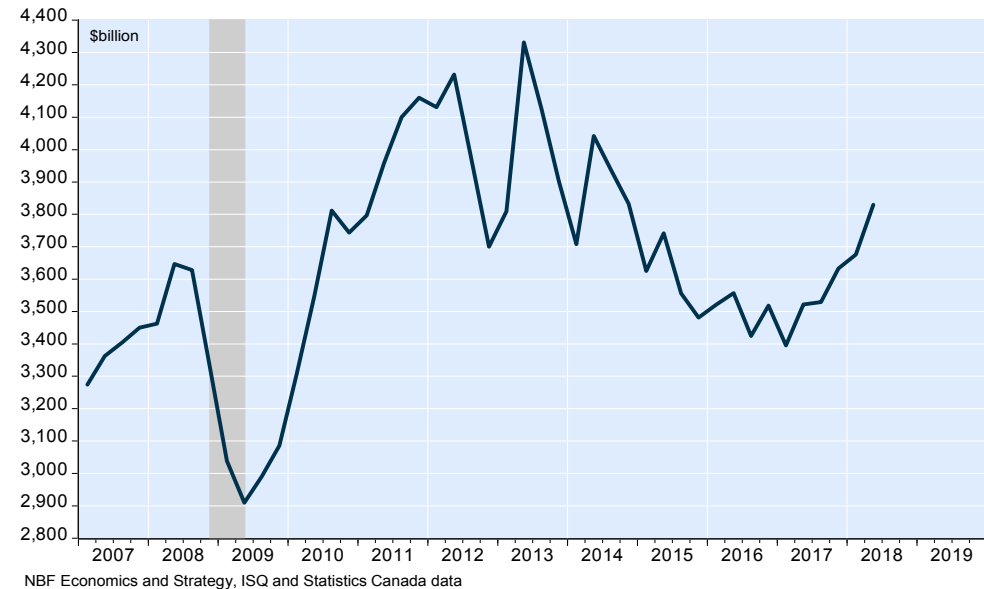
Quebec: Volume international merchandise exports at a new high in Q2

Exports in constant dollars, customs basis



Quebec: Recovery in machinery and equipment imports

International imports of machinery and non-transportation equipment, constant dollars



Montreal Office

514-879-2529

Stéfane Marion

Chief Economist and Strategist
stefane.marion@nbc.ca

Krishen Rangasamy

Senior Economist
krishen.rangasamy@nbc.ca

Kyle Dahms

Economist
kyle.dahms@nbc.ca

Matthieu Arseneau

Deputy Chief Economist
matthieu.arseneau@nbc.ca

Paul-André Pinsonnault

Senior Fixed Income Economist
paulandre.pinsonnault@nbc.ca

Jocelyn Paquet

Economist
jocelyn.paquet@nbc.ca

Marc Pinsonneault

Senior Economist
marc.pinsonneault@nbc.ca

Angelo Katsoras

Geopolitical Analyst
angelo.katsoras@nbc.ca

Toronto Office

416-869-8598

Warren Lovely

MD & Head of Public Sector Strategy
warren.lovely@nbc.ca

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