

## QUEBEC

August 19, 2015

### International exports shoot up in June

#### HIGHLIGHTS

- Real exports of goods abroad jumped 11.8% in June.
- Of the 25 primary export products, 15 rose that month. Aircraft, iron ore and aluminum recorded the strongest growth.
- For the first half of 2015, the total increase is 6.6% over the same time last year.
- At mid-year, 15 major products have posted positive performances. Among them, aluminum rose 5.0%, whole aircraft increased 15.3%, with iron ore, electricity and aircraft components growing 28.5%, 20.4% and 5.3% respectively.
- Several products posted declines over the first six months of 2015 from the same period in 2014. Newsprint (-17.5%), non-ferrous metals (-19.2%), and pork (-11.8%) recorded the largest drops.

#### COMMENTS

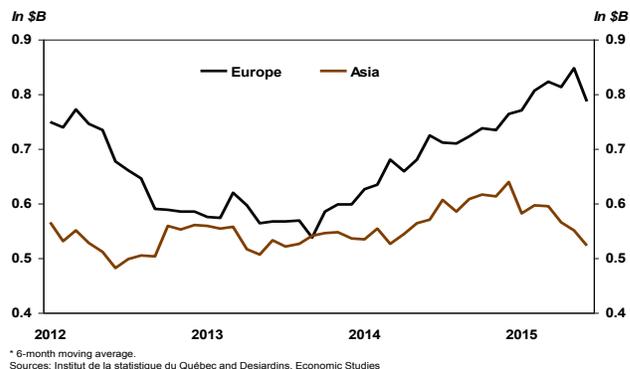
June's fast growth by exports is reassuring for Quebec's economy. The last few months had shown some hesitation, so this significant advance means we can look at the future optimistically.

The rising trend in exports to the United States, where about 70% of Quebec products go, is stimulating all shipments abroad. The U.S. economy strengthened in the second quarter, posting annualized real GDP growth of 2.3% and creating good spinoffs for Quebec. The weak Canadian dollar is also proving favourable, although many other international currencies have depreciated against the greenback. The downward movement by exports to Asia has been steepening over the last few months, consistent with China's economic slowdown. Exports to Europe are lacklustre after having climbed for nearly two years.

#### The United States is buoying Quebec's international exports



#### Quebec's exports to Europe and Asia are lacklustre



**Implications:** June's substantial jump by exports abroad could bring back the uptrend that had been on hold for several months. However, the province's shipments abroad will have to show additional monthly gains to dissipate doubts about international trade's contribution to Quebec's economic growth.

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