

# GLOBAL EXPORT FORECAST

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EDC Economics  
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Canada



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## Executive summary

# Global Export Forecast: Canada's exports set to grow in 2026—but risks are building

**Ross Prusakowski**  
Deputy chief economist

Marked by trade uncertainty, supply chain disruptions and higher tariffs, Canadian exporters navigated a difficult global landscape in 2025. Tariffs have been more stable so far this year, but renewed geopolitical risk is creating new challenges.

Since the end of February, the conflict with Iran and the resulting closure of the Strait of Hormuz have disrupted critical global supply chains related to oil, liquefied natural gas (LNG), fertilizers, helium and petrochemicals, among others. The ripple effects have been uneven across regions and are compounding with each passing week.

Another source of uncertainty is the U.S. tariffs still in place, mainly impacting steel and aluminum, vehicles and parts, copper and lumber. More sectors could be affected by the U.S. launching additional trade investigations. At the same time, the review of the Canada-United States-Mexico Agreement (CUSMA) this summer and any changes to the free trade agreement could further impact the outlook for some sectors.

In our spring [Global Economic Outlook \(GEO\)](#), EDC Economics' baseline forecast was for steady global growth of 3.2% in 2026 and 3.3% in 2027. However, as we highlighted, uncertainty from the Gulf conflict means risks to the forecast are tilted downward the longer the Strait of Hormuz remains blocked.

In this outlook, we rely on the baseline forecasts and assumptions from our GEO. For some sectors—and for the overall Canadian export story—this implies similar risks to the outlook, though not necessarily negative ones for all sectors. This forecast incorporates information available as of April 23.

Due to a surge in global commodity prices stemming from the conflict, this *Global Exports Forecast (GEF)* projects Canadian export growth of 7.1% in 2026. As pressures

ease and prices fall, we expect export growth to slow to 2.3% in 2027. In real (inflation-adjusted) terms, exports are forecast to increase by 1.8% in 2026 and 3.6% in 2027.

## Energy

With the sector accounting for roughly 20% of Canada's goods exports, a major share of Canada's 2026 export growth comes from the surge in global energy prices. The closure of the Strait of Hormuz—interrupting almost one-fifth of global oil and gas cargoes—has pushed, and will likely continue to push, global prices well above pre-conflict levels.

At the same time, Canada's energy sector is benefiting from investment: The Trans Mountain Pipeline expansion is operating near capacity and a full year of cargoes departing from LNG Canada's terminal is boosting export volumes. Energy exports are expected to increase by 10.1% in 2026 before falling by 1.9% in 2027 as global prices slip.

## Ores and metals

Strong and sustained price growth is also driving Canada's ores and metals exports. While this is a diversified sector spanning many metals and critical minerals, gold accounts for more than 40% and its soaring price—which increased by 44% in 2025—underpins much of the sector's growth. Prices for gold, copper and other metals are expected to remain near recent historical highs, supporting the 2026 outlook. With volume growth expected to be relatively modest in the near term—but strengthening later as mining and processing projects come online—a weaker price outlook for 2027 will translate into a modest easing in exports. Ores and metals exports are forecast to grow by 20.4% in 2026 and then drop by 2.3% in 2027.



## Executive summary

# Global Export Forecast

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### Agri-food

After being impacted by tariffs—especially Chinese tariffs directed at seafood, canola and pork exports—the agri-food sector has improved in 2026. Following an agreement reached in February between Canada and China, trade barriers are expected to be reduced for most of 2026. At the same time, strong harvests have built up Canadian stocks across several commodities. While weather risks, including a potential shift toward El Niño conditions, remain a key uncertainty, exports are expected to increase by 3.9% in 2026 before a slight decline of 0.3% in 2027.

### Autos and parts

With U.S. sectoral tariffs remaining in place, headwinds for the auto sector will remain significant in 2026. At the same time, production cycles and retooling plans have already driven sharp swings in the sector's exports as plants temporarily close. Previously announced production plans and new models are expected to support a recovery in 2027; however, after three years of forecast declines, the rebound is expected to be relatively modest. Canadian automotive exports are forecast to decline by 3.4% in 2026 and increase by 9.3% in 2027.

### Services

Services exports are expected to remain a source of resilience, led by technology-related commercial services and supported by major tourism events such as the 2026 FIFA World Cup. After moderating in 2025 due to lingering geopolitical uncertainty and policy changes affecting non-permanent-resident travel, services growth is expected to pick up, with forecast growth of 5.5% in 2026 and 5.9% in 2027.

### Other sectors

As with energy, other sectors facing disrupted global supply lines due to the Gulf conflict are forecast to benefit from stronger prices—especially fertilizers, chemicals and plastics. Despite headwinds from higher global jet fuel prices, a strong order book and multi-year delivery backlog for private jets are expected to sustain Canadian aerospace exports. Forestry products will continue to struggle due to ongoing U.S. tariffs and weaker demand, as U.S. housing starts remain restrained. The advanced technology sector is expected to continue growing, supported by the U.S. investment supercycle related to artificial intelligence and data centre needs.

### Bottom line

Like much of the world, Canada's export outlook will be shaped by the Gulf conflict and the Strait of Hormuz disruption. While the benefits to Canada's headline exports—and to some sectors—could be significant, they would come largely through higher prices. The longer the disruption persists, the higher global fuel, fertilizer and freight costs will rise, and the tighter financial conditions may become—raising risks to exports and to our forecast. Canadian exporters' continued ability to navigate this uncertainty will be important to sustaining the export momentum that kicked off 2026.

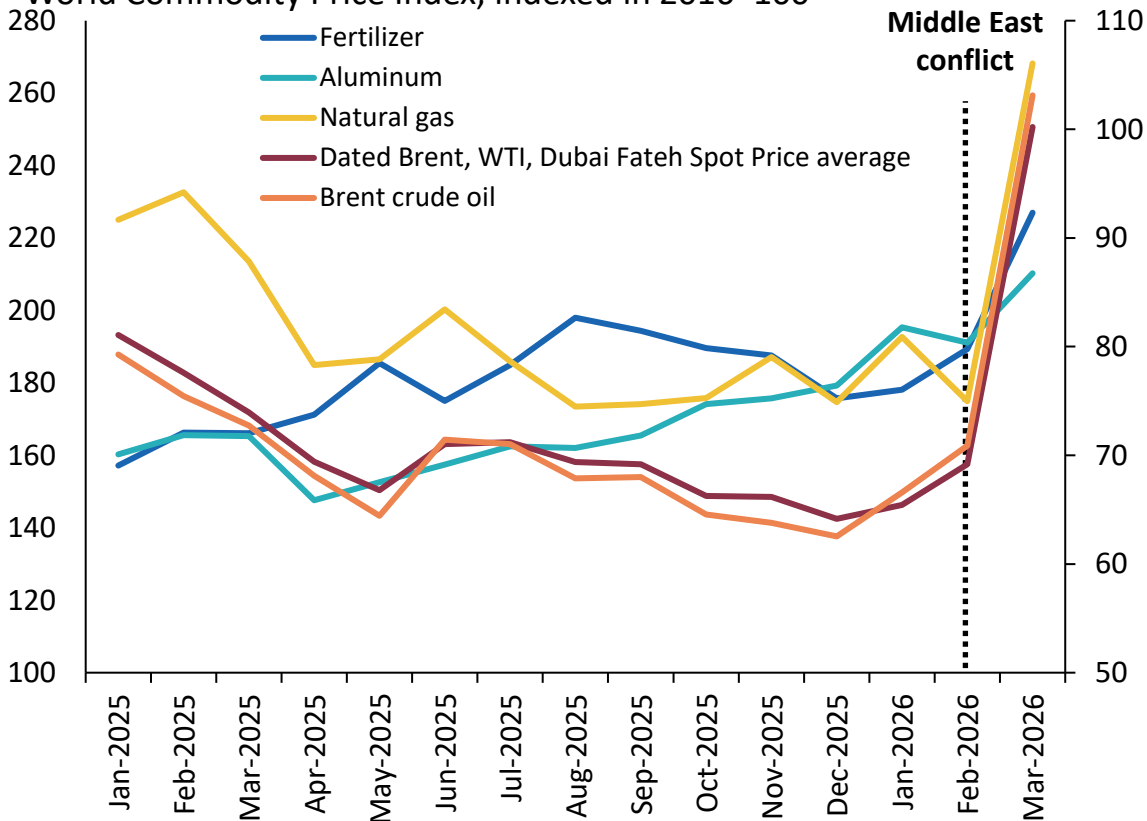
# MACROECONOMIC CONTEXT

# Middle East conflict fuels supply shock and price surge

The closure of the Strait of Hormuz disrupted a vital global supply corridor, resulting in sharp price increases. Roughly 20% of global oil and gas shipments—along with other key commodities like fertilizers, petrochemicals and helium—transit along this waterway. As the shock reverberates through supply chains, higher input costs are rising and supplies tightening in exposed sectors. The longer the disruption persists, the more significant the impact will be on energy markets and the global economy.

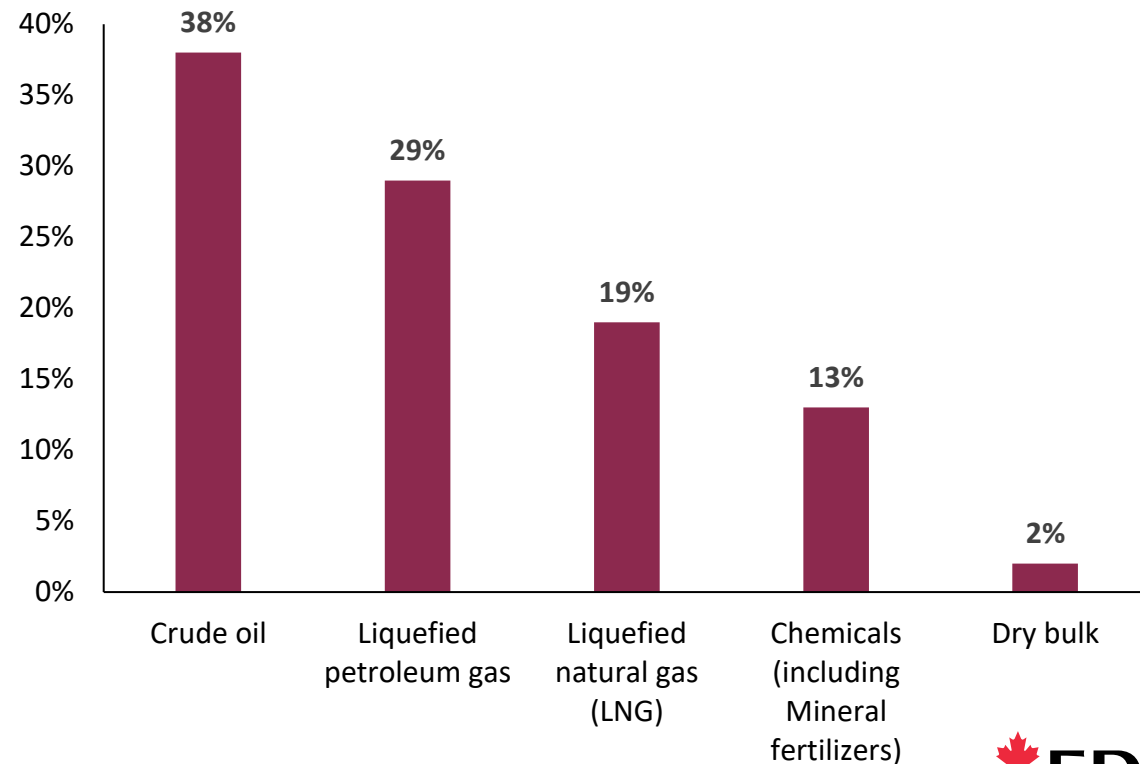
## Many commodity prices have jumped since the start of the Middle East conflict

World Commodity Price Index, indexed in 2016=100



## The Strait of Hormuz is a chokepoint for trade commodities

Share of global seaborne trade volume passing through the strait (%) as of February 2026



Source: United Nations Trade and Development, Haver Analytics

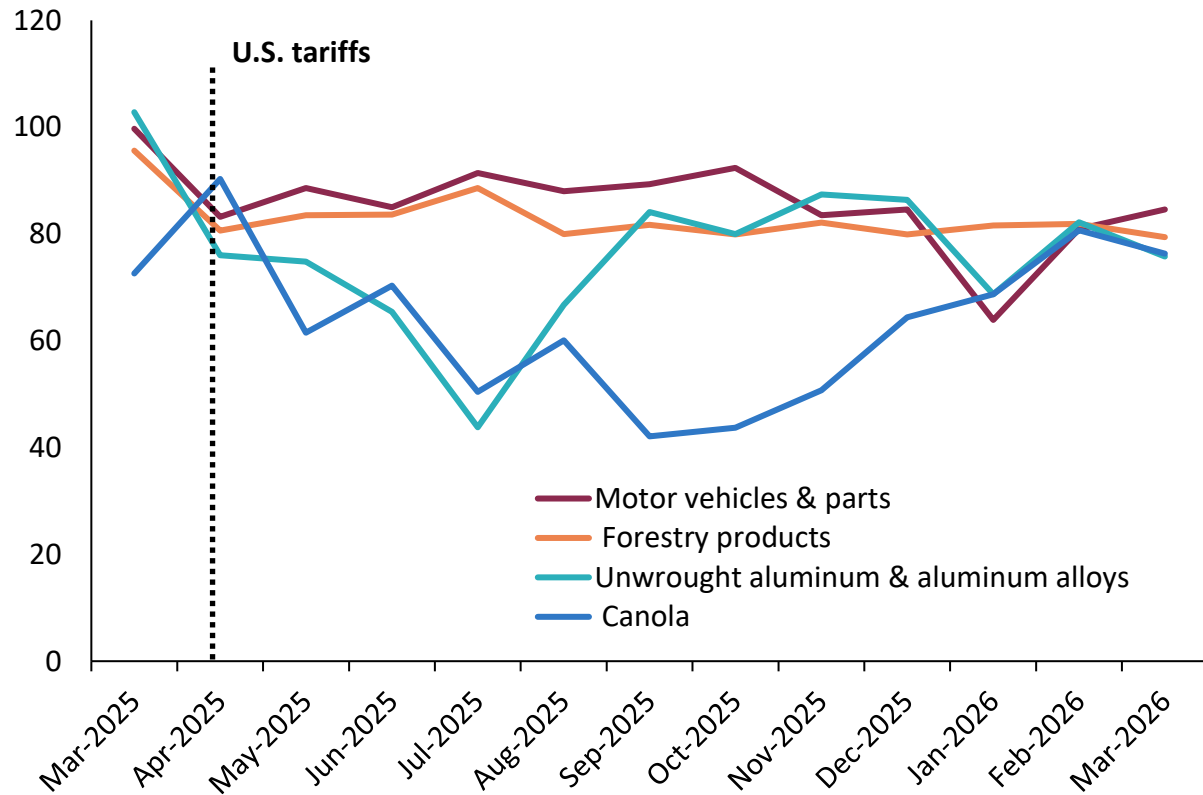


# One year of heightened tariffs drag on trade

Despite court decisions unwinding some of the U.S. tariffs, they continue to impact global trade. Metals such as copper, steel and aluminum, and autos and parts remain most directly impacted by U.S. tariffs. Before an agreement was reached early in 2026, Canadian canola, pork and seafood also faced significant tariffs from China. These actions disrupted trade flows and reduced the total volume of Canadian exports in 2025.

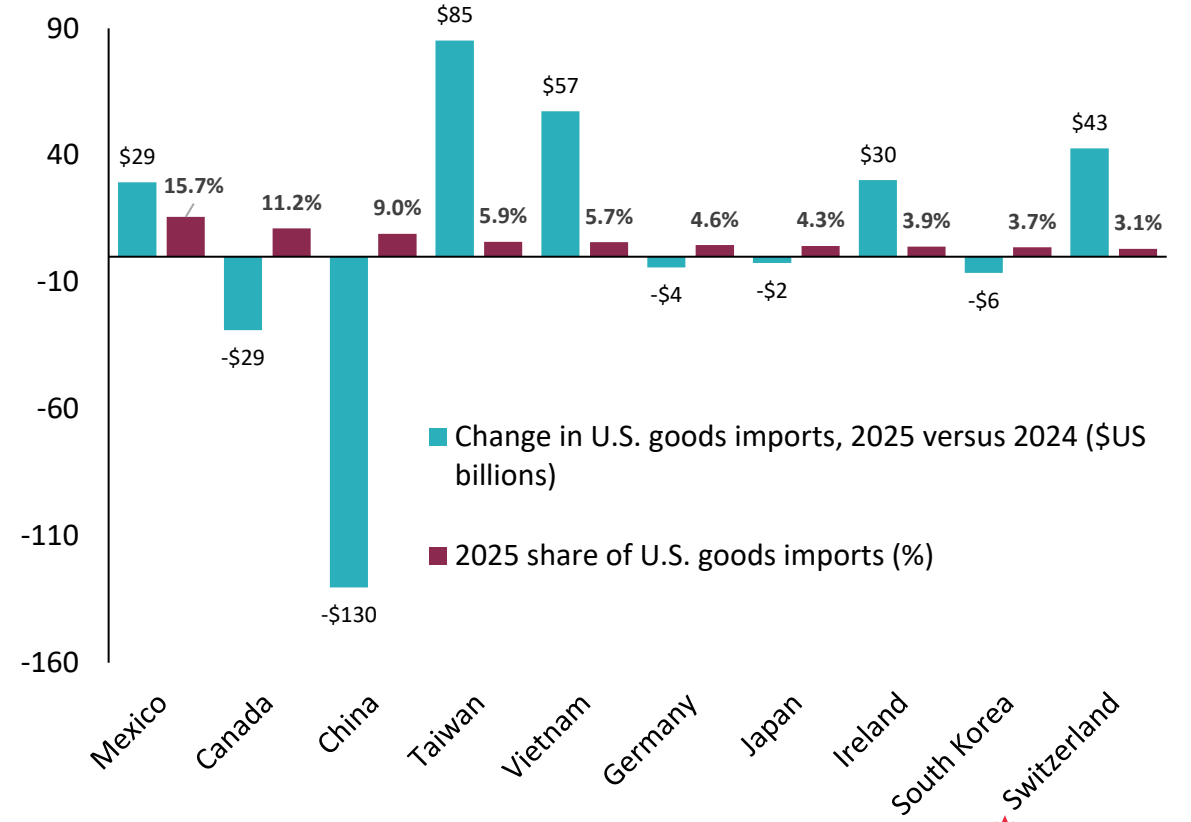
## Canada's export volumes for tariff-affected commodities are declining

Seasonally adjusted, in thousands



## Top 10 markets for U.S. goods imports, 2025

These Top 10 countries accounted for two thirds of the U.S.'s 2025 goods imports



# SECTOR OUTLOOKS

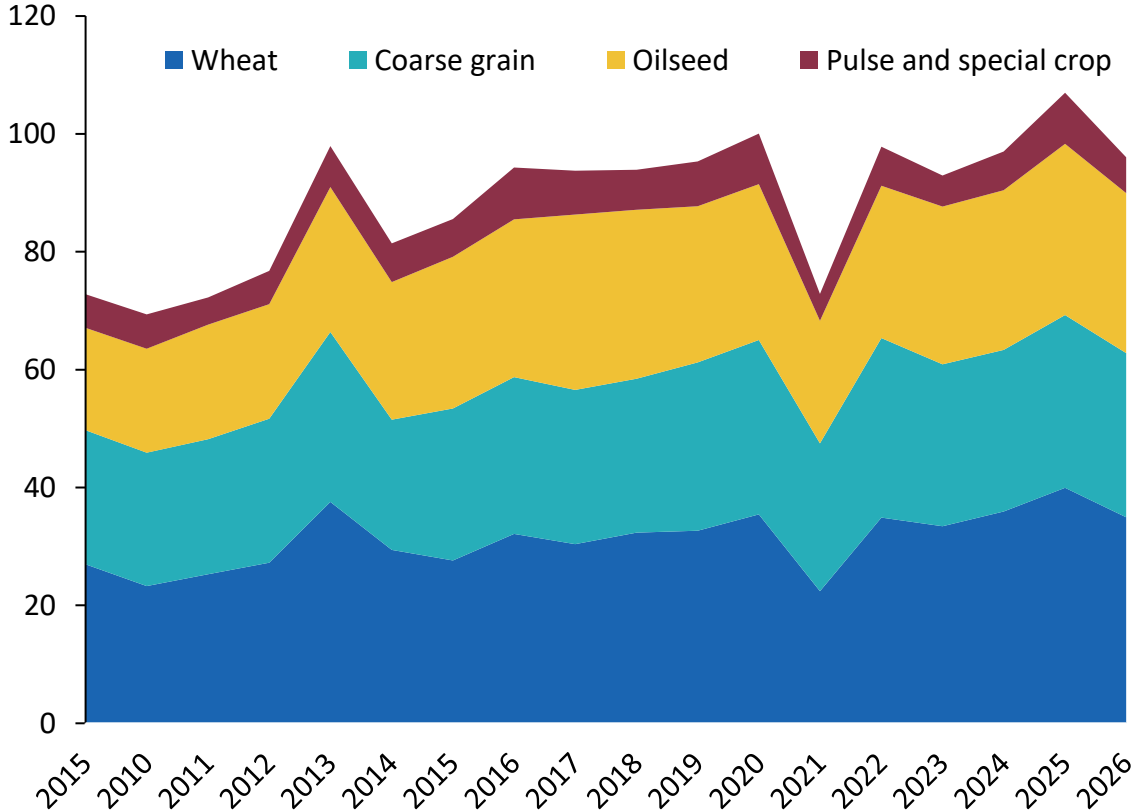


# Agri-foods

In 2025, Canadian crop production and harvests were generally strong, but export revenues lagged as the sector confronted lower prices and disruptions from tariffs. This dynamic has led to a buildup in inventories available to respond to better pricing conditions in 2026. With farmers cutting acreage to clear inventory, a production pullback appears to be on the horizon, which will hit exports. Over the medium term, rising incomes, population growth and increasing urbanization will support growth, as these trends results in higher demand for protein and other products that Canada is well positioned to meet.

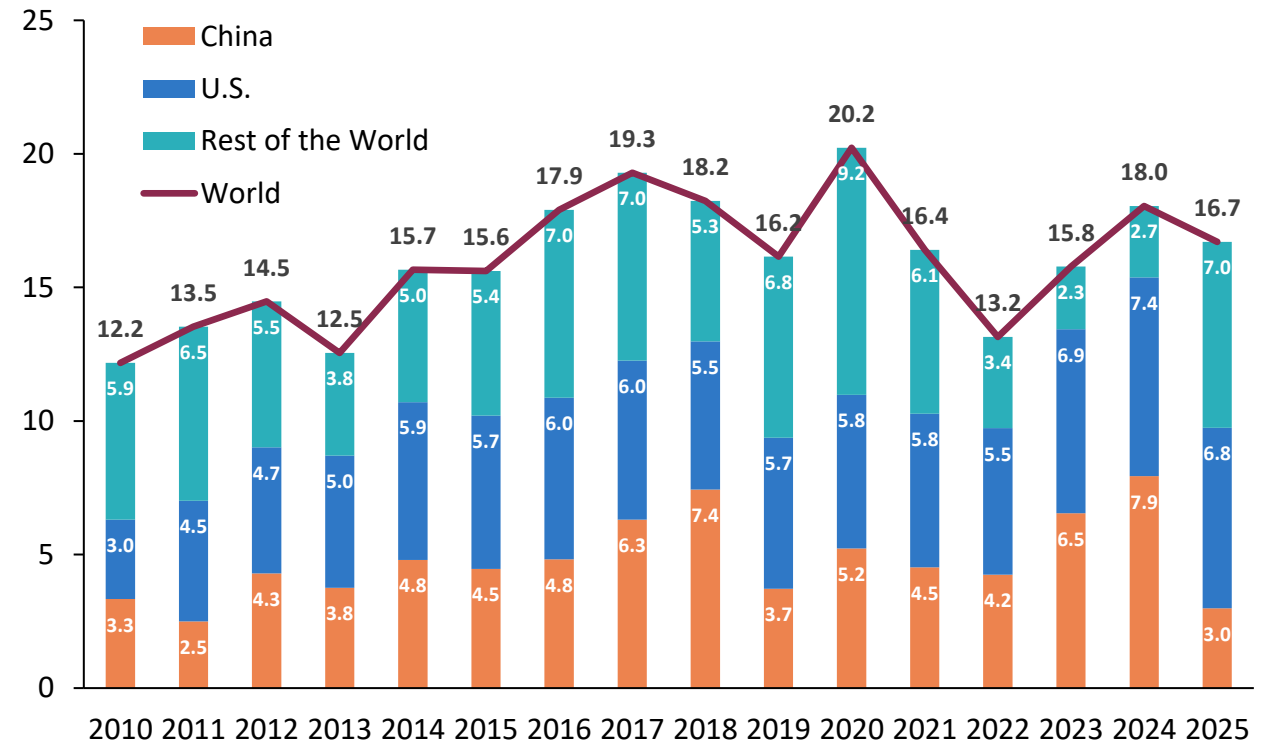
## Canadian crop production set to ease this year as farmers try to reduce last year's inventories

Million metric tonnes



## Canada's canola products export

In metric tonnes

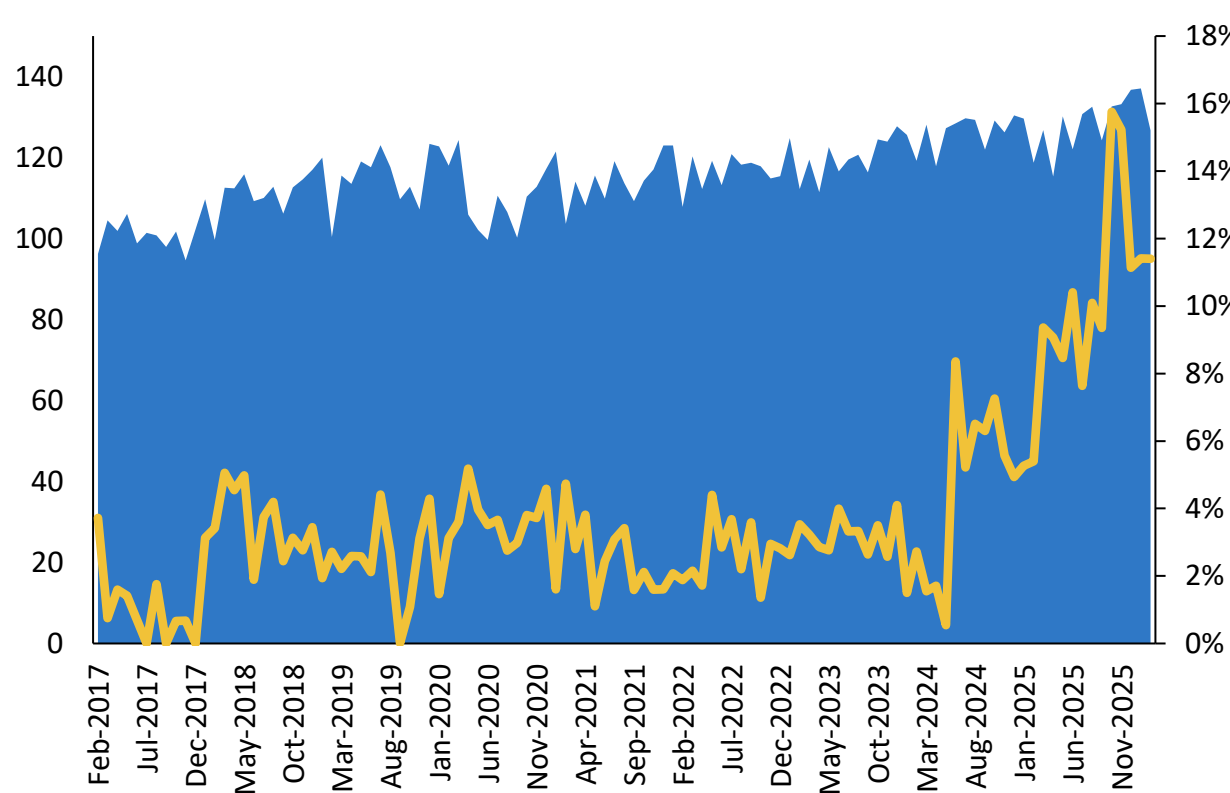


# Energy

Canada's oil and gas production has reached record highs, even as capital expenditures have trended downward since 2014. Production growth has been driven by efficiency gains, industry consolidation and the maturation of existing assets, rather than new investment. The expansion of the Trans Mountain Pipeline to the West Coast, together with the start up of LNG Canada—Canada's first LNG export project—has increased exports to non-U.S. markets. Additional West Coast LNG capacity coming online in the coming years is expected to further support Canada's trade diversification.

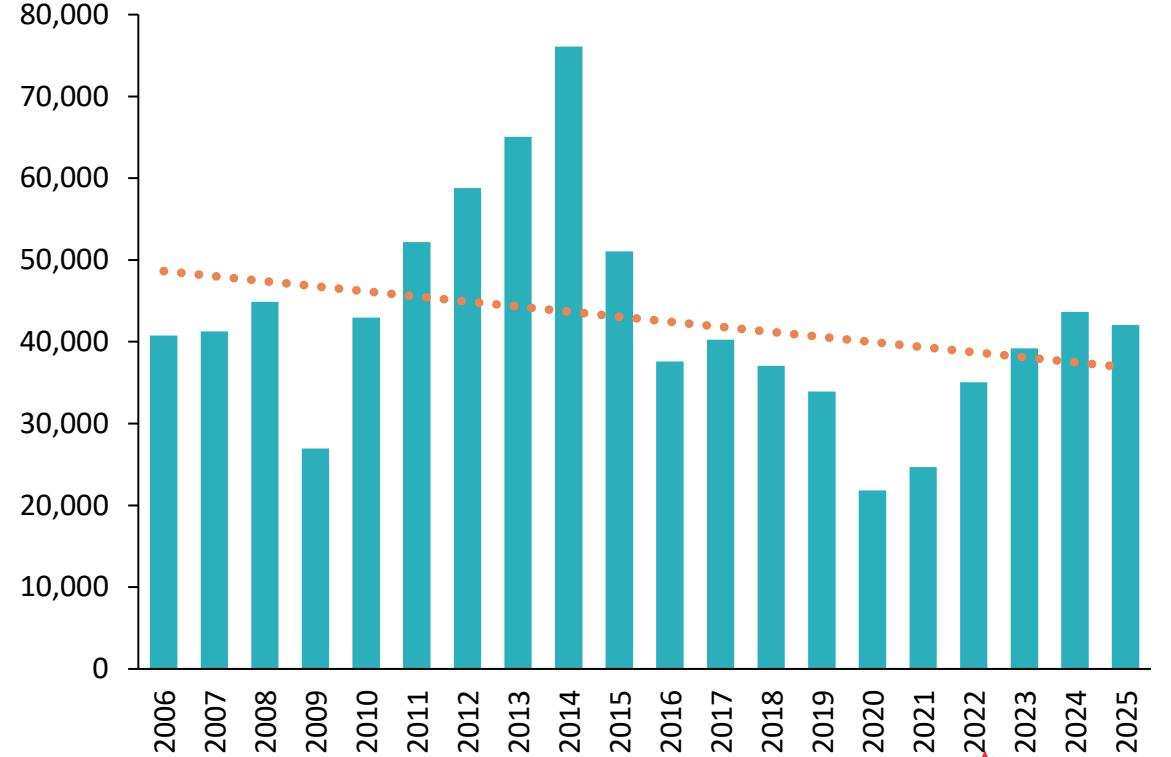
## Canada's oil exports to non-U.S. countries on rise

LHS: Oil exports (million barrels); RHS: Share of oil exports to non-U.S. countries (%)



## Capital expenditures

Millions of Canadian dollars, oil and gas extraction

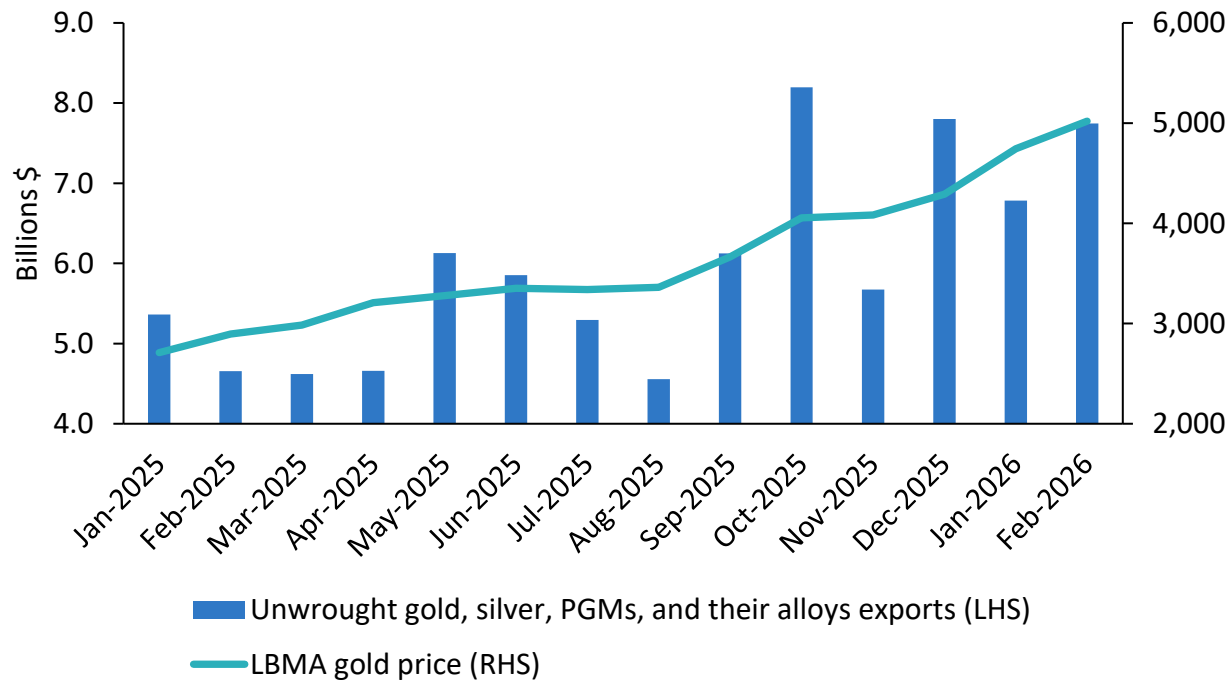


# Ores and metals

Global demand for Canada's ores and metals includes gold trading through the United Kingdom and Switzerland, metals processing demand in China, and U.S. manufacturing industries that rely heavily on Canadian aluminum and steel. Despite weaker Chinese domestic consumption and expanded U.S. metals tariffs weighing on demand, Canada's ores and metals exports are expected to rise sharply in 2026, driven mainly by high global commodity prices, especially for gold. Prices are supported by geopolitical risks and supply disruptions, including tensions in the Middle East, though prolonged disruptions remain a key downside risk for global growth and metals demand. In 2027, exports are expected to fall as prices cool from recent highs, even as volumes rise modestly with production rampups.

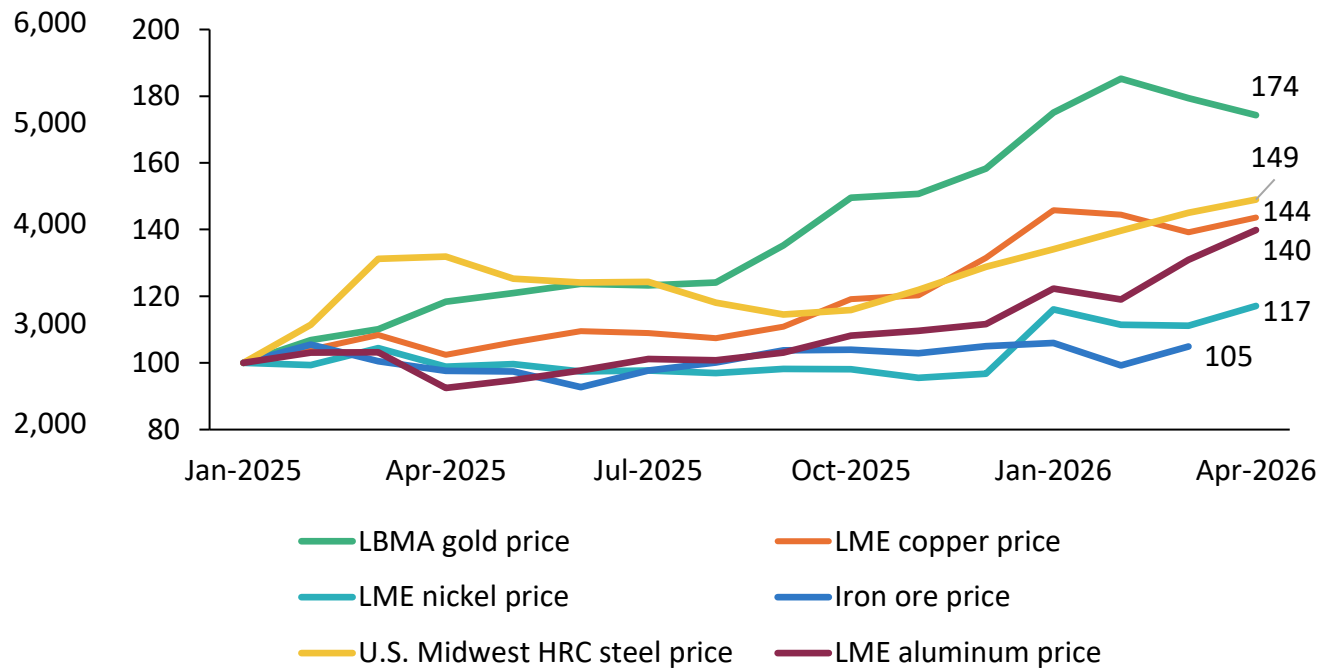
## Canada's gold exports have soared due to surging prices

LHS: Canada's unwrought gold, silver and PGMs, and their alloys exports, balance of payments, seasonally adjusted; RHS: Gold price, US\$ per troy ounce



## Geopolitical risks and supply disruptions lifted key commodity prices

Indexed to January 2025=100



Sources: Haver Analytics/Statistics Canada, EDC Economics

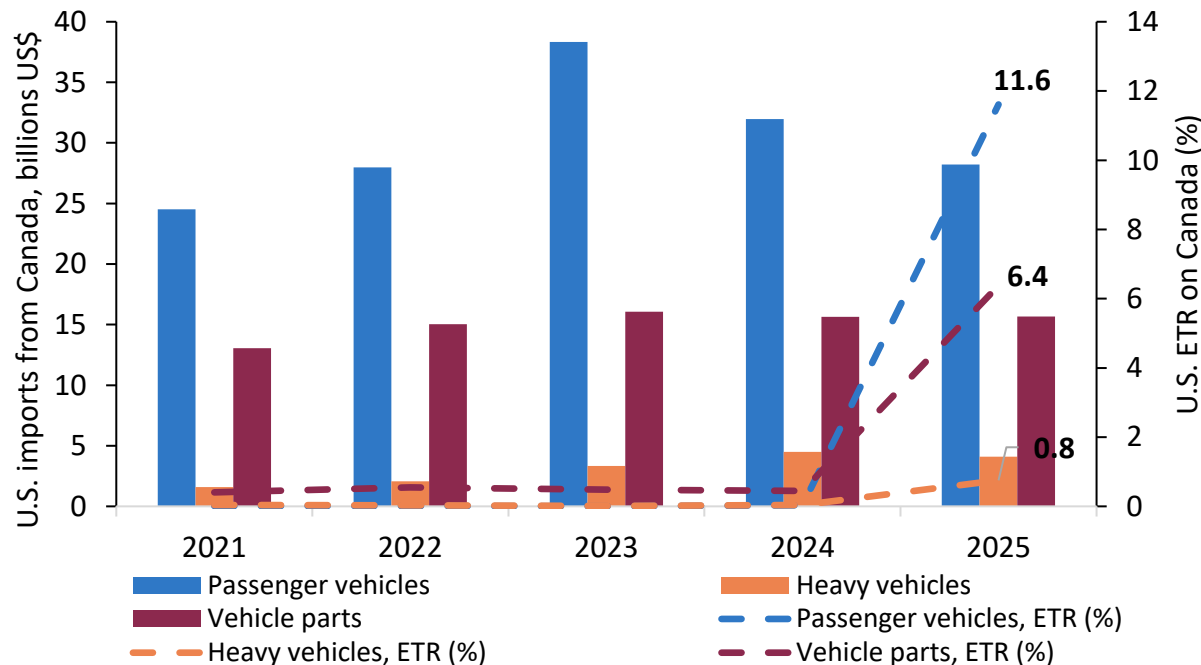
Notes: PGMs = Platinum Group Metals. Canadian unwrought gold, silver, PGMs, and their alloys exports are mainly comprised of gold. LBMA = London Bullion Market Association. LME = London Metal Exchange. HRC = Hot rolled coil. U.S. Midwest HRC steel prices serve as a key regional pricing benchmark for Canadian steel producers. Iron ore prices reflect the global benchmark for standard-grade iron ore (62% iron) delivered to China.

# Automotive

With more than two-thirds of Canada’s motor vehicles and parts exports concentrated in finished vehicles, exports are expected to remain under pressure in 2026, with U.S. demand for Canadian-built vehicles as the key constraint. Roughly 92% of exports are destined for the U.S., and higher tariff costs have weighed on U.S. imports despite high Canada-United States-Mexico Agreement (CUSMA) compliance. Temporary production adjustments are expected to limit volumes in 2026. Conditions are expected to improve in 2027 as Canadian production stabilizes following recent retooling and model transitions, although U.S. vehicle demand is likely to remain constrained by affordability pressures.

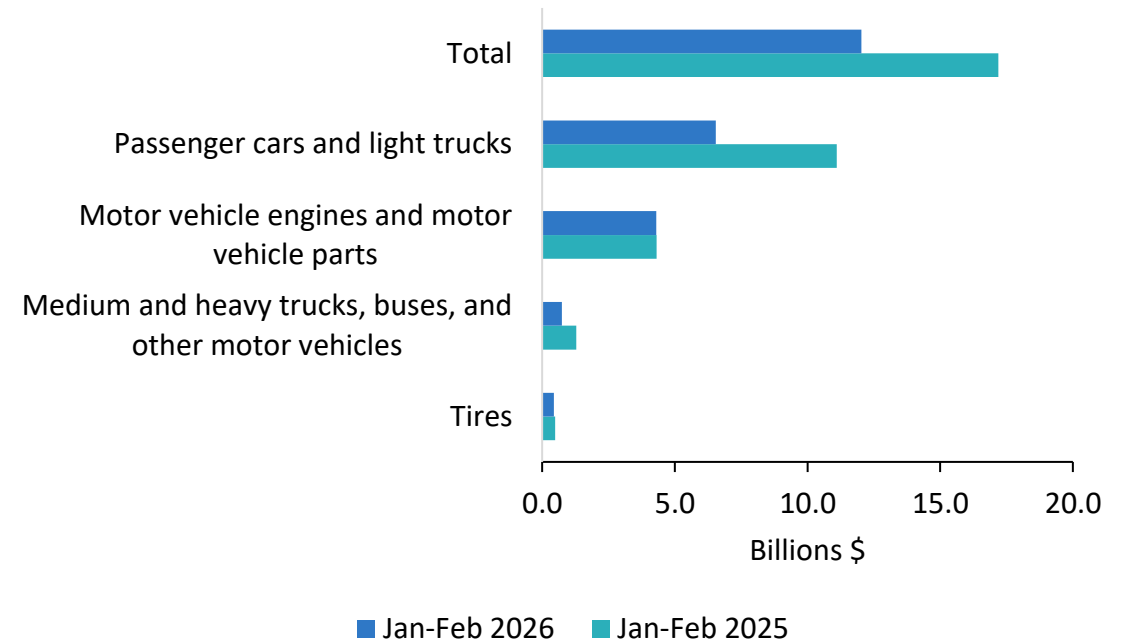
## Higher U.S. tariff costs have weighed on U.S. imports from Canada’s automotive sector

LHS: U.S. imports from Canada; RHS: U.S. effective tariff rate (%) on Canada



## Canadian motor vehicles and parts exports have significantly declined in 2026

Canadian motor vehicles and parts exports, balance of payments, seasonally adjusted



Sources: EDC Economics, United States International Trade Commission, Statistics Canada. U.S. effective tariff rate (ETR) = estimated duties paid as a share of U.S. imports from Canada

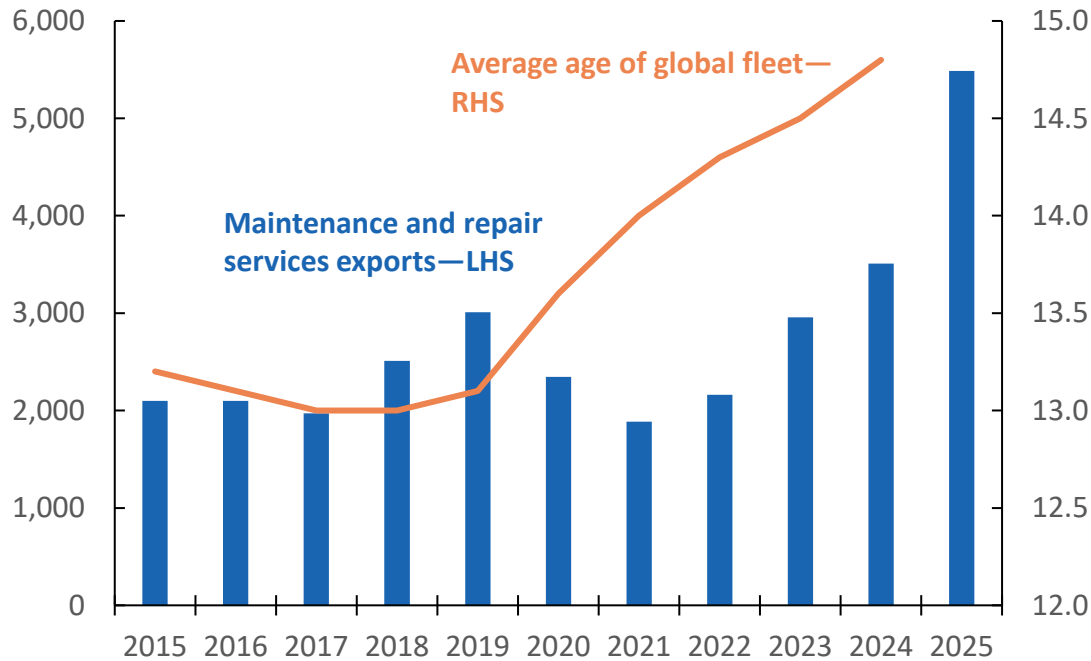
Note: In the left chart, passenger vehicles refers to NAICS 33611 Automobile and light-duty motor vehicle manufacturing; heavy vehicles refers to NAICS 33612 Heavy-duty truck manufacturing; and vehicle parts refers to NAICS 3363 Motor vehicle parts manufacturing. In the right chart, Canadian motor vehicles and parts exports are presented on a NAPCS basis.

# Services

Services exports are expected to continue growing robustly—with annual growth of more than 5.5% expected. While adjustments in Canada’s non-permanent resident admissions will continue to impact travel services, the 2026 FIFA World Cup and favourable exchange rates are expected to offset those changes. Maintenance and repair services continue to show sustained momentum, driven by an extensive global aircraft backlog and the technical requirements of aging fleets. Strengths in AI-ready infrastructure and professional services will also provide a boost to the sector’s outlook. Services exports continue to diversify their trade footprint. As the U.S. share of exports (52.8%) moderates, gains are happening in the Asia-Pacific region, India and Mexico.

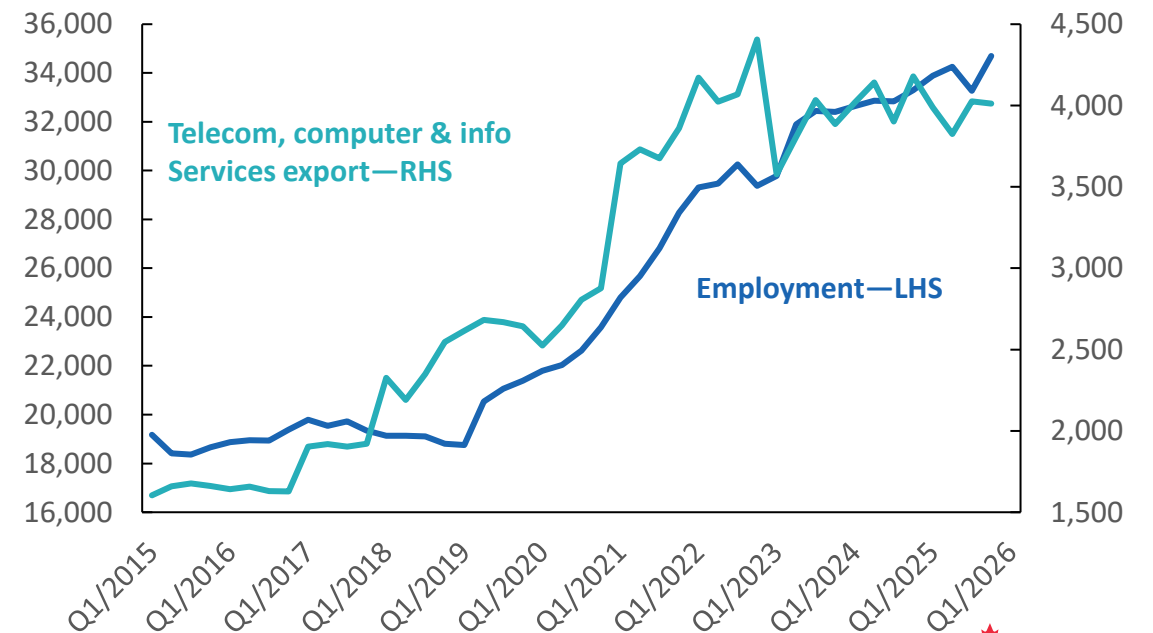
## Maintenance and repair service exports took off due to aging global airline fleet

LHS: in millions of Canadian dollars, RHS in years



## Data centre employment is growing fast, reflecting demand for AI adoption

LHS: in persons, RHS: in millions, seasonally adjusted



# EDC FORECASTS

# Canadian export sector forecast

	\$Billions, CAD	Share of Canadian exports (% of total)	Export growth		
	2025	2025	2026*	2027*	2028*
<b>TOTAL EXPORTS</b>	<b>961</b>	<b>100%</b>	<b>7.1%</b>	<b>2.3%</b>	<b>3.6%</b>
<b>Total services</b>	<b>240</b>	<b>25%</b>	<b>5.5%</b>	<b>5.9%</b>	<b>6.4%</b>
<b>Total goods</b>	<b>721</b>	<b>75%</b>	<b>7.6%</b>	<b>1.1%</b>	<b>2.6%</b>
Advanced technology	27	3%	5.5%	4.0%	4.5%
Aerospace	27	3%	10.1%	7.9%	5.5%
Agri-food	92	10%	3.9%	-0.3%	3.2%
Automotive	79	8%	-3.4%	9.3%	0.6%
Chemicals and plastics	52	5%	7.5%	4.5%	2.2%
Consumer goods	26	3%	4.3%	3.4%	4.0%
Energy	188	20%	10.1%	-1.9%	3.2%
Fertilizers	11	1%	11.1%	7.1%	8.3%
Forestry products	32	3%	-8.6%	-0.2%	0.0%
Industrial machinery and equipment	39	4%	-1.3%	2.8%	3.4%
Ores and metals	129	13%	20.4%	-2.3%	1.1%
Seafood	8	1%	4.9%	4.3%	5.1%
Special transactions	9	1%	6.8%	4.2%	4.4%
<b>Total goods (excluding energy)</b>	<b>533</b>	<b>55%</b>	<b>6.7%</b>	<b>2.2%</b>	<b>2.4%</b>
<b>Total goods (excluding energy and autos)</b>	<b>454</b>	<b>47%</b>	<b>8.5%</b>	<b>1.2%</b>	<b>2.7%</b>

# Total goods exports in prices and volume

	Export growth		
	2025	2026*	2027*
<b>TOTAL EXPORTS</b>	<b>0.7%</b>	<b>7.1%</b>	<b>2.3%</b>
Total services	3.7%	5.5%	5.9%
Total goods	-0.3%	7.6%	1.1%

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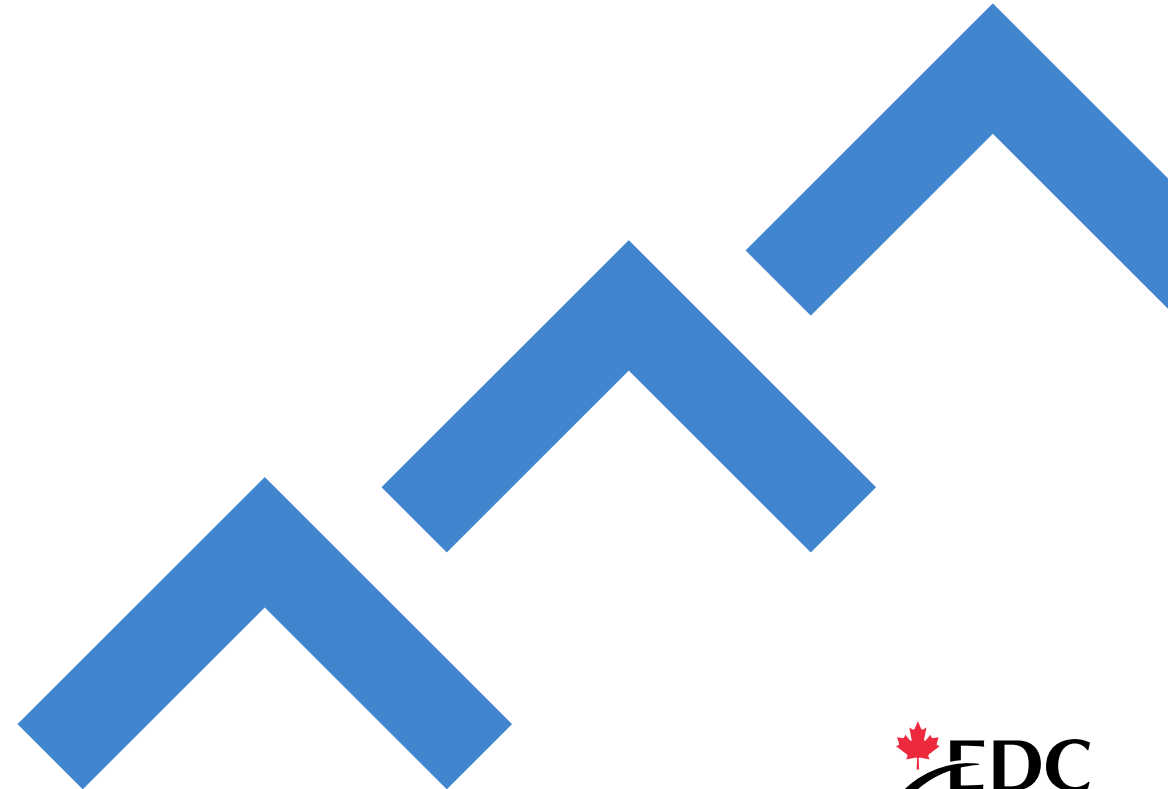
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