

Section 6.—Comparison of Value, Price and Volume of Foreign Trade

In recent years there has been a substantial increase in the value of Canada's exports and imports. Changes in the value of trade, however, are the joint product of changes in the volume of goods traded and in the prices at which transactions are conducted. To assess the significance of value changes, it is desirable to isolate the contributions made to them by the price and volume factors.

Special indexes of export and import prices have been developed to provide this information. These indexes are based chiefly on unit values (average prices) calculated from the trade statistics, supplemented by information on wholesale and retail prices. Price relatives are calculated for a sample of commodities representing the greater part of export and import trade, and these relatives are weighted by the percentage of 1948 trade represented by each commodity in the sample in obtaining group and total indexes. By dividing these price indexes into the trade values the effects of price change are removed from the values, or by dividing the price index into an index of values on the same time-base an index is obtained showing changes in the volume of trade from year to year.

The grouping of commodities used in these calculations differs from that of the regular trade statistics, the changes being desirable to simplify the pricing problem. The chief differences are that the first two main groups of the trade statistics have been combined into one group, "agricultural and animal products", and that the sub-group "rubber and its products" has been transferred from this group to the "miscellaneous" group. The declared values of domestic exports and imports have been revised to cover the adjustment for "Special Transactions—Non-Trade". An explanation of that adjustment is given at p. 912. Table 15 shows the revised values of trade adjusted for pricing purposes and the value, price and volume indexes of Canadian trade for 1959-62.

15.—Declared Values, and Value, Price and Physical Volume Indexes of Foreign Trade, by Commodity Group, 1959-62

Commodity Group ¹	1959	1960	1961 ^c	1962
	DECLARED VALUES			
	\$'000	\$'000	\$'000	\$'000
Domestic Exports	5,021,672	5,255,575	5,754,986	6,178,523
Agricultural and animal products.....	1,212,381	1,142,428	1,442,244	1,429,613
Fibres and textiles.....	26,803	40,518	44,661	48,193
Wood products and paper.....	1,515,962	1,591,919	1,639,343	1,718,306
Iron and steel and products.....	574,453	605,960	596,514	742,075
Non-ferrous metals and products.....	1,114,784	1,213,999	1,209,545	1,234,139
Non-metallic minerals and products.....	294,235	339,569	428,586	545,508
Chemicals and fertilizers.....	201,729	237,687	248,326	248,399
Miscellaneous.....	81,324	83,495	145,766	212,291
Imports	5,508,921	5,482,695	5,768,578	6,257,814
Agricultural and animal products.....	733,062	737,710	854,375	910,090
Fibres and textiles.....	425,470	431,975	458,488	481,952
Wood products and paper.....	263,203	256,701	285,947	302,132
Iron and steel and products.....	2,086,064	2,046,258	2,024,327	2,262,673
Non-ferrous metals and products.....	479,231	476,633	514,347	599,037
Non-metallic minerals and products.....	698,138	660,749	681,002	710,949
Chemicals and fertilizers.....	334,455	346,972	371,196	395,276
Miscellaneous.....	489,299	525,698	578,894	595,704

¹For footnote, see end of table.