

QUEBEC

International exports up slightly in May

HIGHLIGHTS

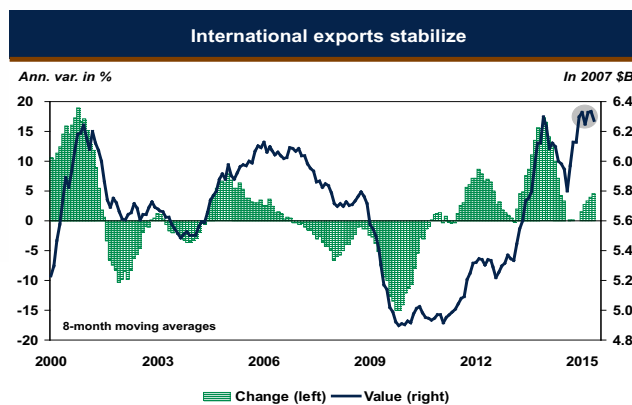
- In real terms, exports of goods abroad rose 0.6% in May. The cumulative advance for the first five months of the 2015 was 7.8%, compared with the same period last year.
- Among the 25 main products exported, 11 posted growth in May. Aircraft, pharmaceutical products and electricity recorded the strongest growth.
- In real terms, imports of goods rose 1.9% in May. For the first five months of 2015, the change was 1.8% compared with the same period in 2014.

COMMENTS

A more sustained monthly increase would have removed all doubts as to the strength of international exports. Last year's monthly gains have been replaced by some hesitation in recent months. Now that the difficult winter conditions are far behind us, growth is slow to rematerialize. The province's international shipments are holding steady at a high level, while a deterioration is taking hold across the country.

Despite the increase in May, imports continue to lack steam, reflecting weak domestic demand in Quebec. On the other hand, the trade balance looks to be improving, as imports have advanced at a slower pace than exports since the beginning of 2015.

Implications: May's weak rise in international shipments is not enough to maintain the upward trend in exports. For now, it seems to have paused, and movement over the coming months will determine what happens next. A lot of hope currently rests on international trade supporting the province's economic growth. Real GDP's advance over the first five months of 2015 is nearly 1.5%, but this pace will be difficult to maintain for the whole year. We hope that the weak Canadian dollar and the U.S. economy's good performance will breathe life into Quebec's international exports.



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



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