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BORDER

- Canada and the U.S. share the world’s longest international border and a unique relationship.
- Close cooperation and coordination on border management between our two countries facilitates legitimate trade and travel, including a daily flow of about 400,000 people and billions of dollars in goods and services crossing the land border between Canada and the U.S.
- According to U.S. statistics, in 2023, the U.S. encountered approximately 2.05 million people crossing its northern and southern borders illegally. Further, apprehensions along the Canada-U.S. border represented less than 1% of the total number of encounters U.S. border officials had with people crossing illegally into the U.S.
 - An “encounter” refers to any interaction between CBP officers and individuals at the border. It includes various scenarios such as apprehensions, inadmissibles (individuals deemed inadmissible at ports of entry), and expulsions under public health orders.
 - An “apprehension” is a specific type of encounter where an individual is physically detained by the U.S. Border Patrol between POEs (i.e., when individuals are found to be illegally in the U.S.)
- On December 17, 2024, the Government of Canada announced Canada’s Border Plan, which aims to bolster border security, strengthen our immigration system, and keep Canadians safe.
- The Plan is backed by an investment of \$1.3 billion and built around five pillars:
 1. Detecting and disrupting the fentanyl trade;
 2. Introducing significant new tools for law enforcement;
 3. Enhancing operational coordination;
 4. Increasing information sharing; and,
 5. Minimizing unnecessary border volumes.

Border Plan Outcomes

- Canada has made tangible progress on several key outcomes of the Border Plan, including:
 - Canada ended the practice of “flagpoling in December 2024. Certain work and study permit applications are no longer processed at ports of entry, thereby eliminating unnecessary pressure and volume on the U.S. side of the border. This freed up Canadian and U.S. border officers to focus on higher-risk activity – up to 8,000 labour days saved per year for U.S. Customs and Border officers along the Canada-U.S. border.
 - § Flagpoling occurred when foreign nationals already in Canada go to the U.S. and come back into Canada to get a work or study permit at a port of entry faster than they could otherwise.)
 - Enhanced visa screening since June 2024 has resulted in a significant drop in illegal border crossings from Canada to the U.S. that continue to decrease; actions taken so far have decreased southbound apprehensions by 98% as of February 2025 since the height in June 2024 (3,437 apprehensions to 72).
 - The *High-Risk Child Sex Offender Database Act* is in force, which allows the Royal Canadian Mounted Police (RCMP) to establish a publicly accessible database and ensure border officials have access to information on high-risk individuals who are attempting to travel.
 - The Canada Border Service Agency (CBSA) adjusted hours of service at 35 land ports of entry across Canada to align with the U.S. and enhance overall security for both countries.
 - Updated regulations to strengthen authorities to cancel temporary resident documents, giving immigration and border services officers explicit authority to cancel electronic travel authorizations (eTAs) and temporary resident visas (TRVs) on a case-by-case basis, including when: there is a change in a person’s status or circumstances makes them inadmissible or no longer eligible to hold the document (for example, the person provided false information, has a

- criminal history or is deceased); an officer is not satisfied that someone will leave Canada by the end of their authorized period of stay; the document is lost, stolen, destroyed or abandoned.
- Expanded measures to strengthen security at the border include:
 - Appointing Kevin Brosseau, former RCMP Deputy Commissioner and Deputy National Security Advisor to the Prime Minister, as Commissioner of Canada’s Fight against Fentanyl (informally, “Fentanyl Czar”) effective February 11, to coordinate domestic responses and engagement with U.S. counterparts and enhance operational collaboration and efficiency.
 - Listing seven transnational criminal organizations (cartels) having an impact in Canada as terrorist entities under the *Criminal Code*.
 - Implementing the Canada-U.S. Joint Strike Force to combat organized crime, illegal fentanyl and money laundering.
 - Establishing the Joint Operational Intelligence Cell that will facilitate the expedient and effective flow of intelligence to support law enforcement operations in Canada and abroad. The work will focus on transnational organized crime, money laundering, border security and drug-trafficking, with a particular focus on the trafficking of illicit drugs, especially fentanyl and the importation of precursor chemicals to North America.
 - Launching the Integrated Money Laundering Intelligence Partnership to enhance sharing of tactical information between law enforcement and the financial sector to detect, deter and disrupt sophisticated money laundering networks.
 - Establishing new statutory flexibilities to harness the power of private-to-private information sharing to better identify suspicious transactions and trends across organizations are expected to be finalized by early March 2025.
 - Establishing a public, searchable registry to crack down on the criminal abuse of corporate structures that are involved in the majority of money laundering schemes.
 - New authorities and funding for the CBSA to detect, deter and disrupt trade-based money laundering and cross-border financial crimes, including through the creation of a Trade Transparency Unit to exchange and analyze bulk trading data.
 - Signing a Memorandum of Understanding to facilitate the sharing of supervisory information between the Financial Transactions and Reports Analysis Centre of Canada (FINTRAC) and three U.S. regulators (Office of the Comptroller of the Currency, the Federal Deposit Insurance Corporation, and the Federal Reserve Board) to ensure anti-strong anti-money laundering controls of cross-border banks on the frontlines of the fight against financial crimes.
 - 24/7 surveillance of the border by nearly 10,000 frontline personnel with new and modernized equipment, including drones, towers, Black Hawk helicopters and K-9 teams.
 - Launching Operation Blizzard, a targeted, cross-country initiative to intercept illegal contraband arriving and leaving Canada, with a focus on fentanyl and other synthetic narcotics.
 - Collaborative efforts between CBSA, the RCMP and local law enforcement partners have resulted in significant seizures across the country. In February 2025 alone, the CBSA made six seizures amounting to 56.1g of fentanyl, including the seizure of 20 fentanyl pills and 23 g of a substance suspected to be fentanyl from two U.S. citizens crossing at the Windsor-Detroit Tunnel port of entry.
 - Canada’s Border Plan builds on several successes in securing the Canada-U.S. border:
 - Since expanding the application of the Safe Third Country Agreement (STCA) to the entire land border in March 2023, asylum claims made by irregular crossers into Canada have dropped significantly, from an average of 165 asylum claims per day to an average of 12 irregular claims per day (as of January 2025). Canada saw approximately 40,000 irregular claims in 2022, 17,000 in 2023, and just over 4,000 in 2024 (a 76% decrease from 2023).

- Volumes of Mexican nationals crossing irregularly southbound via Canada to the U.S. has dropped by 92% (comparing January 2024 to January 2025) following the partial visa reimposition on Mexico in February 2024.
- Over 2,000 people of Indian and Bangladeshi origin have been denied boarding on flights to Canada following a targeted review of visa issuance for cases of fraud since March 2024.
- In 2024, IRCC officers averaged 9,000 visa fraud investigations per month for Temporary Resident Visa applications. December 2024 saw a 147% increase in visa refusals for fraud compared to December 2023.
- The CBSA established a target of 16,000 removals for FY 2024/2025, and to date has completed 17,376 removals. Historically, the CBSA baseline has been 15,000 removals per year.

Asylum Claim Overview

- Volumes of airport claims have decreased since their peak in the first half of 2024 due to changes in visa policy and processing made by IRCC, including the partial re-imposition of visa requirements for Mexican nationals and strengthened visa screening.
- The federal Budget 2024 announced \$743.5 million over 5 years, starting in 2024-2025, and \$159.5 million ongoing to stabilize Canada's asylum system. This investment will allow the system to function more effectively and efficiently in the face of increased volumes, while supporting enhanced program integrity.

Human Smuggling Disruptions

- Over the past year, Canada has conducted several border security-related operations resulting in significant successes in intercepting illegal activities, such as drug smuggling, firearms trafficking, and human smuggling.
- Canadian authorities have dismantled smuggling networks, seized large quantities of drugs, and disrupted weapons trafficking.
- In June 2024, the RCMP made several arrests in connection to a suspected human smuggling ring which carried out multiple smuggling operations involving over 100 migrants in the Cornwall, Ontario area to the U.S.

ILLEGAL FENTANYL AND FIREARMS (U.S. data)

Illegal Fentanyl

- The U.S. fentanyl market is largely supplied via its Southwest Border. Between 2022 and November 19, 2024, only 63 pounds of fentanyl were seized at the U.S. Northern Border, while 64,000 pounds were seized at the U.S. Southwest Border; more than 1,000 times as much.¹
- Canada takes a class-based approach to scheduling precursors. This means that we schedule related substances at the same time as a target substance, which is an advanced approach through which law enforcement agencies can take stronger action against illegal importation.
- In 2023, Canada announced the listing of additional fentanyl precursor chemicals under the *Controlled Drugs and Substances Act*.²
 - This enabled law enforcement to continue to take action against any illegal importation, distribution, and use of these precursor chemicals, which are used in the illegal production of fentanyl by clandestine drug producers.
- Canada is taking action to disrupt illegal drug trafficking. In 2024, the CBSA seized over 34,491 kg of illegal drugs (both inbound and outbound). CBSA also intercepted over 18,000 kg of cannabis and 607,657 kg of undeclared tobacco preventing millions of dollars in revenue evasion and combatting organized crime. Of our total illegal drug seizures, Canada stopped:
 - 4.9 kg of fentanyl, an increase of 747% from last year;
 - 4,589 kg of cocaine;
 - 38 kg of heroin;
 - 29,511 kg of other drugs, narcotics and precursor chemicals; and
 - 349 kg of other opioids (including opium, methadone, morphine and morphine base).³
- More than 47 clandestine fentanyl labs have been dismantled by the RCMP and local police agencies since 2018.
- In September 2024, a clandestine drug lab in Oshawa was dismantled as a result of U.S. Customs and Border Protection (CBP) sharing with the CBSA information about a suspicious pill press transiting from the U.S. to Canada.
- In October 2024, British Columbia RCMP dismantled the largest and most sophisticated clandestine drug production operation in Canadian history, removing more than 95 million potentially lethal doses of fentanyl from the illegal supply. They also confiscated 89 firearms and \$500,000 in cash.
- In Canada, we have recorded over 49,000 opioid toxicity deaths since 2016, with 21 deaths per day on average in 2024.
- The Border Plan, announced on December 17, 2024, outlines a \$1.3 billion investment towards bolstering security at the border. As part of the Plan, the Government will:
 - add new and expanded detection capacity to better detect illegal drugs and other threats at border entries;
 - deploy new detector dog teams to intercept illegal drugs at ports of entry;
 - accelerate the regulatory process for banning precursor chemicals to enable swift action by law and border enforcement authorities to prevent their illegal importation and use;
 - create a new Canadian Drug Profiling Centre to support 2,000 investigations a year and expand capacity at regional labs;

¹ <https://www.cbp.gov/newsroom/>

² <https://www.canada.ca/en/health-canada/news/2023/06/government-of-canada-takes-action-to-disrupt-the-illegal-importation-and-distribution-of-precursor-chemicals-used-to-make-illegal-fentanyl.html>

³ <https://www.canada.ca/en/border-services-agency/news/2024/12/2024-year-in-review-cbsa-protecting-canadians-and-supporting-our-economy.html#:~:text=Seized%20over%2025%2C600,and%20morphine%20base>

- launch a new Chemical Precursor Risk Management Unit to increase oversight over precursors, enhance monitoring and surveillance, and enable timely law enforcement action; and
- expand powers to strengthen law enforcement to act against illegal drugs and precursors under the *Controlled Drugs and Substances Act*.
- The Government of Canada will also introduce new tools for law enforcement and improve operational coordination, including by:
 - expanding capacity for intelligence collection by the Communications Security Establishment (CSE) in order to develop a better picture of illegal drug supply chains and to work with the RCMP, Public Safety Canada and other partners to identify opportunities to disrupt organized crime;
 - creating regional hubs to coordinate national, regional, and local law enforcement activities against organized crime and illegal drugs; and
 - Expanding capacity of the RCMP and proposing to the U.S. the creation of a new North American Joint Strike Force to target transnational organized crime.
 - Establishing the Integrated Money Laundering Intelligence Partnership that will bring together law enforcement and the financial sector to enhance information sharing. The initial focus will be on money laundering associated with fentanyl trafficking.

Illegal Firearms

- Illegal goods move across our border from the U.S. into Canada, and we are working regularly with U.S. officials to disrupt these flows.
- In 2024, the CBSA made approximately 8,325 weapons and firearms seizures at ports of entry, which kept more than 17,214 weapons and 931 firearms off Canadian streets. Of those, 3,398 prohibited weapons and 839 firearms were seized coming from the U.S.
- Federal officials work closely with partners in the U.S. through the Cross Border Crime Forum and the Cross-Border Firearms Task Force. These forums were set up to facilitate joint law enforcement approaches, and in the case of the Task Force - operational actions such as “Project Money Penny,” which saw the disruption of a firearms trafficking operation, the seizure of 173 smuggled firearms and dozens of arrests, and “Project Iceberg,” for firearms parts being imported into Canada through the mail.
- Since 2022, the CBSA and the RCMP have had a 100% tracing policy in effect, and all seized firearms determined to be crime guns must be sent for tracing to the agency of jurisdiction. Between 2020 and 2023, the number of firearms traced in Canada increased by 175%.⁴
 - In 2023, 100% of firearms seized by the CBSA were traced (923), with the vast majority (79%) being traced back to the U.S. This includes all firearms seized, not only those identified as “crime guns”. In 2021, CBSA seized more than 1,100 firearms – more than double the previous year. From January to September 2024, 708 firearms have been seized by the CBSA.⁵
- Since 2016 the Government of Canada has invested over \$1.4 billion to address gun violence. In addition to funding provinces and territories to develop gun and gang violence prevention and intervention initiatives, this funding has increased the capacity of law enforcement to investigate gun crimes and crack down on gun smuggling at our border. This includes investment to prevent the illicit trafficking of goods across the border:
 - \$312 million over five years and \$41.4 million ongoing through Budget 2021 for Public Safety Canada, the CBSA and the RCMP to implement legislation and to fight gun smuggling and trafficking, including measures to: enhance the services of the Canadian Firearms Program, increase capacity to trace firearms, target firearms smuggling and trafficking.

⁴ <https://www.ourcommons.ca/petitions/en/Petition/Details?Petition=441-02832>

⁵ Seizure data: <https://www.cbsa-asfc.gc.ca/security-securite/seizure-saisie-eng.html>

Updated: April 4, 2025

- Funding has supported new technologies and specialized training, for example: small and large-scale X-ray technology, mobile examination vehicles, and investment in purpose-built training facilities for Detector Dogs teams.

TRADE AND TARIFFS (*U.S. data*)

- Each day, approximately 386,000 people and U.S. \$2.5 billion in goods and services cross the Canada-U.S. border. This amounts to nearly U.S. \$1 trillion per year.
- Canadian companies employ 887,900 workers in the U.S. and nearly 8 million U.S. jobs are tied to trade with Canada.
- Canada is the largest export market for 32 states, and among the top three for 45 states.
- In 2024, five U.S. states sourced over half of their imports from Canada, and Canada was the top supplier of merchandise imports for 22 U.S. states.
 - This includes 92% of Montana’s imports, 70% for Maine, 67% for Vermont, and 66% for North Dakota.
- Canada is the #1 supplier of energy to the U.S.; Canadian energy fuels the U.S. economy; our bilateral two-way energy trade totaled U.S. \$151.3 billion in 2024.
- Canada supports U.S. manufacturing: over 70% of Canadian goods exported to the U.S. are then used by U.S. companies as inputs in their own production.

U.S. Dependence on Canada as a Market for Exports (*U.S. data*)

- Canada buys more U.S. goods than China, Japan, France, and the UK combined.
- The U.S. sells more goods to Canada than to any other country. Nearly 8 million U.S. jobs are tied to trade with Canada.
- Canada is the largest export market for 32 states, and top three for 45 states; 41 states export over U.S. \$1 billion to Canada in 2024.
- Canada is the U.S.’s best customer: Canada is the top U.S. export destination for half (48 out of 97 product categories) of all goods produced in the U.S.
 - Motor vehicles, machinery, metals and minerals, and agri-food made up more than 50% of U.S. exports to Canada in 2024.
 - Canada buys 71% of U.S. exports of trucks, 10% of precious stones and metals, and 34% of fruits and vegetables.
- The U.S.-Canada auto industry is one of the most integrated in the world. Auto parts are often traded as many as eight times across the border before final assembly.
 - In 2024, Canada bought more than U.S. \$21 billion in trucks, tractors, and trailers from the U.S., with 67% of all U.S. exports of these products destined to Canada.⁶
- Canada has more invested in the U.S. than the other way around – in 2023, U.S. foreign direct investment in Canada stood at U.S. \$452 billion, while Canadian FDI in the U.S. stood at U.S. \$672 billion.

⁶ U.S. Bureau of Census, *Extracted using HS codes 8701, 8704, 8716.*

U.S.-CANADA TRADE BALANCES (U.S. data)

What the U.S. Department of Commerce's Numbers Say

- In 2024, the U.S. merchandise trade deficit with Canada was U.S. \$64.2 billion and entirely driven by energy products.
 - Trade in energy represents a U.S. trade deficit of U.S. \$98.5 billion in 2024.
 - Excluding energy, the U.S. has had a merchandise trade surplus with Canada since 2007 and standing at U.S. \$34.3 billion in 2024.
- In contrast, the U.S. has had a surplus for manufacturing since 2007. It stood at U.S. \$23.7 billion in 2024.
 - Canada is consistently the only top 5 trade partner with whom the U. S. runs a trade surplus in manufacturing.
- Canadian natural resources fuel the American manufacturing of products stamped “Made in the USA” by American workers.
- The U.S. has had a services trade surplus with Canada for more than the last two decades. This surplus stood at U.S. \$31.7 billion in 2023.

Key Takeaways

- In 2024, the U.S. trade deficit with Canada (U.S. \$64.2 billion) is significantly smaller than those with China (U.S. \$295.4 billion) and Mexico (U.S. \$171.8 billion).
- The U.S.-Canada trade deficit was balanced by an important surplus in foreign direct investment (U.S. \$220.1 billion) in 2023; Canada’s investment in the U.S. (U.S. \$671.7 billion) significantly exceeded U.S. investment in Canada (U.S. \$451.6 billion).
- Canada-U.S. trade makes U.S. industry stronger and more globally competitive. Canada sells inputs to the U.S. that it turns into higher-valued “Made in the USA” goods to export abroad. **The U.S. does not give anything for free by trading with Canada.**

Economic Security

- U.S. tariffs will only mean that we both buy less from each other, likely to the benefit of countries like China.
- Canada shares U.S. concerns regarding China’s non-market policies and practices, which have led to unfair competition and global market distortions that harm our workers and businesses. Canada will not be a transshipment risk or a vector for trade practices that could harm our collective economic security.
- Canada has taken action in recent years to reinforce its alignment with the U.S. on economic security and China trade issues to support secure and mutually-reinforcing supply chains.
- Actions we have taken targeting China have meant we are buying more from the U.S.
 - Tariffs of 100% on Chinese EVs have meant that \$2.3 billion worth of electric vehicles sold in Canada are now being supplied from the integrated North American auto industry instead of China.
 - Tariffs of 25% on Chinese steel and aluminum mean that importers are actively having sourcing discussions with U.S. producers to make up for the \$2.3 billion in annual trade with China that is now subject to tariffs.
 - Additional tariffs announced on imports from China of critical minerals, semiconductors, solar products, permanent magnets, and natural graphite will add to this trend.
 - Changes to our federal procurement regime will mean that China – and other non-FTA countries – will no longer have access to Canada’s \$37 billion annual procurement market, creating more opportunities for U.S. suppliers.

- These are concrete actions that are leading to an immediate increase in U.S. exports to Canada and we would not want to put this new positive development in jeopardy.
- Additional measures Canada has taken include:
 - Strengthening its trade remedies system to provide more robust protection against unfair trade. This includes investments to enhance enforcement capacity and new legislative and regulatory amendments to strengthen the system, such as by creating a new regime to address circumvention and providing more flexibility to apply higher dumping duty rates when there are market distortions.
 - Significant investments to secure Canadian STI from foreign threats. This includes the release of National Security Guidelines for Research Partnerships; the establishment of a Research Security Centre; and the implementation of the Sensitive Technology Research and Affiliations of Concern (STRAC) policy with the objective to keep Canadian research as open and collaborative as possible, but also as secure as necessary.
 - Modernizing its foreign investment review regime by enacting legislation providing additional flexibility for the government to address evolving national security risks and enhancing collaboration with international partners. This reinforces the strong alignment of Canada and the U.S. on addressing the risks associated with investments from China, notably on transfer of technology and access to critical minerals and critical infrastructure.
- Canada may consider more measures in 2025 to address unfair trade practices and secure critical supply chains, but Canada cannot fight a trade war with each of its two largest trading partners at the same time.
- We should discuss how we continue to move forward on addressing common concerns with China and reinforcing North American supply chains.
- Ultimately, the U.S. is stronger and more competitive globally because of its economic partnership with Canada. It is essential that the two countries continue working together and not against one another as they face the challenges and risks posed by China and other malign actors.

AUTOMOTIVE SECTOR (U.S. and Canadian data)

The Integrated Automotive Sector

- The Canadian and U.S. automotive industries are one of the most integrated industries in the entire world. In 2024, bilateral automotive trade with the U.S. totaled over US\$100 billion.⁷
- In 2024, Canada and the United States produced over 11 million vehicles.⁸
- Automotive parts can cross the border up to seven times before being installed in a finished vehicle.
- Within North America, the Great Lakes cluster of Michigan, Indiana, Illinois, Ohio and Ontario is the largest automotive manufacturing cluster.
 - In 2024, the region produced 5.3 million vehicles.⁹
- Canadian exports do not pose a threat to U.S. automotive jobs or production mandates. Fewer than 10% of vehicles sold in the United States are produced in Canada. In contrast, more than 40% of the vehicles sold in Canada are assembled in the United States.¹⁰
- The United States exports more vehicles to Canada than to any other country, underlining Canada's position as the United States' most important partner in the automotive sector.¹¹

⁷ U.S. Census Bureau, [USA Trade Online](#). *Extracted using NAICS codes: 3361, 3362, and 3363.*

⁸ Wards Intelligence, [Data Query](#)

⁹ Wards Intelligence, [Data Query](#)

¹⁰ S&P Global, [Light Vehicle Sales](#)

¹¹ International Trade Administration, [New Vehicle Trade Data Visualization](#)

- On average, Canadian vehicles contain approximately 50% U.S. content by value. In 2024, Canada imported nearly \$30 billion worth of automotive parts from the United States (including from Michigan, Ohio, Indiana, Kentucky, West Virginia and Illinois).¹²
- Canada is a supplier of critical automotive parts that keep U.S. assembly plants open. For example, Ford's Windsor-based engine plants supply Ford assembly plants in Kentucky, Michigan, Missouri and Ohio.
- This trade helps keep U.S. automotive factories open, in turn supporting U.S. workers and U.S. exports to Canada and around the world.
- The CUSMA contains provisions related to automotive trade, with requirements around North American content and well-paying labour. Deeper integration in the automotive sector is at the heart of the Agreement.
- Our trade translates into prosperity for workers in both Canada and the U.S. The integrated Canada-U.S. automotive sector supports over 1.1 million jobs across both countries.¹³
- Canada-US automotive trade is an engine that powers a range of related industries, from aluminum to emerging technologies.

Canadian Context

- In Canada, automotive manufacturing supports 126,000 direct jobs, contributed \$16.8 billion in 2024 to Canada's gross domestic product, and is one of the country's largest export industries. In 2024, Canada produced over 1.3 million vehicles.¹⁴
- The automotive sector is heavily reliant on trade with the U.S. In 2024, total automotive trade with the U.S. totaled \$150 billion (\$73 billion in domestic exports and \$77 billion in imports).¹⁵
- Approximately 92% of vehicles produced in Canada are exported, with over 97% going to the U.S. With respect to automotive parts, 61% of Canadian production is exported, with over 91% going to the U.S.¹⁶

U.S. Context

- In the United States, automotive manufacturing supports over 1 million jobs.¹⁷
- In 2024, the United States produced over 10 million vehicles across four main regions:
 - Great Lakes (Illinois, Indiana, Michigan and Ohio) – 4.0 million units;
 - Southeastern United States (Alabama, Georgia, Kentucky, Mississippi, South Carolina and Tennessee) – 4.2 million units;
 - Southwestern United States (Arizona, California, Texas) – 1.2 million units; and
 - Midwest United States (Kansas and Missouri) – 880,000 units.¹⁸
- Based on data from the U.S. Census Bureau, the U.S.' total automotive trade with Canada in 2024 totaled over U.S. \$108 billion, with approximately U.S. \$55 billion in domestic exports and U.S. \$53 billion in imports. Michigan, the United States' largest automotive manufacturing state, accounting

¹² Statistics Canada, [Table 16-10-0047-01 Sales of Goods Manufactured](#) and [Trade Data Online](#). *Extracted and calculated using NAICS code 3363.*

¹³ Statistics Canada, [Table 14-10-0201-01](#) and U.S. Bureau of Labor Statistics, [Current Employment Statistics](#). *Extracted using NAICS codes: 3361, 3362, and 3363.*

¹⁴ Statistics Canada, [Tables 14-10-0201-01; 36-10-0434-01](#), and Wards Intelligence, [Data Query Trade Data Online](#). *Extracted and calculated using NAICS codes 3361, 3362, 3363, and 326193*

¹⁵ [Trade Data Online](#). *Extracted and calculated using NAICS codes 3361, 3362, and 3363*

¹⁷ Bureau of Labor Statistics, [Current Employment Statistics](#). *Extracted using NAICS codes: 3361, 3362, and 3363.*

¹⁸ Wards Intelligence, [Data Query](#)

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for nearly 25 per cent of U.S. automotive manufacturing GDP, relies on Canada for 55 per cent of its automotive exports.¹⁹

¹⁹ U.S. Census Bureau, [USA Trade Online](#). *Extracted using NAICS codes: 3361, 3362, and 3363.*

ENERGY (U.S. data)

- Canada and the U.S. are each other's #1 foreign supplier of energy. This assures a reliable, secure, integrated and affordable supply of energy to the North American economy.
- American refiners depend on crude oil imports from Canada to produce the affordable, reliable fuels that consumers count on every day. Canada's energy is closer and more convenient than alternative foreign sources of supply.
- In 2024, Canada supplied over 99% of U.S. natural gas imports (around 9% of U.S. consumption), 62% of U.S. crude oil imports²⁰ (around 25% of U.S. refinery intake) and 25% of refined petroleum product imports.²¹
- Canada provides more of the U.S.'s crude oil imports than Mexico, Saudi Arabia and Iraq combined.
- About a quarter of U.S. oil refinery intake originates in Canada²², contributing to job creation and energy affordability, particularly in the Midwest.
 - Illinois: over 3,000 direct and 55,000 indirect jobs
 - Ohio: over 2,000 direct and 53,000 indirect jobs
 - Minnesota: over 1400 direct and 21,500 indirect jobs
 - Michigan: over 450 direct and 18,000 indirect jobs
 - Wisconsin: over 110 direct and 5,900 indirect jobs²³
- There is no easy, fit-for-purpose replacement for Canadian heavy crude oil.
 - In terms of volume, U.S. refining capacity far exceeds U.S. upstream oil production.
 - Trump's vows to develop America's shale patches will not ease U.S. reliance on crude oil imports.
 - U.S. oil production mainly consists of light, sweet crude.
 - Feeding a complex refinery this light, sweet crude is inefficient and could sideline entire process units, leading to less gasoline, diesel and jet fuel production overall, and potentially threatening long-term refinery operations.
 - There is also no cost-effective way to deliver vast quantities of comparable imported heavy oil from Gulf Coast docks to the Midwest.
- Over 31 major electricity transmission lines²⁴ and 70 oil and gas pipelines²⁵ cross our shared border, with energy flowing in both directions. This interdependent supply chain makes both countries more energy secure, with a shared, flexible and resilient energy grid.
- Two large cross-border transmission projects are under construction and scheduled to enter service in 2026. The two projects will deliver enough clean, reliable electricity to power more than two million homes in New York City and New England.
 - Champlain Hudson Power Express (1,250 megawatts) and New England Clean Energy Connect (1,200 megawatts)

Supplemental

- In 2024, Canada supplied the U.S. with about 62% of its crude oil imports (representing about one-quarter of daily intake of crude oil at U.S. refineries) – more than the rest of the world combined. We also supplied around 99% of U.S. natural gas imports (around 9% of U.S. consumption)

²⁰ U.S. EIA, https://www.eia.gov/dnav/pet/pet_move_impcus_d_nus_NCA_mbb1_m.htm

²¹ U.S. EIA, https://www.eia.gov/dnav/pet/pet_move_impcus_a2_nus_EPLO_IMO_mbb1_m.htm

²² U.S. EIA, [Petroleum & Other Liquids- U.S. imports by country of origin](#) and [Petroleum & Other Liquids- Refinery utilization and capacity](#). *Share of U.S. oil refinery intake is calculated as crude imports from Canada divided by gross input to atmospheric crude oil distillation units.*

²³ Oxford Economics (2024-06) Economic Contribution of U.S. Petroleum Refineries

²⁴ Electricity Canada, [U.S. Affairs](#).

²⁵ NRCan, [Frequently Asked Questions \(FAQs\) Concerning Federally-Regulated Petroleum Pipelines in Canada](#).

- In 2024, the value of Canada-U.S. energy trade was U.S. \$151.3 billion with Canada buying U.S. \$26.4 billion of U.S. energy products.²⁶
- In 2024, Canada exported C\$3.1 billion / US\$2.3 billion of electricity to the U.S.²⁷ Roughly 80% of Canada's electricity generation is from renewable and/or non-emitting sources such as hydro, nuclear, wind and solar, and Canada's electricity exports contribute to states and regions meeting clean energy and emission reduction goals.²⁸
- In 2024, Canada exported approximately 35 terawatt hours (TWh) of electricity to the U.S.²⁹ – roughly 1% of total U.S. electricity consumption, or the equivalent of powering about 6 million U.S. homes. However, these exports are concentrated regionally in New England, New York, Minnesota, Michigan and the Pacific Northwest. For example, in 2024, Canada provided 5.5% of New England's total electricity supply.
- These exports save American households, consumers and companies hundreds of millions of dollars in energy savings each year (electricity, gasoline and natural gas for home heating) and power jobs on both sides of the border.

²⁶ CER, [Electricity Trade Summary](#); U.S. Census Bureau, [USA Trade Online](#). *Extracted using HS chapter 27.*

²⁷ U.S. Census Bureau, [USA Trade Online](#). *Extracted using HS code 2716000000.*

²⁸ NRCAN calculations based on microdata from StatCan Table: 25-10-0084-01, StatCan Table: 25-10-0020-01 and IEA PVPS National Survey Report of PV Power Applications in Canada 2023.

²⁹ U.S. Census Bureau, [USA Trade Online](#). *Extracted using HS code 2716000000.*

URANIUM AND NUCLEAR (U.S. data)

- Canada's enormous reserves of high-grade uranium are a unique asset amongst G7 countries.
- Canada is the U.S.' #1 foreign supplier of uranium. In 2023, Canadian-originating uranium accounted for 27% of uranium imported by owners and operators of U.S. civilian nuclear power reactors.³⁰
- Canada's exports of uranium product mostly go to Illinois (65%) and New Mexico (32%)³¹ for further processing (conversion and enrichment) – ultimately fueling nuclear reactors across the U.S.
- All uranium is mined in Saskatchewan. Prior to export, some uranium is converted at the Port Hope facility in Ontario, the only uranium conversion facility in Canada and one of two in North America.
- With 95% of their uranium needs being met from foreign sources, U.S. power plants will continue buying foreign uranium even if tariffs are imposed.³² The U.S.' main alternatives to Canadian uranium are Kazakhstan, Australia and Russia³³.
- Tariffs would likely incentivize U.S. domestic uranium mining, however ramping up production would take time; in 2022, the U.S. only accounted for 0.2% of global production.³⁴

³⁰ U.S. EIA, [Uranium Annual Marketing Report Table 3](#).

³¹ U.S. Census Bureau, Global Trade Atlas. *Extracted using HS codes 261210 and 284410, 261210 284410, 284420, 284430.*

³² U.S. EIA, [Uranium Annual Marketing Report Table 3](#).

³³ [Uranium Marketing Annual Report - U.S. Energy Information Administration \(EIA\)](#)

³⁴ World Nuclear Association, [World Uranium Mining Production](#).

CRITICAL MINERALS (*U.S. and Canadian data*)

- Canada and the U.S. are each other's #1 minerals trading partner, with approximately \$140 billion in annual two-way minerals and metals trade.³⁵
- Canada's critical minerals are key to U.S. national and economic dominance. Canada produces over 60 minerals and metals, including 22 of the 50 minerals listed as critical by the U.S. Geological Survey.³⁶
- Canada is a leading supplier to the U.S. of minerals that support the automotive, agriculture, defence, clean energy, and communications industries.
- The U.S. defence sector is one of the largest beneficiaries of Canada's resource wealth and processing capacity. Various Canadian minerals are some of the best alternatives to non-allied supply for the U.S.
 - Canada has been part of the U.S. defence industrial base for more than 70 years, with more than 2500 agreements covering various aspects of North American security.
- Canada is the most important global producer of potash and supplies 77% of the total U.S. demand. The only other significant global producers are Russia and Belarus.
- Canada is a leading supplier to the U.S. for the following minerals, and the most important supplier of potash, aluminum, uranium, and refined zinc:
 - 73% of U.S. consumption of potash (agricultural sector and food security);
 - 47% of U.S. total consumption of tellurium (solar cells and other manufacturing applications);
 - 45% of U.S. total consumption of refined zinc (steel industry);
 - 27% of U.S. total consumption of niobium (defence);
 - 24% of U.S. total consumption of aluminum (automotive and transportation);
 - 21% of U.S. total consumption of nickel (stainless steel, lithium-ion batteries); and
 - 21% of U.S. total consumption of uranium (nuclear power).
- Canada is already a top 3 supplier of advanced semiconductor minerals to the U.S., with the potential to expand production. As well, Canada is a top supplier of EVs and battery materials (nickel, aluminum, natural graphite) and has significant reserves of lithium and rare earth elements.
- Through the Canada-U.S. Joint Action Plan on Critical Minerals and other agreements, we are building North American critical mineral supply chains that bolster diversity in the market, reduce risk throughout the value chain, and safeguard national security and economic interests.
- Collaboration through these agreements has resulted in joint action on research and innovation, supply chain modelling, and industry facilitation.
- Tangible outcomes include Canada and the U.S. Department of Defense announcing joint investments of more than USD\$100 million targeting the development of strategic critical mineral deposits in Canada and at this time, appears to be a continuation of DPA Title III funding for Canadian projects (in light of the U.S. Administration's ongoing review of approximately 2600 funding programs, including DPA Title III) with all recipients reporting that funding was still being made available, if not being accelerated to announce the following projects:
 - Lomiko DPA award of U.S. \$8.2 million for its graphite mining project.
 - Fortune Minerals DPA award of U.S. \$6.38 million for cobalt and bismuth mining to refining metals.
 - Electra Battery Materials DPA award of U.S. \$20 million for a cobalt sulphate facility.
 - Nano One DPA award of U.S. \$12.9 million for its battery materials facility.
 - Fireweed Metals DPA award of U.S. \$15.8 million for the development of its zinc project, which also contains germanium, gallium, and tungsten resources.

³⁵ [NRCan with Statistics Canada data](#)

³⁶ NRCan and United States Geological Survey.

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DEFENCE *(Canadian data)*

- The Canada-U.S. bilateral defence relationship is characterized by exceptionally close and long-standing military-to-military cooperation in the defence of North America and around the world, as well as highly integrated industrial bases.
- Canadian Armed Forces personnel have operated alongside the U.S. military in support of international peace and security for over a hundred years, including in the First and Second World Wars, the Cold War, Korea, the Balkans, the Middle East, and Afghanistan.
- The Canada-U.S. defence partnership has deep economic roots, with an integrated North American industrial base serving as a critical source of defence production since the Second World War.
- The U.S. serves as a key supplier to the Canadian Armed Forces and is the primary export destination for Canadian defence technologies.

Geopolitical Context

- Canada and its allies are confronted with a complex, generational challenge. Democracy, free trade, and the rules and values that underpin them are increasingly being contested by authoritarian states.
- In parallel, the character of conflict is changing as technology evolves rapidly and competitors seek to attain military advantage. In this context, defence cooperation among like-minded states is fundamental to our security and prosperity.
- Defence cooperation in the modern era goes well beyond operational collaboration and interoperability. To preserve military advantage and broader national security, we must also ensure the resiliency of our defence industrial base.
- To do so, we must reduce our dependence on adversaries for critical supply chain inputs, such as critical minerals, and also stimulate and protect the security of our own innovation ecosystems.
- Canada has a key role to play in this context – both as a trusted source of supply of many critical defence inputs, and as a contributor of cutting-edge technology to allied efforts to develop advanced military capabilities.
- Deepening our collaboration in these areas with the U.S. and other allies will strengthen our collective ability to compete with our adversaries and deter conflict.

What Canada Brings to the Table

- The importance of the Arctic to North American defence has always been clear, but it is now more critical than ever.
- The Canadian Armed Forces are expert in northern operations and a recognized leader among allies in Arctic intelligence. Canada is aggressively investing in new capabilities to ensure our military has the tools it needs to monitor and defend our vast Arctic territory and approaches.
- Canada has a world-class defence industry and research and development ecosystem, with recognized expertise in high impact military research areas including quantum computing, quantum cryptography and quantum sensing, autonomous underwater vehicles, sonar and acoustic sensors and electronic warfare.³⁷
- A recent report by the UK House of Commons Intelligence and Security Committee noted that Canada is “at the head of the pack” on cyber defence.³⁸
- Canada has a long, proud history as a spacefaring nation and Canada is a highly valued contributor to allied military space capabilities. National Defence has allocated over \$20 billion for 10 different

³⁷ [Home | Techtracker ASPI](#)

³⁸ <https://www.theglobeandmail.com/politics/article-canada-cybersecurity-five-eyes/>

projects that will deliver new space capabilities in the coming years that will cover surveillance of space, surveillance from space, and communications.

Continental Defence and the Arctic

- Formally established in 1958, the Canada-U.S. North American Aerospace Defense Command (NORAD) is the only binational military command of its kind in the world.
- Approximately 1,000 CAF personnel support the NORAD mission throughout North America. Canada provides fighter and refueling aircraft to NORAD during normal operations and maintains the Canadian portion of the North Warning System as well as four forward locations to support NORAD and other Canadian and U.S. air operations in the North and Arctic. In March 2025, Prime Minister Carney announced that Canada will expand the CAF's operations in the Arctic and the intent to partner with Government of Australia on advanced over-the-horizon radar technology to monitor Canada's northern air and maritime approaches. This will be a key enabler of NORAD modernization, and the best way of delivering a new capability to NORAD as soon as possible.
- In June 2022, the Minister of National Defence announced a 20-year, \$38 billion accrual, or \$87 billion cash) plan to modernize NORAD capabilities in support of shared Canadian and U.S. priorities in strengthening North American deterrence against new threats to North America.³⁹
- These investments and much of the additional \$73 billion (accrual, or \$104 billion cash over 20 years) announced in *Our North, Strong and Free* will strengthen the Canadian Armed Forces' ability to defend our shared continent, especially in the Arctic. In addition to bolstering homeland defence, this will help ensure that North America remains a secure base for projecting power abroad.⁴⁰
- Funded capabilities that will advance shared homeland defence priorities include:
 - up to 88 F-35 fifth-generation fighter aircraft, beginning in 2026;⁴¹
 - up to 16 P-8A Poseidon maritime patrol aircraft specialized in anti-submarine and anti-ship warfare, beginning in 2026;⁴²
 - 11 MQ-9B long-endurance SkyGuardian drones, beginning in 2028;⁴³
 - six Arctic and Offshore Patrol Ships (the last launched in Dec 2024) that will help secure the northern approaches to the continent;⁴⁴
 - Air-to-Air Refuelling (three delivered since 2023)⁴⁵ and Airborne Early Warning aircraft that will ease the burden on U.S. fleets;
 - new Arctic and Polar Over-the-Horizon Radar systems that will dramatically improve situational awareness of North American airspace and approaches;
 - space-based surveillance and polar communications capabilities, and an Arctic ground station that will enhance Canadian and U.S. surveillance and intelligence capacity;
 - a suite of specialized maritime sensors and uncrewed underwater vehicles to bolster our ability to monitor the maritime approaches to the continent;
 - upgrades to air bases and establishment of new Northern Operational Support Hubs to enhance our operational agility across Canada's vast Arctic territory; and,
 - more than \$4 billion in S&T funding to continually improve our continental defence capabilities and ensure they remain at the cutting edge of technology.

³⁹ [Fact sheet: Funding for Continental Defence and NORAD Modernization - Canada.ca](#)

⁴⁰ [Our North, Strong and Free: A Renewed Vision for Canada's Defence - Canada.ca](#)

⁴¹ [Announcement regarding the F-35 acquisition - Canada.ca](#)

⁴² [Canada purchasing up to 16 P-8A Poseidon Multi Mission Aircraft for the Royal Canadian Air Force - Canada.ca](#)

⁴³ [Canada acquiring Remotely Piloted Aircraft Systems for the Canadian Armed Forces - Canada.ca](#)

⁴⁴ [Arctic and offshore patrol ships: Royal Canadian Navy - Canada.ca](#)

⁴⁵ [Government of Canada awards contract for the Strategic Tanker Transport Capability project - Canada.ca](#)

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- In September 2024, Canada issued an RFI on industry ability to deliver up to 12 submarines to detect and deter maritime threats, control our maritime approaches, and project power abroad.⁴⁶

⁴⁶ [Government of Canada announces progress on the Canadian Patrol Submarine procurement - Canada.ca](#)

DEFENCE PROCUREMENT AND TRADE *(Canadian data)*

- Canada's defence sector is comprised of over 600 firms that contribute \$9.6 billion in GDP and support approximately 81,200 jobs. The sector has established areas of strength, including combat ground vehicles, aircraft systems and components, military maintenance, repair and overhaul activities, naval shipbuilding and design, and ammunitions.
- Canadian and U.S. defence industrial bases have been highly integrated since the Second World War, when arrangements were established to supply allied militaries through what Prime Minister Mackenzie King called "a common plan for the economic defence of the western hemisphere".⁴⁷
- The U.S. serves as a key supplier to the Canadian Armed Forces and is the primary export destination for Canadian defence technologies.
- Several of the world's leading defence and aerospace manufacturers operate seamlessly on both sides of our border, and many of Canada's largest defence firms are subsidiaries of major U.S. companies.

Defence Imports from the U.S.

- U.S. companies have been key sources for recent Canadian defence acquisitions such as the F-35 fighter (e.g. Lockheed Martin, Pratt & Whitney), P-8A maritime patrol aircraft (e.g. Boeing) and MQ-9B drones (e.g. General Atomics).
- Over the last two years (September 1, 2022, to October 31, 2024), the Department of National Defence has awarded nearly 200 contracts to American firms, worth a total estimated value of U.S. \$12.4 billion (\$17.3 billion). The top industry sector was aerospace, with 47 contracts.⁴⁸
- Canada ranks among the top 20 global customers for U.S. Foreign Military Sales (FMS) procurements and is in the top 5 NATO customer nations.⁴⁹
 - Since 2017, Canada has tripled its U.S. FMS portfolio growth to approximately U.S. \$13 billion.
 - In 2023, Canadian acquisitions from the U.S. FMS program accounted for 71% of all projected Canadian major defence equipment expenditures and a total of 8% of total U.S. sales financed by foreign partners.
- Over the next two years, up to 68 contracts to be awarded to American companies could (pending outcomes of ongoing negotiations) reach a total estimated value of U.S. \$16 billion (\$22.5 billion). The top industry sector is marine, with 25 contracts.⁵⁰

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Defence Exports to the U.S.

- The U.S. is the main *export* destination for Canadian defence technologies. In 2022, 63% of Canada's defence exports went to the U.S., with a total value of more than \$4.4 billion (compared to approx. \$3.2 billion in 2020).
 - Under Title III of the U.S.'s *Defense Production Act*, Canadian businesses in the defence sector are considered domestic sourcing in the U.S.⁵²
 - The U.S. Department of Defense also buys massive volumes of non-military goods and services, e.g., for medical purposes, navigation, logistics and construction.⁵³

⁴⁷ [Lipad - 1237235 - Permalink Speech from the Canadian House of Commons](#)

⁴⁸ DND data

⁴⁹ connect2canada.com

⁵⁰ DND data

⁵² [About DPSA - Canadian Commercial Corporation \(CCC\)](#)

⁵³ [U.S. DoD Prime Contractor - CCC](#)

- o More broadly, Canada is a leading supplier of critical mineral commodities, including as a top three supplier for the U.S. semiconductor industry.

Looking Ahead

- Canada is on track to almost triple defence spending between 2014-2015 and 2029-2030 (from \$20.1 billion to ~\$57.8 billion) and is committed to reaching NATO's 2% defence spending target as quickly as possible. Doing so will depend heavily on the North American industrial base.
- National Defence is developing a new Defence Industrial Strategy, as well as a Defence Supply Chain Resilience Strategy, both of which will generate new opportunities to deepen Canada-U.S. defence cooperation.
- Shared Canadian and U.S. interests in strengthening our homeland defences and Arctic security offer an important opportunity to renew and deepen our commitment to North American innovation, industrial collaboration and economic growth.

AEROSPACE (Canadian data)

- Canada is one of the few jurisdictions in the world that has the capability to design, develop, certify and manufacture modern civil aircraft.
- The Canadian and U.S. aerospace and space sectors are highlighted integrated and provide well-paying Canadian and American jobs while fueling innovation and economic growth in both countries.
- In 2023, Canada's aerospace and space sectors exported \$12.8 billion in aircraft and manufactured components, such as engines and landing gear, while importing \$10.2 billion in aerospace products and parts from the U.S.⁵⁴
- The aerospace and space manufacturing sectors' global export-to-sales ratio was 73% in 2023, with over 64% of exports destined for the U.S. market.
- The U.S. is also Canada's largest export market for space products, accounting for 59%⁵⁵ of total space exports in 2022.
- The aerospace and space sectors' manufacturing footprint is mostly concentrated in Quebec and Ontario, accounting for 61 percent and 24 percent of the industries' employment, respectively.
- These provinces are home to a wide range of global industry-leading companies manufacturing aircraft engines, helicopters, space systems, and structural parts and components.
- Key aerospace and space manufacturers in Canada include Airbus Canada, Bombardier, CAE, De Havilland Aircraft of Canada Limited, RTX Corporation, Safran Group, and MDA Space.
- Given the highly integrated nature of Canadian and U.S. aerospace supply chains, the interruption of aerospace trade with the U.S. would negatively impact businesses on both sides of the border.

⁵⁴ Statistics Canada NAICS 3364.

⁵⁵ State of the Canadian Space Sector Report 2023. Canadian Space Agency. Please note the proportion of Canadian export revenues here are not exclusive to manufacturing and include downstream revenues (e.g. services such as satellite communications, satellite operations, and/or value added services and applications).

AGRICULTURE

The below U.S. Census Bureau trade statistics for total exports, imports, and trade to Canada for 2024 as generated by global trade tracker. The data is generated by using WTO HS6 definition of agriculture products and in USD. This approach ensures consistency with data U.S. decision-makers are familiar with.

- Canada-U.S. agriculture and agri-food trade is hugely beneficial to both countries, with highly integrated supply chains that deliver safe, high-quality, and affordable food to millions.
- Canada and the U.S. share one of the largest agricultural bilateral trading relationships in the world, reaching \$74.3 billion in 2024.
- In 2024, Canadians spent on average \$793.71 per person on American agricultural and agri-food products while Americans only spent 121.90 per person on Canadian agricultural and agri-food products.
- In 2024, Canada was the #1 agriculture export market for 28 states. Canada was also one of the top 3 agricultural export market for 42 states, including Florida, Idaho, Arizona, North Dakota, Ohio, Michigan, and Wisconsin.
- Canada is the largest market for a significant number of U.S. products. For example, in 2024, Canada was the main destination for:
 - 95% of U.S. fresh tomatoes exports⁵⁶
 - 90% of U.S. fresh melon exports;
 - 90% of U.S. live cattle exports.
 - 89% of U.S. fresh turnips and carrots exports;
 - 87% of U.S. fresh headed broccoli cauliflower, cabbages and kale exports;
 - 76% of U.S. pasta exports;
 - 75% of U.S. lettuce exports; and
 - 75% of U.S. cereals food preparation (including breakfast cereals) exports.
- In addition, we are integral to U.S. supply chains and competitiveness. Last year, the U.S. imported an estimated 174 products that were sourced solely from Canada and were valued at \$5.4 billion.
- During the same period, the U.S. also relied on Canada for 349 products, where 80% or more of the U.S.' total imports for these products came from Canada and had a value of \$20.7 billion.
- Canada is an important partner to U.S. food security. Our exports help U.S. supply chains operate more efficiently and U.S. products be sold around the world.
- The deeply integrated Canada-U.S. agricultural supply chains benefit farmers, processors, and consumers by providing essential goods at competitive prices, supporting food affordability, sustainability, resilience, and ensuring high food safety and quality standards.

Commodity Specific Integrated Supply Chains

- Canada is the top supplier of canola oil to the U.S., which is processed to help feed and fuel the U.S. Canadian canola play an important role in rural development and energy security policy goals within the US. In turn, Canada is the main export destination for biofuels, with exports in 2024 valued at \$2.9 billion The total volume of U.S. biofuel exports to Canada have increased by 40% since the entry into force of the USMCA.
- As the world's largest producer of potash and the top supplier to the U.S., Canada plays a crucial role in sustaining agriculture and crop yields across North America. Thus supporting U.S. agricultural exports to help feed the world.

⁵⁶ Calculated using quantity.

- In 2024, the U.S. imported over 825,000 head of cattle from Canada that helped ensure that U.S. slaughterhouses can run at capacity, sustaining U.S. jobs across the U.S. The same year, the U.S. exported over 320,000 head to cattle to Canada. Many of these animals were sent to feedlots and were re-exported to the U.S. for slaughter and further processing.
- In 2024, the U.S. imported over 6.7 million pigs from Canada, primarily piglets that support U.S. farms and ensure slaughterhouses operate at capacity. States like Iowa, South Dakota, Illinois, Michigan, and Ohio relied on over 5.5 million Canadian swine to maintain successful hog operations and provide affordable, high-quality pork to U.S. consumers. In return, Canada is a significant market for U.S. pork, with two-way trade in pork and pork products totaling \$2.4 billion in 2024.

Trade Overview 2024

- In 2024, the U.S. exported over \$32.9 billion in agri-food exports to Canada, including more than \$23.6 billion of processed food and beverage products made in the U.S. Key products included:
 - Food preparations and baked goods: \$4.4 billion
 - Fruits and nuts: \$4.2 billion
 - Vegetables: \$3.5 billion
 - Animal feed: \$3.0 billion
 - Meat and meat products: \$2.6 billion
- U.S. agricultural imports from Canada totaled \$40.5 billion in 2024:
 - Food Preparations and baked goods: \$11.3 billion
 - Meat and meat products: \$5.3 billion
 - Edible fats and oils: \$5.1 billion
 - Vegetables: \$3.2 billion
 - Live animals: \$2.4 billion

FISH AND SEAFOOD (*Canadian data*)

- The U.S. was Canada's largest supplier of imported fish and seafood products, representing 30% of Canada's total fish and seafood imports by value in 2024 (\$1.49 billion⁵⁷ of \$4.91 billion total)⁵⁸. The main imported species were salmon (\$401 million), lobster (\$352 million) and crab (\$119 million), accounting for 59% of total Canadian fish and seafood import value from the U.S.
- The U.S. is Canada's largest export market for fish and seafood, with exports totaling \$5.48 billion in 2024, or 68% of total Canadian fish and seafood exports by value.
- According to the U.S. Bureau of Census, Canada was the highest supplier of fish and seafood to the U.S. by value in 2024, representing 17.1% of the U.S. import market share. Canada was followed by Chile (14.5%), India (9.6%), Ecuador (6.9%), Norway (6.6%), and China (6.3%).
- Top species exported by Canada to the U.S. were lobster (\$1.90 billion), crab (\$1.24 billion) and salmon (\$1.08 billion), accounting for 77% of total Canadian fish and seafood export value to the U.S.
- Top exporting provinces were New Brunswick (\$1.2 billion exported to the U.S.), Nova Scotia (\$1.1 billion), Newfoundland and Labrador (\$0.88 billion), and British Columbia (\$0.78 billion).
- As each other's top foreign fish and seafood supplier, Canadian and U.S. seafood harvesters and processors are closely interconnected, which helps to keep seafood affordable and supports North American food security.
- Canada-U.S. supply chains are optimized geographically (some harvests from Alaska are processed in British Columbia), seasonally (the alternating lobster harvest seasons in the U.S. and Canada keep fish processors in production through trade during domestic closures), and in terms of infrastructure (snow crab fisheries in Canada take advantage of cold storage capacity in the U.S.). Through integrated supply chains for fish processing and international shipping shared on both sides of the border, cost-effective arrangements have been established by the industry over many years.
- Canada and the U.S. collaborate on managing North American transboundary fish stocks through both non-binding bilateral agreements (e.g., Atlantic Cod, Atlantic Haddock) and formal, legally binding bilateral commissions (e.g., Pacific Salmon Commission, International Pacific Halibut Commission).
- We also cooperate on the management of international fish stocks, through shared membership in seven Regional Fisheries Management Organizations, as well as through joint efforts to tackle illegal, unreported and unregulated (IUU) fishing, and to address forced labour practices in global fisheries. These efforts are mutually beneficial in addressing practices which undermine the sustainability and value of Canada and U.S. fish and seafood products.

⁵⁷ All values are in Canadian dollars.

⁵⁸ All Canadian export and import data were sourced from Department of Fisheries and Oceans (2025), EXIM [database], Ottawa. Accessed: February 6, 2025.

FOREST SECTOR (*U.S. and Canadian data*)

- Canada is the U.S.' largest source of forest products imports, making up 49% in 2024.
 - Other countries that export forest products to the U.S. include China (8%), Brazil (7%), Chile (5%), Vietnam (4%).
 - Canada's share of American imports has decreased by 8 percentage points (from 57% to 49%) since 2021.
- Canada is the U.S.' leading provider of softwood lumber, supplying 80% of America's softwood lumber imports.
- The reality is that most of the softwood lumber used in the U.S. is produced in the U.S. by American workers, meeting about 71-72% of domestic consumption. Canadian lumber simply fills this gap, accounting for about 24% of U.S. consumption, helping to build and renovate homes for millions of Americans.
- Tariffs on Canadian wood product exports will impact American industries that use Canadian inputs, such as housing construction, pulp and paper and wood product manufacturing.
 - At present, per President Trump's April 2, 2025 reciprocal tariff announcement, it appears that Canadian lumber exports (including softwood lumber) are not impacted and remain subject to the March 2 Executive Order regarding exemption for CUSMA-compliant goods.
 - However, an ongoing Section 232 U.S. National Security investigation into foreign wood products may result in tariffs or other trade measures on these products at a later date.
 - Existing U.S. duties on most Canadian softwood lumber exports remain in place.
- Anti-dumping (AD) and countervailing (CVD) duties on Canadian softwood lumber make homes more expensive in the U.S. According to the U.S. National Association of Home Builders, these act as a tax on American home builders and home buyers, making housing less affordable for American families.
 - Most Canadian softwood lumber producers are currently subject to a combined AD/CVD duty rate of 14.4%. This means that any new tariffs would apply above and beyond the existing U.S. duties.
 - It is important to note that AD/CVD duty rates are anticipated to increase significantly in 2025 meaning that any tariffs or additional trade measures resulting from the Section 232 investigation would further constrict producers and consumers.
- Softwood lumber (spruce-pine-fir) produced in Canada is typically preferred by builders as framing lumber in residential and interior construction, while softwood lumber produced in the U.S. South (southern yellow pine) is preferred in decking and outdoor applications.
- For softwood lumber specifically, the states with the largest value of Canadian imports are Washington (11%), Texas (9%), Michigan (5%), Minnesota (5%) and Massachusetts (4%).
- Texas and North Carolina both have cities with fast-growing housing markets; Texas, in particular, had 9 of the 10 fastest growing cities in the U.S. during 2023.
- Washington, Minnesota, and Michigan are all border states that likely import more Canadian lumber than they consume, serving as the primary destination for many lumber imports that are subsequently shipped elsewhere within the U.S. prior to consumption.
 - Additionally, demand for housing in Washington state is high with increasing home prices to match, and home prices in Minnesota and Michigan have also been increasing, following country-wide trends.⁵⁹

⁵⁹ Sources *The State of the Nation's Housing Report 2024*, Joint Center for Housing Studies of Harvard University; *Core Logic Home Price Insights*; Redfin

- Canada's share of the U.S. lumber market has declined somewhat in recent years owing to increased competition from other countries, increased U.S. lumber production, high domestic production costs in Canada, and duties on Canadian softwood lumber exports to the U.S.
- British Columbia, Quebec, Ontario, Alberta, and New Brunswick are Canada's largest forest producing provinces and are all impacted by trade action to various degrees. 95% of forest product exports to the U.S. come from these five provinces.
 - British Columbia is the largest producer of softwood lumber and the leading provincial exporter of softwood lumber to the U.S. In 2024, British Columbia exported 75% of its softwood lumber to the U.S., accounting for 45% of total Canadian softwood lumber exports to the U.S., worth C\$3.4B in value.⁶⁰
- Additional U.S. trade actions are an increasing concern as Canadian exporters have already been paying anti-dumping and countervailing duties on softwood lumber exports since the U.S. first imposed duties in 2017.
 - The softwood lumber industry is a key component of Canada's highly integrated forest sector value chain. Disruptions in sawmill activity affect pulp and paper facilities, wood pellet and advanced construction material manufacturing and other downstream industry segments.
 - Canadian sawmill activity is driven by U.S. demand – 58% of Canada's lumber production was exported to the U.S. in 2023.
- Ongoing trade irritants (e.g., countervailing and anti-dumping duties) have affected the North American investment landscape as large Canadian-based forest companies are investing more in their U.S. operations than their Canadian operations as they pursue lower production costs; more available, faster-growing, and lower cost fibre; and greater certainty when it comes to environmental regulations
 - In 2015 roughly 16% of total sawmill capacity in the U.S. was owned by Canadian firms. By 2024, that figure had increased to 22%.
 - The four largest Canada-based softwood lumber producing companies have nearly doubled their operational capacity in the U.S. since 2014 (from 21% (2014) to 38% (2023)).
 - The Canadian Forest Service estimates that, since 2020, Canadian companies have invested nearly C\$2 billion in their U.S. operations, versus only a fifth of that domestically.⁶¹

⁶⁰ Source: Statistics Canada via S&P Global Trade Atlas

⁶¹ Source: NRCan Analysis; annual reports of publicly traded Canadian companies (via S&P Capital IQ Pro)

CHEMICALS AND PLASTICS

Canadian Context

- Canada and the U.S. are highly dependent on each other for supplies of chemicals and plastics.
- In Canada, the chemical industry contributed \$22.9 billion to GDP (2024) and employed 93,040 people (2023).⁶²
- The plastics industry contributed \$10.1 billion to GDP (2024) and employed 100,128 people (2024).⁶³
- Canada’s chemical and plastics manufacturing capacity is concentrated in⁶⁴:

Ontario

Sarnia is Ontario’s chemical valley and has a high concentration of petrochemical companies and is critical in regional distribution of Canada’s chemical assets. It has a long-standing footprint dating back to Canada’s first phase industrialization in the late 19th century. Ontario has the largest share of organic manufacturers (35.9%) and inorganic chemical manufacturers (30.8%) in Canada.

Quebec

The second largest share of organic chemical manufacturers (22.5%) and inorganic chemical manufacturers (24.8%); and has the largest share of employment in the chemical industry; and

Alberta

Significant location for organic chemical manufacturers as upstream oil and gas refiners are heavily concentrated in the province. The province has the third largest share of organic chemical manufacturers (19.7%) and inorganic chemical manufacturers (18.8%).

- The majority of Canada’s exports of chemicals and plastics to go the U.S., notably⁶⁵:
 - 90.1 percent – rubber and articles thereof;
 - 58.4 percent – fertilizers;
 - 90.7 percent –plastics and articles thereof;
 - 79.0 percent – organic chemicals;
 - 62.5 percent – inorganic chemicals; and
 - 81 percent – miscellaneous chemicals.
- The U.S. is the #1 source of Canadian imports of chemicals and plastics including⁶⁶:
 - 45.5 percent – rubber and articles thereof;
 - 66.9 percent – fertilizers;
 - 67.3 percent – plastics and articles thereof;
 - 41.1 percent – organic chemicals;
 - 27.1 percent – inorganic chemicals; and
 - 75.7 percent – miscellaneous chemicals.

U.S. Context

⁶² Statistics Canada. Table 36-10-0434-03, Gross domestic product (GDP) at basic prices, by industry, annual average (x 1,000,000); Statistics Canada. Table 14-10-0202-01, Employment by industry, annual

⁶³ For GDP, NAICS 3261 + NAICS 3262). For employment, NAICS 3261 + NAICS 3262.

⁶⁴ Ibis World Reports, “Inorganic Chemical Manufacturing” and “Organic Chemical Manufacturing”, 2023

⁶⁵ Statistics Canada, Export Trade data retrieved from Global Trade Atlas, S&P Global Market Intelligence, 2024

⁶⁶ Statistics Canada, Import Trade data retrieved from Global Trade Atlas, S&P Global Market Intelligence, 2024

- The U.S. looks to Canada (second to Mexico) as a main export market for U.S. produced chemicals and plastics, the composition of which includes⁶⁷:
 - 28.2 percent – rubber and articles thereof;
 - 39.5 percent – fertilizers;
 - 18.8 percent – plastics and articles thereof;
 - 7.1 percent – organic chemicals;
 - 11.9 percent – inorganic chemicals; and
 - 15.4 percent – miscellaneous chemicals.
- The U.S. also relies on Canada as a main supplier of chemicals and plastics, ranking a close second to China⁶⁸, the composition of which includes⁶⁹:
 - 9.1 percent –rubber and articles thereof;
 - 42.8 percent – fertilizers;
 - 19.1 percent – plastics and articles thereof;
 - 4.5 percent – organic chemicals;
 - 23.6 percent – inorganic chemicals; and
 - 12.5 percent – miscellaneous chemicals.

⁶⁷ U.S. Department of Commerce, Bureau of Census, Export Trade data retrieved from Global Trade Atlas, S&P Global Market Intelligence, 2024.

⁶⁸ The U.S. relies on China (\$34 Billion USD) and Canada (\$31 Billion USD) for imports across HS chapters: fertilizers, organic, inorganic and miscellaneous chemicals and plastics and rubber articles thereof

⁶⁹ U.S. Department of Commerce, Bureau of Census, Import Trade data retrieved from Global Trade Atlas, S&P Global Market Intelligence, 2024.

STEEL

Canadian Context

- In 2023, the Canadian steel industry employed over 23,393 workers and contributed \$4.4 billion to the national GDP.⁷⁰ It produced 12.2 million tons (mt) of crude steel and was the 16th largest steel producer globally (with a production capacity of 16.3 mt).
- Canada's top three steel-making firms – Stelco, Algoma Steel and ArcelorMittal – comprise 73% of Canada's total crude steelmaking capacity. Approximately 75% of steelmaking capacity is located in Ontario, while another 16% is in Quebec.
- Annually, approximately 50% of production (crude and finished) is exported.

Canada-U.S. Trade

- Canada-U.S. steel supply chains are highly integrated and lucrative, and production is concentrated in high-value products. For instance, a semi-finished steel product used in an automobile crosses the border multiple times as it is further worked and refined.
- Due to the tremendous weight of products, transport costs for overseas shipping adds significantly to the price. As such, Canadian firms have so far not actively pursued export diversification beyond the U.S. market, as there was no cost incentive to do so.
- In 2024, 6.3 mt of Canadian steel – 50 percent of annual crude production – was shipped to the U.S., representing 87 percent of Canadian steel exports and 24 percent of U.S. steel imports.
- At the same time, 3.0 mt of U.S. steel – 5 percent of annual crude production (81 mt) – was shipped to Canada, representing 24 percent of all U.S. steel exports and 49 percent of Canadian steel imports.

⁷⁰ NAICS 3311 + 3312

ALUMINUM

Canadian Context

- In 2023, the Canadian aluminum industry employed over 11,037 workers and contributed \$4.4 billion to the national GDP⁷¹. It produced 3.3 million tons (mt) of primary (unwrought) aluminum and was the 4th largest aluminum producer globally.
- Canada's top three primary aluminum-making firms – Rio Tinto Aluminum (RTA), Aluminerie Alouette and Alcoa – represent nearly all of Canadian aluminum production. Nearly all capacity is located in Quebec, with one RTA facility located in Kitimat, BC.
- Annually, approximately 87% of production (primary) is exported.

Canada-U.S. Trade

- Like steel, Canada-U.S. aluminum supply chains are highly integrated, and Canadian firms do not actively pursue export diversification beyond the U.S. market. Unlike steel, U.S. market is overwhelmingly reliant on Canadian aluminum exports. Whereas Canada imports very small amounts of primary aluminum annually (142,351 tons in 2024).
- In 2024, 2.7 mt of Canadian primary aluminum – 82% of annual production – was shipped to the U.S, representing 94% of Canadian aluminum exports and 70% of U.S. aluminum imports.
- Conversely, 109,693 tons U.S. primary aluminum – 13% of annual production (786,000 tons) – was shipped to Canada, representing 14% of all U.S. aluminum exports and 58% of Canadian aluminum imports.

⁷¹ NAICS 3313, <https://www150.statcan.gc.ca/t1/tbl1/en/cv.action?pid=1410020201>.