

ECONOMIC NEWS

Quebec: International Trade Plunged in April

HIGHLIGHTS

- ▶ In real terms, exports of goods abroad fell 19.0% in April after sliding 6.1% in March. The volume of international exports dropped a total of 4.4% in the first four months of 2020 in comparison with the same period last year.
- ▶ In real terms, international goods exports are down 31.2% in the last month. Compared with 2019, the pullback between January and April 2020 stands at 16.0%.
- ▶ The total value of exports fell 23.2% in April compared with April 2019. Shipments to most destination countries are down, particularly shipments to the United States, which have decreased 25.1% in the last year. Shipments to China and South Korea, which began to open up earlier, rose in April, however.

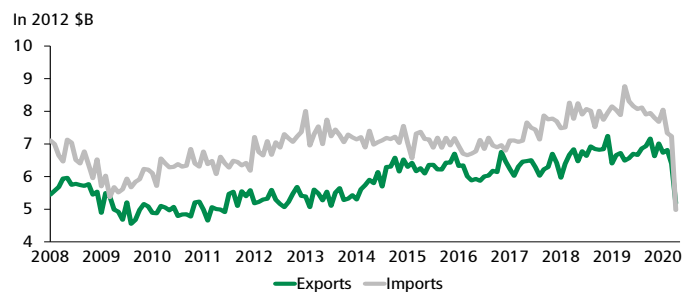
COMMENTS

Unsurprisingly, Quebec's international trade was hard hit this spring by the economic paralysis in most of the main countries as a result of the pandemic. Nearly all export products were affected except for products such as aluminium and frozen pork. The aerospace sector saw significant declines in parts, engines and whole aircraft.

International goods imports also flagged in March, and weakened further in April. Quebec, which in particular acquires road vehicles and petroleum products abroad, adjusted to collapsing demand for these products this spring. The closure of car and heavy truck dealers paralyzed purchasing. The lockdown also reduced the energy needed for road and air transport, among other things.

GRAPH

Exports and imports plummeted in April



Sources: Institut de la statistique du Québec and Desjardins, Economic Studies

IMPLICATIONS

Based on certain economic indicators which have started to rebound recently in Quebec and most of the countries affected, international trade should strengthen shortly. May's statistics can be expected to show a rapid comeback by the province's exports and imports. However, international exports are not expected to recover completely before the end of 2021. The trouble in the aerospace sector will be a heavy drag and other industries could struggle to come back.

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