

CANADA-CHINA TRADE: 2025 YEAR-IN-REVIEW

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Canada-China Trade: 2025 Year-in-Review

Preface

This report provides a detailed assessment of Canada's bilateral merchandise trade with China for 2025 — a year defined by structural shifts in export composition from agriculture toward energy and minerals, sharply bifurcated import outcomes as tariff-targeted goods contracted while industrial inputs proved resilient, and persistent geographic concentration and uneven regional distribution. Situating bilateral flows within Canada's broader trade performance and its evolving relationships with major partners, our analysis highlights both sector-specific vulnerabilities and emerging growth pathways.

Highlights

- **Bilateral Trade Expanded:** Canada-China bilateral merchandise trade reached C\$124.09 billion in 2025, **up 4.9% year-over-year** (YoY), driven by a **13.8% surge** in Canadian exports and a modest 1.9% increase in imports. China's share of Canada's domestic goods exports rose to 4.6%, while its share of Canadian imports fell for the fifth consecutive year to 11.5%.
- **Export Composition Shifted Toward Energy and Minerals:** Energy exports rose to C\$9.5 billion (**↑ 77.8% YoY**) and metal ores and minerals to C\$7.91 billion (**↑ 42.5% YoY**), overtaking agricultural exports, which fell to C\$5.87 billion (**↓ 33.2% YoY**) amid Chinese retaliatory tariffs. While C\$1.86 billion of canola exports were redirected to alternative markets, exporters absorbed severe price compression, especially in canola seeds and meal.
- **Import Composition Revealed Tariff Impacts:** Tariff-targeted imports contracted sharply—passenger vehicles **fell 68%** following Canada's 100% tariff on Chinese electric vehicles, while imports of steel and aluminum **declined 38.8% and 32.2%**. At the same time, industrial inputs remained resilient: auto parts imports from China **rose 9.9% YoY** to C\$3.56 billion, and industrial machinery **grew 14.9% YoY** to C\$12.47 billion, with China's share of Canada's machinery imports increasing to 13.7%. Consumer goods

remained the largest import category from China at C\$29.33 billion (↑ **6.4% YoY**).

- **Provincial Asymmetry Persisted:** Canada-China trade remained highly concentrated geographically, with Ontario and British Columbia accounting for 43.2% and 22.9% respectively of total bilateral trade. Exports were concentrated in British Columbia and Alberta, while imports were anchored in Ontario, highlighting a persistent west-to-east structural imbalance in trade exposure to China.

Executive Summary

This report draws primarily on Statistics Canada data and applies rigorous processing to present a comprehensive view of Canada–China trade. It provides annual snapshots and trend analysis at aggregate and sectoral levels, contextualizing bilateral trade within Canada’s broader trade performance and its evolving relationships with major partners. Building on this, the report looks closely at goods-level trade patterns to highlight under-reported trends, including how supply-chain linkages are evolving in sectors such as industrial inputs and how exposure to China varies across regions. Together, these analyses identify key risks and emerging opportunities in Canada–China trade going forward. Notably:

1. Bilateral trade expanded, with China’s role evolving in Canada’s trade structure.

Canada–China trade reached C\$124.09 billion in 2025 (↑ **4.9% YoY**), driven by a surge in exports to China (↑ **13.8%**) - in contrast to a modest import growth (↑ **1.9%**). Over a five-year horizon, the analysis situates China within Canada’s broader trade landscape, showing that **China is becoming a more important export destination even as its role as a supplier declines**. This shift contributed to a narrowing bilateral deficit, even as Canada’s overall trade balance deteriorated due to adverse trade dynamics with other partners.

2. Export composition shifted decisively toward energy and minerals amid trade tensions.

Sectoral analysis shows a structural pivot away from agriculture toward energy (↑ **77.8% YoY**) and minerals (↑ **42.5% YoY**) as leading export drivers. This transition

reflects the combined effects of Chinese tariffs on agricultural products, Canada's domestic infrastructure expansion (notably TMX), and broader geopolitical dynamics. While canola exports collapsed, partial market diversification bore the cost of margin compression, **highlighting both vulnerabilities in agriculture and new growth pathways in natural resource exports.**

3. Energy has emerged as a central driver of Canada-China exports.

China is an increasingly important destination for Canadian energy and mineral exports. In 2025, energy exports surged to approximately C\$9.5 billion (↑ **77.8% YoY**), while metal ores and minerals also expanded strongly, together overtaking agriculture as Canada's leading export categories to China. This shift reflects strong commodity demand and expanding domestic trade infrastructure capacity, further supported by the 2025 launch of LNG Canada. Near-term external factors may reinforce this trend, including geopolitical tensions that have tightened Asian energy markets, positioning energy as a key driver of Canada-China trade going forward.

4. The centre of gravity of Canadian exports to China has shifted westwards.

Western provinces, led by Alberta and British Columbia, are gaining prominence as a hub for Canadian exports to China, driven by expanding energy and mineral exports. Export growth has been highly concentrated: Alberta (C\$5.73 billion, ↑ **168.6% YoY**) and British Columbia (C\$510.66 million, ↑ **62.2% YoY**) — together accounted for nearly all crude oil exports to China in 2025. This west-tilt trend extends to broader trade patterns. Alberta recorded the largest trade surplus with China, while British Columbia has the highest level of trade intensity with China among all provinces.

5. Import trends diverged across sectors, revealing both tariff impacts and supply-chain adaptation.

Beneath a modest overall import recovery, **sector-level analysis uncovers sharp contractions in tariff-targeted goods (e.g., EVs, steel, aluminum), in contrast to resilience in industrial inputs and consumer goods.** Imports of auto parts and machinery continued to grow. Notably, product-level trends in direct imports indicate ongoing supply-chain reconfiguration within the industrial inputs category, with strengthening direct procurement channels with Chinese suppliers — a pattern less pronounced in electronics. Diverging sectoral performance highlights uneven exposure to trade tensions, with stronger performance in industrial inputs and capital goods associated with sustained and complementary bilateral supply-chain linkages.

6. Provincial dynamics reveal concentrated trade flows and structurally different regional roles.

Provincial analysis shows that Canada–China trade remains highly concentrated in Ontario and British Columbia. Meanwhile, there is a clear structural divide at the subnational level: resource-driven exports are centred in western provinces, while import demand is disproportionately anchored in central Canada. This chapter also examines sectoral composition and reliance on China, showing that exposure varies significantly across provinces, with British Columbia the most reliant and others more diversified. **These patterns indicate the growing geographic and structural asymmetry shaping Canada’s trade relationship with China.**

Looking ahead, trade is likely to see selective sectoral re-engagement rather than a broad-based resumption of pre-tension patterns, driven by tariff suspensions covering approximately C\$6.6 billion in agricultural exports, continued expansion in energy exports, and quota-based adjustments for Chinese EVs.

1 - Macro Trajectory: Expanding Bilateral Trade and China’s Evolving Role

1.1 Bilateral Trade: Export Growth Drives Expansion

Canada-China **core bilateral trade** expanded **4.9% year-over-year (YoY)** to **C\$124.09 billion** in 2025, outpacing **Canada’s overall global trade growth** of 1.2%. China remained Canada’s second-largest bilateral merchandise trading partner, **accounting for 8.2% of Canada’s total bilateral merchandise trade**.¹

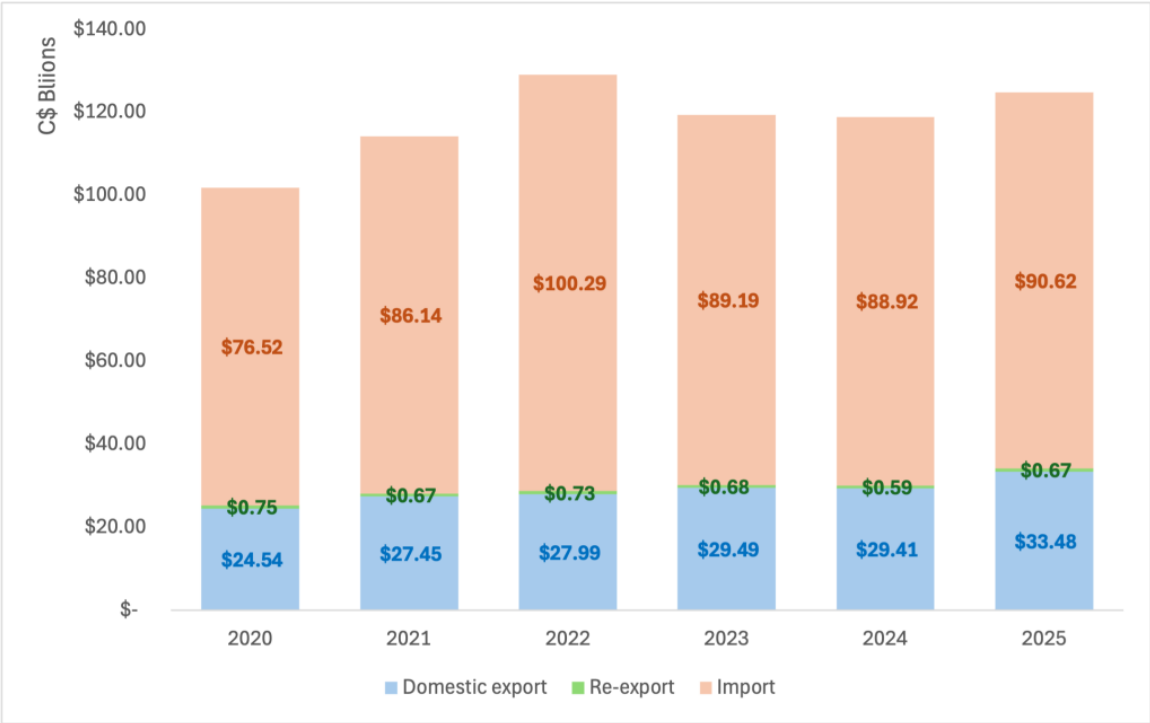


Figure 1-1: Canada-China Bilateral Trade, 2020-2025 (Customs Basis)²

¹ Scope Definition: Unless otherwise noted, all figures reflect **merchandise (goods) trade** only and exclude services. “**Core bilateral trade**” is defined as the total of **domestic exports** (i.e., domestically produced goods, excluding “re-exports”—goods that largely pass through Canada with little or no transformation and minimal contribution to domestic production) and **imports** (measured on a country-of-origin basis), thereby removing transshipment effects and better capturing the underlying economic relationship. Except where noted otherwise, “**exports**” refers to **Canadian domestic exports** and is used interchangeably throughout; the exception is the trade balance analysis where exports are defined as total exports following balance-of-payments (BOP) convention. Including re-exports, Canada–China bilateral trade in 2025 reached C\$124.76 billion—higher than the core bilateral trade measure used in this report.

² Source: Statistics Canada, [International Merchandise Trade by Province, Commodity, and Principal Trading Partners, Monthly \(Table: 12-10-0175-01\); Customs Basis; Not Seasonally Adjusted](#). Accessed 2026-02-19.

Canada’s domestic exports to China rose by **13.8% YoY** to **C\$33.48 billion** in 2025, while its global domestic exports declined **0.4% YoY**. Without China, the decline would have reached 1%. By contrast, **imports from China grew by a modest 1.9% YoY to C\$90.62 billion**, trailing the **2.7%** growth in Canada’s global merchandise imports.

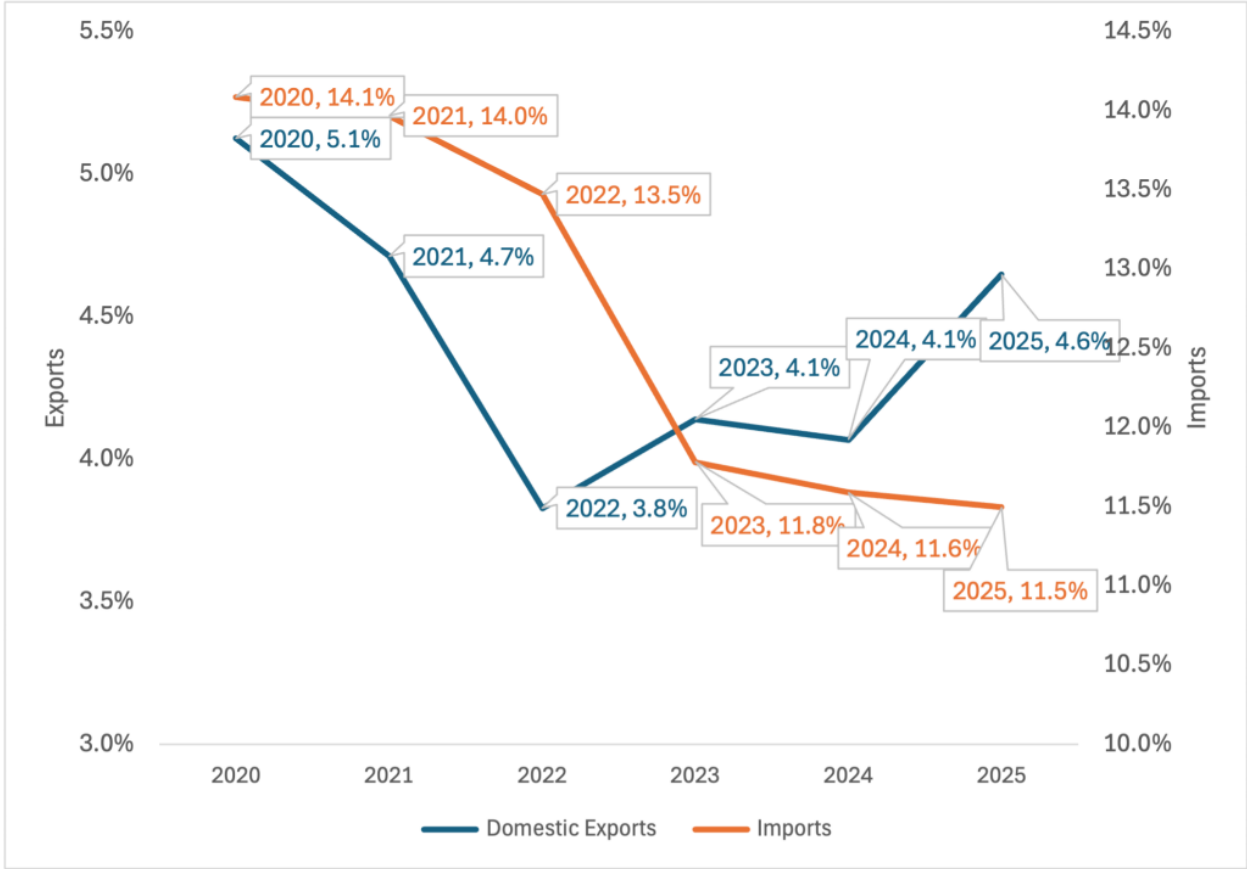


Figure 1-2: China’s Share in Canada’s Exports and Imports, 2020-2025³

As Figure 1-2 shows, China's share of Canada's domestic exports bottomed at 3.8% in 2022 and rose to 4.6% in 2025, while its share of Canada's imports fell from 14.1% in 2020 to 11.5% in 2025.⁴

³ Source: Author’s calculation. Statistics Canada, [International Merchandise Trade by Province, Commodity, and Principal Trading Partners, Monthly \(Table: 12-10-0175-01\); Customs Basis; Not Seasonally Adjusted](#). Accessed 2026-02-19.

⁴ The share decline from 14.1% to 11.5% likely reflects multiple factors, such as supply-chain diversification, faster import growth from Mexico and Southeast Asia, and some tariff-driven substitution. It cannot be attributed to deliberate decoupling policy alone without a formal import-substitution analysis.

This divergence since 2022 reflects two concurrent trends: Canada is gradually reducing its dependence on Chinese goods while expanding access to the Chinese market. China is increasingly a destination for Canadian exports—especially energy and mineral products—supported by infrastructure developments such as [Trans Mountain Expansion \(TMX\)](#) and sustained commodity demand. Meanwhile, China’s share of Canada’s imports has declined amid targeted tariffs and supply-chain reconfiguration. As Canada–China trade structures and [policies continue to evolve](#), significant category-specific variations warrant close examination and continued monitoring.

1.2 Trade Balance: Deficit with China Narrows as Overall Balance Deteriorates

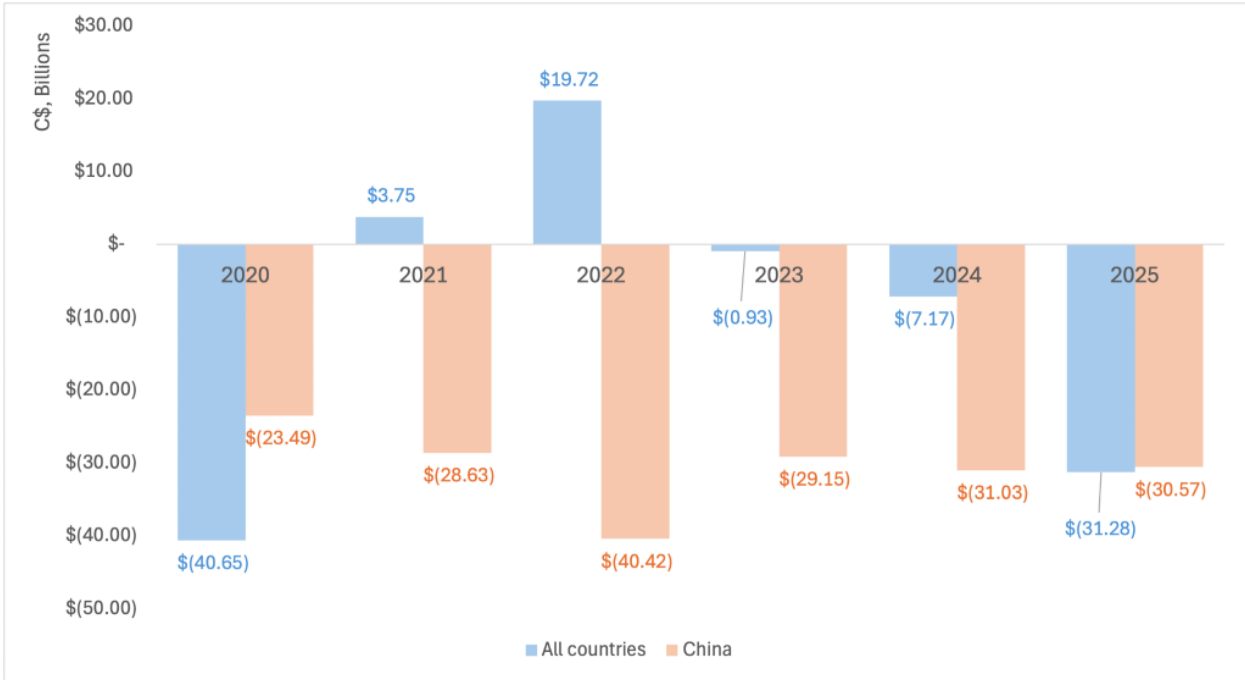


Figure 1-3: Canada’s Trade Balances with China and Global (BOP Basis, Seasonally Adjusted)⁵

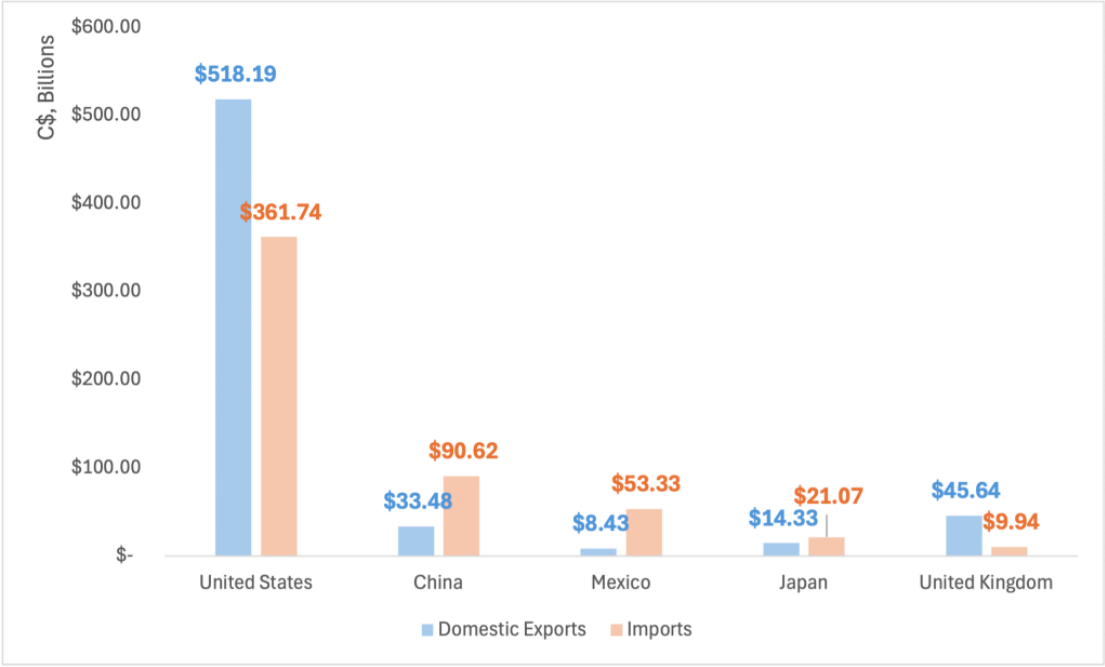
Since peaking in 2022, Canada’s **merchandise trade deficit with China has improved overall, narrowing by 25% to C\$30.57 billion** in 2025 on a balance of

⁵ Source: Statistics Canada. [Table 12-10-0011-01](#), accessed 2026-02-19.

payments (BOP) basis, despite a brief uptick in 2024. Meanwhile, Canada’s overall trade balance deteriorated sharply, shifting from a C\$19.72 billion surplus in 2022 to a C\$31.28 deficit in 2025—the largest deficit since 2021 (Figure 1-3).

This contrast becomes more pronounced when examining the scale of recent changes. Canada’s overall deficit widened by C\$24.11 billion in 2025, nearly tripling from 2024, while the deficit with China narrowed by 1.5% YoY. These diverging trends suggest that **Canada’s overall trade balance has weakened primarily due to growing deficits with other trading partners rather than with China.**⁶

1.3 China Among Major Trading Partners: Export Growth Helps Moderate Canada’s Trade Balance



⁶ Canada's merchandise trade balance is conventionally reported on a balance of payments (BOP) basis (Statistics Canada, Table 12-10-0011-01), which adjusts for re-exports, timing, and valuation differences relative to customs-recorded data. On a customs-basis "net export" measure — consistent with the commodity and provincial data used throughout this report (Table 12-10-0175-01) — Canada's merchandise trade deficit with China stands at approximately C\$56.47 billion in 2025, reflecting the inclusion of re-exports in customs import records. Despite the approximately C\$25.90 billion difference in absolute magnitude between the two measures, both bases yield the same structural finding: the Canada–China bilateral deficit has stabilized since its 2022 peak, while Canada's total global trade position has deteriorated materially from a surplus of C\$13.56 billion to a deficit of C\$9.45 billion. This report uses BOP data for trade balance analysis to address ownership exchange perspective of trade and to maintain consistency with established policy convention and facilitate comparability with external reporting.

Figure 1-4a: Canada's Trade with Top Trading Partners (2025)⁷

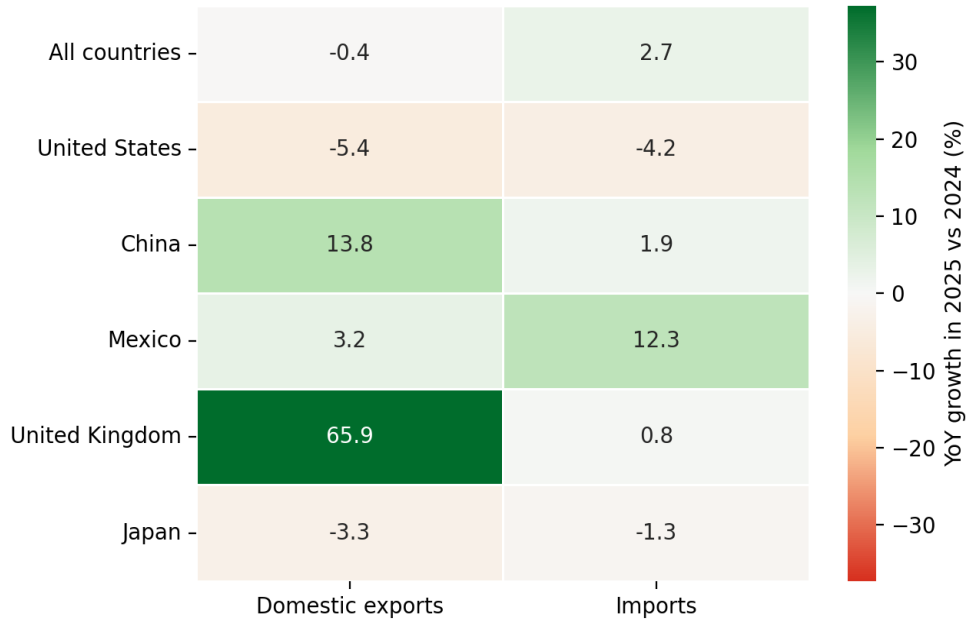


Figure 1-4b: Annual Growth in Canada's Domestic Exports and Imports by Top Partners (2025)⁸

China is ranked as **Canada's third-largest destination** for domestic exports and **second-largest source of imports**, trailing the United States in both categories and the United Kingdom in exports (Figure 1-4a).⁹

Canada's export and import trends with China differed from those with other major trading partners in 2025. Exports to China grew **13.8% YoY**, recording the

⁷ Ranked by 2025 bilateral trade value. Source: Statistics Canada, [International Merchandise Trade by Province, Commodity, and Principal Trading Partners, Monthly \(Table: 12-10-0175-01\); Customs Basis: Not Seasonally Adjusted](#). Accessed 2026-02-19.

⁸ Source: Authors' Calculation. Statistics Canada, [International Merchandise Trade by Province, Commodity, and Principal Trading Partners, Monthly \(Table: 12-10-0175-01\); Customs Basis: Not Seasonally Adjusted](#). Accessed 2026-02-19.

⁹ On a customs-basis, China ranked as Canada's third-largest export destination in 2025, after the United States and the United Kingdom. However, the apparent scale of exports to the UK is heavily influenced by large, price-driven transactions in unwrought gold routed through London's precious-metals market. Statistics Canada and Global Affairs Canada have noted that, in recent years, [the overwhelming majority of Canada's export growth to the UK has been concentrated in gold](#), a financial asset whose highly volatile prices and transshipment patterns can significantly distort headline bilateral trade figures and do not necessarily reflect underlying commercial integration in goods trade. For that reason, rankings of Canada's top non-US export markets that include the UK should be interpreted with caution.

second largest growth among Canada’s major trading partners in 2025. In contrast, exports to the United States, Canada’s primary market, contracted 5.4% YoY.

As shown in Figure 1-4b, imports from China rose by a modest 1.9% YoY after two years of declines, while imports from Mexico surged 12.3% YoY, continuing a pattern of double-digit growth since 2020 except in 2024.

Canada’s trade balance in recent years has been shaped largely by its trade with the United States, China, and Mexico. As exports to the United States weakened, strong export growth to China helped ease pressure on Canada’s overall trade balance, while rising imports from Mexico added pressure on the deficit.

2 - Canadian Domestic Exports to China: Shifting Export Composition Amid Bilateral Trade Tensions

2.1 Export Growth to China Outpaces Canada’s Global Exports

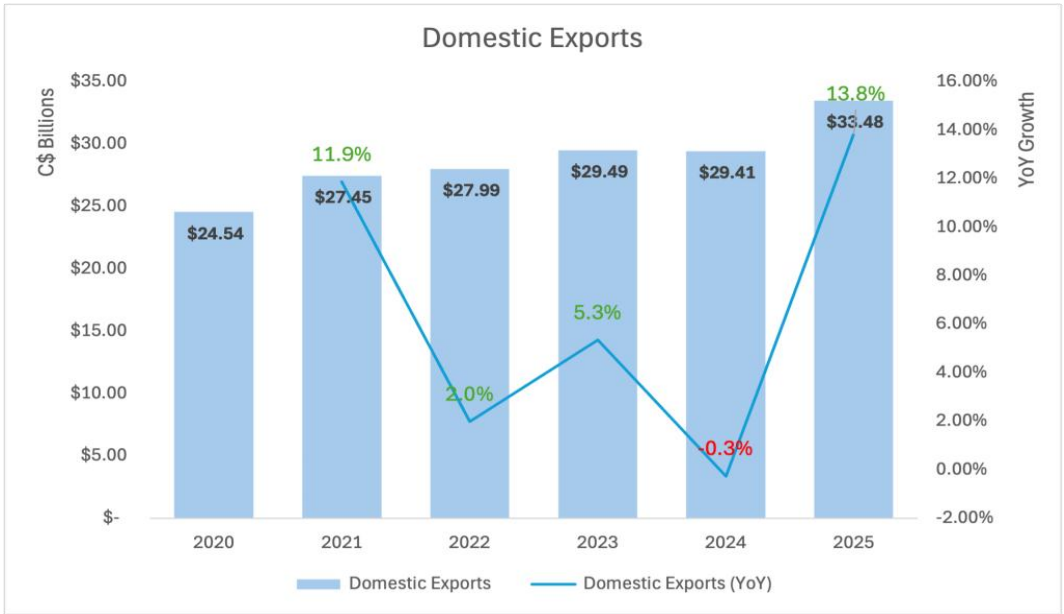


Figure 2-1: Canadian Annual Domestic Exports to China 2020-2025 (Customs Basis)¹⁰

¹⁰ Source: Authors’ Calculation. Statistics Canada, [International Merchandise Trade by Province, Commodity, and Principal Trading Partners, Monthly \(Table: 12-10-0175-01\); Customs Basis; Not Seasonally Adjusted](#). Accessed 2026-02-19.

As shown in Figure 2-1, **Canada’s domestic exports to China surged 13.8% YoY to C\$33.48 billion in 2025**, the strongest annual gain since 2020, while Canada’s total exports declined by 0.4%. China accounted for 4.6% of Canadian domestic exports in 2025.

2.2 Export Composition: Agriculture Cedes the Lead to Energy and Minerals

The composition of Canada’s domestic exports to China shifted structurally in 2025. Energy products and metal ores & non-metallic minerals replaced farm, fishing and intermediate food products as the leading categories (Figure 2-2).¹¹

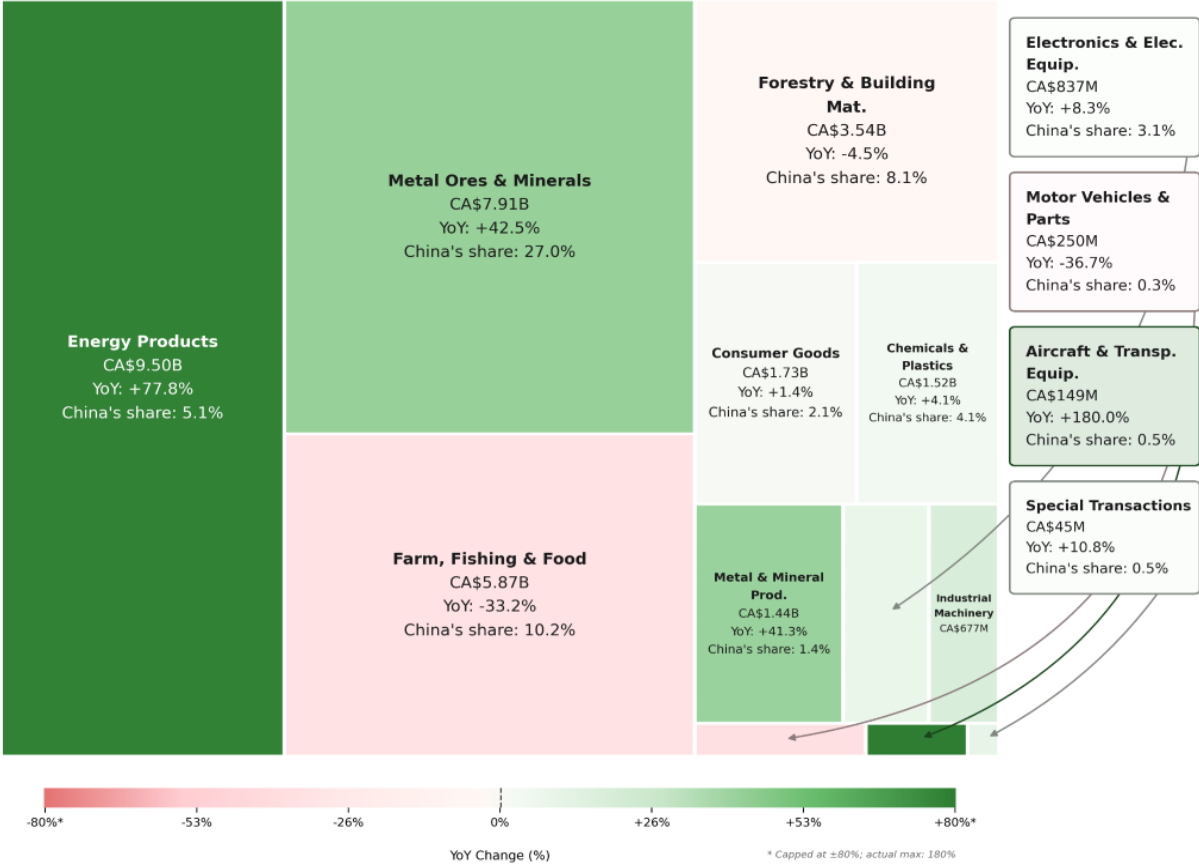


Figure 2-2: Canada’s Domestic Exports to China by Commodity Cluster in 2025¹²

¹¹ Commodities breakdown is based on North American Products Classifications (NAPCS), unless otherwise specified.

¹² Commodities cluster is based on North American Products Classification (NAPCS), unless otherwise specified. Source: Authors’ Calculation. Statistics Canada, [International Merchandise Trade by Province](#).

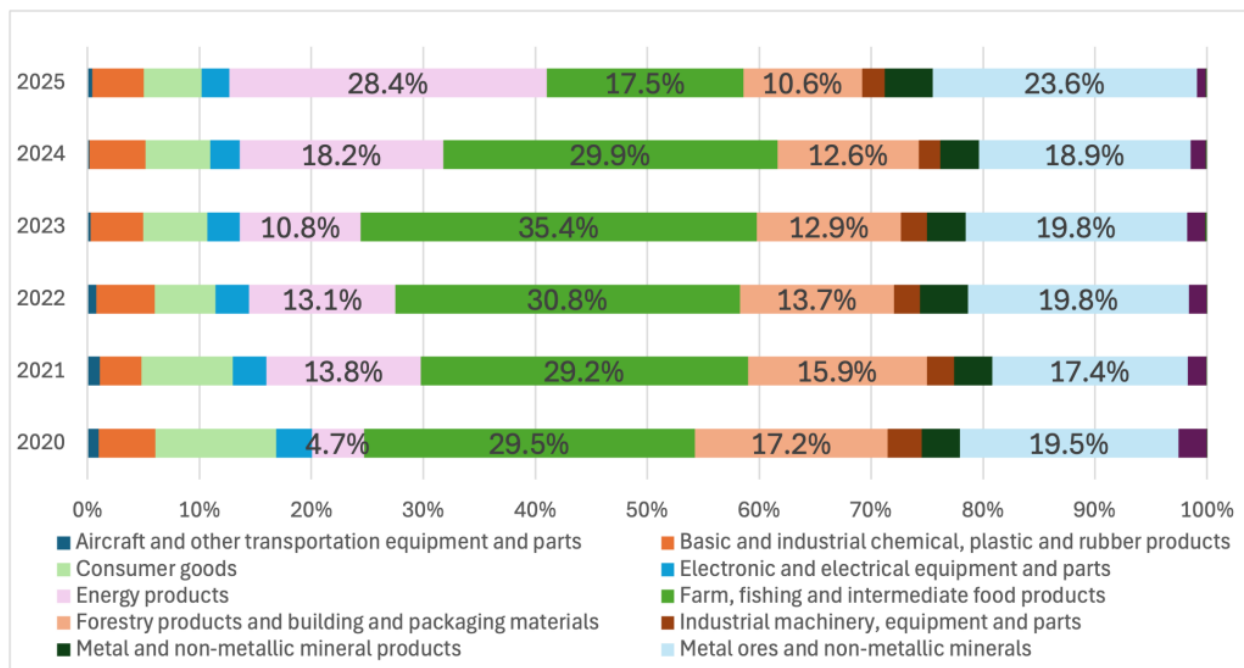


Figure 2-3: Canada's Domestic Exports to China by Commodity Cluster (2020-2025).¹³

Energy products (C\$9.50 billion, ↑ 77.8% YoY) and **metal ores & non-metallic minerals** (C\$7.91 billion, ↑ 42.5% YoY) became Canada's two largest export clusters to China in 2025. By contrast, the traditional leading category—farm, fishing and intermediate food products—contracted to C\$5.87 billion (↓ 33.2% YoY). These top three commodity clusters collectively accounted for 69.5% of domestic exports to China—the highest share since 2020.

Energy Pivot: Crude Oil Emerges as Dominant Export

[Commodity, and Principal Trading Partners, Monthly \(Table: 12-10-0175-01\); Customs Basis: Not Seasonally Adjusted](#). Accessed 2026-02-19.

¹³ Source: Authors' calculation. Statistics Canada, [International Merchandise Trade by Province, Commodity, and Principal Trading Partners, Monthly \(Table: 12-10-0175-01\); Customs Basis: Not Seasonally Adjusted](#). Accessed 2026-02-19.

Energy products accounted for 28.4% of Canada’s merchandise exports to China in 2025, up from 18.2% in 2024. Meanwhile, the share of Canada’s total domestic energy exports going to China nearly doubled, rising from 2.7% to 5.1%.

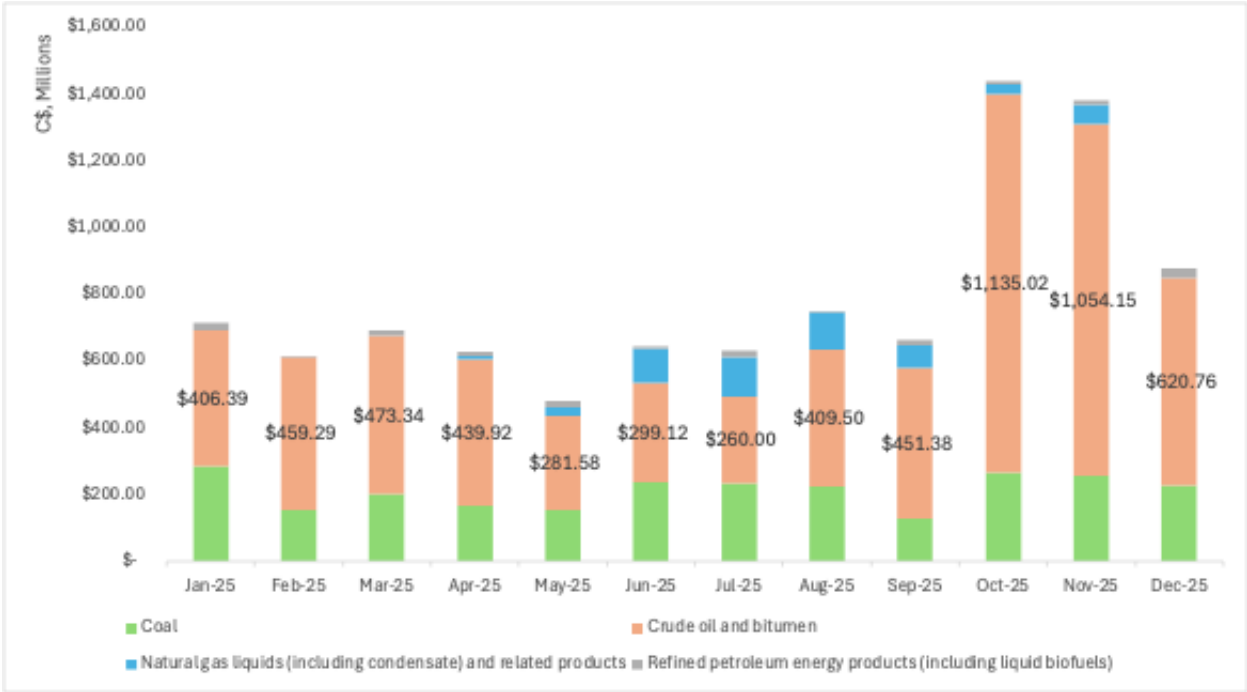


Figure 2-4: 2025 Major Canadian Energy Exports to China¹⁴

Crude oil and bitumen (NAPCS 141) destined for China totalled C\$6.29 billion (↑ 155.5% YoY), accounting for 66.2% of Canada’s energy exports to China in 2025. This surge drove the 77.8% YoY growth in overall energy exports, reflecting both the ramp-up of Trans Mountain Expansion (TMX) pipeline capacity and a relatively low 2024 baseline. As TMX-enabled exports stabilize, growth is expected to normalize over time. However, export levels are likely to stay elevated, barring potential external shocks, including fluctuations in China’s oil demand, global oil prices, and competition from other suppliers.¹⁵

¹⁴ Source: Authors’ calculation. Statistics Canada, [International Merchandise Trade by Province, Commodity, and Principal Trading Partners, Monthly \(Table: 12-10-0175-01\); Customs Basis: Not Seasonally Adjusted](#). Accessed 2026-02-19.

¹⁵ Given the heightened geopolitical tensions in the Middle East and ongoing shifts in Asian crude sourcing, Canada’s oil exports to China warrant close monitoring.

As Figure 2-5 shows, a steady rise in both volume and value of Canadian crude oil exports to China indicates a structural expansion in trade rather than a temporary uptick driven by commodity price inflation.

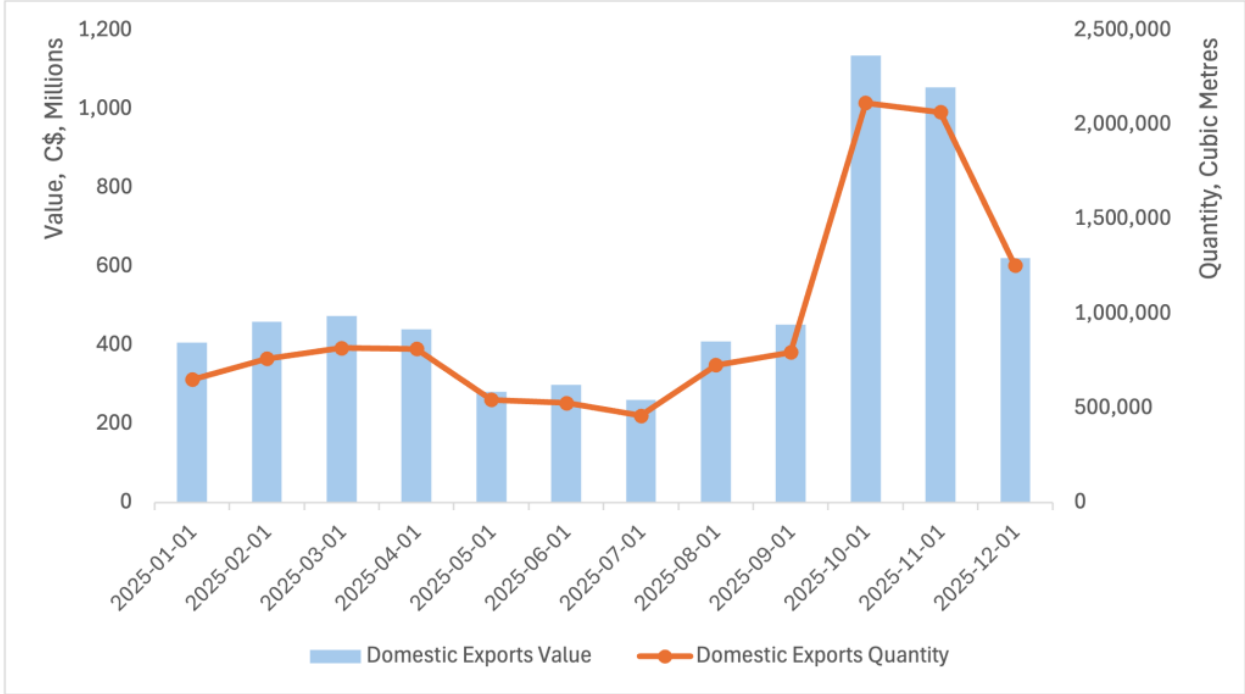


Figure 2-5: Canadian Crude Oil (HS 2709.00) Exports to China in 2025 (Monthly)¹⁶

It is worth noting that **the growth was concentrated in western provinces.**

Alberta (C\$5.73 billion, ↑ 168.6% YoY) and British Columbia (C\$510.66 million, ↑ 62.2% YoY) accounted for 91.1% and 8.1% of crude oil exports to China.¹⁷

At the same time, the mix of energy exports to China broadened beyond crude oil. Natural gas liquids and related products (NAPCS 143) surged from zero in 2024 to C\$517.56 million, with shipments concentrated between April and November and driven primarily by liquefied propane gas (LPG) exports led by AltaGas.¹⁸

LNG Canada’s cargo shipment in June 2025 marked the launch of Canada’s first large-scale Pacific LNG export capacity. PetroChina’s 15% equity stake in the C\$40

¹⁶ Source: Authors’ calculation. Statistics Canada. [Canadian International Merchandise Trade Web Application](#), accessed 2026-02-19.

¹⁷ Calculation is based on the HS classification for HS 2709.00

¹⁸ The HS classification data shows that Canada’s LPG (HS 2711.12) exports was C\$517.56 million.

billion joint venture may facilitate LNG offtake to China, though the facility's current two-train capacity, with a [potential Phase 2 expansion that could double output](#), will serve multiple Asian markets. The impact of this emerging natural-gas export stream, estimated at [C\\$352.41 million](#) in value, remains an early signal for growth in 2026.¹⁹

Coal exports to China edged down to C\$2.52 billion ([↓ 7.9% YoY](#)), accounting for 26.5% of Canada's energy exports to China, compared with 51.3% in 2024. Meanwhile, refined petroleum energy product exports rose to C\$166.66 million ([↑ 29.2% YoY](#)).

Metals Expansion: Copper and Iron Lead Export Growth

Metal ores and non-metallic minerals constitute a major component of Canada's exports to China. In 2025, exports in this category totalled C\$7.91 billion, accounting for 23.6% of Canada's total exports to China. Over the same period, the share of Canada's global metal ores and minerals exports destined for China rose to 27%, up from 20.4% a year earlier.

¹⁹ Source: TradeMap, HS2711.11, Natural gas, liquified, Chinese imports data, ITC calculations based on General Customs Administration of China statistics. Accessed on 2026-03-10. Statistics Canada reported zero global LNG exports in 2025 despite documented shipments from LNG Canada beginning in July 2025. This discrepancy likely reflects customs classification issues common for new export categories or reporting lags. The C\$352.41 million estimate is derived from Chinese import data (HS2711.11) attributed to Canada and should be considered preliminary until Canadian export statistics are finalized.

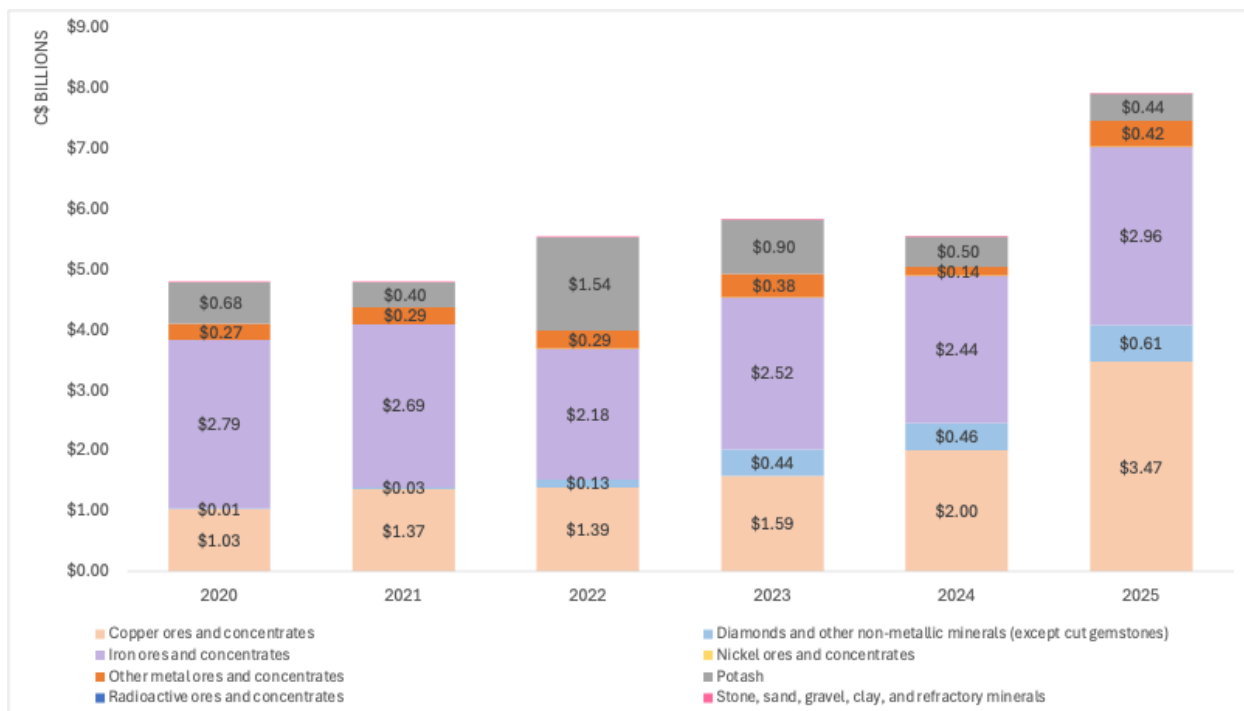


Figure 2-6: Canadian Domestic Exports of Metal Ores and Non-Metallic Minerals to China by Subgroups (NAPCS Level 2)²⁰

Copper was the primary driver of Canada’s metal ores and mineral exports to China in 2025. Copper ores and concentrates exports to China reached **C\$3.47 billion in 2025 (↑ 73.3% YoY)**, representing 43.9% of Canada’s metal ores and minerals exports to China. China’s share of Canada’s copper ores and concentrates exports rose to 55.4% **from 38.7% last year.**

Following copper, **iron ores and concentrates** were the second-largest driver of Canada’s exports of metal ores and minerals to China. **Exports value hit C\$2.96 billion (↑ 21.2% YoY)**, accounting for 37.4% of the sector’s exports to China. **The share of Canada’s total exports of iron ores and concentrates going to China rose to 35%, up from last year’s 27.9%.**

Other mineral exports to China, by contrast, reported mixed performance. Exports of diamonds and other non-metallic minerals destined for China were valued at C\$607.96 million (↑ 32.4% YoY) in 2025, representing 18.9% of Canada’s global

²⁰ Source: Authors’ calculation. Statistics Canada, [International Merchandise Trade by Province, Commodity, and Principal Trading Partners, Monthly \(Table: 12-10-0175-01\); Customs Basis: Not Seasonally Adjusted](#). Accessed 2026-02-19.

exports of this subcategory. Sales of other metal ores and concentrates to China surged to C\$424.01 million ($\uparrow 195.4\%$ YoY), while potash exports to China fell to C\$440.78 million ($\downarrow 11.8\%$ YoY).

Agricultural Contraction: Canola Tariffs Drive Export Collapse

Farm, fishing and intermediate food products—historically Canada’s largest export category to China—contracted sharply in 2025. Exports fell to C\$5.87 billion (\downarrow C\$2.92 billion, $\downarrow 33.2\%$ YoY). China’s share of Canada’s exports in this category declined to 10.2% from 15.2% a year earlier.

Contraction was not uniform across the sector. As shown in Figure 2-7, declines were concentrated in a few key commodities. Canola (including rapeseed) recorded the largest contraction, with export plunging 63.4% YoY to C\$1.48 billion—the lowest level since 2021. China’s share of Canada’s global canola exports dropped to 28.2%, from 67.9% in 2024. Additional decline came from intermediate food products (\downarrow C\$488.75 million, $\downarrow 50.6\%$ YoY), and fish, crustaceans, shellfish and other fishery products (\downarrow C\$348.87 million, $\downarrow 31.4\%$ YoY).

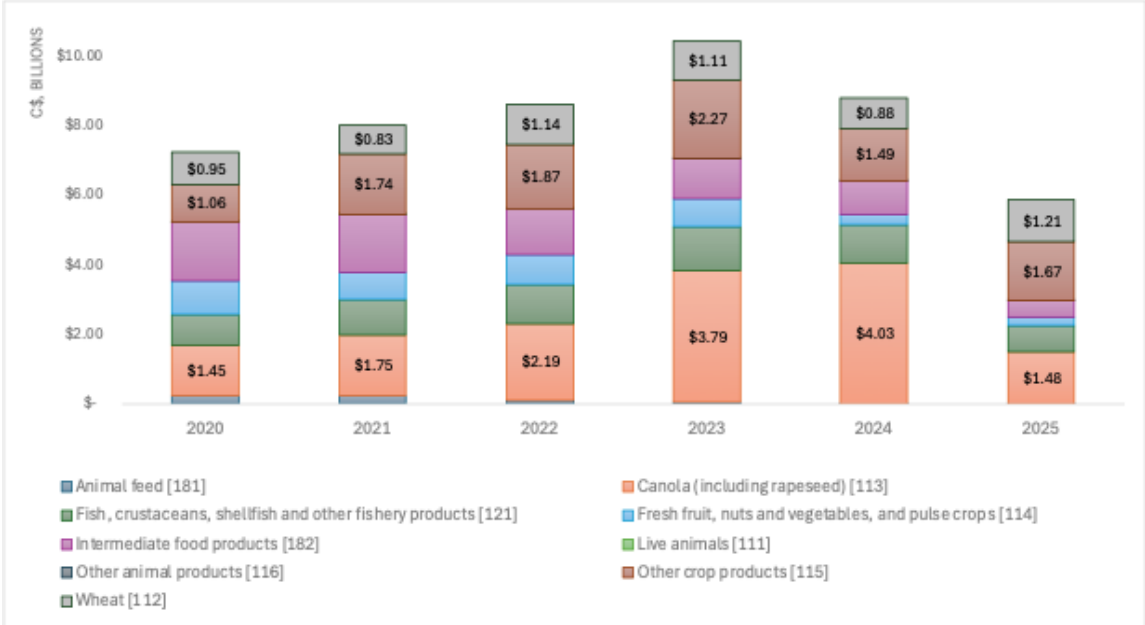


Figure 2-7: Canadian Agricultural Exports to China by Subgroups (NAPCS Level 2)²¹

²¹ Source: Authors’ calculation. Statistics Canada, [International Merchandise Trade by Province, Commodity, and Principal Trading Partners, Monthly \(Table: 12-10-0175-01\); Customs Basis; Not Seasonally Adjusted](#). Accessed 2026-02-19.



Figure 2-8: Canada's Exports of Major Agriculture Commodities to China (Monthly)²²

Monthly trade data in Figure 2-8 shows that Canada's exports of canola products to China worsened rapidly in response to China's retaliatory tariffs. Exports of canola meal and oil to China declined 52.2% YoY in April 2025 shortly after the imposition of 100% tariffs, and were essentially priced out of the Chinese market since August. Canola seed exports travelled a similar trajectory. Exports to China fell 82.3% YoY in August 2025 following China's 75.8% provisional duties before disappearing from the Chinese market over the next two months.^{23 24}

²² Source: Authors' calculation. Statistics Canada. [Canadian International Merchandise Trade Web Application](#). Accessed on 2026-03-03.

²³ These detailed breakdown is based on HS classifications due to data limitation, where canola meal includes HS 2306.41 and 2306.49, and canola oil includes HS 1514.11 and 1514.19. Canola Seeds refer to HS 1205.10 and 1205.90.

²⁴ 75.8% provisional duties were added to China's standard 9% import tariffs, yielding a combined rate of 84.8% on Canadian canola seeds.

Canadian canola exporters diverted shipments to other markets, partially offsetting the collapse in exports to China: Exports to China fell C\$2.56 billion, while total Canadian canola exports declined only C\$698.24 million, suggesting that C\$1.86 billion found alternative markets.

However, prices weakened as exporters sought new buyers, suggesting a significant margin compression associated with diversification attempts. Average canola seed export prices fell 11.7% from August (C\$739.15/metric tonne) to year-end 2025 (C\$652.56/metric tonne). Canola meal and oil export prices both dropped 2.8% in March 2025, with the decline in meal prices totalling 23.6% by year-end. Although canola oil export prices recovered significantly since April, the rebound didn't fully offset a sector-wide margin compression.²⁵

Tariff impacts extended beyond canola, with seafood exports ending in 2025 at a significantly lower level. Canadian exports of fish, lobster, shrimp and other seafood fell to C\$854.75 million (↓ 28.8% YoY).²⁶ Monthly data in Figure 2-8 suggest a quick recovery from the March trough in volume, while values remained subdued, consistent with price compression following [China's 25% tariffs on Canadian seafood](#). Among tariff-targeted products, Canadian lobster exports to China collapsed, **falling 40.8% YoY** to C\$308.97 million.²⁷

Pork exports to China also contracted in 2025. Export value fell to C\$353.83 million (↓ 24.2% YoY), while volume declined 23.5% YoY. Average unit prices remained broadly stable at about C\$2.00–2.30/kg throughout 2025, indicating a **proportional reduction in export volumes rather than broad-based price discounting**. Export values and volumes stabilized at a lower level by September 2025.²⁸

²⁵ Data source: Statistics Canada, Canadian International Merchandise Trade Database. Accessed via [Canola Council of Canada](#) on 2026-03-12 (Updated: 2026-02-26).

²⁶ To isolate the core tariffs-targeted seafood from the broader NAPCS subcategory of fish, crustaceans, shellfish and other fishery products, calculations are based on HS code classification of HS headers being 1605, 0303, 0306, and 0307. The overall fish, crustaceans, shellfish and other fishery products experienced a decline of 31.4% YoY, but monthly breakdown shows rapid rebound in value in Q3 2025, which is likely driven by the residual goods groups other than the tariffs-targeted core products.

²⁷ HS code 0306.12, 0306.30, 0306.31, 0306.32.

²⁸ Pork exports is based on HS classification with the header being 0203.

By contrast, other crop exports to China recorded a strong performance in 2025. Other crop products and wheat, the second- and third-largest agricultural exports to China, rose to C\$1.67 billion (↑ 12.1% YoY) and C\$1.21 billion (↑ 37.9% YoY), respectively. China's share of these agricultural exports of Canada increased to 15.5% and 10.7%, respectively.

Policy-Linked Trade Frictions:

- Canola oil and meal (effective 20 March 2025, 100% tariff): Exports of canola oil and meal to China declined 52.2% YoY in April 2025 and were effectively priced out of the Chinese market by August 2025. The average annual export price of canola meal declined 29.5% YoY in 2025, following a 14.3% YoY in 2024
- Canola seeds (effective 14 August 2025, 75.8% provisional duty): Canola seed exports to China fell 82.3% YoY in August 2025 and dropped to zero in the following two months.
- Through the whole year, total canola (including rapeseed) exports to China fell 63.4% YoY to C\$1.48 billion, with China's share of Canada's canola exports dropping from 67.9% in 2024 to 28.2% in 2025.
- Seafood and pork (effective 20 March 2025, additional 25% tariff): Tariff-targeted core seafood exports to China declined 28.8% YoY. Export volumes recovered modestly after the March trough, while aggregate values remained subdued. Pork exports fell 24.2% YoY to C\$353.83 million, with implied average unit prices remaining relatively stable.

3 - Canada's Imports from China: Diverging Sector Trends Under Tariff Pressures

3.1 General Trend: Imports Recover Modestly

Imports from China rose modestly in 2025, increasing **1.9% YoY** to **C\$90.62 billion** (Figure 3-1). The rebound followed two consecutive years of contraction (**↓ 11.1% YoY** in 2023; **↓ 0.3% YoY** in 2024), growing at a slower pace than **the 2.7% increase in Canada's overall imports**. China's share of Canada's global imports fell for the fifth consecutive year to 11.5% in 2025, down from 14.1% in 2020.

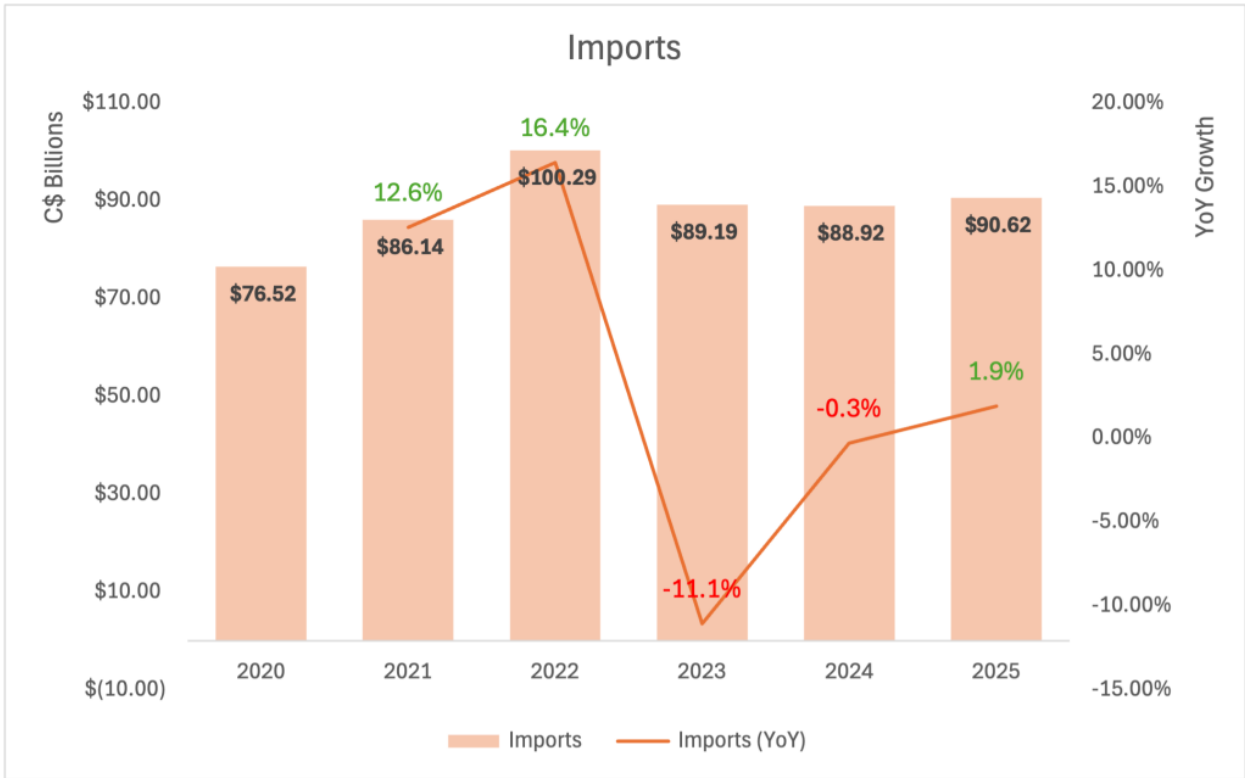


Figure 3-1: Canadian Annual Imports from China (2020-2025, Customs Basis)²⁹

²⁹ Source: Authors' calculation. Statistics Canada, [International Merchandise Trade by Province, Commodity, and Principal Trading Partners, Monthly \(Table: 12-10-0175-01\); Customs Basis; Not Seasonally Adjusted](#). Accessed 2026-02-19.

3.2 Import Goods Profile: Tariff-Targeted Goods Contract While Industrial Inputs Remain Resilient

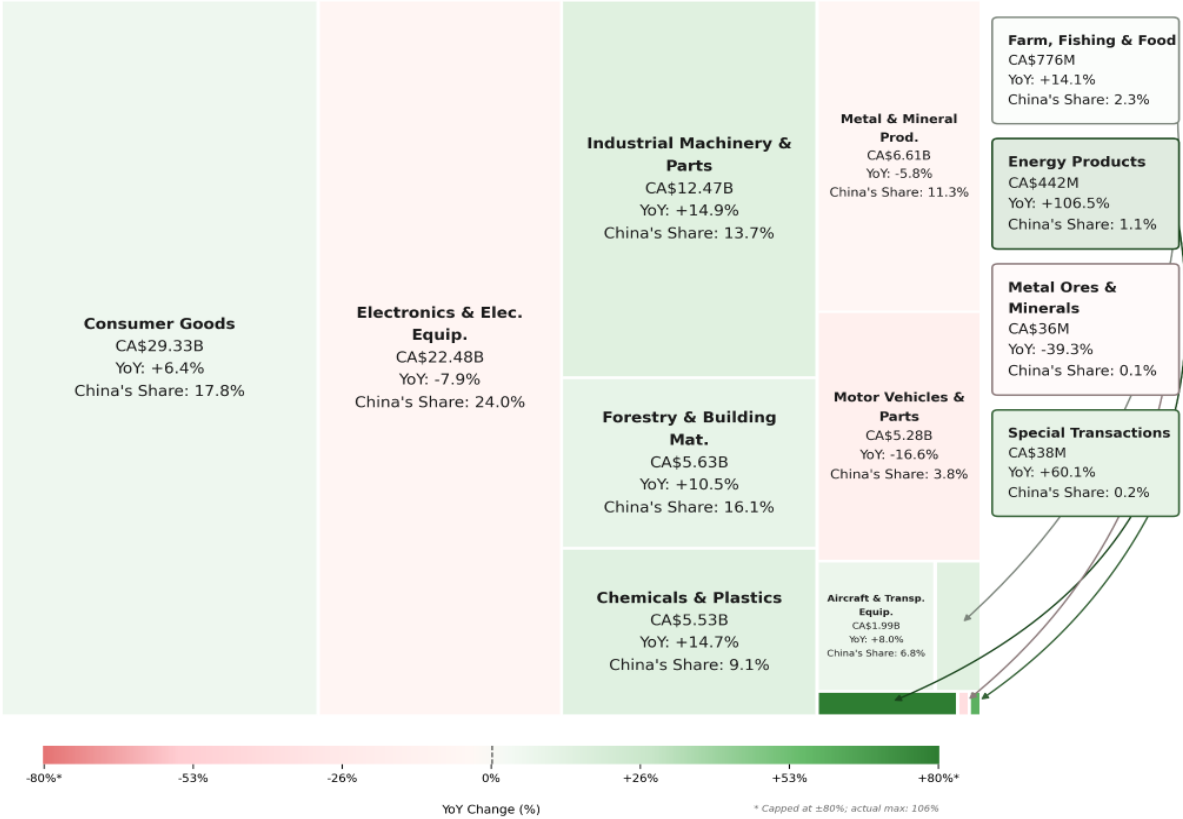


Figure 3-2: Canadian Merchandise Imports from China by Commodity (2020-2025)³⁰

At the headline level, import structure proved broadly stable. Consumer goods (C\$29.33 billion, **↑ 6.4% YoY**) and electronic and electrical equipment and parts (C\$22.48 billion, **↓ 7.9% YoY**) remained Canada’s two largest import categories from China, together accounting for 57.2% of total imports from China. Industrial machinery, equipment and parts (C\$12.47 billion, **↑ 14.9% YoY**) stayed the third-largest import category.

As shown in Figure 3-2, this broad structural stability masks diverging performance across product groups. Tariff-targeted goods and finished products affected by

³⁰ Source: Authors’ calculation. Statistics Canada, [International Merchandise Trade by Province, Commodity, and Principal Trading Partners, Monthly \(Table: 12-10-0175-01\); Customs Basis; Not Seasonally Adjusted](#). Accessed 2026-02-19.

supply-chain reconfiguration recorded steep declines, while several categories of capital goods, intermediate industrial inputs and consumer goods proved resilient.

Motor Vehicles and Parts: Finished Vehicle Imports Fall, Parts Remain Resilient

Imports of motor vehicles and parts from China fell to C\$5.28 billion (↓ 16.6% YoY), C\$1.05 billion below 2024 levels. This represents the second largest decline in value among Canada’s imports from China, behind only the C\$1.92 billion contraction in electronic and electrical equipment and parts.

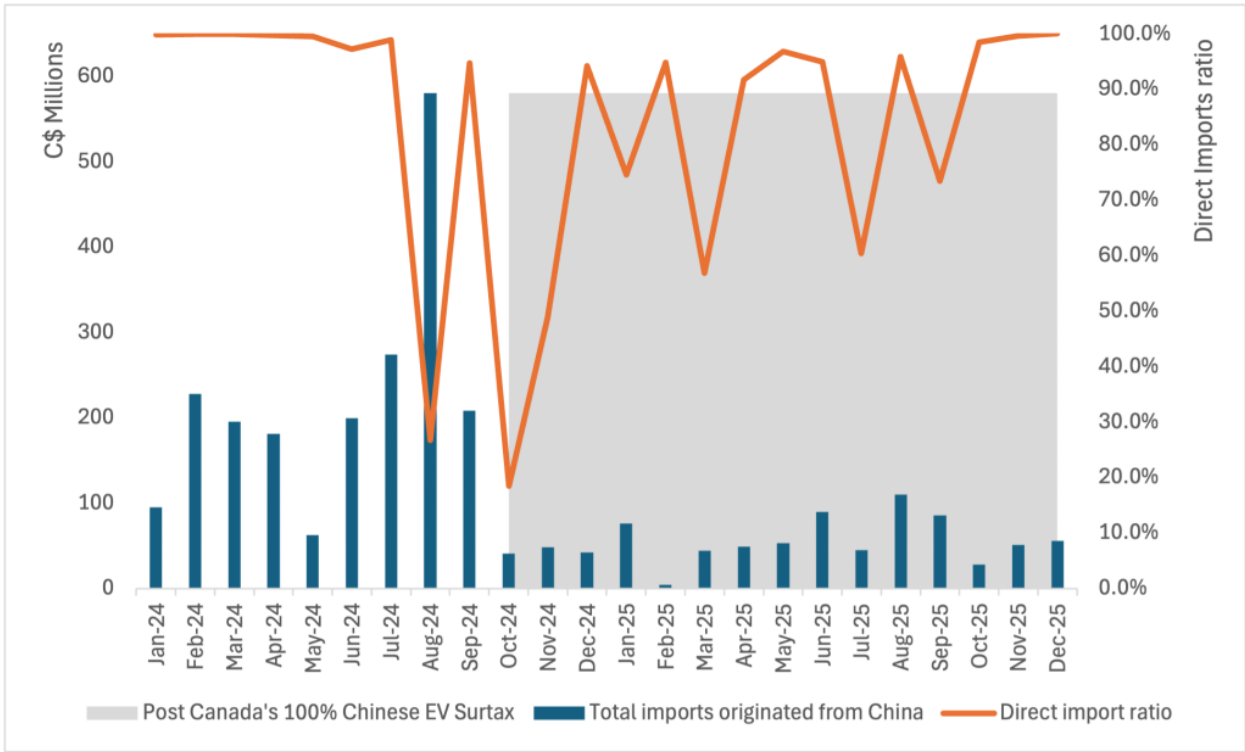


Figure 3-3: Canadian Imports of Passenger Cars and Light Weight Trucks from China³¹

Most contraction came from finished vehicle imports. Imports of passenger cars and light trucks from China fell to C\$689.97 million (↓ 68.0% YoY) from C\$2.15

³¹ Source: Authors’ calculation. Statistics Canada, [Canadian International Merchandise Trade for Imports by Country of Origin and Country of Export, Monthly \(Table: 12-10-0178-01\); Custom Basis; Not Seasonally Adjusted](#). Accessed 2026-02-19.

billion in 2024. Over the same period, imports of medium and heavy trucks and other motor vehicles dropped to C\$138.93 million (↓ 9.3% YoY).

The 100% surtax on Chinese EVs significantly reshaped the import pattern. Monthly data (Figure 3-3) show that imports of passenger cars and light trucks peaked in August 2024, likely reflecting front-loading ahead of a major policy change. Imports collapsed in September and remained at a lower level after [the surtax took effect in October 2024](#). The share of passenger cars and light trucks imported directly from China fluctuated significantly,³² suggesting supply-chain rerouting through third countries.

By contrast, **imports of motor-vehicle engines and parts remained resilient**. Imports rose to C\$3.56 billion (↑ 9.9% YoY), accounting for 7.6% of Canada's total auto parts imports. Imports of Chinese tires also edged up to C\$898.65 million (↑ 13.3% YoY), representing 16.9% of Canada's total tire imports. Most of Canada's Chinese auto parts and tire imports came directly from China, with direct shipment accounting for 65.8% and 93.6% in each category.

Policy-linked Trade Frictions:

- Chinese electric vehicles (effective 1 October 2024, 100% surtax): Imports of Chinese passenger cars and light trucks fell to C\$689.97 million (↓ 68.0% YoY) in 2025. Monthly data show a front-loading peak in August 2024, followed by a sharp decline in September 2024 and persistently low levels thereafter. The direct import ratio became highly variable after the surtax.

Metal and Minerals: Tariff-Targeted Basic Materials Decline

Imports of metal and non-metallic mineral products from China fell to C\$6.61 billion (↓ 5.8% YoY), even as Canada's total global imports in this category edged up 2.4% YoY to C\$58.34 billion.

³² The direct import ratio is defined as Canada's imports directly shipped from China relative to Canada's imports of the same commodities originated from China (but could via a third country or directly from China). A higher ratio suggests a lower rerouting likelihood.



Figure 3-4: Canada’s imports of metal and non-metallic products from China³³

As shown in Figure 3-4, import performance diverged across subcategories. Tariff-targeted basic and semi-finished steel and aluminum fell sharply, while high-value industrial inputs—fabricated metal products and non-metallic mineral products—expanded.

Fabricated metal products—the largest subgroup within Canada’s import of metal and non-metallic mineral products from China—expanded to C\$2.70 billion (↑ 12.9% YoY), accounting for 23.7% of Canada’s total imports of this subcategory. Non-metallic mineral products imports, the second-largest subgroup, rose to C\$1.75 billion (↑ 11.1% YoY), with China supplying 24.9% of Canada’s demand for these products. Growth in both categories outpaced Canada’s global import growth rates (↑ 1.3% YoY and ↑ 4.4% YoY, respectively).

By contrast, imports of tariff-targeted basic and semi-finished metals from China declined sharply. Imports of basic and semi-finished iron or steel products fell to

³³ Source: Authors’ calculation. Statistics Canada, [Canadian International Merchandise Trade for Imports by Country of Origin and Country of Export, Monthly \(Table: 12-10-0178-01\); Custom Basis; Not Seasonally Adjusted](#). Accessed 2026-02-19.

C\$820.27 million (↓ 38.8% YoY, ↓ C\$519.29 million), while imports of aluminum products and alloys dropped to C\$748.75 million (↓ 32.2% YoY, ↓ C\$ 355.08 million).

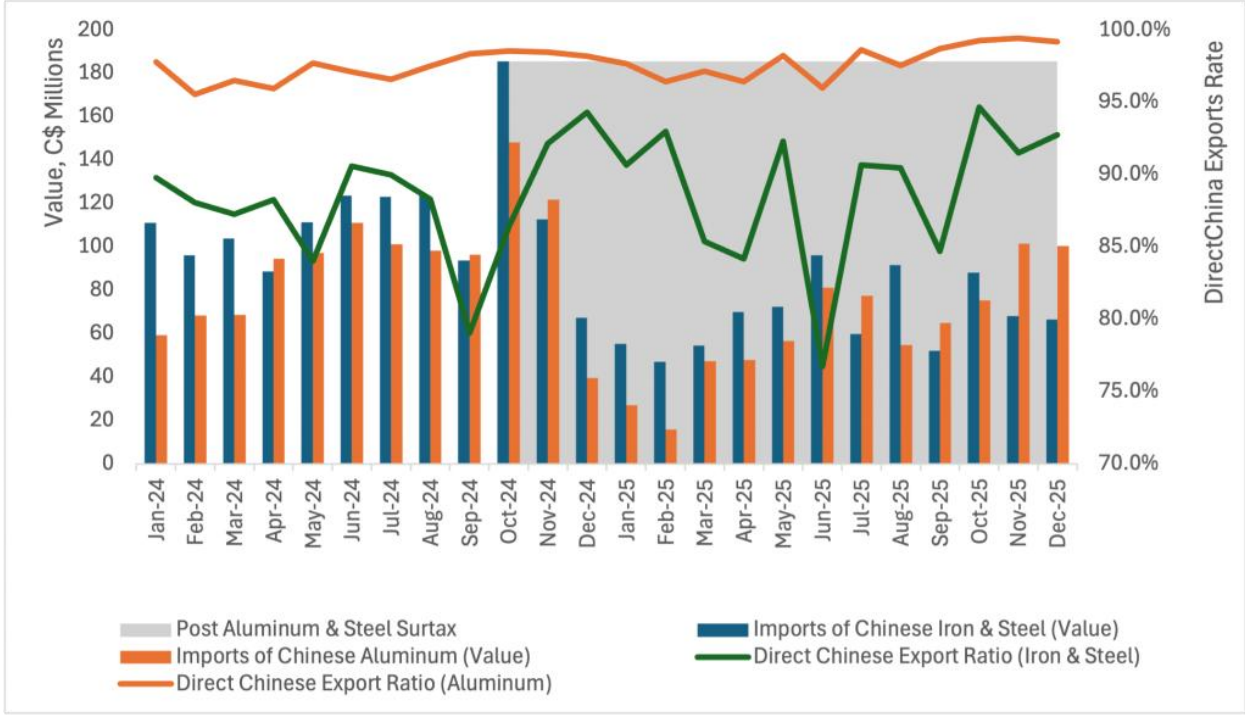


Figure 3-5: Canada’s Monthly Imports of Chinese Iron & Steel and Aluminum, with Direct China Export Ratios³⁴

Monthly import data (Figure 3-5) showed a moderate recovery in Canadian imports of Chinese aluminum products toward the end of 2025. The share of imports shipped directly from China quickly stabilized above 90% following the [25% surtax on Chinese aluminum and steel](#), showing little sign of third-country rerouting. By contrast, the direct-import share of Chinese iron and steel kept fluctuating, suggesting unsettled rerouting attempts.

³⁴ Source: Authors’ calculation. Statistics Canada, [Canadian International Merchandise Trade for Imports by Country of Origin and Country of Export, Monthly \(Table: 12-10-0178-01\); Custom Basis; Not Seasonally Adjusted](#). Accessed 2026-02-19.

Policy-linked Trade Frictions:

- Steel and aluminum (Round 1: effective 22 October 2024, 25% surtax; [Round 2, effective 31 July 2025, additional 25% tariffs](#)): Imports of Chinese basic and semi-finished iron and steel fell by C\$519.29 million to C\$820.23 million (↓ 38.8% YoY), while imports of basic and semi-finished aluminum products fell by C\$355.08 million to C\$748.75 million (↓ 32.2% YoY). The direct import ratio for aluminum stabilized above 90% after the surtax, while the corresponding ratio for iron and steel products remained volatile.

Consumer Goods: Modest Growth, Still the Mainstay of Imports from China

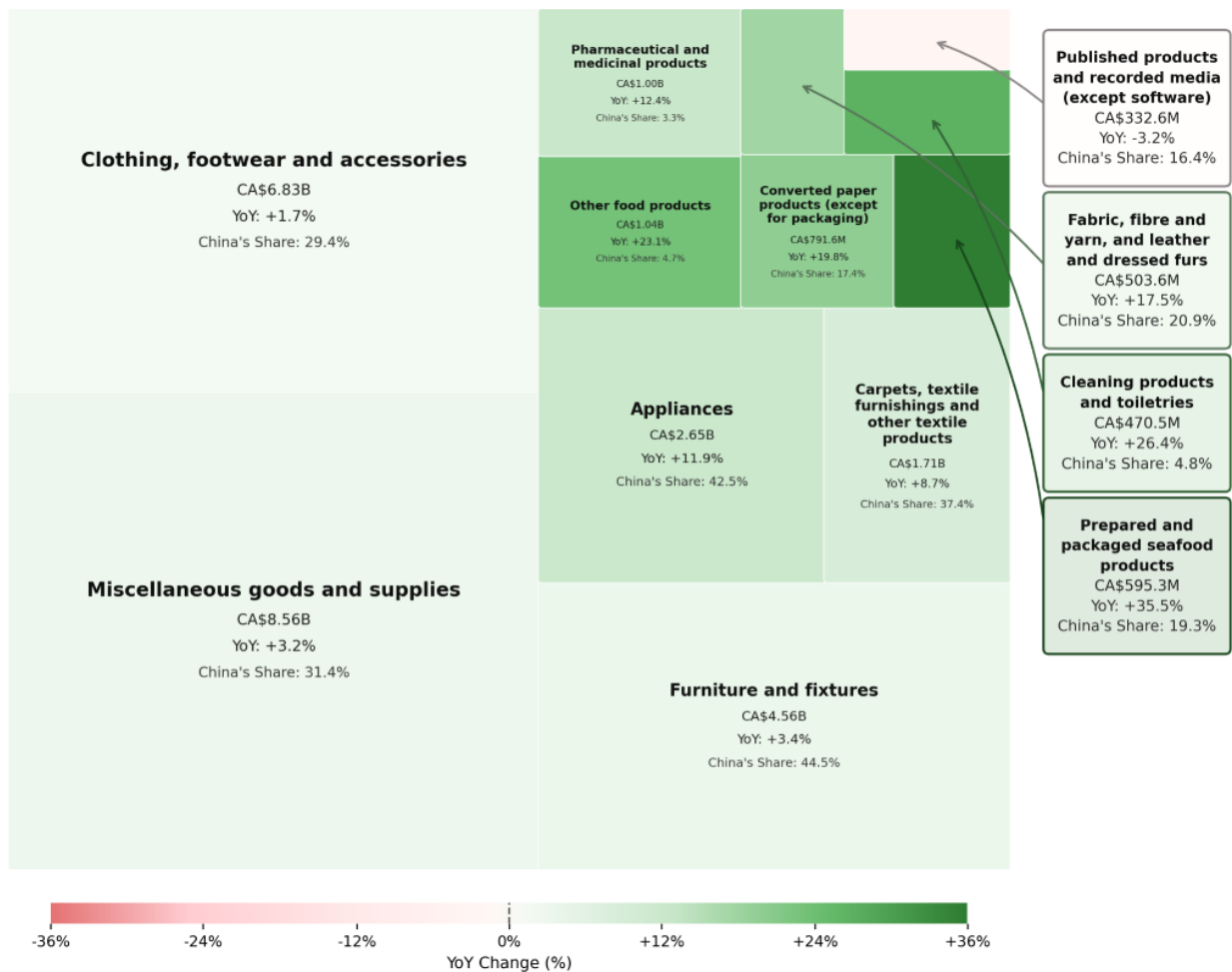


Figure 3-6: Structure of Canada's Imports of Chinese Consumer Goods³⁵

³⁵ Source: Authors' calculation. Statistics Canada, [Canadian International Merchandise Trade for Imports by Country of Origin and Country of Export, Monthly \(Table: 12-10-0178-01\); Custom Basis: Not Seasonally Adjusted](#). Accessed 2026-02-19.

Imports of consumer goods from China totalled C\$29.33 billion (↑ 6.4% YoY) and **remained the largest component of Canada’s merchandise imports** from China. At the same time, China’s share of Canada’s total consumer-goods imports edged up only marginally to 17.8% in 2025, remaining well below the 21.9% share recorded in 2020 after several years of decline.

Despite subdued overall growth (Figure 3-6), import increases were driven primarily by appliances (C\$2.65 billion, ↑ 11.9% YoY), miscellaneous goods and supplies (C\$8.56 billion, ↑ 3.2% YoY), and other food products (C\$1.04 billion, ↑ 23.1% YoY). Clothing, footwear and accessories (C\$6.83 billion, ↑ 1.7% YoY) and furniture and fixtures (C\$4.56 billion, ↑ 3.4% YoY) grew at a slower pace.

China nevertheless retained a dominant supply position in several subcategories: more than 44.5% of Canada’s furniture and fixture imports and 42.5% of appliance imports originated in China.

Electronics & Computers: Diversification from Chinese Computers Drives Import Contraction

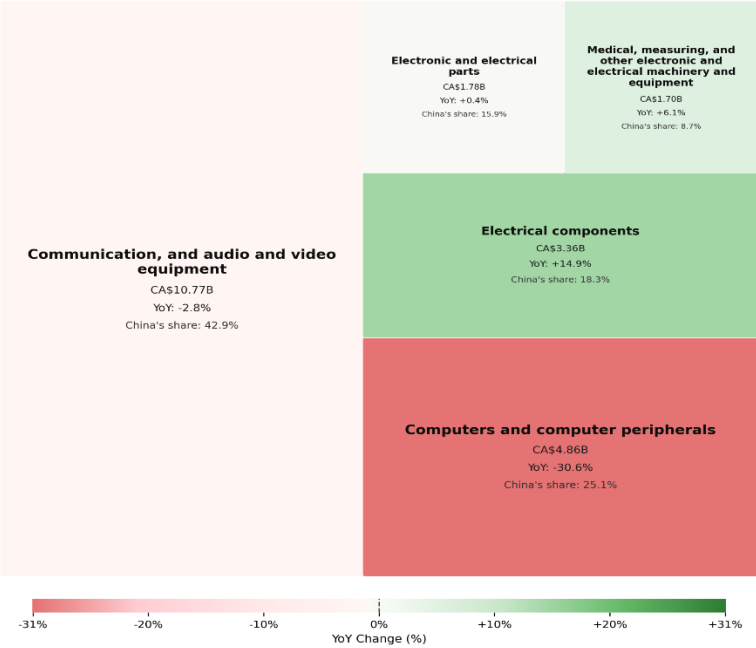


Figure 3-7: Structure of Canada’s Imports of Chinese Electronic and Electrical Equipment³⁶

³⁶ Source: Authors’ calculation. Statistics Canada, [Canadian International Merchandise Trade for Imports by Country of Origin and Country of Export, Monthly \(Table: 12-10-0178-01\); Custom Basis; Not Seasonally Adjusted](#). Accessed 2026-02-19.

Electronic and electrical equipment and parts were Canada’s second-largest import category from China, totalling C\$22.48 billion in 2025 (↓ 7.9% YoY). This represented **the largest absolute decline among all commodity clusters** and a **third consecutive annual contraction**, even as Canada’s total imports of these goods from all sources grew 5.9% YoY.

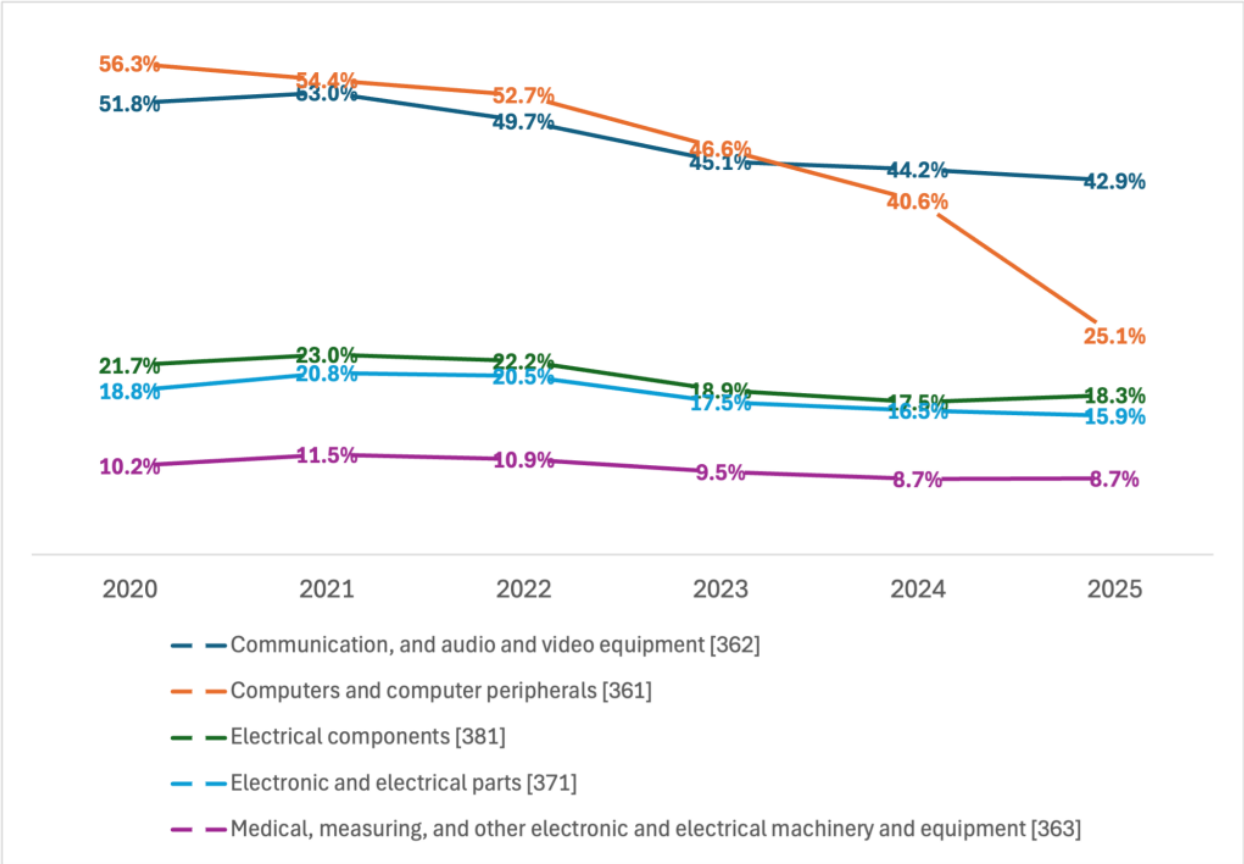


Figure 3-8: China’s Share in Canada’s Imports of Electronic and Electrical Equipment³⁷

The overall decline was led by computers and computer peripherals, as Figure 3-8 shows. Imports fell to C\$4.86 billion (↓ C\$2.15 billion, ↓ 30.6% YoY), despite a 12% YoY increase in Canada’s total imports of these products from all origins. **China’s share of this subgroup dropped from 40.6% in 2024 to 25.1% in 2025,**

³⁷ Source: Authors’ calculation. Statistics Canada, [Canadian International Merchandise Trade for Imports by Country of Origin and Country of Export, Monthly \(Table: 12-10-0178-01\); Custom Basis: Not Seasonally Adjusted](#). Accessed 2026-02-19.

suggesting reconfiguration of the finished-electronics supply chains towards alternative markets rather than weaker demand.

Communication, audio and video equipment remained the dominant subgroup (Figure 3-7), totalling C\$10.77 billion (↓ 2.8% YoY) and accounting for 42.9% of Canada’s total imports of these goods. Partly offsetting the headline contraction, **imports of electrical components from China rose to C\$3.36 billion (↑ 14.9% YoY),** representing 18.3% of Canada’s total imports in this subcategory. Imports of medical, measuring and other electronic and electrical machinery and equipment rose to C\$1.70 billion (↑ 6.1% YoY).

Industrial Machinery, Equipment and Parts: Rebounding Imports and Strengthened Direct Supply from China

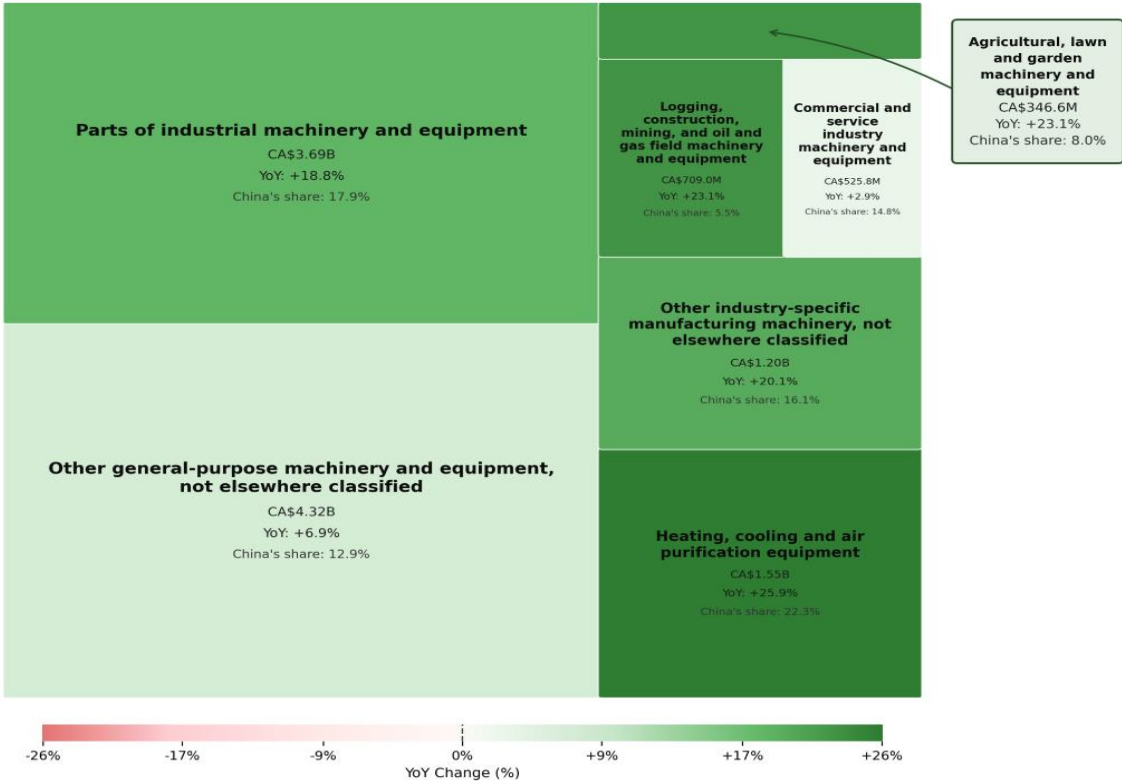


Figure 3-9: Structure of Canada’s Imports of Chinese Industrial Machinery, Equipment and Parts 2025 ³⁸

³⁸ Source: Authors’ calculation. Statistics Canada, [Canadian International Merchandise Trade for Imports by Country of Origin and Country of Export, Monthly \(Table: 12-10-0178-01\); Custom Basis; Not Seasonally Adjusted](#). Accessed 2026-02-19.

Industrial machinery, equipment and parts are key industrial inputs across manufacturing, agriculture and service sectors. Imports of these products from China rebounded strongly in 2025, totalling C\$12.47 billion (↑ 14.9% YoY)— the fastest annual growth among Canada’s three largest merchandise import categories from China. China’s share of Canada’s total imports in this category rose from 12.2% in 2024 to 13.7% in 2025, though it remained below the 2022 peak of 16.1%.

As shown in Figure 3-9, the rebound was broad-based but driven primarily by **industrial machinery and equipment parts**, which totalled C\$3.69 billion (↑ C\$584.04 million YoY, ↑ 18.8% YoY)—far outpacing the 1.2% YoY growth in Canada’s total imports of these products. China’s share of this subgroup rose to 17.9%, its highest level since 2020.

Imports of other general-purpose machinery and equipment from China were the largest subcategory, totalling C\$4.32 billion (↑ 6.9% YoY). Despite their small base, agricultural, lawn and garden machinery and equipment imports from China showed particularly strong momentum, rising 23.1% YoY to C\$346.58 million, even as Canada’s total global imports of this subgroup dropped 4.9% YoY.

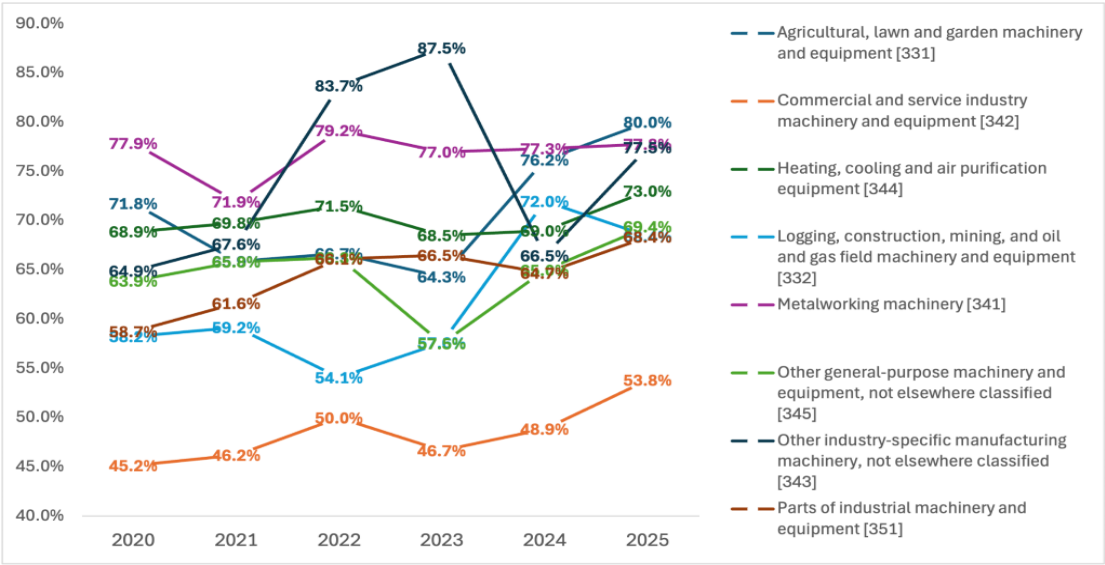


Figure 3-10: Canada’s Imports of Industrial Machinery, Equipment and Parts by Product–Share of Direct Shipments from China³⁹

³⁹ Source: Authors’ calculation. Statistics Canada, [Canadian International Merchandise Trade for Imports by Country of Origin and Country of Export, Monthly \(Table: 12-10-0178-01\); Custom Basis; Not Seasonally Adjusted](#). Accessed 2026-02-19.

In 2025, the share of direct shipments from China has remained stable or increased across most product groups, except for logging, construction, mining, oil and gas field machinery (Figure 3-10). This pattern suggests increasingly direct bilateral trade channels between Canadian importers and Chinese suppliers, depending less on third-country routing and more on mature bilateral industrial supply chain relationships.

4 - Provincial Dynamics: Geographic Concentration and Diverging Provincial Roles

Canada-China trade in 2025 was highly concentrated geographically, with Ontario and British Columbia alone accounting for 66% of total trade, as Ontario dominated imports while British Columbia and Alberta led resource-based exports.

4.1 Trade with China: High Concentration in Ontario and British Columbia

Canada-China trade remained highly geographically concentrated in 2025, with Ontario and British Columbia together accounting for two-thirds of total bilateral trade valued at C\$124.09 billion (**43.2%** and **22.9%**, respectively; Figure 4-1).

Ontario's trade profile was strongly import-driven. Its C\$50.34 billion of imports represented 55.6% of Canada's overall imports from China, while C\$3.24 billion in exports accounted for a comparatively modest 9.7% of Canada's exports to China.

By contrast, **British Columbia** showed a more balanced structure. The province recorded C\$17.80 billion in imports (19.6% of Canada's total imports from China) and C\$10.59 billion in exports (31.6% of national exports to China), making it Canada's largest provincial exporter to China.

Quebec and **Alberta** followed at a considerable distance, accounting for 15.0% and 11.9% of total bilateral trade with China, respectively. Quebec remained largely import-oriented, accounting for C\$14.10 billion in imports from China (15.6% of the

national total) compared with C\$4.56 billion in exports (13.6% of Canada’s exports to China). By contrast, **Alberta** was strongly export-focused, contributing C\$9.56 billion in exports (28.6% of the national total) while accounting for only C\$5.19 billion in imports from China (5.7% of the national total).

The remaining provinces and territories collectively accounted for 7.0% of total trade. **Saskatchewan** stood out for its export tilt, with C\$2.87 billion in exports compared with C\$635.19 million in imports. Meanwhile, Atlantic provinces and the northern territories accounted for only marginal shares overall.

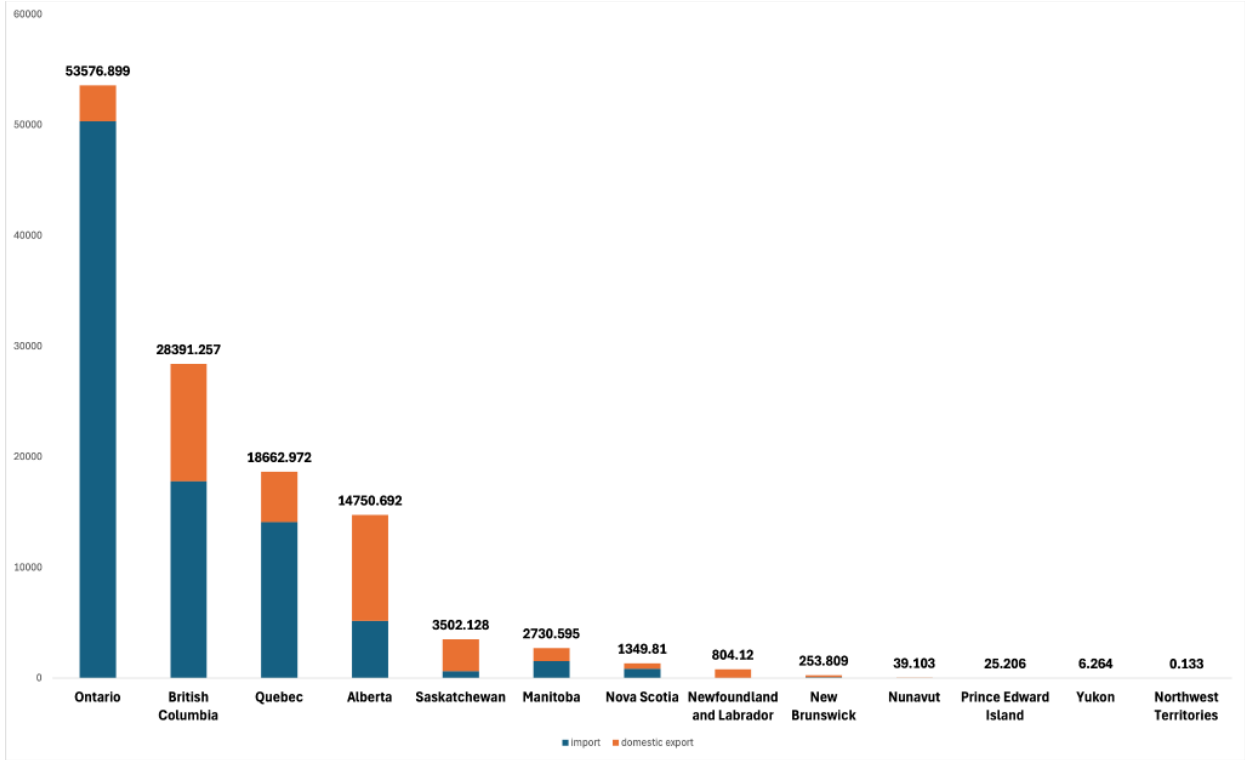


Figure 4-1: Provincial Bilateral Trade, 2025 (C\$, Millions)⁴⁰

⁴⁰ Source: Statistics Canada, [International Merchandise Trade by Province, Commodity, and Principal Trading Partners, Monthly \(Table: 12-10-0175-01\); Customs Basis; Not Seasonally Adjusted](#). Accessed 2026-02-19.

4.2 Trade Patterns: Exports Hubs on the West Coast, Imports in Central Canada

Figure 4-2 shows a clear geographic contrast between imports and exports in Canada-China trade. **On the export side, activity was heavily concentrated on the West Coast**, with **British Columbia** as the dominant exporting province, followed by Alberta and Quebec at notably lower levels. Ontario ranked in the middle in export value, while the Atlantic provinces and the northern territories contributed only marginal volumes. This westward concentration underscores the structural role of Pacific-facing supply chains and resource-based exports in shaping Canada's export profile.

By contrast, imports were far more concentrated in central Canada. **Ontario** dominated import activity, accounting for the largest share of Canada's imports from China. British Columbia and Quebec formed a secondary tier of major importers, followed by Alberta and then the Prairie provinces. The Atlantic provinces and the territories remained well behind in import volume.

Overall, the spatial distribution points to a structural divide: imports were anchored in Ontario, Canada's largest consumption and manufacturing hub, whereas exports were more geographically tilted towards the West Coast, reflecting differences in market access, industrial structure and trade orientation across provinces.

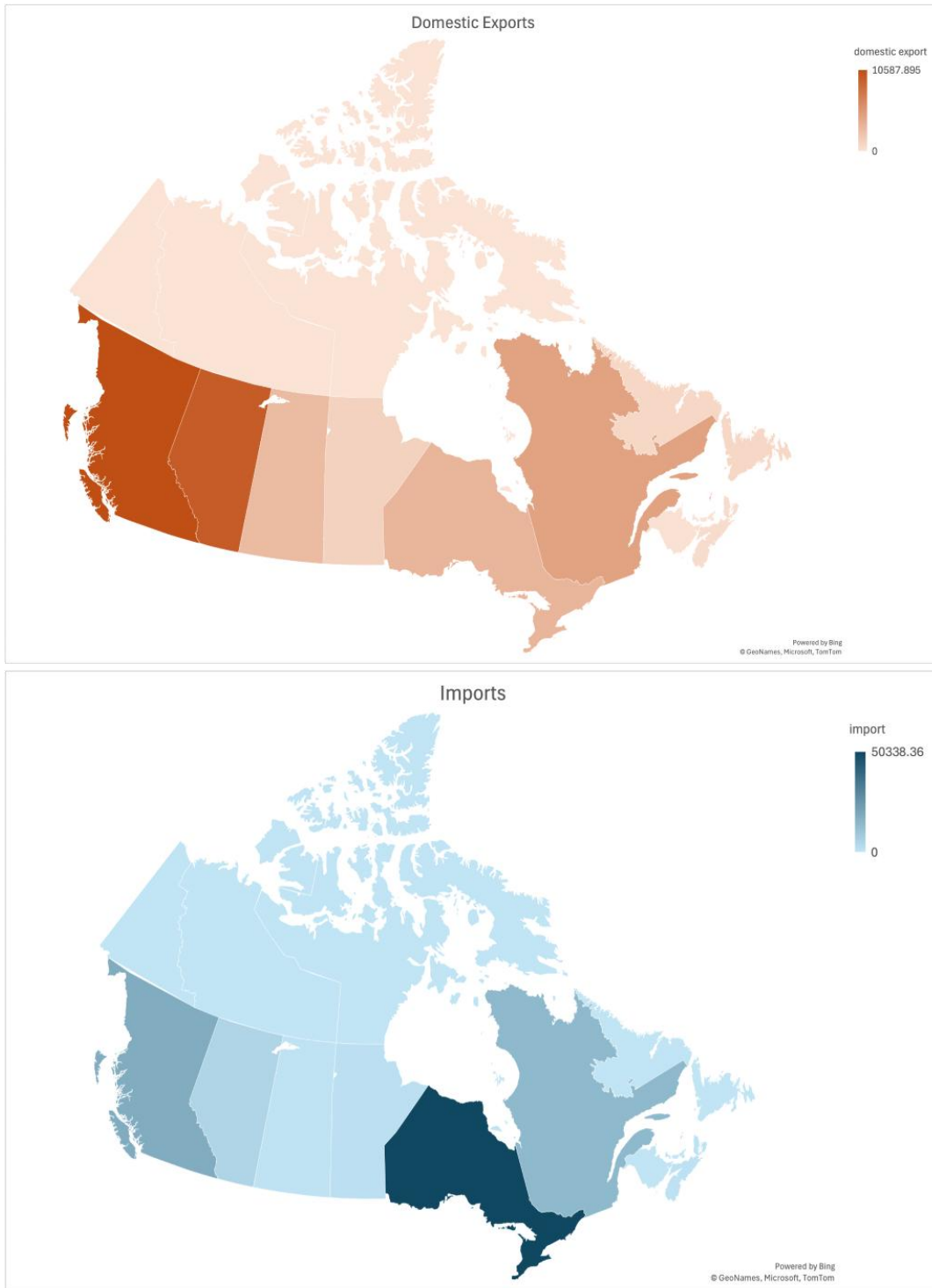


Figure 4-2: Provincial Imports and Exports with China, 2025 (C\$, Millions)⁴¹

⁴¹ Statistics Canada, [International Merchandise Trade by Province, Commodity, and Principal Trading Partners, Monthly \(Table: 12-10-0175-01\); Customs Basis: Not Seasonally Adjusted](#). Accessed 2026-02-19.

4.3 Provincial Trends: Uneven Growth and Contraction Across Provinces

Export performance diverged sharply across provinces in 2025. Saskatchewan recorded a sharp 34.8% year-on-year decline in exports (↓ C\$1.53 billion), the largest provincial contraction and a significant drag on overall export performance. The drop reflected a collapse in agricultural shipments to China following tariff disputes affecting canola exports.

Meanwhile, **export growth was concentrated in a few major provinces.** Alberta posted the largest increase of C\$2.77 billion (↑ 40.9% YoY), followed by British Columbia (↑ C\$2.05 billion; ↑ 24.1% YoY) and Quebec (↑ C\$898.4 million; ↑ 24.5% YoY). Ontario reported a more modest gain of C\$466.8 million (↑ 16.8%). Smaller increases were observed in Newfoundland and Labrador (↑ 7.9% YoY) and Nunavut (↑ 41.2% YoY, from a small base). Over the same period, Manitoba (↓ C\$416.5 million, ↓ 25.9% YoY), Nova Scotia (↓ C\$182.3 million, ↓ 26.5% YoY), and New Brunswick (↓ C\$52.4 million, ↓ 25.9% YoY) recorded notable declines.

Import growth was more dispersed but generally modest. Quebec (↑ C\$1.40 billion, ↑ 11.0% YoY) and Alberta (↑ C\$489.0 million, ↑ 10.4% YoY) reported the largest increases, followed by Saskatchewan (↑ 25.1%) and Nova Scotia (↑ 10.9% YoY). However, several provinces experienced contractions, including Ontario (↓ C\$218.7 million, ↓ 0.4% YoY), Manitoba (↓ C\$141.9 million, ↓ 8.4% YoY), and Newfoundland and Labrador (↓ C\$97.9 million, ↓ 96.6% YoY).

Overall, export gains were concentrated in a small group of large western and central provinces, while the import landscape was more diverse. This pattern reinforces the continued geographic concentration of Canada's trade flows.

Imports			Domestic Exports		
Province	YoY Changes	% YoY Changes	Province	YoY Changes	% YoY Changes
Quebec	↑ \$1,401.82	↑ 11.0%	Quebec	↑ \$898.41	↑ 24.5%
Alberta	↑ \$489.02	↑ 10.4%	Alberta	↑ \$2,772.38	↑ 40.9%
Saskatchewan	↑ \$127.41	↑ 25.1%	British Columbia	↑ \$2,053.94	↑ 24.1%
Nova Scotia	↑ \$83.01	↑ 10.9%	Ontario	↑ \$466.79	↑ 16.8%
Nunavut	↑ \$38.90	↑ 432244.4%	Newfoundland and Labrador	↑ \$58.02	↑ 7.9%
British Columbia	↑ \$11.62	↑ 0.1%	Nunavut	↑ \$0.06	↑ 41.2%
Yukon	↑ \$5.49	↑ 708.3%	Yukon	\$0.00	0.00%
Prince Edward Island	↑ \$3.15	↑ 193.4%	Northwest Territories	↓ \$0.14	↓ 51.5%
Northwest Territories	\$0.00	0.0%	Prince Edward Island	↓ \$7.61	↓ 27.2%
New Brunswick	↓ \$4.16	↓ 93.7%	New Brunswick	↓ \$52.35	↓ 25.9%
Newfoundland and Labrador	↓ \$97.86	↓ 96.6%	Nova Scotia	↓ \$182.30	↓ 26.5%
Manitoba	↓ \$141.94	↓ 8.4%	Manitoba	↓ \$416.47	↓ 25.9%
Ontario	↓ \$218.66	↓ 0.4%	Saskatchewan	↓ \$1527.84	↓ 34.8%

Table 4-1: Year-over-Year Changes in Provincial Trade with China (C\$, Millions)⁴²

Note: **Green text** highlights the top three provinces with the largest increase by value and growth rate, and **Red text** highlights the top three provinces with the largest decline by value and growth rate.

⁴² Source: Authors' calculation. Statistics Canada, [International Merchandise Trade by Province, Commodity, and Principal Trading Partners, Monthly \(Table: 12-10-0175-01\); Customs Basis; Not Seasonally Adjusted](#). Accessed 2026-02-19.

4.4 Trade Reliance on China: Exposure Varies Widely Across Provinces

Provinces rely on China differently in exports and imports. **On the export side, reliance was highest and rising in British Columbia**, with the share of provincial exports going to China increasing from 14.5% in 2020 to 19.4% in 2025. This upward trend likely reflects stronger Pacific trade flows. The Port of Vancouver, which is Canada's primary Asia-facing gateway, [handled record cargo volumes in 2025](#), expanding export capacity to Indo-Pacific markets and supporting greater shipments to China.

Several other provinces showed declining export exposure to China (Figure 4-3). Saskatchewan fell from 13% in 2020 to 6.6% in 2025, while Nova Scotia declined from about 12.5% to 7.7%. Newfoundland and Labrador's export reliance also fell sharply from 10.5% in 2020 to nearly 6% in recent years, while Manitoba remained comparatively low and stable, fluctuating between 5% and 8%. Overall, export reliance was concentrated in British Columbia, while most other provinces either stabilized or reduced their exposure.

On the import side, reliance was structurally higher in Western Canada. British Columbia showed the greatest exposure, though it eased from a peak of 27.9% in 2022 to 23.4% in 2025. Alberta's import reliance declined from 14.2% in 2020 to around 11–12% in 2023–2024, before rebounding to 13.1% in 2025.

In contrast, central Canada's reliance on China remained relatively moderate. Quebec and Ontario stayed within a 10-13% range over the same period, with Ontario edging down to 10.6% by 2025. Nova Scotia remained the least China-reliant importer among this group, though its share edged up to 7.2% in 2025.

Taken together, these patterns suggest that reliance on China for trade remained significant, with British Columbia standing out as the most exposed in both imports and exports.

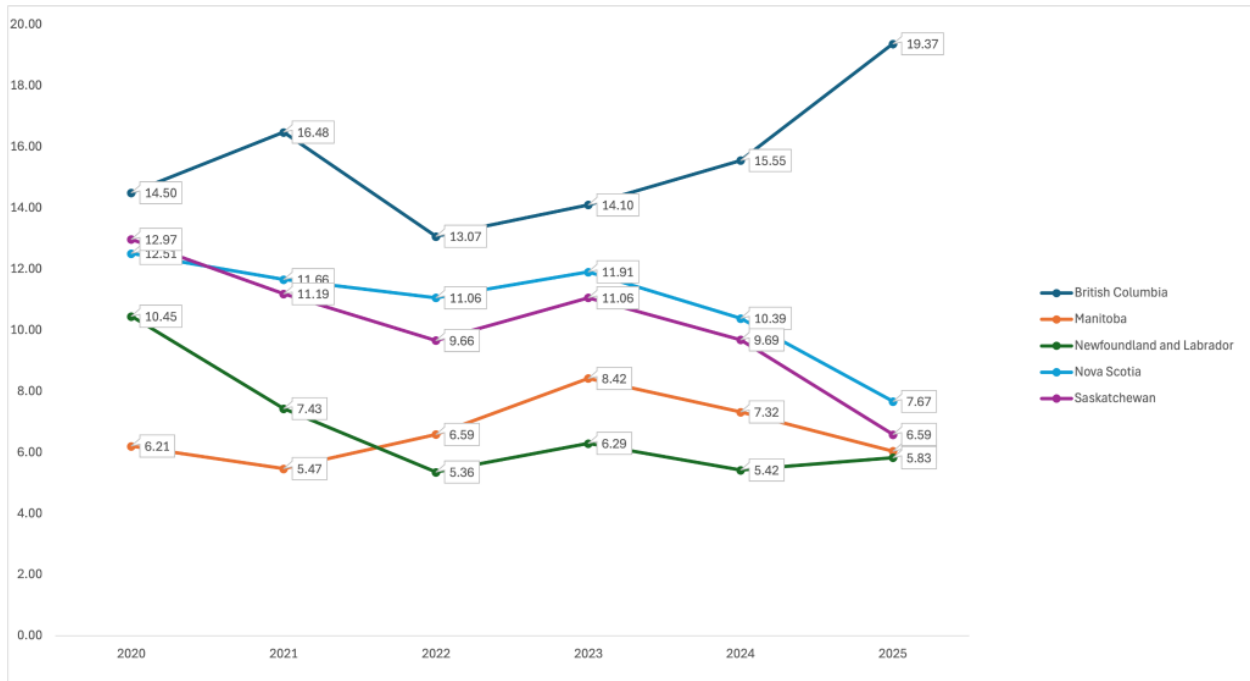


Figure 4-3: Provincial Domestic Exports Reliance on China, 2020–2025⁴³

⁴³ China reliance (%) is calculated as provincial trade with China divided by total provincial trade with all countries in the same year. Source: Statistics Canada, [International Merchandise Trade by Province, Commodity, and Principal Trading Partners, Monthly \(Table: 12-10-0175-01\); Customs Basis: Not Seasonally Adjusted](#). Accessed 2026-02-19.

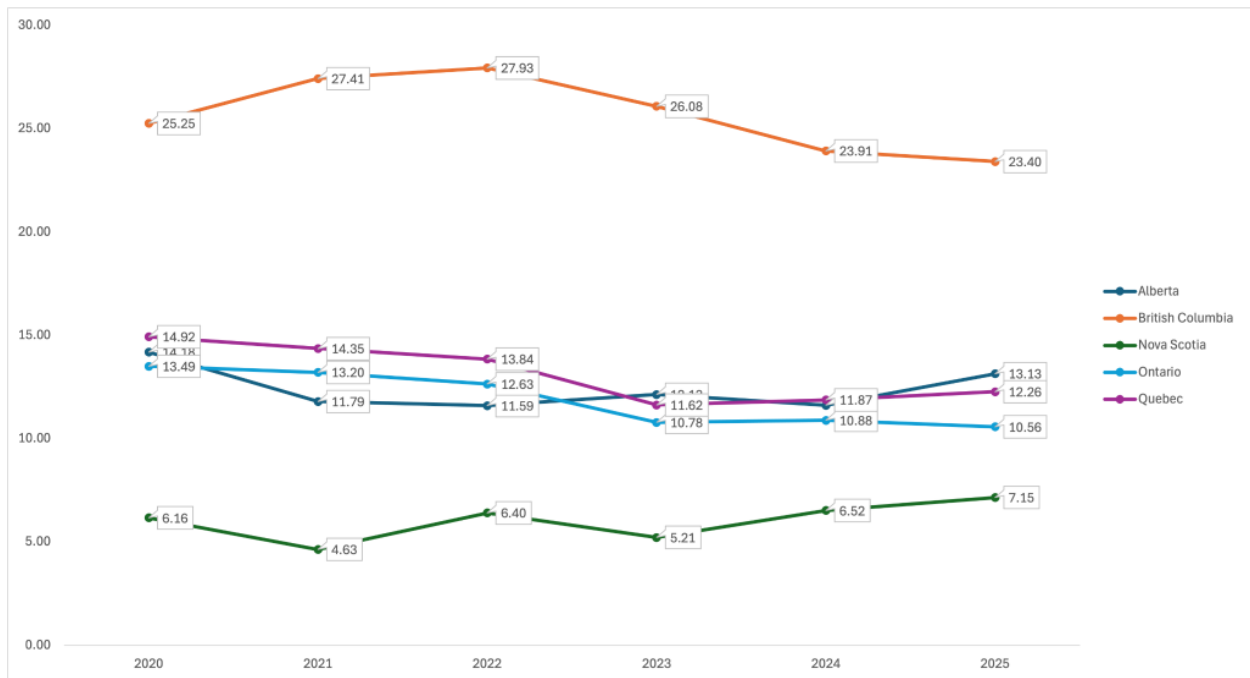


Figure 4-4: Provincial Imports Reliance on China, 2020–2025⁴⁴

4.5 Trade Structure: Resource Exports in the West and Manufacturing in Central Canada

Provincial trade with China differs markedly by commodity sector, with a clear structural divide between export-oriented western provinces and import-oriented central Canada.

On the export side, British Columbia and Alberta recorded the largest export values, concentrated almost entirely in energy products and metal ores and minerals, accounting for the dominant shares of each province's export profile. Saskatchewan's exports were similarly resource-concentrated, led by farm and intermediate food products. British Columbia's export composition additionally included significant shares of metal ores and minerals alongside energy. In contrast, Quebec and Ontario showed more diversified export

⁴⁴ China reliance (%) is calculated as provincial trade with China divided by total provincial trade with all countries in the same year. Source: Statistics Canada, [International Merchandise Trade by Province, Commodity, and Principal Trading Partners, Monthly \(Table: 12-10-0175-01\); Customs Basis; Not Seasonally Adjusted](#). Accessed 2026-02-19.

portfolios, with comparatively larger contributions from transportation equipment, aerospace, machinery, and metal products, though at substantially lower total values than the western resource provinces. Smaller provinces and territories were typically concentrated in one or two sectors.

On the import side, Ontario dominated in both total value and sectoral breadth, with imports led by electronic and electrical equipment, consumer goods, and industrial machinery — reflecting its role as Canada's primary manufacturing and consumption hub. British Columbia and Quebec followed at a much lower scale, each with broadly diversified import profiles. Alberta's imports were more evenly distributed across machinery, consumer goods, and industrial inputs, consistent with the demands of its resource sector.

Taken together, exports were concentrated in resource sectors in western Canada, while imports were broader and centred on manufactured goods and industrial inputs, anchored in Ontario.

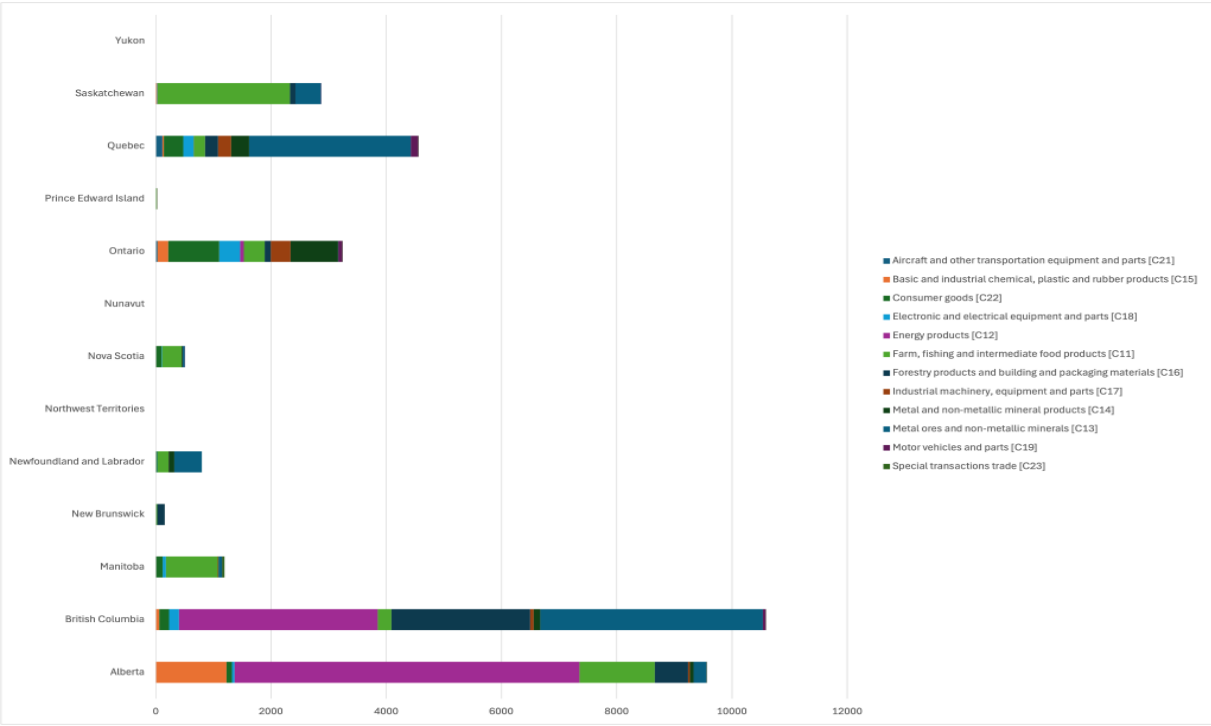


Figure 4-5: Provincial Domestic Export Values to China by Sector, 2025⁴⁵

⁴⁵ Source: Statistics Canada, [International Merchandise Trade by Province, Commodity, and Principal Trading Partners, Monthly \(Table: 12-10-0175-01\); Customs Basis: Not Seasonally Adjusted](#). Accessed 2026-02-19.

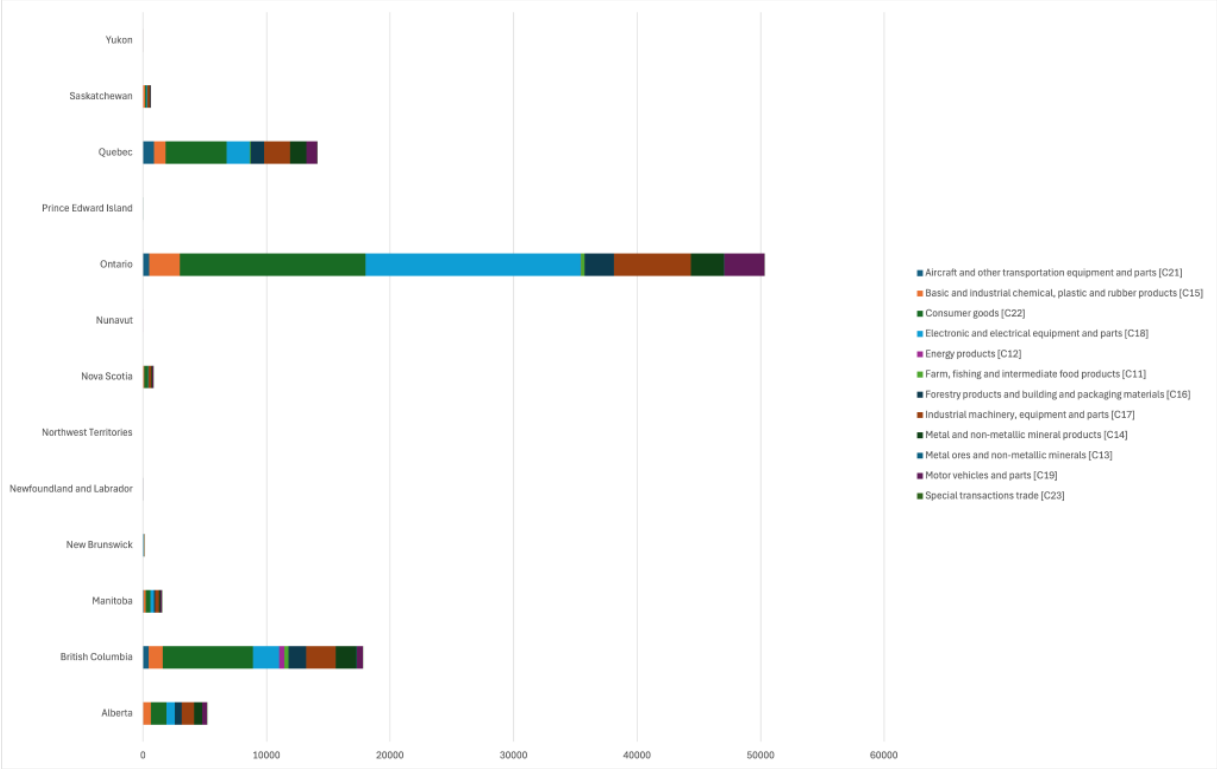


Figure 4-6: Provincial Imports Values from China by Sector, 2025⁴⁶

⁴⁶ Source: Statistics Canada, [International Merchandise Trade by Province, Commodity, and Principal Trading Partners, Monthly \(Table: 12-10-0175-01\); Customs Basis; Not Seasonally Adjusted](#). Accessed 2026-02-19.

Looking Ahead: Selective Stabilization in Canada–China Trade

The 2026 outlook for Canada–China trade points to sector-specific stabilization rather than a full reset. On the policy front, Ottawa and Beijing have announced the Canada-China Economic and Trade Cooperation Roadmap, signalling a revival of a minister-led trade mechanism through 2026 that can provide a stable platform to address persistent policy and market access challenges. Reopened institutional dialogue channels also enable efforts to build on the record-setting export year that 2025 represented, progressing on Prime Minister Mark Carney’s goal of growing China-bound exports by 50% by 2030. Sustained export and policy dialogue momentum supports progress toward this federal benchmark.

At the sector level, agriculture is likely to be a main near-term swing factor. China has [lowered](#) its 84% tariffs on Canadian canola seeds to 15%, effective March 1, 2026. Separately, China has suspended its 100% tariffs on Canadian canola meal and pea imports and suspended 25% tariffs on lobster and crab, effective 1 March 2026 through the end of 2026. These openings have been accompanied by the resumed authorization of beef and pet food exports to the Chinese market. Viewed together, these measures will significantly improve market access for approximately C\$4 billion in Canadian canola seed exports and [C\\$2.6 billion](#) in other agricultural and seafood goods to China annually.

Energy offers a strong growth vector supported by both supply-side infrastructure and robust demand dynamics. Chinese oil traders are increasingly [sourcing](#) Canadian crude, reflecting a strong appetite for secure, non-Middle Eastern supply amid ongoing geopolitical volatility in key producing regions. This demand pull coincides with expanded export capacity with TMX enabling higher volumes to reach the Pacific coast, while ongoing terminal [upgrades](#) at the Port of Vancouver accommodate larger capacity. LNG Canada continues to ramp up exports and recently marked its 50th cargo shipment with participation from joint-venture partners, including PetroChina. Momentum around an expected Phase 2 final investment decision, supported by federal fast-tracking measures, signals

confidence in long-term LNG demand and Canada's strong position to diversify China's LNG supply mix.

On the industrial side, Canada has introduced a quota-based [approach](#) to Chinese electric vehicles alongside federal efforts to secure Chinese domestic auto assembly investment. Ottawa has also extended tariff remissions for certain Chinese steel and aluminum products. These measures support cost stability for downstream industries. In sum, new trade policies enable Canadian firms to leverage Chinese components and capital where they enhance domestic value addition and export potential, while maintaining strategic oversight of sensitive sectors.

Together, these developments point to selective sectoral re-engagement rather than a broad trade normalization. In this environment, Canada-China trade is likely to remain heavily reliant on resource and commodity flows, albeit with sector-specific openings emerging.

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