

F.O.B.. Countries commonly include in import values the insurance and freight costs of importing the merchandise. Exports do not commonly include these costs. However, this difference in valuation accounts for only a relatively small proportion of the difference between total exports and total imports for Canada and many of its trading partners.

II The Different Kinds of Canadian Trade Statistics

Canadian merchandise trade statistics are based primarily on data collected by Revenue Canada-Customs and Excise. Different measures of merchandise trade are prepared from this data.

1. Customs Basis

Trade statistics reported on a customs basis measure the value of all goods that cross Canada's borders within a given period. Canadian exports reported on a customs basis are made up of domestic exports, which are goods produced in Canada or foreign goods materially transformed in Canada, and re-exports, which are goods of foreign origin not materially transformed in Canada. Total exports are the sum of domestic exports and re-exports. Statistics Canada publishes exports and imports by country and commodity on a Customs Basis. Customs basis data are not collected on cross-border trade in services.

2. Balance of Payments

Merchandise trade statistics reported on a balance of payments basis reflect all economic transactions between residents and non-residents that involve merchandise trade. They are based on Customs data adjusted to show changes in ownership that do not involve a movement of goods across the border. Adjustments are also made for issues of coverage, valuation and timing. Balance of Payments trade statistics are used in calculating GDP and our total trade balance.

Merchandise statistics reported on a customs basis can differ significantly from balance of payments basis merchandise trade statistics for the same period. This is one cause of inconsistencies in the statistics used in briefing books and speeches.

Balance of Payments trade statistics are published monthly for our total merchandise trade with the United States, Japan, the EC including the U.K., other OECD countries and for the total for all other countries. Merchandise trade statistics broken down into broad commodity groupings are also available on a Balance of Payments basis for some countries. These statistics are revised monthly. All other merchandise trade statistics, including trade in a specific commodity and trade with all individual countries other than those mentioned earlier in this paragraph are available on a Customs basis only. These statistics are also revised monthly. On the other hand, trade in cross-border services is available only on a BOP basis.