

An aerial photograph of a busy port. In the center, a large cargo ship is docked at a pier. To the left of the ship, several yellow gantry cranes are positioned over a large area filled with stacks of colorful shipping containers in red, blue, and white. The sky is a clear, deep blue.

Canada–China Trade in H1 2026:

*Resource-Led Export Growth
and Selective Re-Engagement*

By Dr. Weisu Yu

Executive Summary

This report assesses merchandise trade between Canada and China during the first half of 2026. The period marked a clear divergence in bilateral flows: Canadian exports to China rose sharply, while imports from China declined. Beneath that aggregate shift, export growth was concentrated in energy and minerals, selected agricultural products began responding to renewed market access, and import performance was split between weaker consumer electronics and stronger machinery, batteries, and vehicles. Provincial outcomes were equally uneven, with export gains concentrated in Alberta and British Columbia and the decline in imports centred in Ontario. Together, these developments point to a trade relationship that is expanding selectively rather than uniformly.

Highlights

- **Exports Drove Bilateral Trade Growth:** Canada–China merchandise trade reached C\$66.60 billion in H1 2026, up 3.6% year-over-year. Exports rose 30.1% to C\$21.74 billion, while imports fell 5.8% to C\$44.86 billion. The customs-basis merchandise trade deficit consequently narrowed by 25.2% to C\$23.12 billion.
- **Energy and Minerals Dominated the Export Expansion:** Energy products accounted for 35.8% of domestic exports to China in H1 2026 and grew 81.8% year-over-year. Metal ores and non-metallic minerals represented a further 22.6% and grew 29.0%. Together, the two categories made up 58.4% of domestic exports to China. Consumer goods also recorded strong growth, rising 29.9% to C\$1.06 billion.
- **Crude Oil and Copper Drove Product-Level Export Growth:** Total crude petroleum exports to China more than doubled to C\$5.96 billion, an increase of C\$3.20 billion from H1 2025. Copper ore and concentrate exports rose by C\$949 million to C\$2.64 billion year-over-year.
- **Tariff Relief and Restored Market Access Supported Selected Agricultural Exports:** Canola seed exports increased 19.4% to C\$1.42 billion following China’s tariff reduction, while pea exports rose 39.6% to C\$282 million after the additional tariff was suspended. Frozen boneless beef exports rebounded from approximately C\$0.5 million to C\$156.6 million following restored market access. Lobster exports nevertheless remained below their H1 2025 level, indicating an uneven response across affected products.
- **Import Declines in Consumer Goods and Electronics Masked Industrial Growth:** Consumer goods fell by C\$2.02 billion (13.5%, year-over-year) and electronics by C\$1.49 billion (14.4%, year-over-year), explaining most of the import decline. Meanwhile, industrial machinery rose by C\$1.21 billion (18.6%), motor vehicles and parts increased 9.3% to C\$2.91 billion, and farm and food products grew 89.1% from a small base. This divergence reflected a shift in Canada’s import mix rather than a uniform retreat from Chinese supply.

- **Provincial Outcomes Became More Polarized:** Alberta and British Columbia recorded the largest export gains, representing 92.3% of Canada's net increase in exports to China year-over-year, driven overwhelmingly by energy and mineral products. Ontario accounted for the largest import decline, with weaker consumer goods and electronic equipment explaining more than 90% of the contraction.

1 General Trend: Export Growth Reshapes Bilateral Trade

1.1 Bilateral Trade: Exports Rise as Imports Recede

Canada–China merchandise trade reached C\$66.60 billion in the first half of 2026, up C\$2.29 billion (3.6%, YOY) from H1 2025¹. The moderate increase in total trade concealed sharply different export and import trajectories. Canadian exports to China rose by C\$5.04 billion to C\$21.74 billion, a 30.1% increase year-over-year, while imports from China declined by C\$2.75 billion to C\$44.86 billion, down 5.8% year-over-year.

This divergence materially reduced Canada's customs-basis trade gap from C\$30.91 billion in H1 2025 to C\$23.12 billion in H1 2026, a narrowing of C\$7.79 billion, or 25.2%. The change did not reflect a broad contraction in bilateral trade. Instead, stronger Canadian sales to China offset lower imports and shifted the composition of the relationship toward exports.

The quarterly pattern strengthened during the first half. Total bilateral trade increased from C\$32.54 billion in Q1 to C\$34.07 billion in Q2 2026. Exports rose 18.1% quarter-over-quarter to C\$11.77 billion, while imports edged down 1.2% to C\$22.29 billion, indicating that export momentum accelerated as the half progressed.

¹ *Scope Definition: This report covers merchandise trade only. Aggregate figures use seasonally adjusted quarterly data and total exports, including re-exports. Sectoral and provincial figures use non-seasonally adjusted monthly data and domestic exports, excluding re-exports. Detailed product figures use monthly total exports or imports. Therefore, totals across figures may not reconcile exactly.*

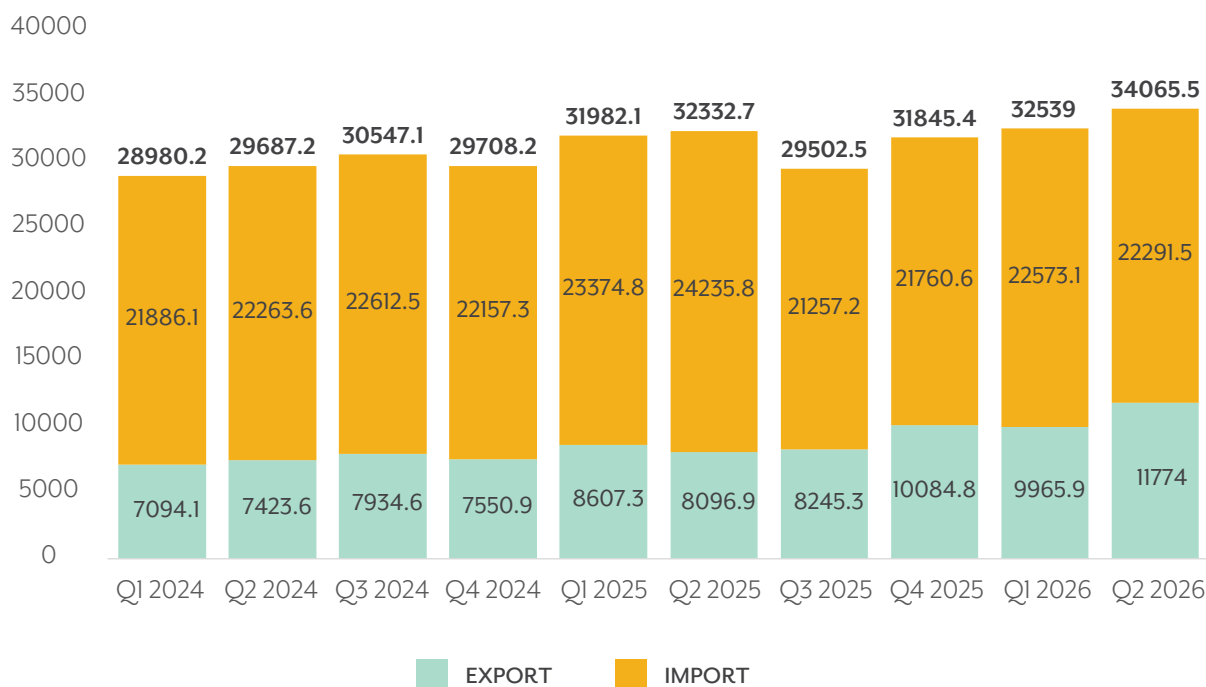


Figure 1-1: Canada–China Bilateral Trade, Q1 2024–Q2 2026 (CAD, Millions)²

1.2 China’s Changing Role in Canada’s Trade

As Figure 1-2 shows, China’s share of Canadian exports continued to rise while its share of imports declined. In Q2 2026, China accounted for 5.24% of Canada’s exports, up from 4.41% in Q2 2025. Its share of imports fell from 12.29% to 10.52% over the same period. China thus became a more important destination for Canadian goods while supplying a smaller share of Canada’s imports

The changing shares reflect a shift in relative composition, not a contraction in absolute terms. Imports from China remained more than twice the value of exports in H1 2026, and China continued to be one of Canada’s largest commercial partners. At the same time, the direction of change suggests a gradual rebalancing of the bilateral relationship, led by resource exports and weaker imports in several large consumer and electronics categories.

² Source: Statistics Canada, *International merchandise trade by principal trading partners, quarterly (Table: 12-10-0127-01); Customs Basis; Seasonally Adjusted (CAD, Millions)*. Accessed 2026-08-04.

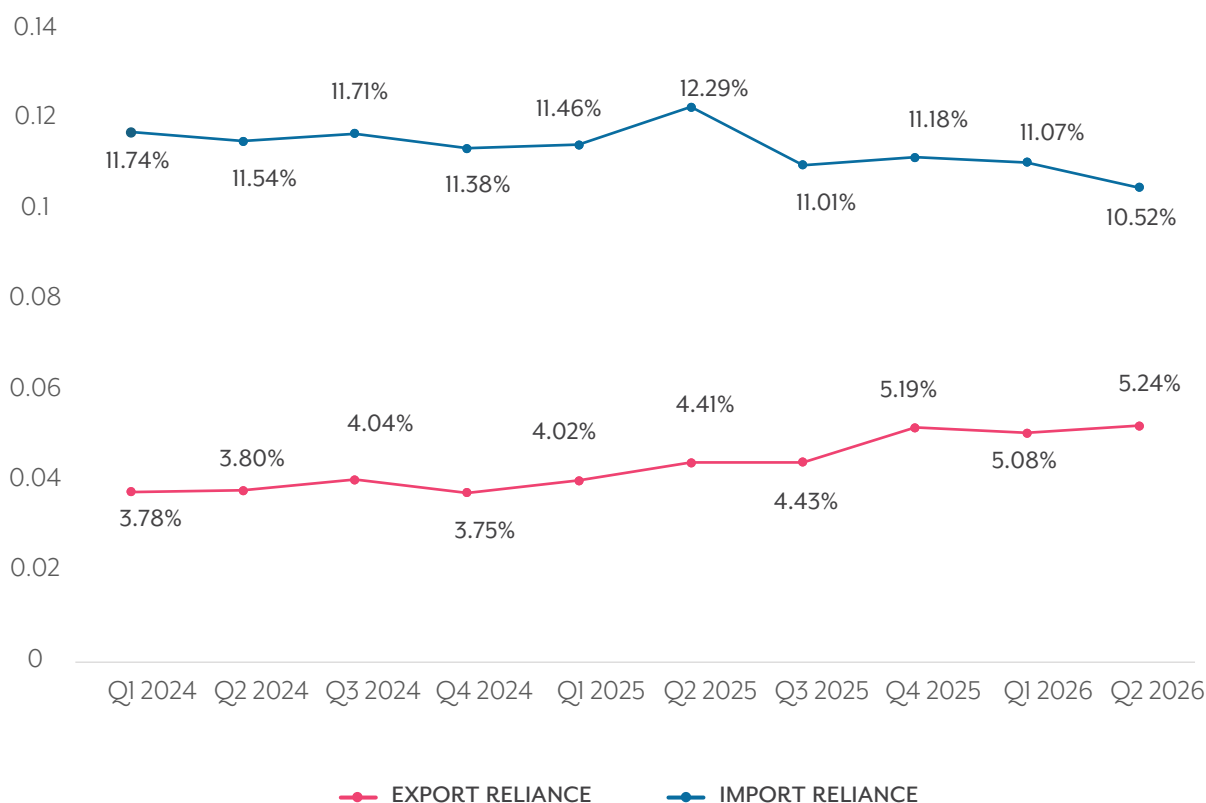


Figure 1-2: China's Share in Canada's Exports and Imports, Q1 2024–Q2 2026³

Among the major partner groups, China was Canada's third-largest bilateral merchandise trading partner in H1 2026, behind the United States and the European Union. Two-way trade with China totalled C\$66.60 billion, compared with C\$478.15 billion with the United States and C\$74.25 billion with the European Union. China remained ahead of the United Kingdom and Mexico in combined trade value.

China's position differed between exports and imports. Canadian exports to China, at C\$21.74 billion, remained below exports to the United Kingdom and the European Union but were well above exports to Mexico. The United Kingdom figure is dominated by unwrought gold, a bullion flow rather than commercial market demand; excluding it, China was Canada's largest non-U.S. export destination among individual countries in H1 2026⁴. Imports from China reached C\$44.86 billion, behind the United States and the European Union but above Mexico and the United Kingdom. China, therefore, sits higher in Canada's supplier rankings than in its export rankings, ranking third as an import supplier and fourth as an export destination among the partners shown.

³ China's export share is exports to China divided by total exports to all countries; China's import share is imports from China divided by total imports from all countries, calculated separately for each quarter. Source: Statistics Canada, [International merchandise trade by principal trading partners, quarterly \(Table: 12-10-0127-01\); Customs Basis; Seasonally Adjusted \(CAD, Millions\)](#). Accessed 2026-08-04.

⁴ Energy exports to China may be [greater than Canadian trade data suggest](#). For crude petroleum oils (HS 2709), Statistics Canada reported C\$5.96 billion in exports, compared with RMB 33.77 billion (about C\$6.94 billion) through [Chinese import-side mirror data](#), indicating that some energy flows may not be fully captured in Canadian destination-based data.

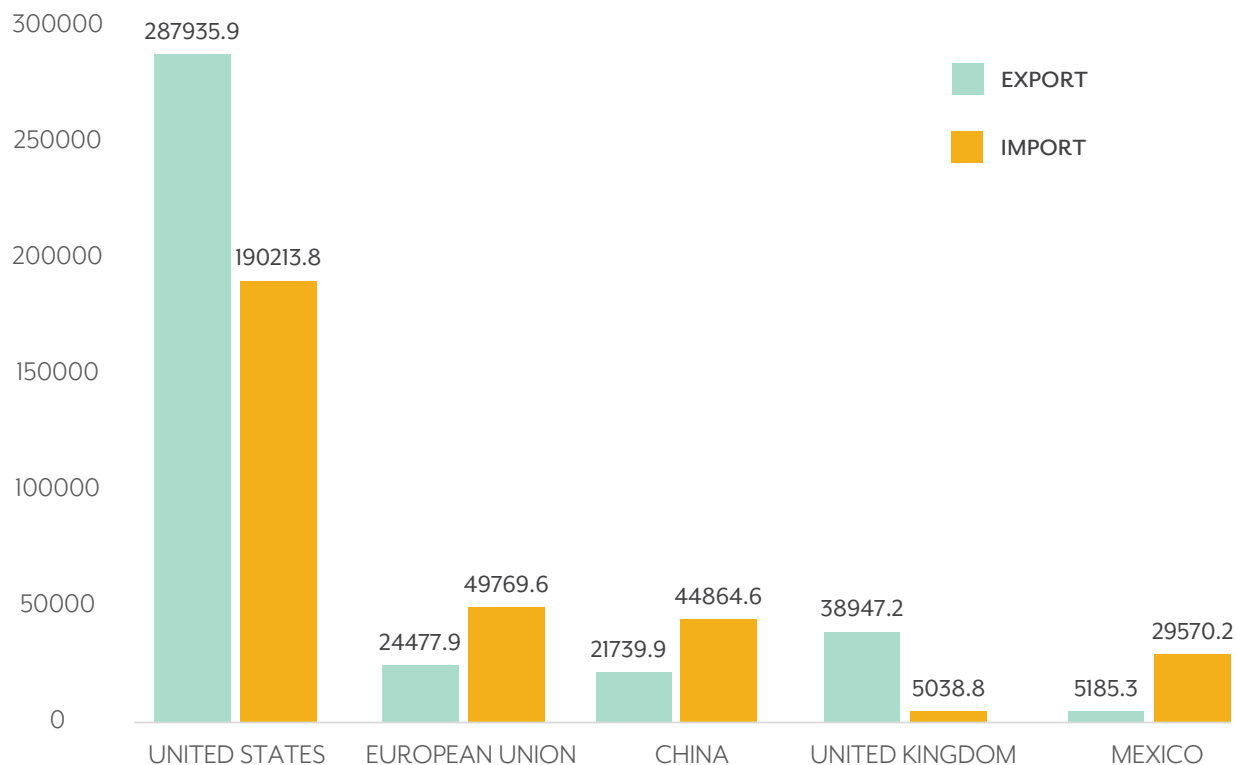


Figure 1-3: Canada's Top Trading Partners, H1 2026 (CAD, Millions)⁵

2 Canadian Exports to China: Energy, Minerals, and Selective Agricultural Recovery

2.1: Exports Reach a New High

Canadian exports to China reached C\$21.74 billion in H1 2026, the highest first-half value since 1997 and 30.1% above H1 2025. The increase also placed exports nearly 79% above their H1 2020 level. This growth followed an uneven earlier trajectory that included declines in 2022 and 2024, making the H1 2026 expansion notable in both scale and pace.

The headline total should not be read as evidence of uniform improvement across Canadian industries. Sector and product data show that most of the gain came from a limited group of resource commodities, particularly crude petroleum and copper ores. Agricultural performance improved only modestly at the broad NAPCS level, while several traditional products continued to decline.

⁵ Source: Statistics Canada, [International merchandise trade by principal trading partners, quarterly \(Table: 12-10-0127-01\)](#); Customs Basis; Seasonally Adjusted (CAD, Millions). Accessed 2026-08-04.

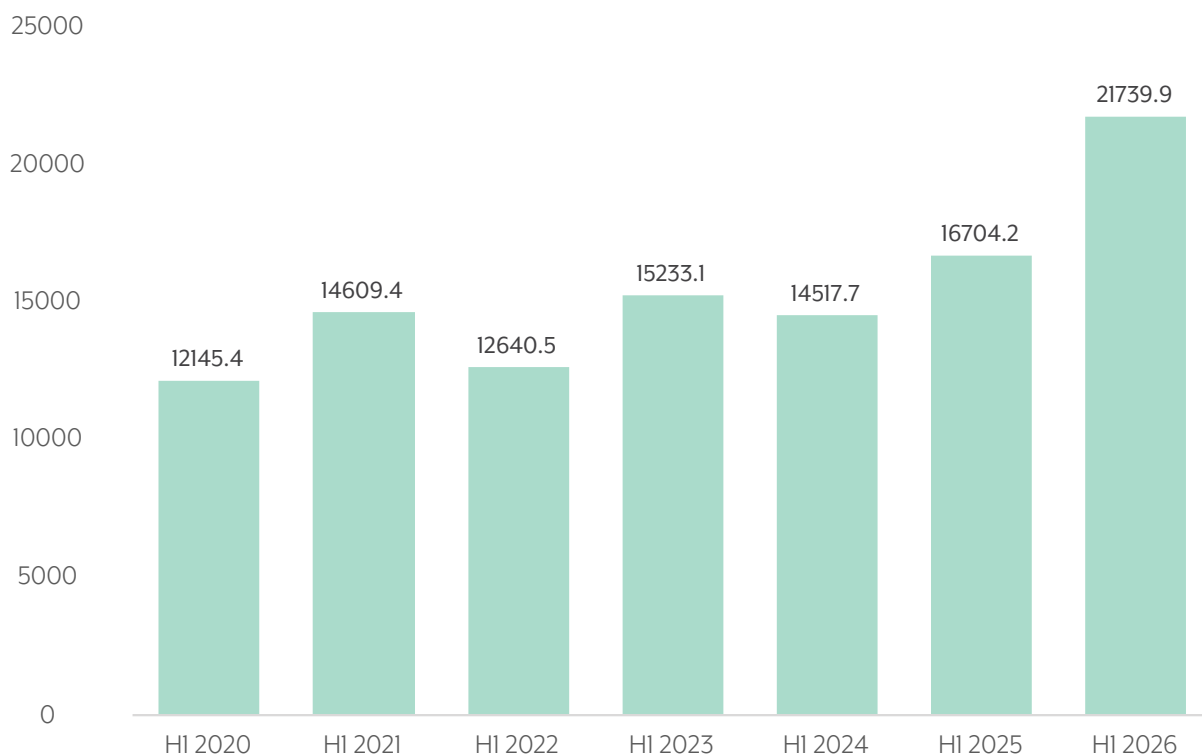


Figure 2-1: Canadian Exports to China, H1 2020–H1 2026 (CAD, Millions)⁶

2.2 Export Composition: Energy and Minerals Consolidate the Lead

Domestic exports to China were increasingly concentrated in energy and mineral products in H1 2026. Energy products reached C\$7.58 billion, accounting for 35.8% of domestic exports, after increasing 81.8% year-over-year. Metal ores and non-metallic minerals rose 29.0% to C\$4.79 billion and represented 22.6%. Together, the two categories accounted for 58.4% of Canadian domestic exports to China.

Farm, fishing, and intermediate food products remained the third-largest category at C\$3.46 billion, or 16.3% of exports, but grew only 1.9% from H1 2025. Forestry products declined 3.1% to C\$1.71 billion. By contrast, metal and non-metallic mineral products rose 56.5% to C\$883 million, and consumer goods increased 29.9% to C\$1.06 billion. The overall pattern, therefore, combined a powerful resource-led expansion with much more modest performance in agriculture and forestry.

⁶ Source: Statistics Canada, *International merchandise trade by principal trading partners, quarterly (Table: 12-10-0127-01); Customs Basis; Seasonally Adjusted (CAD, Millions)*. Accessed 2026-08-04.

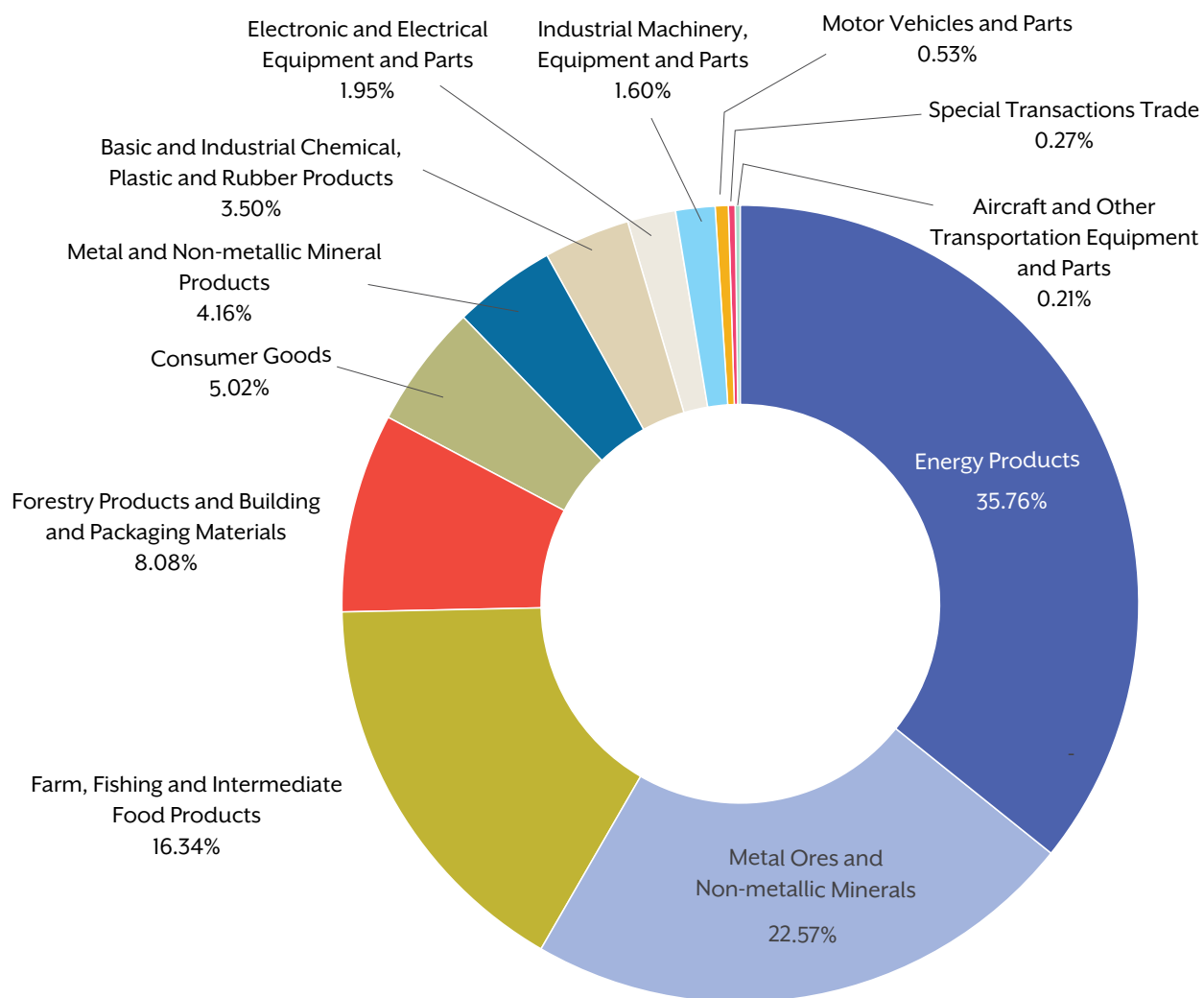


Figure 2-2: Composition of Canadian Domestic Exports to China, H1 2026⁷

⁷ Commodities cluster is based on North American Product Classification System (NAPCS), unless otherwise specified. Source: Statistics Canada, *International Merchandise Trade by Province, Commodity, and Principal Trading Partners, Monthly* (Table: 12-10-0175-01); Customs Basis; Not Seasonally Adjusted. Accessed 2026-08-04.

2.3 Crude Petroleum and Copper Drive Product-Level Growth

Crude petroleum was the single largest contributor to export growth. Exports rose from C\$2.76 billion in H1 2025 to C\$5.96 billion in H1 2026, an increase of C\$3.20 billion (116.1%, YOY). The scale and persistence of the crude increase are consistent with the structural expansion of Canada's Pacific export capacity following the [Trans Mountain Expansion](#). The expanded system entered service in May 2024 and substantially increased tidewater access for western Canadian crude. Statistics Canada has identified [China as the leading non-U.S. destination](#) benefiting from this capacity. The H1 2026 data suggest that the shift toward Asian markets continued beyond the initial ramp-up period.

Copper ore and concentrate exports to China totalled C\$2.64 billion in H1 2026, an increase of C\$949 million, or 56.2%, from H1 2025. Monthly exports remained above C\$350 million throughout the half and reached C\$627 million in June, the highest monthly value in the period shown. The increase reinforced the broader rise in Canada's metal ores and non-metallic minerals category.

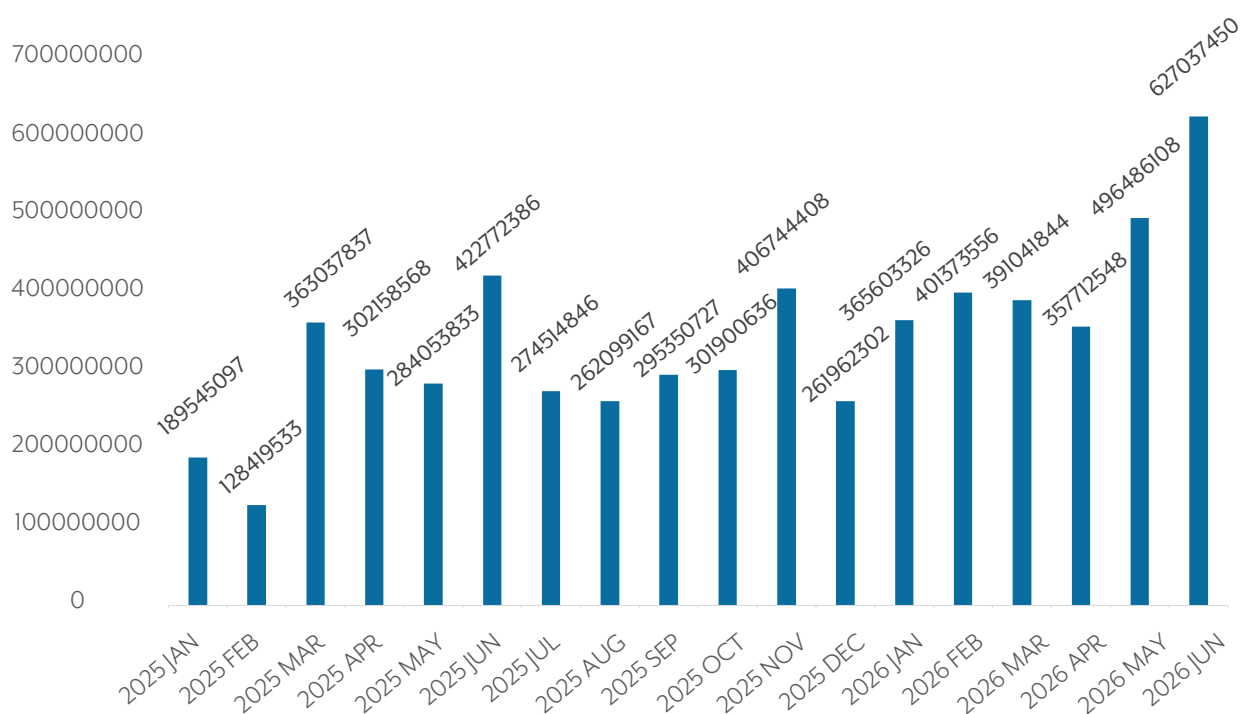


Figure 2-3: Canadian Copper Ore Exports to China, 2025 to 2026 (Monthly)⁸

⁸ Source: Statistics Canada. [Canadian International Merchandise Trade Web Application](#) (2603.00 - Copper ores and concentrates). Accessed 2026-08-04.

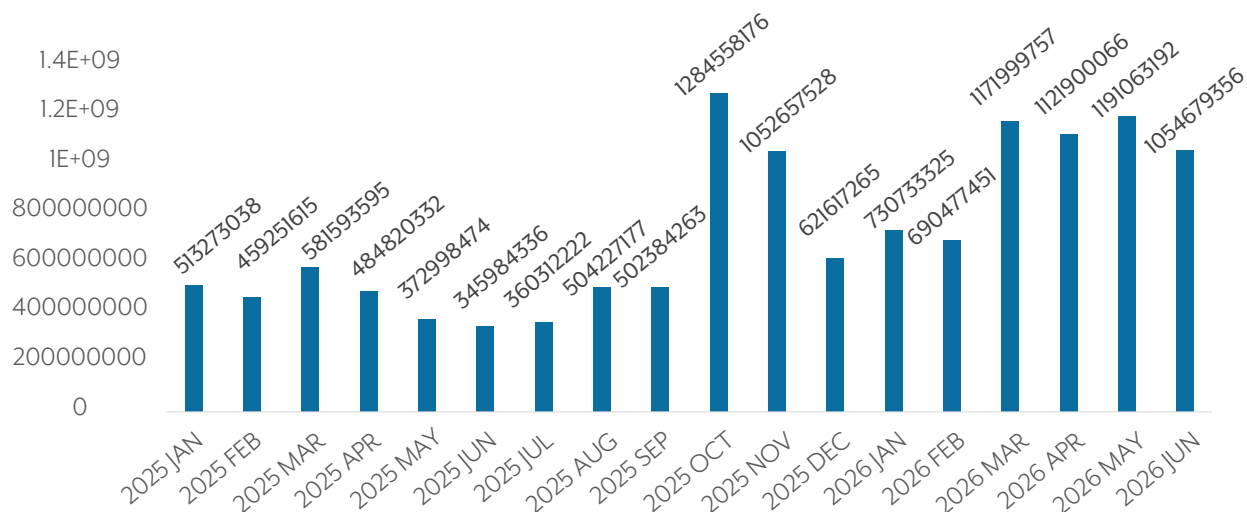


Figure 2-4: Canadian Crude Oil Exports to China, 2025 to 2026 (Monthly)⁹

2.4 Agricultural Trade Shows an Uneven Response to Renewed Access

The January Canada–China arrangement, implemented on March 1, 2026, lowered the [combined tariff on Canadian canola seed to 14.9% from almost 85% and suspended additional tariffs on canola meal, peas, lobster, and crab](#) through the end of 2026. [China also restored beef access for 20 registered Canadian establishments effective January 15](#). Product-level trade in H1 2026 shows early signs of response, but the results varied considerably.

Canola seed¹⁰ exports increased 19.4% to C\$1.42 billion, a gain of C\$230 million. Pea exports rose 39.6% to C\$282 million. Frozen boneless beef exports increased from approximately C\$0.5 million to C\$156.6 million following the restoration of access, making beef the clearest reopening story among the selected products.

Lobster exports moved in the opposite direction, declining 28.0% to C\$143.2 million despite the suspension of the additional tariff. This does not necessarily indicate that the policy failed: the measure applied for only four months of the reporting period, and seafood trade is affected by seasonality, prices, inventories, and shipment timing. It does show that tariff relief alone did not generate an immediate, broad-based rebound across all covered products.

⁹ Source: Statistics Canada. [Canadian International Merchandise Trade Web Application](#) (2709.00 - Petroleum oils and oils, obtained from bituminous minerals, crude). Accessed 2026-08-04.

¹⁰ Not all canola products increased following the tariff changes. Compared with H1 2025, Canadian exports of canola meal to China declined 31.8% in H1 2026, while canola oil exports fell by nearly 100%.

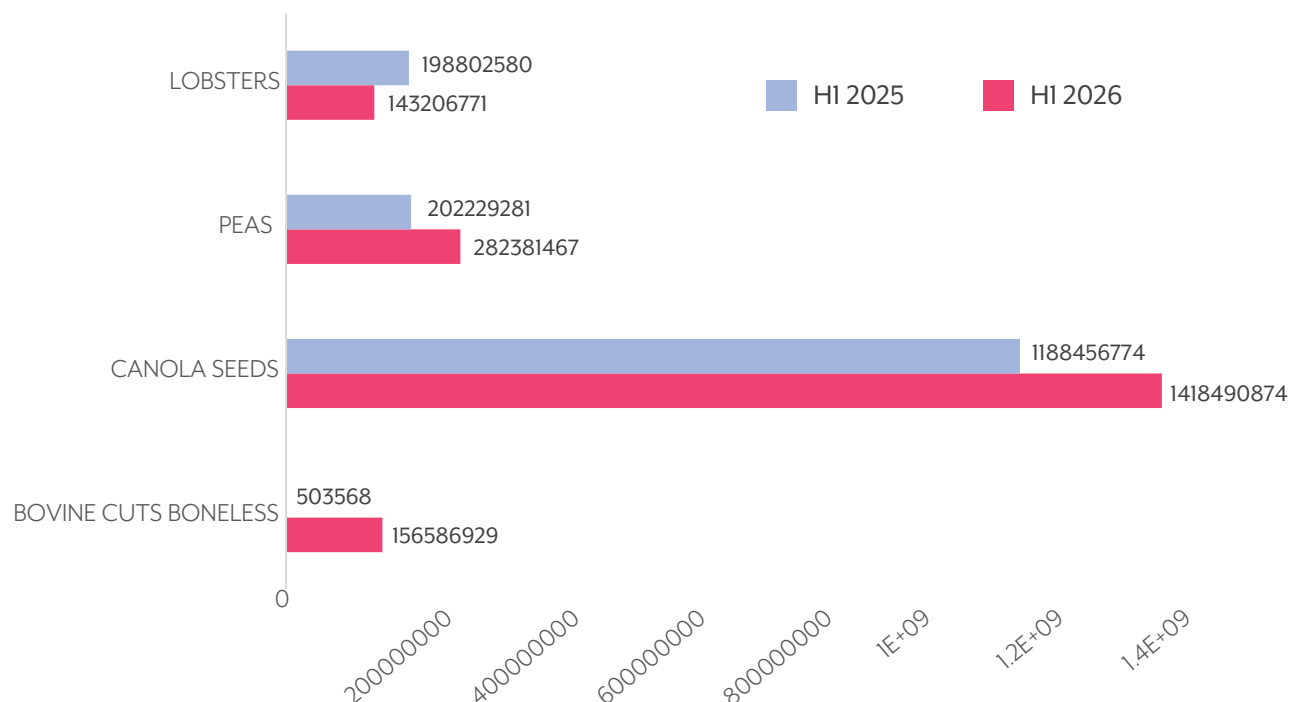


Figure 2-5: Canadian Agri-Food Exports to China, H1 2025 vs. H1 2026¹¹

3 Canadian Imports from China: Overall Contraction Masks Industrial Growth

3.1 Imports Decline from the 2025 Level

Canadian imports from China declined to C\$44.86 billion in H1 2026 on a seasonally adjusted customs basis, down C\$2.75 billion (5.8%, YOY) from H1 2025. The decline followed several years of elevated first-half import values and left imports 12.2% below the H1 2022 peak of C\$51.08 billion. Imports nevertheless remained well above their H1 2020 level, indicating moderation rather than a wholesale reversal of the bilateral supply relationship.

The quarterly path was comparatively stable in 2026. Imports slipped from C\$22.57 billion in Q1 to C\$22.29 billion in Q2. The main change was therefore year-over-year and sector-specific: several high-value consumer and electronics categories contracted, while machinery and some transportation-related imports continued to expand.

¹¹ Source: Statistics Canada. [Canadian International Merchandise Trade Web Application](#) (0202.30 - Bovine cuts boneless, frozen; 1205.10 - Low erucic acid rape or colza seeds, whether or not broken; 0713.10 - Peas dried, shelled, whether or not skinned or split, 0306.32 - Lobsters, live, fresh or chilled). Accessed 2026-08-04.

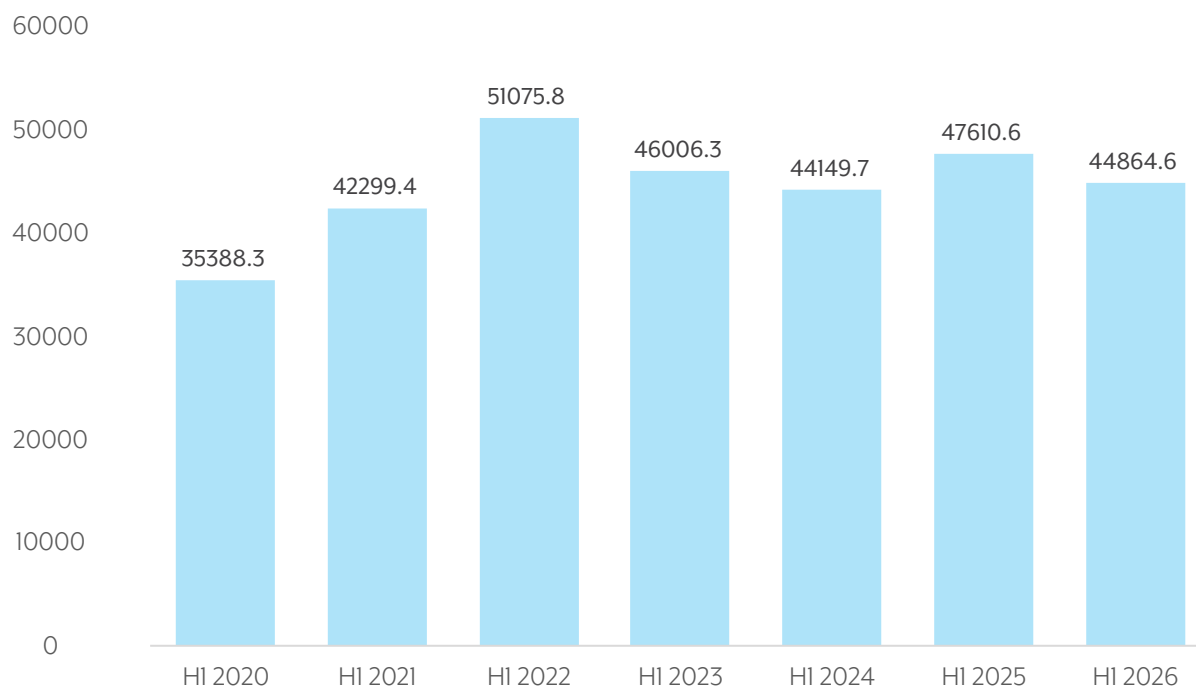


Figure 3-1: Canadian Imports From China, H1 2020–H1 2026 (CAD, Millions)¹²

3.2 Import Goods Profile: Consumer Goods Remain Largest but Lose Ground

Consumer goods remained Canada’s largest import category from China at C\$12.99 billion, accounting for 30.1% of H1 2026 imports. Electronic and electrical equipment and parts followed at C\$8.84 billion, or 20.5%, while industrial machinery, equipment and parts represented C\$7.72 billion, or 17.9%.

The composition was shifting beneath these rankings. Consumer goods declined by C\$2.02 billion (13.5%, YOY), and electronic and electrical equipment fell by C\$1.49 billion (14.4%, YOY). Together, these two categories explain most of the overall decline in imports. Industrial machinery moved in the opposite direction, rising by C\$1.21 billion, or 18.6%. Motor vehicles and parts increased 9.3% to C\$2.91 billion, while farm, fishing, and intermediate food products rose 89.1% from a comparatively small base.

This divergence suggests continued adjustment within Canada’s import mix rather than a uniform retreat from Chinese supply. Finished consumer and electronics products weakened, but Chinese capital goods, industrial equipment, and selected transportation inputs remained important to Canadian buyers.

¹² Source: Statistics Canada, *International merchandise trade by principal trading partners, quarterly* (Table: 12-10-0127-01); Customs Basis; Seasonally Adjusted (CAD, Millions). Accessed 2026-08-04.

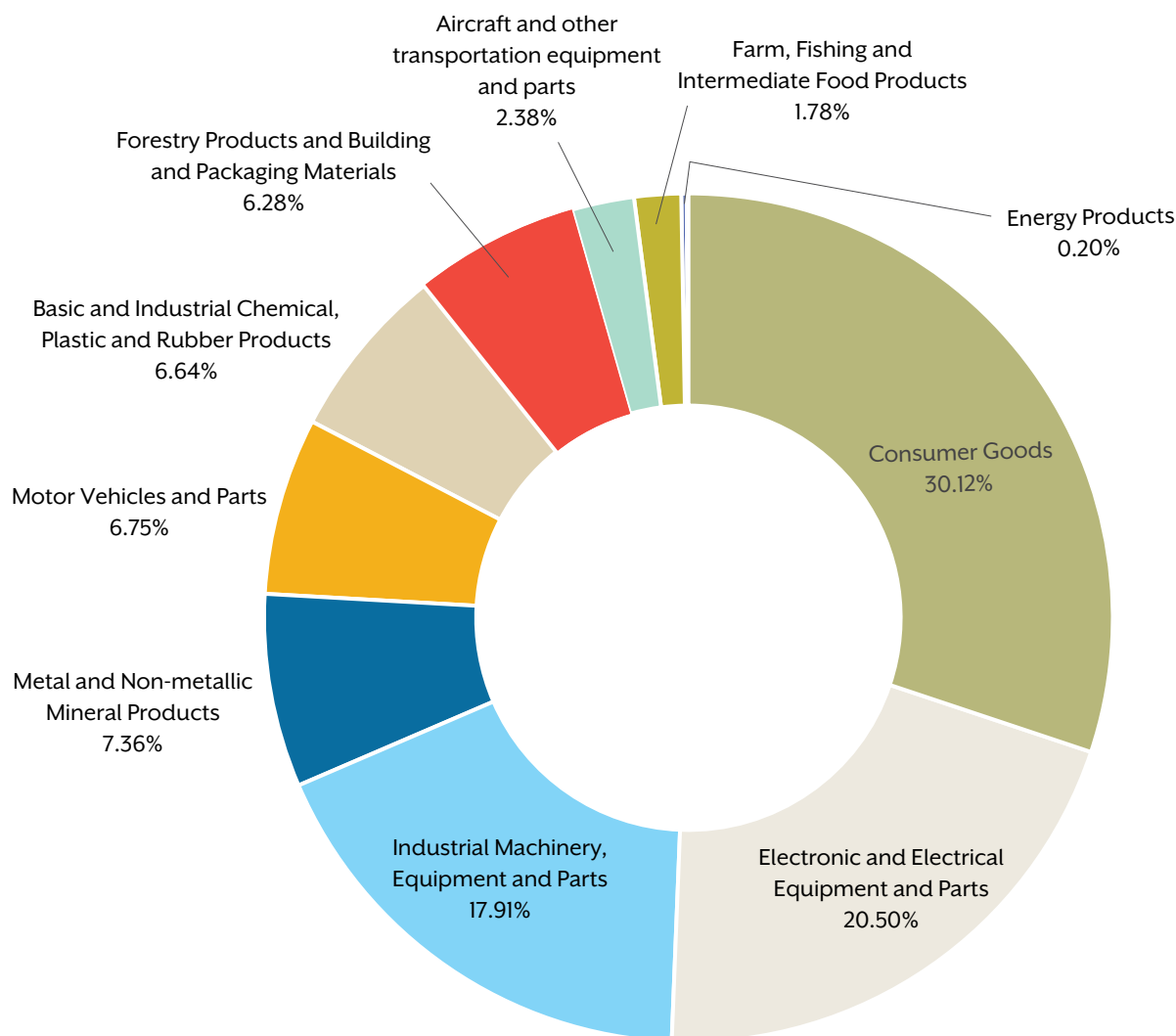


Figure 3-2: Composition of Canadian Imports from China, H1 2026¹³

3.3 Selected Products Reveal Diverging Technology and Consumer Trends

The selected HS6 products illustrate the split. Portable computer imports fell from C\$1.79 billion in H1 2025 to C\$866.9 million in H1 2026, a decline of C\$925.7 million, or 51.6%. Video-game console and machine imports dropped from C\$471.5 million to C\$91.6 million, down C\$379.9 million, or 80.6%. These two products contributed materially to the weakness in the electronics and consumer goods sectors.

¹³ Source: Statistics Canada, *International Merchandise Trade by Province, Commodity, and Principal Trading Partners, Monthly (Table: 12-10-0175-01); Customs Basis; Not Seasonally Adjusted*. Accessed 2026-08-04.

Lithium-ion battery imports increased 62.9% to C\$703.5 million, a gain of C\$271.7 million. Electric-vehicle imports rose from only C\$0.6 million to C\$171.2 million. The increase followed [Canada’s March 1 replacement of the 100% surtax with an annual quota allowing 49,000 Chinese EVs to enter at the 6.1% most-favoured-nation tariff rate](#). Initial imports under the quota appear to have been driven largely by Chinese-made vehicles from established non-Chinese brands, particularly [Tesla](#), with the brand composition expected to evolve as [Chinese models](#) obtain Canadian certifications and establish market presence. The policy change reopened the Canadian market to Chinese-made EVs and contributed to the sharp increase in imports during H1 2026.

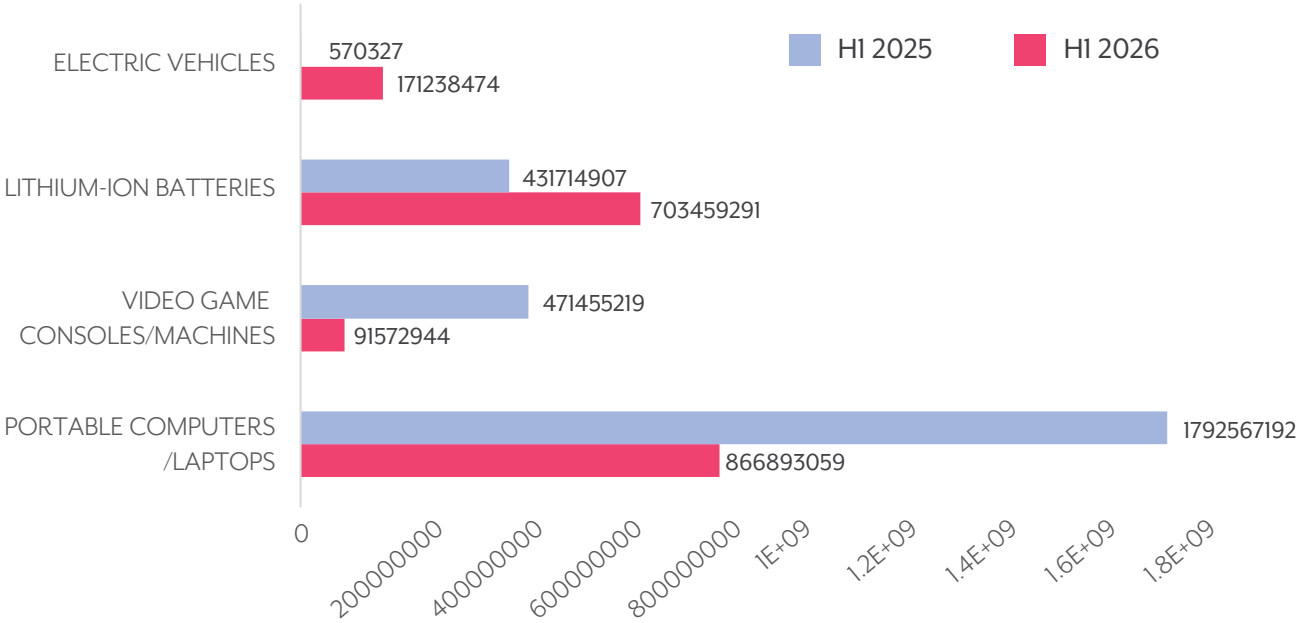


Figure 3-3: Major Shifts in Selected Canadian Imports from China, H1 2025 vs. H1 2026¹⁴

¹⁴ Source: Statistics Canada. [Canadian International Merchandise Trade Web Application](#) (8471.30 - Portable adpm, wt <= 10 kg, with cpu, keyboard and display; 8507.60 - Lithium-ion electric accumulators, including separators, w/n rectangular; 8703.80 - Motor vehicles, with only electric motor for propulsion; 9504.50 - Video game consoles and machines, o/t those of No 9504.30). Accessed 2026-08-04.

4 Provincial Dynamics: Export Growth in the West, Import Weakness in Central Canada

4.1 Bilateral Trade Remains Geographically Concentrated

Canada–China trade in H1 2026 was highly concentrated geographically. Ontario and British Columbia together accounted for 60.3% of total trade. Ontario remained the largest provincial trading centre at C\$23.46 billion, or 36.5% of the total value, followed by British Columbia at C\$15.29 billion, or 23.8%. Alberta and Quebec accounted for a further 16.4% and 15.0%, respectively¹⁵.

The four leading provinces nevertheless played very different roles. Ontario was overwhelmingly import-oriented: it accounted for 50.6% of Canada’s imports from China but only 7.8% of domestic exports to China. British Columbia contributed 30.5% of domestic exports and 20.4% of imports. Alberta was the country’s largest exporting province to China, representing 37.1% of domestic exports but only 6.3% of imports. Quebec remained import-oriented, accounting for 17.4% of imports and 10.3% of domestic exports.

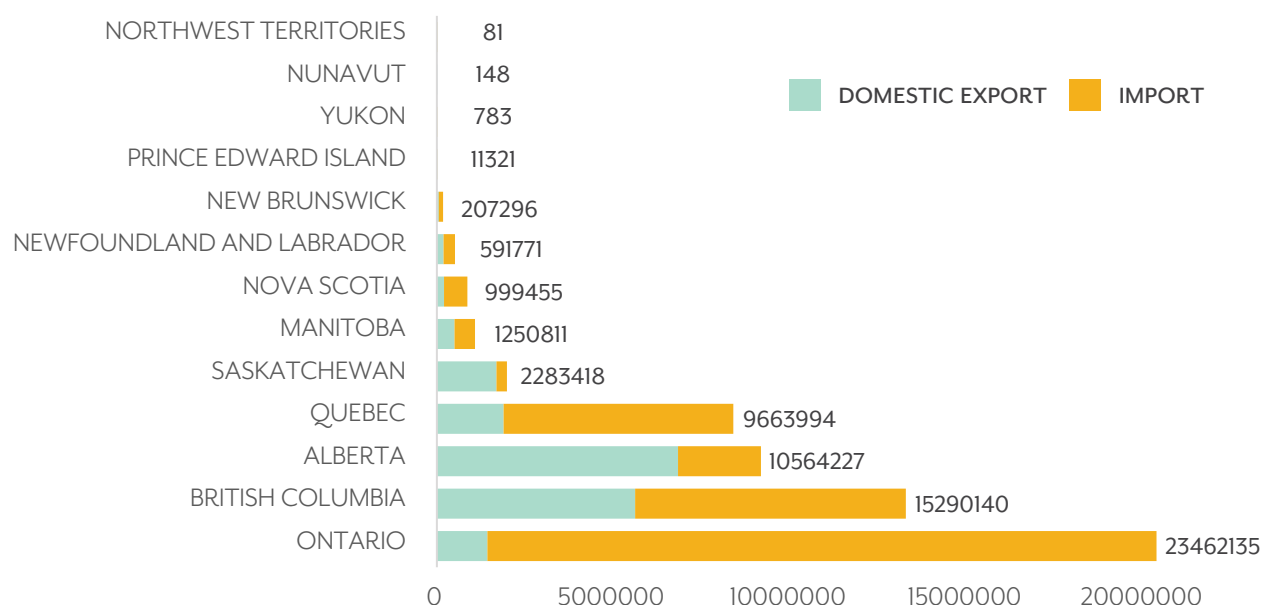


Figure 4-1: Provincial Bilateral Trade with China, H1 2026 (CAD, Thousands)¹⁶

¹⁵ Provincial figures use unadjusted monthly data and domestic exports, and therefore do not sum to the national totals in Section 1.

¹⁶ Source: Statistics Canada, *International Merchandise Trade by Province, Commodity, and Principal Trading Partners, Monthly (Table: 12-10-0175-01); Customs Basis; Not Seasonally Adjusted* (CAD, thousands). Accessed 2026-08-04.

4.2 Domestic Exports Concentrate in the West, Imports in Central Canada

Domestic exports to China were concentrated in Alberta and British Columbia, supported by energy, mineral, forestry, and agricultural production, as well as by Pacific-facing transportation infrastructure. Saskatchewan formed a second tier of resource-oriented exports. Central and Atlantic provinces generally recorded lower export values, although Quebec and Ontario maintained more diversified product mixes.

Imports were concentrated in central Canada, particularly Ontario, reflecting the province's population, distribution networks, consumer market, and manufacturing base. British Columbia and Quebec formed the next tier, followed by Alberta. This spatial asymmetry means that the benefits and risks of Canada–China trade are distributed unevenly: western provinces are more exposed to Chinese commodity demand, while central Canada is more exposed to changes in Chinese manufactured-goods supply.

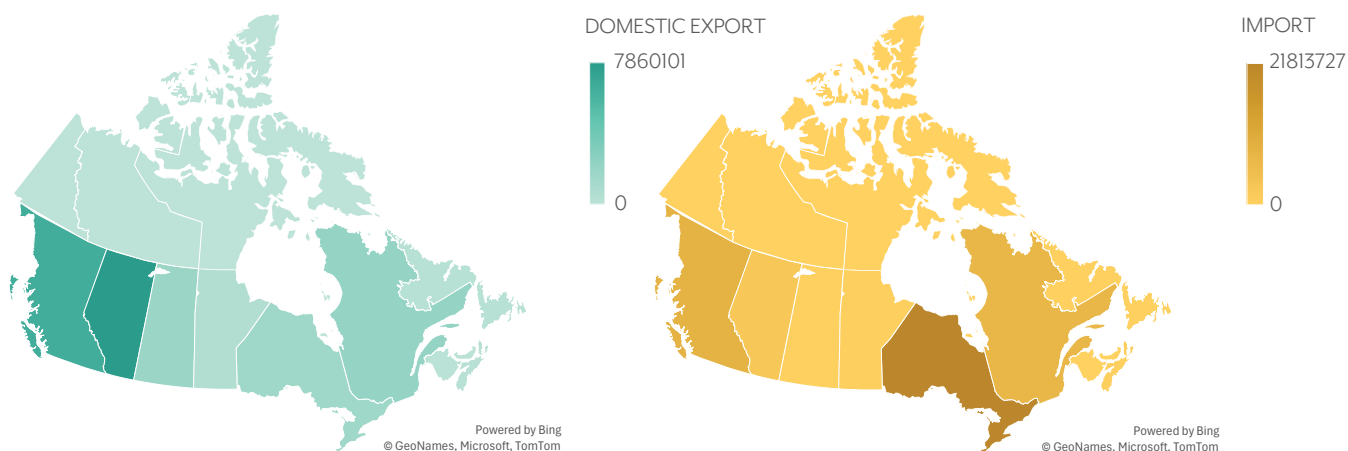


Figure 4-2: Provincial Domestic Exports to and Imports from China, H1 2026 (CAD, Thousands)¹⁷

¹⁷Source: Statistics Canada, *International Merchandise Trade by Province, Commodity, and Principal Trading Partners, Monthly (Table: 12-10-0175-01)*; Customs Basis; Not Seasonally Adjusted (CAD, thousands). Accessed 2026-08-04.

4.3 Provincial Trends: A Few Sectors Explain Most of the Change

Domestic export growth was heavily concentrated. Alberta's domestic exports to China increased by C\$3.43 billion (77.4%, YOY), to C\$7.86 billion in H1 2026. Energy products accounted for C\$3.13 billion of that increase, explaining 91.2% of the provincial gain. British Columbia's exports rose by C\$1.31 billion, or 25.3%, to C\$6.47 billion; metal ores and non-metallic minerals increased by C\$1.19 billion, accounting for 90.7% of the gain. Alberta and British Columbia together accounted for 67.6% of domestic exports to China in H1 2026 and 92.3% of Canada's net increase in exports to China since H1 2025.

Saskatchewan recorded a C\$352 million increase in exports, led by metal ores and non-metallic minerals, as well as farm and intermediate food products. Ontario's exports rose by C\$192 million, with metal and non-metallic mineral products explaining 92.1% of the increase. By contrast, Newfoundland and Labrador's exports fell by C\$71.7 million, driven primarily by weaker metal ores and minerals, while Nova Scotia's C\$50.3 million decline was driven by lower farm, fishing, and intermediate food exports, partly offset by gains elsewhere.

Import changes were dominated by Ontario, where imports from China declined by C\$3.07 billion, or 12.3%. Consumer goods fell by C\$1.41 billion and electronic and electrical equipment by C\$1.40 billion; together, they accounted for approximately 91.6% of the provincial contraction. Ontario's decline outweighed increases in Newfoundland and Labrador, Nova Scotia, Quebec, Alberta, and New Brunswick.

Several smaller provincial movements were highly concentrated in a single sector. Newfoundland and Labrador's imports increased C\$360.4 million, with farm, fishing, and intermediate food products accounting for 99.5% of the gain. Industrial machinery explained all of Quebec's C\$163.3 million increase and 90.5% of New Brunswick's C\$90.5 million increase. British Columbia was more complex: industrial machinery imports rose C\$848.9 million, but that gain was more than offset by declines in consumer goods, electronics, transportation equipment, and energy products.

IMPORTS			EXPORTS		
Province	YoY Changes	%YoY Changes	Province	YoY Changes	%YoY Changes
Newfoundland and Labrador	↑ \$360,389	↑10,206.43%	Alberta	↑ \$3,430,321	↑ 77.44%
Nova Scotia	↑ \$239,348	↑ 45.73%	British Columbia	↑ \$1,306,506	↑ 25.28%
Quebec	↑ \$163,301	↑ 2.23%	Saskatchewan	↑ \$352,033	↑ 22.19%
Alberta	↑ \$105,634	↑ 4.07%	Ontario	↑ \$192,189	↑ 13.20%
New Brunswick	↑ \$90,519	↑ 159.62%	Manitoba	↑ \$24,642	↑ 4.50%
Prince Edward Island	↑ \$579	↑ 53.22%	Prince Edward Island	↑ \$526	↑ 5.76%
Northwest Territories	↑ \$19	N/A	Nunavut	\$51	↑ 52.58%
Nunavut	\$0	N/A	Northwest Territories	\$6	↑ 10.71%
Yukon	↓ \$465	↓ 37.26%	Yukon	\$0	N/A
Saskatchewan	↓ \$4,170	↓ 1.19%	New Brunswick	↓ \$10,496	↓ 14.87%
Manitoba	↓ \$158,170	↓ 18.91%	Quebec	↓ \$40,295	↓ 1.82%
British Columbia	↓ \$217,936	↓ 2.41%	Nova Scotia	↓ \$50,297	↓ 17.52%
Ontario	↓ \$3,070,308	↓ 12.34%	Newfoundland and Labrador	↓ \$71,725	↓ 23.94%

Highlights the top 3 increased provinces in terms of rising trade value in dollars and growth rate.

Highlights the top 3 decreased provinces in terms of falling trade value in dollars and growth rate.

Table 1: Year-Over-Year Changes in Provincial Trade with China (CAD, Thousands)¹⁸

¹⁸ Source: Statistics Canada, *International Merchandise Trade by Province, Commodity, and Principal Trading Partners, Monthly (Table: 12-10-0175-01); Customs Basis; Not Seasonally Adjusted (CAD, thousands)*. Accessed 2026-08-04.

4.4 Provincial Trade Structure Reflects Differing Economic Roles

Alberta's domestic exports to China were dominated by energy products, while British Columbia's were led by metal ores and minerals and energy. Saskatchewan remained heavily concentrated in farm and intermediate food products, with a growing contribution from ores and minerals. Quebec¹⁹ and Ontario had smaller but more diversified export profiles spanning metals, consumer goods, machinery, electronics, and transportation-related products.

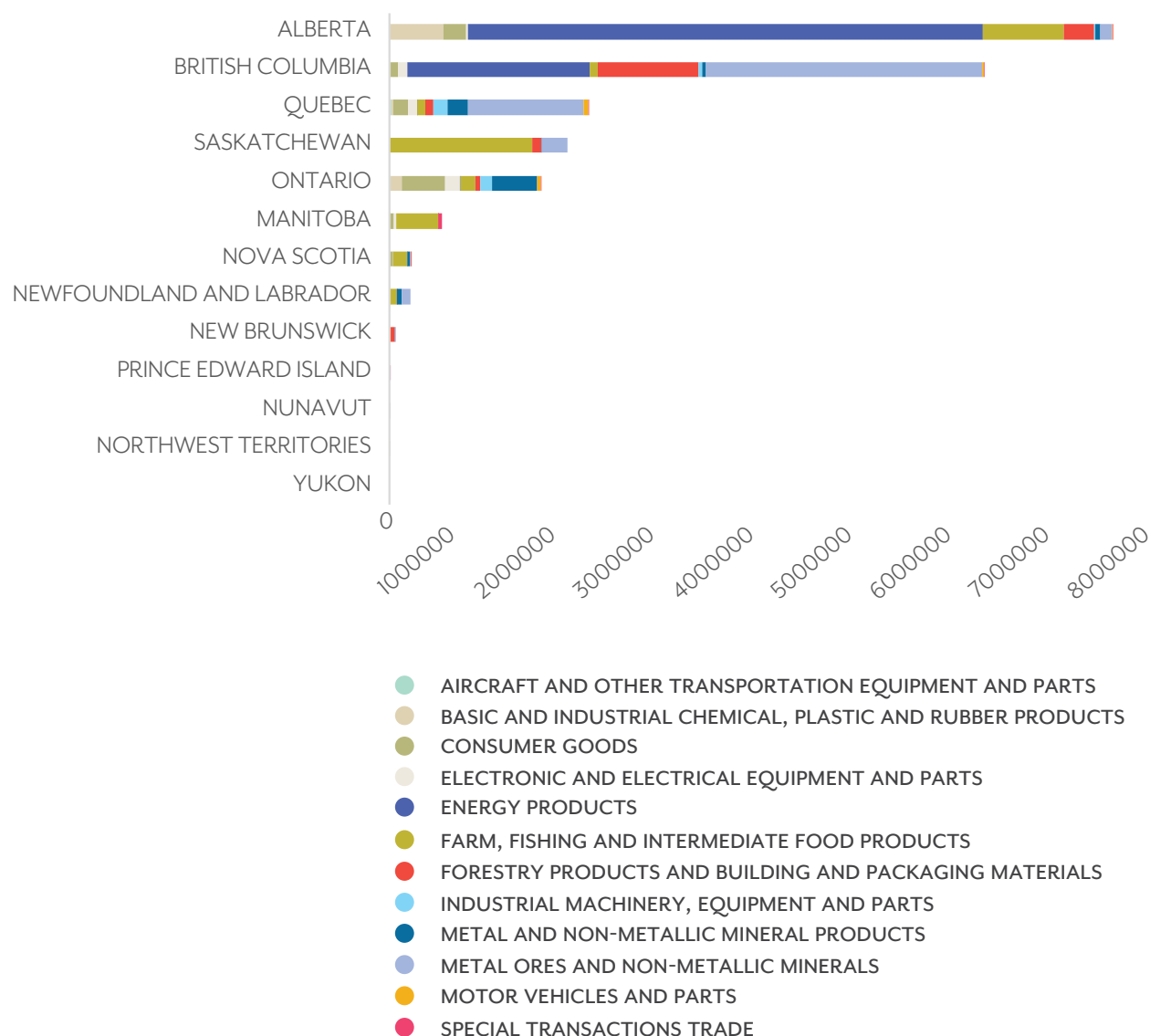


Figure 4-3: Provincial Domestic Export Values to China by Sector, H1 2026²⁰

¹⁹ Despite its relatively diversified profile, metal ores and non-metallic minerals remained Quebec's largest export category, accounting for 57.9% of its domestic exports to China in H1 2026.

²⁰ Source: Statistics Canada, [International Merchandise Trade by Province, Commodity, and Principal Trading Partners, Monthly \(Table: 12-10-0175-01\)](#); Customs Basis; Not Seasonally Adjusted (CAD, thousands). Accessed 2026-08-04.

The import side showed broader manufacturing and consumption linkages. Ontario dominated consumer goods, electronics, industrial machinery, and motor-vehicle imports. British Columbia and Quebec also maintained diversified import profiles, while Alberta’s imports were spread across machinery, consumer goods, chemicals, metal products, forestry inputs, and transportation equipment. These differences help explain why the same bilateral policy or demand shock can produce sharply different provincial outcomes.

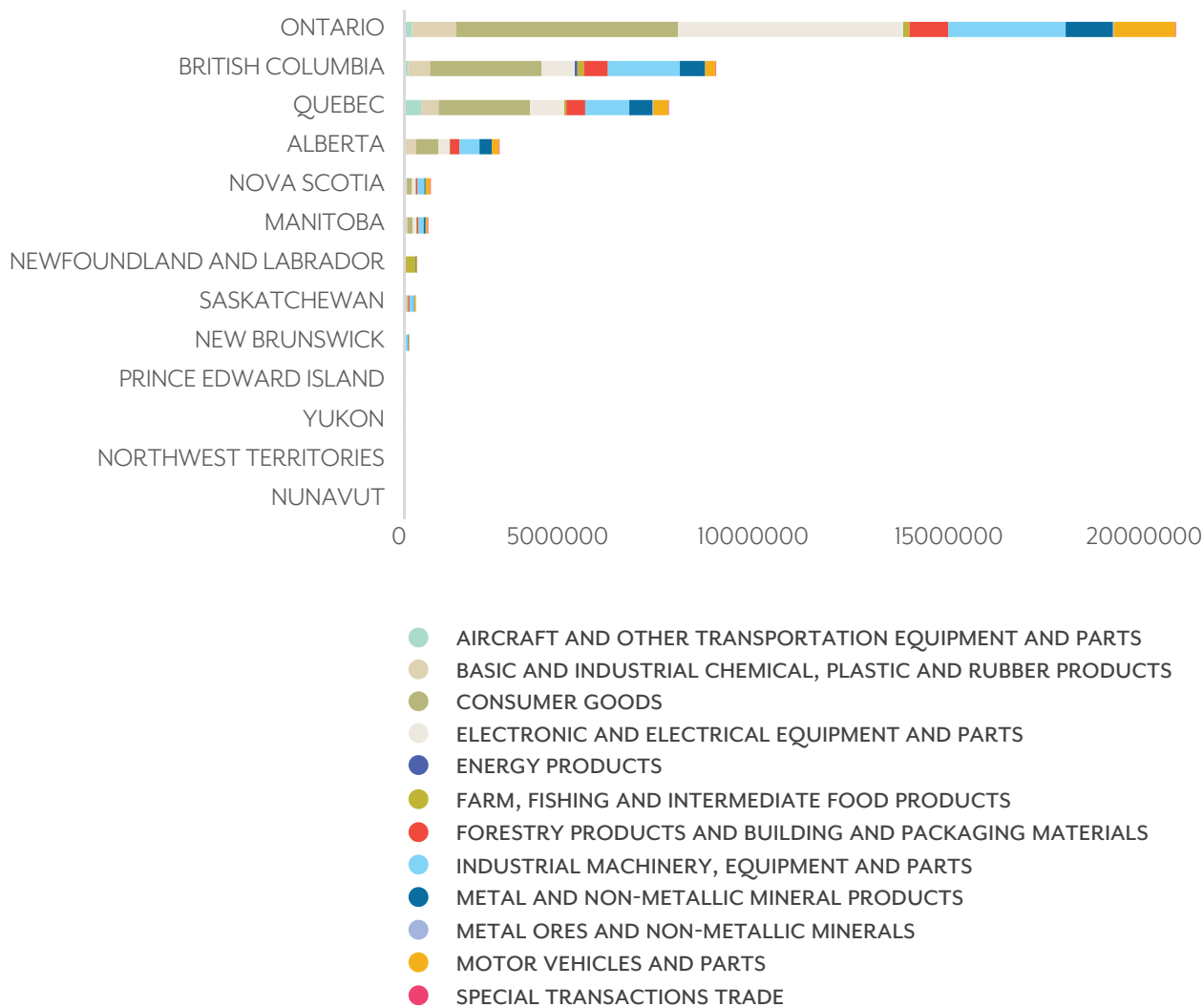


Figure 4-4: Provincial Import Values from China by Sector, H1 202621

²¹ Source: Statistics Canada, *International Merchandise Trade by Province, Commodity, and Principal Trading Partners, Monthly (Table: 12-10-0175-01); Customs Basis; Not Seasonally Adjusted (CAD, thousands)*. Accessed 2026-08-04.

5 Looking Ahead: Targeted Recovery, Shifting Trade Patterns

The first half of 2026 points to selective re-engagement rather than a broad normalization of Canada–China trade. The January arrangement and its March implementation reopened or improved access for canola seed, canola meal, peas, lobster, crab, and beef. Early trade data show meaningful gains in canola seed, peas, and beef, but not in every covered product. The policy effects will be clearer after a full year, particularly because several measures remain temporary through December 31, 2026 and as further tariff talks are expected to take place during the November APEC summit meetings in China.

Energy is likely to remain the leading near-term export driver. Expanded Pacific pipeline capacity has created a durable route to Asian markets, and H1 2026 crude exports to China remained high throughout the period. The principal uncertainties are external: Chinese demand, global oil and copper prices, shipping economics, competition from other suppliers, spillovers from trade uncertainties with the United States, and the Canada–China political relationship.

On imports, the new EV quota creates room for renewed Chinese vehicle shipments and potentially stronger linkages to battery and clean technology, in addition to changes in consumer preferences with new exposure to Chinese products. Yet the overall import decline and weakness in computers, consoles, and other consumer goods show that the relationship is not expanding uniformly. Supply-chain adjustment, product cycles, inventories, and Canadian demand conditions will continue to shape outcomes alongside tariff policy.

Provincially, the growing importance of Alberta and British Columbia makes western Canada increasingly central to the bilateral export relationship and increases the value proposition of trade infrastructure investment. This creates new market-diversification opportunities but also concentrates exposure to commodity cycles and Chinese demand. Ontario faces the inverse pattern: its role is dominated by imports, making it more sensitive to shifts in the supply of Chinese-manufactured goods and in Canadian consumer demand.

Overall, the first half of 2026 produced a more export-oriented Canada–China trade relationship, a narrower trade gap, and early evidence that selected policy barriers can be unwound. Whether this becomes a durable structural shift will depend on the breadth of agricultural recovery, the persistence of energy and mineral demand, and the implementation of new trade arrangements in the remainder of and beyond 2026.

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