

Breaking Up is Hard to Do: Tariffs, Rhetoric, and the Trade and Travel Connections Between New Hampshire and Canada

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Carsey Policy Hour

Brian Gottlob

brian@poleconresearch.com

Brian.j.Gottlob@nhes.nh.gov

*“We are over the shock of the American betrayal,
but we should never forget the lessons”***

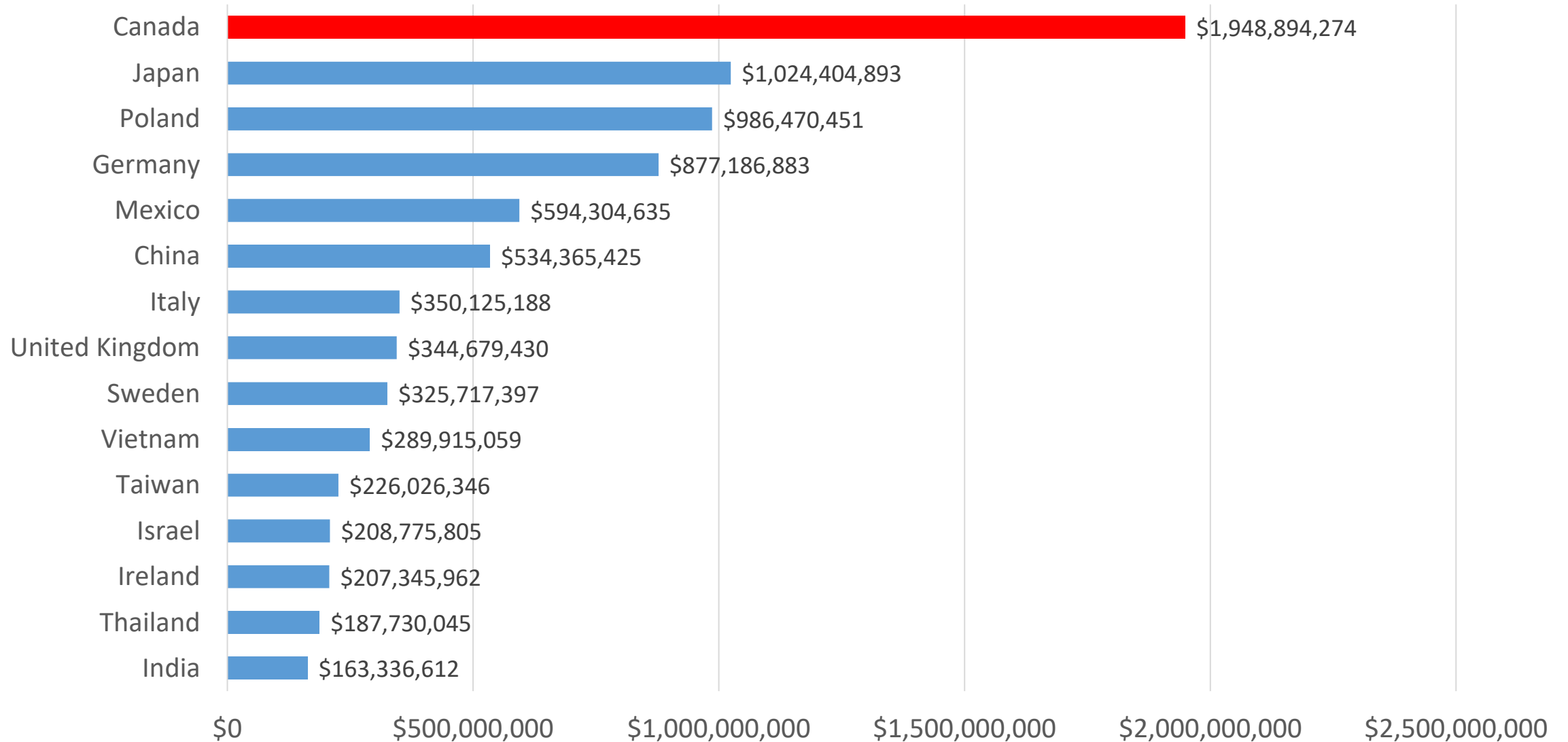
**Canadian Prime Minister Mark Carney’s remarks in his victory speech on election day

Rousing “True Patriot Love,” a Boycott of American Made or a Rally to Canadian Made?

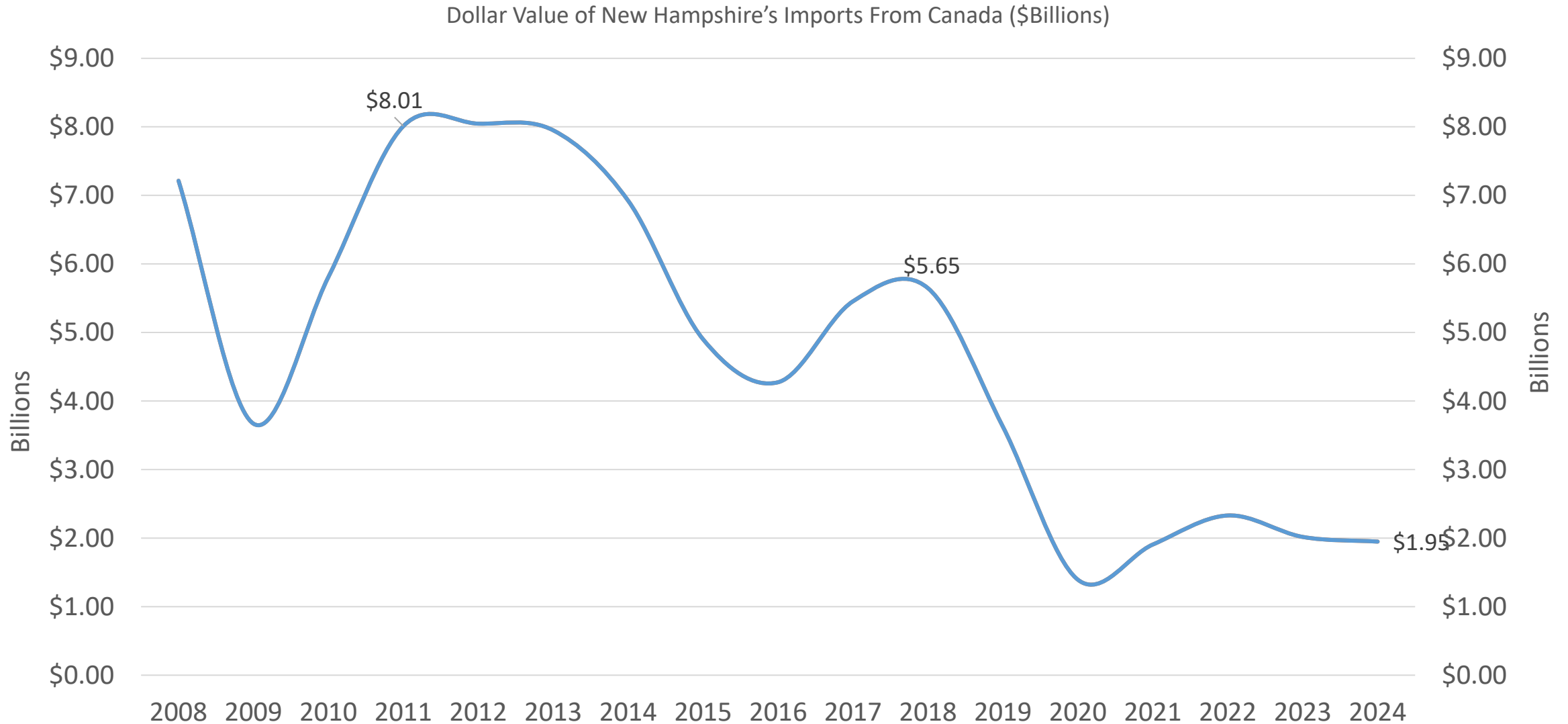


New Hampshire Imports More From Canada Than Any Other Country

Countries With the Largest Dollar Value of Exports Into New Hampshire in 2024

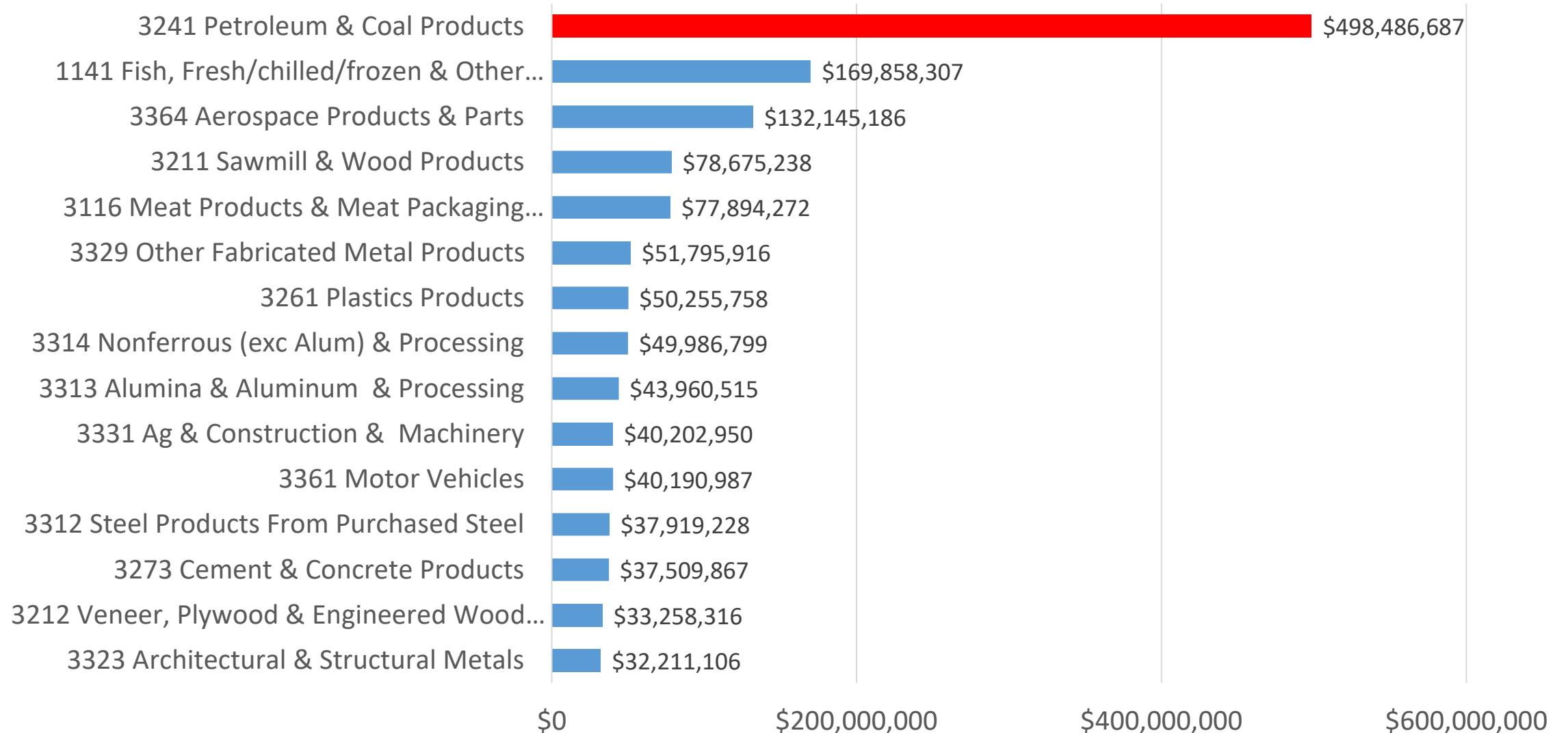


But Imports From Canada to New Hampshire Have Trended Down for More Than a Decade, Peaking at Over \$8 Billion to Just Under \$2 Billion in 2024 – Petroleum Products are Key

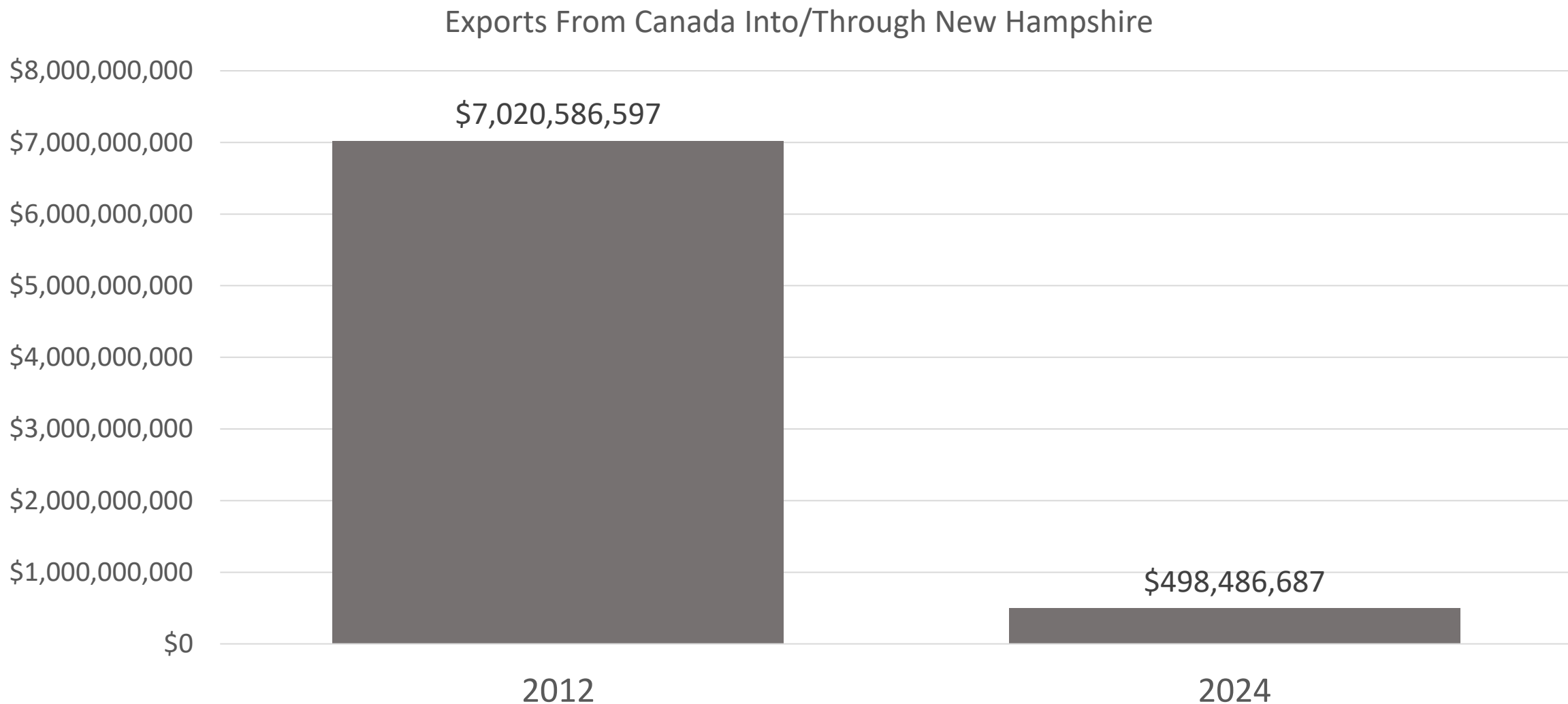


Petroleum Products (Primarily Fuels) are 25% of the \$1.95 Billion Dollar Value of Canadian Imports Into New Hampshire

Largest Dollar Value of Canadian Imports Into New Hampshire in 2024

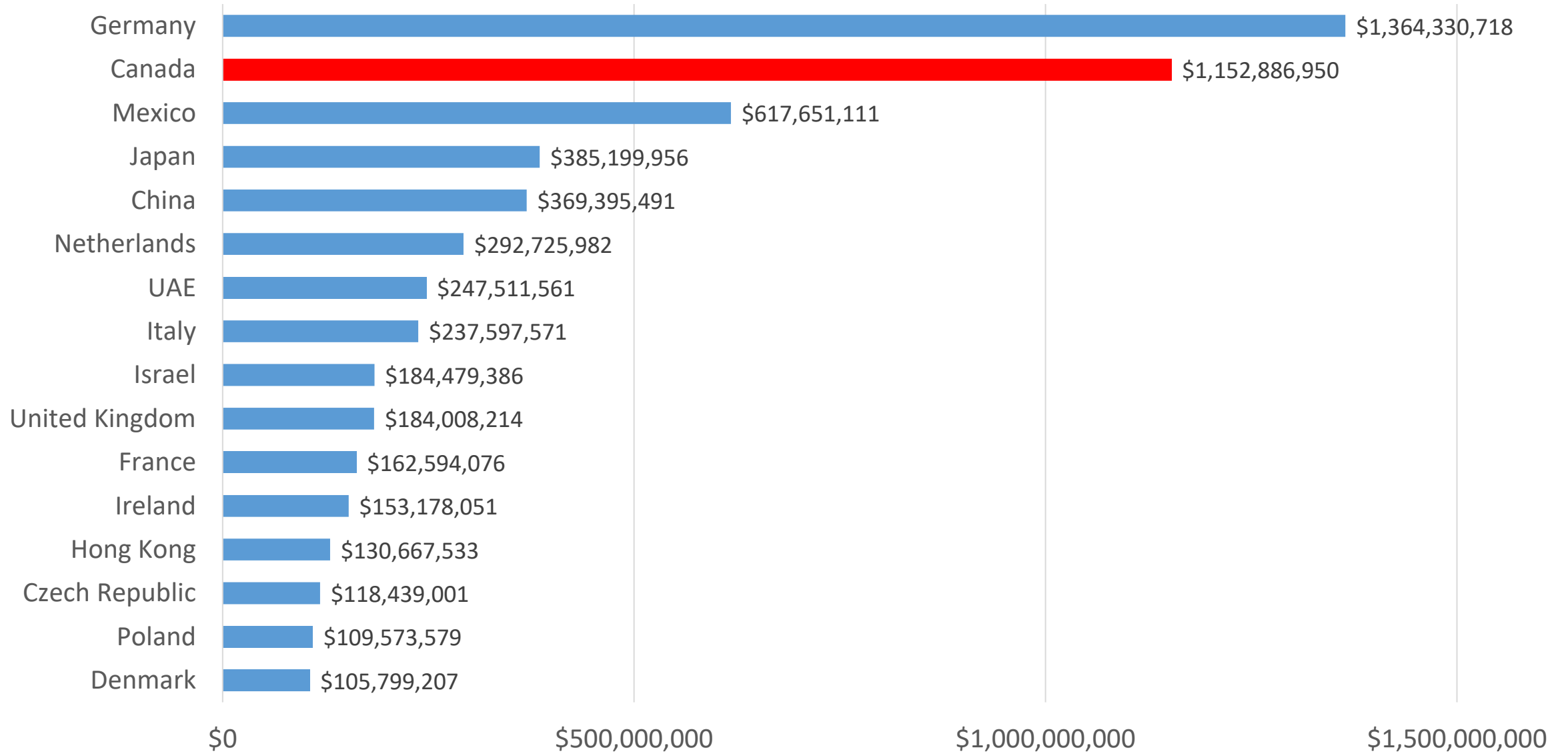


Fewer Petroleum Products (Primarily Fuels) Entering New Hampshire From Canada Account for the Drop in Canadian Export Volume to New Hampshire



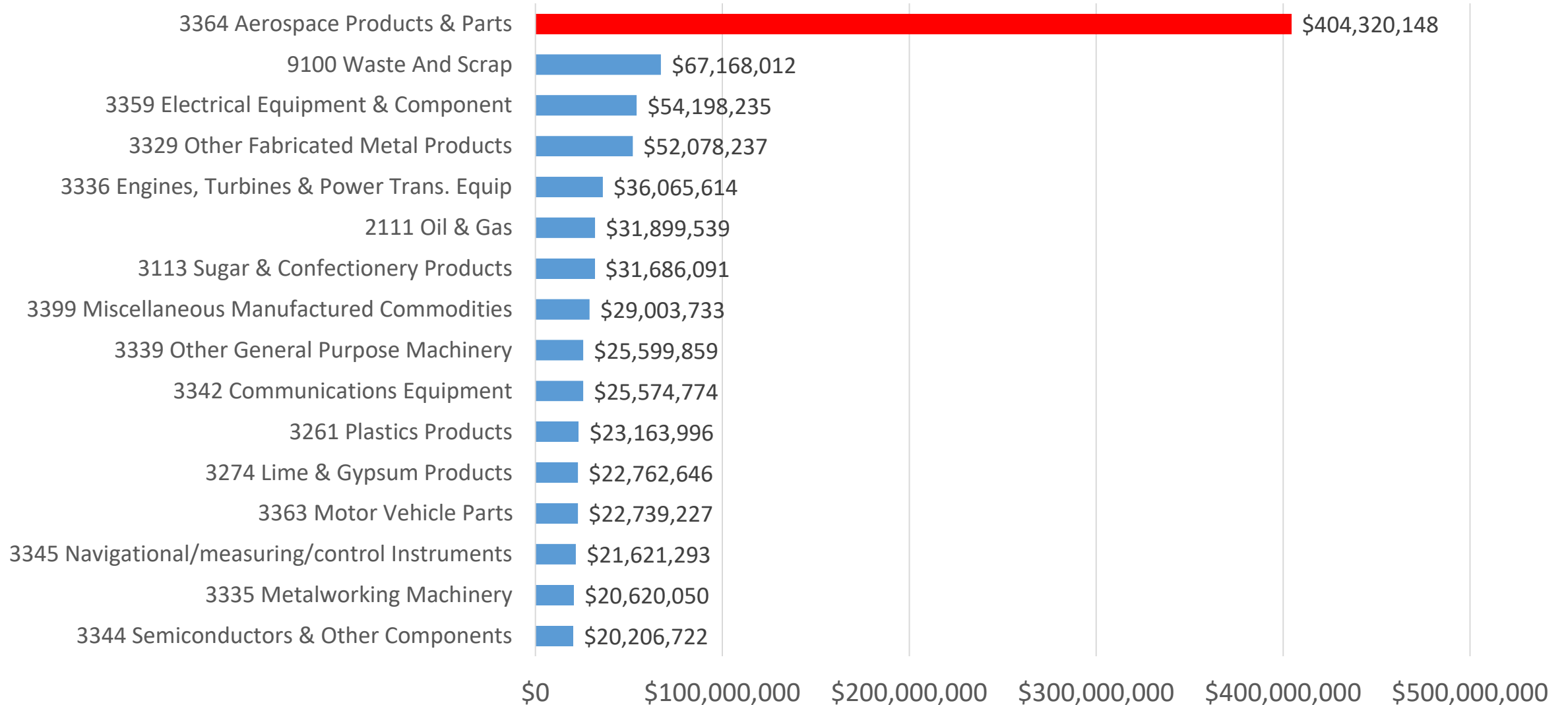
Over \$1.15 Billion or 16% of New Hampshire's \$7.2 Billion of 2024 Exports Went to Canada

NH's Largest Dollar Value of Exports by Country 2024

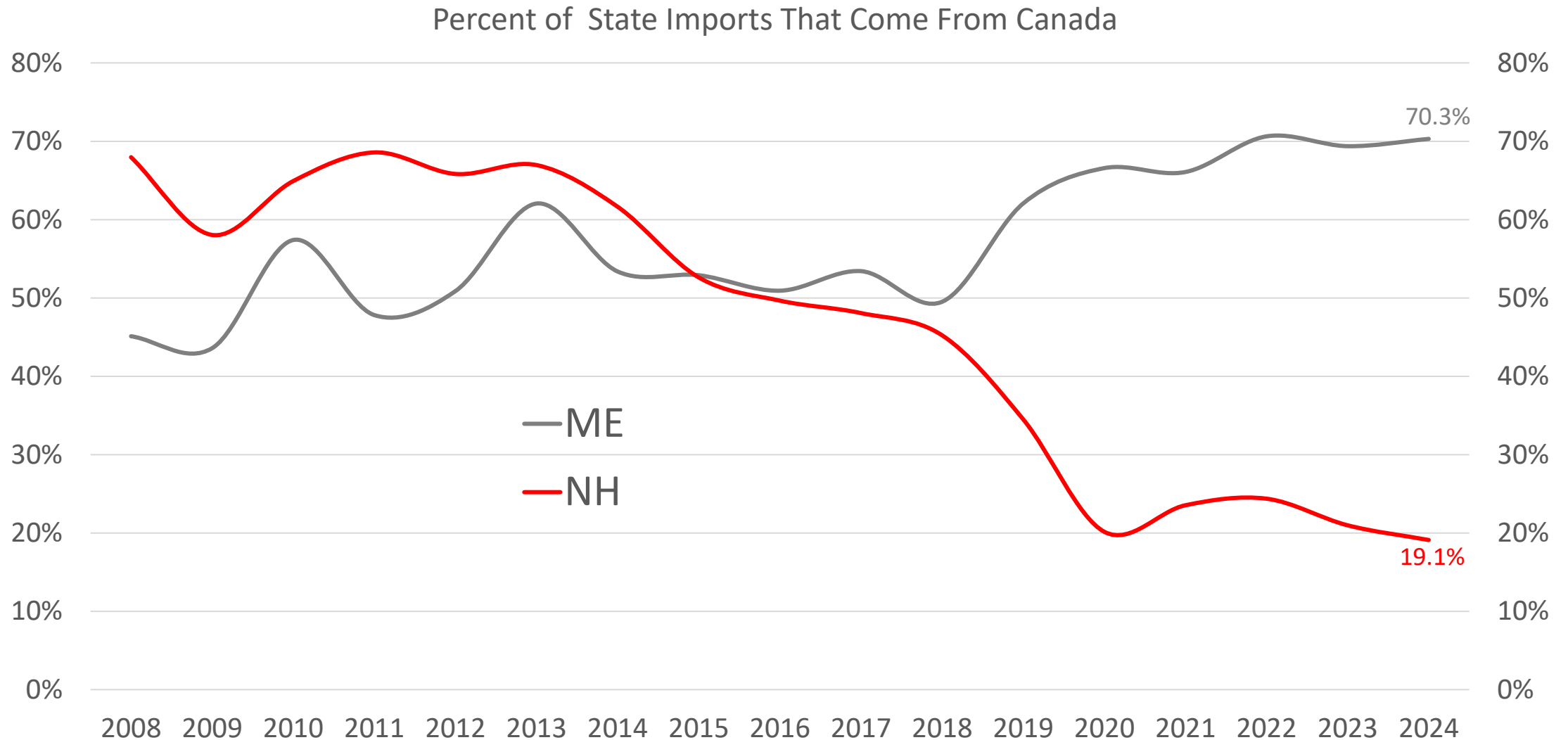


Aerospace Products are the State's Largest \$ Value Export to Canada, and to the Rest of the World

New Hampshire's Largest Dollar Value of Exports to Canada in 2024

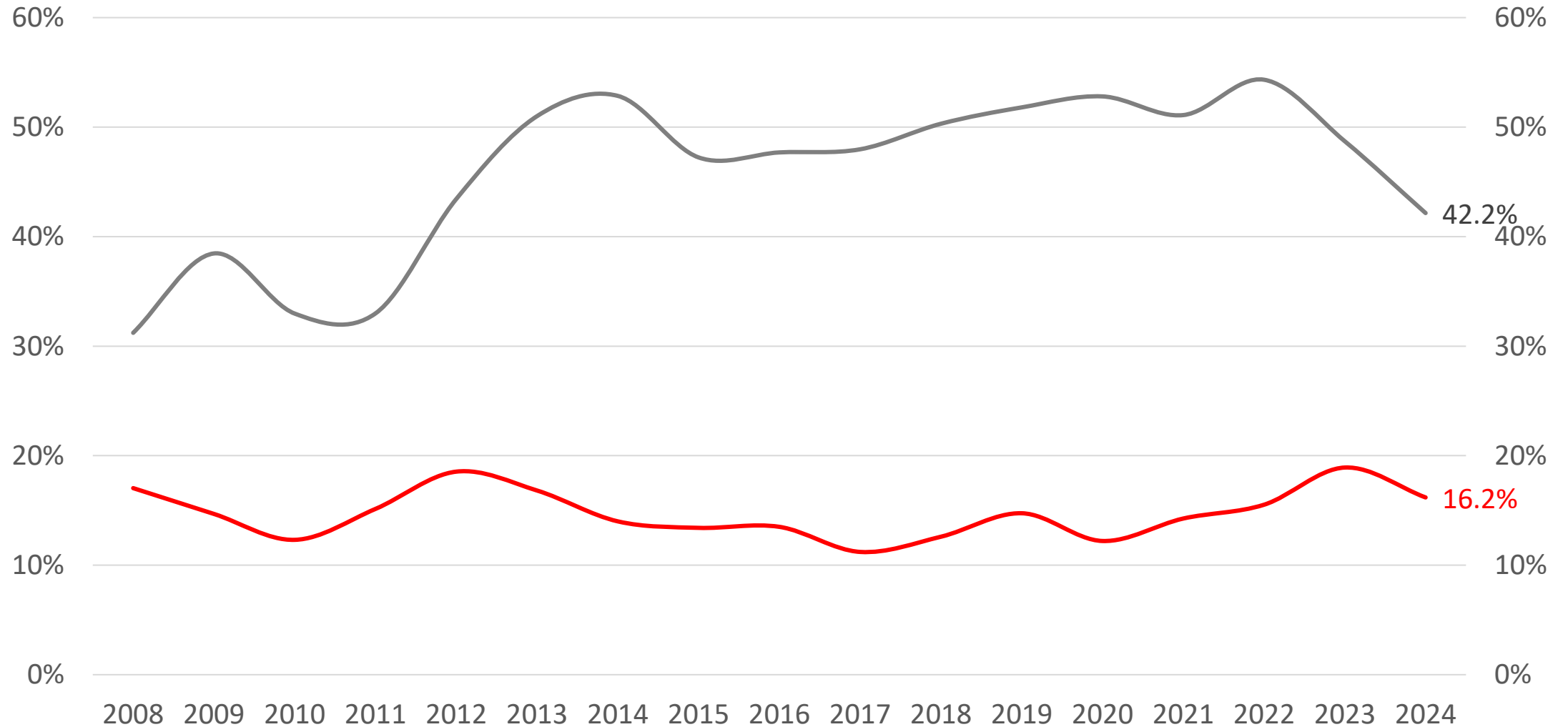


A Tale of Two State Economies: Canada is a Declining Source of New Hampshire Imports and a Larger Source of Maine's



Exports to Canada Have Been a Consistent Portion of New Hampshire's Exports and a Much Larger and Increased Share of Maine's Exports

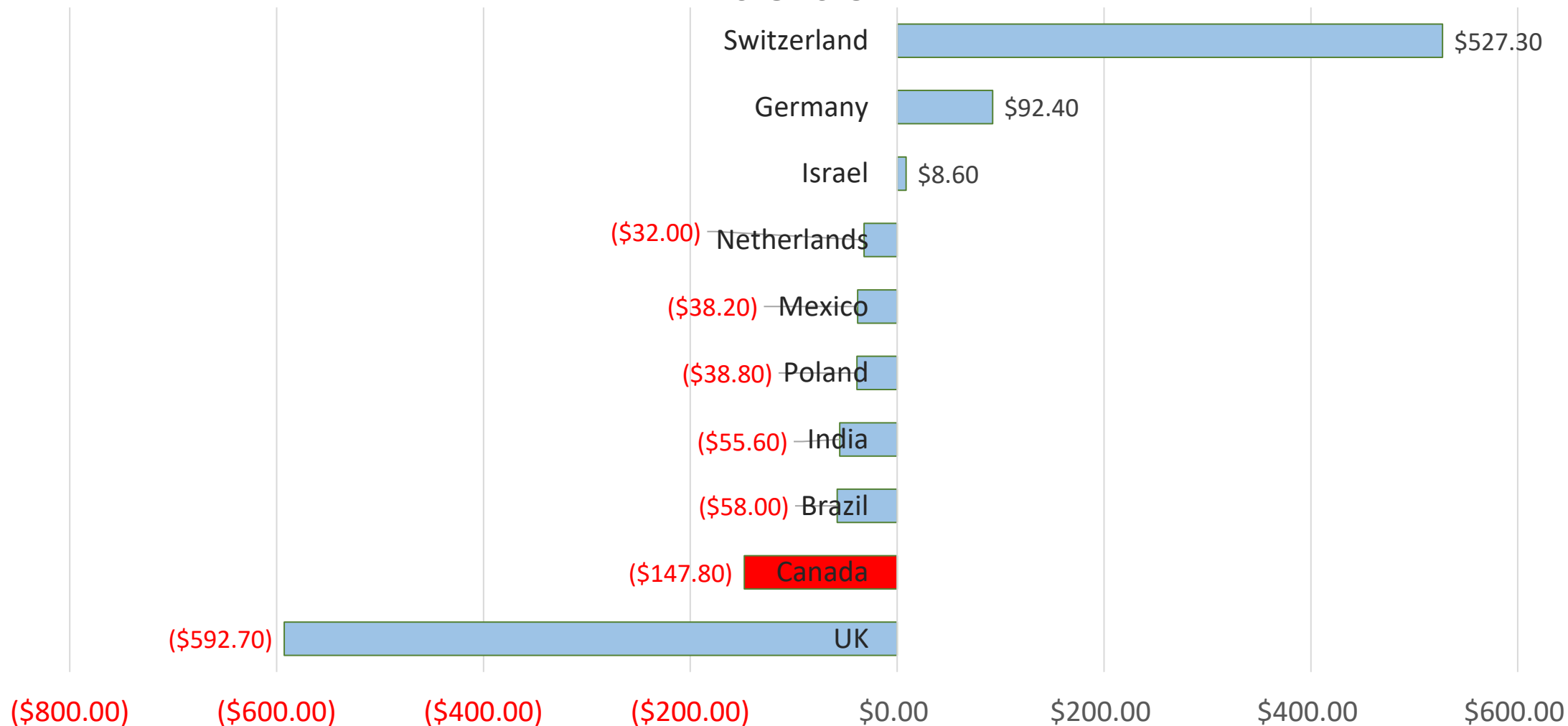
Percentage of State Exports That Go to Canada



Another Connection – Foreign Direct Investment (FDI). There is More Outbound (FDI) in Canada by NH Firms Than Inbound FDI in NH From Canadian Firms.
Could Tariffs Incent More Canadian Investment in New Hampshire?

Net (Inbound vs. Outbound) Foreign Direct Investment in New Hampshire (\$Millions)

2018-2023

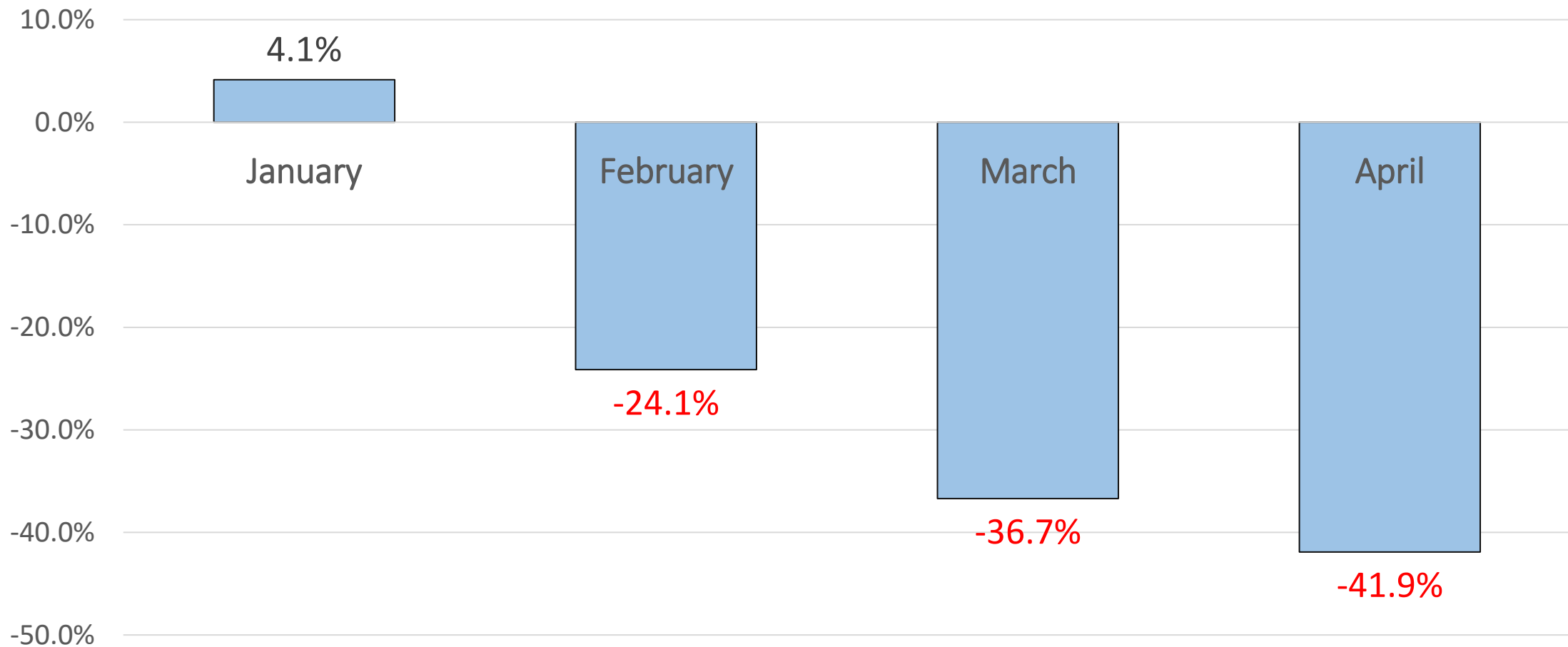


But There are Still Many Canadian-Owned Firms in New Hampshire,
155 Firms Employ 3,300 in the Granite State. Some Examples:

- TDBank
- Liberty Utilities
- High Liner Foods USA
- Sprague Resources
- Stantec
- Gbg Industries
- Canam-Bridges
- Dialogic
- Atlantic Broadband Finance
- Ryhmes Propane and Oil

Border Crossing Data on Canadian Passenger Vehicles Returning to Canada From the United States Show Canadians Visits to the U.S. Continue to Decline Compared to 2024

Canadian Plated Passenger Vehicles Returning to Canada From Visits to the U.S.
2025 Compared to Same Months in 2024



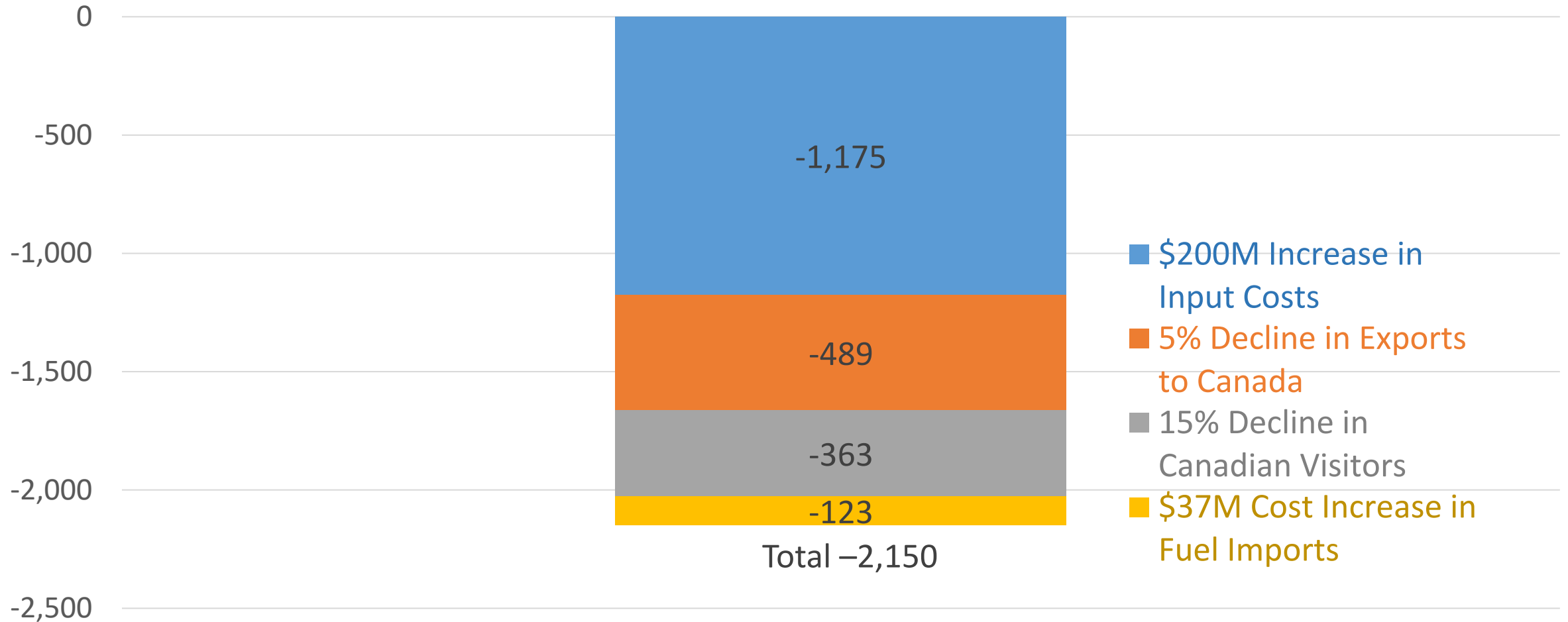
Source: PolEcon analysis of tourism data from *Statistics Canada*

Some Potential Economic Impacts of the Tariffs, Trade War, and U.S. Rhetoric Toward Canada

- Higher import prices (mostly input prices as NH purchases limited volume of final consumer goods) but....
- Fuels (Heating oil, propane, etc.) fish are exceptions
- Higher costs and lower demand for goods exported to Canada
- Reduction in Canadian visitors and their spending

Potential Short Run (First Year) Job Impacts if Both Countries Implement Tariffs for a Full Year (Many Possible Scenarios and Assumptions – Here is One Set)

Difference Between Baseline Job Forecast and Forecast With U.S. and Canadian Tariffs in Effect for a Full Year



Some Concluding Thoughts

- Economic (export and import) U.S./Canada business relationships can be repaired over time, and the economic damage will be mitigated (but not for everyone) in a few years.
- The damage to trust and mutual respect are, from my perspective, potentially more damaging long-term. More difficult (but not impossible) to regain.
- I can't speak to the actions taken by leaders in New England to ease tensions and maintain mutually beneficial connections (not my forte), but they will be critical. Our next speaker Tim Egan can address some of those.