

COUNTRY PROFILE REPORT OF ITJ DIVISION, DGCI&S INDIA-CANADA BILATERAL TRADE RELATIONS

INTRODUCTION & BRIEF ECONOMIC OVERVIEW

1. Canada occupies the northern part of North America (excluding Alaska and Greenland) and is the second largest country in the world, after Russia. It extends from the Atlantic Ocean to the Pacific. Except for the boundary with Alaska in the north-west, Canada's frontier with the USA follows the upper St Lawrence Seaway and the Great Lakes, continuing west along latitude 49⁰N. Canada is a member of various international organizations and forums. Canada was a founding member of the United Nations in 1945 and formed the North American Aerospace Defense Command together with the United States in 1958. The country has membership in the World Trade Organization, the Five Eyes, the G7 and the Organisation for Economic Co-operation and Development (OECD).¹ Canada acceded to the International Covenant on Civil and Political Rights in 1976. The country joined the Organization of American States (OAS) in 1990 and seeks to expand its ties to Pacific Rim economies through membership in the Asia-Pacific Economic Cooperation forum (APEC).

2. Canada has a highly developed mixed-market economy, with the world's ninth-largest economy as of 2023, and a nominal GDP of approximately USD 2.221 trillion. It is one of the world's largest trading nations, with a highly globalized economy. In 2021, Canadian trade in goods and services reached USD 2.016 trillion. Canada's exports totalled over USD 637 billion, while its imported goods were worth over USD 631 billion, of which approximately USD 391 billion originated from the United States. In 2018, Canada had a trade deficit in goods of USD 22 billion and a trade deficit in services of USD 25 billion. The Toronto Stock Exchange is the ninth-largest stock exchange in the world by market capitalization, listing over 1,500 companies with a combined market capitalization of over USD 2 trillion. The Executive Board of the International Monetary Fund (IMF) concluded the Article IV Consultation for Canada on January 21, 2026, Canada is adjusting to a significant external trade shock amid heightened global uncertainty, with impacts cushioned by USMCA exemptions, monetary easing, and targeted domestic support. Growth is expected to remain moderate in the near term while inflation stays close to target; risks are tilted to the downside amid trade uncertainty, tighter global financial conditions, and elevated household leverage. The financial system remains resilient, but strengthening productivity through reforms to boost investment, competition, and innovation is critical to improving medium-term growth and external performance.

A snapshot of Canada's selected economic indicators is as under.

TABLE- 1
Canada: Selected Economic Indicators, 2022-2031

	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Output and Demand										
Real GDP	4.7	2.0	2.0	1.6	1.6	1.9	1.7	1.7	1.7	1.7
Total domestic demand	5.6	0.3	2.0	2.3	1.5	1.9	1.6	1.7	1.6	1.6
Private consumption	6.7	2.3	2.2	2.5	1.4	2.3	2.1	2.4	2.0	2.0
Total investment	5.5	-5.8	-0.1	0.9	1.9	2.3	2.2	2.2	2.2	2.2

Net exports, contribution to growth	-0.9	1.7	0.1	-0.7	0.0	-0.1	0.1	0.1	0.1	0.1
Output gap 1/	0.8	0.0	-0.7	-0.9	-0.8	-0.6	-0.4	-0.2	0.0	0.0
Unemployment and Inflation										
Unemployment rate (average) 2/	5.3	5.4	6.4	6.8	6.5	6.3	6.2	6.1	6.0	6.0
CPI inflation (average)	6.8	3.9	2.4	2.0	2.1	2.1	2.0	2.0	2.0	2.0
Saving and Investment 3/										
Gross national saving	24.6	22.9	22.7	22.0	22.4	22.5	22.7	23.0	23.2	23.5
General government	3.8	2.9	0.8	1.5	0.2	0.3	0.6	0.6	0.8	0.8
Private	20.8	20.0	21.9	20.5	22.2	22.2	22.2	22.4	22.5	22.7
Personal	4.0	4.4	9.9	8.7	8.5	8.9	8.1	7.8	6.9	5.8
Business	16.8	15.6	11.9	11.8	13.7	13.3	14.0	14.5	15.6	16.9
Gross domestic investment	25.0	23.6	23.2	23.2	23.1	23.2	23.3	23.3	23.4	23.5
General Government Fiscal Indicators 2/ (NA basis)										
Revenue	41.0	41.6	42.2	42.4	42.1	41.9	41.8	41.7	41.7	41.8
Expenditures	40.4	41.8	44.3	43.7	44.7	44.2	43.8	43.5	43.2	43.2
Overall balance	0.6	-0.2	-2.1	-1.3	-2.6	-2.3	-1.9	-1.8	-1.6	-1.4
Structural balance 1/	0.1	-0.2	-0.8	-0.7	-2.1	-1.9	-1.7	-1.7	-1.5	-1.4
Gross Debt	103.5	105.0	110.0	110.6	110.9	109.8	108.0	106.3	104.3	102.4
Net debt	13.4	12.8	10.9	9.7	10.3	10.9	11.1	11.2	11.2	11.0
Money and Credit (Annual average)										
Household Credit Growth	9.9	5.0	3.6	3.5	3.5	3.5	3.5	3.4	3.4	3.4
Business Credit Growth	6.4	3.4	3.6	3.5	3.5	3.5	3.5	3.4	3.4	3.4
Balance of Payments										

Current account balance 3/	-0.5	-0.7	-0.5	-1.2	-0.8	-0.7	-0.5	-0.4	-0.2	0.0
Merchandise Trade balance 3/	0.7	0.0	-0.2	-1.1	-0.7	-0.6	-0.5	-0.5	-0.3	-0.3
Export volume (percent change)	3.0	4.1	0.3	-3.2	1.1	2.0	2.3	2.3	2.4	2.4
Import volume (percent change)	6.1	-1.2	0.1	-0.3	1.2	2.6	2.4	2.4	2.4	2.4
Terms of trade	4.1	-5.9	-1.1	-0.4	0.0	0.0	0.0	0.0	0.0	0.0

SOURCE: IMF Executive Board Concludes 2025 Article IV Consultation with Canada, Jan 21, 2026

1/ Percent of potential GDP.

2/ Percent.

3/ Percent of GDP.

FOREIGN TRADE

3. As per recent available inputs on WITS (World Integrated Trade Solution), the five major merchandise export partners of Canada are **United States, China, Japan, United Kingdom and Mexico**. On the other hand five major import partners of Canada are **United States, China, Mexico Germany and Japan**. Major four exported goods of Canada are ((i) Petroleum oils and oils obtained from bituminous, (ii) Gold in unwrought forms non-monetary, (iii) Automobiles with reciprocating piston engine di and (iv) Petroleum oils, etc, (excl. crude); preparation). On the other hand major five imported goods of Canada are ((i) Petroleum oils, etc, (excl. crude); preparation, (ii) Automobiles with reciprocating piston engine, (iii) Petroleum oils and oils obtained from bituminous, (iv) Transmission apparatus, for radioteleph incorpo and (v) Gas powered trucks with a GVW

4. Canada's total exports in 2020 were of the order of USD 388,173 million. It was USD 569,169 million in 2024. During the period 2020 to 2024, Exports from Canada increased maximum by 29.21% in the year 2021 followed by another 14.49% increase in 2022 over the respective previous year. During the period from 2020 to 2024, the annual average compound rate of growth of exports was 10.04%.

5. Canada's total imports in 2020 were of the order of USD 405,205 million and which was USD 558,449 million in 2024. Imports of Canada jumped by 21.27% in 2021 over 2020. During the period from 2020 to 2024, the annual average compound rate of growth of imports was 8.35%.

6. Canada runs an overall Balance of Trade deficit in 2020. But from 2021 to 2024 Canada enjoyed a surplus balance of trade. During the period from 2020 to 2024, the annual average compound rate of growth of total volume of trade was 9.19%.

A snapshot of Canada's overall Trade Statistics is presented in **Table 2** and **Figure 1** below.

TABLE 2

CANADA'S TOTAL EXPORTS AND IMPORTS, VOLUME OF TRADE AND BALANCE OF TRADE BETWEEN 2020 TO 2024

(Figures in USD Million)

Year	Exports	Percentage Growth in Exports	Imports	Percentage Growth in Imports	Volume of Trade	Percentage Growth in Vol. of Trade	Balance of Trade
2020	388173		405205		7,93,378		-17032
2021	501539	29.21	491401	21.27	9,92,940	25.15	10138
2022	574229	14.49	547268	11.37	11,21,497	12.95	26961
2023	568506	-1.00	559673	2.27	11,28,179	0.60	8833
2024	569169	0.12	558449	-0.22	11,27,618	-0.05	10720

Annual Compound Growth Rate

10.04

8.35

9.19

NOTE : Figures relate to calendar year (January to December)

SOURCE : UN COMTRADE PUBLICATION

FIGURE-1

Canada's Exports, Imports and BoT 2020-2024



BILATERAL TRADE WITH INDIA

Merchandise Trade

7. Canada and India have longstanding bilateral relations built upon shared traditions of democracy, pluralism and strong interpersonal connections. Canada is home to one of the largest communities of Indian origin, with approximately 4% of Canadians being of Indian heritage (1.3 million people). The deep cultural and political ties between Canada and India are strengthened by a growing network of official dialogues, agreements, memoranda of understanding and working groups. India exported to Canada almost 0.97% of its total export value in FY 2024-25. In the same financial year imports from Canada was 0.66% of India's total import value. Almost 0.66% of India's total international trade value of goods was between India and Canada as recorded in DGCI&S database for FY 2024-25. Canada was the 34th major trading partner of India in FY 2024-25.

8. Indo- Canada total volume of bilateral trade in FY 2020-21 was of the order of USD 5647.21 million. It scaled up to USD 8965.04 million in FY 2024-25. The annual compound growth rate of total volume of trade during the period from 2020-21 to 2024-25 has been of the order of 12.25%.

9. It appears from the available figures that between 2020-21 and 2024-25, India had a mixed Balance of Trade with Canada. India enjoyed a surplus balance of trade in FY 2020-21 and FY 2021-22. Exports from India to Canada increased by 27.13% in FY 2021-22 over FY 2020-21. The annual average compound rate of growth of Exports was 9.28%. On the other hand, imports from Canada to India remarkably increased by 33.03% in FY 2022-23 over the previous FY. During the period from 2020-21 to 2024-25, the annual average compound rate of growth of imports was 15.27%.

A snapshot of India's merchandise trade statistics w.r.t. Canada is presented in Table 3 & Figure 2

TABLE-3

INDIA'S MERCHANDISE EXPORTS & IMPORTS w.r.t. CANADA FY 2020-21 to 2024-25

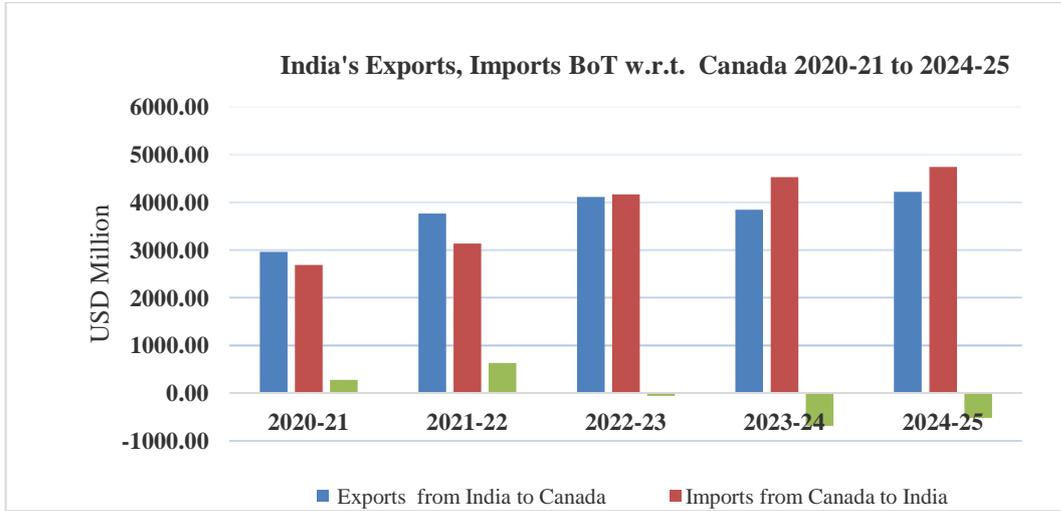
(Figures in USD Million)

Year	Exports from India to Canada	Percentage Growth in Exports	Imports from Canada to India	Percentage Growth in Imports	Volume of Trade	Percentage Growth in Vol. of Trade	Balance of Trade
2020-21	2960.78		2686.43		5647.21		274.35
2021-22	3763.99	27.13	3132.78	16.61	6896.77	22.13	631.21
2022-23	4109.74	9.19	4167.56	33.03	8277.30	20.02	-57.82
2023-24	3845.33	-6.43	4529.66	8.69	8374.99	1.18	-684.33
2024-25	4221.99	9.80	4743.05	4.71	8965.04	7.05	-521.06
Annual Compound Growth Rate		9.28		15.27		12.25	

NOTE : Figures relate to Financial Year (April to March)

SOURCE : DGCI&S, M/o C&I

FIGURE-2



10. Additionally, from Tables 4 & 5 presented below the following are stated:

- a. **Drug Formulations Biologicals, Products Of Iron And Steel and Marine Products**, occupied the top three slots in India's exports to Canada in FY 2024-25. **Drug Formulations Biologicals** occupied 12.69% share of India's total exports to Canada in FY 2024-25.
- b. **Pulses; Petroleum Crude and Pearl, Precs. Sem-iprecs Stones** were the three major commodities in India's imports list from Canada in FY 2024-25, India imported **Pulses** from Canada with a share of 20.01% of total imports from Canada recorded in FY 2024-25.

TABLE-4**INDIA'S MAJOR ITEMS OF MERCHANDISE EXPORTS TO CANADA,
2020-21 TO 2024-25 AND THEIR GROWTH RATES****(Figures in USD Million)**

Sl. No.	Name of the Merchandise Commodities	Value of Exports					Annual Growth			
		2020-21	2021-22	2022-23	2023-24	2024-25	Rates	21-22 over 2020-21	22-23 over 2021-22	23-24 over 2022-23
1	Drug Formulations Biologicals	372.84	351.26	431.80	430.45	535.82	-5.79	22.93	-0.31	24.48
	Share in total export	12.59	9.33	10.51	11.19	12.69				
2	Products Of Iron And Steel	276.76	252.78	312.23	248.00	289.53	-8.66	23.52	-	16.75
	Share in total export	9.35	6.72	7.60	6.45	6.86				
3	Marine Products	148.59	191.44	187.11	199.84	196.53	28.84	-2.26	6.80	-1.66
	Share in total export	5.02	5.09	4.55	5.20	4.65				
4	Gold And Other Precs. Metl. Jewellery	62.57	124.23	138.79	136.23	152.74	98.55	11.72	-1.84	12.12
	Share in total export	2.11	3.30	3.38	3.54	3.62				
5	RMG Cotton Including Accessories	107.79	165.91	181.34	145.84	151.42	53.92	9.30	-	3.83
	Share in total export	3.64	4.41	4.41	3.79	3.59				
6	Telecom Instruments	6.94	5.31	109.19	108.50	143.89	-23.49	1956.31	-0.63	32.62
	Share in total export	0.23	0.14	2.66	2.82	3.41				
7	Cotton Fabrics Madeups Etc.	111.60	156.61	133.62	123.03	143.06	40.33	-14.68	-7.93	16.28
	Share in total export	3.77	4.16	3.25	3.20	3.39				
8	Residual Chemicals	111.00	189.18	119.20	101.27	121.68	70.43	-36.99	-	20.15
	Share in total export	3.75	5.03	2.90	2.63	2.88				
9	Auto Components Parts	57.41	92.49	118.25	111.02	116.89	61.10	27.85	-6.11	5.29
	Share in total export	1.94	2.46	2.88	2.89	2.77				
10	Iron And Steel	72.18	179.70	201.70	119.69	103.46	148.96	12.24	-	-
	Share in total export	2.44	4.77	4.91	3.11	2.45				
	Total export to CANADA	2960.78	3763.99	4109.74	3845.33	4221.99	27.13	9.19	-6.43	9.80

NOTE : Figures relate to each Financial Year (April to March)

SOURCE : DGC&S, M/o C&I

TABLE-5**INDIA'S MAJOR ITEMS OF MERCHANDISE IMPORTS FROM CANADA
2020-21 TO 2024-25 AND THEIR GROWTH RATES****(Figures in USD Million)**

Sl. No.	Name of the Merchandise Commodities	Value of Exports					Annual Growth Rates			
		2020-21	2021-22	2022-23	2023-24	2024-25	21-22 over 2020-21	22-23 over 2021-22	23-24 over 2022-23	24-25 over 2023-24
1	Pulses	522.99	411.24	370.11	930.32	949.04	-21.37	-10.00	151.36	2.01
	Share in total import	19.47	13.13	8.88	20.54	20.01				
2	Petroleum Crude	249.50	334.66		25.70	438.38	34.13	-100.00		1605.76
	Share in total import	9.29	10.68		0.57	9.24				
3	Pearl, Precs. Semi-prec Stones	82.80	78.85	4.09	381.47	438.21	-4.77	-94.81	9226.89	14.87
	Share in total import	3.08	2.52	0.10	8.42	9.24				
4	Coal, Coke And Briquettes Etc.	367.57	468.23	1058.75	895.38	417.48	27.39	126.12	-15.43	-53.37
	Share in total import	13.68	14.95	25.40	19.77	8.80				
5	Fertilizers Manufactured	383.91	185.23	709.89	438.90	368.97	-51.75	283.25	-38.17	-15.93
	Share in total import	14.29	5.91	17.03	9.69	7.78				
6	Pulp And Waste Paper	140.46	231.61	323.45	213.43	294.09	64.89	39.65	-34.01	37.79
	Share in total import	5.23	7.39	7.76	4.71	6.20				
7	Bulk Minerals And Ores	128.48	129.22	119.59	140.91	213.47	0.58	-7.45	17.83	51.49
	Share in total import	4.78	4.12	2.87	3.11	4.50				
8	Iron And Steel	121.49	157.09	234.74	246.38	176.36	29.30	49.43	4.96	-28.42
	Share in total import	4.52	5.01	5.63	5.44	3.72				
9	Newsprint	75.29	114.58	204.21	188.97	174.76	52.18	78.22	-7.46	-7.52
	Share in total import	2.80	3.66	4.90	4.17	3.68				
10	Aircraft, Spacecraft And Parts	6.37	204.48	211.10	31.23	162.49	3110.05	3.24	-85.21	420.30
	Share in total import	0.24	6.53	5.07	0.69	3.43				
	Total imports from CANADA	2686.43	3132.78	4167.56	4529.66	4743.05	16.61	33.03	8.69	4.71

NOTE : Figures relate to each Financial Year (April to March)

SOURCE : DGCI&S, M/o C&I

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