



TRADE AND INVESTMENT

CANADA–EUROPEAN UNION

NOTABLE TRADE AND INVESTMENT AGREEMENTS

Notable trade and investment agreements between Canada and European Union countries:

- Canada–European Union *Comprehensive Economic and Trade Agreement* (signed, with parts of the agreement provisionally applied)
- Canada–Poland *Foreign Investment Promotion and Protection Agreement* (1990)
- Canada–Hungary *Foreign Investment Promotion and Protection Agreement* (1993)
- Canada–Croatia *Foreign Investment Promotion and Protection Agreement* (2001)
- Canada–Latvia *Foreign Investment Promotion and Protection Agreement* (2011)
- Canada–Romania *Foreign Investment Promotion and Protection Agreement* (2011)
- Canada–Czech Republic *Foreign Investment Promotion and Protection Agreement* (2012)
- Canada–Slovak Republic *Foreign Investment Promotion and Protection Agreement* (2012)



FUNDAMENTALS

This Series

The Library of Parliament's Trade and Investment series:

- provides information on Canada's trade and investment relationship with the world and with selected countries;
- describes the trade relationship of each of Canada's 10 provinces and three territories with the world; and
- presents Canada's merchandise trade relationship with each of the United States' 50 states.

All dollar amounts are in Canadian dollars unless otherwise noted.

Numbers have been rounded.

Definitions appear at the end of the profile.

This Profile

Data on the United Kingdom, which withdrew from the European Union on 31 January 2020, are not included in this profile.

The merchandise trade data are customs-based; the services trade data and foreign direct investment data are balance of payments-based. Data on Canada's services trade relationship with Belgium are amalgamated with those of Luxembourg.

The five most highly valued merchandise export and import categories have been identified using values for 2020.

All figures were prepared using Statistics Canada data available in summer 2021.

For the data tables used to generate the figures, see the HTML version of this profile at [Trade and Investment Series 2020](#).

Detailed economic and population data on European Union countries are provided at the end of this profile.

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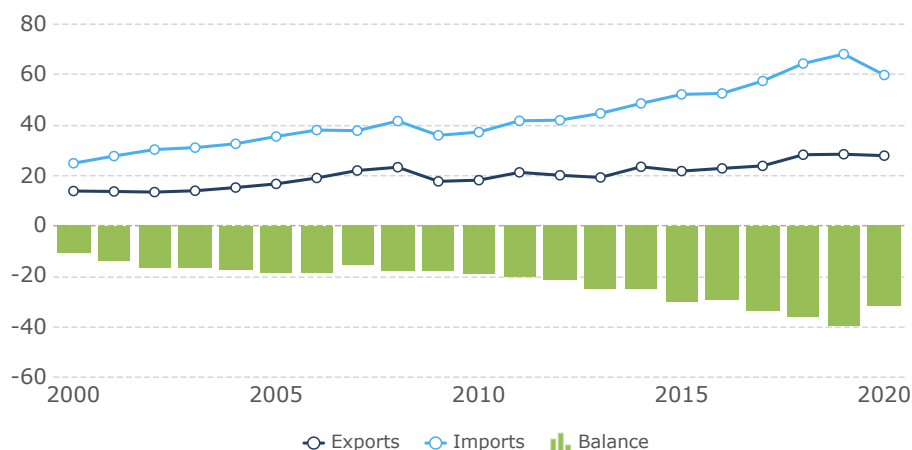
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CANADA'S MERCHANDISE TRADE WITH THE EUROPEAN UNION

Merchandise Trade

(\$ billions)

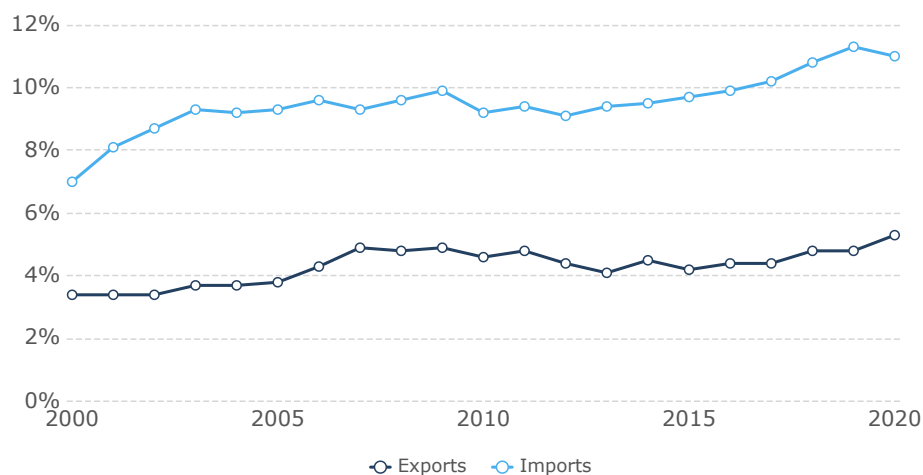


Bilateral merchandise trade in 2020: \$87.9 billion

- Exports: \$27.9 billion, a 2.0% decrease from 2019
- Imports: \$59.9 billion, a 12.2% decrease from 2019

Trade deficit in 2020: \$32.0 billion, a decrease from \$39.7 billion in 2019

Share of the Total Value of Canadian Trade



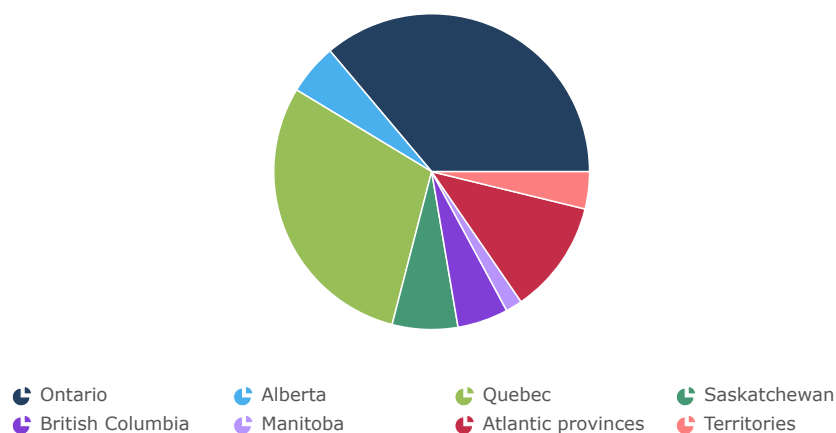
Exports in 2020:

5.3% of the total value of Canadian exports, an increase from 4.8% in 2019

Imports in 2020:

11.0% of the total value of Canadian imports, a decrease from 11.3% in 2019

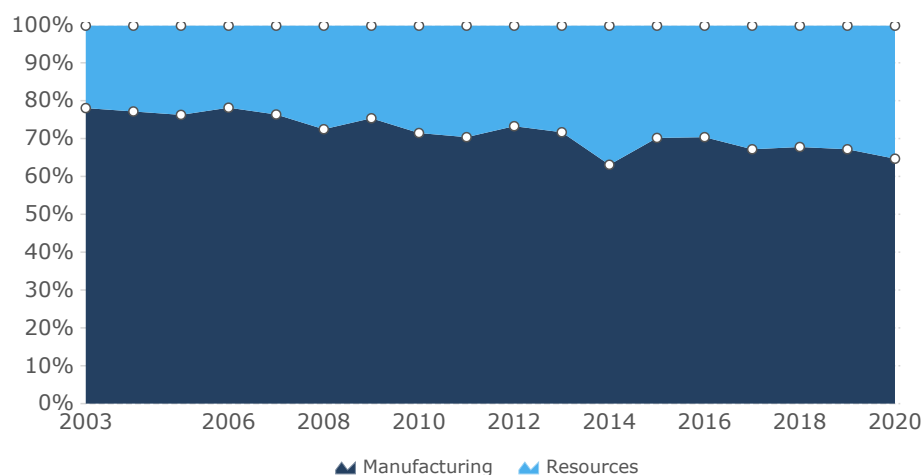
Share of Exports by Province/Territory



Highest-valued exporters in 2020:

- Ontario – \$10.1 billion, an increase from \$9.5 billion in 2019
- Quebec – \$8.3 billion, a decrease from \$9.3 billion in 2019

Share of Exports by Sector

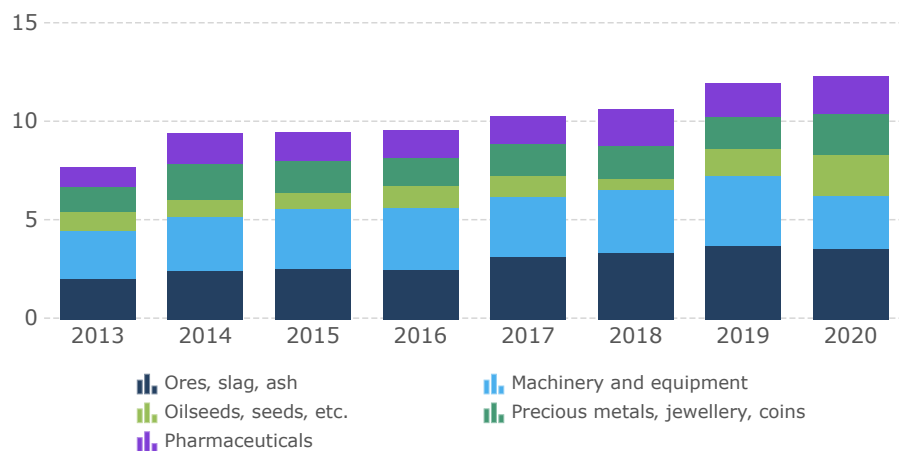


Exports in 2020:

- Resource-based goods – 35.2%, an increase from 32.7% in 2019
- Manufactured goods – 64.8%, a decrease from 67.3% in 2019

Most Highly Valued Exports by Product Category

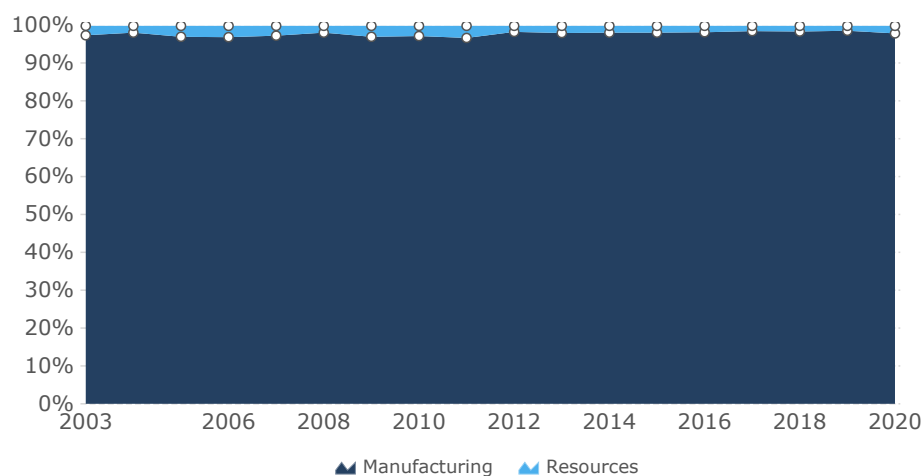
(\$ billions)



Highest-valued exports in 2020: Iron ore and medications, together accounting for 14.8% of the total value of Canadian exports to the European Union

- Iron ore: \$2.4 billion, unchanged from 2019
- Medications: \$1.8 billion, an increase from \$1.4 billion in 2019

Share of Imports by Sector

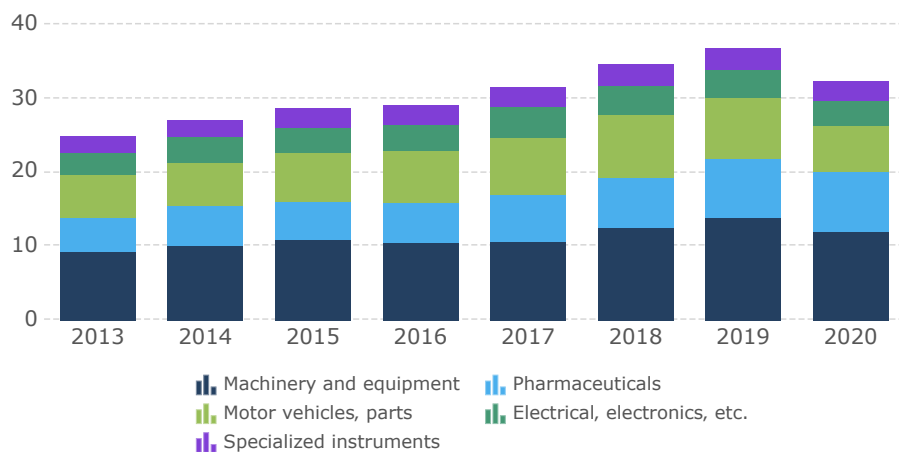


Imports in 2020:

- Resource-based goods – 2.0%, an increase from 1.3% in 2019
- Manufactured goods – 98.0%, a decrease from 98.7% in 2019

Most Highly Valued Imports by Product Category

(\$ billions)

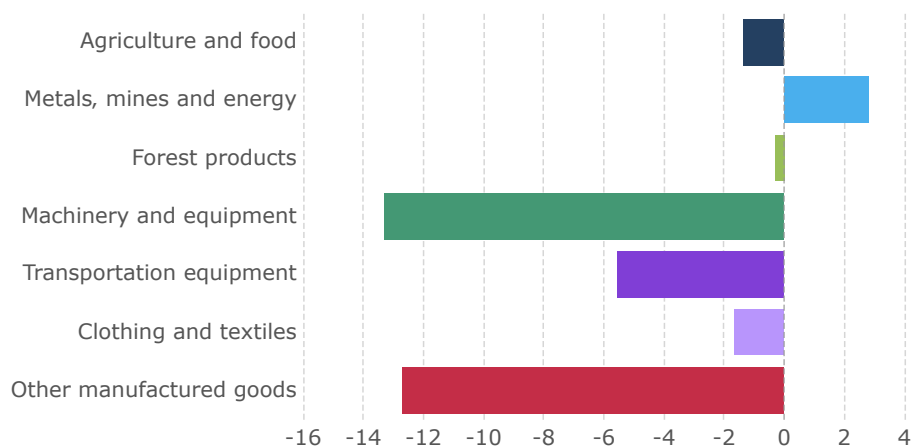


Highest-valued imports in 2020: Medications and motor vehicles, together accounting for 13.8% of the total value of Canadian imports from the European Union

- Medications: \$5.1 billion, an increase from \$4.9 billion in 2019
- Motor vehicles: \$3.2 billion, a decrease from \$4.7 billion in 2019

Trade Balance by Product Category

(\$ billions)



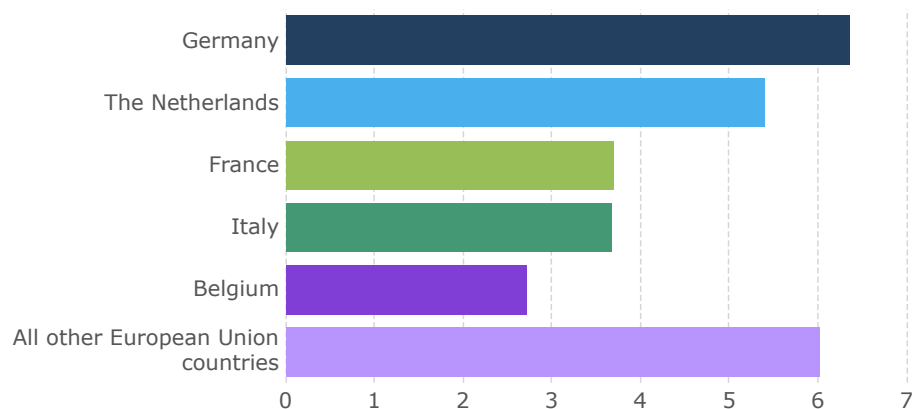
Largest merchandise trade deficit in 2020: Machinery and equipment, at \$13.3 billion

Largest merchandise trade surplus in 2020: Metals, mines and energy, at \$2.8 billion

CANADA'S MERCHANDISE TRADING PARTNERS WITHIN THE EUROPEAN UNION

Destinations for Merchandise Exports by Country

(\$ billions)

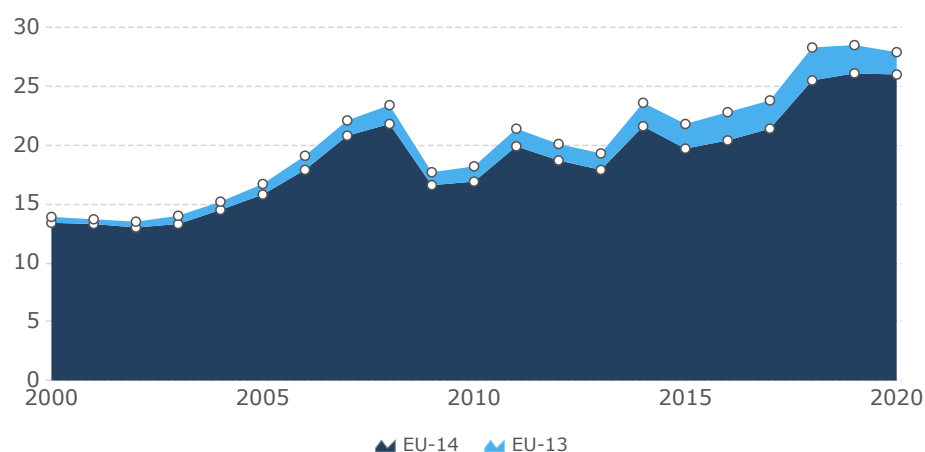


Destinations for merchandise exports to the European Union, by country, in 2020:

- Germany – 22.8%
- The Netherlands – 19.4%
- France – 13.3%
- Italy – 13.2%
- Belgium – 9.8%
- All other European Union countries – 21.6%

Destinations for Merchandise Exports by Region

(\$ billions)

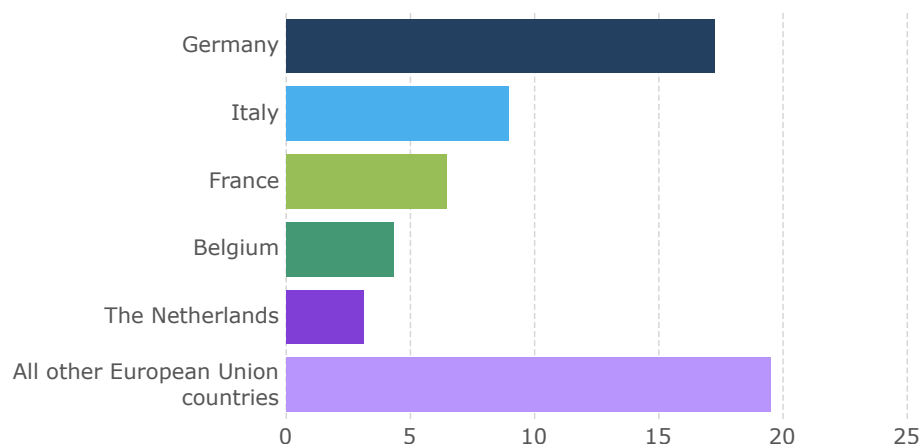


Destinations for merchandise exports to the European Union, by region, in 2020:

- EU-14 countries – 93.0%, an increase from 91.7% in 2019
- EU-13 countries – 7.0%, a decrease from 8.3% in 2019

Sources of Merchandise Imports by Country

(\$ billions)

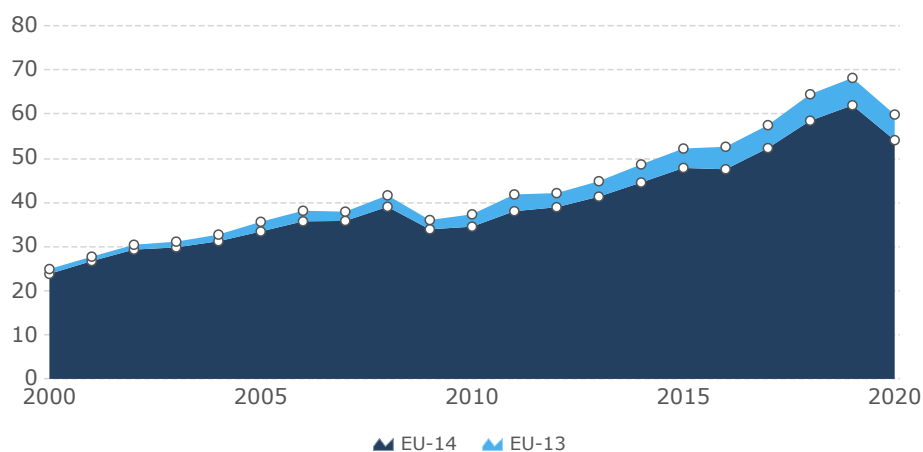


Sources of merchandise imports from the European Union, by country, in 2020:

- Germany – 28.9%
- Italy – 15.0%
- France – 10.8%
- Belgium – 7.3%
- The Netherlands – 5.4%
- All other European Union countries – 32.7%

Sources of Merchandise Imports by Region

(\$ billions)



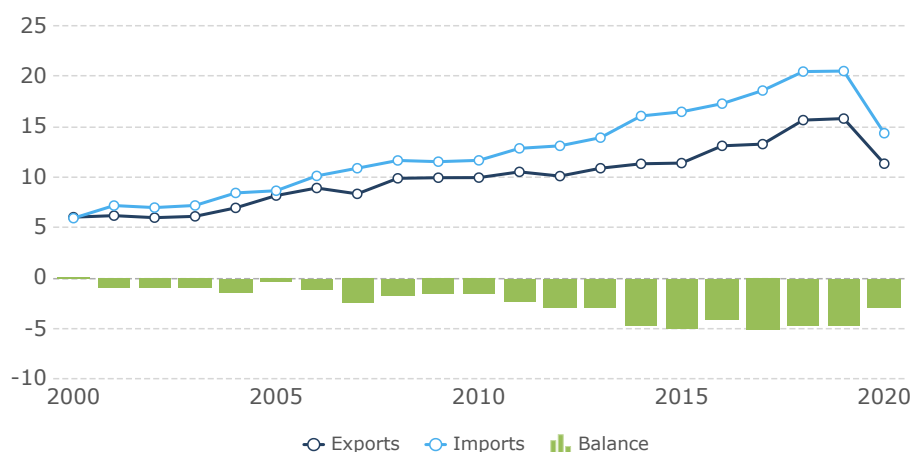
Sources of merchandise imports from the European Union, by region, in 2020:

- EU-14 countries – 90.3%, a decrease from 90.9% in 2019
- EU-13 countries – 9.7%, an increase from 9.1% in 2019

CANADA'S SERVICES TRADE WITH THE EUROPEAN UNION

Services Trade

(\$ billions)



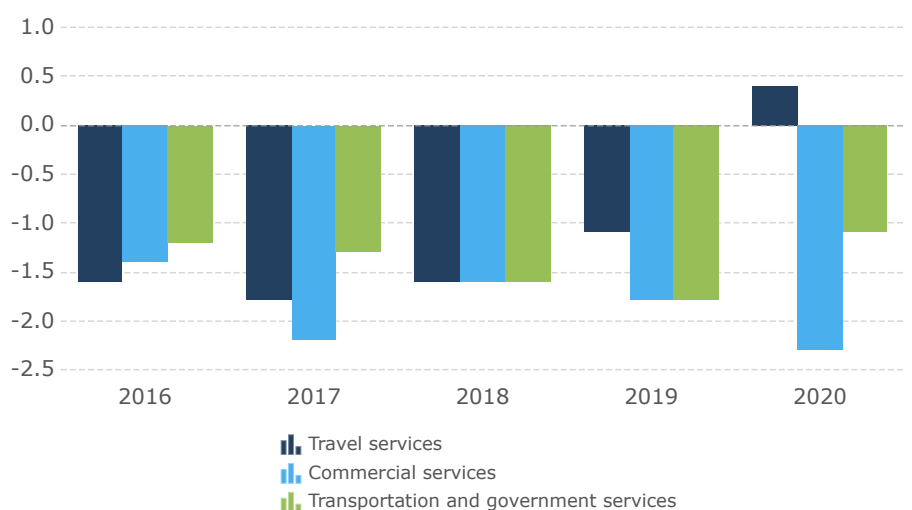
Bilateral services trade in 2020:
\$25.7 billion

- Exports: \$11.3 billion, a 28.3% decrease from 2019
- Imports: \$14.4 billion, a 30.0% decrease from 2019

Trade deficit in 2020: \$3.0 billion,
a decrease from \$4.7 billion in 2019

Services Trade by Type

(\$ billions)



Services trade deficit in 2020: Largely
due to commercial services trade

Travel services

- Exports: \$1.5 billion
- Imports: \$1.1 billion

Commercial services

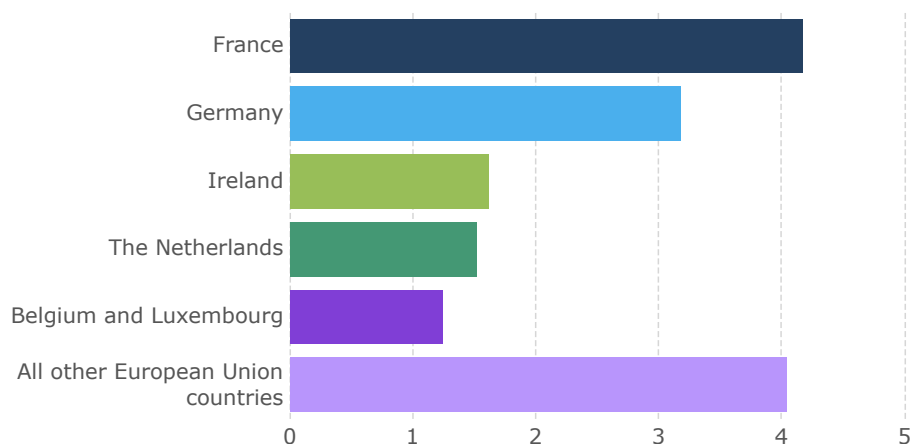
- Exports: \$7.9 billion
- Imports: \$10.3 billion

Transportation
and government services

- Exports: \$1.9 billion
- Imports: \$3.0 billion

Destinations for Services Exports

(\$ billions)

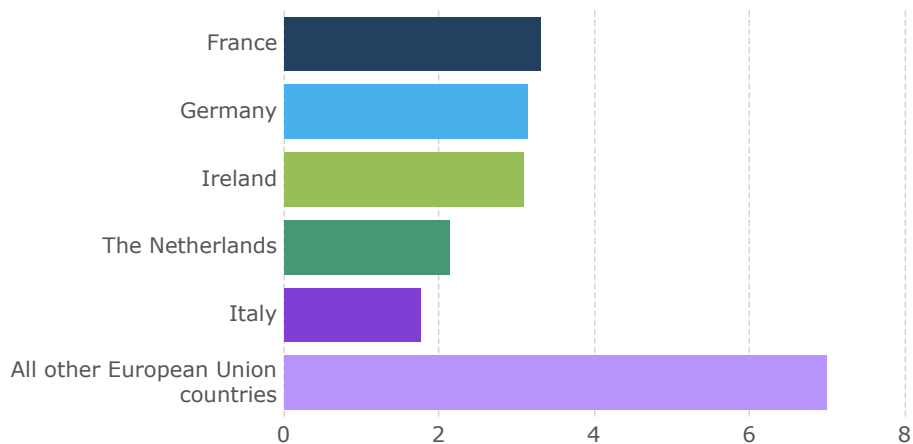


Destinations for services exports to the
European Union in 2019:

- France – 26.4%
- Germany – 20.2%
- Ireland – 10.2%
- The Netherlands – 9.7%
- Belgium and Luxembourg – 7.9%
- All other European Union countries – 25.6%

Sources of Services Imports

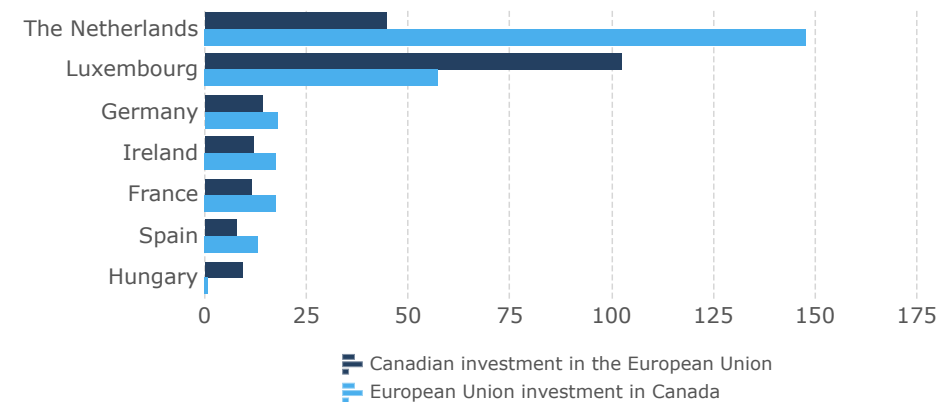
(\$ billions)



Sources of services imports from the European Union in 2019:

- France – 16.2%
- Germany – 15.4%
- Ireland – 15.2%
- The Netherlands – 10.5%
- Italy – 8.6%
- All other European Union countries – 34.1%

Major Destinations for and Sources of Foreign Direct Investment
(\$ billions)



Major destinations for Canadian foreign direct investment in the European Union in 2020:

- Luxembourg – \$102.5 billion
- The Netherlands – \$44.8 billion
- Germany – \$14.3 billion

Major European Union sources of foreign direct investment in Canada in 2020:

- The Netherlands – \$147.9 billion
- Luxembourg – \$57.4 billion
- Germany – \$18.2 billion

PROFILE OF THE EUROPEAN UNION

Country	GDP at PPP (2020, US\$)	GDP per Capita at PPP (2020, US\$)	Population (2020)	International Merchandise Exports and Imports as a Percentage of GDP at Official Exchange Rates (2020)
Austria	491.3 billion	55,100	8.9 million	79.5%
Belgium	600.5 billion	52,000	11.6 million	158.0%
Bulgaria	168.8 billion	24,400	6.9 million	96.5%
Croatia	115.4 billion	28,500	4.0 million	78.1%
Cyprus	34.4 billion	38,500	1.2 million	49.1%
Czechia	446.5 billion	41,700	10.7 million	148.6%
Denmark	352.2 billion	60,400	5.8 million	57.7%
Estonia	51.1 billion	38,400	1.3 million	108.6%
Finland	282.6 billion	51,100	5.5 million	49.3%
France	3.1 trillion	46,200	67.4 million	41.1%
Germany	4.5 trillion	53,700	83.2 million	67.0%
Greece	305.0 billion	28,500	10.7 million	47.8%
Hungary	322.6 billion	33,100	9.7 million	152.1%
Ireland	467.6 billion	93,600	5.0 million	66.1%
Italy	2.5 trillion	41,800	59.6 million	48.7%
Latvia	60.9 billion	32,000	1.9 million	102.9%
Lithuania	108.3 billion	38,700	2.8 million	117.9%
Luxembourg	74.8 billion	118,400	632,300	47.2%
Malta	22.4 billion	42,600	525,300	53.9%
The Netherlands	1.0 trillion	59,200	17.4 million	139.4%
Poland	1.3 trillion	34,300	38.0 million	88.9%
Portugal	355.5 billion	34,500	10.3 million	60.1%
Romania	616.1 billion	31,900	19.3 million	65.5%
Slovakia	173.8 billion	31,800	5.5 million	163.2%
Slovenia	83.2 billion	39,600	2.1 million	164.3%
Spain	1.8 trillion	38,300	47.4 million	49.3%
Sweden	564.9 billion	54,600	10.3 million	56.7%
European Union	19.9 trillion	44,500	447.8 million	n/a

Notes: Gross domestic product (GDP) at purchasing power parity (PPP) for the European Union (EU) member countries collectively was calculated by summing the values for the 27 EU member countries.

GDP per capita at PPP was calculated by dividing the estimated GDP at PPP for the EU member countries collectively by the estimated population of the EU member countries collectively.

The estimated population for the EU member countries collectively was calculated by summing the population for the 27 EU member countries.

Source: World Bank's World Development Indicators database.

Definitions Used Throughout the Series**Balance of payments–based data**

Data that indicate the value of transactions between a country's residents and non-residents.

Customs-based data

Data compiled from declarations that are filed with the Canada Border Services Agency and that are used to track the flow of goods into and out of Canada, with one exception: exports to the United States. Since 1990, customs-based data on most Canadian exports to the United States have been based on declarations filed with U.S. Customs and Border Protection.

Gross domestic product (GDP)

Measure of an economy's total production in a given year.

Manufactured goods

Finished or semi-finished products resulting from the transformation of materials and substances into new products (North American Industry Classification System, or NAICS, codes 31 to 33), and the output of establishments primarily engaged in operating electric, gas and water utilities (NAICS code 22).

Merchandise trade

Trade in physical goods, such as cars, wheat and iron ore.

Resource-based goods

Products of the agriculture, forestry, fishing and hunting sector (North American Industry Classification System, or NAICS, code 11), and of the mining, quarrying, and oil and gas extraction sector (NAICS code 21).

Services trade

Trade in travel, transportation, government and commercial services. Travel services are goods and services purchased abroad by travellers, with one exception: cross-border transportation. Transportation services are the transportation of goods and cross-border travellers, and related services. Government services arise largely from official representation and military activities, and some governmental commercial activities. Commercial services are all other services, such as management, financial or engineering services; this category also includes charges for the use of intellectual property.

Trade balance

Difference between the value of exports and the value of imports. There is a trade surplus if the value of exports exceeds the value of imports. There is a trade deficit if the value of imports exceeds the value of exports.

Definitions Specific to the Profiles for Countries and Regions**Foreign direct investment (FDI)**

Investment that provides an investor with ownership of at least 10% voting equity in an enterprise that is located in a country other than the investor's country of residence. The stock of FDI is the value of the accumulated equity owned by investors abroad; the stock changes from year to year based on various factors, including flows of FDI.

Purchasing power parity (PPP)

Ratio of the prices in two countries for identical goods and services. It is used to adjust economic indicators to account for international price differences. With a calculation of GDP at PPP, a given good or service has the same price in each country.

Definition Specific to the Profile for Canada's Foreign Direct Investment Relationship with the World**Foreign majority-owned affiliates**

Enterprises in which a foreign business owns more than 50% of voting shares.

Definitions Specific to the Profile for the European Union**EU-13**

The 13 countries that joined the European Union between 2004 and 2013: Bulgaria, Croatia, Cyprus, Czechia, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Romania, Slovakia and Slovenia.

EU-14

Fourteen of the 15 countries that became members of the European Union before 2004: Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, the Netherlands, Portugal, Spain and Sweden. The 15th country, the United Kingdom, withdrew from the European Union on 31 January 2020.

Definitions Specific to the Profiles for Provinces and Territories**Basic prices**

Prices received by sellers. They exclude both taxes and subsidies on products.

Market prices

Prices paid by buyers. They include taxes net of subsidies on products.