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CARIBBEAN

**Regional Workshop on Country Practices in Compilation of
International Merchandise Trade Statistics, 7-11 May 2007, Lima**

Agenda item No. 16: Calculation of Export and Import Price Indices (XMPI)

Presentation

Language: English

CANADIAN INTERNATIONAL TRADE PRICE INDEXES

Presentation by

Statistics Canada



Canadian International Trade Price Indexes

Monthly price index (MPI)

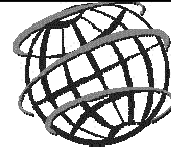
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Canadian international trade

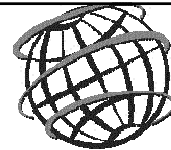
- In 2006
 - 80% of Canadian Exports were to the USA
 - Machinery, equipment and Automobile products accounted for 50% of Canadian exports
 - Energy accounted for 8%
 - 65% of Canadian Imports came from the USA
 - Machinery, equipment and Automobile products accounted for 58% of imports.

Source of price relative



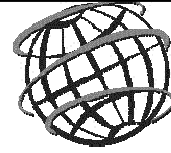
	Export	Import
Direct measure		
Unit Value	45%	18%
By survey	21%	11%
Indirect measure		
<i>CDN Domestic index</i>	33%	
Foreign(USBLS)	1%	71%

Advantages of current method



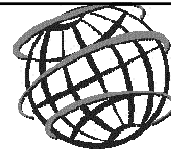
- Done with a very small number of people and resources.
- Modest response burden on Canadian companies

Disadvantages of current method

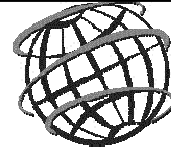


- Partial measure of “real Canadian trade price” since a large portion of the trade is deflated with foreign indexes.
- No real measure of exchange rate effect.
- Unit Values are calculated using the definition of detail HS which are often heterogeneous.

The new economic picture

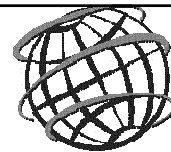


- Trade has gone from 25% of GDP in the seventies to around 40% presently.
- The absolute yearly change in the US Canada exchange rate went from 2.6% in the 1970's to a current level of 6.2%.
- Significant change in the composition of goods traded.



Solution

- Implement a survey of Canadian importers to replace foreign indexes.
- Increase the number of export prices obtained by survey.
 - Due to budget limitation machinery and equipment goods will be targeted.

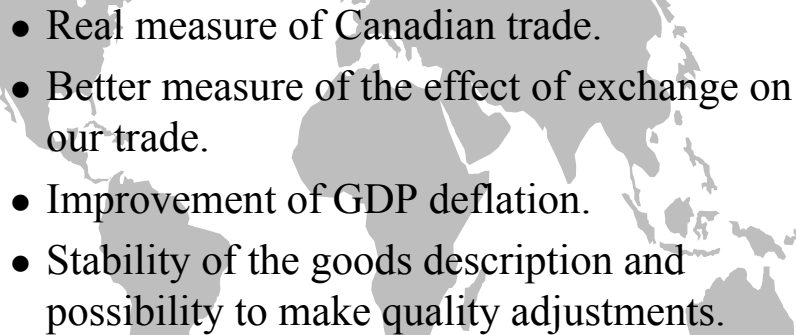


Issues

- It is much more costly in terms of:
 - Need a comprehensive list of importers and exporters
 - Infrastructure to collect the data
 - System to process the data
 - Need more analysts.
 - Increases the response burden on Canadian companies.

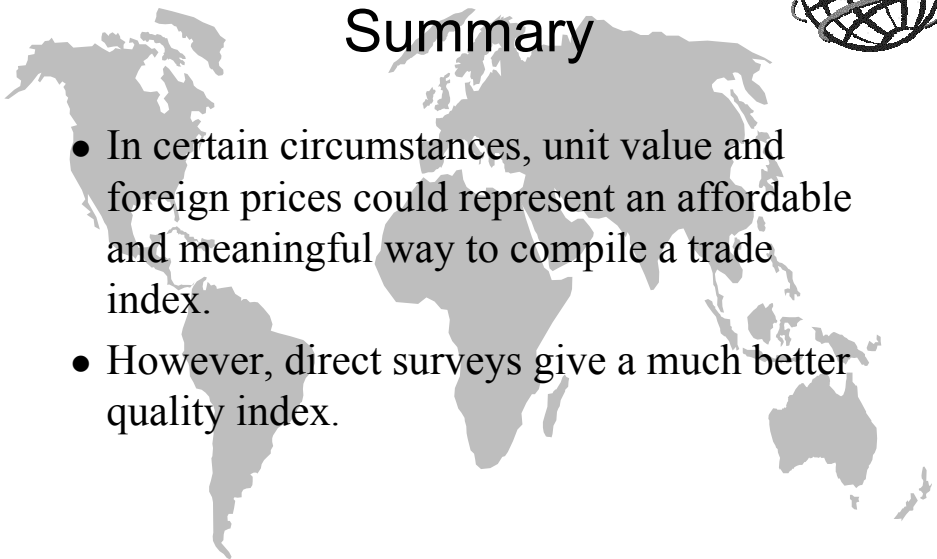


Strengths of the new survey

- 
- Real measure of Canadian trade.
 - Better measure of the effect of exchange on our trade.
 - Improvement of GDP deflation.
 - Stability of the goods description and possibility to make quality adjustments.



Summary

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- In certain circumstances, unit value and foreign prices could represent an affordable and meaningful way to compile a trade index.
 - However, direct surveys give a much better quality index.



Contact information

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