

## Canadian International Merchandise Trade

### Canada posted its first trade surplus since September 2025, and it matters.

This happened because in March exports jumped **8.5%**, while imports fell **1.6%**. The strength is encouraging for exporters, particularly in energy and resource sectors, though gains are concentrated and partly driven by higher prices rather than stronger volumes.

#### What is driving this?

This is a global demand story, but a bit narrow and price-driven, with growth coming from specific sectors:

- Energy (+15.6%), especially oil
- Metals and minerals (+24%), largely gold
- Autos (+4.5%), supported by rising production

#### What is the connecting story?

Canada is continuing to build out non U.S. markets. Exports to non U.S. markets rose 9.1%, hitting another record high, indicating that Canadian companies are actively diversifying away from the U.S. This suggests that:

- Supply chains are shifting
- New markets are opening
- Competition may increase abroad

At the same time, demand from our main customer, the U.S., is picking up again. Exports to the U.S. rose 8.3%, and Canada's trade surplus with the U.S. widened to \$7.1B.

Notably, much of the export growth came from higher prices (oil, gold), not more goods moving, which implies that this may be a temporary export strength, supported by pricing rather than stronger underlying demand.

#### What is happening on the imports side?

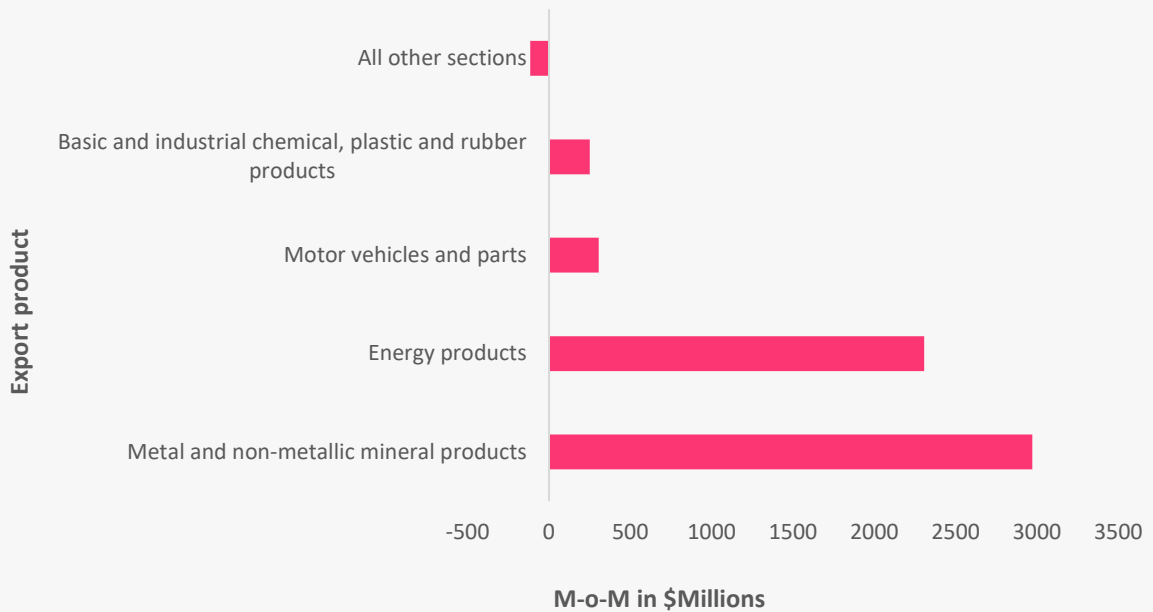
Imports contracted across most categories, particularly consumer goods ( 3.9%) and aircraft ( 12.8%), suggesting that Canadians and businesses may be pulling back on spending:

- Fewer consumer goods imports may indicate households are buying less or being more cautious with money. This often happens when people feel squeezed by costs or uncertainty.
- Businesses may be delaying big purchases or investment. Usually, when big ticket items like aircraft imports fall, it may point to caution in pursuing expansion plans and capital investments.

## The bottom line:

What is important for our Vancity members to takeaway is that growth is being carried by commodities and diversification and supported by prices, not volumes.

## Contribution to the monthly change in exports, by product, March 2026



Source: Statistics Canada

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