



Highlights

- Exports fell significantly in April.
- Auto production stalled due to continued semiconductor shortages.
- Increased public health restrictions in Ontario also was a dampening effect on production.

Ontario export volumes slid 6.5 per cent in April.

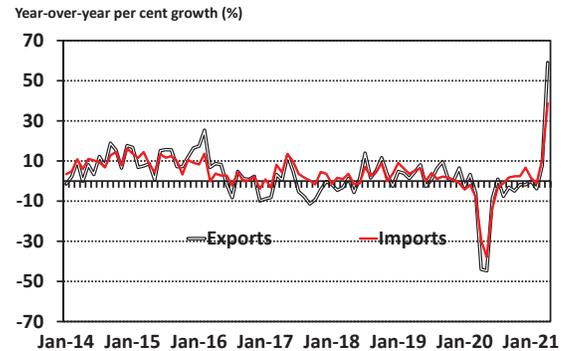
Ontario trade volumes fell in April due to a 1.8 per cent decrease in imports (down to \$30.6 billion) and a 6.5 per cent decrease in exports (down to \$16.1 billion). Exports to the U.S. were down 6.5 per cent to \$12.4 billion in April after increases observed in the previous two months. Ontario exports to the rest of the world, excluding the U.S., continued to slide – decreasing 6.8 per cent in April and adding to the 4.4 per cent decline in March.

Over the first four months of 2021, imports (up 10.8 per cent) and exports (up 10.5 per cent) are up considerably from last year's pace. Much of this is due to a significant decline in activity over March and April 2020 compared to the same period this year as much of the economy came to a standstill once the pandemic reached Canadian shores.

Of the 11 sectors surveyed, export volumes increased in eight, the four sectors posting weaker export volumes though were some of the larger sectors and accounted for over half of all export volumes in April. The four areas posting lower exports were:

- Metal ores and non-metallic minerals (down 23.6 per cent)
- Metal and non-metallic mineral products (down 3.1 per cent)
- Industrial machinery, equipment, and parts (down 3.5 per cent)
- Motor vehicle and parts (down 15.4 per cent)

International Merchandise Exports, Ontario



Source: Statistics Canada, Central 1 CU.
Latest: Apr-21

The strong decline in motor vehicle and parts exports from Ontario is a result of the continued semiconductor chip shortage which has caused production shutdowns at various production plants. Layered on top of the issues faced by the auto producing sector, the public health restrictions in Ontario have also had an adverse effect on exports.

Data in May is still expected to show weaker export volumes as restrictions persist but with Ontario starting to reopen in mid-June activity could substantially ramp up in the second half of 2021 barring any more major supply chain issues for Ontario exporters.

Edgard Navarrete

Regional Economist

Central 1 Credit Union

enavarrete@central1.com / P 905 282 8501