Canada-China Trade:
2026 Q1

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Executive Summary

Using data from Statistics Canada, this report provides an overview of merchandise trade between Canada and China in the first quarter of 2026 at the aggregate, sectoral, and provincial levels. While bilateral trade total was little changed year-over-year, the data reveal several notable underlying trends, including a **continued surge in energy exports to China and Alberta overtaking British Columbia as Canada's largest exporting province.**

Highlights

- **Total Bilateral Trade Increases Slightly as Surging Exports Offset Weaker Imports:** Canada-China bilateral trade reached C$32.1 billion in Q1 2026, up 1.1% from Q4 2025 and 0.6% year-over-year. The modest year-over-year increase was driven by Canadian exports to China, which rose 18.1% to C$9.9 billion, while imports from China were 5.6% lower YoY at C$22.2 billion.

- **Energy and Minerals Continue to Drive Export Growth:** Growth in Canada's exports to China was led by energy products (C$3.38 billion, ↑ 67.1% YoY) and metal ores and non-metallic minerals (C$2.37 billion, ↑ 60.2% YoY).

- **Agricultural Exports Remain Weak but Show Intra-Quarter Improvement:** Farm, fishing and intermediate food exports fell 34.1% year-over-year to C$1.29 billion in Q1 2026, but the monthly year-over-year decline narrowed from 72.6% in January to 8.3% in March.

- **Alberta Became the Largest Exporting Province to China:** Alberta's exports to China rose 51.3% year-over-year to C$3.6 billion, driven primarily by energy exports, making it Canada's largest exporting province to China in Q1 2026.

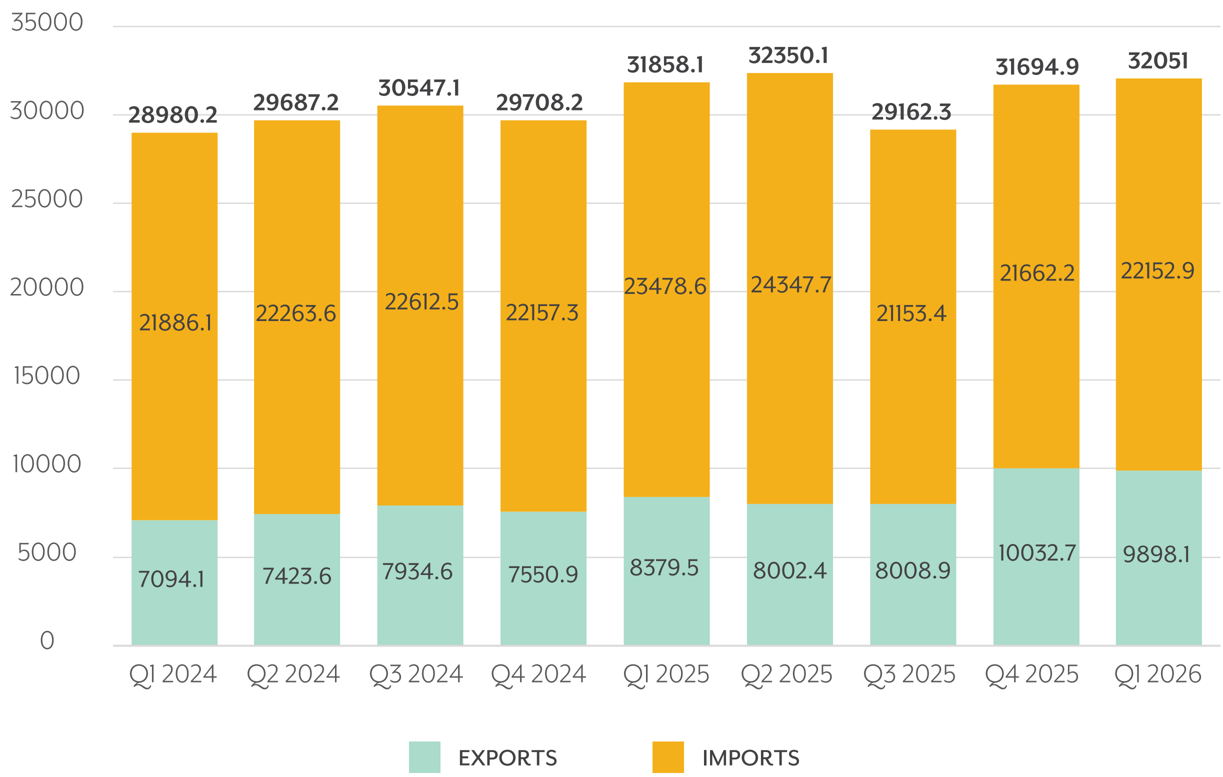
- **Total Trade Remains More Geographically Concentrated:** Bilateral trade remained concentrated in Ontario and British Columbia, which together accounted for about 61% of total Canada-China trade in Q1 2026. Export growth was concentrated in Alberta, while Ontario accounted for most of the decline in imports from China.

- **Dominant Import Categories Continued to Weaken, Driving Overall Import Decline:** Consumer goods (C$6.37 billion, ↓ 11.3% YoY) and electronic & electrical equipment & parts (C$4.06 billion, ↓ 20.9% YoY) both recorded YoY declines for the third consecutive quarter, accounting for much of the overall contraction in imports, while remaining the largest import categories from China.

General Trend

Total Canada-China bilateral trade was little changed in Q1 2026, rising 0.6% year-over-year to C$32.1 billion, as strong Canadian export growth offset weaker imports from China. **Exports to China rose sharply by 18.1% year-over-year** to C$9.9 billion, **while imports from China declined by 5.6%** to C$22.2 billion, contributing to **an 18.8% narrowing of Canada's merchandise trade deficit with China.**[1] On a seasonally adjusted basis, imports rose 2.3% quarter-over-quarter, while exports edged down 1.3% following a particularly strong Q4 2025, leaving total bilateral trade 1.1% higher than in the previous quarter. Overall, the near-flat aggregate trade figure in Q1 2026 masked a persistent divergence in export and import trajectories that emerged in Q3 2025: **Canadian exports to China continued to expand year-over-year, while imports from China remained below the year-earlier level.**

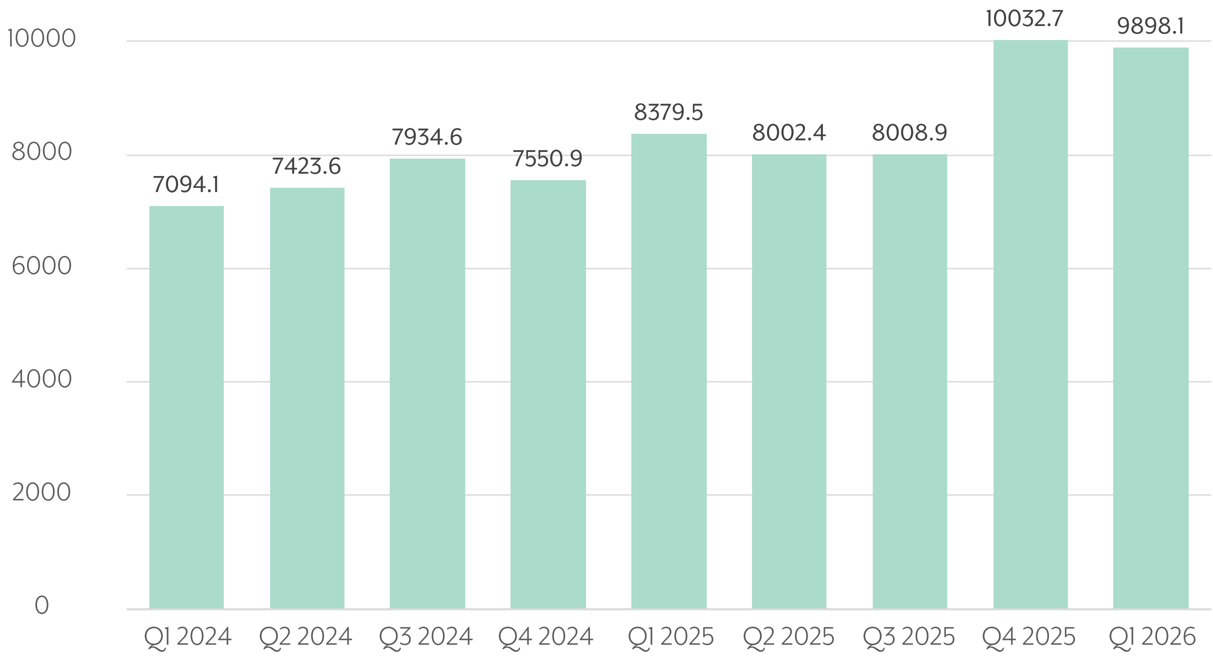
Figure 1: Canada-China Bilateral Trade, 2024 Q1-2026 Q1[2]



[1] The reported narrowing in Canada's trade deficit with China is calculated using seasonally adjusted customs-basis data, which measure goods crossing the border and are consistent with the report's quarter-over-quarter analysis. It is therefore not directly comparable to Canada's official balance-of-payments basis trade balance; however, the balance-of-payments basis data show the same direction of change, with the deficit narrowing by 8.6%.

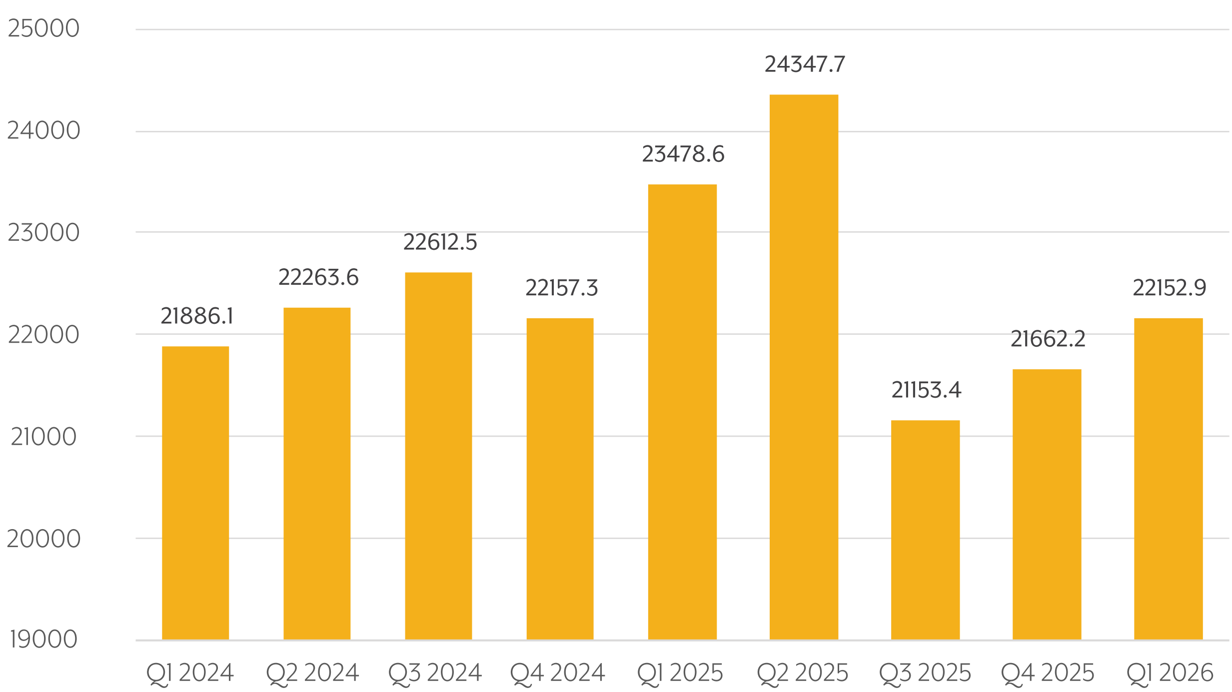
[2] Source: International merchandise trade by principal trading partners, quarterly (Table: 12-10-0127-01); Customs Basis; Seasonally Adjusted (CAD, Millions). Accessed on 2026-05-13.

Figure 2: Canadian Exports to China, 2024 Q1-2026 Q1[3]



[3] Source: International merchandise trade by principal trading partners, quarterly (Table: 12-10-0127-01); Customs Basis; Seasonally Adjusted (CAD, Millions). Accessed on 2026-05-13.

Figure 3: Canadian Imports from China, 2024 Q1-2026 Q1[4]



[4] Source: International merchandise trade by principal trading partners, quarterly (Table: 12-10-0127-01); Customs Basis; Seasonally Adjusted (CAD, Millions). Accessed on 2026-05-13.

Headline figures capture direct bilateral flows. Recent analysis using Chinese import-side data consistently records a significantly larger volume of Canadian-origin goods entering the Chinese market. Canadian data place the 2025 baseline at roughly C$33.48 billion. Chinese customs data record a significantly higher value of Canadian-origin goods entering the market valued at C$58.06 billion.

This discrepancy stems from goods routed through third-party markets and differing valuations. Recognizing this distinction provides a more accurate measure of the true commercial exposure to Chinese demand, which is substantially larger than direct customs-basis export figures indicate.

Provincial Distribution

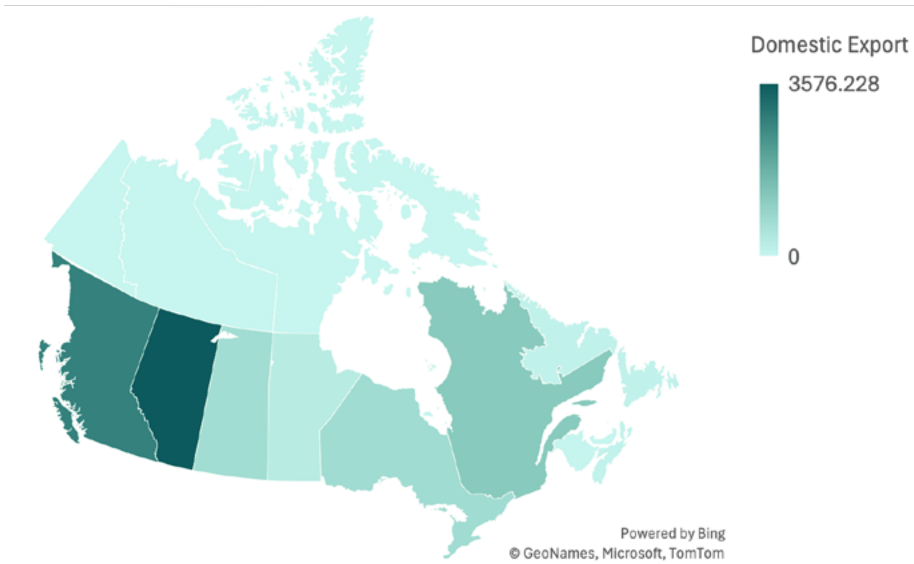
Trade remained geographically concentrated in Q1 2026, with Ontario and British Columbia continuing to dominate Canada–China bilateral flows. Together, the two provinces accounted for about **60.8% of total bilateral trade,** with Ontario representing 36.8% and British Columbia 24.0%. **Ontario's trade profile remained strongly import-driven,** accounting for just over 50% of Canada's total imports from China, but only 7.7% of Canadian exports to China. **British Columbia showed a more balanced structure,** contributing 29.4% of exports and 21.4% of imports. **Alberta and Quebec formed the next tier,** together accounting for about 32% of bilateral trade. Alberta was much more export-oriented, representing 37.5% of Canadian exports to China but only 6.4% of imports, while Quebec remained more import-oriented, with 16.7% of imports and 12.7% of exports.

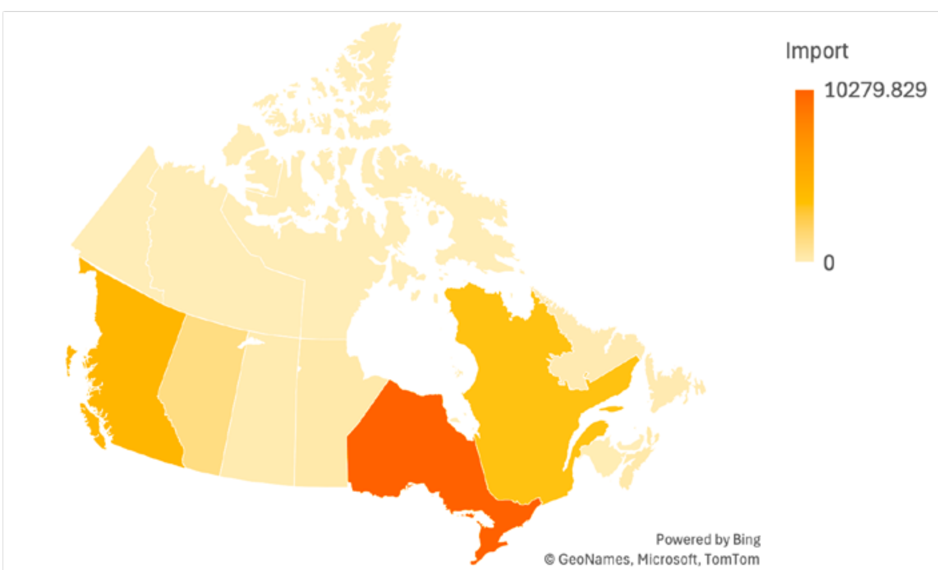
The most notable shift was the strong growth in Alberta's exports to China, which rose by C$1.21 billion year-over-year, or 51.3%, making Alberta the largest export province in Q1 2026. Energy products in Alberta increased by **C$1.33 billion**, from **C$1.25 billion** in Q1 2025 to **C$2.57 billion** in Q1 2026, representing a 106.4% increase and the largest absolute increase across all sectors. Non-energy exports, by contrast, declined by C$114.5 million from 2025 Q1 to 2026 Q1, or 10.3%, led mainly by declines in farm, fishing and intermediate food products and forestry products and building and packaging materials. This suggests that the strong Alberta export growth was not broad-based; instead, it was primarily an energy story. British Columbia and Quebec also recorded solid export gains, increasing by C$407.3 million and C$210.4 million, respectively. Ontario's exports rose more moderately, up C$71.2 million year-over-year. In contrast, Saskatchewan's exports declined by C$190.8 million, or 21.3%, reducing its share in Canada's exports to China. Nova Scotia also saw a sharp decline in exports, down 45.7% from Q1 2025. These changes suggest that export growth was increasingly concentrated in Alberta, British Columbia, and Quebec, while some agriculture and resource-linked exporting provinces lost ground.

On the import side, the overall decline was driven mainly by Ontario, whose imports from China fell by C$1.73 billion, or 14.4% year-over-year. This drop was large enough to offset modest import increases in British Columbia, Alberta, and Quebec. British Columbia's imports rose slightly by C$82.3 million, Alberta's by C$127.8 million, and Quebec's by C$66.3 million, while Manitoba and Saskatchewan both recorded declines.

Overall, Q1 2026 shows **a modest increase in total bilateral trade** compared with Q1 2025, but with a different underlying dynamic: **exports to China expanded strongly, especially from Alberta, while imports from China weakened, largely due to Ontario's decline.**

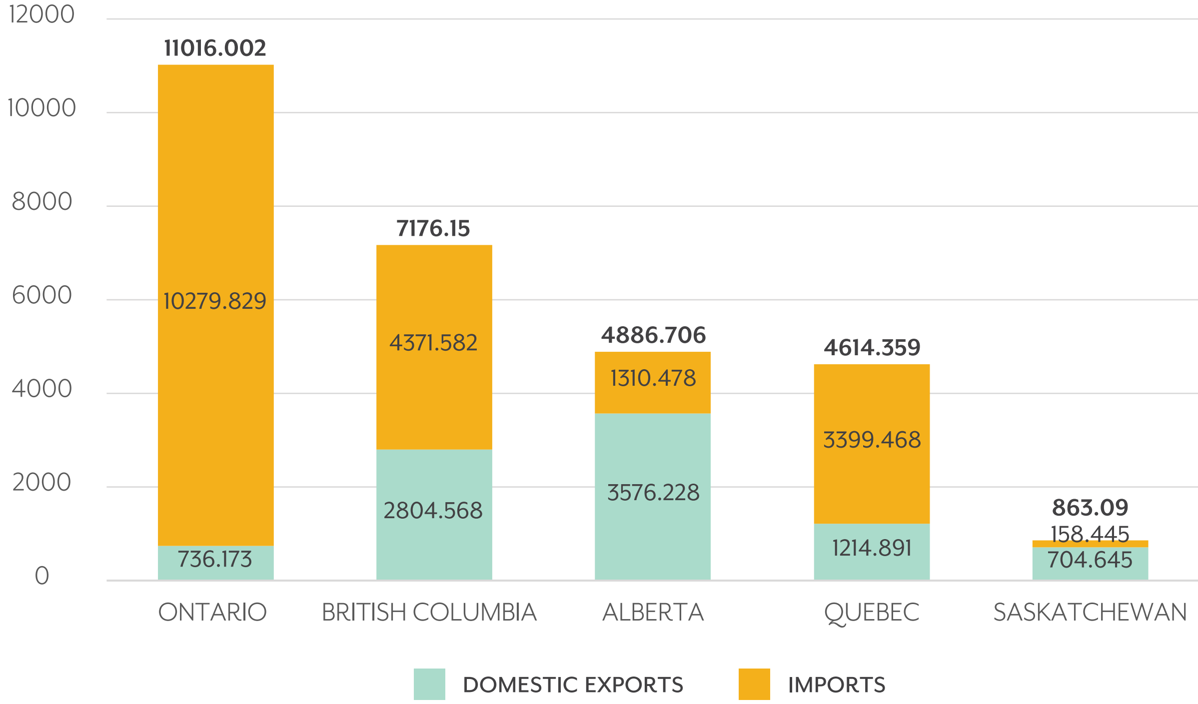
Figure 4: Provincial Trade with China, 2026 Q1[5]





[5] *Source: International merchandise trade by province, commodity, and Principal Trading Partners, monthly (Table: 12-10-0175-01); Customs Basis; Not-Seasonally Adjusted (CAD, Millions). Accessed on 2026-05-06.*

Figure 5: Top 5 Provincial Bilateral Trade, 2026 Q1[6]



[6] Source: International merchandise trade by province, commodity, and Principal Trading Partners, monthly (Table: 12-10-0175-01); Customs Basis; Not-Seasonally Adjusted (CAD, Millions). Accessed on 2026-05-06.

*Top 3 Provinces with the Largest Year-over-Year **Growth** in Exports and Imports*

EXPORTS

1. Alberta: ↑ 51.3% (C$2.36 billion → C$3.58 billion)
2. Prince Edward Island: ↑ 35.4% (C$2.32 million → C$3.14 million)
3. Newfoundland and Labrador: ↑ 21.3% (C$89.26 million → C$108.29 million)

IMPORTS

1. Yukon: ↑ 12,600% (C$3,000 → C$381,000)[7]
2. Newfoundland and Labrador: ↑ 11,501% (C$1.6 million → C$183.4 million)
3. Nova Scotia: ↑ 101.6% (C$169.9 million → C$342.5 million)

*Top 3 Provinces with the Largest Year-over-Year **Decline** in Exports and Imports*

EXPORTS

1. Nunavut: ↓ 100.0% (C$97,000 → C$0)
2. Northwest Territories: ↓ 85.7% (C$56,000 → C$10,000)
3. New Brunswick: ↓ 47.7% (C$37.7 million → C$19.7 million)

IMPORTS

1. Manitoba: ↓ 17.2% (C$389.2 million → C$322.1 million)
2. Ontario: ↓ 14.4% (C$12.01 billion → C$10.28 billion)
3. Saskatchewan: ↓ 8.6% (C$173.3 million → C$158.4 million)

[7] *Source: Extreme percentage driven by a near-zero baseline.*

Table 1: Year-over-Year Changes in Province Trade with China (C$, Thousands)[8]

IMPORTS		
Province	YoY Changes	%YoY Changes
Newfoundland and Labrador	↑ $181,830.00	↑ 11,501.58%
Nova Scotia	↑ $172,624.00	↑ 101.61%
Alberta	↑ $127,849.00	↑ 10.81%
British Columbia	↑ $82,293.00	↑ 1.92%
Quebec	↑ $66,294.00	↑ 1.99%
New Brunswick	↑ $2,336.00	↑ 8.47%
Prince Edward Island	↑ $452.00	↑ 54.72%
Yukon	↑ $378.00	↑ 12,600.00%
Northwest Territories	$0.00	
Nunavut	$0.00	
Saskatchewan	↓ $14,883.00	↓ 8.59%
Manitoba	↓ $67,055.00	↓ 17.23%
Ontario	↓ $1,725,459.00	↓ 14.37%

EXPORTS		
Province	YoY Changes	%YoY Changes
Alberta	↑ $1,212,393.00	↑ 51.29%
British Columbia	↑ $407,276.00	↑ 16.99%
Quebec	↑ $210,379.00	↑ 20.94%
Ontario	↑ $71,204.00	↑ 10.71%
Newfoundland and Labrador	↑ $19,029.00	↑ 21.32%
Prince Edward Island	↑ $822.00	↑ 35.40%
Yukon	$0.00	
Northwest Territories	↓ $48.00	↓ 85.71%
Nunavut	↓ $97.00	↓ 100.00%
New Brunswick	↓ $17,951.00	↓ 47.66%
Manitoba	↓ $36,631.00	↓ 11.42%
Nova Scotia	↓ $79,810.00	↓ 45.74%
Saskatchewan	↓ $190,816.00	↓ 21.31%

(green) Highlights the top 3 increased provinces in terms of volume and growth rate.

(red) Highlights the top 3 decreased provinces in terms of volume and growth rate.

[8] *Source: International merchandise trade by province, commodity, and Principal Trading Partners, monthly (Table: 12-10-0175-01); Customs Basis; Not-Seasonally Adjusted (CAD, Thousands). Accessed on 2026-05-06.*

Product Composition

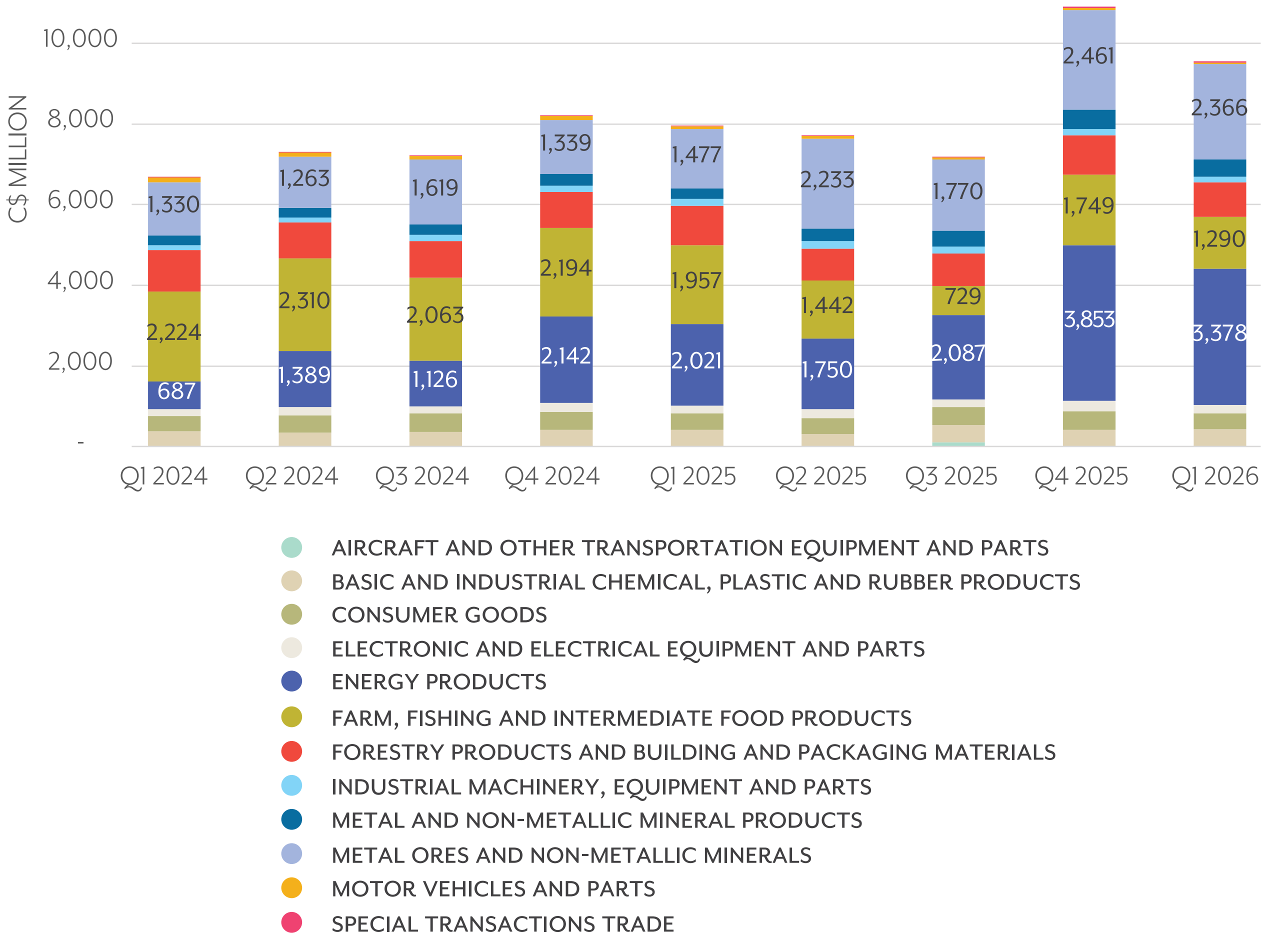
Domestic Exports[9]

Canada's domestic exports to China in Q1 2026 remained concentrated on energy products and metal ores & non-metallic minerals, which accounted for 35.4% and 24.8% of the quarterly value, respectively. **Energy exports surged to C$3.38 billion** (↑ 67.1% YoY), while **metal ores and non-metallic minerals climbed to C$2.37 billion** (↑ 60.2% YoY). Conversely, **agricultural exports to China weighed on overall performance:** farm, fishing, and intermediate food products dropped 34.1% year-over-year to C$1.29 billion. However, this aggregate weakness masked an intra-quarter improvement: the year-over-year monthly contraction narrowed from a 72.6% drop in January to an 8.3% dip in March, coinciding with China's March 1 reduction of canola seed tariffs and the suspension of anti-discrimination duties on canola meal, peas, lobster, and crab. Overall, Canada's domestic exports to China grew by 20.1% compared to Q1 2025, as robust Chinese demand for Canadian energy and minerals more than offset the losses in agricultural exports.

Greater exports of energy and metal ores in Q1 2026 reflect a deeper structural dynamic in the bilateral goods relationship. Analysis of Chinese import-side data reveals that reporting discrepancies between the two countries are highly concentrated in these exact globally traded commodities. Goods in these categories frequently move through intermediary trading hubs. Canada's actual exports to China in the energy and mining sectors are substantially larger than customs data measures.

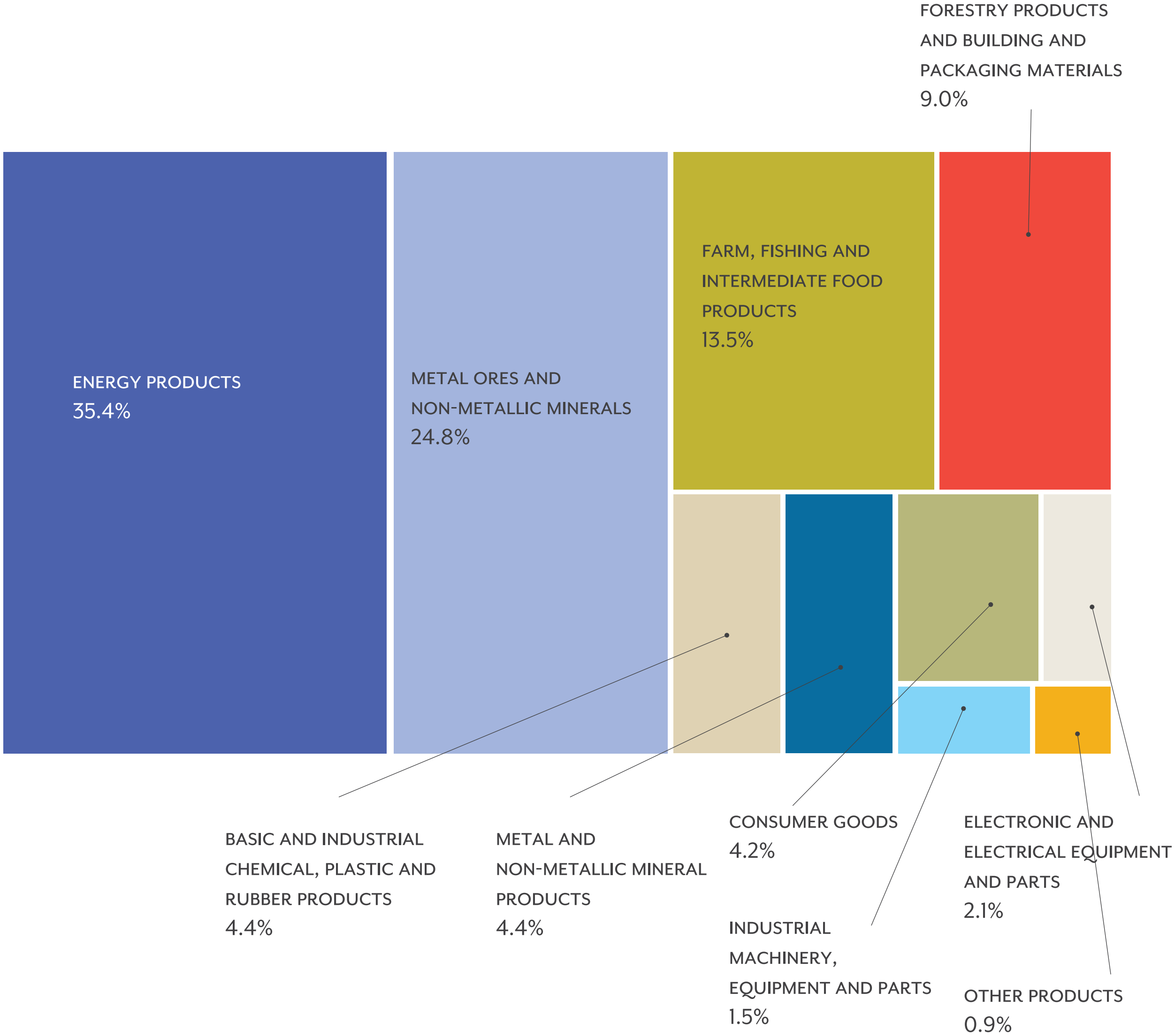
[9] Source: To illustrate Canadian value-added exports, we focus on domestic exports at product level. Domestic exports are goods of Canadian origin or goods of foreign origin that have been materially transformed in Canada, accounting for 98% of Canadian merchandise exports to China in 2026 Q1. This is a distinction from the previous overall trend, which focused on the total of domestic exports and re-exports, and based on seasonally adjusted customs-basis data to draw meaningful quarter-over-quarter changes. Products are categorized following North American Product Classification System (NAPCS) 2022.

Figure 6: Canada-China Domestic Exports by Product Category, 2024 Q1-2026 Q1[10]



[10] *Source: International merchandise trade by province, commodity, and Principal Trading Partners, monthly (Table: 12-10-0175-01); Customs Basis; Not-Seasonally Adjusted; Domestic Exports Only (CAD, Millions). Accessed on 2026-05-06.*

Figure 7: Canada-China Domestic Exports by Product Category, 2026 Q1[11]

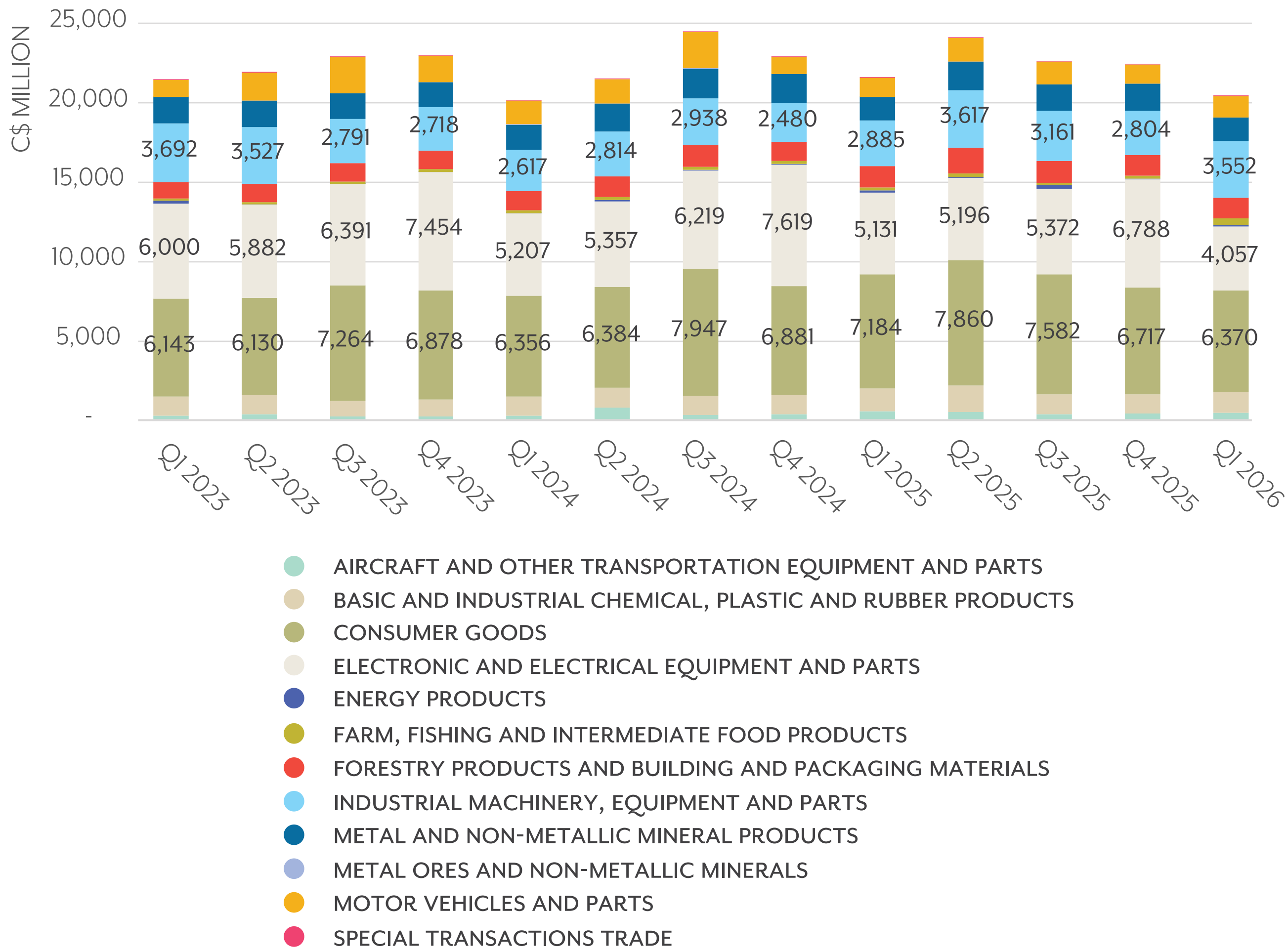


[11] *Source: International merchandise trade by province, commodity, and Principal Trading Partners, monthly (Table: 12-10-0175-01); Customs Basis; Not-Seasonally Adjusted; Domestic Exports Only (CAD, Thousands). Accessed on 2026-05-06.*

Imports

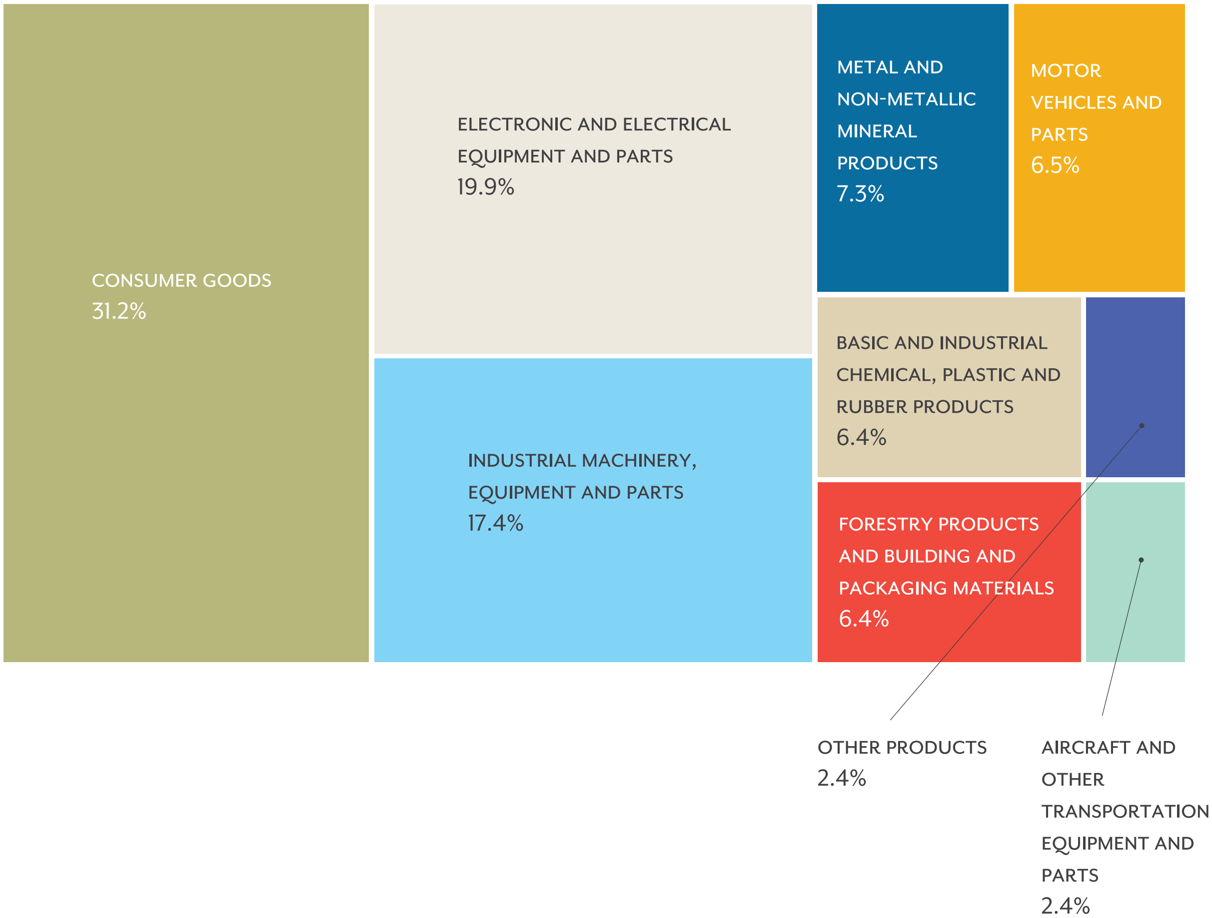
In Q1 2026, Canada's imports from China continued to be dominated by consumer goods (C$6.37 billion, ↓ 11.3% YoY), electronic & electrical equipment & parts (C$4.06 billion, ↓ 20.9% YoY), and industrial machinery, equipment & parts (C$3.55 billion, ↑ 23.1% YoY), accounting for 31%, 20%, and 17% of the quarterly value, respectively. Overall, imports from China declined 5.4% year-over-year, primarily reflecting continued weakness in electronics and consumer goods, despite the notable expansion in industrial machinery and farm, fishing & intermediate food products (↑ 99.2% YoY from a low base).

Figure 8: Canada-China Imports by Product Category, 2024 Q1-2026 Q1[12]



[12] *Source: International merchandise trade by province, commodity, and Principal Trading Partners, monthly (Table: 12-10-0175-01); Customs Basis; Not-Seasonally Adjusted (CAD, Millions). Accessed on 2026-05-06.*

Figure 9: Canada-China Imports by Product Category, 2026 Q1[13]



[13] *Source: International merchandise trade by province, commodity, and Principal Trading Partners, monthly (Table: 12-10-0175-01); Customs Basis; Not-Seasonally Adjusted (CAD, Thousands). Accessed on 2026-05-06.*

Top 3 Products with the Largest Year-over-Year **Growth** *in Exports and Imports*

EXPORTS[14]

1. Energy products: ↑ 67.1% (C$2.02 billion → C$3.38 billion)
2. Metal and non-metallic mineral products: ↑ 64.6% (C$253.0 million → C$416.2 million)
3. Metal ores and non-metallic minerals: ↑ 60.2% (C$1.48 billion → C$2.37 billion)

IMPORTS

1. Farm, fishing and intermediate food products: ↑ 99.2% (C$197.8 million → C$394.0 million)
2. Metal ores and non-metallic minerals: ↑ 32.6% (C$8.0 million → C$10.6 million)
3. Industrial machinery, equipment and parts: ↑ 23.1% (C$2.89 billion → C$3.55 billion)

Top 3 Products with the Largest Year-over-Year **Decline** *in Exports and Imports*

EXPORTS

1. Motor vehicles and parts: ↓ 42.5% (C$72.2 million → C$41.5 million)
2. Farm, fishing and intermediate food products: ↓ 34.1% (C$1.96 billion → C$1.29 billion)
3. Industrial machinery, equipment and parts: ↓ 21.3% (C$178.7 million → C$140.5 million)

IMPORTS[15]

1. Energy products: ↓ 40.4% (C$145.2 million → C$86.5 million)
2. Electronic and electrical equipment and parts: ↓ 20.9% (C$5.13 billion → C$4.06 billion)
3. Aircraft and other transportation equipment and parts: ↓ 15.4% (C$580.1 million → C$490.8 million)

[14] To focus on meaningful product groups, special transactions trade is excluded from the ranking because it is a residual category. In Q1 2026, special transactions trade recorded the strongest year-over-year export growth, rising 672.7% from C$3.3 million to C$25.6 million.
[15] To focus on meaningful product groups, special transactions trade is excluded from the ranking because it is a residual category. In Q1 2026, special transactions trade recorded the steepest year-over-year import decline, falling 50.7% from C$8.2 million to C$4.0 million.

Notable Events

• January 16, 2026: **Canada and China announce a new strategic partnership following** Prime Minister Carney's January 2026 visit to Beijing, focused on expanding cooperation in energy, agri-food, clean technology, trade, and investment. Key measures include expected tariff reductions on Canadian canola, temporary relief for canola meal, peas, lobster, and crab, restoration of Canadian beef access to the Chinese market, a Canadian quota allowing up to 49,000 Chinese EVs at the MFN tariff rate, and a target to increase Canadian exports to China by 50% by 2030.

• March 4, 2026: Canada secures renewed market access with China. Effective March 1, 2026, China reduced tariffs on Canadian canola seed to a combined rate of 14.9%, down from almost 85%. China also suspended anti-discrimination tariffs on canola meal, peas, lobster, and crab until the end of 2026.

Acknowledgment

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