

QUEBEC

November 20, 2013

Second increase in international exports

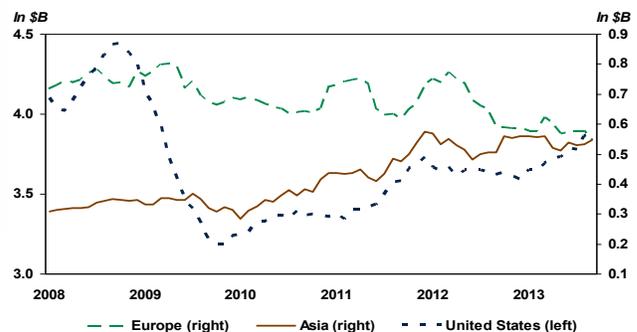
HIGHLIGHTS

- Exports of goods abroad (in real terms) rose 3.9% from August to September, marking a second monthly increase in a row.
- Of the 10 main products exported by Quebec, some posted strong increases, including complete aircraft (+61.6%), electricity (+11.7%) and printed circuits and semi-conductors (+7.2%).
- Certain important products slumped in September, including aluminum (-2.4%), other non ferrous metals (-8.2%) and paper (-3.7%).
- Exports to the main destinations grew in September. The data (in today's dollars, not seasonally adjusted) show monthly gains of 7.0% in shipments to the United States, 9.3% to Europe and 24.6% to Asia.
- Imports of goods from abroad (in real terms) fell 3.9% from August to September.
- Exports for the first nine months of 2013 are 4.5% higher than in the same period in 2012. Imports have advanced about the same, posting 4.4% growth from January to September.

COMMENTS

The fact that exports to the three main trading blocks increased in September is good news. Exports to the United States are beginning to trend up. Annualized real GDP growth of 2.8% in the third quarter seems to have had a positive ripple effect on Quebec's international trade. The end of the recession in Europe will allow exports in that direction to stabilize, ending the significant fall off previously recorded. Exports to Asia, which represent nearly 10% of Quebec's exports, also seem to be on the right track. Even if the situation in Europe remains fragile and certain risks still overshadow the U.S. economy, the long awaited recovery in Quebec's international exports finally seems to be nascent.

Exports* to the United States climb back up, exports to Europe and Asia stabilize



* 6-month moving average
Sources: Statistics Canada, Institut de la statistique du Québec and Desjardins, Economic Studies

International exports should continue to improve and thereby shrink Quebec's significant trade deficit. Since the start of 2013, growth in shipments abroad has been practically the same as imports. A stabilized balance of international trade would be a step in the right direction for the province.

Implications: This second consecutive monthly increase in international exports is encouraging for the Quebec economy, which remains short on support. Improved international trade will help put an end to the period of weak economic growth. But it will take other gains in shipments abroad to put the seesaw path of the previous months firmly behind us.

Hélène Bégin
Senior Economist

François Dupuis
Vice-President and Chief Economist

Yves St-Maurice
Senior Director and Deputy Chief Economist

418-835-2450 or 1 866 835-8444, ext. 2450
E-mail: desjardins.economics@desjardins.com

Hélène Bégin
Senior Economist

Benoit P. Durocher
Senior Economist

Francis Généreux
Senior Economist