

# ECONOMIC NEWS

## Quebec: International Exports Lose Steam

### HIGHLIGHTS

- ▶ In real terms, exports of goods abroad rose 2.2% in June.
- ▶ This brings the annual cumulative increase for the first half of 2019 to 0.4%.
- ▶ The value of exports to the United States climbed 5.4% in the first six months of 2019 compared with the same period in 2018. Exports to Asia grew 5.4% while shipments to Europe fell 8.4%.

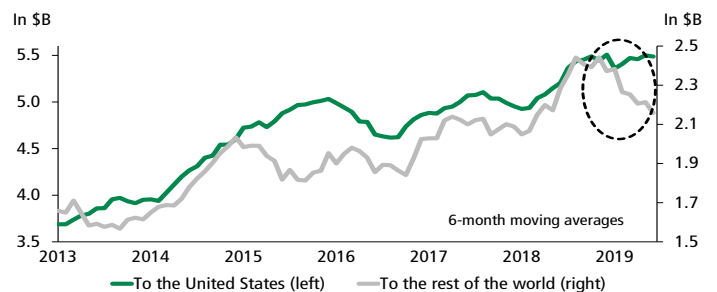
### COMMENTS

Despite June's increase, the first half of the year saw a slowdown in international exports for Quebec. The value of shipments to the United States is on the rise thanks to the good performance of the U.S. economy. However, the tariffs imposed on Canadian steel and aluminum from May 2018 to May 2019 have affected the industry. It has nevertheless managed to find prospects other than the United States to buy some of its products and ensure growth in aluminum exports for Quebec.

Exports to the United States continue to do well, whereas exports to the rest of the world have been falling since late 2018.

### GRAPH 2

**Exports to the United States crest while those to the rest of the world fall**



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

The slowdown of the global economy is being felt here and Quebec's total exports are no longer growing.

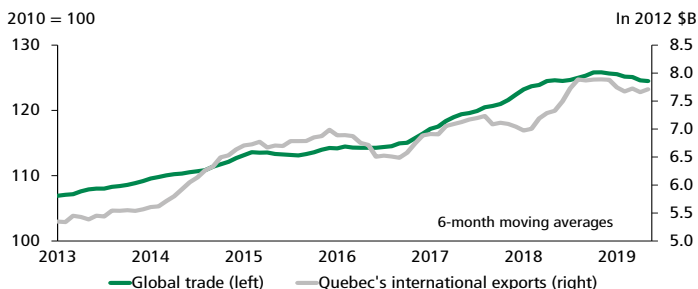
As a result of the deteriorating relationship between Canada and China, meat exports to that country have been banned since the end of June. This has deprived Quebec of a major outlet for pork until the conflict is resolved. In the first half of the year alone, the volume of international pork shipments dropped some 3%. The second half of the year promises to be even more difficult for producers given our current inability to sell part of our production to China. However, some Quebec food retailers have opted to increase their purchases from local producers.

### IMPLICATIONS

The difficulties facing the global economy and the trade conflicts affecting Canada have dashed hopes of a recovery in international exports for Quebec in the short term. The loss of momentum in the province's economy will be in part due to the challenges related to international trade.

Hélène Bégin, Senior Economist

**GRAPH 1**  
The slowdown in global trade is reflected in international exports



Sources: CPB - Netherlands Bureau for Economic Policy Analysis, Institut de la statistique du Québec and Desjardins, Economic Studies

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