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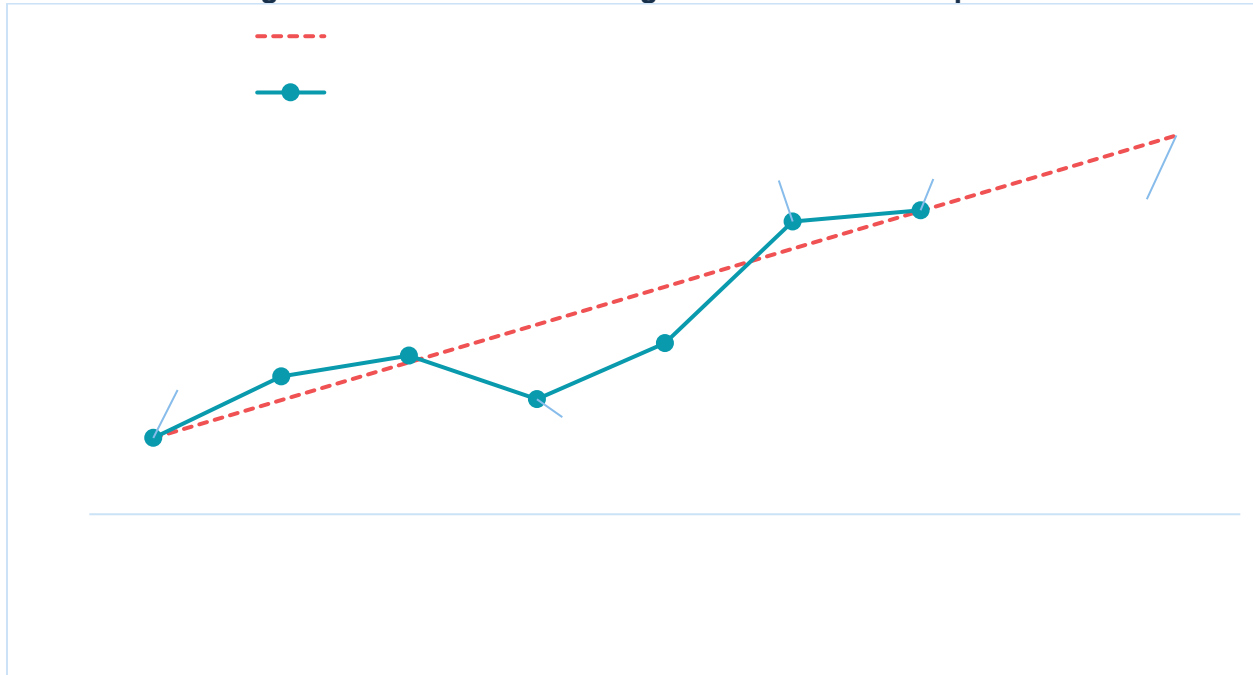
1. Executive summary

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- Despite weak growth in overseas exports in 2023, Canada remains on track to reach the target, building on a strong rebound in 2022 following the shock of the pandemic.
- Going forward, Canadian exports to overseas markets will need to grow by 4.4% annually on average for the next 2 years to reach the target . significantly more than the growth that occurred in 2023.
- Services exports have been a major driver



exports to overseas markets declined 4.7% in 2023, as the prices of many commodities decreased from elevated levels of 2022.

Figure 1. Canada's overseas goods and services exports



2.1. Performance by product categories

Since 2017, Canadian exports to overseas markets have grown by 5.5% per year on average, beating the required growth rate of 5.2% annually to reach the target. This has been supported mainly by services exports, which have grown 9.0% per year since 2017 on average, while the growth in goods exports have been more subdued at 3.9% per year since 2017.

Travel and commercial services in particular have been growing at a faster rate. Commercial services exports, many of which could be delivered digitally, did not suffer during the pandemic and have been growing at a rate of 9.7% per year since 2017. On the other hand, travel services exports declined substantially during the pandemic but have since rebounded strongly, resulting in an annual average growth of 11.0% from 2017. This was supported by the rise of international students in Canada, which have grown by 13.4% per year on average since 2017. The weakness in transportation services exports is partially due to air transportation services as the number of residents of countries other than the U.S. entering Canada by air was still below pre-pandemic levels in 2023.

Table 1. Canadian overseas export performance

	2017 Value of exports (\$ billion)	2023 Value of exports (\$ billion)	Average annual growth, 2017-2023 (%)	2025 Target (\$ billion)
Total	195	268	5.5	292
