

MARCH 2025

# CANADA- U.S. TRADE AND INVESTMENT

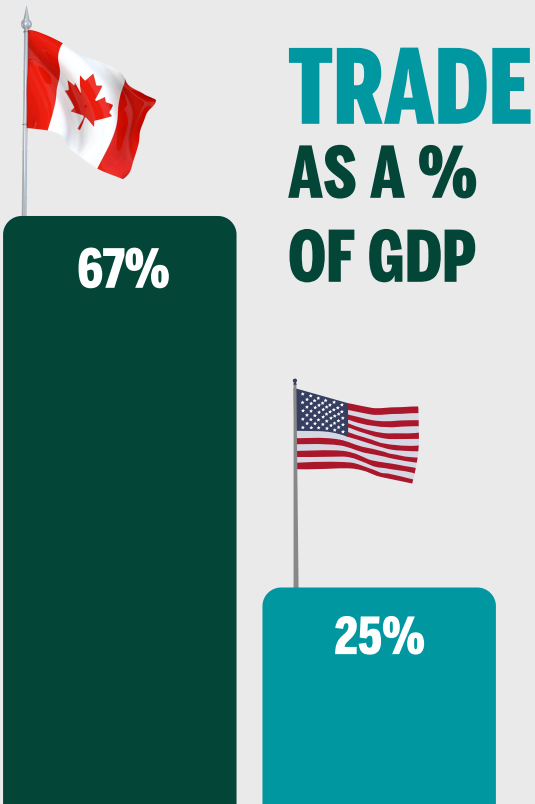
# THE IMPORTANCE OF CANADA-U.S. TRADE

For more than four decades, the Canada-U.S. trading relationship has been one of the most successful in the world and often considered a model. Despite the occasional trade irritants, disputes have been effectively resolved and the free flow of goods and services between the two countries has produced massive benefits for their respective economies. President Donald Trump’s executive orders and decision to proceed with the imposition of multiple tariffs on Canadian imports will adversely impact businesses and most likely lead to a recession.

In 2023, Canada-U.S. trade was worth over

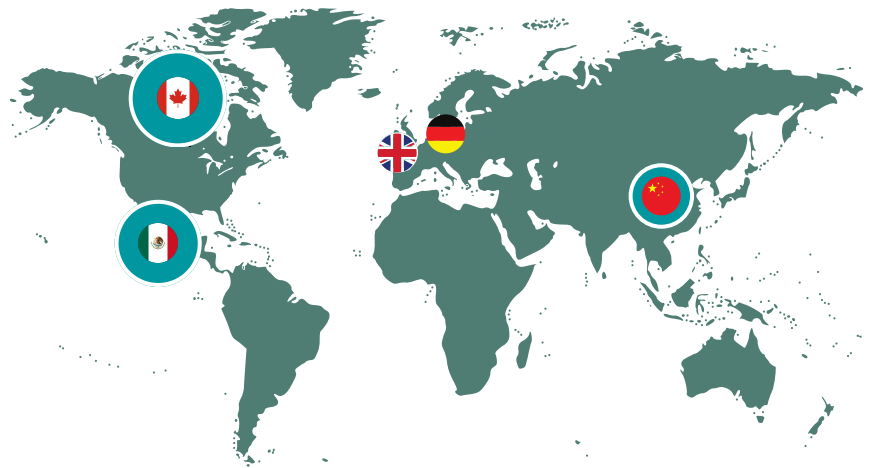
**\$1.3T** (CDN) OR \$3.6B PER DAY.

Source: Statistics Canada, 2024, December 6 <sup>1</sup>



Sources: Scotiabank Economics, 2025. World Bank Group, (n.d.). <sup>2</sup>

## TOP U.S. TRADE PARTNERS (2023)



**IN 2023, CANADA WAS THE LARGEST TRADING PARTNER OF THE U.S. SURPASSING ANY G7 COUNTRY, CHINA AND INDIA.**

**MEXICO became the LARGEST trading partner of the U.S. in 2024.**



Source: Congressional Research Service, 2025 <sup>3</sup>

**HOW TO CITE:** Lawrence National Centre for Policy and Management. (2025). Canadian-U.S. Trade and Investment [Infographic].

For detailed citations, refer to: <https://www.ivey.uwo.ca/lawrencecentre/canada-us-trade-relations/>



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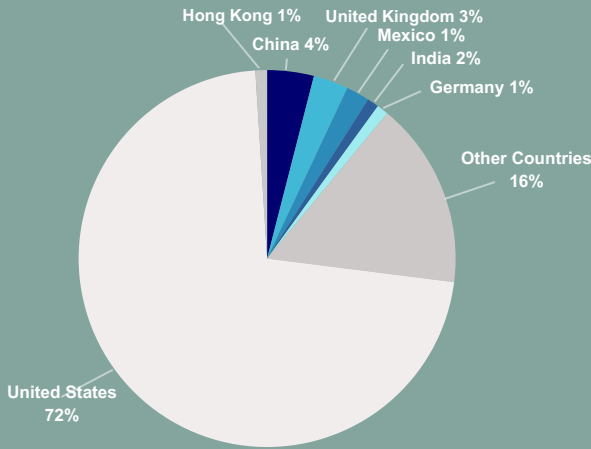
# BREAKDOWN OF CANADIAN TRADE BY COUNTRIES AND U.S. STATES

The interdependence of trade between the two countries is further highlighted by the level of export and import distribution.

In 2023, 72% of total Canadian goods and services exported went to the U.S. (China was the next largest export destination).

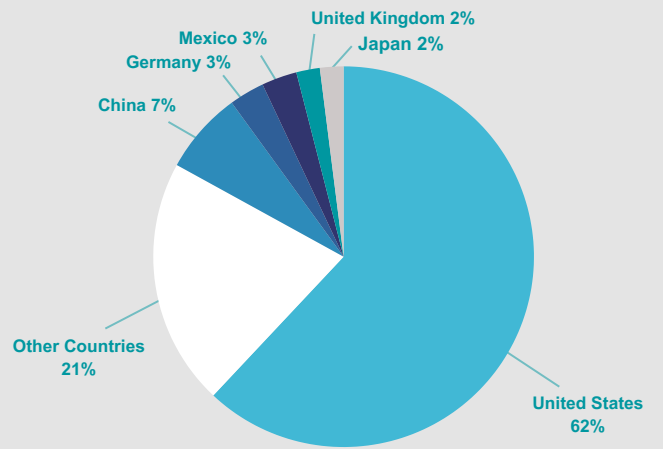
Canada is highly reliant on the U.S. for imports which accounts for 62% of total imports (China being the second most important source for imports).

TOP COUNTRIES FOR CANADIAN EXPORTS (2023)



Source: Office of the Chief Economist, 2024 <sup>1</sup>

CANADA'S LEADING IMPORT SOURCES (2023)



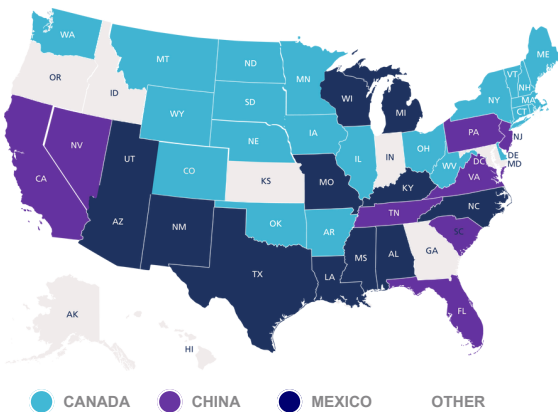
Source: Office of the Chief Economist, 2024. <sup>2</sup>



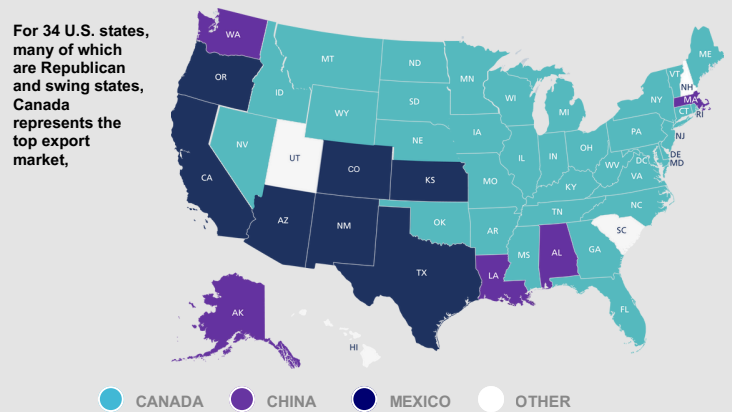
**CANADA IS THE TOP IMPORT SOURCE OF GOODS FOR 21 U.S. STATES, SURPASSING ANY OTHER COUNTRY INCLUDING MEXICO AND CHINA.**



**CANADA IS THE TOP EXPORT DESTINATION FOR THE MAJORITY OF U.S. STATES.**



Source: Canadian Chamber of Commerce; Business Data Lab, 2024. <sup>4</sup>



Source: Canadian Chamber of Commerce; Business Data Lab, 2024. <sup>3</sup>

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# CANADA- U.S. TRADE AND INVESTMENT

# TRADE BALANCE: FROM 2000 TO 2023

Canada had an overall trade **SURPLUS** of approximately

# \$41B (USD)

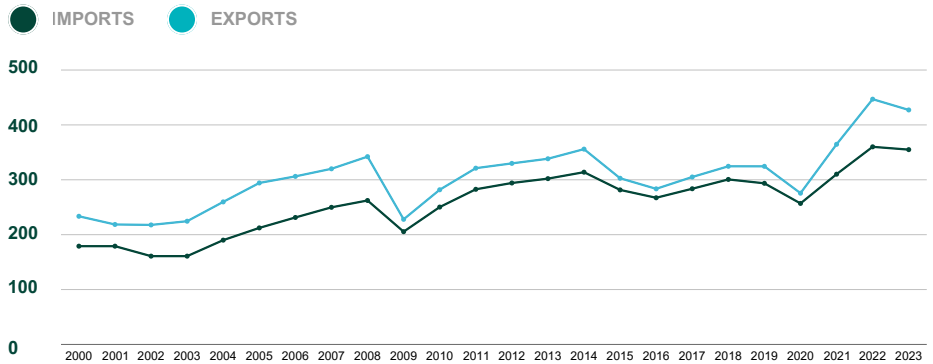
with U.S. in 2023. It has a trade surplus in goods, but a **DEFICIT** in services with the U.S.

Much of the recent surplus in goods stems from **HIGHER DEMAND** for oil and gas exports and a faster growing U.S. economy, especially in the post-pandemic period.

**WITHOUT OIL AND GAS EXPORTS,** Canada would have a trade deficit with the U.S.

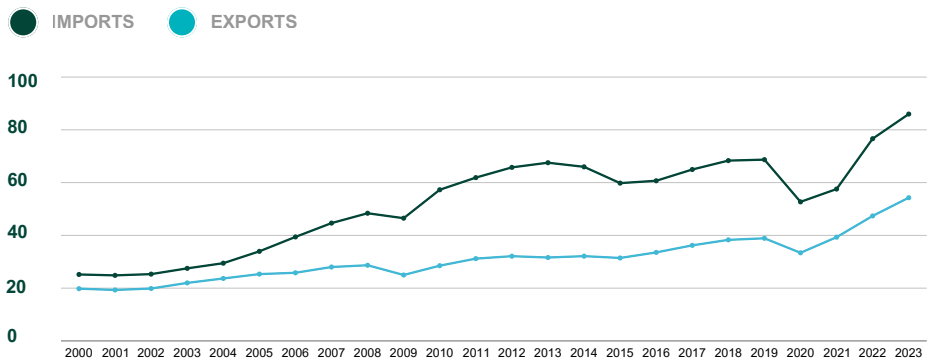


## GOODS EXPORTS AND IMPORTS US \$BN



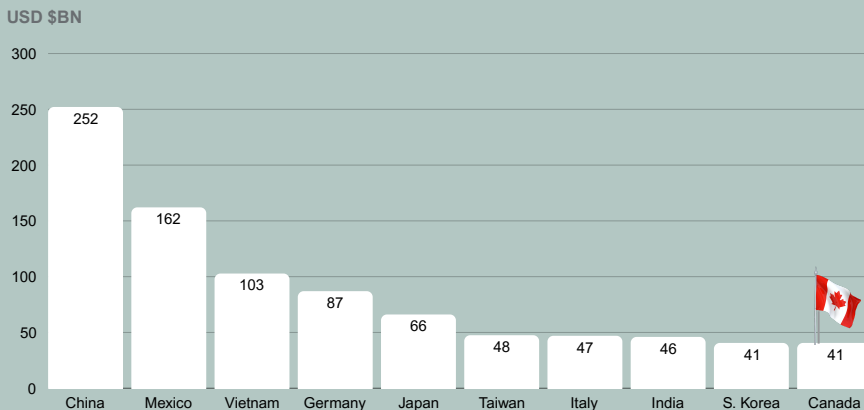
Source: Bureau of Economic Analysis 2024.<sup>1</sup>

## SERVICE EXPORTS AND IMPORTS US \$BN



Source: Bureau of Economic Analysis 2024.<sup>2</sup>

## U.S. BILATERAL TRADE DEFICITS (2023)



Source: U.S. Census Bureau, U.S. International Trade in Goods and Services, Exhibit 20.<sup>3</sup>

While Canada was the **LARGEST TRADING PARTNER** of the U.S. in 2023, the U.S. trade deficit with Canada was the lowest among its **TOP 10** trading partners.

Source: Centre for Future Work, 2025.<sup>4</sup>

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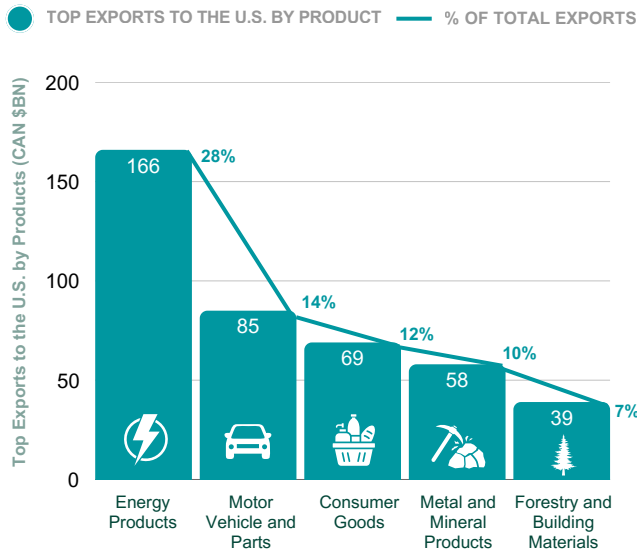
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# CANADA- U.S. TRADE AND INVESTMENT

# TYPE OF GOODS AND SERVICES EXPORTED AND IMPORTED TO AND FROM THE U.S.

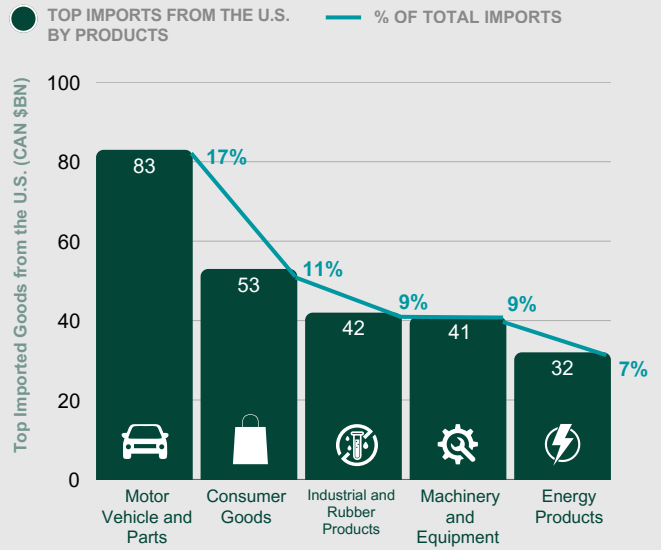
The top exported and imported goods between Canada and U.S. reflect the comparative advantage and highly integrated industry supply chains. For example, crude oil is refined to produce many different petroleum products, while minerals are converted into essential components. Potash is a critical fertilizer for American farmers and Canadian steel and aluminum are used in manufacturing appliances and heating and cooling equipment. The highly integrated auto sector requires parts and components to travel back and forth 7 or 8 times before the final assembly of a vehicle.

## TOP EXPORTED GOODS TO THE U.S. (2023)



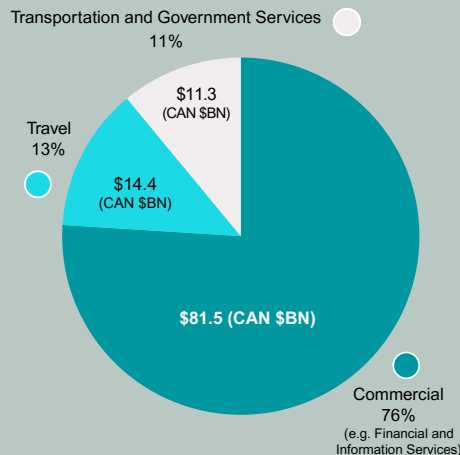
Source: [Statistics Canada, 2024, December 6](#).<sup>1</sup>

## TOP IMPORTED GOODS FROM THE U.S. (2023)



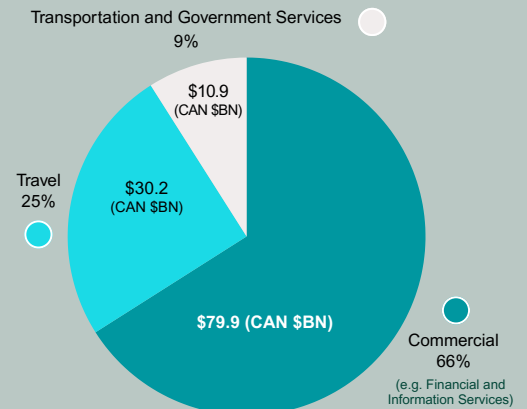
Source: [Statistics Canada, 2024, December 6](#).<sup>2</sup>

## TOP EXPORTED SERVICES TO THE U.S. (2023)



Source: [Statistics Canada, 2024, November 12](#).<sup>3</sup>

## TOP IMPORTED SERVICES FROM THE U.S. (2023)



Source: [Statistics Canada, 2024, November 12](#).<sup>4</sup>

**Commercial services make up the majority of both exported and imported services between Canada and the U.S.**

**U.S. exported travel services to Canada exceeds Canadian exported travel services to the United States.**

**HOW TO CITE:** Lawrence National Centre for Policy and Management. (2025). Canadian-U.S. Trade and Investment [Infographic].

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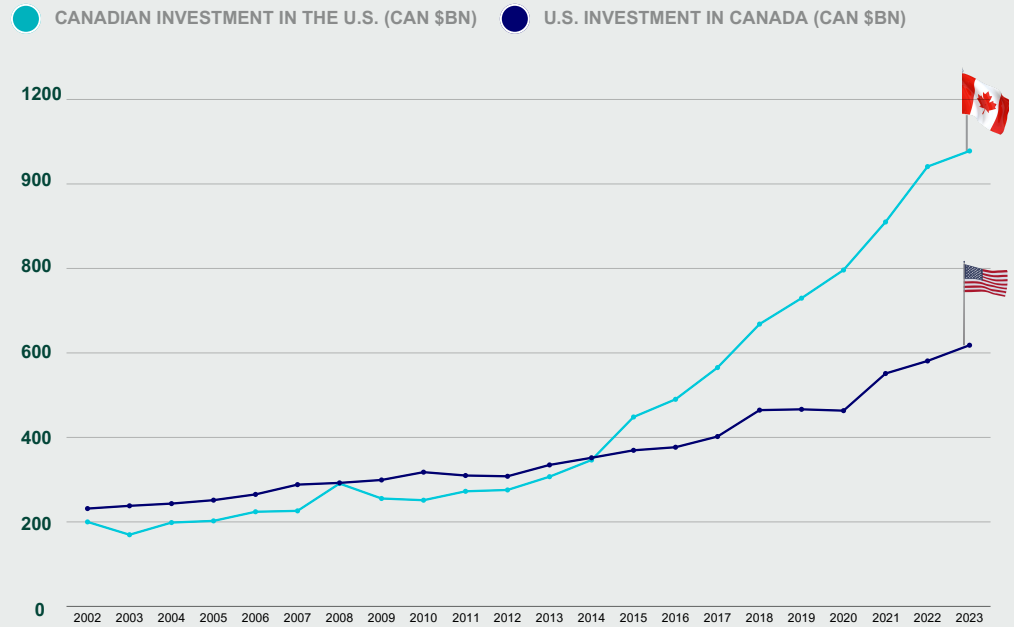
# CANADA- U.S. TRADE AND INVESTMENT

# FOREIGN DIRECT INVESTMENT (FDI) IN CANADA AND THE U.S.

Since 2015,  
Canadian FDI in the  
U.S. has exceeded  
American FDI in  
Canada with the gap  
widening in 2023 to  
**\$460B**



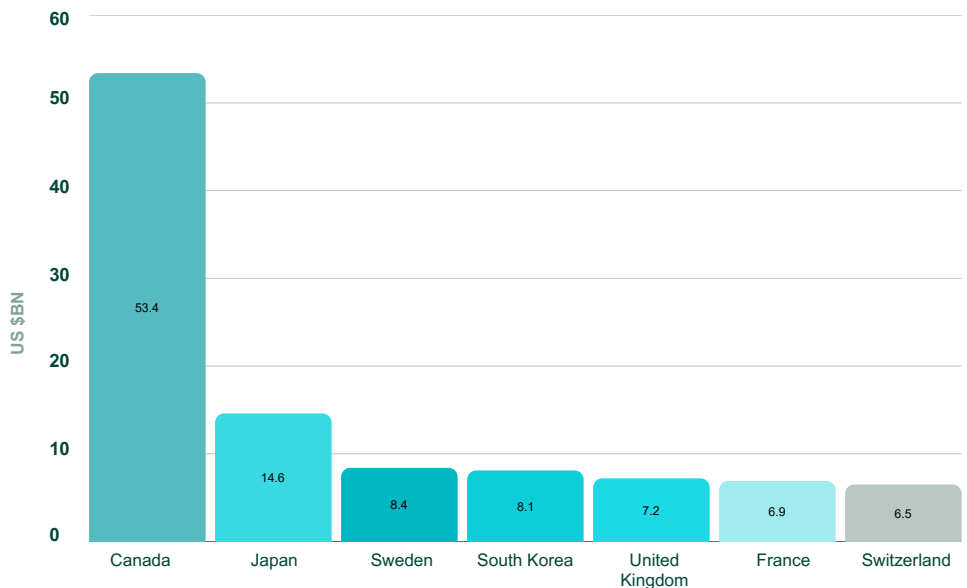
## STOCK OF FOREIGN DIRECT INVESTMENT (2002-2023)



Source: (Library of Parliament, 2023), (Statistics Canada, 2025) <sup>1</sup>

In 2023, Canada was  
the largest source of  
FDI into the U.S  
(\$53 BN) exceeding  
the total FDI from  
the next 6 countries  
combined (\$52 BN)

## FIRST YEAR EXPENDITURES (2023)



Source: U.S. Bureau of Economic Analysis <sup>2</sup>

HOW TO CITE: Lawrence National Centre for Policy and Management. (2025). Canadian-U.S. Trade and Investment [Infographic].

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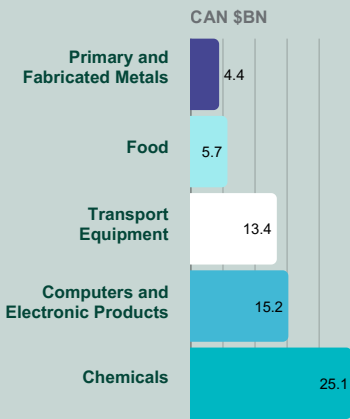
# CANADA- U.S. TRADE AND INVESTMENT

# FOREIGN DIRECT INVESTMENT (FDI) IN CANADA AND THE U.S

## U.S. FDI INTO CANADA

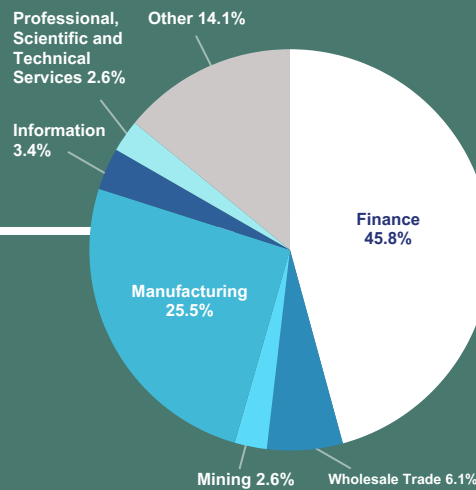
The majority of U.S. FDI into Canada is concentrated in Finance and Manufacturing sectors creating HIGH VALUE JOBS.

TOP CANADIAN MANUFACTURING SECTORS WITH U.S. INVESTMENT (2023)

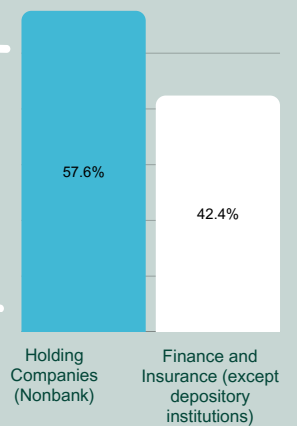


Source: Bureau of Economic Analysis, Direct Investment data, July, 2024<sup>1</sup>

U.S. DIRECT INVESTMENT IN CANADA



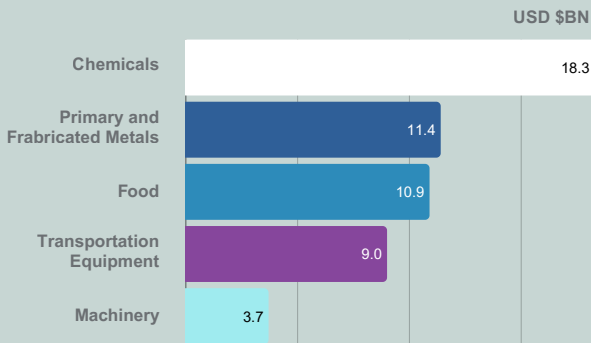
U.S. DIRECT INVESTMENT IN CANADA (FINANCE)



## CANADIAN FDI INTO THE U.S.

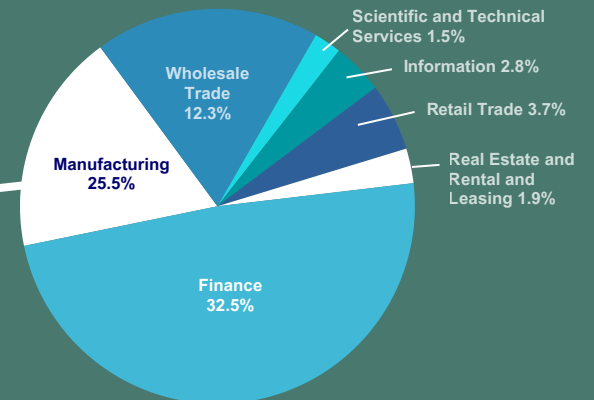
The majority of Canadian FDI into the U.S. is also concentrated in the Finance and Manufacturing sectors, with total investments exceeding those of U.S. FDI into those sectors in Canada.

TOP 5 U.S. MANUFACTURING INDUSTRIES WITH THE MOST CANADIAN INVESTMENT (2023)



Source: U.S. Bureau of Economic Analysis, 2024, August 28<sup>2</sup>

INDUSTRIES IN THE U.S. THAT RECEIVED OVER 60% OF CANADIAN DIRECT INVESTMENT IN THE U.S. (2023)



HOW TO CITE: Lawrence National Centre for Policy and Management. (2025). Canadian-U.S. Trade and Investment [Infographic].

For detailed citations, refer to: <https://www.ivey.uwo.ca/lawrencecentre/canada-us-trade-relations/>



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## THE IMPORTANCE OF CANADA–U.S. TRADE

- In 2023, Canada-U.S. trade was worth over \$1.3T (CDN) or \$3.6B per day.**  
 Statistics Canada. (2024, December 6). United States — Canada’s international trade and investment country fact sheet. Retrieved from Statistics Canada: <https://www150.statcan.gc.ca/n1/pub/71-607-x/71-607-x2020001-eng.htm>
- Trade as a % of GDP.**  
 Scotiabank Economics. (2025, January 31). Canada-US Trade: Getting Up To Speed. Retrieved from Scotiabank: <https://www.scotiabank.com/ca/en/about/economics/economics-publications/post.other-publications.canada-and-us-economics-canada-and-us-decks.trade-stats--january-31--2025-.html>

World Bank Group. (n.d.). Trade (% of GDP) - United States. Retrieved February 2025, from World Bank Group: <https://data.worldbank.org/indicator/NE.TRD.GNFS.ZS?locations=US>
- In 2023, Canada was the largest trading partner of the U.S. surpassing any G7 country, China and India. In 2024, Mexico is projected to become the largest partner of the U.S.**  
 Congressional Research Service. (2025, January 14). U.S.–Canada Trade Relations.

## BREAKDOWN OF CANADIAN TRADE BY COUNTRIES AND U.S. STATES

- In 2023, 72% of total Canadian goods and services exported went to the U.S. (China was the next largest export destination).**  
 Office of the Chief Economist. (2024). State of Trade 2024: Supply chains. Retrieved from Government of Canada: <https://www.international.gc.ca/transparency-transparence/assets/pdfs/state-trade-commerce-international/2024-state-of-trade-en.pdf>
- Canada is highly reliant on the U.S. for imports, which accounts for 62% of total imports (China being the second most important source for imports).**  
 Office of the Chief Economist. (2024). State of Trade 2024: Supply chains. Retrieved from Government of Canada: <https://www.international.gc.ca/transparency-transparence/assets/pdfs/state-trade-commerce-international/2024-state-of-trade-en.pdf>

## TRADE BALANCE: FROM 2000 TO 2023

- Canada had an overall trade surplus of approximately \$41bn with the U.S. in 2023. It has a trade surplus in goods, but a deficit in services with the U.S.**  
 U.S. Census Bureau, U.S. International Trade in Goods and Services, Exhibit 20. Retrieved from U.S. Census Bureau: [https://www.census.gov/foreign-trade/PressRelease/current\\_press\\_release/ft900.pdf](https://www.census.gov/foreign-trade/PressRelease/current_press_release/ft900.pdf)
- Goods exports and Imports**  
 Bureau of Economic Analysis. (2024, December 18). U.S. International Trade in Goods by Area and Country, Seasonally Adjusted Detail. Retrieved from Bureau of Economic Analysis: [https://apps.bea.gov/iTable/?ReqID=62&step=2&\\_gl=1\\*citr8c\\*\\_ga\\*MTkwMTAxNTk4MS4xNzM4NzAwMzkx\\*\\_ga\\_J4698JNNFT\\*MTczOTM4NjU5MS4zLjEuMTczOTM4NjYzNS4xNi4wLjA.#eyJhcHBpZCI6NjlsInN0ZXBzljpbMiw2LDZdLCJkYXRhIjpbWjYyJUYWJsZUxpc3QiLCIzMTAwMSJdLFsiRmlsdGVyXyMxIjpbIjEiLCIy](https://apps.bea.gov/iTable/?ReqID=62&step=2&_gl=1*citr8c*_ga*MTkwMTAxNTk4MS4xNzM4NzAwMzkx*_ga_J4698JNNFT*MTczOTM4NjU5MS4zLjEuMTczOTM4NjYzNS4xNi4wLjA.#eyJhcHBpZCI6NjlsInN0ZXBzljpbMiw2LDZdLCJkYXRhIjpbWjYyJUYWJsZUxpc3QiLCIzMTAwMSJdLFsiRmlsdGVyXyMxIjpbIjEiLCIy)

## TRADE BALANCE: FROM 2000 TO 2023 (CONTINUED)

### 3. Service exports and imports

Bureau of Economic Analysis. (2024, December 18). International Transactions, International Services, and International Investment Position Tables. Retrieved from Bureau of Economic Analysis:

<https://apps.bea.gov/iTable/?reqid=62&step=9&isuri=1&product=4#eyJhcHBpZCI6NjlsInN0ZXBzIjpbMSwyLDZdLCJkYXRhIjpbWyJwcm9kdWN0IiwzMzJdLFsiVGFiVGVMaXN0IiwzMzAxNjQiXV19>

<https://apps.bea.gov/iTable/?reqid=62&step=9&isuri=1&product=4#eyJhcHBpZCI6NjlsInN0ZXBzIjpbMSwyLDZdLCJkYXRhIjpbWyJwcm9kdWN0IiwzMzJdLFsiVGFiVGVMaXN0IiwzMzAxNjQiXV19>

### 4. While Canada was the largest trading partner of the U.S. in 2023, the U.S. trade deficit with Canada was the lowest among its top 10 trading partner

Centre for Future Work. (2025, January 12). Who's Subsidizing Whom? Retrieved from Centre for Future Work:

<https://centreforfuturework.ca/wp-content/uploads/2025/01/Whos-Subsidizing-Whom.pdf>

## TYPE OF GOODS AND SERVICES EXPORTED AND IMPORTED TO AND FROM THE U.S.

### 1. Top exported goods to the U.S. (2023)

Statistics Canada. (2024, December 6). United States — Canada's international trade and investment country fact sheet. Retrieved from Statistics Canada: <https://www150.statcan.gc.ca/n1/pub/71-607-x/71-607-x2020001-eng.htm>

### 2. Top imported goods from the U.S. (2023)

Statistics Canada. (2024, December 6). United States — Canada's international trade and investment country fact sheet. Retrieved from Statistics Canada: <https://www150.statcan.gc.ca/n1/pub/71-607-x/71-607-x2020001-eng.htm>

### 3. Top exported services to the U.S. (2023)

Statistics Canada. (2024, November 12). International transactions in services, by selected countries, annual (x 1,000,000). Retrieved from Statistics Canada: <https://www150.statcan.gc.ca/t1/tbl1/en/tv.action?pid=3610000701&pickMembers%5B0%5D=3.57&cubeTimeFrame.startYear=2022&cubeTimeFrame.endYear=2022&referencePeriods=20220101%2C20220101>

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## FOREIGN DIRECT INVESTMENT (FDI) IN CANADA AND THE U.S.

### 1. Stock of Foreign Direct Investment (2002-2023)

Library of Parliament. (2023, July 17). Canadian Trade and Investment Activity: Canada–United States.

Retrieved from Library of Parliament:

[https://lop.parl.ca/sites/PublicWebsite/default/en\\_CA/ResearchPublications/TradeAndInvestment/2023515E#fdi](https://lop.parl.ca/sites/PublicWebsite/default/en_CA/ResearchPublications/TradeAndInvestment/2023515E#fdi)

Statistics Canada. (2025, February 5). Canada's international trade and investment country fact sheet. Retrieved from Statistics Canada: <https://www150.statcan.gc.ca/n1/pub/71-607-x/71-607-x2020001-eng.htm>

### 2. In 2023, Canada was the largest source of FDI into the U.S. (53Bn) exceeding the total FDI from the next 6 countries combined (52BN).

U.S. Bureau of Economic Analysis. (2024, August 28). New Foreign Direct Investment in the United States in 2023.

Retrieved from U.S. Bureau of Economic Analysis: <https://apps.bea.gov/scb/issues/2024/08-august/pdf/0824-foreign-direct-investment.pdf>

### 3. U.S. FDI into Canada

U.S. Bureau of Economic Analysis. (2024, July 23). U.S. Direct Investment Abroad - Canada. Retrieved from Canada

- International Trade and Investment Country Facts: <https://apps.bea.gov/international/factsheet/factsheet.html#100>

### 4. Canadian FDI into the U.S.

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[reqid=62&step=9&isuri=1&product=4#eyJhcHBpZCI6NjlsInN0ZXBzljpbMSwyLDZdLCJkYXRhIjpbWyJwcm9kdWN0IiwiaSjJdLFsiVGFiVGVMaXN0IiwiaMzAxNjQiXV19](https://apps.bea.gov/iTable/?reqid=62&step=9&isuri=1&product=4#eyJhcHBpZCI6NjlsInN0ZXBzljpbMSwyLDZdLCJkYXRhIjpbWyJwcm9kdWN0IiwiaSjJdLFsiVGFiVGVMaXN0IiwiaMzAxNjQiXV19)

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[pid=3610000701&pickMembers%5B0%5D=3.57&cubeTimeFrame.startYear=2022&cubeTimeFrame.endYear=2022&referencePeriods=20220101%2C20220101](https://www150.statcan.gc.ca/t1/tbl1/en/tv.action?pid=3610000701&pickMembers%5B0%5D=3.57&cubeTimeFrame.startYear=2022&cubeTimeFrame.endYear=2022&referencePeriods=20220101%2C20220101)

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[pid=3610000701&pickMembers%5B0%5D=3.57&cubeTimeFrame.startYear=2022&cubeTimeFrame.endYear=2022&referencePeriods=20220101%2C20220101](https://www150.statcan.gc.ca/t1/tbl1/en/tv.action?pid=3610000701&pickMembers%5B0%5D=3.57&cubeTimeFrame.startYear=2022&cubeTimeFrame.endYear=2022&referencePeriods=20220101%2C20220101)

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Library of Parliament. (2023, July 17). Canadian Trade and Investment Activity: Canada–United States.

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