



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 in 2016, 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

The Series

The Library of Parliament's Trade and Investment series:

- provides information on Canada's trade and investment relationship with selected countries and regions; and
- describes the trade relationship of each of Canada's 10 provinces and three territories with the world.

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 2022.

All figures were prepared using Statistics Canada data available in summer 2023.

For the data tables used to generate the figures, see the HTML version of this profile at [Trade and Investment Series 2022](#).

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

Simon Richards

Research and Education

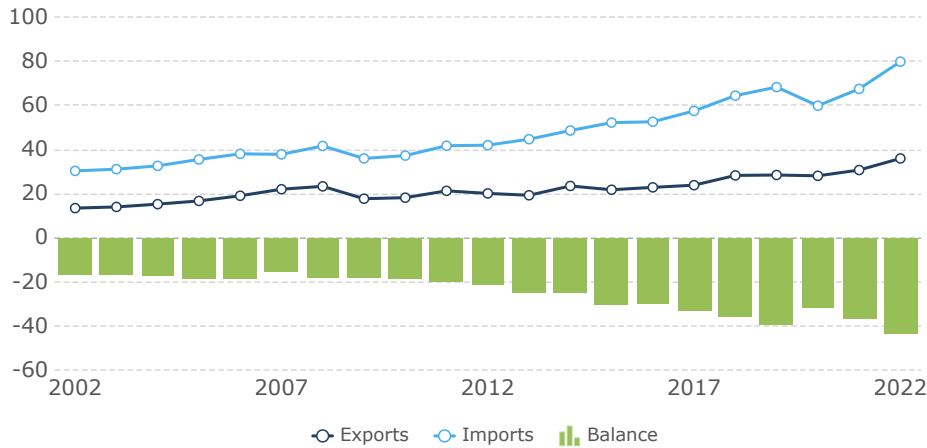
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CANADA'S MERCHANDISE TRADE WITH THE EUROPEAN UNION

Merchandise Trade

(\$ billions)

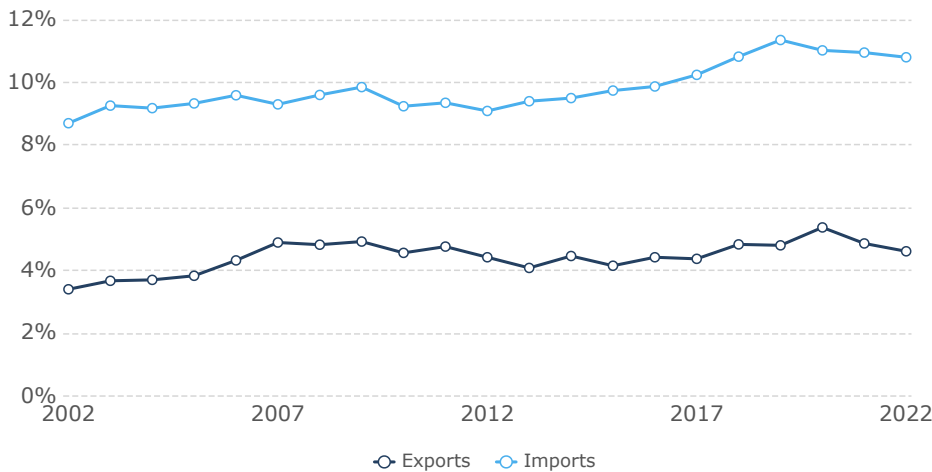


Bilateral merchandise trade in 2022: \$115.9 billion

- Exports: \$36.0 billion, a 17.1% increase from 2021
- Imports: \$79.9 billion, an 18.3% increase from 2021

Trade deficit in 2022: \$43.8 billion, an increase from \$36.7 billion in 2021

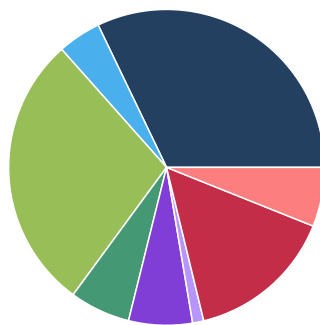
Share of the Total Value of Canadian Trade



Exports in 2022: 4.6% of the total value of Canadian exports, a decrease from 4.9% in 2021

Imports in 2022: 10.8% of the total value of Canadian imports, a decrease from 11.0% in 2021

Share of Exports by Province/Territory

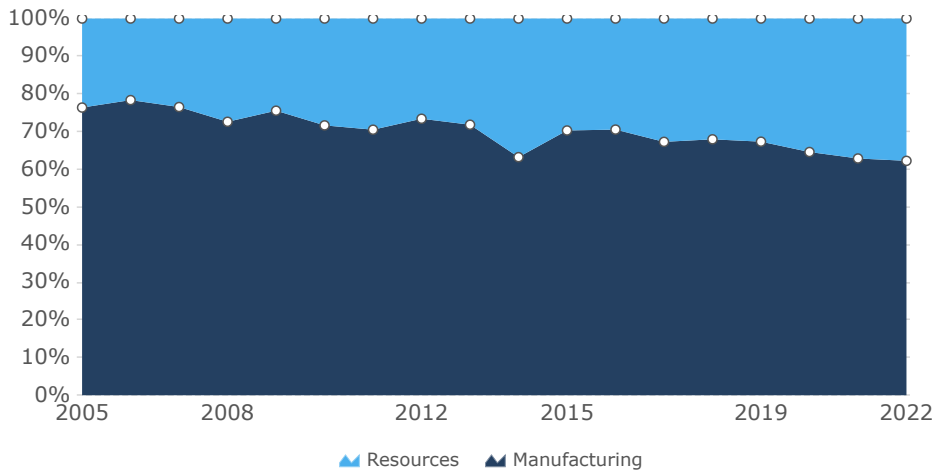


Highest-valued exporters in 2022:

- Ontario – \$11.6 billion, an increase from \$9.4 billion in 2021
- Quebec – \$10.2 billion, an increase from \$9.6 billion in 2021



Share of Exports by Sector

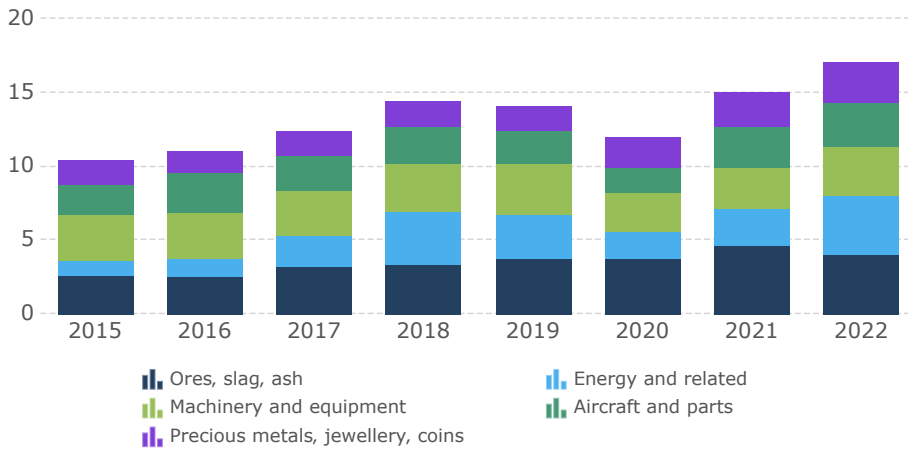


Exports in 2022:

- Resource-based goods – 37.8%, an increase from 37.1% in 2021
- Manufactured goods – 62.2%, a decrease from 62.9% in 2021

Most Highly Valued Exports by Product Category

(\$ billions)

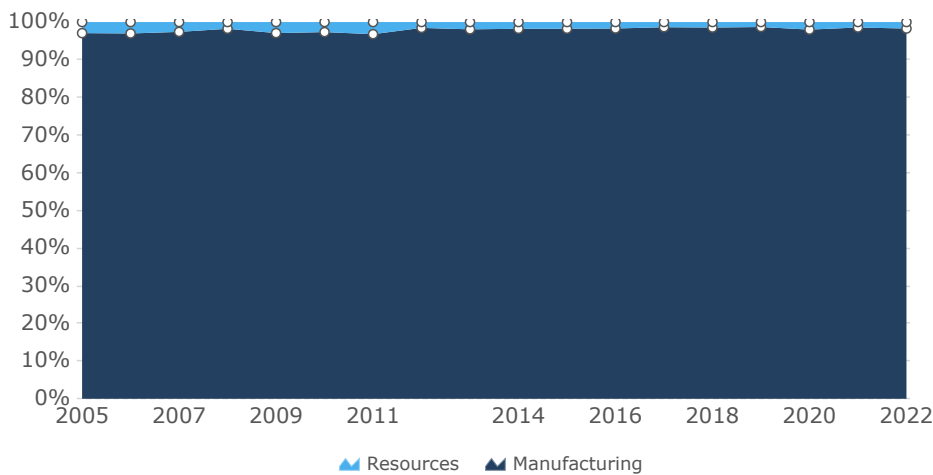


Highest-valued exports in 2022:

Iron ore and crude oil, together accounting for 15.3% of the total value of Canadian exports to the European Union

- Iron ore: \$3.1 billion, a decrease from \$3.5 billion in 2021
- Crude oil: \$2.4 billion, an increase from \$1.7 billion in 2021

Share of Imports by Sector

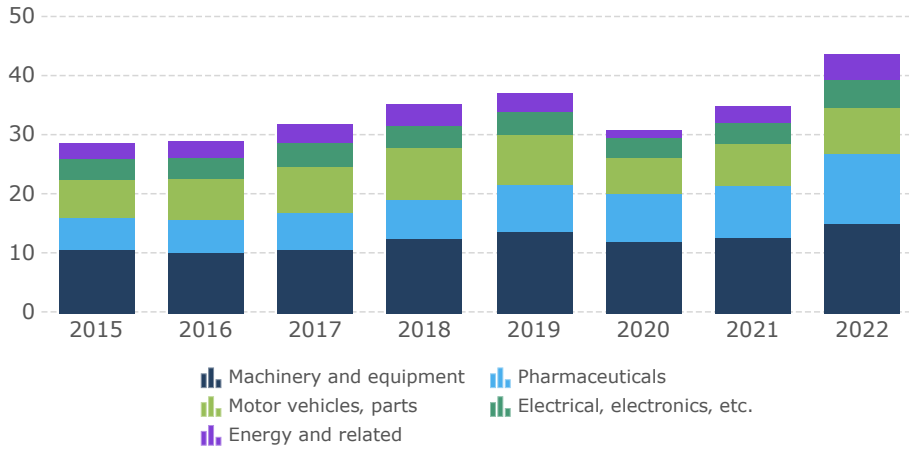


Imports in 2022:

- Resource-based goods – 1.7%, an increase from 1.4% in 2021
- Manufactured goods – 98.3%, a decrease from 98.6% in 2021

Most Highly Valued Imports by Product Category

(\$ billions)

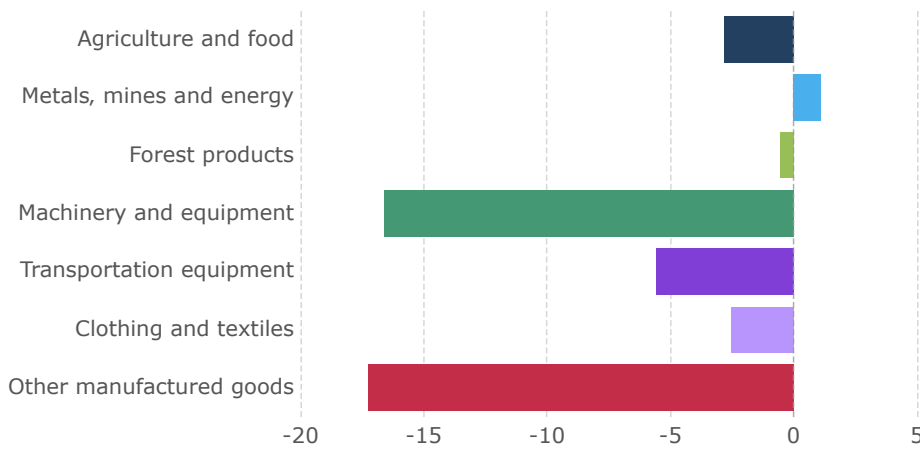


Highest-valued imports in 2022: Medications and motor vehicles, together accounting for 15.1% of the total value of Canadian imports from the European Union

- Medications: \$6.8 billion, an increase from \$4.7 billion in 2021
- Motor vehicles: \$5.3 billion, an increase from \$4.2 billion in 2021

Trade Balance by Product Category

(\$ billions)

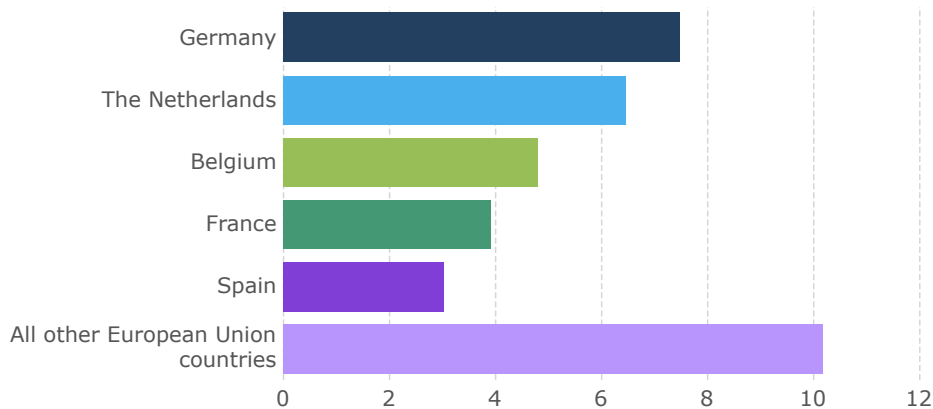


Largest merchandise trade deficit in 2022: Other manufactured goods, at \$17.3 billion

Largest merchandise trade surplus in 2022: Metals, mines and energy, at \$1.1 billion

Destinations for Merchandise Exports by Country

(\$ billions)

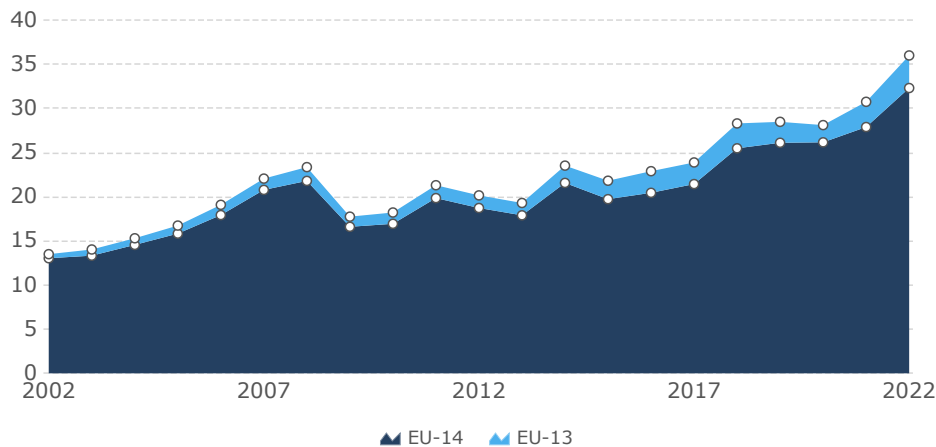


Destinations for merchandise exports to the European Union, by country, in 2022:

- Germany – 20.9%
- The Netherlands – 18.0%
- Belgium – 13.4%
- France – 10.9%
- Spain – 8.5%
- All other European Union countries – 28.3%

Destinations for Merchandise Exports by Region

(\$ billions)

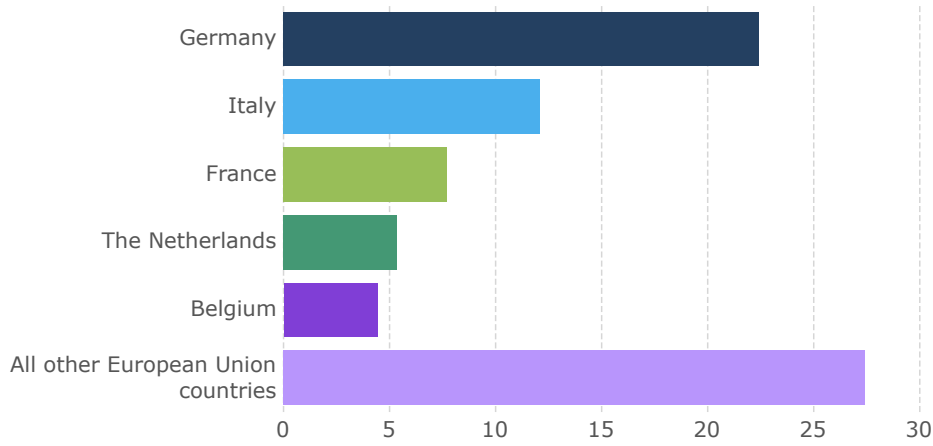


Destinations for merchandise exports to the European Union, by region, in 2022:

- EU-14 countries – 89.7%, a decrease from 90.7% in 2021
- EU-13 countries – 10.3%, an increase from 9.3% in 2021

Sources of Merchandise Imports by Country

(\$ billions)

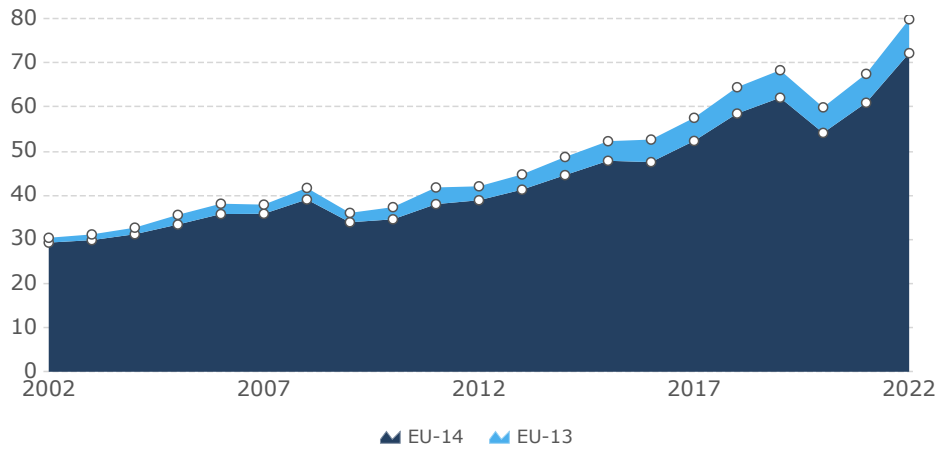


Sources of merchandise imports from the European Union, by country, in 2022:

- Germany – 28.2%
- Italy – 15.2%
- France – 9.7%
- The Netherlands – 6.8%
- Belgium – 5.7%
- All other European Union countries – 34.5%

Sources of Merchandise Imports by Region

(\$ billions)



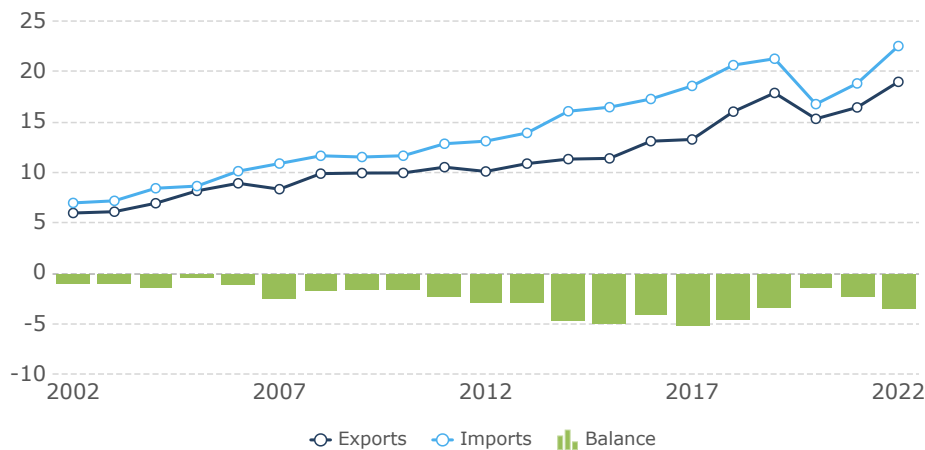
Sources of merchandise imports from the European Union, by region, in 2022:

- EU-14 countries – 90.4%, an increase from 90.3% in 2021
- EU-13 countries – 9.6%, a decrease from 9.7% in 2021

CANADA'S SERVICES TRADE WITH THE EUROPEAN UNION

Services Trade

(\$ billions)



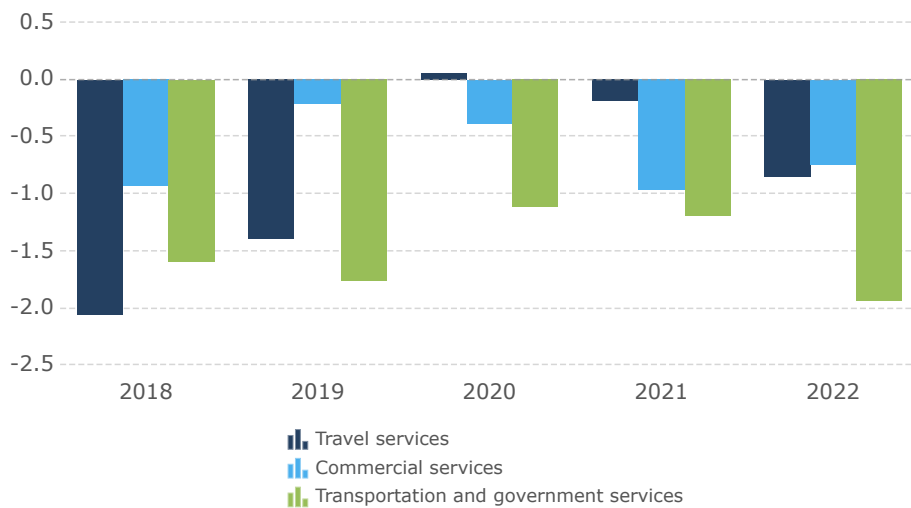
Bilateral services trade in 2022:
\$41.5 billion

- Exports: \$19.0 billion, a 15.4% increase from 2021
- Imports: \$22.5 billion, a 19.7% increase from 2021

Trade deficit in 2022:
\$3.5 billion, an increase from \$2.4 billion in 2021

Services Trade Balance by Type

(\$ billions)



Services trade deficit in 2022: Largely due to transportation and government services trade

Travel services

- Exports: \$3.0 billion
- Imports: \$3.8 billion

Commercial services

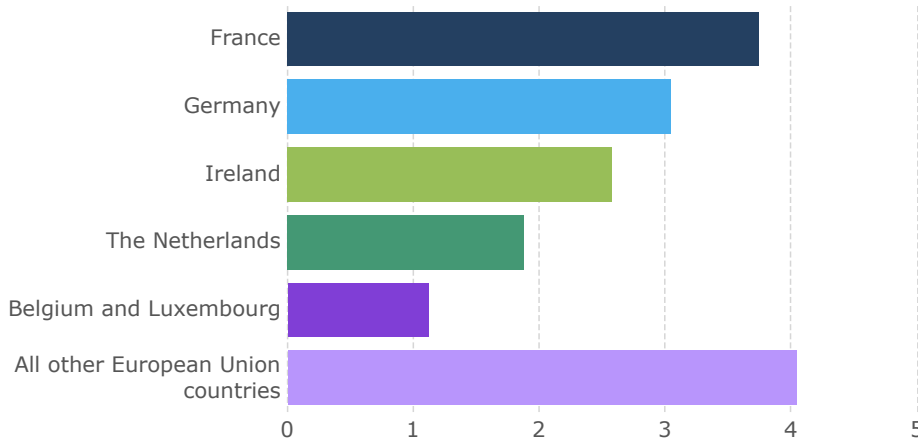
- Exports: \$13.2 billion
- Imports: \$14.0 billion

Transportation and government services

- Exports: \$2.8 billion
- Imports: \$4.7 billion

Destinations for Services Exports

(\$ billions)

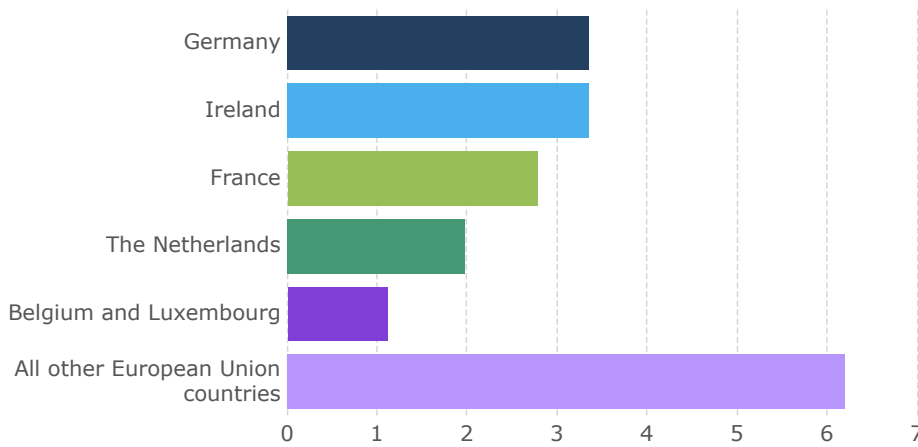


Destinations for services exports to the European Union in 2021:

- France – 22.8%
- Germany – 18.5%
- Ireland – 15.7%
- The Netherlands – 11.5%
- Belgium and Luxembourg – 6.9%
- All other European Union countries – 24.6%

Sources of Services Imports

(\$ billions)

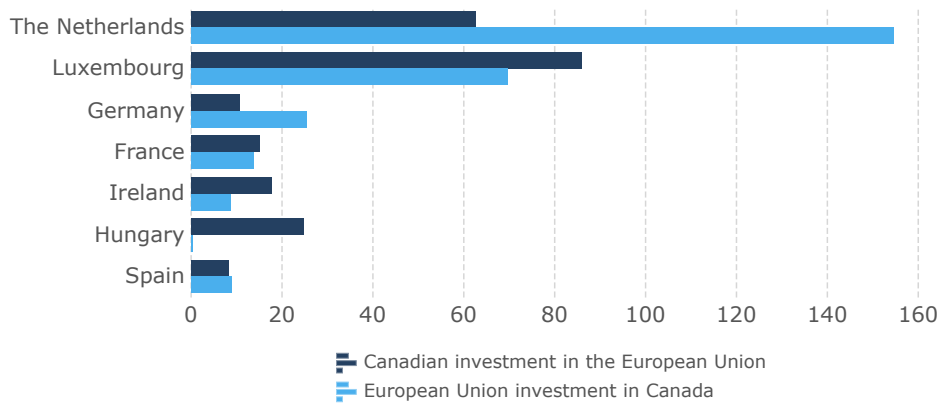


Sources of services imports from the European Union in 2021:

- Germany – 17.9%
- Ireland – 17.9%
- France – 14.8%
- The Netherlands – 10.5%
- Belgium and Luxembourg – 6.0%
- All other European Union countries – 33.0%

Major Destinations for and Sources of Foreign Direct Investment

(\$ billions)



Major destinations for Canadian foreign direct investment in the European Union in 2022:

- Luxembourg – \$86.2 billion
- The Netherlands – \$63.0 billion
- Hungary – \$25.0 billion

Major European Union sources of foreign direct investment in Canada in 2022:

- The Netherlands – \$154.9 billion
- Luxembourg – \$69.9 billion
- Germany – \$25.7 billion

PROFILE OF THE EUROPEAN UNION

Country	GDP at PPP (2022, US\$)	GDP per Capita at PPP (2022, US\$)	Population (2022)	International Merchandise Exports and Imports as a Percentage of GDP at Official Exchange Rates (2022)
Austria	614.3 billion	67,900	9.0 million	94.2
Belgium	758.8 billion	65,000	11.7 million	216.6
Bulgaria	217.1 billion	33,600	6.5 million	122.3
Croatia	155.6 billion	40,400	3.9 million	98.1
Cyprus	45.4 billion	49,900	1.3 million	57.2
Czechia	525.7 billion	49,900	10.5 million	164.0
Denmark	436.9 billion	74,000	5.9 million	65.2
Estonia	62.8 billion	46,700	1.3 million	126.4
Finland	328.0 billion	59,000	5.6 million	65.0
France	3.8 trillion	55,500	67.9 million	51.6
Germany	5.3 trillion	63,100	84.1 million	79.2
Greece	389.2 billion	36,800	10.6 million	70.8
Hungary	405.8 billion	41,900	9.7 million	175.9
Ireland	645.6 billion	126,900	5.1 million	68.0
Italy	3.1 trillion	51,900	58.9 million	67.0
Latvia	75.3 billion	40,000	1.9 million	129.6
Lithuania	137.1 billion	48,400	2.8 million	144.0
Luxembourg	92.5 billion	142,200	650,800	53.3
Malta	29.3 billion	55,900	523,400	64.8
The Netherlands	1.2 trillion	69,600	17.7 million	188.1
Poland	1.6 trillion	43,300	37.6 million	107.8
Portugal	430.2 billion	41,500	10.4 million	78.2
Romania	794.1 billion	41,900	19.0 million	76.1
Slovakia	203.5 billion	37,500	5.4 million	191.2
Slovenia	105.5 billion	50,000	2.1 million	224.3
Spain	2.2 trillion	45,800	47.6 million	65.2
Sweden	677.2 billion	64,600	10.5 million	68.2
European Union	24.3 trillion	54,200	448.0 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.

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.