

## Preliminary statement of Canadian imports and exports — Statistics Canada (September)

Following three consecutive monthly increases, both exports and imports, seasonally adjusted on a balance-of-payments basis, fell in September. Exports declined nearly 7 per cent to \$3,564 million, while imports declined less than 1 per cent to \$3,504 million. As a result, the merchandise trade surplus contracted to \$60 million from some \$300 million in each of the months of July and August.

Even with the decline in September, exports for the third quarter of 1977 at \$11,162 million stood 3 per cent above the April-June total; but at \$10,504 million, imports were only marginally higher. The trade surplus almost doubled to \$658 million in the third quarter, but was still less than the \$830-million surplus in the first quarter.

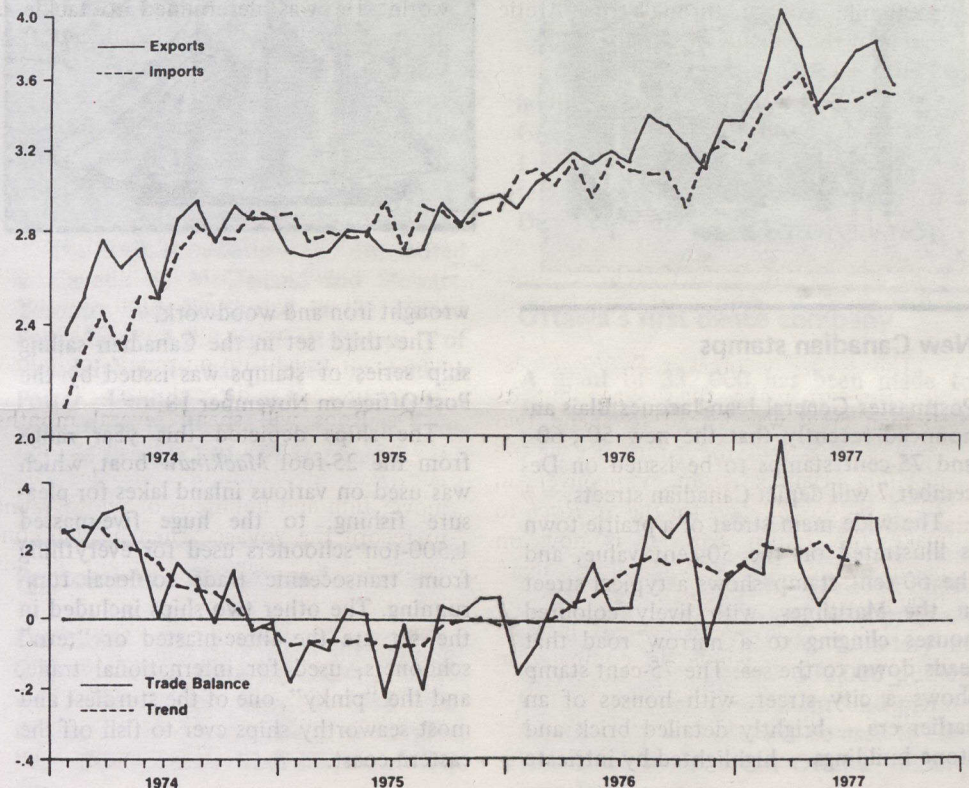
### Exports (customs basis)

At \$2,531 million, seasonally-adjusted exports in September to the United States were virtually unchanged from those of August, when exports fell 6.5 per cent from the July figure. Shipments of crude oil, pulp, non-ferrous metals, machinery and automotive components fell in September, while exports of metallic ores, lumber and trucks increased.

Seasonally-adjusted exports to overseas countries dropped 25 per cent to \$965 million, following a rise of 18 per cent in August. The September total still stood slightly above the value of May exports, the lowest level so far in 1977. Contributing to the fall were reduced shipments in September of a variety of commodities including wheat, oilseeds, metallic ores, pulp, newsprint and non-automotive equipment. Exports of lumber and automotive goods increased.

In rising 5 per cent in the third quarter to \$3,346 million, following a slightly larger drop in the period preceding, seasonally-adjusted exports to overseas countries almost regained the peak level of the January-March quarter. The recovery was traced to Canadian shipments to countries other than Japan and the European Economic Community. Shipments of wheat advanced 20 per cent in the third quarter. There were also sizable gains from the April-June period in shipments of many other products, including fish, coal, lumber, some other industrial ma-

Exports, imports and trade balance: All countries  
Seasonally adjusted — Balance-of-payments basis (billions of dollars)



terials and machinery. Exports of oilseeds, metallic ores and transportation equipment fell.

### Imports (customs basis)

At \$2,419 million in September, the seasonally-adjusted import total from the U.S. was a shade above the August figure — there was a fall of 6 per cent in imports for that month. Moderate increases in September in imports of coal, passenger cars, automotive parts and office equipment were nearly offset by small decreases covering food, industrial materials, agricultural machinery, other equipment and consumer goods.

Imports from overseas countries fell about 5 per cent to \$1,095 million in September, in contrast to a 23 per cent rise in the previous month. Imports of crude oil were sharply below the unusually-high level for August, and arrivals of textiles, steel materials, cars and clothing also declined in September.

### Direction of trade

In a comparison of the first nine months of the three most recent years, the proportion of Canadian exports shipped

to the U.S. increased appreciably from 64.7 per cent in 1975 to 67.7 per cent in 1976 and to 69.4 per cent in 1977. The shares for other regions declined correspondingly over the period. The contraction for the EEC was from 13.3 per cent in 1975 to 10.7 per cent in 1977, while the proportion for the remaining countries fell from 22.0 per cent to 19.9 per cent.

The dominance of the U.S. as a source of Canadian imports likewise increased from 67.2 per cent in the first nine months of 1975 to 68.2 per cent and to 69.9 per cent in the following two years. The Japanese share of total imports widened from 3.6 per cent to 4.2 per cent between 1975 and 1977, but the remaining regions commanded a smaller share in the most recent period.

After a period of comparative stability in 1976, average prices of both imports and exports rose sharply in the first quarter of 1977 and continued to increase during the year. As the rate of increase for import was higher than for export prices, Canada's terms of trade deteriorated as the year progressed (i.e. the ratio of export to import prices declined).