



## Highlights

- Imports rise while exports decline in Ontario
- Economy growth slows in February

### Trade deficit widens in Ontario

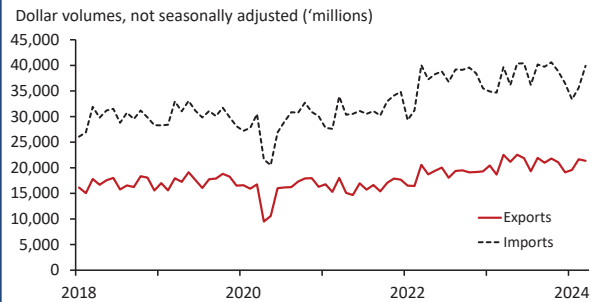
Alan Chow, Business Economist

In March, the value of Ontario exports slipped a modest 1.5 per cent from February to \$21.3 billion. However, exports held above the trailing 12-month average by 1.0 per cent. For imports, the total value in March was \$39.9 billion, which is a 12.0 per cent increase over the previous month and is 4.7 per cent above the trailing 12-month average. The spike in imports and decline in exports has resulted in an increase in trade deficit to the highest level since October 2023.

Despite the overall decline in exports, higher month-over-month export volumes were seen in seven out of the eleven product categories. The top categories that saw higher export volumes were aircraft and other transportation equipment and parts (up 61.1 per cent), industrial machinery, equipment and parts (up 8.7 per cent), and electronic and electrical equipment (up 13.4 per cent). On the decline was metal and non-metallic mineral products, which was down 12.8 per cent, as the small bump in the export of precious metals in February dissipated. Also seeing lower export volumes was motor vehicles and parts (down 2.8 per cent), and consumer goods (down 4.7 per cent). Over the last 12 months, exports are up 7.7 per cent over the previous 12-month period.

Higher monthly imports were seen in eight out of the eleven categories, with growth led by motor vehicle and parts (up 16.4 per cent), basic and industrial chemical, plastic and rubber products (up 33.2 per cent to 3.0 billion and the highest amount since June 2022), and consumer goods (up 9.1 per cent). On the other hand, lower import volumes were seen in aircraft and other transportation equipment and parts (down 21.7 per cent) and metal ores and non-metallic minerals (down 4.1 per cent). Over the last 12 months, imports are up 1.2 per cent over the previous 12 months.

### Trade deficit widens in Ontario



Source: Statistics Canada, Central 1

latest: Mar/24

### Manufacturing declines, but financial sector up

Alan Chow, Business Economist

Growth in Canada's real industry gross domestic product (GDP) slowed in February. After growing a robust 0.5 per cent in January, real GDP only increased by under 0.2 per cent in February. Output in the goods producing sector remained unchanged from the previous month with growth at less than 0.1 per cent. While services-producing sectors continued to lead the way with 0.2 per cent growth. Advanced estimates for March indicate GDP was unchanged, with the manufacturing sector seeing a decline.

During February, manufacturing saw a monthly decline in output of 0.4 per cent. Chemical manufacturing saw a monthly decline of 3.5 per cent, marking the second consecutive month of decline with the revised numbers. Plastics and rubber products manufacturing was steady, with a small increase of 0.2 per cent. Machinery manufacturing was up 2.5 per cent in February, taking it to its highest monthly output in the last 14 months. On the other hand, transportation equipment manufacturing saw a sharp decrease of 2.9 per cent with a slowdown in all subsectors except for motor vehicle body and trailer manufacturing, which increased 1.5 per cent. Motor vehicle manufacturing declined 5.0 per cent while motor vehicle and parts manufacturing declined 2.7 per cent as shutdowns for retooling hamper output.

The finance and insurance sector were up 0.3 per cent in February, its third consecutive month of growth on revised numbers. There was a 1.4 per cent increase in financial investment services and a 0.2 per cent increase in credit intermediation and monetary authorities, which were offset by the 0.4 per cent decline in insurance carriers.

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