



How a Trump U.S. Re-Election Will Influence Canadian Trade

Description

Will Canada's economic fortunes change after the U.S. presidential elections in November 2020? The two countries have a long-standing relationship. Trump's re-election or Biden victory could bring new challenges. Thus, the stakes are high. Whoever is the U.S. President, he will influence [Canadian trade](#).

Rapport with Trump

In the Trump presidency, the new or revised North American Free Trade Agreement (NAFTA) helped secure the automotive sector's longevity in Canada. However, Canadian steel and aluminum products did escape from tariffs.

Mary Lovely, a senior fellow at the Peterson Institute for International Economics, said Trump uses tariffs to build up the U.S. industrial heartland. It has importance to the election. She believes Trump will not hesitate to use tariffs in trade disputes with Canada if re-elected.

Trump's tariffs directly impacted Canada's industrial sector, while its commodities sector was indirectly affected by the tensions between the U.S. and China. Beijing imposed bans on Canadian canola and pork products following the arrest of Meng Wanzhou, Huawei's CFO, in December 2018 at Washington's request.

According to Statistics Canada, Canada's trade with the U.S. in 2019 was worth at \$991.7 billion. Trade with China in the same was the second-largest at \$82.3 billion. In a way, Trump is sensitive when it comes to relations with China. However, Canada must be careful not to antagonize either party.

Expect differences

According to analysts, the advantage of Trump re-election is the ease of securing trade deals. Republicans are generally more open while Democrats and Liberals usually set conditions before agreeing.

Biden might skew toward multilateral deals. His administration, alongside allies like Canada and Europe, will try to influence China's approach to international trade.

Regardless of who wins, tariff feuds are inevitable. New penalties on aluminum might be forthcoming after Trump's re-election. Meanwhile, Biden's "Buy American" pitch indicates a move to greater protectionism.

One-of-a-kind investment

If you want to invest in companies that bring [important business](#) to Canada, the U.S., and elsewhere globally, the top choice is **Maxar Technologies** ([TSX:MAXR](#))([NYSE:MAXR](#)). The tech stock is a high-flyer in the **TSX** with its 91% gain year-to-date.

This \$2.38 billion company is an innovator in earth intelligence and space infrastructure. The solutions it provides help government and commercial clients monitor, understand and navigate the changing Earth. The strong demand for satellite imagery is one the growth catalysts.

Maxar reports that its cloud-based, geospatial subscription service, SecureWatch, surpassed 200 accounts in September 2020. The platform provides an intuitive way to extract Earth Intelligence from massive amounts of satellite imagery. Jeff Culwell, Maxar's Chief Product Officer, said customers use SecureWatch in various missions and projects worldwide.

In 2021, Maxar will launch WorldView Legion satellites. SecureWatch subscribers will have expanded sub-30 cm image collection capacity. Through these satellites, Maxar can monitor our planet's most dynamic parts up to 15 times per day, from sun-up to sun-down. Indeed, this tech stock is a one-of-a-kind investment.

Trade consequences

No doubt that Canada is over-dependent on the U.S. market. The neighbour buys nearly three-quarters of the country's exports. Any misstep in dealing with the U.S. President-elect will have considerable trade consequences.

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