

ECONOMIC NEWS

Quebec: Exports Keep Rising While Imports Have Come Back Fully

HIGHLIGHTS

- ▶ In real terms, exports of goods abroad rose 6.2% in September, posting a second straight monthly gain (+2.3% in August). Moreover, September's annual variation is 0.3%.
- ▶ The volume of international exports is therefore at 93.5% of the pre-pandemic level reached in February 2020.
- ▶ The results for the first nine months of the year compared with the same period in 2019 are negative, however, with the volume of exports declining 9.3%.
- ▶ In terms of value, exports abroad rose 21.8% in September. Shipments to the United States and China went up 13.6% and 22.2%, respectively. Increases were also seen in exports to several other countries.
- ▶ In real terms, international goods imports rose 7.3% in September. Imports have now completely recovered from last spring's tumble.
- ▶ However, the results for the first nine months of the year are 18.1% below where they were at the same time in 2019.

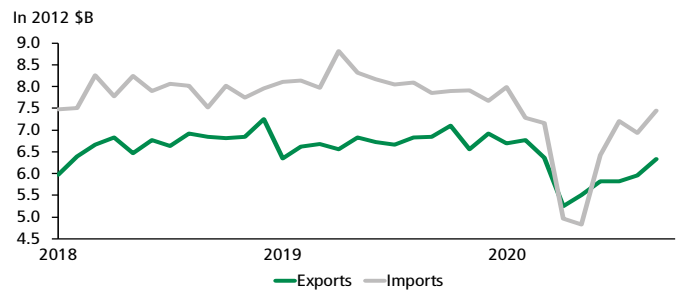
COMMENTS

The upswing in Quebec's international exports is due to the gradual comeback by global trade. Although some supply chains remain disrupted in some countries due to spiking COVID-19 cases, the province's shipments abroad are gradually recovering.

Quebec mainly imports petroleum products and road vehicles, and total imports have already completely recovered. Given that it is faster than exports, Quebec's balance of trade with other countries has probably eroded temporarily.

GRAPH

Quebec's international exports and imports have made substantial gains



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

IMPLICATIONS

The substantial progress made by Quebec's foreign trade is excellent news. International exports may still see some blips this fall due to the new lockdown measures being imposed in several countries, which could impact demand for some products. Overall, the convalescence period is well underway. Quebec's economy therefore has an additional pillar. This should help it get through the second wave without too much damage.

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