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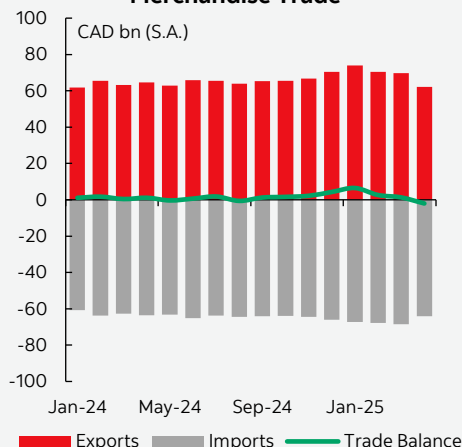
With research assistance from:

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Chart 1

**Canadian International
Merchandise Trade**



Sources: Scotiabank Economics, Statistics Canada.

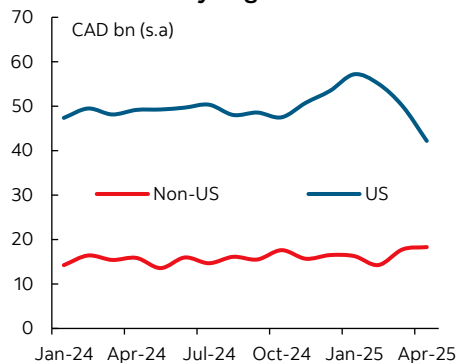
Duty Calls: Monthly Trade Publication on Canada-US Trade, April 2025

Welcome to the first edition of *Duty Calls*, a new newsletter from Scotiabank Economics. This monthly report will detail trade shifts in North America, highlight what we're seeing in today's dynamic trade environment, and identify what it might mean for growth going forward.

- April data showed the bite of tariffs, although declines are likely partially due to both the end of front-loading to pre-empt US tariffs, and exchange rate effects. Canadian exports dropped by 10.8% in April, following a 2.2% decline in March. Similar to March, exports to the US declined (-15.7%), while exports outside the US grew (+2.9%). US-bound exports declined for goods across the board, slowing in 10 of 11 product categories.
- For Canada, April marked the first full month with tariffs on non-CUSMA compliant goods, steel and aluminum, and autos. Canadian CUSMA compliance rates increased to 89%, while compliance for Mexican export to the US declined to 82%.
- The US trade outlook was even less favourable. US Census Bureau data indicates US imports declined by 16.3%, and goods imports declined by 19.1% (similarly impacted by frontloading). Large contributors to declines include imports of pharmaceuticals, finished metals, and passenger cars.
- For the US, recall that April figures reflect a different trade environment. At points that month, the US effective tariff rate on imports was 27%, and Chinese imports faced a 145% tariff. The current effective tariff rate on US imports is roughly 12%. Despite high export volumes, trade-related uncertainty data (which is out for May) declined from April levels, likely as a result of tariff reductions.
- Even if trade flows somewhat rebound next month, slowdowns could persist due to both policy and uncertainty. Measures in place currently avoid worst-case scenarios for Canada and Mexico (but are still significant). Carve-outs for automotive parts and USMCA compliance lessen effects, and the two countries currently face an effective tariff rate of <5% each. These levels, which were unthinkable a year ago, align with more recent optimistic assumptions.
- Optimism is not solely a US trend. Exemptions [offered](#) by Canada's government apply to roughly 30% of goods affected by import tariffs, reducing the impact of retaliatory efforts to an effective 1.6% rate on Canadian imports. These levels offer upside risks for growth if further climb downs occur, and intensification is avoided.
- Uncertainty remains high, given the number of variables. Upholding the repeal of IEEPA tariffs (which would see effective tariffs on US imports fall to roughly 4%, and Canadian and Mexican export rates decline to 2–2.3%) could be paired with (further) increasing/expanding Section 232 tariffs as substitutes. Repeal would still be favourable for Canada, even if Section 232 tariff remain, given easing of headwinds to global growth offers greater overseas export opportunities.
- In short: April data appears to represent a significant drop, but are also likely distorted by the end of frontloading as tariffs take effect. In the coming months, as the effects of tariffs continue to be felt, impacts on demand, inflation, investment and household spending should become clearer, as should their implications for the broader economic outlook.

Chart 2

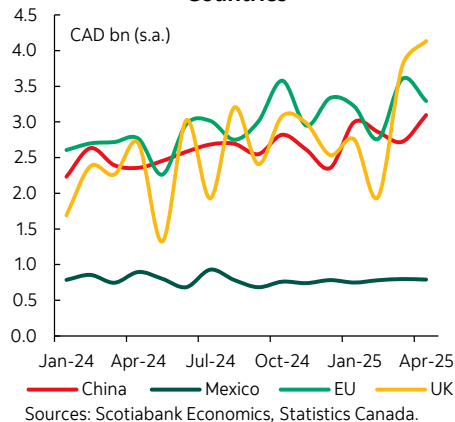
Canadian Merchandise Exports, by Region



Sources: Scotiabank Economics, Statistics Canada.

Chart 3

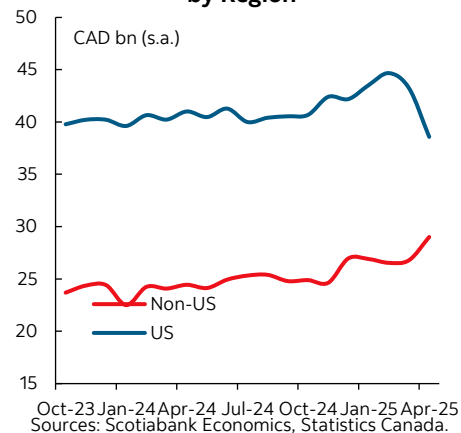
Canadian Merchandise Exports to Select Countries



Sources: Scotiabank Economics, Statistics Canada.

Chart 4

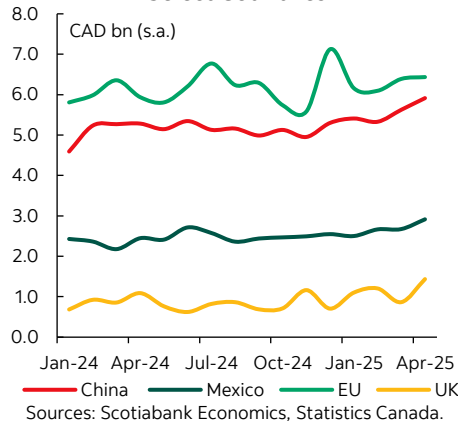
Canadian Merchandise Imports, by Region



Sources: Scotiabank Economics, Statistics Canada.

Chart 5

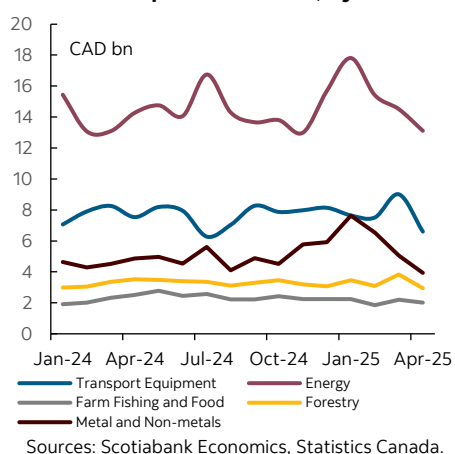
Canadian Merchandise Imports to Select Countries



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Chart 6

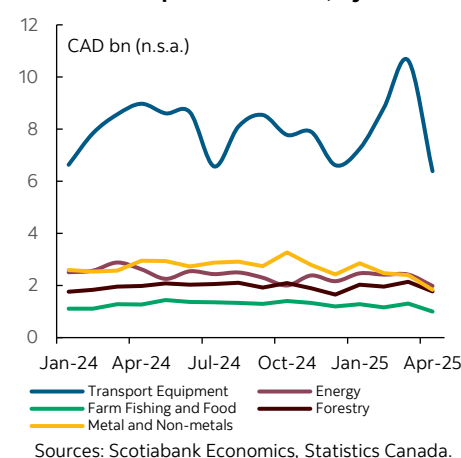
Canada Exports to the US, by Sector



Sources: Scotiabank Economics, Statistics Canada.

Chart 7

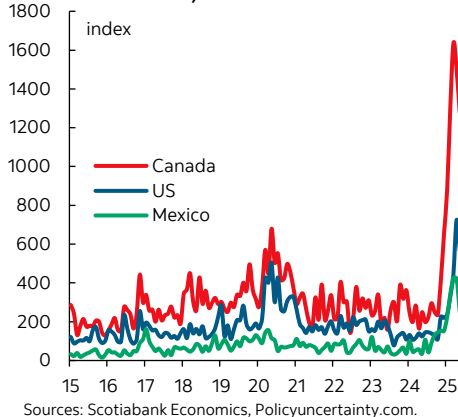
Canada Imports to the US, by Sector



Sources: Scotiabank Economics, Statistics Canada.

Chart 8

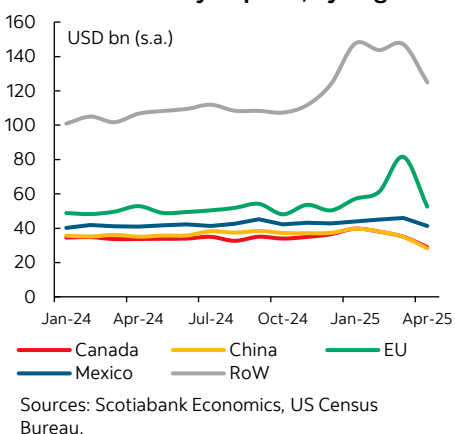
Economic Policy Uncertainty in Canada, US and Mexico



Sources: Scotiabank Economics, Policyuncertainty.com.

Chart 9

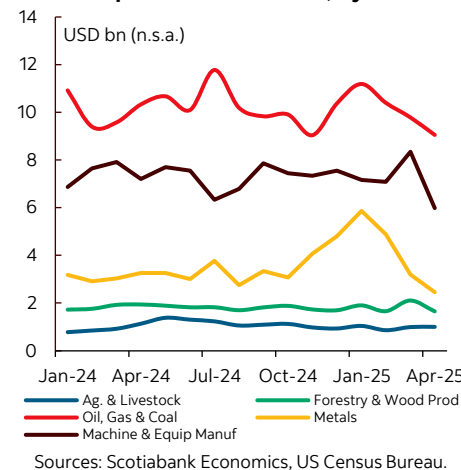
US Commodity Imports, by Region



Sources: Scotiabank Economics, US Census Bureau.

Chart 10

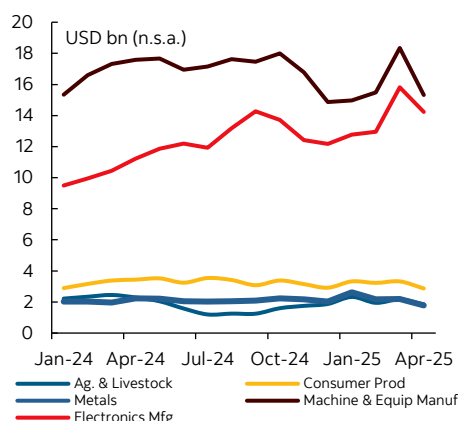
US Imports From Canada, by Sector



Sources: Scotiabank Economics, US Census Bureau.

Chart 11

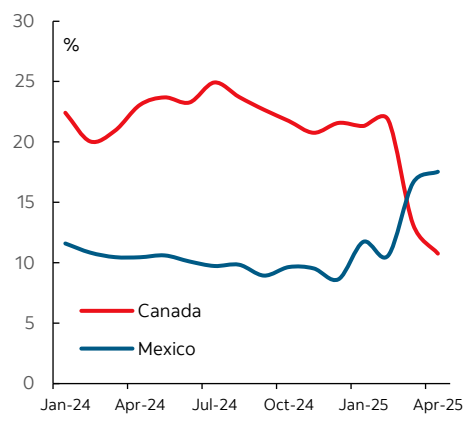
US Imports From Mexico, by Sector



Sources: Scotiabank Economics, US Census Bureau.

Chart 12

Share of US Imports Paying Duties



Sources: Scotiabank Economics, US Census Bureau.

Chart 13

US Export Price Index for Canada

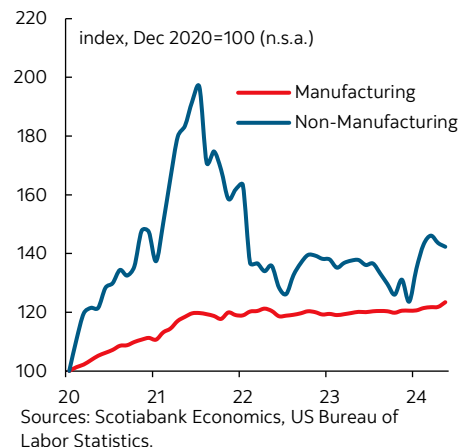


Chart 14

US Global Import Price Indices

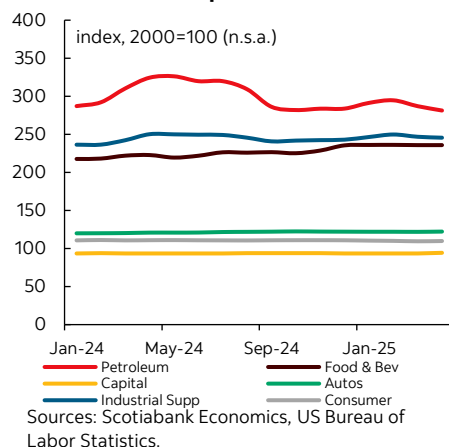


Table 1: Canada, U.S. Mexico - Goods Exports and Imports (n.s.a.)

Country and Flow	Apr. 25 (mn)	m/m%	y/y%	YTD (mn)
Canada Total Exports	60771 CAD	-16.0	-6.0	271982 CAD
Canada Total Imports	64674 CAD	-10.2	-1.0	261380 CAD
U.S. Total Exports	188593 USD	-1.5	10.2	712441 USD
U.S. Total Imports	276086 USD	-19.4	1.9	1224233 USD
Mexico Total Exports	54296 USD	-2.2	5.8	203549 USD
Mexico Total Imports	54384 USD	4.4	-1.2	202540 USD

Sources: Scotiabank Economics, US Census Bureau, Statistics Canada, Bance de Mexico.

Table 2: Canada - Merchandise Exports by Region (s.a.)

Country	Apr. 25 (CAD mn)	m/m%	y/y%	YTD (CAD mn)
US	42168	-15.7	-14.2	204374
China	3096	13.8	31.3	11673
Mexico	790	-0.9	-11.8	3117
EU	3295	-8.6	19.1	12881
UK	4136	9.3	53.0	12626
Rest of the World	6952	1.5	-2.6	26256

Sources: Scotiabank Economics, Statistics Canada.

Table 3: Canada - Exports by Sector (n.s.a.)

Sector	Apr. 25 (CAD 000s)	m/m%	y/y%	YTD (CAD 000s)
Transport Equipment	6597898	-26.7	-12.4	30756237
Chemical and Plastic	2488848	-20.1	-20.4	11492681
Consumer	4605304	-22.6	-10.1	22485289
Electronic and Electrical	1434752	-23.8	-6.7	6693847
Energy	13102168	-9.6	-8.2	60811631
Farm Fishing and Food	2018440	-8.6	-19.9	8338067
Forestry	2940242	-23.2	-16.5	13311474
Machinery	2067790	-37.4	-23.7	11428178
Metals and Non-metals	3947255	-21.8	-18.9	23166561

Sources: Scotiabank Economics, Statistics Canada.

Table 4: U.S. - Merchandise Imports by Region (s.a.)

Country	Apr. 25 (\$ 000s)	m/m%	y/y%	YTD (\$ 000s)
Canada	28951	-17.2	-14.0	141556
China	28328	-18.9	-19.2	140886
EU	52466	-35.6	-0.6	252212
Mexico	41258	-10.3	0.7	176311
Rest of the World	124937	-15.1	17.0	563381

Sources: Scotiabank Economics, US Census Bureau.

Table 5: Tariff Announcements

Imposing	Impacted Country	Impacted Sector	Tariff Rate	Date of Latest Significant Change
United States	All	Steel & Steel Articles	50%	June 4th, 2025
United States	All	Aluminum & Aluminum Articles	50%	June 4th, 2025
United States	China	All exports not subject to de minimis rule (replaced by all exports)	20%	March 3rd, 2025
United States	Canada	All exports that do not comply with USMCA rules of origin requirements	10% (energy & potash), 25% (remaining goods)	March 7th, 2025
United States	Mexico	All exports that do not comply with USMCA rules of origin requirements	25%	March 7th, 2025
United States	All ex. CA & MX	Assembled passenger vehicles	25%	April 3rd, 2025
United States	CA & MX	Non-US content in passenger vehicles (Auto parts exempt)	25%	April 3rd, 2025
United States	All ex. CA & MX	Majority of exports ex. steel, aluminum, autos, semiconductors/consumer electronics	10%	April 8th, 2025
United States	Canada	Increase of countervailing duties on Canadian softwood lumber	Avg countervailing duty rate now 34.45%	April 21st, 2025
United States	Canada	Increase of countervailing duties on Canadian softwood lumber	Avg countervailing duty rate now 34.45%	April 21st, 2025
United States	All ex. CA & MX	Automotive parts	25%	May 3rd, 2025
Canada	United States	Assortment of steel, aluminum, & consumer/food products	25%	March 13th, 2025
Canada	United States	Non-CUMSA compl. passenger autos, & US-content in CUSMA-compl. passenger autos	25%	April 9th, 2025
China	Canada	Select agricultural exports (canola, peas, pork, etc.)	25% - 100%	March 3rd, 2025
China	United States	All exports	10%	May 11th, 2025

Sources: Scotiabank Economics, White House, Govt of Canada, Ministry of Commerce of the People's Republic of China.

Table 6a: Canada - Effective Tariff Rate (ETR)

Measures Contributing to Effective Tariff Rate	
25% on non-CUSMA compliant goods to US	
10% on non-CUSMA compliant energy and potash to US	
50% on steel/derivatives and aluminum/derivatives to US	
20% increase in countervailing duties on softwood lumber exports to US	
25%-100% tariffs on select agricultural exports to China	
Table 6b: Canada - Effective Tariff Rate (ETR)	
Effective Tariff Rate	%
Current ETR on Exports to World	4.8
Prev. Month ETR on Exports to World	3.6
Share of Exports Currently Impacted by Tariffs	14.3

Sources: Scotiabank Economics, WITS.

Table 7a: Mexico - Effective Tariff Rate (ETR)	
Measures Contributing to Effective Tariff Rate	
25% on non-CUSMA compliant goods to US	
50% on steel/derivatives and aluminum/derivatives to US	
25% on non-US content in passenger vehicles to US	
Table 7b: Mexico - Effective Tariff Rate (ETR)	
Effective Tariff Rate	%
Current ETR on Exports to World	4.8
Prev. Month ETR on Exports to World	3.6
Share of Exports Currently Impacted by Tariffs	17.2
Sources: Scotiabank Economics, WITS.	

Table 8a: United States - Effective Tariff Rate (ETR)	
Measures Contributing to Effective Tariff Rate	
25% on non-CUSMA compliant goods from CA, MX	
10% on non-CUSMA compliant energy and potash from CA	
50% on steel/derivatives and aluminum/derivatives from world	
25% on passenger vehicle/auto parts from world (excl. CA & MX)	
25% on non-US content in passenger vehicles from CA, MX	
20% increase in countervailing duties on CA softwood lumber imports to US	
10% baseline on imports from world	
30% on majority of imports from China	
Table 8b: United States - Effective Tariff Rate (ETR)	
Effective Tariff Rate	%
Current ETR on Imports from World	12
Prev. Month ETR on Imports from World	18.9
Share of Imports Currently Impacted by Tariffs	59.2
Sources: Scotiabank Economics, WITS.	

Table 9: United States - Duties Collected				
Country/Region	Apr. 25 (USD mn)	m/m%	y/y%	YTD (USD mn)
Canada	675	2	1802	1415
China	9509	29	174	25812
EU	2072	139	223	4032
Mexico	1717	-5	1479	3752
Rest of World	5313	130	233	11110
Sources: Scotiabank Economics, US Census Bureau.				

Table 10: Canada - Duties Collected (Mar. 2025)				
Country/Region	Mar. 25 (CAD mn)	m/m%	y/y%	YTD (CAD mn)
World	1044	135	144	2152
Sources: Scotiabank Economics, Statistics Canada.				

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