



BRIDGING BORDERS: B.C.'S TRADE WITH THE U.S.

POLICY PERSPECTIVES

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Business Council of
British Columbia
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Shaping B.C.'s Future Together

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HIGHLIGHTS

- In 2023, B.C. exported \$30.4 billion in goods to the U.S., representing 54% of the province's total merchandise exports and 7% of its GDP—down from 9% in 2022 and below the pre-COVID average of 8% (2015-2019).
- Energy, forestry products, metals and minerals, and farm, fishing and intermediate food products account for nearly \$7 of every \$10 of goods we ship to the U.S., highlighting how important natural resources are to the province's economic strength and long-term prosperity.
- Non-resource manufacturing also plays a key role in B.C.'s export economy, contributing \$3.5 billion in consumer goods and \$2 billion in electronic and electrical equipment shipped to the U.S. in 2023—making up 10% of the province's total merchandise exports to the U.S.
- The U.S. Pacific Northwest is a key destination for B.C. exports, with strong export ties to Washington (32% of B.C.'s goods exports to the U.S.), California (11%), and Oregon (4%).
- In 2019, over 136,000 jobs—about 5% of all employment in B.C.—were directly tied to U.S. demand for our goods exports, underscoring the crucial link between cross-border trade and the province's workforce.
- As Canada's trade gateway to the Asia Pacific region, B.C.'s exports are more diversified by destination, product, and industry than the rest of Canada. Nevertheless, the U.S. is still B.C.'s largest trading partner and therefore U.S. trade barriers would still significantly impact B.C.'s economy.
- Given the absence of federal leadership over the next few months, provincial and business leaders should adopt a "Team Canada" approach with respect to managing our economy and our relationship with the United States (read [BCBC statement](#)).
- Policymakers should also prioritize provincial economic growth and investment attractiveness, returning to a strong fiscal foundation, and streamlining permitting and regulatory processes.

INTRODUCTION

British Columbia has a long and fruitful history of trading with the United States. Over half of our merchandise or goods exports by value are shipped to U.S. markets and a steady stream of imports come from the U.S. benefiting households and businesses. This bilateral partnership is critical to the province's economy and British Columbians' well-being. But what exactly does B.C. trade with the U.S., to which states do we ship our goods, how many jobs are directly linked to our U.S. trade, and what can we

do to ensure our province remains competitive in a world of growing trade tensions? The following analysis uses nominal export data, reflecting both prices and volumes, to explore these questions.

HOW MUCH DOES B.C. EXPORT TO THE U.S.?

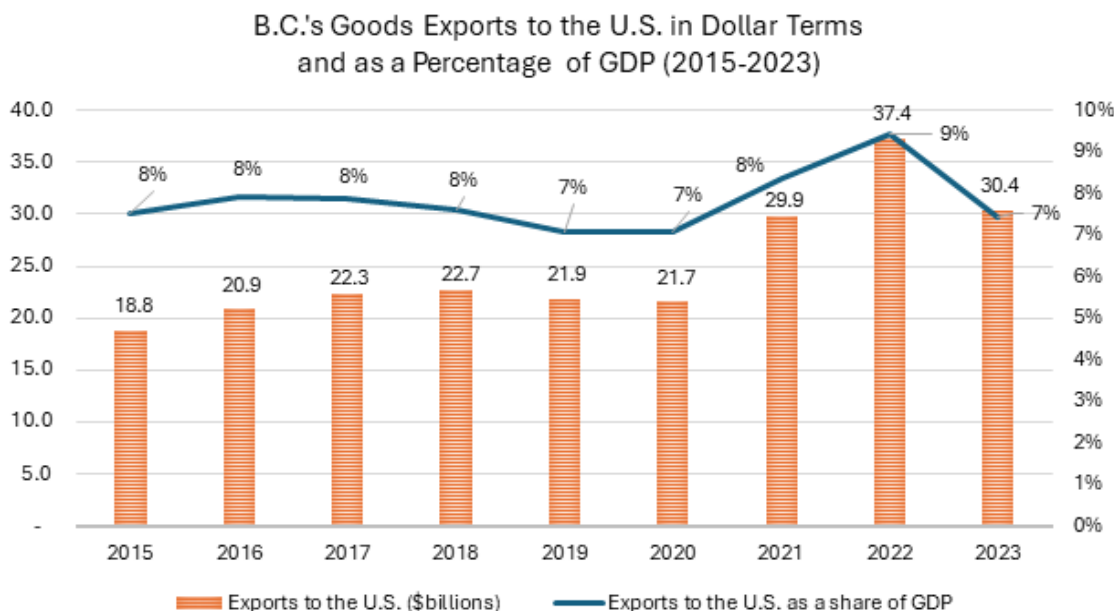
In nominal terms, in 2023, B.C. exported \$30.4 billion worth of goods to the United States, accounting for 54% of total merchandise exports and equivalent to 7% of its GDP—down from 9%

This bilateral partnership between B.C. and the U.S. is critical to the province's economy and British Columbians' well-being.

in 2022 and below the pre-COVID average of 8% (2015-2019).

From January through November 2024, which is the latest data available, B.C. exported \$26.4 billion worth of goods to the U.S. – similarly contributing 53% of all the province's merchandise export earnings.

FIGURE 1: STRONG U.S. DEMAND FOR B.C. EXPORTS FUEL THE PROVINCES'S ECONOMY



Source: BCBC from Statistics Canada [Table 12-10-0175-01 International merchandise trade by province, commodity, and Principal Trading Partners \(x 1,000\)](#) and Statistics Canada [Table 36-10-0222-01 Gross domestic product, expenditure-based, provincial and territorial, annual \(x 1,000,000\)](#).

WHAT DOES B.C. EXPORT TO THE U.S.?

The largest export categories to U.S. markets are:

- Energy products (27% of B.C. goods exports to the U.S.)
- Forestry and building material products (24%)
- Consumer goods (11%)
- Metal and non-metallic mineral products (11%)
- Electronic and electrical equipment and parts (7%)

Natural resources are prominent in B.C.'s goods export base. In 2023, we shipped to the U.S. (by value):

- \$8.2 billion in energy products:** Natural gas (59% of energy exports to the U.S.) is the largest single product in this category, followed by electricity (14%).

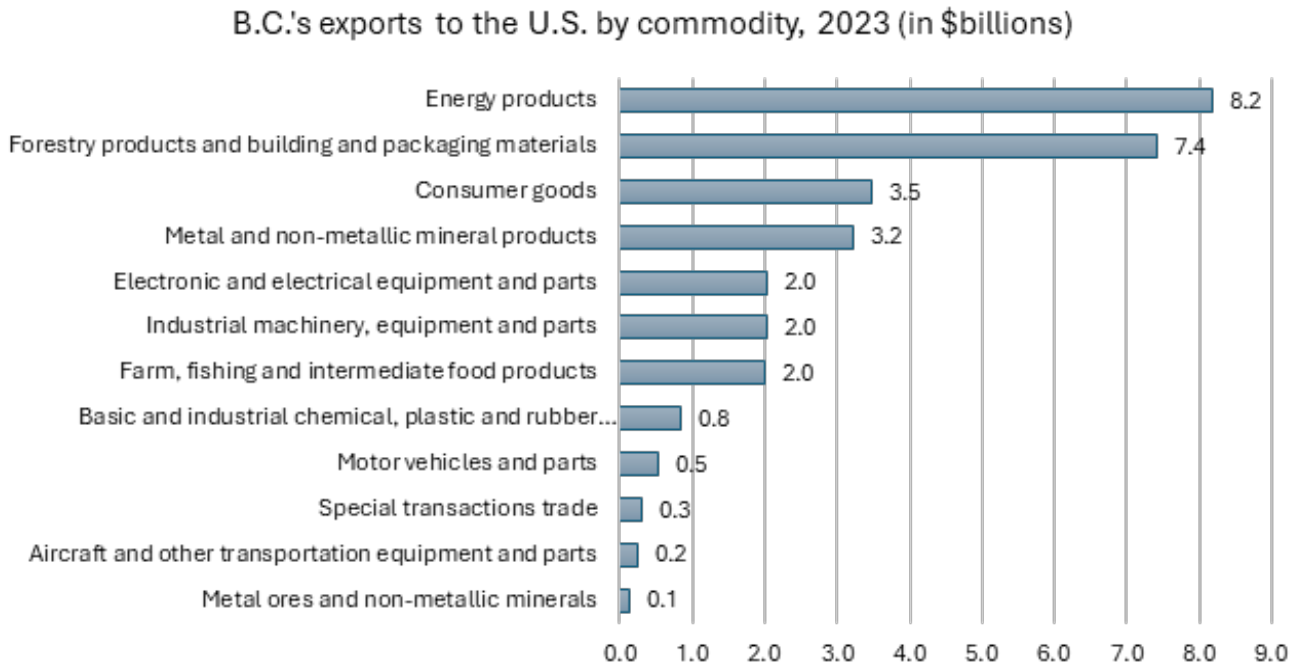
- \$7.4 billion in forestry products and building and packing materials:** Softwood lumber is the province's largest wood product export to the U.S. (59% of forestry products) with plywood and other panel products and other engineered wood products accounting for 40% of forest product exports. Notably, in February 2024, the Biden administration nearly doubled import duties on Canadian softwood lumber, raising them from 8.04% to 14.54%.

The strong performance of our resource sector contributes directly and indirectly to B.C.'s overall economic health.

- \$3.2 billion in metals and non-metallic mineral products:** Key exports of metals and non-metallic mineral products to the U.S. include unwrought aluminum and zinc mined in the northwestern region of the province. These two products account for 90% of all metals and non-metallic mineral products exported to the U.S.

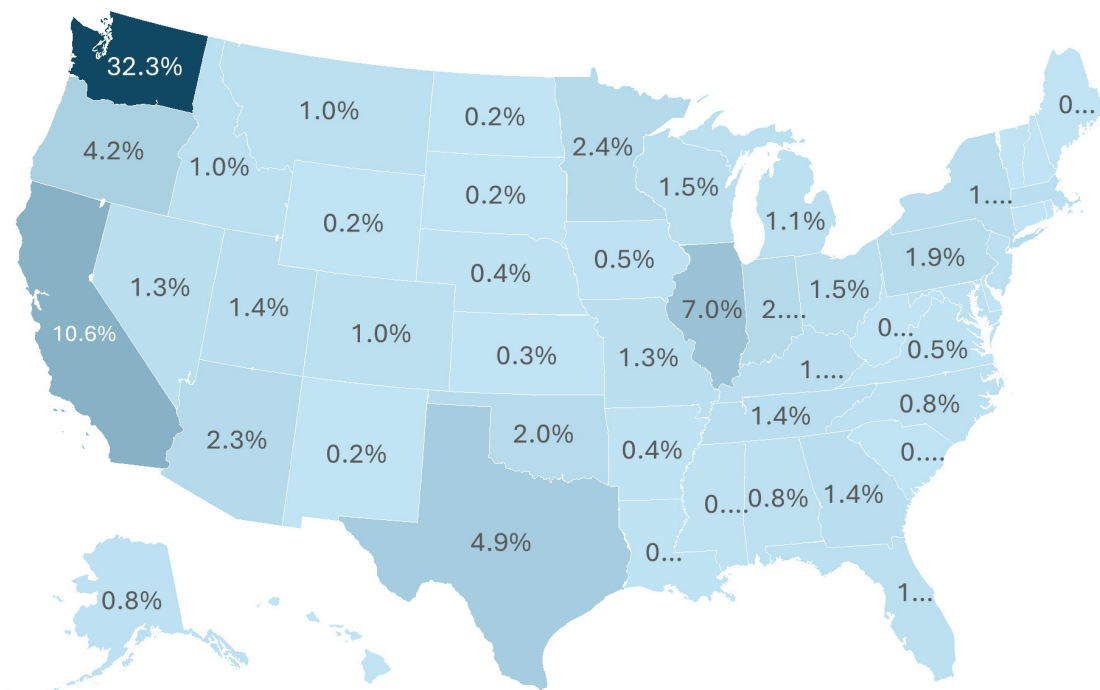
- \$2 billion in farm, fishing and intermediate food products:** This includes a diverse range of goods such as fish, fresh vegetables, prepared and packaged seafood, as well as preserved fruits and vegetables. These exports are vital not only to B.C.'s economy but also to American consumers, who rely on high-quality British Columbian products to meet demand.

FIGURE 2: B.C.'S EXPORTS TO THE U.S. BY COMMODITY, 2023 (\$ BILLIONS)



Source: BCBC from Statistics Canada [Table 12-10-0175-01 International merchandise trade by province, commodity, and Principal Trading Partners \(x 1,000\)](#).

FIGURE 3: SHARE OF B.C.'S TOTAL MERCHANDISE EXPORTS TO THE U.S., BY STATE (2023): THE U.S. PACIFIC NORTHWEST IS A KEY DESTINATION FOR B.C.'S EXPORTS



Source: BCBC from Statistics Canada [Table 12-10-0099-01 Merchandise imports and exports, customs-based, by Harmonized commodity description and coding system \(HS\) section, Canada, provinces and territories, United States, states \(x 1,000\)](#).

Energy, forestry products, metals and minerals, and farming, fishing and intermediate food products account for nearly **\$7 of every \$10** of goods we ship to the U.S. These numbers highlight how critical the natural resource industry is to the province's economy. By leveraging our abundance of natural resources, we generate significant export earnings that circulate through the rest of the economy. **The strong performance of our resource sector contributes directly and indirectly to B.C.'s overall economic health.**

Non-resource manufacturing is also essential to B.C.'s export economy. In 2023, B.C. exported \$3.5 billion in consumer goods—including apparel, accessories, food and beverage products, and plastics—and \$2 billion in electronic and electrical equipment and parts, such as computers, components, and telecommunications equipment, to the U.S. Together, these sectors represent 10% of B.C.'s goods exports to the U.S.

WHICH U.S. STATE DOES B.C. TRADE WITH THE MOST?

Over half of B.C.'s exports to the U.S. are going to Washington (32% of our goods exports to the U.S.), California (nearly 11%), Illinois (7%), and Oregon (4%). These four states also account for over half (56%) of our U.S. goods imports.

The outsized share of exports going to Washington, Oregon, and California highlights the importance of **geography, regional interconnectedness and supply chains.**

HOW MANY JOBS DEPEND ON EXPORTS TO THE U.S.?

According to the most recent Statistics Canada data (2019), 240,406 jobs in B.C. are directly tied to global demand for our goods exports. Among these, 136,541 (about 57%) are attributable to U.S. demand. In other words, **5% of all B.C. jobs rely on merchandise exports destined for the United States.**

This means that if new trade barriers were imposed on B.C.'s goods exports to the U.S. (e.g., tariffs), these jobs would be exposed. That doesn't mean they would be eliminated, but many could face reduced hours and/or lower wages. Some industries are more vulnerable than others. For instance, 45% of all jobs in fishing, hunting, and trapping depend on U.S. demand, 37% in forestry and logging, and nearly 30% in manufacturing.

These jobs are also among the most productive in B.C.'s economy, making their risk especially concerning. For example, each worker in mining, quarrying, and oil and gas extraction contributes \$481,834 in GDP, while a utilities sector worker generates over \$483,142 and a forestry and logging worker produces \$186,613—all significantly higher than the provincial average of \$126,209 per worker.

These high-productivity jobs are vital to the province's economic health as they contribute disproportionately to GDP, capital investment, and enhance overall economic efficiency. A decline in these jobs would significantly reduce provincial output and income.

Even if B.C. is less directly exposed than others, the interconnected nature of Canada's economy means no province would be immune to the ripple effects of reduced U.S.-Canada trade.

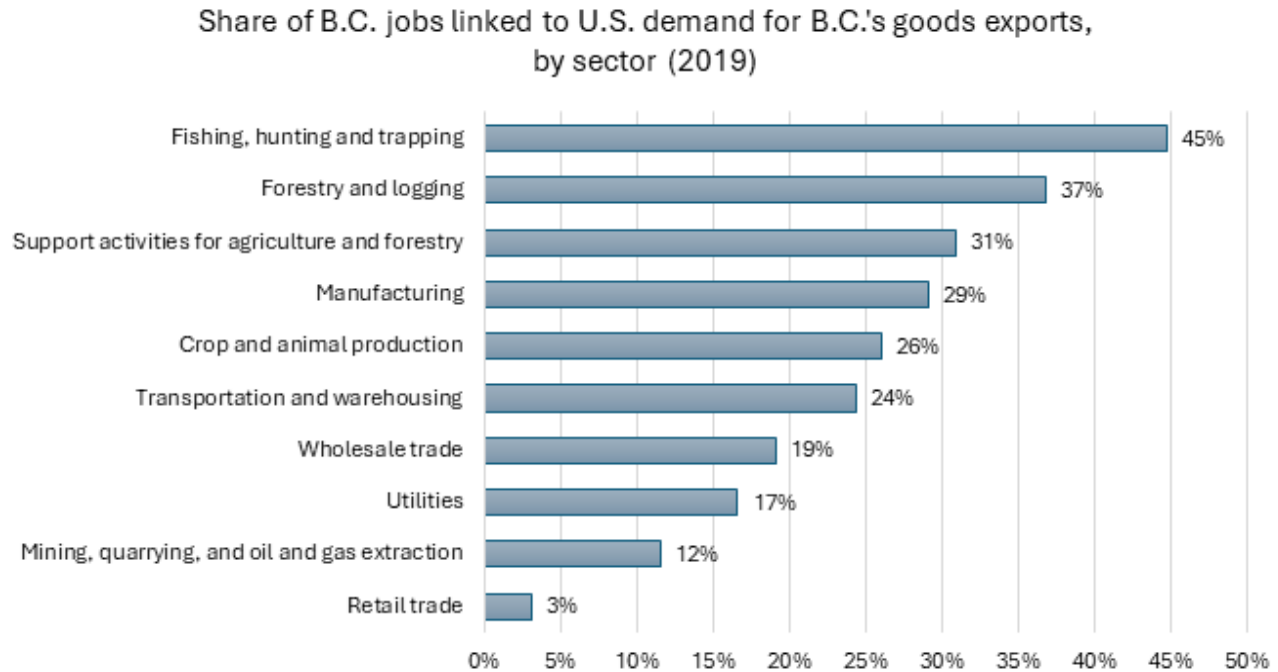
B.C.'S EXPORT SECTOR IS MORE DIVERSIFIED THAN OTHER PROVINCES

While B.C. ranks among Canada's most diversified provincial exporters, **the U.S. is still its top customer,** accounting for 54% of merchandise exports. This reliance is less pronounced than in New Brunswick (92%), Alberta (89%), and Ontario (81%), but any U.S. trade barriers will still have a significant impact on B.C.'s economy.

That said, B.C.'s diversification does provide some resilience. The province's links with Asia-Pacific markets, including China (14% of B.C.'s goods exports), Japan (11%), and South Korea (6%), **somewhat reduce our dependence on a single export market – at least relative to most other provinces.**

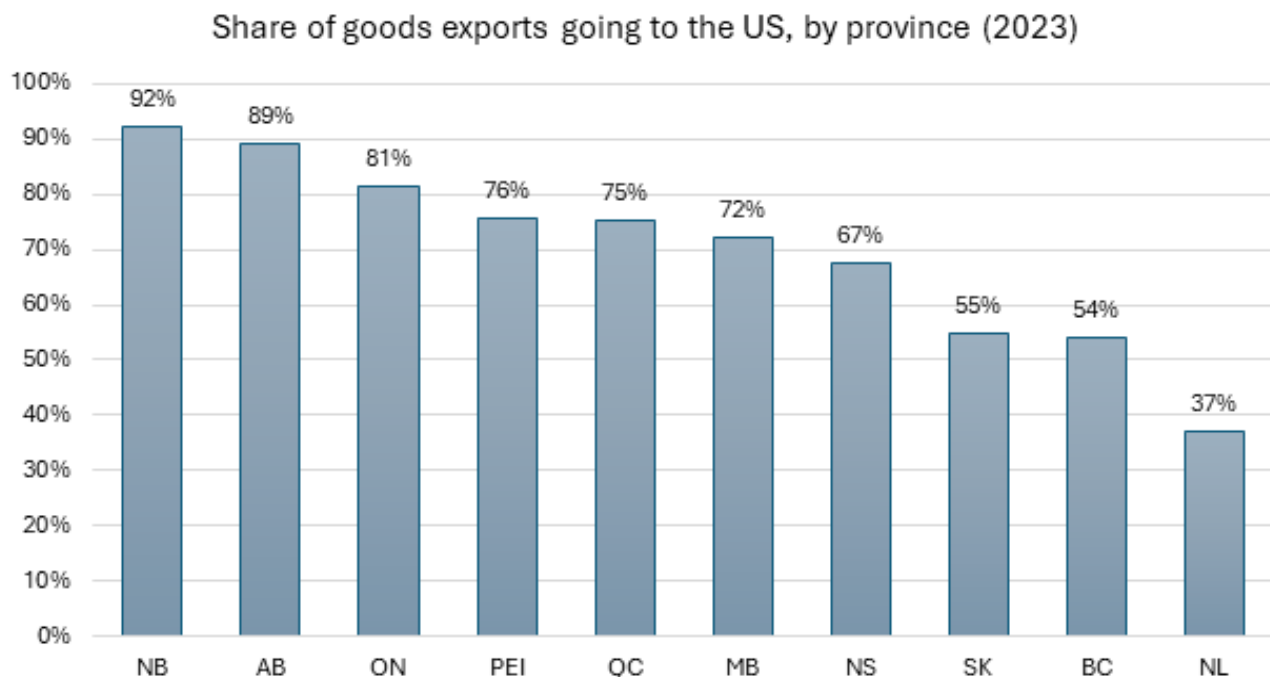
However, a weaker Canadian economy caused by potential U.S. tariffs will reverberate through all provinces. Even if B.C. is less directly exposed than others, **the interconnected nature of Canada's economy means no province would be immune to the ripple effects of reduced U.S.-Canada trade.**

FIGURE 4: OVER 136,000 B.C. JOBS DEPEND ON U.S. DEMAND FOR OUR MERCHANDISING EXPORTS



Source: BCBC from Statistics Canada [Table 12-10-0100-01 Value added in exports, by industry, provincial and territorial.](#)

FIGURE 5: B.C. HAS THE SECOND LOWEST RELIANCE ON U.S. MARKETS AMONG CANADIAN PROVINCES



Source: BCBC from Statistics Canada [Table 12-10-0175-01 International merchandise trade by province, commodity, and Principal Trading Partners \(x 1,000\).](#)

CONCLUSION

B.C.'s trade relationship with the United States is a key building block of our province's ability to build prosperity, underpinning economic growth, job creation, and access to essential goods. Our economic health is fueled by resource exports, particularly energy, forestry, and mineral products, which generate the earnings needed to pay for the essential goods we import from the U.S. for households and businesses.

The resource sector anchors much of our trade with the U.S., supporting jobs and driving much-needed investment. At the same time, the non-resource manufacturing sector, particularly in the Lower Mainland, is deeply integrated into this trade relationship and is also at risk from potential trade barriers. Along with the gateway services sector, these industries form the backbone of B.C.'s export sector.

B.C.'s export-driven industries are currently at risk from potential U.S. tariffs that could disrupt our largest and most critical trading relationship. With Canada's Parliament prorogued until late March, federal leadership on these critical issues is temporarily absent, leaving provinces and businesses to navigate the growing

uncertainties around cross-border trade and mitigate the potential fallout from such disruptions.

In light of these challenges, we urge provincial and business leaders to adopt a "Team Canada" approach with respect to managing our economy and our relationship with the United States. This unity is essential not only to counter trade threats but also to strengthen Canada's competitive position in the face of growing global uncertainties.

Finally, and as part of our strategy to mitigate the negative consequences of trade disruptions, we need to get our own house in order by addressing domestic policy challenges to ensure a strong, growing economy that attracts investment. By focusing on competitiveness and laying the groundwork for growth, B.C. will be better positioned to counter the negative impacts of tariffs and remain resilient in an increasingly uncertain global environment.

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