

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

### INTRODUCTION & BRIEF ECONOMIC OVERVIEW

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 49<sup>0</sup>N. 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 Defence 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).<sup>1</sup> 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 US\$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 \$2.016 trillion. Canada's exports totalled over \$637 billion, while its imported goods were worth over \$631 billion, of which approximately \$391 billion originated from the United States. In 2018, Canada had a trade deficit in goods of \$22 billion and a trade deficit in services of \$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 US\$2 trillion. IMF Executive Board Concludes 2024 Article IV Consultation with Canada July 16, 2024, The Canadian economy appears to have achieved a soft landing: inflation has come down almost to target, while a recession has been avoided, with GDP growth cushioned by surging immigration even as per capita income has shrunk. Housing affordability has reached its worst levels in a generation, with housing supply unable to fully meet growing demand. Meanwhile, the financial sector remains resilient, with banks well capitalized and liquid, although data gaps preclude a more definitive assessment of nonbank financial institutions. Real GDP growth is expected to pick up slightly this year, supported by the recently initiated normalization of monetary policy, some easing of fiscal policy, continued (even if slowing) immigration, and the expansion of the Trans Mountain pipeline. Inflation is set to continue declining, reaching the 2-percent target by early 2025.

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

**TABLE 1**

**Canada: Selected Economic Indicators 1/  
(Percentage change, unless otherwise indicated)**

	2020	2021	2022	2023	Est. 2024	Proj. 2025	2026	2027	2028	2029
<b>Output and Demand</b>										
Real GDP	-5.0	5.3	3.8	1.2	1.3	2.4	2.0	1.8	1.8	1.6
Total domestic demand	-6.1	6.5	5.1	-0.3	1.4	2.9	2.3	2.1	2.1	1.9
Private consumption	-6.3	5.1	5.1	1.7	2.8	3.6	2.7	2.7	2.8	2.6
Total investment	-7.0	14.3	7.1	-6.0	-0.9	3.0	2.4	1.9	1.7	1.6

Net exports, contribution to growth	0.3	-1.8	-1.4	1.5	-0.2	-0.5	-0.3	-0.3	-0.3	-0.3	
Output gap 1/	-3.4	-1.4	0.8	0.0	-0.6	-0.1	0.0	0.0	0.1	0.1	
<b>Unemployment and Inflation</b>											
Unemployment rate (average) 2/	9.7	7.5	5.3	5.4	6.2	6.3	6.0	6.0	6.0	6.0	
CPI inflation (average)	0.7	3.4	6.8	3.9	2.5	2.0	2.0	2.0	2.0	2.0	
<b>Saving and Investment 3/</b>											
Gross national saving	20.7	24.3	25.0	23.3	23.4	23.4	23.1	22.8	22.5	22.2	
General government	-6.8	0.7	3.4	2.6	1.8	1.9	1.9	1.8	1.9	1.9	
Private	27.5	23.6	21.6	20.7	21.6	21.5	21.2	21.0	20.6	20.3	
Personal	32.5	21.5	10.4	11.0	14.4	12.8	11.2	10.5	9.8	9.9	
Business	-5.0	2.1	11.2	9.7	7.3	8.7	10.0	10.5	10.8	10.3	
Gross domestic investment	22.7	24.3	25.4	24.0	23.5	23.5	23.5	23.5	23.5	23.4	
<b>General Government Fiscal Indicators 2/ (NA basis)</b>											
Revenue	41.4	42.5	41.1	41.9	41.3	41.2	41.1	41.2	41.2	41.3	
Expenditures	52.4	45.4	41.0	42.5	42.5	42.2	42.1	42.0	41.9	41.8	
Overall balance	-10.9	-2.9	0.1	-0.6	-1.2	-1.0	-0.9	-0.8	-0.7	-0.5	
Structural balance 1/	-8.2	-1.9	-0.4	-0.6	-0.9	-0.9	-0.9	-0.9	-0.7	-0.6	
Gross Debt	118.2	113.5	107.4	107.0	104.9	102.1	100.1	98.4	96.8	95.2	
Net debt	16.1	14.3	15.6	12.8	13.4	13.5	13.6	13.5	13.5	13.5	
<b>Money and Credit (Annual average)</b>											
Household Credit Growth	5.2	10.8	9.9	5.0	3.6	3.5	3.5	3.5	3.5	3.4	
Business Credit Growth	-0.9	-12.7	6.4	3.4	3.6	3.5	3.5	3.5	3.5	3.4	
<b>Balance of Payments</b>											
Current account balance 3/	-2.0	0.0	-0.4	-0.7	0.0	-0.1	-0.4	-0.7	-0.9	-1.2	
Merchandise Trade balance 3/	-1.8	0.1	0.7	-0.1	0.0	-0.1	-0.4	-0.7	-1.1	-1.4	
Export volume (percent change)	-7.7	1.7	2.4	4.5	1.2	2.3	3.0	3.4	3.3	3.1	
Import volume (percent change)	-7.0	8.8	5.8	-0.8	1.6	4.3	4.5	4.8	4.8	4.5	
Terms of trade	-3.3	13.4	4.7	-6.0	0.5	0.8	0.0	0.0	0.0	0.0	
Sources: Haver Analytics and Fund staff calculations.											
1/ Percent of potential GDP.											
2/ Percent.											
3/ Percent of GDP.											

**Source: IMF Executive Board Concludes 2024 Article IV Consultation with Canada July16-2024.**

## 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, United Kingdom, Japan and Mexico**. On the other hand five major import partners of Canada are United States, **China**, Mexico Germany and Japan. Major five exported goods of Canada are (i) Petroleum oils and oils obtained from bituminous (ii) Gold in unwrought forms non-monetary (iii) Coniferous wood sawn or chipped lengthwise, (iv) Petroleum oils, etc, (excl. crude); preparation and (v) Automobiles with reciprocating piston engine. 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 incorporo and (v) Gas powered trucks with a GVW.

4. Canada's total exports in 2019 were of the order of US\$ 445,493 million. It has scaled upto US\$ 566,655 million in 2023. During the period 2019 to 2023, Exports from Canada had increased maximum by 29.21% in the year 2021 followed by another 18.99% increase in 2022. During the period from 2019 to 2023, the annual average compound rate of growth of exports was 6.20%.

5. Canada's total imports in 2019 were of the order of US\$ 453,631 million and which has touched US\$ 558,455 million mark in 2023. Imports of Canada had jumped by 21.27% in 2021 in comparison with 2020 just after facing a 10.68% decline in FY2020. During the period from 2019 to 2023, the annual average compound rate of growth of imports was 5.33%.

6. Canada runs an overall Balance of Trade deficit from 2019 to 2020 that has scaled up to USD - 17,032 million in 2020. But from 2021 to 2023 Canada enjoyed a surplus balance of trade. During the period from 2019 to 2023, the annual average compound rate of growth of total volume of trade was 5.77%.

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

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

## 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 had exported to Canada almost 0.88% of its total export value in FY2023-24. In the same financial year imports from Canada was 0.67% of India's total import value. Almost 0.75% of India's total international trade value of goods was between India and Canada as has been recorded in DGCI&S data base for FY 2023-24. Canada was the 32nd major trading partner of India in FY 2023-24.

8. Indo- Canada total volume of bilateral trade in FY 2019-20 was of the order of US\$ 6,732.14 million. It has scaled upto US\$ 8,374.99 million in FY 2023-24. The annual compound growth rate of total volume of trade during the period from 2019-20 to 2023-24 has been of the order of 5.61%.

9. It appears from the available figures that between 2019-20 and 2023-24, India has had a mixed Balance of Trade with Canada. India enjoyed a surplus balance of trade in FY2020-21 and FY2021-22. Exports from India to Canada increased by 27.13% in FY2021-22. The annual average compound rate of growth of Exports was 7.76%. On the other hand, imports from Canada to India remarkably increased by 33.03% in FY 2022-23. During the period from 2019-20 to 2023-24, the annual average compound rate of growth of imports was 3.94%.

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

a. **Drug Formulations Biologicals, Products Of Iron And Steel and Marine Products**, had occupied the top three slots in India's exports to Canada in the year 2023-24. **Drug Formulations Biologicals** had occupied 11.19% share of India's total exports to Canada in FY2023-24.

b. **Pulses; Coal, Coke And Briquettes Etc. and Fertilizers Manufactured** were the three major commodities in India's imports list from Canada in the year 2023-24, India imports **Pulses** from Canada with a share of 20.54% of total imports from Canada recorded in 2023-24.

**“NOTICE”**

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**TABLE - 2**  
**CANADA'S TOTAL EXPORTS AND IMPORTS, VOLUME OF TRADE AND BALANCE OF TRADE**  
**BETWEEN 2019 -2023**

(Figures in USD Million)

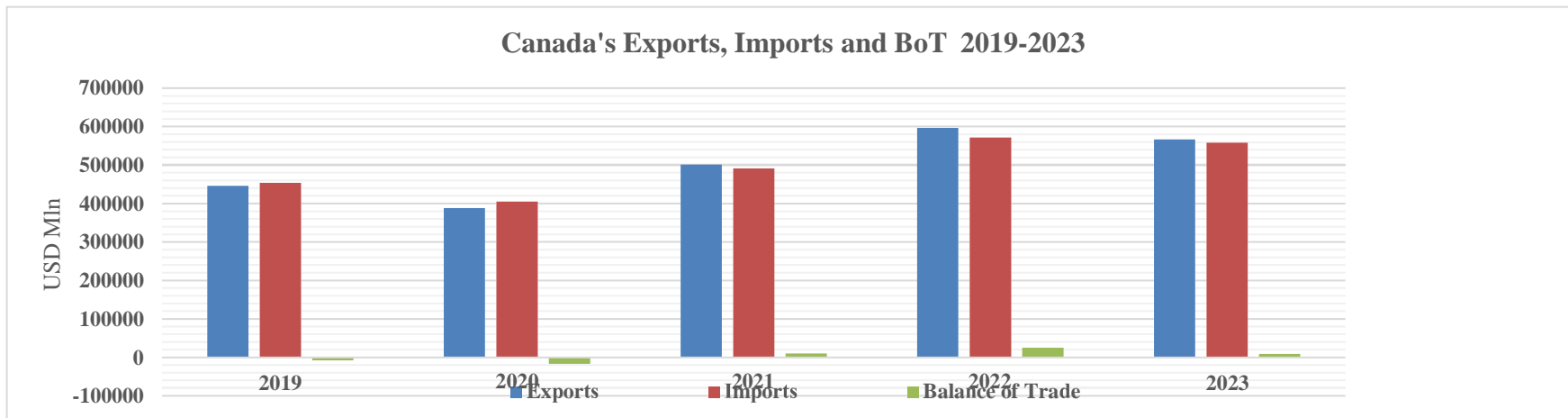
Year	Exports	Percentage Growth in Exports	Imports	Percentage Growth in Imports	Volume of Trade	Percentage Growth in Vol. of Trade	Balance of Trade
2019	445493		453631		899,124		-8138
2020	388173	-12.87	405205	-10.68	793,378	-11.76	-17032
2021	501539	29.21	491401	21.27	992,940	25.15	10138
2022	596761	18.99	571579	16.32	1,168,340	17.66	25182
2023	566655	-5.04	558455	-2.30	1,125,110	-3.70	8200

<b>Annual Growth Rate</b>	<b>Compound</b>		
	<b>6.20</b>	<b>5.33</b>	<b>5.77</b>

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

**SOURCE:** UN COMTRADE PUBLICATION

Figure - 1



**TABLE - 3**  
**INDIA'S MERCHANDISE EXPORTS & IMPORTS w.r.t. CANADA**  
**FY 2019-2020 to 2023-2024**

(Value 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
2019-20	2851.84		3880.30		6732.14		-1028.46
2020-21	2960.78	3.82	2686.43	-30.77	5647.21	-16.12	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

**Annual Compound**

**Growth Rate**

**7.76**

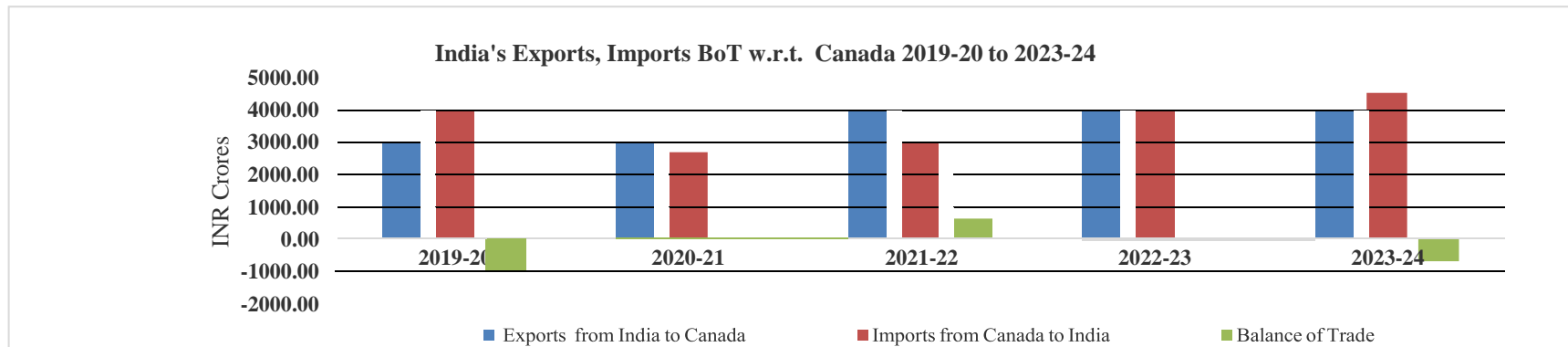
**3.94**

**5.61**

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

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

**Figure 2**



**TABLE -4**  
**INDIA'S MAJOR ITEMS OF MERCHANDISE EXPORTS TO CANADA**  
**2019-2020 TO 2023-2024 AND THEIR GROWTH RATES**

(Value in USD Million)

Sl. No.	Name of the Merchandise Commodities	Value of Exports					Annual Growth Rates			
		2019-20	2020-21	2021-22	2022-23	2023-24	20-21 over 2019-20	21-22 over 2020-21	22-23 over 2021-22	23-24 over 2022-23
<b>1</b>	<b>Drug Formulations Biologicals</b>	<b>268.90</b>	<b>372.84</b>	<b>351.26</b>	<b>431.80</b>	<b>430.45</b>	<b>38.65</b>	<b>-5.79</b>	<b>22.93</b>	<b>-0.31</b>
	Share in total export	9.43	12.59	9.33	10.51	11.19				
<b>2</b>	<b>Products Of Iron And Steel</b>	<b>373.58</b>	<b>276.76</b>	<b>252.78</b>	<b>312.23</b>	<b>248.00</b>	<b>-25.92</b>	<b>-8.66</b>	<b>23.52</b>	<b>-20.57</b>
	Share in total export	13.10	9.35	6.72	7.60	6.45				
<b>3</b>	<b>Marine Products</b>	<b>131.24</b>	<b>148.59</b>	<b>191.44</b>	<b>187.11</b>	<b>199.84</b>	<b>13.22</b>	<b>28.84</b>	<b>-2.26</b>	<b>6.80</b>
	Share in total export	4.60	5.02	5.09	4.55	5.20				
<b>4</b>	<b>RMG Cotton Including Accessories</b>	<b>137.26</b>	<b>107.79</b>	<b>165.91</b>	<b>181.34</b>	<b>145.84</b>	<b>-21.47</b>	<b>53.92</b>	<b>9.30</b>	<b>-19.58</b>
	Share in total export	4.81	3.64	4.41	4.41	3.79				
<b>5</b>	<b>Gold And Other Precs. Metl. Jewellery</b>	<b>74.36</b>	<b>62.59</b>	<b>124.23</b>	<b>138.79</b>	<b>136.23</b>	<b>-15.83</b>	<b>98.48</b>	<b>11.72</b>	<b>-1.84</b>
	Share in total export	2.61	2.11	3.30	3.38	3.54				
<b>6</b>	<b>Cotton fabrics Madeups Etc.</b>	<b>101.94</b>	<b>111.60</b>	<b>156.61</b>	<b>133.62</b>	<b>123.03</b>	<b>9.48</b>	<b>40.33</b>	<b>-14.68</b>	<b>-7.93</b>
	Share in total export	3.57	3.77	4.16	3.25	3.20				
<b>7</b>	<b>Iron And Steel</b>	<b>50.89</b>	<b>72.18</b>	<b>179.70</b>	<b>201.70</b>	<b>119.69</b>	<b>41.84</b>	<b>148.96</b>	<b>12.24</b>	<b>-40.66</b>
	Share in total export	1.78	2.44	4.77	4.91	3.11				
<b>8</b>	<b>Auto Components Parts</b>	<b>80.07</b>	<b>57.41</b>	<b>92.49</b>	<b>118.25</b>	<b>111.02</b>	<b>-28.30</b>	<b>61.10</b>	<b>27.85</b>	<b>-6.11</b>
	Share in total export	2.81	1.94	2.46	2.88	2.89				
<b>9</b>	<b>Telecom Instruments</b>	<b>7.98</b>	<b>6.94</b>	<b>5.31</b>	<b>109.19</b>	<b>108.50</b>	<b>-13.03</b>	<b>-23.49</b>	<b>1956.31</b>	<b>-0.63</b>
	Share in total export	0.28	0.23	0.14	2.66	2.82				
<b>10</b>	<b>Rice-Basmati</b>	<b>61.33</b>	<b>70.83</b>	<b>63.10</b>	<b>181.34</b>	<b>103.27</b>	<b>15.49</b>	<b>-10.91</b>	<b>187.39</b>	<b>-43.05</b>
	Share in total export	2.15	2.39	1.68	4.41	2.69				
	<b>Total export to CANADA</b>	<b>2851.84</b>	<b>2960.78</b>	<b>3763.99</b>	<b>4109.74</b>	<b>3845.33</b>	<b>3.82</b>	<b>27.13</b>	<b>9.19</b>	<b>-6.43</b>

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

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

TABLE -5

## INDIA'S MAJOR ITEMS OF MERCHANDISE IMPORTS FROM CANADA 2019-2020 TO 2023-2024 AND THEIR GROWTH RATES

(Value in USD Million)

Sl. No.	Name of the Merchandise Commodities	Value of Exports					Annual Growth Rates			
		2019-20	2020-21	2021-22	2022-23	2023-24	19-20 over 2018-19	20-21 over 2019-20	21-22 over 2020-21	23-24 over 2022-23
<b>1</b>	<b>Pulses</b>	<b>403.61</b>	<b>522.99</b>	<b>411.24</b>	<b>370.11</b>	<b>930.32</b>	<b>29.58</b>	<b>-21.37</b>	<b>-10.00</b>	<b>151.36</b>
	Share in total import	10.40	19.47	13.13	8.88	20.54				
<b>2</b>	<b>Coal, Coke And Briquettes Etc.</b>	<b>814.81</b>	<b>367.57</b>	<b>468.23</b>	<b>1058.75</b>	<b>895.38</b>	<b>-54.89</b>	<b>27.39</b>	<b>126.12</b>	<b>-15.43</b>
	Share in total import	21.00	13.68	14.95	25.40	19.77				
<b>3</b>	<b>Fertilizers Manufactured</b>	<b>336.48</b>	<b>383.91</b>	<b>185.23</b>	<b>709.89</b>	<b>438.90</b>	<b>14.10</b>	<b>-51.75</b>	<b>283.25</b>	<b>-38.17</b>
	Share in total import	8.67	14.29	5.91	17.03	9.69				
<b>4</b>	<b>Pearl, Precs. Sem-iprecs Stones</b>	<b>363.07</b>	<b>82.80</b>	<b>78.85</b>	<b>4.09</b>	<b>381.47</b>	<b>-77.19</b>	<b>-4.77</b>	<b>-94.81</b>	<b>9226.89</b>
	Share in total import	9.36	3.08	2.52	0.10	8.42				
<b>5</b>	<b>Iron And Steel</b>	<b>143.29</b>	<b>121.49</b>	<b>157.09</b>	<b>234.74</b>	<b>246.38</b>	<b>-15.21</b>	<b>29.30</b>	<b>49.43</b>	<b>4.96</b>
	Share in total import	3.69	4.52	5.01	5.63	5.44				
<b>6</b>	<b>Pulp And Waste Paper</b>	<b>193.84</b>	<b>140.46</b>	<b>231.61</b>	<b>323.45</b>	<b>213.43</b>	<b>-27.54</b>	<b>64.89</b>	<b>39.65</b>	<b>-34.01</b>
	Share in total import	5.00	5.23	7.39	7.76	4.71				
<b>7</b>	<b>Newsprint</b>	<b>137.52</b>	<b>75.29</b>	<b>114.58</b>	<b>204.21</b>	<b>188.97</b>	<b>-45.25</b>	<b>52.18</b>	<b>78.22</b>	<b>-7.46</b>
	Share in total import	3.54	2.80	3.66	4.90	4.17				
<b>8</b>	<b>Bulk Minerals And Ores</b>	<b>105.22</b>	<b>128.48</b>	<b>129.22</b>	<b>119.59</b>	<b>140.91</b>	<b>22.11</b>	<b>0.58</b>	<b>-7.45</b>	<b>17.83</b>
	Share in total import	2.71	4.78	4.12	2.87	3.11				
<b>9</b>	<b>Aluminium Products Made Of Aluminium</b>	<b>40.14</b>	<b>45.37</b>	<b>85.79</b>	<b>80.09</b>	<b>84.59</b>	<b>13.03</b>	<b>89.09</b>	<b>-6.64</b>	<b>5.62</b>
	Share in total import	1.03	1.69	2.74	1.92	1.87				
<b>10</b>	<b>Paper Paper Board And Products</b>	<b>93.37</b>	<b>76.93</b>	<b>132.46</b>	<b>111.99</b>	<b>84.05</b>	<b>-17.61</b>	<b>72.18</b>	<b>-15.45</b>	<b>-24.95</b>
	Share in total import	2.41	2.86	4.23	2.69	1.86				
	<b>Total export to CANADA</b>	<b>3880.30</b>	<b>2686.43</b>	<b>3132.78</b>	<b>4167.56</b>	<b>4529.66</b>	<b>-30.77</b>	<b>16.61</b>	<b>33.03</b>	<b>8.69</b>

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

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