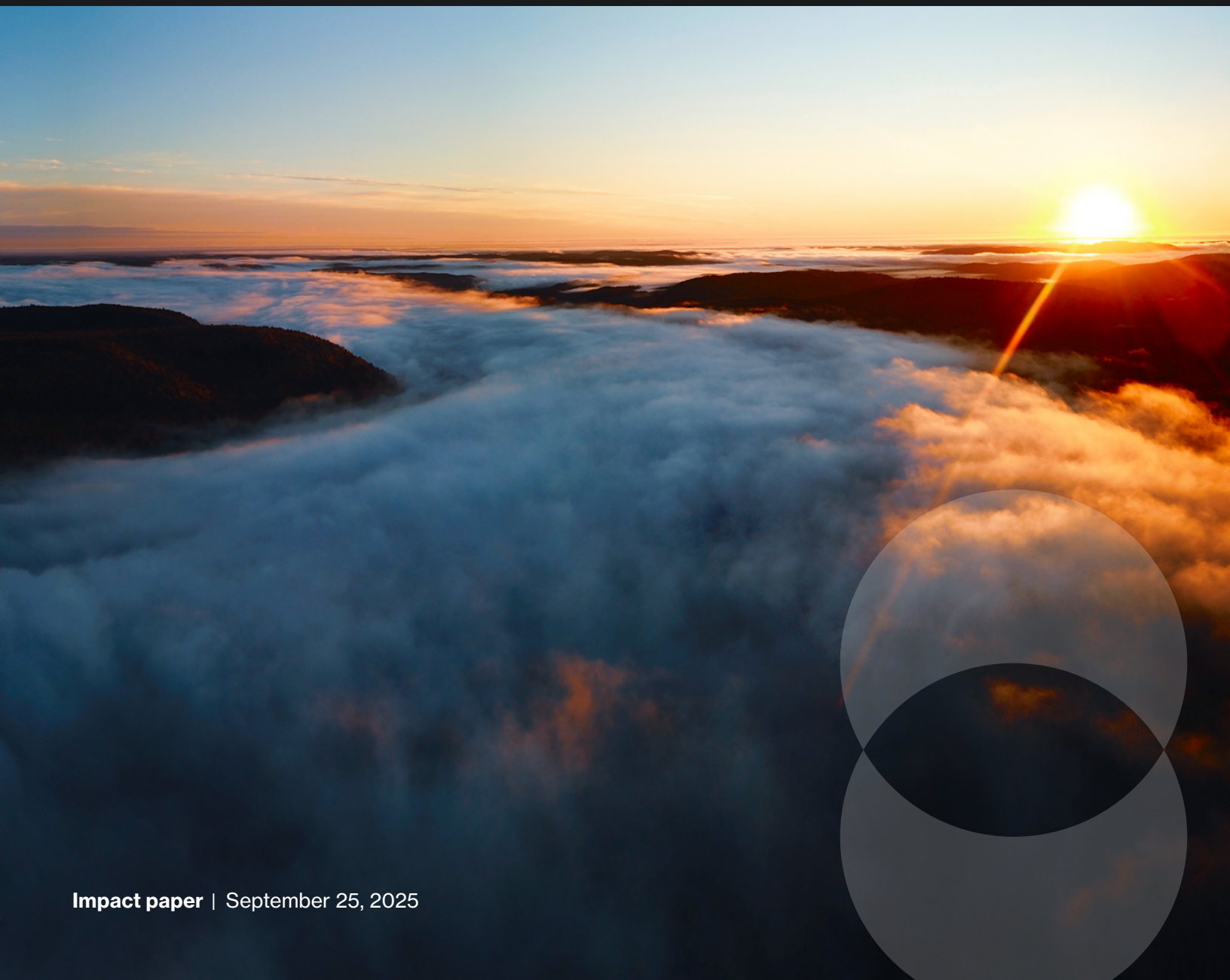




Beyond Barriers

Deepening Canada–Ireland Trade and Investment



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Key findings

- Canada–Ireland trade has nearly doubled since the introduction of the Canada-European Union Comprehensive Economic and Trade Agreement (CETA) in 2017, reaching US\$9.6 billion in 2023. Ireland is now Canada's 15th largest trading partner, while Canada ranks 16th for Ireland.
- Canadian foreign direct investment (FDI) in Ireland is up by 131 per cent since 2016, while Irish investment in Canada rose by 35 per cent. On an ultimate country investor basis, Irish FDI inflows into Canada now stand at US\$14.3 billion, making Ireland the 10th largest investor in Canada.
- At the end of 2023, Canadian-based multinational enterprises (MNEs) operating in Ireland employed more than 22,000 people, while Irish MNEs operating in Canada employed more than 19,000 people at the end of 2023. Firms ultimately owned by Irish MNEs employed 34,000 people in Canada.
- Interviews highlight Ireland's competitive corporate tax rate, talent pipelines, R&D grants, and ease of business set-up as key attractors. While Canada offers a large and attractive market for Irish exporters and investors, complex regulations such as interprovincial trade barriers are seen as a challenge to business set-up and operations.
- Irish goods exports to Canada have surged by 160 per cent since 2016, driven by pharmaceutical products, organic chemicals, and inorganic chemicals.
- Growth in Canada's exports to Ireland has been led by services, which have grown by 164 per cent under CETA. Ireland is now the seventh largest destination for Canadian services worldwide. Key drivers include R&D services and computer services.
- We identified 13 categories of goods across both countries poised for further growth, with the potential to add US\$1.5 billion annually to bilateral trade, a 37 per cent increase from current levels.
- Five key service sectors show potential for export growth:
 - Canada has potential to increase exports in: financial services, air transportation services, and management and consulting services.
 - Ireland has potential to increase exports in: computer services (e.g., tech sector exports) and insurance and pension services.

Assuming these service sector exports have the potential to increase at the same rate as goods exports, they would add a further US\$571 million to Canada–Ireland bilateral trade.



Assessing the Canada–Ireland economic relationship

Canada and Ireland share deep cultural ties and a long-standing relationship that has helped strengthen their economic connection.

A major turning point came in 2017, when Ireland provisionally implemented the Canada–European Union Comprehensive Economic and Trade Agreement (CETA), unlocking new trade opportunities. (See “What is CETA?”) Between 2016 and 2023, total trade between the two countries nearly doubled—from US\$4.9 billion to US\$9.6 billion. Ireland is now Canada’s 15th largest trading partner (up from 24th in 2016), while Canada now ranks as Ireland’s 16th largest (up from 17th).

A rapidly changing global economic environment threatens to upend trading relationships around the world. Diversifying trade toward stable, law-abiding partners is essential for both Canada and Ireland to ensure continued economic success and resilience.¹

CETA has reduced trade barriers between Canada and the European Union (EU), including Ireland, but there’s still room to grow. Our analysis shows that bilateral goods trade could increase by up to US\$1.5 billion annually across 13 product categories, a 37 per cent boost over current levels. Five key sectors show strong potential for increased trade in services. If these grow at the same rate as goods, they could add another US\$571 million to annual trade. Long-term gains are also possible through deeper direct investment between the two countries.



What is CETA?

CETA covers virtually all sectors and aspects of Canada–EU trade, removing 99 per cent of tariffs, improving market access for goods and services, and setting rules on investment, labour, and environmental standards. It has been provisionally applied since September 2017, although 10 EU member states have yet to fully ratify CETA, including Ireland. The Government of Ireland have committed to ratifying CETA in the upcoming parliamentary term.²

¹ To address the changing global landscape, the Government of Ireland’s Actions Plans on Market Diversification and Competitiveness and Productivity outline their approaches to support businesses in international markets and strengthen domestic productivity drivers (Government of Ireland, “Government Action Plan on Market Diversification”; and Government of Ireland, “Action Plan on Competitiveness and Productivity”).

² Gazette Desk, “Tánaiste welcomes waiver for arbitration bill.”



The question is: How can Canada and Ireland best focus their efforts to increase trade and investment between the two countries?

To investigate this, we first analyzed the current state—and recent trends—of economic activity between the two countries using statistical data. Once we characterized this starting point, we used analytical methods to quantify the unrealized economic opportunities between the two countries, highlighting commodities and sectors poised for increased trade. (See “How we assess deepening economic ties.”) We also share insights from interviews completed with 17 high-level business leaders and policy experts,³ who offered their perspectives on market successes, challenges, and opportunities.

Results from our quantitative analyses are available for download [here](#).

See Appendix A for a detailed methodology.

How we assess deepening economic ties

We assess how Canada and Ireland’s economies connect by looking at three distinct but related dimensions: goods trade, services trade, and direct investment. Each show where ties are strong—and where they could grow.

Trade in goods (also called merchandise trade) is the traditional view of trade—physical products moved across borders. Trade statistics can tell us about volumes of products and about trends over time, but they can’t tell us what the barriers or potential are. We know that trade works best when each country specializes in what it produces most efficiently.⁴

Trade in services is a more complex concept. Unlike goods trade, services do not naturally align with a commodity. Rather, services are analyzed at the sector level (i.e., the grouping together of similar firms). Imagine a bartender serving a pint of Guinness—the good purchased (beer) is obvious enough, but there is no clear “commodity” of the service provided (pulling the draft arm, letting the head settle, carefully topping off the pint, and carrying over the glass). Yet, if that pint is served to a Canadian visiting Ireland, this is counted as an export from the Irish tourism sector to Canada. Adding further complexity is that an increasingly wide array of business services is provided digitally.

Direct investment is a critical element of economic integration. Direct investment—as opposed to portfolio investment (e.g., buying a few shares of a foreign company)—means expenditures to develop or expand commercial operations in another country. This can include establishing a storefront, building a factory, becoming a major shareholder, or developing intellectual property. Unlike trade, there are no simple indicators of comparative investment advantage or predicted bilateral investment flows. Yet, it can be argued that investment is more important for deepening economic ties as it often enables or enhances goods and services trade and signifies long-term economic commitment.

³ Seven leaders from Canadian businesses operating in Ireland, five leaders from Irish businesses operating in Canada, and five policy experts with cross-border experience.

⁴ Cloth and wine are the examples that Adam Smith uses in *The Wealth of Nations* to argue for production specialization in England and Portugal, respectively. The example was later used to demonstrate that even if England was more efficient in producing both commodities, it is still advantageous to specialize in one commodity and trade with Portugal for the other.



Strong foundations for a deeper relationship

Canada and Ireland have distinct economic profiles—Canada is larger and resource-rich, while Ireland is smaller and globally agile. Yet both are advanced economies with complementary strengths. Canada's population is nearly eight times that of Ireland, spread across a vast geography with six time zones and 13 jurisdictions. Ireland, by contrast, is compact but economically powerful. (See Table 1.) Its GDP per capita is among the highest in the world—roughly double Canada's. While this reflects the presence of many multinational headquarters, Ireland's success also stems from deliberate efforts to expand trade.

Canada is known for its abundant natural resources, as well as its strong and growing financial services and tech sectors. Its shared border with the United States has historically concentrated trade and investment on its superpower neighbour.

Despite differences in size and economic strengths, interviewees consistently emphasized the strong business case for deeper Canada-Ireland engagement. They pointed to several areas of alignment that encourage firms to sustain or expand their business in each other's markets:

- **Shared language.** Businesses from English-speaking Canada value the ease of working in Ireland as the only primarily English-speaking EU country post-Brexit.
- **Diaspora ties.** Over twelve per cent of Canadians report Irish ancestry. Shared heritage and connections, including family and ancestral ties, are a factor in where businesses choose to sell to or operate in.
- **Minimal non-tariff barriers.** Canada and Ireland have shared common law systems (outside of Quebec), visa-free travel, direct flights, and regulatory cooperation.
- **Commitment to rules-based trading.** Both countries adhere to the international rules and norms that provide stability and security for long-term business relationships to develop.
- **Strong “brand” reputation.** Both countries have well-regarded reputations in each other's countries.

“You need to believe that the rule of law will be upheld, that intellectual property laws can be relied upon, and dispute resolution mechanisms and so on and so forth. All those things are very robust between Canada and Ireland, which I think are important fundamentals.”

Business leader from Canadian firm operating in Ireland

“Ireland perhaps maybe didn't fully explore up until now that relationship with Canada that they can create and also Canada all of a sudden has awoken and saying, ‘Hold on a minute, you know, we're a rich country, we've got great people, we've got fantastic resources, and so now we need other partners more so than ever’.”

Policy expert familiar with both markets

Table 1

Overview of the Canadian and Irish economies

	Canada	Ireland
Population, 2024	41.3 million ^a	5.4 million ^b
Labour force, 2024	22.1 million ^c	2.9 million ^d
Adults (25–64 years old) with tertiary education, 2023	63 per cent ^e (1st among OECD countries)	55 per cent ^e (3rd among OECD countries)
Real GDP, 2024	US\$2.1 trillion ^f	US\$615.2 billion ^f
GDP per capita, 2024	US\$50,939 ^f	US\$114,257 ^f
Main sectors by GDP share, 2024	Real estate activities (13.2 per cent) ^g Manufacturing (9.2 per cent) ^g Healthcare (8.1 per cent) ^g Finance and insurance (7.4 per cent) ^g Public administration (7.4 per cent) ^g	Manufacturing (31.1 per cent) ^h Information and communication (20.8 per cent) ^h Wholesale and retail trade (6.4 per cent) ^h Real estate activities (5.7 per cent) ^h Administrative and support service activities (5.4 per cent) ^h
Total exports, 2023	US\$571 billion (goods) ⁱ US\$128 billion (services) ^j	US\$232 billion (goods) ⁱ US\$343 billion (services) ^j
Total imports, 2023	US\$557 billion (goods) ⁱ US\$157 billion (services) ^j	US\$129 billion (goods) ⁱ US\$344 billion (services) ^j
Total exports (to Ireland from Canada; to Canada from Ireland), 2023	US\$665 million (goods) ⁱ US\$2.4 billion (services) ^j	US\$3.5 billion (goods) ⁱ US\$3 billion (services) ^j

a Statistics Canada, "Population estimates on July 1, by age and gender."

b Central Statistics Office, Ireland, "Estimated Population."

c Statistics Canada, "Labour force characteristics by industry, annual."

d Central Statistics Office, Ireland, "Persons aged 15 years and over."

e Organisation for Economic Co-operation and Development (OECD), "Adults' Educational Attainment Distribution, by Age Group and Gender."

f OECD, "NAAG Chapter 1: GDP."

g Statistics Canada, "Gross domestic product (GDP) at basic prices, by industry, monthly."

h Central Statistics Office, Ireland, "Output, Intermediate Consumption and Gross Value Added by Activity at Current Prices, 2024."

i OECD, "Balanced International Merchandise Trade Dataset (BIMTS)" translated to real values using World Bank export unit value indices.

j OECD, "Balanced Trade in Services Database (BaTiS)" translated to real values using OECD GDP deflators.

Source: The Conference Board of Canada.

Investment is key to supporting growth in bilateral trade

Foreign direct investment (FDI) plays an important role in strengthening Canada–Ireland economic ties. It can expand export capacity, facilitate the transfer of intellectual property (IP) and management expertise, improve market access, and help firms integrate into global value chains. FDI also generates jobs and signals confidence in a country's legal and political systems.

Ireland has attracted more Canadian investment than vice versa. Between 2016 and 2024, annual Canadian FDI flows into Ireland rose by US\$10.8 billion (a 131 per cent increase), reaching just over US\$19 billion. (See Chart 1.) The top five destination sectors in 2024 were:

- finance and insurance (37 per cent);
- miscellaneous manufacturing (21 per cent);⁵
- professional, scientific and technical services (17 per cent);
- management of companies and enterprises (13 per cent);
- mining and quarrying (excluding oil and gas) (6 per cent).⁶



By the end of 2022, Canadian-based multinational enterprises (MNEs) operating in Ireland held over US\$98.2 billion in assets and by the end of 2023 employed more than 22,000 people.⁷

Irish investment in Canada has also grown, though more modestly. Between 2016 and 2024, annual flows increased by US\$1.6 billion (35 per cent), reaching US\$6.2 billion. The top five sectors in 2024 were:

- professional, scientific, and technical services (21 per cent);
- wholesale trade (20 per cent);
- information and cultural industries (16 per cent);
- management of companies and enterprises (12 per cent);
- electrical equipment, appliance, and component manufacturing (11 per cent).⁸

At the end of 2022, Irish MNEs operating in Canada held over US\$12 billion in assets and by the end of 2023 employed more than 19,000 people.⁹

When accounting for investments made through Irish-controlled firms based in other countries (known as ultimate investor FDI), Ireland's footprint in Canada is even larger. On this basis, Irish FDI flows reached US\$14.3 billion in 2024, making Ireland the 10th largest investor for Canada.¹⁰ By the end of 2022, assets ultimately owned by Irish MNEs in Canada were valued at US\$16 billion, and by 2023 Irish MNEs supported more than 34,000 Canadian jobs.¹¹

5 Miscellaneous manufacturing (NAICS 339) covers manufacturing that produces varied products that don't fall under a more specialized category such as food, clothing, or electronics. It includes niche products that are often more customized or specialized in nature.

6 Statistics Canada, "International investment position." Shares calculated are based on the sum of all Canadian FDI flows (net) to Ireland.

7 Statistics Canada, "Activities of Canadian multinational enterprises abroad."

8 Statistics Canada, "International investment position."

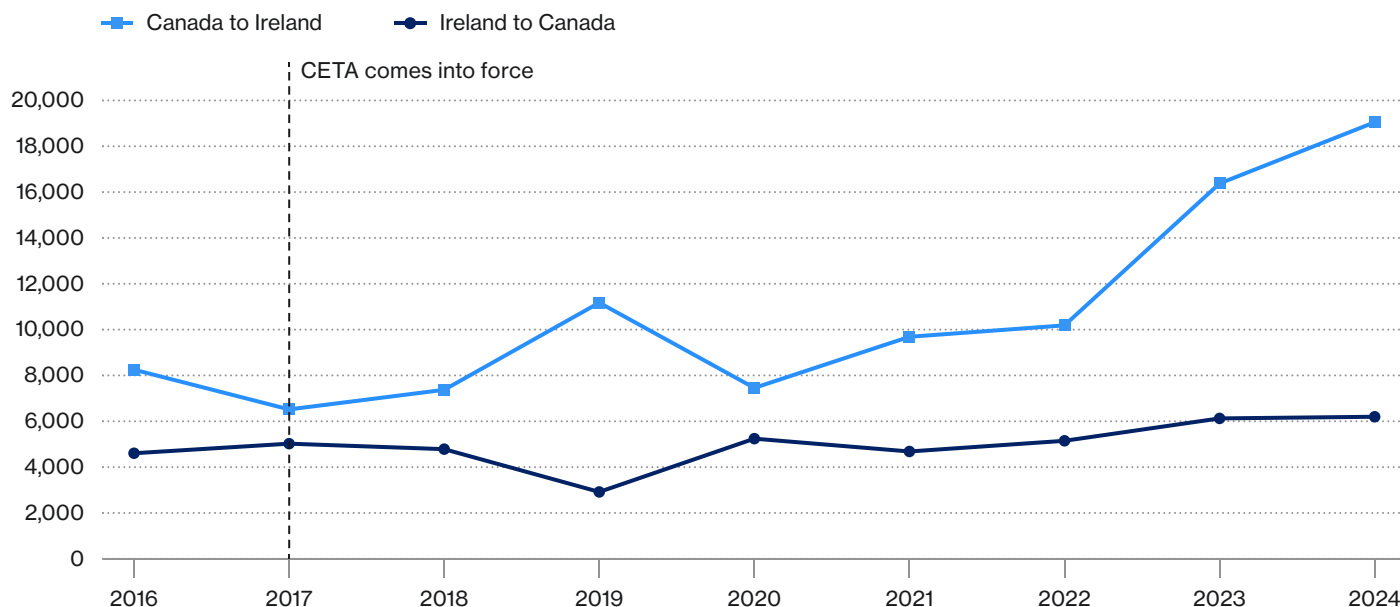
9 Statistics Canada, "Activities of multinational enterprises in Canada."

10 Statistics Canada, "International investment position."

11 Statistics Canada, "Activities of multinational enterprises in Canada."

Chart 1

Canadian investment into Ireland has grown faster than Irish investment into Canada
(bilateral foreign direct investment (FDI) between Canada and Ireland, US\$ millions nominal, 2016 to 2024)



Sources: The Conference Board of Canada; Statistics Canada, "International investment position, Canadian direct investment abroad and foreign direct investment in Canada, by industry and select countries, annual."

Irish investors in Canada report a complex operating environment in Canada

Irish businesses exploring opportunities in Canada have found a dynamic but complex environment. Canada's large market offers strong potential, but Irish firms must navigate a more difficult business environment than they are used to.

Canada's federal structure makes set-up more complicated for Irish businesses. Firms must register and comply with regulations in multiple provinces, which can be time-consuming and unclear. Language requirements, particularly in Quebec, were also identified as a challenge. While Irish exporters are used to navigating multiple language requirements when shipping to the EU, there is limited awareness of Canada's official language requirements, especially those specific to the Quebec market.

"Initially we made the call to launch in English and focus on English-speaking Canada just because we didn't have the bandwidth or the resources to fully spin up a French version of our offering. That was one thing that we had to navigate that we didn't have to deal with in Australia or the U.K. or the United States in the same way."

Business leader from Irish firm operating in Canada

"It is still a very confusing environment to step into because you're not just dealing with one regulator, you're dealing with several and you're dealing with several jurisdictions in one country."

Business leader from Irish firm operating in Canada

Once operational in Canada, Irish firms face additional hurdles. Procurement systems vary widely across—and even within—provinces, making it difficult to identify and access opportunities. Business leaders also noted that day-to-day administrative processes can be time-consuming and hard to navigate.

“I think lots of government stuff in Ontario, perhaps in all of Canada, feels pretty slow. Feels a lot slower and a lot more heavy than it should.”

Business leader from Irish firm operating in Canada

“I felt like everything to do with the Canada Revenue Agency was a little bit more tricky than I expected.”

Business leader from Irish firm operating in Canada

Despite these challenges, Canada remains an attractive destination for investment. It offers access to the broader North American market and business growth opportunities from establishing a local presence. However, uncertainty around U.S. policy may affect businesses’ appetite to set up in North America, including in Canada.

“In terms of Canada, I suppose the starting point was North American expansion in general, and the U.S. was obviously a huge part of that consideration. Canada specifically had some interesting attributes that we felt would play well for our business. So, there’s about 1.2 million small businesses across Canada, or SMEs, which are our target audience.”

Business leader from Irish firm operating in Canada

“There’s a very, very nervous, cautious business sentiment in Canada and that’s due to the uncertainty in the United States. And I don’t blame anybody there at all.”

Business leader from Irish firm operating in Canada

Access to the EU market, tax policy, and a skilled workforce drive Canadian investment in Ireland

Interviewees pointed to Ireland’s deliberate strategy to attract foreign investment, especially appealing to Canadian firms seeking a stable, business-friendly gateway to the EU.



Ireland’s attractiveness is rooted in its access to the EU single market, which guarantees the free movement of people, goods, and capital across member states.

“I think Ireland is—they very strategically and quite brilliantly created themselves to be a hub for tech. And I think that has not only generated the local talent pool, which is what we saw early on, but it also made it an easy launch pad for businesses looking to expand in the EU.”

Business leader from Canadian firm operating in Ireland

Decades of targeted policies have made Ireland a compelling destination for Canadian firms. Business leaders consistently reported a smooth investment experience, citing competitive costs, access to skilled labour, responsive government support, and efficient administrative processes.

“They’ve done a really good job of clearing the way to make sure that they’re very business-friendly.”

Business leader from Canadian firm operating in Ireland

“Ireland came up with these very attractive development structures that were so successful in bringing over particularly U.S. technology and pharmaceutical companies. So, it’s not just the tax structures, it’s just the infrastructure that’s been created over 30 years, 40 years.”

Policy expert familiar with both markets

Canadian business leaders and policy experts highlighted Ireland's active engagement with international firms—particularly through IDA Ireland, the country's inward investment agency. IDA plays a key role in helping firms build networks and develop client relationships.

Interviewees also noted that Ireland's work culture closely aligns with North American norms, making it a relatively easy entry point for Canadian firms expanding into Europe.

"Fundamentally the growth in the last 10, 15 years has been caused by qualitative factors: by culture, by brand, by awareness, by good old-fashioned business development, by countries. And that's a huge important part of the Irish brand."

Policy expert familiar with both markets

"...[With Ireland] We have found a place in Europe where we feel comfortable in the sense that it's not, 'Oh, God, roll your eyes. We have to do something in Europe now. We feel like we've started building a home in Europe, which we haven't had before."

Business leader from Canadian firm operating in Ireland

Interviewees consistently cited Ireland's competitive corporate tax rate as a major advantage. A few noted, however, that the global minimum corporate tax—now set at an effective 15 per cent for large multinationals exceeding the OECD-set revenue threshold—may reduce these benefits.¹²

Hiring success was another highlight for Canadian firms. Interviewees pointed to Ireland's development of regional economic hubs, anchored by strong university partnerships, as a key factor. Government R&D grants were also frequently mentioned as valuable tools for offsetting relatively high labour costs, helping firms manage operational costs while continuing to invest in talent.

"So, we have a very, very strong, long-standing partnership with a local university where they essentially run degree programs that are specifically tailored to our company in some instances. We've got a very strong flow of talent that comes from the university to our company. If the bridge with the university was to break down, that might be a problem."

Business leader from Canadian firm operating in Ireland

"Ireland, outside of the U.K. perhaps, was where we found a work culture that was the closest to the Canadian, North American work culture in terms of tempo of work, in terms of ambition."

Business leader from Canadian firm operating in Ireland

While most interviewees reported few challenges, some flagged high housing costs and limited supply as barriers for employees. Compared to the ease of doing business, for one interviewee, personal relocation was unexpectedly difficult.



¹² Effective December 31, 2023, under Ireland's *Finance Act 2024*, multinational enterprises with global revenues exceeding the OECD-set threshold of €750 million are subject to a minimum effective corporate tax rate of 15 per cent. This applies either through Ireland's domestic top-up tax or through taxation in another jurisdiction.

Bilateral trade has nearly doubled under CETA

Since CETA's provisional implementation in 2017, trade between Canada and the EU has grown. From 2016 to 2023, total services traded between Canada and the EU rose by 17 per cent, while the volume of goods trade increased by 4 per cent.¹³

Canada–Ireland trade—while representing a small fraction of EU–Canada trade as a whole—has grown disproportionately during this time. Trade between the two countries increased by 95 per cent, reaching US\$9.6 billion in 2023. (See Chart 2.) Of this, US\$4.2 billion was in goods and US\$5.4 billion was in services—representing increases of 118 per cent and 81 per cent, respectively, since 2016.

Importantly, most of the growth in bilateral goods trade has come from rising Irish exports to Canada.

Canadian service exports to Ireland have experienced rapid growth

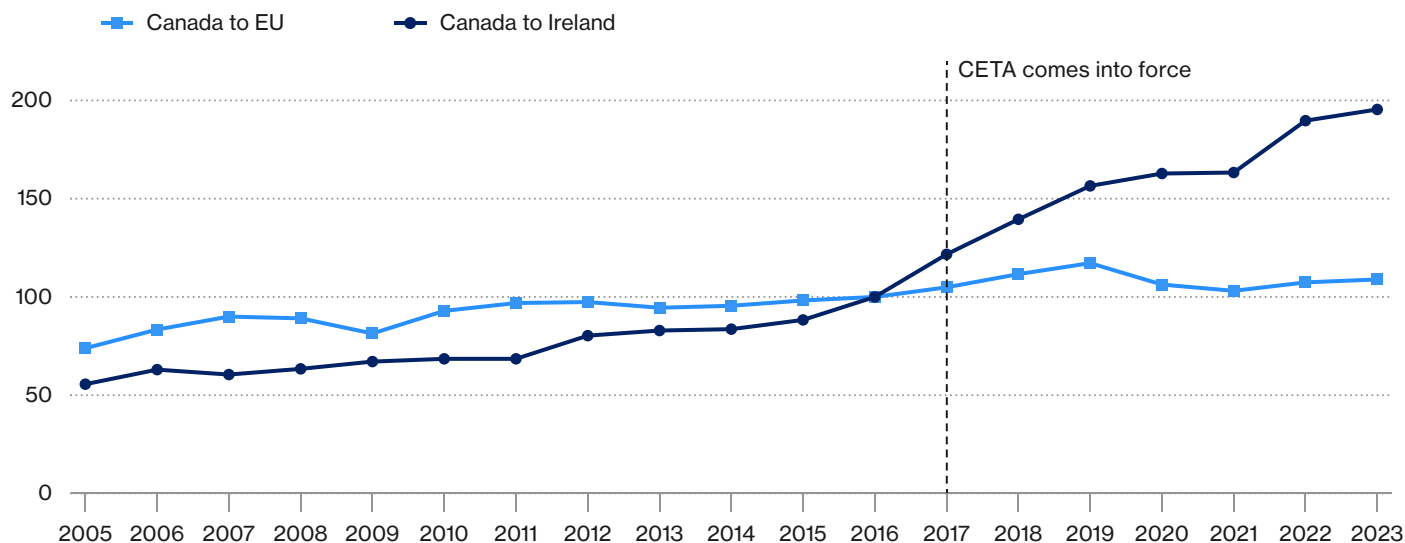
Canada's service exports to Ireland have grown rapidly since CETA's implementation. (See Chart 3.) Between 2016 and 2023, exports rose by 164 per cent, making Ireland Canada's seventh-largest destination for services worldwide. Key areas of growth include research and development (R&D), computer services, and consulting.

While Canadian goods exports to Ireland remained mostly flat over this period, select commodities—such as cereals, pharmaceutical products, and mineral fuels—have seen steady growth under CETA.

Chart 2

Canada's trade with Ireland surges while EU trade stalls

(total bilateral trade Canada–Ireland and Canada–EU (including UK), real US\$ rebased to 100 in 2016)



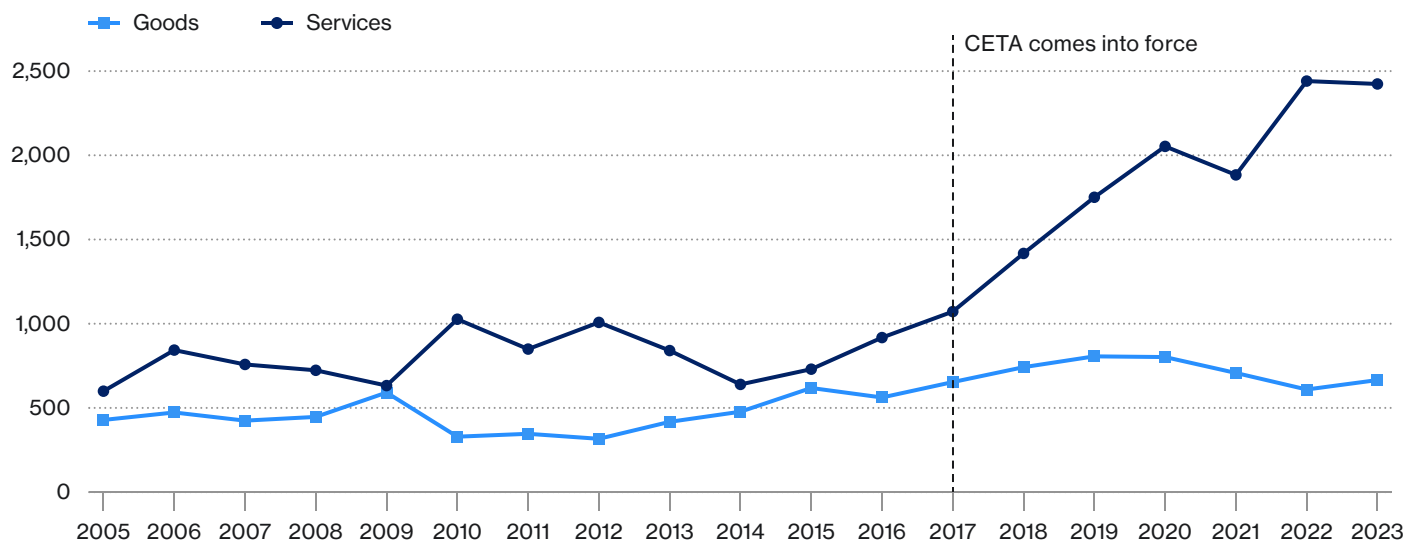
Note: Dataset translated to real values using World Bank export unit value indices and OECD GDP deflators.

Sources: The Conference Board of Canada; OECD, "Balanced International Merchandise Trade Dataset (BIMTS)" and "Balanced Trade in Services Database (BaTiS)."

¹³ Unless otherwise noted, all trade data reported are in 2023 real (inflation-adjusted) US dollar values. To ensure comparability with 2016 trade levels, we included the U.K.'s bilateral trade in the EU total for 2023 when calculating growth rates between 2016 and 2023.

Chart 3

Canadian services exports to Ireland have increased 2.5 times under CETA
(Canadian exports to Ireland, goods and services, real US\$ millions, 2005 to 2023)



Note: Dataset translated to real values using World Bank export unit value indices and OECD GDP deflators.

Sources: The Conference Board of Canada: OECD. "Balanced International Merchandise Trade Dataset (BIMTS)" and "Balanced Trade in Services Database (BaTiS)."

Growth in Canadian good exports to Ireland driven by agrifood, machinery, and metal products

Grains—especially corn—are now Canada's largest goods export to Ireland. (See Chart 4.) This shift was driven by CETA's implementation and global disruptions, including the 2018 U.S.–EU trade dispute (which saw U.S. tariffs on European steel and aluminum) and Russia's invasion of Ukraine.

By 2023, Canada had become Ireland's top corn supplier and Ireland ranked as Canada's second-largest corn export market, after the United States. Corn is a key input for Ireland's food and animal feed industries.

Beyond corn, other Canadian goods exports to Ireland have grown in areas such as different types of machinery, as well as titanium products, petroleum, soybeans, inorganic chemicals, and certain types of fabricated metal products.

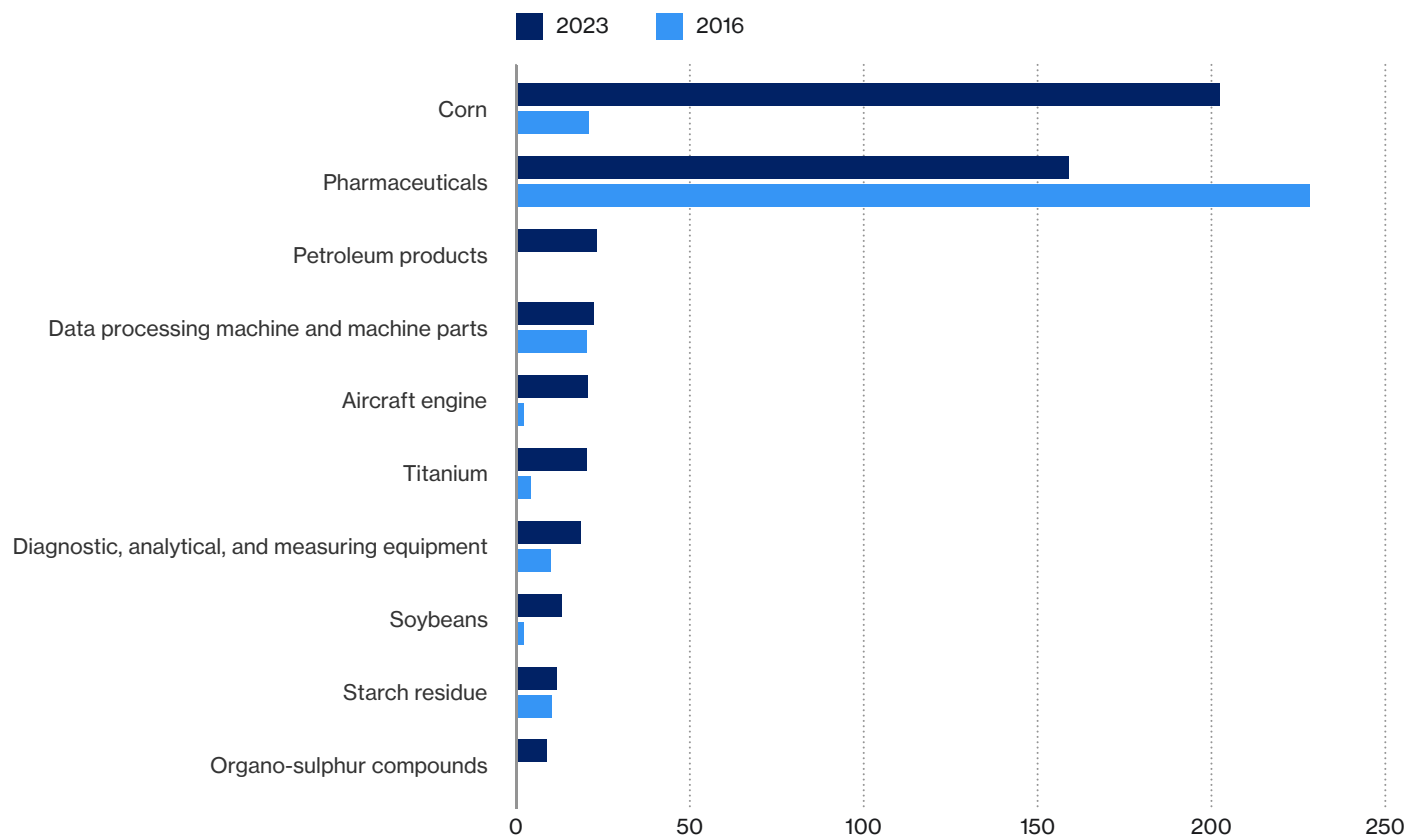
Among Canada's major exports to Ireland, the biggest area of decline since 2016 has been in pharmaceuticals, even though they remain the second largest goods export. COVID-19-era regulations restricting bulk exports of prescription drugs were a key factor in this drop.¹⁴

While exports of manufactured goods outside pharmaceuticals (e.g., aircraft engines and diagnostic equipment) have seen modest growth, a large part of Canada's export gains under CETA have come from primary sectors like agriculture and natural resources.

¹⁴ Health Canada, "Guide to distributing drugs intended for the Canadian market."

Chart 4

Corn is now Canada's largest goods export to Ireland
(Canadian top goods exports to Ireland, real US\$ millions)



Note: Product descriptions are based on 4-digit Harmonized System Codes. Trade data has been translated to real values using World Bank export unit value indices.
Sources: The Conference Board of Canada; OECD, "Balanced International Merchandise Trade Dataset (BIMTS)."

Growth in Canadian service exports to Ireland driven by R&D, computer, and consulting services

Canadian service exports to Ireland have grown sharply since CETA's provisional implementation. (See Chart 5.) The biggest increase was in research and development (R&D) services, which rose from US\$78.9 million in 2016 to US\$644.2 million in 2023—an eightfold increase. This growth is likely linked to Ireland's large pharmaceutical sector and its outsourcing of research to Canadian facilities.

Other service categories also saw strong growth:

- computer services by 1,046 per cent;
- consulting services by 93 per cent;
- manufacturing services by 9 per cent;
- travel services nearly quadrupled, recovering strongly by 2023 after the pandemic.¹⁵

¹⁵ Statistics Canada, "Non-resident visitors entering Canada."

One exception was financial services, which declined to 75 per cent of their 2016 value in 2023. This reflects EU-wide disruptions related to Brexit,¹⁶ but also a shift in how Canadian banks operate in Ireland—expanding through mergers and acquisitions rather than cross-border service exports. As financial services continue to attract Canadian FDI, it is likely that some financial services exports are now being delivered locally through Canadian affiliates and subsidiaries.¹⁷ Given Canada's strength in this sector, there may still be untapped opportunities for growth.

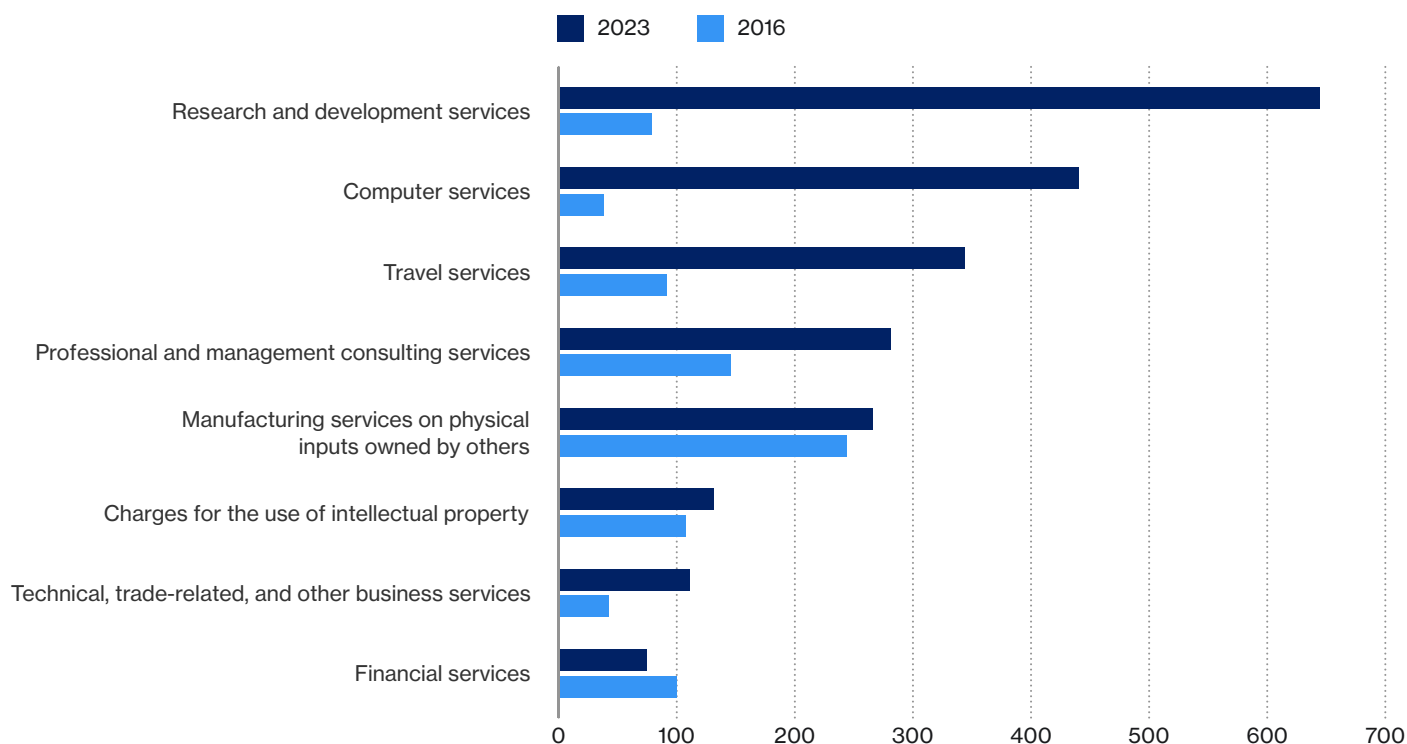
Irish exports to Canada have surged post-CETA

Since CETA's provisional ratification in 2017, Ireland has seen strong growth in both goods and services exports to Canada. (See Chart 6.) By 2023, Irish goods exports had more than doubled compared to their 2016 real value, driven by pharmaceuticals, organic chemicals, and medical equipment. In 2023, Ireland exported over five times more goods to Canada than Canada did to Ireland.

Chart 5

R&D services exports surge as Canada gains expanded access to Irish markets

(Canadian top services exports to Ireland, real US\$ millions)



Note: Services descriptions are based on EBOPS 2010 (BPM6) categories. Trade data has been translated to real values using OECD GDP deflators.

Sources: The Conference Board of Canada; OECD, "Balanced Trade in Services Database (BaTiS)."

¹⁶ In 2019, Canada's exports of financial exports to the EU dropped by 28 per cent, similar to that seen in its exports to Ireland. While exports to the rest of EU recovered by 2023, those to Ireland have not—though increasing integration appears to have continued through other channels such as investment.

¹⁷ IDA Ireland, "Banking on Ireland."

Services exports grew more modestly—up by 44 per cent over the same period. The largest contributor was charges for the use of intellectual property (IP), such as patents and trademarks.

“So, I would say Ireland has been developing an economy that has been proven to be more future proofed and that’s really been to their advantage, whereas when I look at Canadian trade and exports to Ireland, it’s very, very traditional. So, you certainly see Western Canada playing more, you see it with respect to pharma and pharma inputs, and you see it more with agriculture.”

Policy expert familiar with both markets

Irish pharmaceutical exports to Canada have grown rapidly in recent years

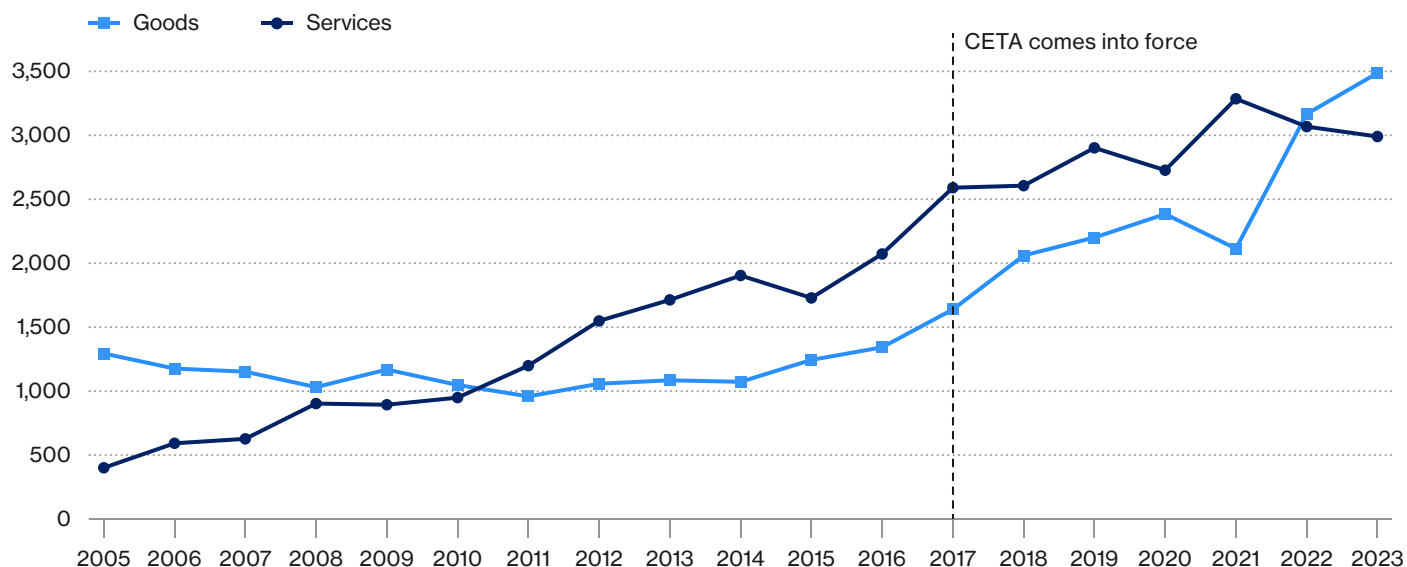
Pharmaceutical products made up 32 per cent of Ireland’s total exports to Canada, reflecting Ireland’s position as a global leader in the sector. (See “How did Ireland become a global leader in the pharmaceutical sector?”) Other major Irish exports included packaged immunological products, toxins and cultures for medical use (including botox¹⁸), medication, and vaccines.¹⁹

A key regulatory milestone came in 2021, when Canada and the EU began mutually recognizing pharmaceutical good manufacturing practices (GMP) for inspections conducted outside their jurisdictions.²⁰ This change helped streamline compliance and trade flows, supporting continued growth in Irish pharmaceutical exports—even after the pandemic.

Chart 6

Irish goods exports to Canada have more than doubled under CETA

(Irish exports to Canada, goods and services, real US\$ millions, 2005 to 2023)



Note: Dataset translated to real values using World Bank export unit value indices and OECD GDP deflators.

Source: OECD, “Balanced International Merchandise Trade Dataset (BIMTS)” and “Balanced Trade in Services Database (BaTiS).”

¹⁸ Webber and Kuchler, “Trump tariffs bring furrowed brows.”

¹⁹ Observatory of Economic Complexity, “Product Datasets.”

²⁰ Health Canada, “Mutual Recognition Agreement between Canada and the European Union.”

How did Ireland become a global leader in the pharmaceutical sector?

Ireland is now the world's third-largest exporter of pharmaceuticals, with exports exceeding US\$84 billion in 2023. Major multinational companies—including Pfizer, Johnson & Johnson, and Roche—have made substantial investments in Ireland-based manufacturing facilities.²¹

This success is the result of decades of targeted industrial policy. In the 1960s, the Irish government supported early investments in molecule and drug production. In the 1980s, as global demand for biopharmaceuticals grew, Ireland expanded its manufacturing capacity. More recently, the 2011 launch of the National Institute for Bioprocessing Research and Training (NIBRT) has helped build a highly skilled workforce.²²

Ireland also offers strong incentives for R&D. Companies conducting R&D projects in Ireland benefit from a 25 per cent tax credit, which further encourages investment in innovation.²³

Organic chemicals, medical devices, alcoholic beverages, and essential oils are among other areas of strength for Irish exports

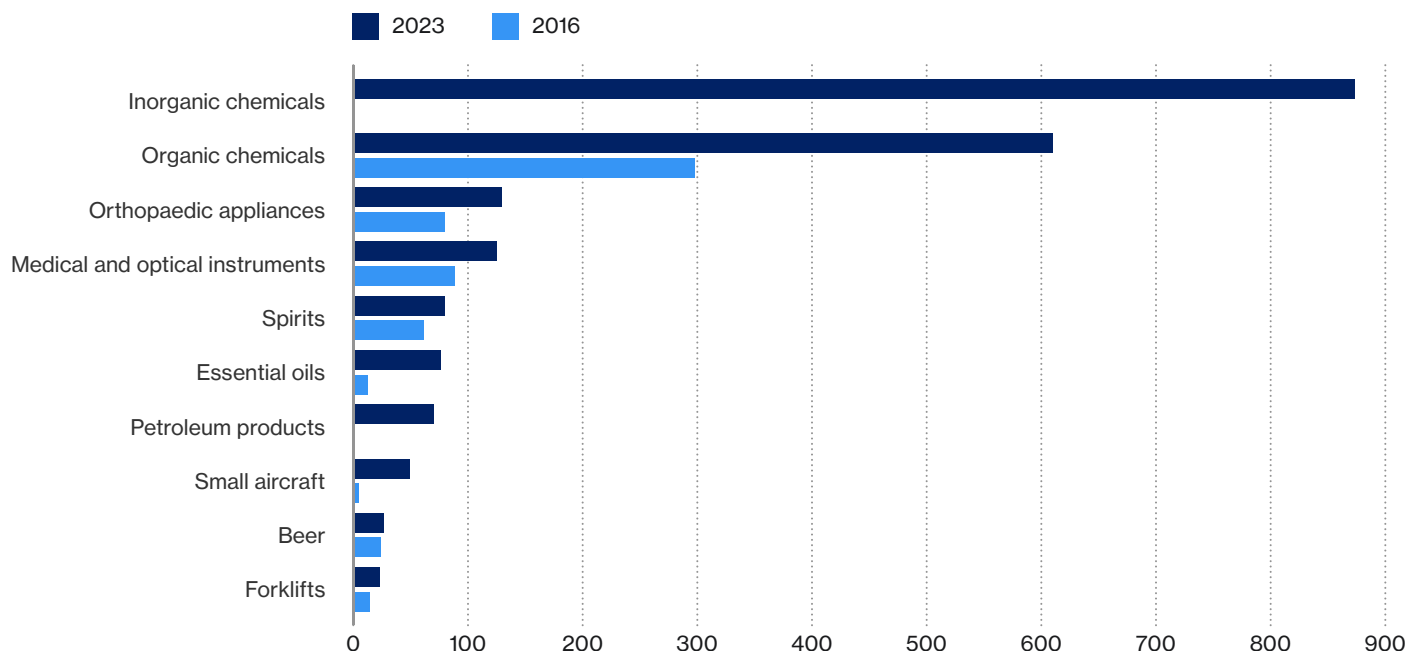
CETA has opened new market opportunities for Irish exports beyond pharmaceuticals. (See Chart 7.) Some of these products—such as organic chemicals, medical devices, and medical and optical equipment—are closely linked to Ireland's pharmaceutical sector. Others, like whiskey and beer, reflect Ireland's broader industrial strengths.

Bilateral trade in petroleum products has also grown since New Brunswick-based Irving Oil acquired refining capacity in Ireland in 2016 and expanded its distribution network in 2019.²⁴

Chart 7

A variety of Irish products have experienced rising exports post-CETA

(Irish top goods exports to Canada (excluding pharmaceuticals), real US\$ millions)



Note: Product descriptions are based on 4-digit Harmonized System Codes. Trade data has been translated to real values using World Bank export unit value indices.

Sources: The Conference Board of Canada; OECD, "Balanced International Merchandise Trade Dataset (BIMTS)."

21 IDA Ireland, "Key players in Ireland's pharmaceutical manufacturing space."

22 Polar Lab Projects, "How Did Ireland Become a Key Player"; and Ryan, "Rethink needed on meeting the demand for Stem graduates."

23 Polar Lab Projects.

24 Irving Oil, "Canadian-owned Irving Oil announces successful acquisition."

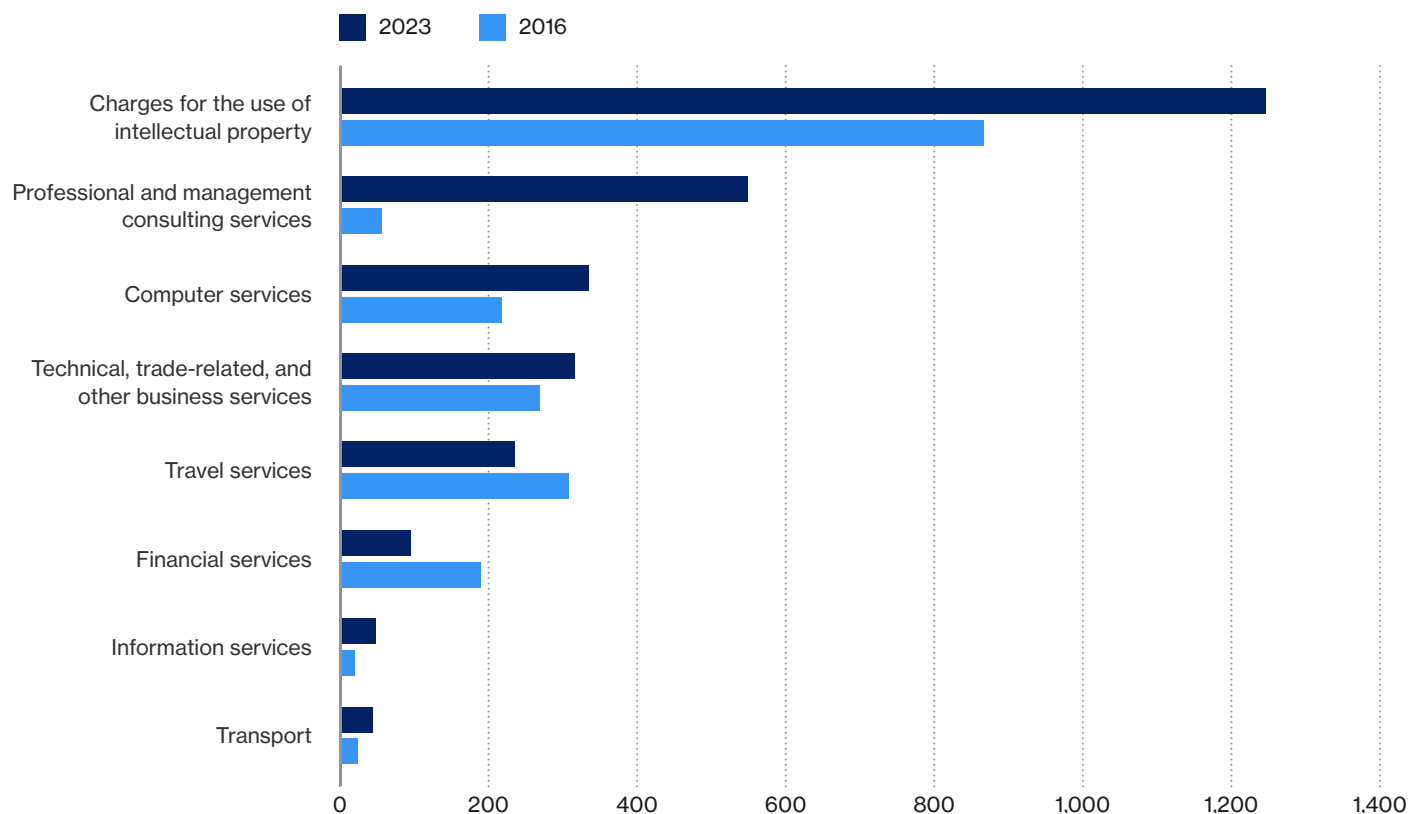
Beyond IP charges, Irish exports of consulting, technical and computer services have grown the most

Irish services exports to Canada have grown rapidly since CETA's implementation, driven largely by intellectual property (IP) charges. (See Chart 8.) These include payments for the use of proprietary rights such as patents, trademarks, copyrights, industrial processes, and designs.²⁵

Many multinational firms—such as Google, Apple, and Accenture—have located their headquarters for European (or the whole Europe, Middle East, and Africa (EMEA) region) to Ireland, drawn by policies that support foreign direct investment (FDI). (See “Ireland: A hub for IP commercialization.”) When Canadian companies use IP held in Ireland, it is counted as a services export from Ireland.

Chart 8

IP charges dominate Ireland's services exports to Canada
(Irish top services exports to Canada, real US\$ millions)



Note: Services descriptions are based on EBOPS 2010 (BPM6) categories. Trade data has been translated to real values using OECD GDP deflators.
Sources: The Conference Board of Canada; OECD, “Balanced Trade in Services Database (BaTiS).”

²⁵ International Monetary Fund, *Balance of Payments and International Investment Position Manual*.



Ireland: A hub for IP commercialization

Ireland is a top jurisdiction for companies developing and commercializing intellectual property (IP). Its legal certainty, competitive tax policies, skilled English-speaking workforce, and EU access make it a strategic base for managing global IP portfolios.

Key tax incentives include R&D tax credits, capital allowances on IP assets, and the Knowledge Development Box (KDB), which offers a reduced tax rate on qualifying IP income, including foreign royalties.

To be eligible for Ireland's R&D tax credit, companies must have significant operations in Ireland and meet several key conditions. Specifically, IP management and decision-making must take place within Ireland, employees must be actively engaged in the development of that IP, and IP must be actively used in Ireland and not simply held passively.²⁶

CETA has boosted Irish exports of business services to Canada, particularly in professional and management consulting. Much of this trade is now delivered digitally, enabling rapid cross-border scaling.

In 2023, Ireland accounted for 7.9 per cent of global digitally delivered service exports, compared to 1.9 per cent for Canada.²⁷ Under CETA, Irish computer service exports to Canada—a key segment of digitally delivered services—grew by over 54 per cent. Irish business process outsourcing (BPO) firms specializing in software and data processing are driving this growth.

Travel services—reliant on Canadians visiting Ireland—have yet to return to pre-pandemic levels. Sector experts point to opportunities for targeted marketing in Canada and improvements to tourism infrastructure to attract more visitors.

Tourism is already a strong trade area: Canada ranks as Ireland's sixth-largest source of tourism revenue.²⁸ Moreover, Canadian travellers spend more per night than the average overseas visitor. In 2023,²⁹ Canadians spent US\$235 million on travel to Ireland, with 160,400 overnight visitors³⁰—an average spend of over US\$1,400 per traveller. This presents a clear incentive for Irish policy-makers to grow Canadian tourism, especially as Canadians increasingly look beyond U.S. destinations.

“What I would say is that there's a strong desire to travel, in Canada by Canadians, and they are interested in travelling to many places. So, it's very important that Ireland is investing the time and resources in Canada to make sure that they get their share of that travel.”

Policy expert familiar with both markets

“Canada needs to be promoting to Ireland to come here, and then Ireland needs to be promoting for Canadians to go there for it all to work. Because you can't have the plane full going that way, then the plane sits there for two weeks, and then full coming this way. There just needs to be that give-and-take on both sides for tourism to be successful.”

Policy expert familiar with both markets

²⁶ Peat, “Ireland: an attractive jurisdiction.”

²⁷ World Trade Organization, “Digitally delivered services trade dataset.”

²⁸ Tourism revenue includes those spent by visitors going to Ireland on holiday, visiting friends and relatives, conducting business, etc.

²⁹ Tourism Ireland, “Canada Market Profile 2023.”

³⁰ Central Statistics Office, “Trips by Foreign Resident Overnight Visitors.”

Assessing the opportunities for growth

The rapid growth in trade and investment between Canada and Ireland following the introduction of CETA highlights the substantial benefits that can be achieved from reducing trade barriers. However, there is still the potential for further growth. To assess this potential and identify future opportunities, we use a variety of analytical methods.

For goods, we estimate that bilateral trade could increase by as much as US\$1.5 billion annually across 13 key product categories, which would boost goods trade by 37 per cent above current trade levels.

For services, several key sectors are poised for further trade expansion, notably finance and management consulting services to Ireland and computer services (i.e., tech sector services) and insurance and pension services to Canada. While we cannot use the same technique to estimate potential increases in service exports,³¹ if we assume that these service sectors had the same potential for growth as the countries' goods exports, then total annual services exports would increase by US\$571 million.

Export potential framework for assessing growth opportunities

To identify areas for growth, we begin by analyzing trends in bilateral trade by product or sector to determine specific activities that could continue to be growth engines. We then consider the practicalities of boosting exports of the identified products and sectors to determine if they truly represent opportunities for deepened trade.

We identify trade opportunities by considering product need, logistical feasibility, and the exporter's comparative advantage. (See Table 2.) We used revealed comparative advantage (RCA) indices to provide a normalized metric of a country's competitive strength in exporting a product or service as compared to other exporters. (See Appendix A for the detailed methodology.)

Table 2

Export potential framework assessing product-specific opportunities, example of Canada exporting to Ireland

To assess...	We ask*...	Relevant indicators
Need	Is this product already a part of Ireland's current imports?	Product import share of total imports
Logistical feasibility	Does Canada export this product to a market close to Ireland ?	Product export share by destination country
Comparative advantage	Does Canada have an export strength in this product globally but not in Ireland ?	Global and bilateral RCA values

*Identical questions with the countries' positions flipped apply when assessing need, logistical feasibility, and comparative advantage from the perspective of Ireland.

Source: The Conference Board of Canada.

For goods exports, we add another layer of analysis by using a gravity model to evaluate unrealized opportunities for goods exports. Gravity models are widely used in international economics because of their power to empirically explain trade patterns between countries. They account for key factors known to influence trade, such as the size of each country's economy (GDP), how geographically close they are to each other, and whether they share a common border. (See Appendix A for details.) When actual trade from one country to the other for a specific commodity is lower than what the model predicts, we interpret that gap as untapped potential for trade expansion.

31 The econometric technique used to estimate potential trade gains focuses on physical barriers to trade, such as distance and borders to be crossed. It, therefore, does not provide reliable estimates for the potential growth in services trade.

Eight types of goods hold potential to double goods exports to Ireland

Applying our export potential framework highlights 14 major commodity groups for which there may be untapped export opportunities for Canadian producers. (See Table 3.) Among these, we assess eight commodity groups as having export opportunities for Canada. Collectively, we estimate that exports of these eight commodities could increase by as much as US\$885 million, which would increase Canada's current exports of goods to Ireland by 133 per cent. The opportunities for increased Canadian goods exports, ordered from highest to lowest increases in potential value, are:

1. mineral fuels [HS code 27];³²
2. vehicles and vehicle parts [87];
3. aircraft and aircraft parts [88];
4. wood and wood articles [44];
5. meat and edible meat offal [02];
6. cachets suitable for pharmaceutical use [19];
7. fertilizers [31];
8. aluminum and aluminum articles [76].

For more details on opportunities to increase goods exports to Ireland, see Appendix B.



Ireland has goods export opportunities to build on recent success

We identify three goods exports from Ireland that meet our criteria to be considered trade growth opportunities. Realizing these opportunities could increase Irish goods exports to Canada by as much as US\$155 million—about a 4 per cent increase over current levels. We further consider two other products that meet most, but not all, criteria and have the potential to add another US\$492 million in exports. All together, this would bring the estimated potential gains in goods exports to US\$647 million, or 19 per cent above current levels. (See Table 4.)

The three products meeting all three goods exports criteria from Ireland to Canada, ordered from highest to lowest increases in potential value, are:

1. preparations of cereals, flour, starch, or milk (especially infant formula and cachets suitable for pharmaceutical use) [HS code 19];
2. chemical products (other) [38];
3. live animals (horses) [01].

Two other product groups suggest substantial export potential even though they do not strictly meet all criteria in our framework:

4. machinery and mechanical appliances (especially forklifts, trucks, and mining equipment) [84].
5. essential oils, perfumery, and cosmetic preparations (especially food and drink scents and oral hygiene products) [33];

For more details on opportunities to increase goods exports to Canada, see Appendix B.

³² Each product listed is reflected in the World Custom Organization's two-digit Harmonized System (HS) code broad product category. We modified the product category names in the report for brevity and clarity.

Table 3

Eight goods export opportunities for Canada to Ireland

Product	Revealed Comparative Advantage, Global (2023)	Revealed Comparative Advantage, Bilateral (2023)	Potential increase in trade (millions \$US/yr)	Considered an opportunity?
Mineral fuels, mineral oils and products of their distillation; bituminous substances; mineral waxes	1.8	0.4	\$340	Yes, but substantial investment in Irish refining and/or Canadian export capacity needed
Vehicles; other than railway or tramway rolling stock, and parts and accessories thereof	1.3	0	\$160	Yes, primarily among vehicle parts
Aircraft, spacecraft and parts thereof	2.0	0.2	\$145	Yes, through Ireland's aircraft leasing industry and EU's defence spending push
Wood and articles of wood; wood charcoal	3.5	0.9	\$85	Yes, primarily through sawed wood products
Meat and edible meat offal	1.9	0	\$43	Yes, with addition of export compliance efforts
Cachets suitable for pharmaceutical use	2.6	0.7	\$41	Yes, especially for empty cachets suitable for pharmaceutical use
Fertilizers	4.1	0	\$40	Yes, specifically for potassic fertilizers
Aluminum and articles thereof	2.1	0.3	\$31	Yes, but substantial investments in processing in Canada would be required
Precious, semi-precious stones; precious metals, metals clad with precious metal, and articles thereof; imitation jewellery; coin	1.6	0.2	\$22	No, Ireland lacks gold and diamond processing facilities
Ores, slag and ash	1.4	0.2	\$19	No, current export volumes too small to present strategic priority for Canadian exporters
Preparations of vegetables, fruit, nuts, or other parts of plants	1.5	0	\$15	No, current export volumes too small to present strategic priority for Canadian exporters
Cocoa and cocoa preparations	1.5	0.2	\$13	No, current export volumes too small to present strategic priority for Canadian exporters
Miscellaneous edible preparations	1.0	0.5	\$11	No, current export volumes too small to present strategic priority for Canadian exporters
Fish and crustaceans, molluscs and other aquatic invertebrates	1.5	0.1	\$9	No, current export volumes too small to present strategic priority for Canadian exporters

Note: The Revealed Comparative Advantage (RCA) indices are calculated using 2023 bilateral merchandise trade data from the OECD's "Balanced International Merchandise Trade Dataset (BIMTS)," using 2-digit Harmonized System Codes. See Appendix A for details.

Source: The Conference Board of Canada.

Table 4

Five goods have further export opportunities from Ireland to Canada

Product	Revealed Comparative Advantage, Global (2023)	Revealed Comparative Advantage, Bilateral (2023)	Potential increase in trade (millions US\$/yr)	Considered an opportunity?
Machinery and mechanical appliances; parts thereof	0.4	0.2	\$315	Yes, forklifts, work trucks, mining equipment, centrifugal filters
Essential oils and resinoids; perfumery, cosmetic or toilet preparations	6.2	3.0	\$177	Yes, food and drink scents, oral and dental hygiene products
Preparations of cereals, flour, starch or milk; pastrycooks' products	2.4	0.8	\$88	Yes, infant formula and cachets suitable for pharmaceutical use
Chemical products (other)	1.7	0.3	\$58	Yes, diagnostic or laboratory reagents
Animals; live	3.0	1.0	\$9	Yes, primarily horses

Note: The Revealed Comparative Advantage (RCA) indices are calculated using 2023 bilateral merchandise trade data from the OECD's "Balanced International Merchandise Trade Dataset (BIMTS)," using 2-digit Harmonized System Codes. See Appendix A for details.

Source: The Conference Board of Canada.

Canadian finance and management consulting services poised for growth

Our analysis identified three potential service export opportunities from Canada to Ireland. (See Table 5.) Two of these—financial services and professional and management consulting—are already among Canada's largest export categories, valued collectively at US\$355 million in 2023.³³ The third is air transportation services, which can build off the high level of travel between the two countries.

If we assume Canadian service exports could increase at the same rate as the potential increase in Canadian goods exports to Ireland identified above, then Canadian exports in these three service categories would grow by US\$503 million.

CETA's provisions on financial services trade do not differ much from the status quo, as both Canada and the EU are parties to the 1995 General Agreement on Trade in Services (GATS). Consequently, Canadian exports of financial services to Ireland showed no notable growth after CETA's provisional implementation. However, as trade and investment between Canada and Ireland expand over the long term, Canadian financial institutions may increasingly "follow their clients" as the latter grow their operations in Ireland and across Europe.³⁴

33 An important limitation for the analysis of service export opportunities is that they cannot be accurately estimated as part of a gravity model. We instead focus on the comparative RCA values (global and bilateral) and consider current export volumes to gauge the scale of potential market opportunities.

34 Leblond, *CETA and Financial Services*.

Table 5

Management consulting and financial services are key service export opportunities for Canada to Ireland

Sector	Revealed Comparative Advantage, Global (2023)	Revealed Comparative Advantage, Bilateral (2023)	Hypothetical increase in trade* (millions \$US/yr)	Considered an opportunity?
Professional and management consulting services	1.1	0.6	\$374	Yes, large sector already and removal of pre-CETA barriers to trade
Financial services	1.1	0.4	\$99	Yes, build on Canada's large presence and investments in the sector
Air transport	1.0	0.7	\$30	Yes, can support and serve large bilateral trade in travel services
Research and development services	1.5	2.0	\$857	No, Canada already over performing in Irish market
Travel; personal	1.3	3.6	\$403	No, Canada already over performing in Irish market
Travel; business	1.2	3.2	\$54	No, Canada already over performing in Irish market
Audiovisual and related services	2.2	0.5	\$5	No, too niche and continues to be subject to EU tariffs
Maintenance and repair services n.i.e.	1.5	0.3	\$5	No, too niche

Note: The Revealed Comparative Advantage (RCA) indices are calculated using 2023 bilateral services trade data from the OECD's "Balanced Trade in Services Database (BaTiS)," using EBOPS 2010 (BPM6) categories. See Appendix A for details.

*The hypothetical increase in services exports applies the potential growth in goods exports to Ireland identified for Canada to current service sector exports.

Source: The Conference Board of Canada.

In contrast, CETA has opened new opportunities for Canada's professional and management consulting services by reducing regulatory barriers and enhancing labour mobility through mutual recognition agreements (MRAs). The most recent MRA—for architects—was signed in 2024. Not only is it the first MRA under CETA, but also the first services-related MRA in both the EU and Canada.³⁵ This milestone sets the stage for future MRAs covering other professions, such as accountants and engineers.

The third service export opportunity is air transport. (See "Transport services versus travel service exports from Canada to Ireland.") While Canada overperforms in both business and personal travel services in the Irish market, Canada's air transport services to Ireland have unrealized export strength. This disparity suggests that many Irish travellers rely on non-Canadian carriers to come to Canada and that they spend proportionately more in Canada than they do elsewhere.

³⁵ Directorate-General for Trade and Economic Security, "EU adopts first ever Mutual Recognition Agreement"; and Global Affairs Canada, "Minister Ng welcomes the CETA Mutual Recognition Agreement."

Transport services versus travel services exports from Canada to Ireland

Transport services are those used to carry people and objects from one location to another as well as to related supporting and auxiliary services, which also include postal and courier services. Travel services exports refer to purchases made by an Irish resident in Canada while visiting, for either business or personal reasons. These “services” also include the value of goods purchased while abroad.

Interestingly, our analysis suggests air transport is a growth opportunity even though travel services (business and personal) are already overperforming. The reported 71,269 Irish residents who travelled into Canada in 2023 accounted for just over 0.6 per cent of Canada’s business and personal travel exports (US\$344 million), or a per traveller spend of just over US\$3,200.³⁶ This compares to U.K. business and personal travel exports per traveller of just over US\$1,400, and U.S. business and personal travel exports per traveller of just under US\$1,000. The main reason for these differences is that travellers to Canada from Europe (and Ireland) stay, on average, seven times longer in Canada than U.S. travellers.

R&D services are another area in which Canada is already exporting large amounts to Ireland (US\$644 million in 2023). Although there has been substantial growth in R&D exports from Canada, our analysis suggests further growth potential is limited.

Finally, two other service export opportunities—audiovisual services and maintenance and repair services—meet our three criteria for identifying trade opportunities. However, as both are relatively small, niche markets and as audiovisual services are excluded from CETA on the EU side, we do not consider these as major export opportunities for Canada.

Computer services provide best opportunity to grow Irish service exports

For Ireland, we identified only one business service sector³⁷—insurance and pension services—that meets all three criteria for increased export potential. (See Table 6.) At US\$38 million, the current scale of Irish exports of insurance and pension services remains low and may represent challenges in scaling up given the large domestic insurance sector in Canada and the regulatory fragmentation across Canadian provinces.

Computer services, however, represents a large export sector (US\$335 million) in which Ireland is overperforming globally to a far greater degree than the sector is overperforming in Canada. While not formally meeting all export opportunity criteria, there is room for Irish exporters to grow their footprint in Canada.

If we assume Irish exports in these two service sectors could increase at the same rate as the potential increase in Irish goods exports to Canada identified above, then annual Irish exports would grow by a further US\$69 million.

Ireland is considered a global leader in the computer services industry, yet the country holds just a 3 per cent share (US\$335 million) of the Canadian computer services import market. In comparison, other EU nations hold a 12 per cent share (US\$1.26 billion) and the U.S. holds a dominant 60 per cent (US\$6.2 billion) market share. The common language between Canada and Ireland, along with the similar business operating and legal structures, present an opportunity for Ireland to grow its computer services exports to Canada.

³⁶ Statistics Canada, “Non-resident visitors entering Canada.”

³⁷ Technically, “government goods and services exports, not included elsewhere (n.i.e.)” also meets these criteria for Irish service exports. However, we do not include them here as these exports are defined as goods and services supplied to enclaves, such as embassies, and purchased by diplomats, consular staff, and military personnel located abroad and their dependents. Since these services are driven by official intergovernmental operations, we do not consider this as an open market poised for substantial growth.

Table 6

Insurance and pension services are key service export opportunities for Ireland to Canada

Sector	Revealed Comparative Advantage, Global (2023)	Revealed Comparative Advantage, Bilateral (2023)	Hypothetical increase in trade* (millions \$US/yr)	Considered an opportunity?
Computer services	4.6	1.7	\$62	Yes, Ireland's existing success can integrate further with Canada's growing tech sector
Insurance and pension services	1.3	0.3	\$7	Potentially, large sector in Canada but regulatory hurdles
Travel; personal	0.2	0.3	\$41	No, not specifically with Canada. Ireland's overall export performance could improve
Air transport	0.7	0.2	\$6	No, not specifically with Canada. Ireland's overall export performance could improve
Travel; business	0.2	0.2	\$3	No, not specifically with Canada. Ireland's overall export performance could improve

Note: The Revealed Comparative Advantage (RCA) indices are calculated using 2023 bilateral services trade data from the OECD's "Balanced Trade in Services Database (BaTiS)," using EBOPS 2010 (BPM6) categories. See Appendix A for details.

*The hypothetical increase in services exports applies the potential growth in goods exports to Canada identified for Ireland to current service sector exports.

Source: The Conference Board of Canada.



Enabling the possibilities

To realize the full potential of the Canadian–Irish economic relationship, efforts from policy-makers and business leaders from both countries are needed. The following actions can help to minimize barriers, strengthen connections, and build on trade and investment opportunities:

Canadian policy-makers

1. Invest in Canada can work with provincial investment attraction agencies to provide a one-stop shop on investment opportunities, market analyses, and regulatory requirements across the country.
2. Federal and provincial governments should continue to reduce interprovincial trade barriers to foster a consistent regulatory environment that encourages additional trade growth and investment.
3. Export Development Canada can increase support for export readiness grants for EU market adaptation, especially for vehicle parts and niche manufacturing.
4. Agriculture and Agri-Food Canada can provide support for compliance upgrades for meat processors to meet EU standards and expand non-hormone meat exports to Ireland.
5. Global Affairs Canada and Natural Resources Canada can launch a Canada–EU dialogue on clean extraction standards to address misinformation and unlock energy trade.
6. Health Canada can be engaged to ease export rules for drugs not on the critical shortage list and speed up approvals for low-risk exports, so Canadian firms can re-enter high-value markets in Ireland.

Canadian business leaders

1. Mid- to large-sized Canadian firms can consider Ireland as a gateway to the EU through direct investments that can develop partnerships with other firms and gain a foothold in the world's largest economy.
2. Canadian firms that export can also consider Ireland as a testing ground for EU export compliance in a small, English-speaking market.
3. Exporting manufacturers and agri-food firms should assess what would be required to adapt products to EU standards, including supporting automotive parts and hormone-free meat, to access Irish and EU markets.
4. Professional services firms should review to what extent they are making use of CETA provisions to expand service offerings, especially in finance and consulting.
5. Biotechnology firms and educators should encourage enrollment of life sciences workers and trainees in Ireland's National Institute for Bioprocessing Research and Training (NIBRT) licensed training programs. The Canadian Alliance for Skills and Training in Life Sciences is the exclusive Canadian provider of NIBRT's globally recognized curriculum offering industry-aligned training that strengthens Canada's competitiveness in life sciences.
6. Canadian pharmaceutical manufacturers can utilize Section 37 of the *Food and Drugs Act* to boost production of export-only drugs in alignment with global standards, thus opening access to markets like Ireland.
7. Canadian aviation firms and regulators can increase direct flight connections to further enhance travel services trade.



Irish policy-makers

1. IDA Ireland and the Irish Department of Enterprise, Tourism and Employment can continue to identify ways to streamline market entry support for Canadian firms to attract more FDI and facilitate trade.
2. Enterprise Ireland and Irish consulates in Canada can help Irish exporters navigate Canadian regulations, especially those involving interprovincial differences.
3. Bord Bia, state agencies, and Irish missions in Canada can facilitate supplier matchmaking between Irish producers and Canadian wholesalers focused on specific product types and/or niche markets.
4. Irish policy-makers can identify opportunities to promote Irish cosmetics and essential oils in Canada through trade shows and retail partnerships.
5. Tourism Ireland and the Department of Transport can increase tourism marketing to attract high-spending Canadian visitors and help generate demand for more direct flights between major centres.

Irish business leaders

1. Irish energy firms can engage Canadian energy suppliers to assess refinery compatibility and expand mineral fuel imports.
2. Irish small and mid-sized enterprises in the cosmetics and essential oils industries can launch targeted marketing campaigns in Canada to grow exports of cosmetics and essential oils.
3. Irish tech firms can explore ways to grow computer services exports by leveraging Ireland's global digital leadership and opportunities in Canada.



Cross-cutting initiatives to deepen the Canadian–Irish relationship

Beyond the targeted recommendations suggested above, policy leaders in both countries can further strengthen the trading relationship by pursuing the following steps to deepen relationships and monitor the trading relationship between the two countries.

1. Improve awareness of CETA provisions among SMEs to increase utilization.³⁸
2. Monitor progress through CETA utilization rates.
3. Strengthen academic and talent mobility programs to deepen integration between the two countries.
4. As Canadian consortia members are now eligible, encourage Canadian and Irish researchers and innovators to access Pillar 2 Horizons Europe funding (the European Commission's research and innovation funding) to collaborate on joint research efforts focused on addressing global challenges.
5. Leverage diplomatic presence to facilitate introductions and support market entry through trade missions and Canada–Irish business forums.

³⁸ Preference Utilization Rates (PUR) are the share of eligible trade that actually uses the tariff benefits provided under a trade agreement like CETA. In 2021, PUR rates for Canada–Ireland trade are estimated currently 68 per cent, in line with the overall Canada–EU rate of 65 per cent. Global Affairs Canada, "CETA@5: Delivering trade benefits."

Appendix A

Methodology

We used a mixed-methods approach to investigate the economic relationship between Canada and Ireland—both the current state and identifying opportunities for growth. Our methods included:

- analysis of investment and economic activity and trends
- quantitative analysis of growth opportunities
- qualitative analysis of key informant interviews

The findings from the research team's analyses are included in this report. These include data tables provided as a [downloadable file](#), which detail the summary statistics related to bilateral trade and investment flows that were collected. In this report, we contextualize detailed findings, summarize key insights, and include actionable recommendations for strengthening the economic ties between Canada and Ireland.

A Research Advisory Board supported the project work by providing individual and organizational advice and expertise, making suggestions for the recruitment of research participants, informing the quality of deliverables, and supporting knowledge mobilization activities to maximize the impact of the research.

Analysis of investment and economic activity trends

We started the project by conducting background research to understand the key factors influencing international trade and investment, with a focus on Canada, Ireland, and comparable OECD countries.

We collected and analyzed trade, investment, and travel data—both aggregate and firm-specific—between Canada and Ireland, including industry-level indicators (e.g., NAICS, NACE) and provincial breakdowns within Canada. Additionally, we identified metrics to quantify the economic footprint of Canadian multinational enterprises (MNEs) in Ireland and vice versa, such as investment levels, employment, GDP contributions, and revenues. This data enabled us to assess the current state and recent growth trends of the economic relationship between the two countries.

Next, we used quantitative methods—a gravity model and RCA analysis—to identify the potential for growth opportunities in goods and services trade between Canada and Ireland. We also completed a qualitative analysis of detailed, semi-structured interviews with key informants who provided perspectives on key enablers, barriers, and opportunities to trade between the two countries.

All results have been reported in U.S. dollars (US\$) to enable international comparison. Where required, values were converted from Canadian dollars to U.S. dollars using the International Monetary Fund (IMF) exchange rate for that year.

OECD merchandise trade data was used as it harmonizes trade values between reporting countries and integrates data from multiple sources, including national agencies such as Statistics Canada and Ireland's Central Statistics Office.

Quantitative analysis of growth opportunities

Gravity model analysis

Gravity models are the standard tool for studying trade policy. The basic formulation adapts Newton's Law of Universal Gravitation to understand trade flows between two countries, depending positively on the size of each economy and negatively on their distance. The basic model developed by Walter Isard¹ has since been expanded to encompass a variety of international trade theories. A desirable feature of gravity models is their predictive power, which have consistently been shown to produce a strong fit with aggregate and sectoral data. Furthermore, their flexible structure can be adapted to accommodate multiple countries, sectors, firms, and products.

We employ a Poisson pseudo-maximum likelihood (PPML) estimation for our analysis. The reason for this approach, as opposed to using Ordinary Least Squares (OLS) to estimate a log-linearized equation, is that it allows for nonlinear specifications, which may introduce biases into standard OLS estimates.² Our model specification is:

$$Trade_{i,j,p,t} = \beta_0 + \beta_1 \log Dist_{i,j} + \beta_2 CNTG_{i,j} + \beta_3 INTL_BRDER_{i,j} + \delta_{i,p} + \eta_{j,p} + \mu_{i,t} + \nu_{j,t} + \epsilon_{i,j,p,t}$$

With respect to subscripts, i denotes exporter country, j denotes importing country, p denotes the product, and t denotes the year. The variable $Trade_{i,j,p,t}$ is exports from country i to country j of product p in year t , $\log Dist_{i,j}$ is the logarithm of the distance between countries i and j , $CNTG_{i,j}$ is an indicator variable that is equal to 1 if countries i and j share a contiguous border, $INTL_BRDER_{i,j}$ is an indicator variable that is equal to 1 if countries i and j share an international border, $\delta_{i,p}$ captures the exporter-product pair fixed effect, $\eta_{j,p}$ captures the importer-product pair fixed effect, $\mu_{i,t}$ captures the exporter-year fixed effect, and $\nu_{j,t}$ captures the importer-year fixed effect.

We then compare the difference between observed exports $Trade_{i,j,p,t}$ and predicted exports $\widehat{Trade}_{i,j,p,t}$ as our measure of potential gains from expanding trade, where we identify products for which predicted trade is greater than observed trade as the products with the greatest potential for deeper integration. The reasoning here is that if the model predicts higher trade than what is observed, there are some unaccounted-for barriers to trade that are captured in the error term $\epsilon_{i,j,p,t}$ impeding trade in these products and therefore offer the highest opportunities for potential deeper integration.

1 Isard, "Location Theory and Trade Theory."

2 Silva and Tenreiro. "The Log of Gravity."

Our data covers the years 2006, 2016, and 2023 to estimate the parameters. We take export values from the Balanced International Merchandise Trade dataset from the Organisation for Economic Co-operation and Development (OECD). Distance, contiguity, and border information is taken from the GeoDist database developed by CEPII. The data we use covers 195 countries. At the product level, we use 97 products at the HS-2-digit level, and we aggregate services into a single “services” product category for a total of 98 products. The reason we cover services in this way is due to the challenges in estimating trade in services, due both to data inconsistencies and because services are not subject to the same restrictions and barriers to trade as merchandise goods are. As a result, the theory underpinning the gravity model does not capture the particulars of trade in services and may introduce unnecessary noise into the estimation. However, due to the growing importance of trade in services, we included it to ensure that aggregate total trade flows were more fully accounted for.

Revealed comparative advantage

Revealed comparative advantage (RCA) draws from Ricardian trade theory, which suggests that international trade patterns are shaped by countries’ relative productivity differences. These differences are often hard to measure directly, and RCA indices provide a practical way to “reveal” them using observable trade data.³

We calculate two types of RCA indices—global and bilateral—for each category of goods and services using OECD balanced trade statistics. RCA for goods and services is computed separately: Goods RCA is derived relative to total goods exports, while services RCA is calculated relative to total services exports.

Global RCA

Country A is considered to have a revealed comparative advantage in product category i when the share of its exports in category i relative to its total exports (goods or services) exceeds the corresponding share for the world.

$$RCA_{Ai} = \frac{\frac{X_{Ai}}{\sum_{j \in P} X_{Aj}}}{\frac{X_{Wi}}{\sum_{j \in P} X_{Wj}}} = \frac{A's \text{ export of category } i / A's \text{ export of all products}}{\text{World's export of category } i / \text{World's export of all products}} > 1$$

An RCA value greater than 1 for a specific product indicates that a country has a revealed comparative advantage in that product. This suggests the country is a relatively competitive producer and exporter of that product compared to others operating at or below the global average. Moreover, the higher the RCA value, the stronger the country’s export performance in that product category.

Bilateral RCA

$$BRCA_{ABi} = \frac{\frac{X_{ABi}}{\sum_{j \in P} X_{ABj}}}{\frac{X_{WBi}}{\sum_{j \in P} X_{WBj}}} = \frac{A's \text{ export of category } i \text{ to } B / A's \text{ export of all products to } B}{\text{World's export of category } i \text{ to } B / \text{World's export of all products to } B} > 1$$

While the Global RCA reveals the export strength of country A relative to the world average, the bilateral RCA reveals the same but only with respect to its exports to the partner country.

For example, if A = Canada, B = Ireland, and i = nickel, $BRCA_{ABi} > 1$ means that Canada has a comparative advantage in exporting nickel to Ireland compared to other exporters of nickel to Ireland. In other words, the bilateral RCA informs us which countries have a competitive edge in specific markets and for which type of products.

Determining growth opportunities

To determine growth opportunities in exports of specific goods and services from Canada to Ireland, we established a set of thresholds.⁴ First, the product must account for at least 0.1 per cent of Ireland’s imports of goods (or services respectively). Second, the product must account for at least 0.1 per cent of Canada’s total exports to either the rest of the European Union or the United Kingdom. Third, Canada must have a global RCA greater than 1 for this product, and a bilateral RCA less than 1 with Ireland. This implies that Canada is an above average exporter of the product globally, but below average exporter of the product to Ireland specifically. Finally, for goods exports, the predicted value of Canadian exports to Ireland for this product must be greater than the observed value of exports.

Qualitative analysis of key informant interviews

Identifying individuals for key informant interviews

We set out to interview 20 experts with a deep understanding of Canadian–Irish trade and investment. Our goal was to capture diverse perspectives, balancing insights from both Irish firms operating in Canada and Canadian firms operating in Ireland. We wanted to gain insights into the experiences of businesses in both markets, as well as their knowledge of international investments and trade dynamics.

We aimed for a balance of Canadian and Irish firms that represented a variety of sectors, firm sizes, and length of time in the target market. We also sought interviewees who could offer a broader policy or sector-level perspective to enrich our findings.

³ UN Trade and Development, “Revealed Comparative Advantage.”

⁴ The equivalent decision rules were used to assess opportunities for Irish exports to Canada, reversing the roles of “Canada” and “Ireland.” For Ireland, we considered the U.S. as the “nearby market.”

Interview recruitment

Potential interviewees were identified through members of the Research Advisory Board and our extensive networks. They were then introduced to the research team via email. The team followed up directly, providing details about the research project, outlining the interview goals, and inviting participation. Interested individuals then scheduled a virtual interview with a member of the research team.

Between June and August 2025, the research team sent email invitations to 26 individuals/firms. Of these, 17 individuals scheduled and completed an interview:

- 7 interviewees from Canadian firms
- 5 interviewees from Irish firms
- 5 interviewees with a broader policy- or sector-level perspective across both markets

The individuals interviewed for this study were senior leaders—such as CEOs, CFOs, founders, and heads of compliance—representing a broad cross-section of industries, including information and cultural industries, retail trade, finance and insurance, and manufacturing. The final list of participants included an equal number of individuals from small firms (1 to 99 employees) and large firms (more than 499 employees), with all but one firm having more than three years of experience in the other market.

Semi-structured interview questions

We developed a versatile set of interview questions to accommodate interviewees representing both Canadian and Irish firms, as well as broader policy- or sector-level perspectives.

The semi-structured interview guide was developed based on the research questions, our background research, existing team expertise, and initial conversations with our Research Advisory Board members. The guide was reviewed and approved by our internal Research Office.

Our questions were structured around a core set of topics including enablers, barriers, and opportunities for deepening ties between the two countries. Interviewees who could speak from a firm perspective were asked about their specific experiences when considering and carrying out (if applicable) an expansion to the other market, while interviewees speaking on a broader policy- or sector-level perspective were asked questions on overall trends and opportunities.

Sample interview questions for firm representatives included the following:

- What initially prompted your firm to expand into the (Canadian or Irish) market?
- What factors or supports helped your firm get established in the early stages of entering this market?
- Were there any aspects of the entry process that turned out to be more difficult than you had anticipated?
- Taking everything into account, what has the overall impact of expanding into the (Canadian or Irish) market been on your firm?
- Do you think your experience of working in (the Canadian or Irish market) has been similar to that of other firms in your sector, particularly those of a similar size or from the same region?

Sample interview questions for policy- or sector-level representatives included the following:

- Briefly, how would you characterize the current state of the economic relationship between Canada and Ireland?
- Are there any specific sectors or recent initiatives that stand out as strong examples of deepening economic relations between Canada and Ireland?
- Based on your experience, what are the most persistent barriers to trade or investment between the two countries?
- Have you seen any examples of these challenges being addressed by firms or by governments? If so, what was their approach in doing so?

Sample interview questions for all interviewees included the following:

- From your perspective, what actions would be most helpful in deepening economic collaboration between Canada and Ireland?
- Based on your experiences, what impacts have government-led initiatives had on strengthening trade between Canada and Ireland?
- Looking back on our discussion, what would you say is the most important take-away for us to keep in mind?

Qualitative analysis

The research team conducted virtual interviews over Microsoft Teams between June and August 2025. Interviews lasted approximately 35 minutes. Interviews were recorded and transcribed, yielding 142 pages (73,147 words) of text.

Interviews were coded and analyzed using NVivo software. Coding themes were first developed based on our research questions and literature review, followed by an exploratory examination within interviews. Interrater reliability was measured using Kappa's statistic. The Kappa coefficient was 0.82. Themes were examined based on how frequently they were noted as well as the intensity of the observation.

Appendix B

Opportunities for goods exports

Goods that hold potential to double goods exports to Ireland

Opportunity to increase mineral fuel exports from Canada to Ireland

A major component of Canada's global mineral fuels exports is crude oil. Despite a strong global comparative advantage, less than 0.5 per cent (US\$24 million) of Ireland's crude oil imports come from Canada while 12 per cent (US\$1.3 billion) come from the United States. Our analysis shows an additional export potential of US\$340 million for Canadian exports to Ireland in this product area.

Canada's low sulfur light crude oil comes mainly from Alberta and Saskatchewan, though some light crude is also produced offshore in Newfoundland and Labrador.

For Canada to compete with, and possibly displace, U.S. crude oil imports would require investment to either enable Ireland's only refinery (Whitegate) to use heavier Canadian crudes as a feedstock and/or to increase Canada's capacity to export light crude to Ireland.

The reality of making such investments would depend on a variety of factors, including the expected future costs for light crude oil, its availability, and the expense of making the necessary investments.

"There tends to be misinformation in Europe about Canada's (resource extraction) practices that lead to criticism, that can lead to constraints on trade. So that is one, I think, that could be worked on collectively by both sides."

Business leader from Canadian firm operating in Ireland

Opportunity to increase vehicles and parts exports from Canada to Ireland

Canada's exports of vehicles and parts to Ireland are less than US\$1.7 million. In comparison, United States exports to Ireland are 30 times as large (US\$51.7 million) and consist mainly of unique vehicles produced only in the United States.

The global push toward electric vehicles along with the investments being made in Canada to be a global producer of critical minerals, and EV batteries could be leveraged to build on Canada's global comparative advantage in vehicle and parts exports.

As Ireland no longer has its own automobile manufacturing capacity, the opportunity for Canadian exporters would largely be focused on the auto parts market, and potentially as an access point for shipments to the rest of the EU. Our analysis suggests an added export potential of over US\$160 million for Canadian exports to Ireland in this product area.

Opportunity to increase aircraft and aircraft parts exports from Canada to Ireland

Canada exported US\$11.9 million worth of aircraft and aircraft parts to Ireland in 2023. Apart from known Irish air carriers such as Ryanair and Aer Lingus, firms in the country's aircraft leasing and financing industry are the major importers of these products. Ireland is the global leader in aircraft leasing and financing, managing 60 per cent of the world's leased aircraft.⁵ Leading industry players such as AerCap and Avolon list aircraft manufactured by Quebec-based Bombardier in its fleet.⁶

Rising aviation demand amid a tight aircraft supply environment⁷ provides an opportunity for Canadian aircraft and aircraft parts manufacturers to expand partnerships within Ireland's aircraft leasing and financing industry. However, with Bombardier exiting the commercial aviation business to focus on business aircraft, the opportunities may be limited. That said, the EU's defence spending push will offer new opportunities for these exports.⁸

Our analysis shows that Canada can tap into a potential \$145 million in additional aircraft and aircraft parts exports to Ireland.

Opportunity to increase wood and wood articles exports from Canada to Ireland

Canada's exports of wood and wood articles to Ireland totalled less than US\$3.6 million in 2023, three-quarters of which was sawn wood products. In comparison, wood and wood article exports from the United States to Ireland are almost 25 times larger (US\$82.2 million), three-quarters of which are wooden casks and barrels.

Our analysis shows that capturing some of this market could contribute to a US\$85 million increase in exports to Ireland.

5 Aircraft Leasing Ireland, "Ireland a global centre for aircraft leasing."

6 AerCap, "Our Passenger Fleet"; and Avolon, "Our Fleet."

7 Coleman and others, "How severe is the aircraft shortage."

8 Foy, "EU to tap entire €150bn loans-for-arms programme."

Opportunity to increase meat and offal articles exports from Canada to Ireland

While CETA does provide Canada with annual duty-free access for some beef and pork exports to the EU, those exports face regulatory requirements that can dissuade exporters. These include certifications regarding the meat being free of growth hormones and certification of meat processing facilities to the EU standard.

Even though Canada produces substantial quantities of hormone-free meat products, few Canadian processing plants have made the investments needed to meet the EU standard. The result is that Canada exports very little meat to the EU—a very similar situation exists for the United States. That said, drought in Europe as well as increasing feed costs have provided some opportunities for those Canadian exporters willing to make the necessary compliance changes.⁹ More such investment would be needed if Canadian meat exporters are to realize the estimated potential increase of US\$43 million indicated by our analysis.

“Canada’s approach is different from Ireland’s. We’re not measuring or evaluating or auditing individual farms or companies, but we are trying to get aligned on how we ought to measure sustainability and use that for policy, for trade, for building consumer trust, and so forth. So, there might be some further benefits of engaging in dialogues on sustainable trade.”

Policy expert familiar with both markets

Opportunity to increase cachets suitable for pharmaceutical use from Canada to Ireland

In 2023, Canada exported US\$4.7 million worth of goods to Ireland under the broad category that officially labelled as “cereal preparations, flour, starch or milk products, pastrycooks’ items” [HS code 19]. Much of this is accounted for by Canada’s exports of cachets suitable for pharmaceutical use. With Ireland’s growing pharmaceutical sector, our analysis indicates that capturing more of this market could produce additional export potential of US\$41 million.

Empty cachets are used as containers to enclose powdered medicines and are essential inputs in the pharmaceutical sector. They are grouped into a broader food item category because the cachets are made from rice. Ontario and Quebec are top exporters of this commodity.

Opportunity to increase fertilizer exports from Canada to Ireland

Canada is a major global exporter of fertilizers, exporting a total of US\$9.7 billion in 2023, with production concentrated in Alberta and Saskatchewan.¹⁰ Our analysis shows a potential increase of US\$40 million in fertilizer exports to Ireland.

A large share of Canada’s fertilizer exports (90 per cent) is potassic fertilizer, of which Canada is the world’s top exporter. Almost half of Canada’s fertilizer exports (US\$4.2 billion) went to the United States while less than US\$100,000 went to Ireland. In the same year, Ireland imported US\$465.3 million in fertilizers, mainly nitrogenous fertilizers (US\$217 million) and some potassic fertilizers (US\$81.6 million), most coming from other EU countries.

Existing trends in Irish agricultural priorities and EU environmental policies provide an opportunity for Canadian potassic fertilizers in Ireland. In 2024, the Agriculture and Food Development Authority of Ireland identified insufficient potassium use to meet national soil fertility requirements, recommending more targeted applications to improve soil health and productivity.¹¹

While Ireland may see increased demand for potassic fertilizers to meet its soil fertility targets, the EU’s Carbon Border Adjustment Mechanism (CBAM) will introduce carbon-based tariffs on fertilizer imports starting in 2026. However, Canada is competitively positioned, as its potassic fertilizers are the most sustainable globally, produced with 70 per cent less greenhouse gas emissions compared to other major producers.¹²

Opportunity to increase aluminum exports from Canada to Ireland

Canada is a major exporter of aluminum and aluminum products worldwide, exporting US\$12.6 billion in 2023—a large portion (US\$8.1 billion) of which consists of unwrought (raw) aluminum. That year, Canada exported just US\$1.1 million worth of aluminum and aluminum products to Ireland, while the United States exported US\$26.8 million—of which a portion was aluminum foil (US\$10.5 million).

Ireland imported US\$706 million of aluminum and aluminum products in 2023, mainly from other EU countries (US\$410 million) and the United Kingdom (US\$162 million). Of its total imports, only US\$24 million was unwrought aluminum, with the remainder consisting of processed products such as bars, plates, and foils.

Tapping into the Irish market would, therefore, involve exporting processed aluminum products—the bulk of which Canada sends to the United States. With the U.S. tariffs threatening the export of these products, Canadian aluminum manufacturers can look for new customers in the Irish market for its aluminum products.

9 Canada Beef, “Market Intelligence Report from Canada Beef.”

10 Statistics Canada, “Canadian fertilizer filling a growing need.”

11 Agriculture and Food Development Authority, “Fertiliser use changes, impacts.”

12 Fertilizer Canada, “International use of Canadian fertilizer.”

As with fertilizers, the introduction of CBAM in 2026 will impact aluminum exports into the EU. However, Canada's aluminum industry is recognized as having the lowest carbon footprint among major exporters.¹³ As EU-based importers seek low-carbon suppliers to reduce financial and regulatory risks, Canadian producers could leverage their low-emissions profile to become preferred partners for importers that seek to minimize CBAM-related costs.¹⁴

Our analysis shows an increased export potential for Canada's aluminum sector of US\$31 million.

Other goods categories identified in Canada to Ireland export opportunities

We do not delve into the remaining six goods categories that our framework identifies as potential export opportunities for Canada. Five of these categories are too small and the sixth would require the development of a new, niche sector in Ireland.

Ireland lacks the production facilities for handling Canada's major exports under the broad category that includes precious, semi-precious stones, and precious metals. Over 85 per cent of Canada's exports in this category is of unwrought gold, diamond, and silver. The largest European importers—the U.K. and Belgium—have well-established, specialized operations for gold trade and diamond cutting, respectively.¹⁵ Since Ireland does not have sizable operations for trading or processing these metals and stones, we do not categorize this as an opportunity for Canadian exports.

The remaining five categories collectively account for less than 0.5 per cent of Canada's exports to Ireland, about US\$3 million in 2023 of which US\$2 million is accounted under the "miscellaneous edible preparations." While there might be growth opportunities in specific product areas, the broad economic gains are expected to be minimal and thus are not analyzed further here.

Goods that hold potential to build on exports to Canada

Opportunity to increase exports of machinery for construction, mining, and other manufacturing from Ireland to Canada

Exports in this product area cut across a wide-ranging group of machinery and equipment for a variety of applications in a diversity of industries. The US\$89 million in Irish exports to Canada in this group include everything from forklifts (US\$23 million) to mining product screening and cleaning equipment (US\$11 million) to centrifuges for filtering liquids (US\$9 million).

In each of these product areas, the Canadian market is dominated by U.S. imports, but there is also a notable market presence from U.K.-based exporters. Irish exporters with an existing Canadian presence in products such as electric-powered forklift and work trucks, and centrifuges for purification of liquids are well-placed to capture even more of the Canadian market.

In aggregate, our analysis does show an increased export potential for Ireland of US\$315 million in this product grouping.

Opportunity to increase essential oils, perfumery, and cosmetics exports from Ireland to Canada

Ireland has established itself as a global leader in the production and export of essential oils and resinoids, perfumery, cosmetic, or toilet preparations, with a noteworthy comparative advantage in exporting such products to Canada.

In 2023, less than 2 per cent (US\$90.6 million) of Canada's imports of this broad category came from Ireland. A similar amount (US\$60.6 million) came from the U.K. and over 17 per cent came from other EU nations.

Ireland has a demonstrated strength in exports in this category that are dental and oral hygiene products such as dental floss and oral and dental hygiene preparations. A substantial amount of Canada's oral and dental hygiene product imports (US\$222 million) come from the United States. This may represent an export opportunity for Irish firms to meet demand in Canada, as sentiment turns away from purchasing U.S. goods.

Moreover, with a global RCA of 6.2, Ireland is already punching far above its weight in this category. Its bilateral RCA with Canada is 3.0, suggesting overperformance in Canada's market. Yet the large gap between the two RCA values combined with the large gains in trade predicted by our model indicate Irish exporters could overperform in the Canadian market to an even greater extent.

Our analysis suggests an additional US\$177 million exports to Canada is possible.

Opportunity to increase cereals, flour, starch or milk; pastrycooks' product exports from Ireland to Canada

Of the nearly US\$21 million of Irish exports to Canada in this product area, about one-half (by value) is infant formula products from industry-leading Irish companies such as Danone and Abbott. Continued innovation and expansion of product offerings, such as Abbott's expansion of its organic infant formula offerings,¹⁶ are key to Irish exporters gaining market share in this product area.

¹³ Lenaghan, "CBAM: Canada's Steel and Aluminum Advantage."

¹⁴ Lenaghan.

¹⁵ Natural Resources Canada, "Gold facts"; and Hurrish, "Why Is Antwerp the Diamond Capital."

¹⁶ Investing.com, "Abbott expands organic infant formula offerings."

Most of the remaining exports in this product area are cachets for use in the pharmaceutical industry as pill envelopes—the same goods category identified as an export opportunity for Canada. This intra-industry type of trade between advanced economies is common, as firms specialize in market niches and the full specialization predicted by simple trade models is rarely practical due to diverse preferences, strategic risks, and diminishing returns to specialization.

Our analysis shows an additional export potential of US\$88 million for Ireland in this product area.

[Opportunity to increase other chemical product exports from Ireland to Canada](#)

The US\$17 million in Irish exports to Canada in this product area are almost exclusively (93 per cent) diagnostic or laboratory reagents of some form or another. In 2023, Canada imported over US\$8 billion of these products, primarily (77 per cent) from the United States.

But Canada also imported US\$78 million of diagnostic and laboratory reagent products from the United Kingdom and a further US\$134 million from other EU nations. This suggests there is considerable opportunity for Irish exporters in this product area.

Our analysis shows an additional export potential of US\$58 million for Ireland in this product area.

[Opportunity to increase live animal exports from Ireland to Canada](#)

Ireland exported just under US\$4 million worth of live animals to Canada, almost entirely (99 per cent) horses. Our analysis suggests this trade could more than double to US\$9 million.

Appendix C

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- Junyi Feng, Senior Manager, MA
- Fabien Forge, Senior Manager, PhD
- Bryan Gormley, Principal Economist, MA
- Jahm Mae Guinto, Economist, MA
- Oliver Loertscher, Senior Economist, PhD
- Erin Macpherson, Manager, MSc
- Anam Rizvi, Senior Economist, MA
- Sarah Wappel, Economist, MA

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Email: accessibility@conferenceboard.ca

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