DATA COMMENTARY · JUNE TRADE

Trade surplus grows as gold powers exports

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THE TAKE

"A weaker Canadian dollar and elevated gold exports boosted the headline numbers. Rising export volumes suggest Canada's export momentum extends beyond those temporary tailwinds."

— THOMPSON RICHARDS · ECONOMIST · SIBLEY CREEK

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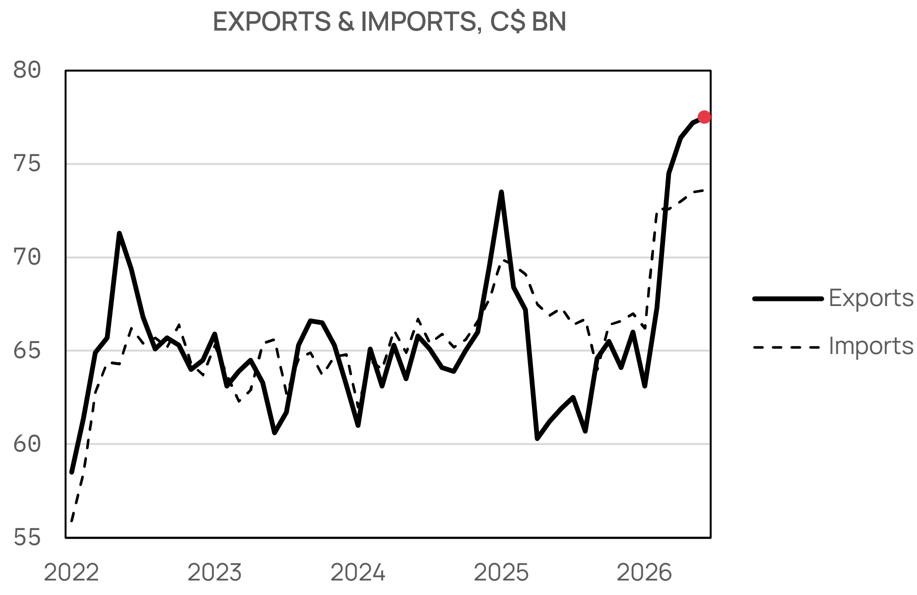
Canada's goods exports rose for a fifth straight month to a record $77.5 billion in June, helping widen the trade surplus from $3.7 billion to $3.9 billion and extending Canada's run of monthly surpluses to four. Over this five-month stretch, merchandise exports have increased 22.8%.

June's record export value was partly supported by the depreciation of the Canadian dollar, which recorded its largest monthly decline against the US dollar since October 2022, and mechanically inflated trade values when converted into Canadian dollars. In US-dollar terms, exports fell 2.0% and imports declined 2.1% in June. Even so, export volumes increased 1.1% in June – a notable improvement from May, when export gains were driven largely by higher prices rather than shipping volumes.

Trade surplus widens as exports hit another record.



Source: Statistics Canada. Seasonally adjusted, balance of payments basis.

Exports, which increased in 6 of 11 product sections, were less reliant on energy in June. While energy exports fell 10.0%, gains in metal and non-metallic mineral products (+16.5%) more than offset the decline. As in recent months, unwrought gold (+27.9%) drove much of the increase, supported by elevated shipments to the United Kingdom. At the same time, passenger vehicle exports increased for a fifth consecutive month to their highest level since March 2025, highlighting broader sources of export strength, even as gold continues to play an outsized role.

Canada's push to diversify its exports showed tentative progress in June. The share of exports destined for the United States edged down from 68.4% to 67.8%, while stronger exports to non-US markets narrowed Canada's trade deficit with the rest of the world from $7.4 billion to $6.1 billion. However, record imports from the US serve as a reminder that Canada's trade relationship remains firmly anchored to its southern neighbour. Whether June marks the beginning of a more durable shift in Canada's export composition remains to be seen. Such a shift will likely require stronger demand across a wider range of non-US markets, rather than continued reliance on gold exports to the UK.

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