



# TRADE AND INVESTMENT

## CANADA–EUROPEAN UNION

### Notable Trade and Investment Agreements Between Canada and the 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 for 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 2023.

All figures were prepared using Statistics Canada data available in summer 2024.

For the data tables used to generate the figures, see the HTML version: [Trade and Investment Series](#).

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

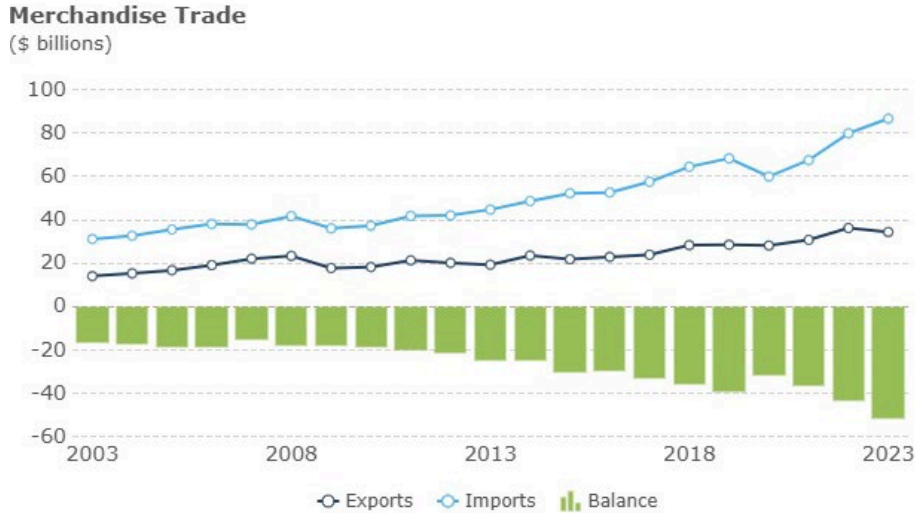
All dollar amounts are in Canadian dollars unless otherwise noted. Numbers have been rounded.

Definitions appear at the end of the profile.

## CANADA’S MERCHANDISE TRADE WITH THE EUROPEAN UNION

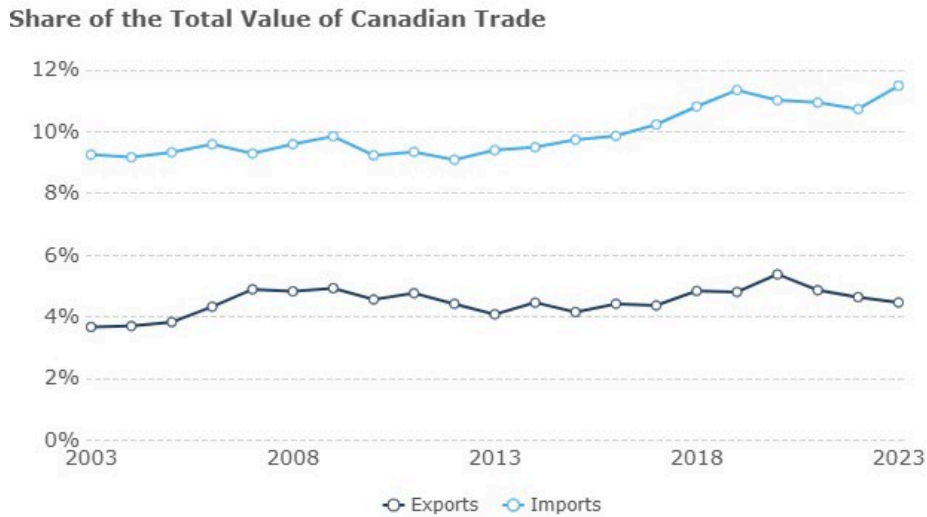
### Merchandise Trade

- Bilateral merchandise trade in 2023: \$121.0 billion
  - Exports: \$34.3 billion, a 5.1% decrease from 2022
  - Imports: \$86.7 billion, an 8.5% increase from 2022
- Trade deficit in 2023: \$52.3 billion, an increase from \$43.7 billion in 2022



### Share of the Total Value of Canadian Trade

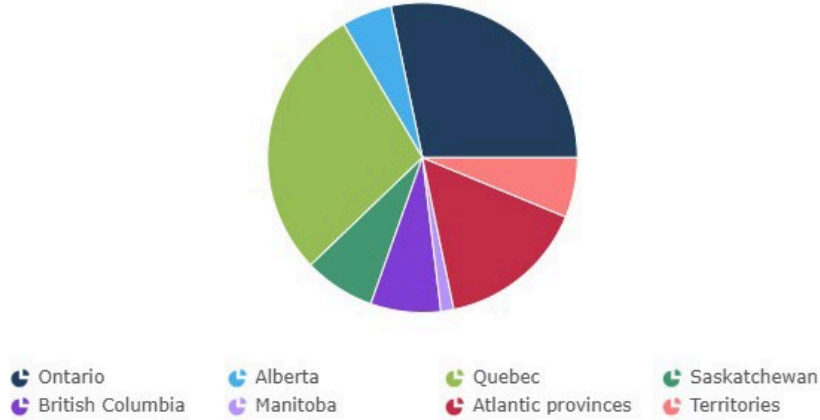
- Exports in 2023: 4.5% of the total value of Canadian exports, a decrease from 4.6% in 2022
- Imports in 2023: 11.5% of the total value of Canadian imports, an increase from 10.7% in 2022



### Share of Exports by Province/Territory

- Highest-valued exporters in 2023:
  - Quebec: \$9.8 billion, a decrease from \$10.3 billion in 2022
  - Ontario: \$9.7 billion, a decrease from \$11.7 billion in 2022

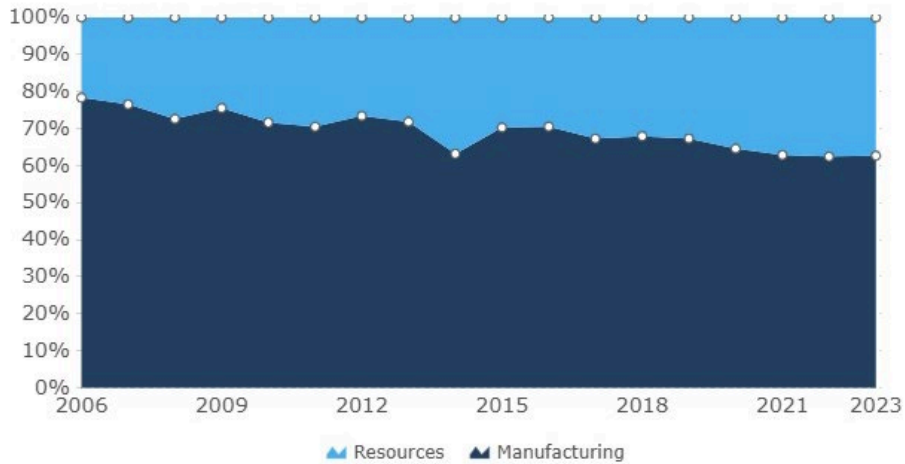
Share of Exports by Province/Territory



### Share of Exports by Sector

- Exports in 2023:
  - Resource-based goods: 37.3%, a decrease from 37.6% in 2022
  - Manufactured goods: 62.7%, an increase from 62.4% in 2022

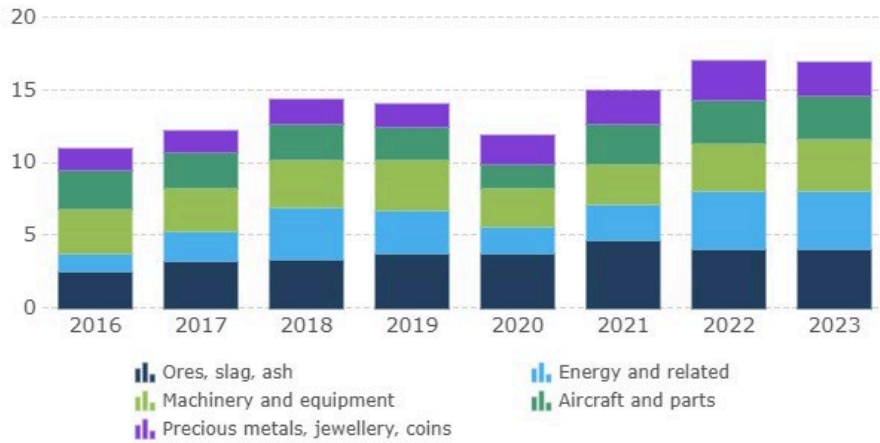
Share of Exports by Sector



### Most Highly Valued Exports by Product Category

- Highest-valued exports in 2023: Iron ore and crude oil, together accounting for 17.2% of the total value of Canadian exports to the European Union
  - Iron ore: \$3.3 billion, an increase from \$3.1 billion in 2022
  - Crude oil: \$2.6 billion, an increase from \$2.4 billion in 2022

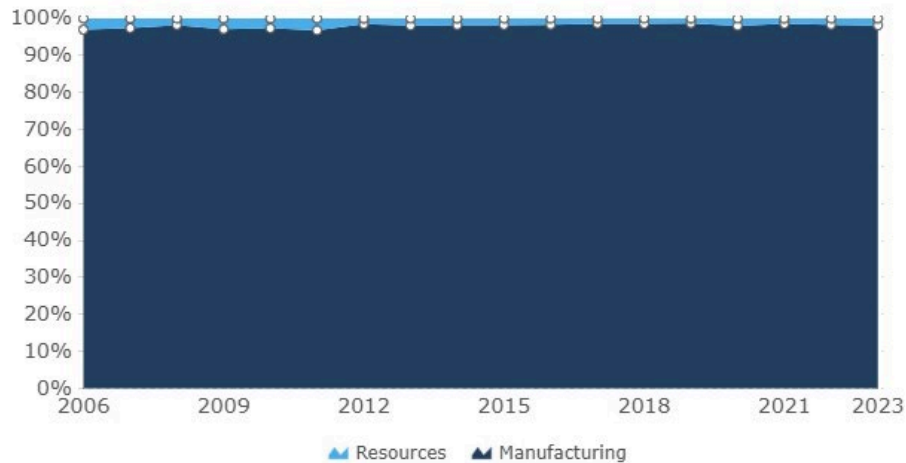
**Most Highly Valued Exports by Product Category**  
(\$ billions)



### Share of Imports by Sector

- Imports in 2023:
  - Resource-based goods: 1.9%, an increase from 1.7% in 2022
  - Manufactured goods: 98.1%, a decrease from 98.3% in 2022

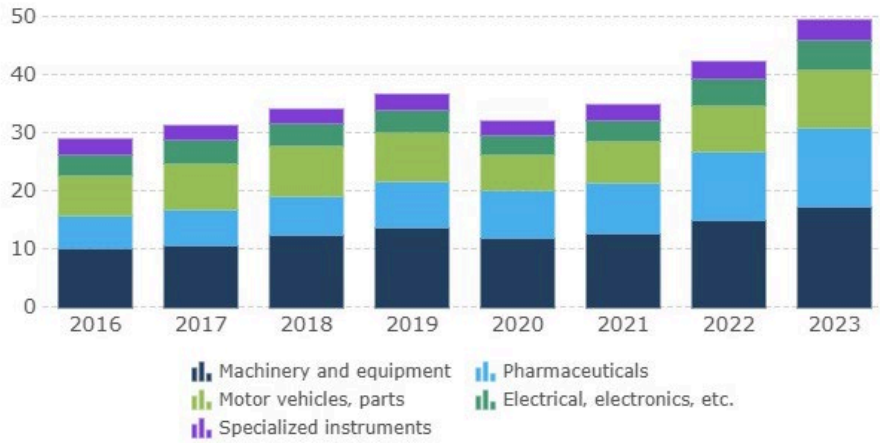
**Share of Imports by Sector**



### Most Highly Valued Imports by Product Category

- Highest-valued imports in 2023: Motor vehicles and medications in doses, together accounting for 15.0% of the total value of Canadian imports from the European Union
  - Motor vehicles: \$6.7 billion, an increase from \$5.3 billion in 2022
  - Medications in doses: \$6.3 billion, a decrease from \$6.8 billion in 2022

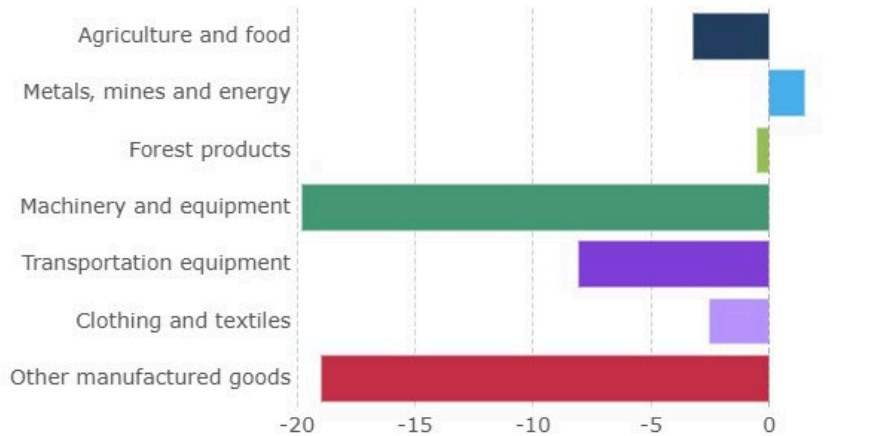
**Most Highly Valued Imports by Product Category**  
(\$ billions)



### Trade Balance by Product Category

- Largest merchandise trade deficit in 2023: Machinery and equipment, at \$19.8 billion
- Largest merchandise trade surplus in 2023: Metals, mines and energy, at \$1.6 billion

**Trade Balance by Product Category**  
(\$ billions)

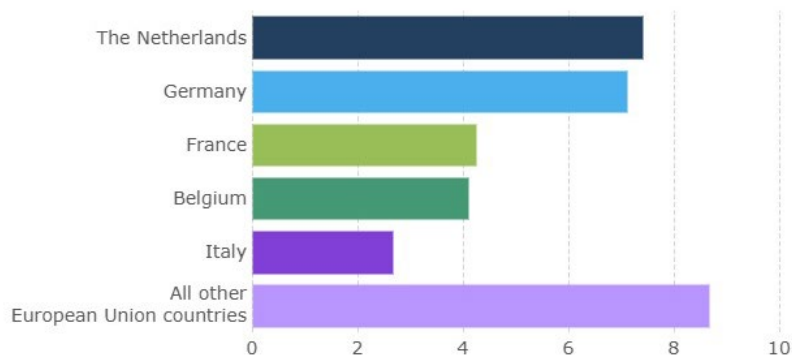


## CANADA'S MERCHANDISE TRADING PARTNERS WITHIN THE EUROPEAN UNION

### Destinations for Merchandise Exports by Country

- Destinations for merchandise exports to the European Union, by country, in 2023:
  - The Netherlands: 21.6%
  - Germany: 20.8%
  - France: 12.4%
  - Belgium: 12.0%
  - Italy: 7.8%
  - All other European Union countries: 25.3%

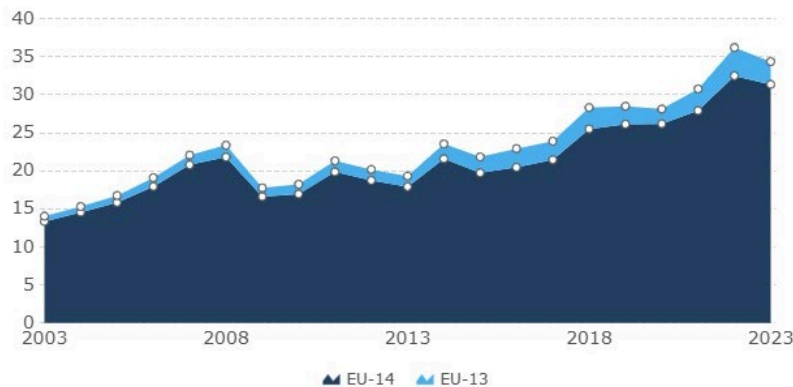
**Destinations for Merchandise Exports by Country**  
(\$ billions)



### Destinations for Merchandise Exports by Region

- Destinations for merchandise exports to the European Union, by region, in 2023:
  - EU-14 countries: 91.3%, an increase from 89.7% in 2022
  - EU-13 countries: 8.7%, a decrease from 10.3% in 2022

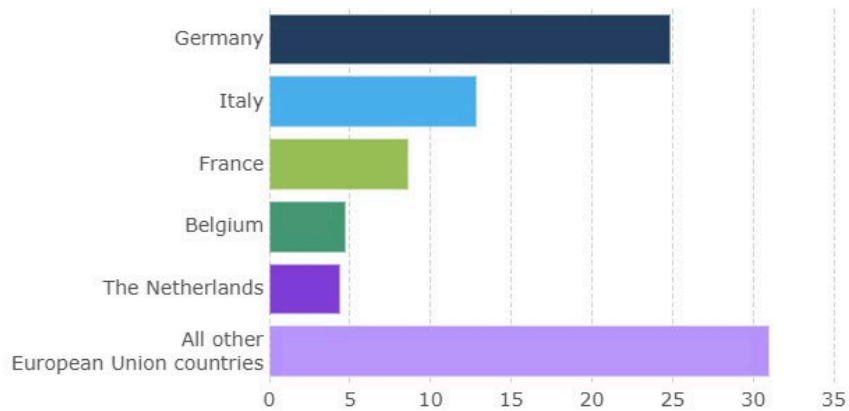
**Destinations for Merchandise Exports by Region**  
(\$ billions)



### Sources of Merchandise Imports by Country

- Sources of merchandise imports from the European Union, by country, in 2023:
  - Germany: 28.7%
  - Italy: 14.9%
  - France: 10.0%
  - Belgium: 5.5%
  - The Netherlands: 5.0%
  - All other European Union countries: 35.8%

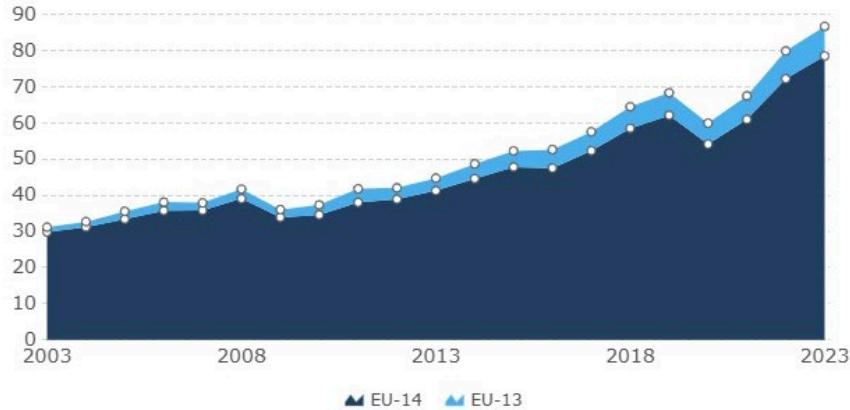
**Sources of Merchandise Imports by Country**  
(\$ billions)



### Sources of Merchandise Imports by Region

- Sources of merchandise imports from the European Union, by region, in 2023:
  - EU-14 countries: 90.6%, an increase from 90.4% in 2022
  - EU-13 countries: 9.4%, a decrease from 9.6% in 2022

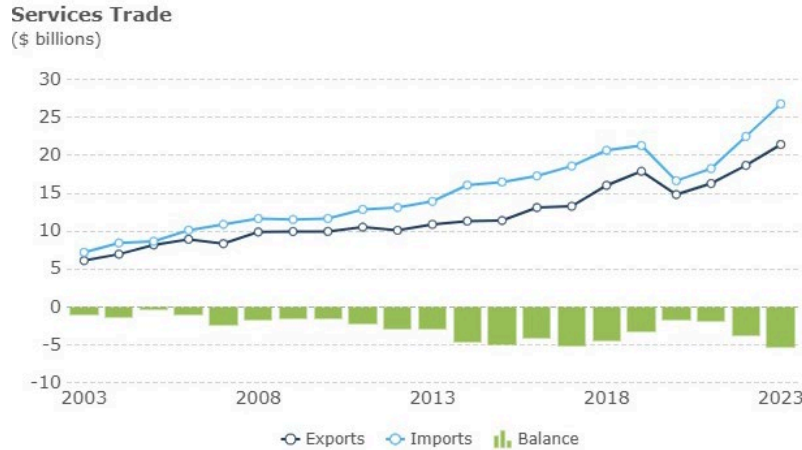
**Sources of Merchandise Imports by Region**  
(\$ billions)



## CANADA'S SERVICES TRADE WITH THE EUROPEAN UNION

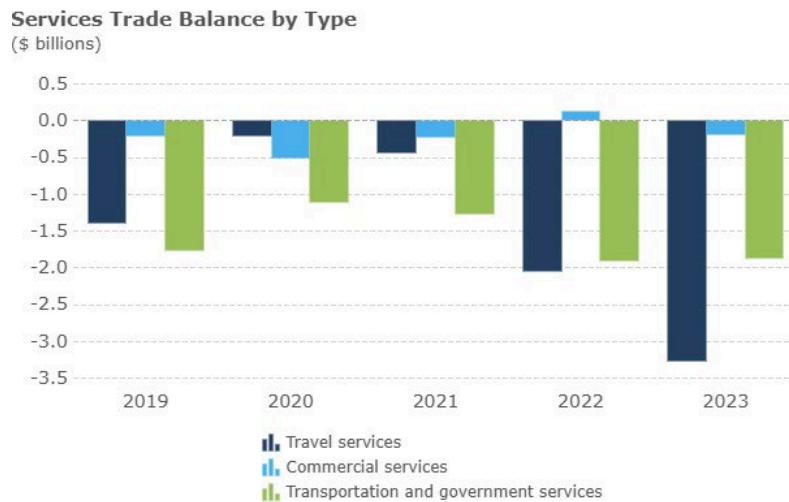
### Services Trade

- Bilateral services trade in 2023: \$48.2 billion
  - Exports: \$21.4 billion, a 14.8% increase from 2022
  - Imports: \$26.8 billion, a 19.0% increase from 2022
- Trade deficit in 2023: \$5.3 billion, an increase from \$3.8 billion in 2022



### Services Trade Balance by Type

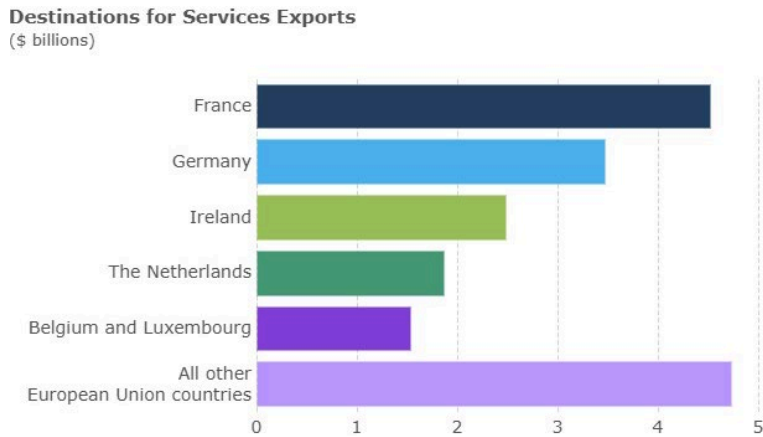
- Services trade deficit in 2023: Largely due to travel services trade
- Travel services: \$4.2 billion in exports and \$7.5 billion in imports
- Commercial services: \$14.3 billion in exports and \$14.5 billion in imports
- Transportation and government services: \$3.0 billion in exports and \$4.8 billion in imports





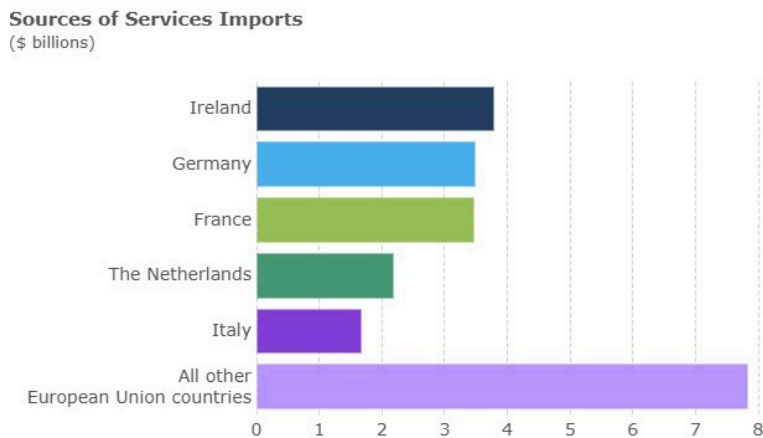
### Destinations for Services Exports

- Destinations for services exports to the European Union in 2022:
  - France: 24.3%
  - Germany: 18.7%
  - Ireland: 13.3%
  - The Netherlands: 10.1%
  - Belgium and Luxembourg: 8.3%
  - All other European Union countries: 25.4%



### Sources of Services Imports

- Sources of services imports from the European Union in 2022:
  - Ireland: 16.9%
  - Germany: 15.6%
  - France: 15.4%
  - The Netherlands: 9.7%
  - Italy: 7.5%
  - All other European Union countries: 34.9%



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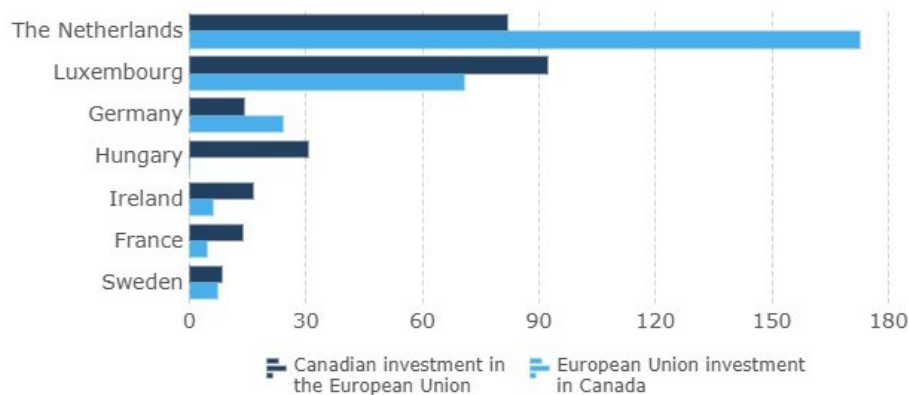
## CANADA'S FOREIGN DIRECT INVESTMENT WITH THE EUROPEAN UNION

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### Major Destinations for and Sources of Foreign Direct Investment

- Major destinations for Canadian foreign direct investment in the European Union in 2023:
  - Luxembourg: \$92.6 billion
  - The Netherlands: \$82.1 billion
  - Hungary: \$31.0 billion
- Major European Union sources of foreign direct investment in Canada in 2023:
  - The Netherlands: \$172.9 billion
  - Luxembourg: \$70.9 billion
  - Germany: \$24.3 billion

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



## PROFILE OF THE EUROPEAN UNION

Countries of the European Union	GDP at PPP (2023, US\$)	GDP per Capita at PPP (2023, US\$)	Population (2023)	International Merchandise Exports and Imports as a Percentage of GDP at Official Exchange Rates (2023)
Austria	673.5 billion	73,600	9.1 million	86.8%
Belgium	833.0 billion	70,500	11.8 million	175.4%
Bulgaria	248.8 billion	38,700	6.4 million	99.8%
Croatia	176.9 billion	45,900	3.9 million	82.3%
Cyprus	53.0 billion	57,100	1.2 million	57.2%
Czechia	585.2 billion	53,800	10.9 million	146.9%
Denmark	456.1 billion	76,700	5.9 million	65.1%
Estonia	66.9 billion	49,000	1.4 million	104.6%
Finland	363.3 billion	65,100	5.6 million	54.9%
France	4.2 trillion	61,200	68.2 million	47.3%
Germany	5.9 trillion	69,300	84.5 million	70.7%
Greece	426.7 billion	41,200	10.4 million	60.3%
Hungary	440.6 billion	45,900	9.6 million	149.2%
Ireland	671.6 billion	127,600	5.3 million	65.3%
Italy	3.5 trillion	58,800	58.8 million	58.4%
Latvia	80.0 billion	42,500	1.9 million	113.6%
Lithuania	149.0 billion	51,900	2.9 million	117.0%
Luxembourg	95.8 billion	143,300	668,600	49.8%
Malta	34.5 billion	62,400	553,200	55.2%
The Netherlands	1.4 trillion	78,200	17.9 million	158.9%
Poland	1.8 trillion	49,500	36.7 million	92.6%
Portugal	513.2 billion	48,800	10.5 million	68.8%
Romania	912.9 billion	47,900	19.1 million	66.2%

**CANADA–EUROPEAN UNION**

Countries of the European Union	GDP at PPP (2023, US\$)	GDP per Capita at PPP (2023, US\$)	Population (2023)	International Merchandise Exports and Imports as a Percentage of GDP at Official Exchange Rates (2023)
Slovakia	242.3 billion	44,700	5.4 million	173.8%
Slovenia	116.5 billion	54,900	2.1 million	211.8%
Spain	2.6 trillion	52,800	48.4 million	56.5%
Sweden	739.7 billion	70,200	10.5 million	65.9%
<b>European Union</b>	<b>27.1 trillion</b>	<b>60,300</b>	<b>449.5 million</b>	<b>77.6%</b>

Source: World Bank's World Development Indicators database.

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## DEFINITIONS

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### 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 15<sup>th</sup> 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.