

MARCH 2025

# CANADA- U.S. TRADE AND INVESTMENT

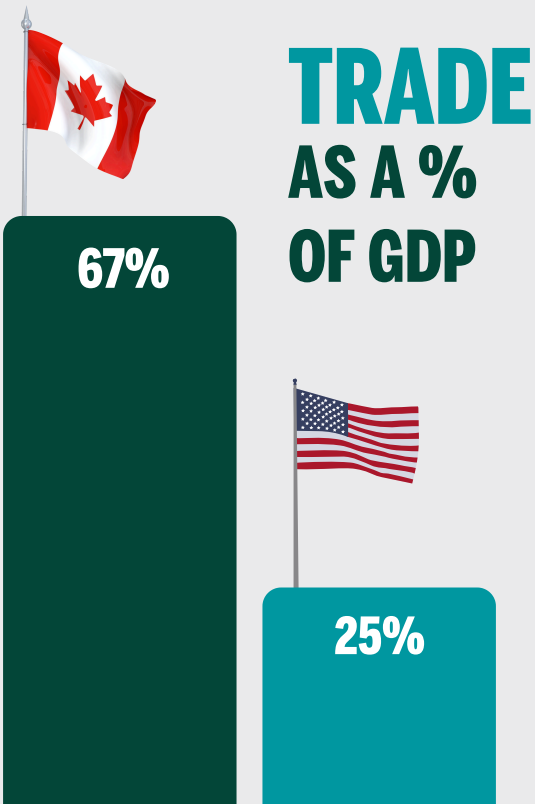
# THE IMPORTANCE OF CANADA-U.S. TRADE

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

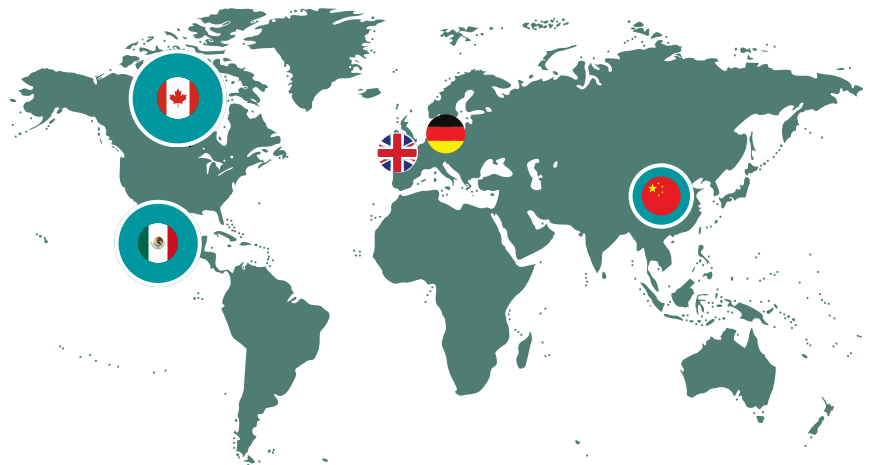
**\$1.3T** (CDN) OR \$3.6B PER DAY.

Source: [Statistics Canada, 2024, December 6](#)



Sources: [Scotiabank Economics, 2025](#), [World Bank Group, \(n.d.\)](#)

## 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](#)

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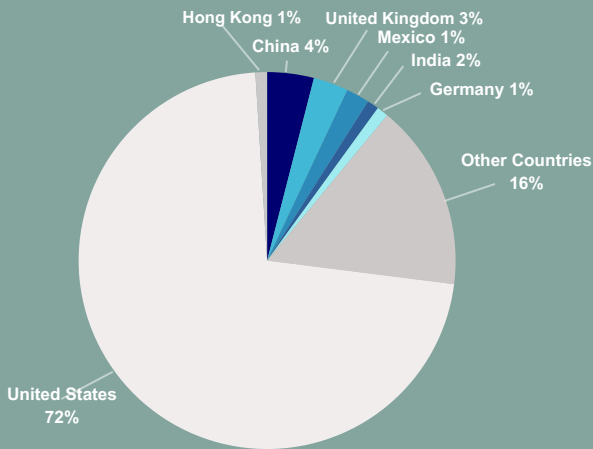
# BREAKDOWN OF CANADIAN TRADE BY COUNTRIES AND U.S. STATES

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).

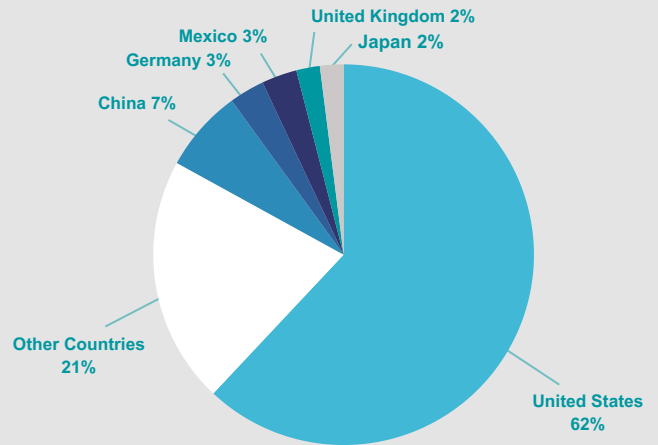
Canada is highly reliant on the U.S. for imports which accounts for 62% of total imports (China being the second most important source for imports).

## TOP COUNTRIES FOR CANADIAN EXPORTS (2023)



Source: [Office of the Chief Economist, 2024.](#)

## CANADA'S LEADING IMPORT SOURCES (2023)



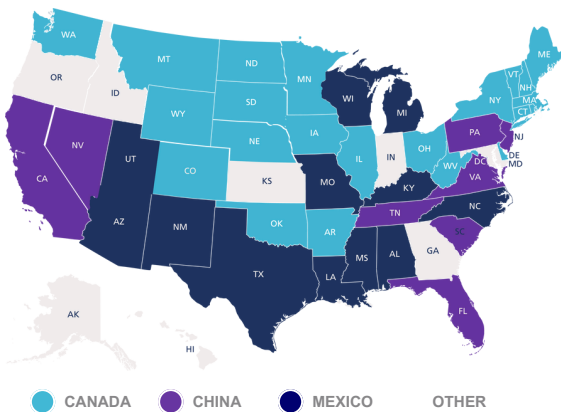
Source: [Office of the Chief Economist, \(2024\).](#)



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

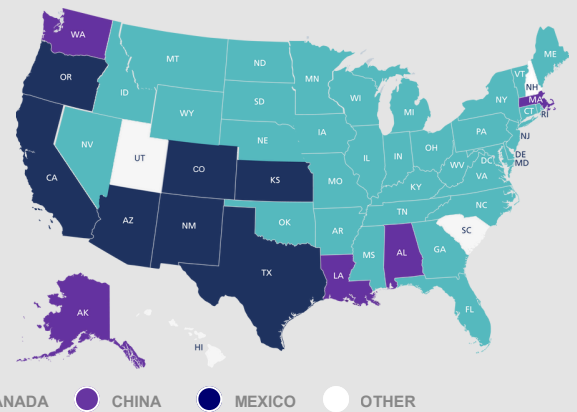


**CANADA IS THE TOP EXPORT DESTINATION FOR THE MAJORITY OF U.S. STATES.**



Source: [Canadian Chamber of Commerce; Business Data Lab, 2024.](#)

For 34 U.S. states, many of which are Republican and swing states, Canada represents the top export market,



Source: [Canadian Chamber of Commerce; Business Data Lab, 2024.](#)

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MARCH 2025

# CANADA- U.S. TRADE AND INVESTMENT

# TRADE BALANCE: FROM 2000 TO 2023

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

# \$41B (USD)

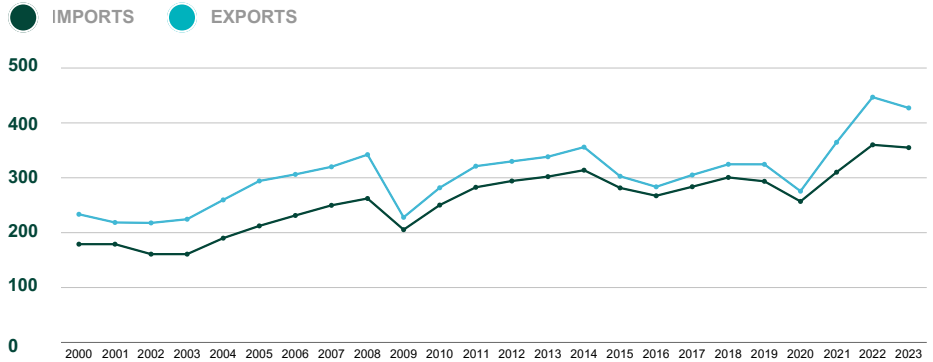
with U.S. in 2023. It has a trade surplus in goods, but a **DEFICIT** in services with the U.S.

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.

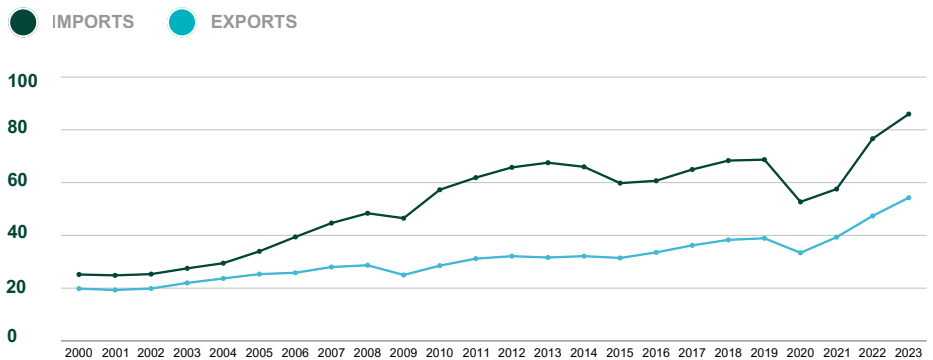


## GOODS EXPORTS AND IMPORTS US \$BN



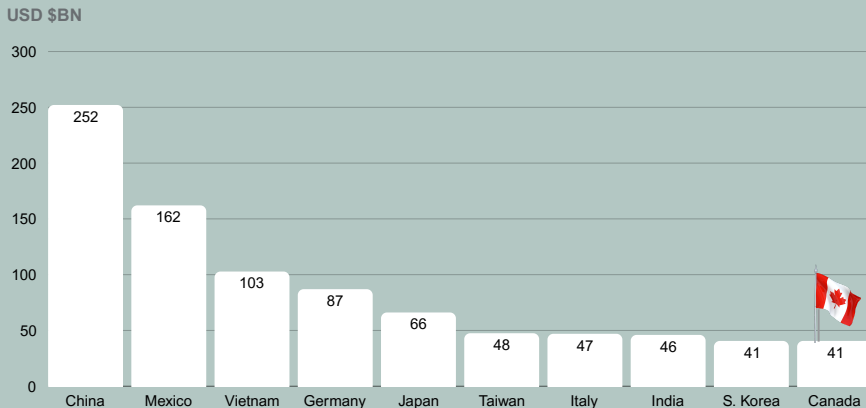
Source: Bureau of Economic Analysis 2024.

## SERVICE EXPORTS AND IMPORTS US \$BN



Source: Bureau of Economic Analysis 2024.

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



Source: U.S. Census Bureau, U.S. International Trade in Goods and Services, Exhibit 20.

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.

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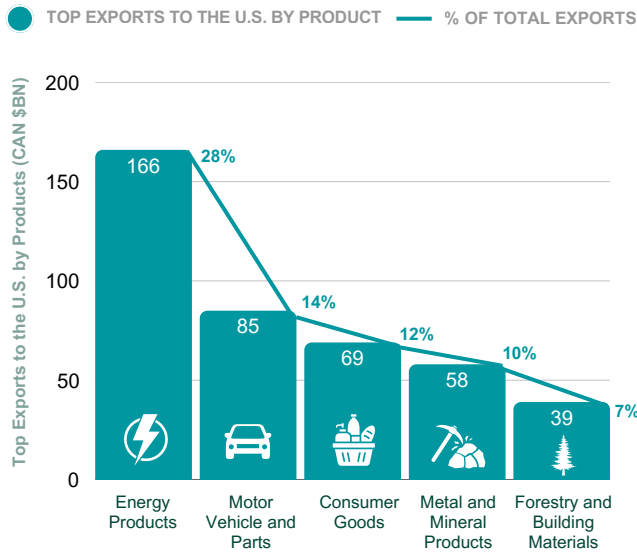
MARCH 2025

# CANADA- U.S. TRADE AND INVESTMENT

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

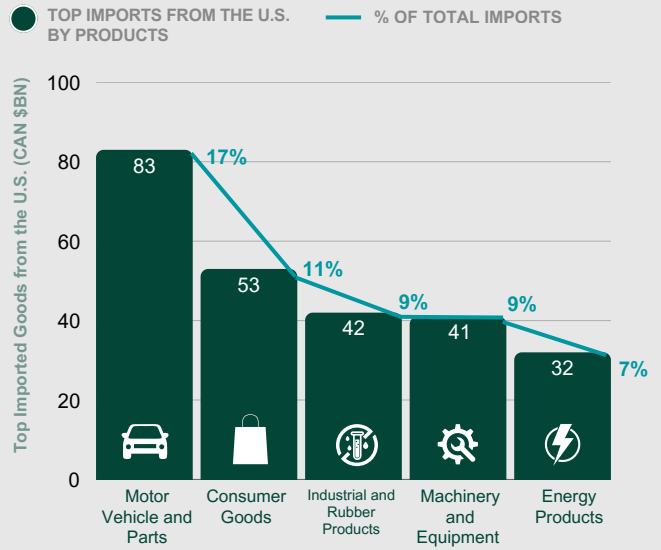
The top exported and imported goods between Canada and U.S. reflect the comparative advantage and highly integrated industry supply chains. For example, crude oil is refined to produce many different petroleum products, while minerals are converted into essential components. Potash is a critical fertilizer 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](#)

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

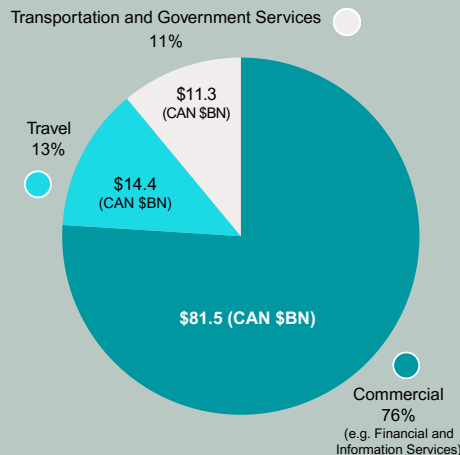


Source: [Statistics Canada, 2024, December 6](#)

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

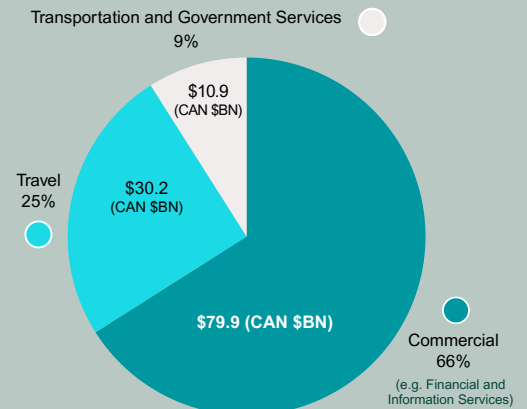
**U.S. exported travel services to Canada exceeds Canadian exported travel services to the United States.**

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



Source: [Statistics Canada, 2024, November 12](#)

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



Source: [Statistics Canada, 2024, November 12](#)

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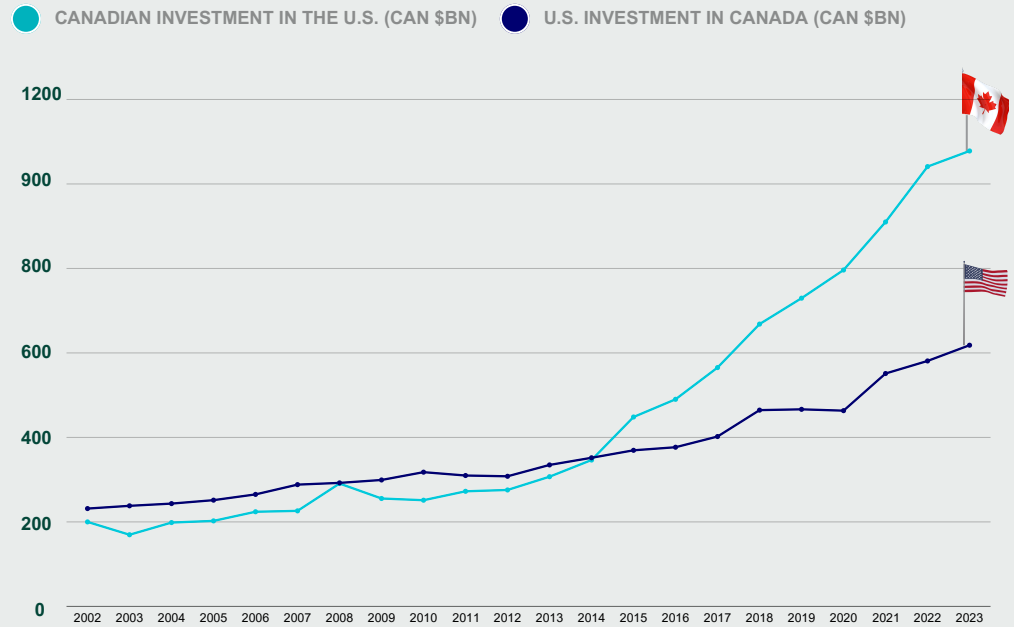
# CANADA- U.S. TRADE AND INVESTMENT

# 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**



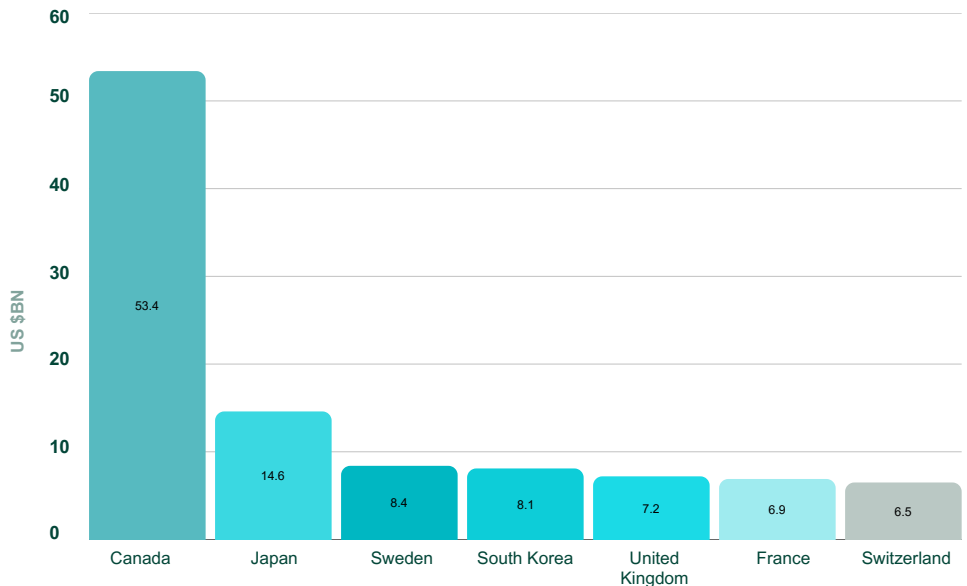
## STOCK OF FOREIGN DIRECT INVESTMENT (2002-2023)



Source: (Library of Parliament, 2023), (Statistics Canada, 2025)

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

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

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MARCH 2025

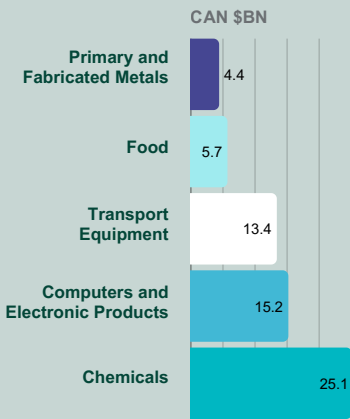
# CANADA- U.S. TRADE AND INVESTMENT

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

## U.S. FDI INTO CANADA

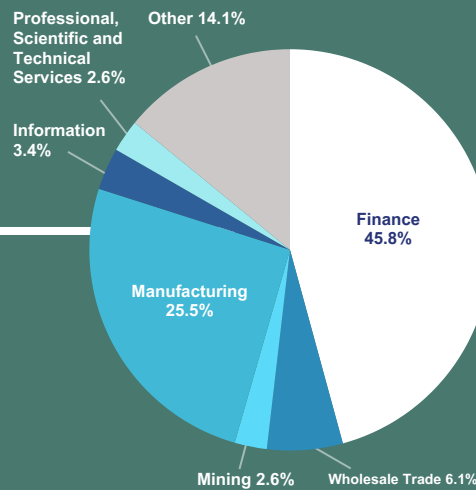
The majority of U.S. FDI into Canada is concentrated in Finance and Manufacturing sectors creating HIGH VALUE JOBS.

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

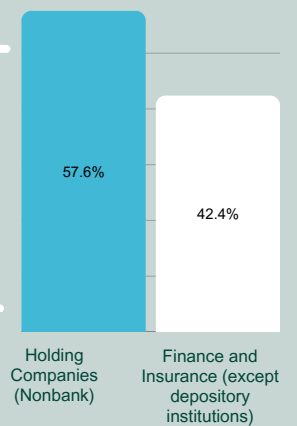


Source: Bureau of Economic Analysis, Direct Investment data, July, 2024

U.S. DIRECT INVESTMENT IN CANADA



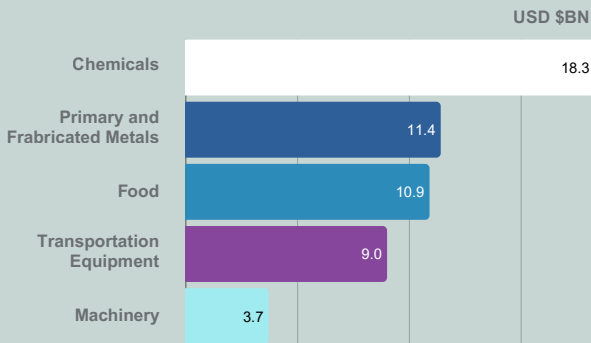
U.S. DIRECT INVESTMENT IN CANADA (FINANCE)



## CANADIAN FDI INTO THE U.S.

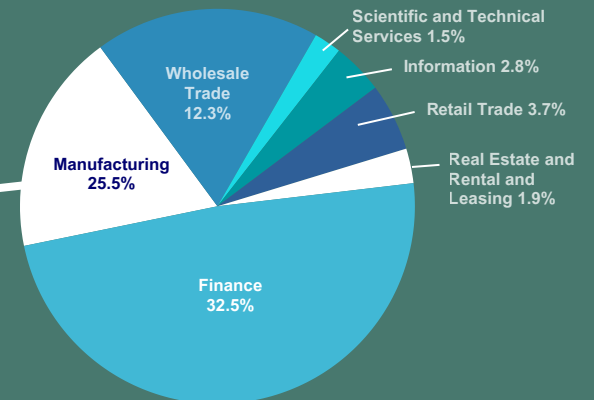
The majority of Canadian FDI into the U.S. is also concentrated in the Finance and Manufacturing sectors, with total investments exceeding those of U.S. FDI into those sectors in Canada.

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



Source: U.S. Bureau of Economic Analysis, 2024, August 28

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].

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