

## QUEBEC

### International exports rise in March

#### HIGHLIGHTS

- In real terms, exports of goods abroad increased 6.1% in March after falling for two consecutive months.
- In the first quarter of 2015, international shipments were up 10.2% over the same period last year.
- Sixteen of the 25 main products exported grew in March. Copper products, aircraft and electricity posted the largest increases.
- Imports of goods (in real terms) jumped 13.0% in March compared with the previous month. The cumulative volume for the first quarter is only 1.5% higher than for the same period in 2014.

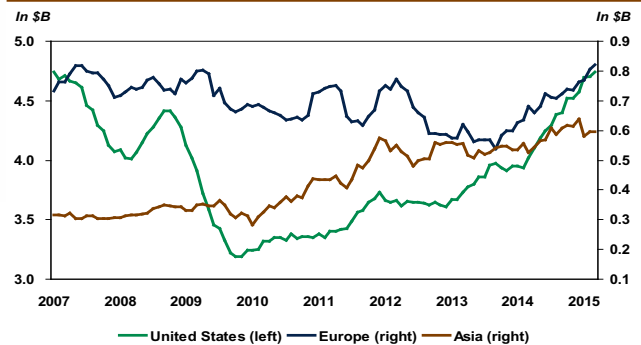
#### COMMENTS

A monthly upswing in exports was expected following the weakness logged at the beginning of the year. The unusually cold weather that persisted until March continued to stimulate electricity exports (+32.5%), while many other activity sectors also experienced monthly growth. The total gain for March shipments abroad will revive the upward trend that was prevailing for a while. The hard start to the year, possibly due to difficult weather conditions in the United States, is giving way to a return to normal.

In the first quarter of 2015, the value of exports to the United States was up 15.5% compared with the same period last year. Given that over 70% of shipments have a destination south of the border, the United States sets the tone for trade. Non-seasonally adjusted exports increased 14.1% in March. Exports to Europe (+25.3%) and Asia (+3.0%) also did well. There is good geographic diversification among the growth poles.

The volume of Quebec's imports rose 13.0% in March, but the annual change for the first quarter was limited to 1.5%. Despite this monthly rebound, imports continue to be lacklustre, reflecting weakness in domestic demand in Quebec. Consumer consumption is disappointing, residential construction is continuing to slow and business

#### Several trade partners responsible for booming international exports



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

investment that is slow to firm up are doing nothing to stimulate imports.

**Implications:** The upswing in shipments abroad in March is dissipating concerns about international trade. The tough start to the year triggered fears even though weather conditions in the United States seemed to be behind the poor results. Now that these temporary difficulties are behind us, the second quarter is looking positive. Economic growth in the United States should jump close to 4% during the period, and a Canadian dollar hovering around \$US0.80 will be a boon to Quebec exports. Acceleration in international shipments is critical for real GDP to grow at a faster 1.7% in 2015 compared with 1.3% in 2014.

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