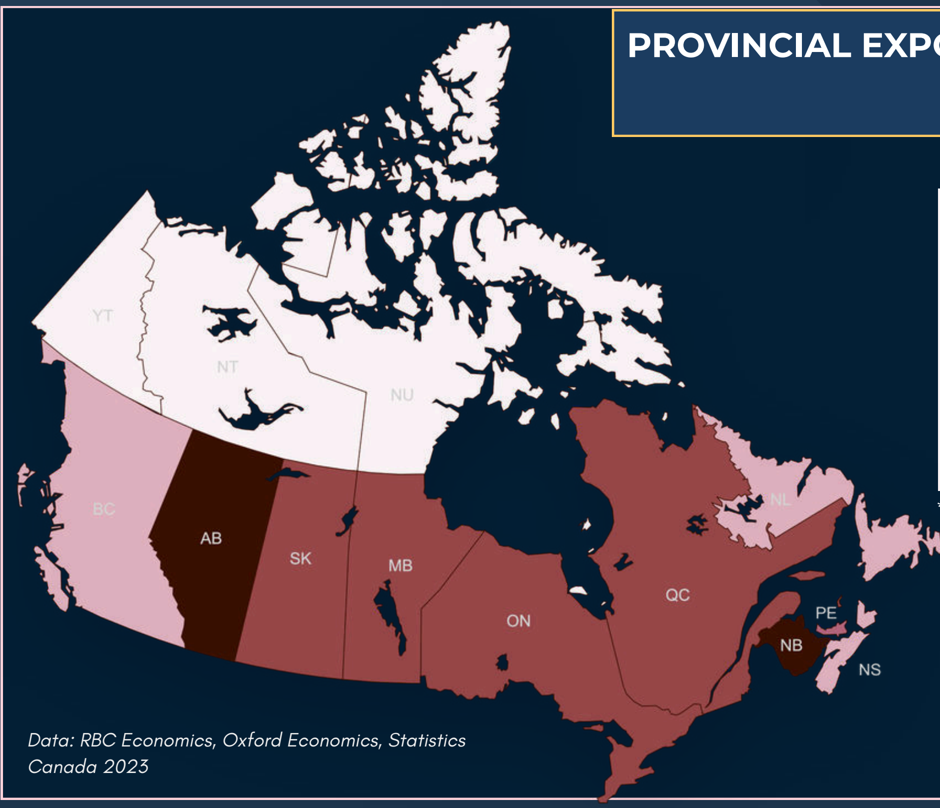
CANADA'S PROVINCES:

WHO IS MOST VULNERABLE TO U.S. TRADE SHOCKS?

MAPPING TRADE EXPOSURE AND POTENTIAL ECONOMIC IMPACT ACROSS CANADA.

WHAT IS TRADE EXPOSURE?

Trade exposure is the share of a province's economy that depends on selling goods and services to foreign markets, especially the United States. When a large slice of local GDP comes from U.S.-bound exports, that region is exceptionally vulnerable to tariffs, supply chain disruptions, and policy shocks across the border. This infographic maps where trade exposure is highest to identify which provinces face the greatest economic risk.



Data: RBC Economics, Oxford Economics, Statistics Canada 2023

PROVINCIAL EXPOSURE TO U.S. TRADE DISRUPTIONS (% OF GDP)

- HIGH EXPOSURE (26–40 %)
- MEDIUM EXPOSURE (16–25 %)
- LOW EXPOSURE (10–15 %)

*Exposure measures dependence on U.S. exports, not the magnitude of tariff impacts.

New Brunswick is the most exposed province, with 40% of its GDP tied to U.S. exports, primarily energy products. Alberta follows with 28% exposure, also heavily reliant on oil and gas.

WHERE CANADA HOLDS LEVERAGE

72%

of all U.S. crude oil imports come from Canada

WHAT MAKES A PROVINCE VULNERABLE?

HIGH U.S. EXPORT SHARE

Provinces with 40%+ of GDP from U.S. exports (NB: energy & AB: oil) get hit hardest by tariffs, as shown by the 2.5% employment drop after 25% tariffs.

MARKET CONCENTRATION (HHI)

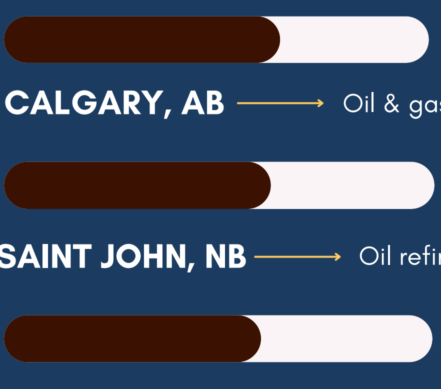
Measures over-reliance on few markets (squares each partner's % share of exports, sums them). Canada's export concentration (HHI) spikes significantly if U.S. trade is disrupted, trapping regional energy sectors with fewer alternatives.

SME EXPORT BARRIERS

Small and medium enterprises (SMEs) make up 99.7% of Canadian firms, but very few successfully export outside the U.S., leaving regional supply chains unable to quickly pivot.

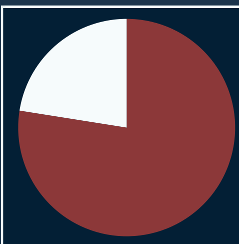
TOP CANADIAN METROS MOST EXPOSED TO U.S. TRADE

Share of GDP Linked to U.S. Exports



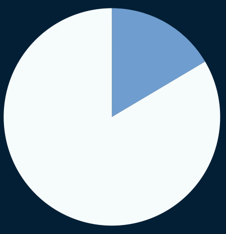
- 65% — **CALGARY, AB** → Oil & gas exports
- 62% — **SAINT JOHN, NB** → Oil refinery hub
- 60% — **WINDSOR, ON** → Auto manufacturing

Exposure depends not just on how much provinces trade with the U.S., but what they export.



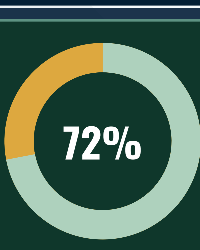
While **75-80%** *of Canada's exports go to the U.S.*

Exports to Canada account for only **15-18%** *of all U.S. exports*



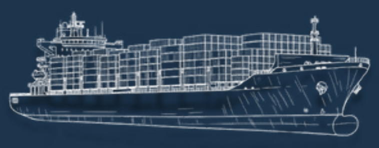
Canada has far less leverage in a trade fight.

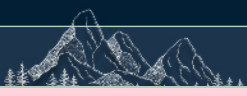
ONTARIO EXPORTS **$200B+** to the U.S. annually



OF U.S. FUEL IMPORTS COME FROM **CANADA**

WHY SOME PROVINCES ARE LESS EXPOSED





BRITISH COLUMBIA 8%

Low exposure due to a diversified economy and stronger trade links with **Asia** & sectors like forestry/tech

NOVA SCOTIA 9%

Smaller export share of GDP (despite U.S. still taking most exports) limits vulnerability; services, fishing, and tourism buffer against trade shocks

POLICY TRADEOFFS OF TARIFFS

COSTS

- ↓ Economic growth (e.g., 2.6% GDP loss, $1,900/household)
- ↓ Jobs in exposed industries
- ↑ Regional inequality (hits NB/AB harder than BC).

POTENTIAL BENEFITS

- ↑ Domestic production in protected sectors.
- ↑ Government tariff revenue for reinvestment.
- ↑ Incentive to diversify trade (e.g., to EU/Asia).

Tariffs shield domestic industries and boost government revenue, but they slow economic growth and cut jobs in export-heavy regions. They can spur trade diversification (away from U.S. dependence) but raise costs across supply chains and widen regional inequality. Economists weigh these costs against benefits like protecting SMEs, yet warn prolonged tariffs risk permanent GDP drags of 1-2%.

Note: Trade exposure reflects U.S. export dependence, but actual economic impacts vary by industry composition, tariff design, and firms' ability to adjust.

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