

Korea and the Canada: Trade and Investment Status

Let's take a look at where the trade and investment relationship between South Korea and Canada currently stands.

01 Korea-Canada FTA

On January 1, 2015, the Canada-Korea Free Trade Agreement (CKFTA) went into effect, as Canada's first FTA in the Asian-Pacific region. Upon full implementation in the span of 10 years, Canada will eliminate 97.8 percent of its tariffs for goods imported from South Korea, and South Korea will eliminate 98.2 percent of its tariffs for goods imported from Canada.

During the agreement's third year in effect in 2017, tariffs for Korean cosmetics, textiles/clothing, plastic flooring, etc. were eliminated. By 2019, tariffs will be eliminated on Korean tires, lights/LED, processed foods, etc.

03 Korea-Canada Investment

In 2017, Korea invested USD 632.07 million to Canada, predominantly in the finance/insurance and mining industries, which took up 48 percent and 32.6 percent, respectively, of total investment.

In the same period, Canada's investment to Korea stood at USD 389.40 million mainly in the areas of finance/insurance and info-communications.

02 Korea-Canada Trade

Imports

In 2017, Korean imports from Canada reached USD 5.04 billion.

As Korea's steel industry began to develop in the 1990s, bituminous coal took up the top spot in imported products from Canada. This trend continues to remain today, along with other major imports consisting of minerals, lumber, meat and grains.

Exports

In 2017, Korean exports to Canada stood at USD 4.71 billion.

Overall, automobiles account for the majority of exported items to Canada. In the 1990s, clothing, textiles and shoes took up the largest portion of all exports to Canada, but starting in the 2000s, steel, machinery, tires, auto parts, mobile phones and electronics became the main export items.

