

POLICY BRIEF

Date: January 2, 2026

From: CanAfro Research Institute, Waterloo, Canada

Subject: *Beyond the U.S.: Canada's Strategic Turn to Africa and the Caribbean – Opportunities, Risks, and Realities*

Key Messages

- Canada's trade remains extremely concentrated, with 63% reliant on the U.S. market, while trade with Africa accounts for only 1% and the Caribbean is statistically negligible.
- Current engagement with Africa and the Caribbean is extractive and asymmetrical, focused on raw materials and low-value sectors, reinforcing dependency rather than building mutual resilience.
- A deep trust deficit exists due to historical and ongoing business practices in mining, banking, and labour, undermining Canada's credibility as an ethical partner.
- Global competitors such as China, the EU, and the U.S., are deepening ties with both regions, leaving Canada at a strategic disadvantage.
- Canada's Africa Strategy 2025 and CARICOM Strategic Partnership have no dedicated budget, relying on repurposed funds. This implementation gap signals a lack of serious commitment.
- African and Caribbean diaspora communities in Canada act as cultural and economic bridges but remain relegated in formal trade policy and strategy design.
- Canada has a unique opportunity to build a Tripartite Partnership Model with Africa and the Caribbean, leveraging demographic growth, geographic proximity, and diaspora expertise to enhance mutual economic security and geopolitical influence.

1| WHY AFRICA AND THE CARIBBEAN MATTER

Canada's economic future hinges on reducing its overreliance on the United States. Africa and the Caribbean offer complementary pathways to resilience: Africa's demographic boom (a working-age population increase of 740 million by 2050) represents the world's largest future consumer and labour market, while the Caribbean's geographic and cultural proximity enables near-shore supply chains, climate resilience partnerships, and rapid-response cooperation.

However, Canada's current engagement with these regions is minimal, asymmetrical, and stuck in a colonial-era extractive model. Over 70% of Canada-Africa trade is in raw materials (farm products, energy, minerals), while Canadian banks in the Caribbean extract capital rather than financing local growth. This approach fails to tap into the regions' potential in services, technology, and value-added manufacturing. It also perpetuates a trust deficit i.e. stemming from harmful practices in mining, seasonal labour programs, and financial dominance, which competitors are actively exploiting to gain influence.

Without a fundamental shift, Canada risks geopolitical irrelevance in two of the world's most dynamic regions, ceding economic and diplomatic ground to rivals. Transforming these

relationships is not just an ethical imperative but an urgent economic and strategic necessity for Canadian sovereignty and long-term prosperity.

2| APPROACH

This brief is based on a comprehensive, volunteer-led study by the CanAfro Research Institute (2026), which combined:

- Quantitative analysis of 15 years (2010–2024) of Statistics Canada trade data, examining trends, balances, and sectoral composition.
- Qualitative and historical review of literature, policy documents, and case studies on Canada’s engagement with Africa and the Caribbean.
- Afrocentric methods
- Diaspora-informed perspective, leveraging the lived experience and expertise of African and Caribbean diasporic scholars to ground the analysis in cultural and historical context.

3| POLICY OPTIONS

Transformative change requires moving beyond extractive models to build equitable, value-added partnerships. The following alternatives draw on evidence from the research and global best practices.

1. Launch a Diaspora-Led Strategic Communication Campaign

Action: Co-design and fund a diaspora-led public campaign to acknowledge past harms, reframe narratives toward shared prosperity, and rebuild foundational trust before major economic agreements.

2. Establish an Atlantic Partnership Fund

Action: Create a C\$5 billion blended finance vehicle, managed with the African Development Bank and Caribbean Development Bank, to de-risk and catalyze private investment in value-added sectors like agri-tech, renewable energy, and digital infrastructure.

3. Mandate Ethical Commerce and Local Empowerment

Action:

- Legislate a Canadian Standard for Ethical Resources, requiring Canadian-level environmental, safety, and community benefit standards for any overseas project receiving government support.
- Mandate Canadian banks in the Caribbean to allocate 20% of loan portfolios to local SMEs and partner to strengthen local financial institutions.

4. Forge Direct Province-to-Province/State Links

Action: Fund and promote direct economic partnerships (e.g., Ontario–Gauteng on fintech, Alberta–Guyana on energy transition) to decentralize engagement and build resilient economic networks.

5. Create Pathways to Permanence for Temporary Workers

Action: Reform the Seasonal Agricultural Worker Program to provide a clear pathway to permanent residency for reliable workers and create a “Builders Visa” for skilled professionals from Africa and the Caribbean.

6. Leverage Proximity Through a Canada-Caribbean Resilience Fund

Action: Co-fund a proximity and resilience fund to redirect Canadian tourism and investment from the U.S. to the Caribbean, financing climate-resilient infrastructure and niche tourism development.

7. Establish an Independent Diaspora-Led Policy Centre

Action: Fund an autonomous, Afro-Caribbean/Black-governed research and policy centre to provide agile, culturally grounded analysis and oversight for Canada–Africa–Caribbean engagement.

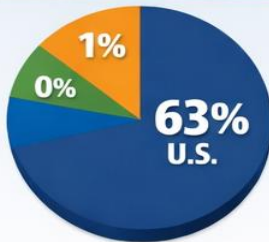
Beyond the U.S.:

Canada's Missed Opportunities in Africa & the Caribbean

*A data-driven analysis by the **CanAfro Institute** (2026)*

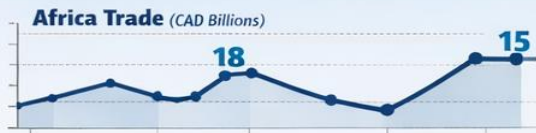
THE DIVERSIFICATION PARADOX

Canada's Trade Reliance vs. Rhetoric



- ▶ **63%** of Canada's total trade is with the U.S.
- ▶ **1%** of Canada's total trade is with Africa
- ▶ **0%** of Canada's total trade is with the **Caribbean** (statistically negligible)
- ▶ Over **70%** of Canada's trade with Africa is in **raw materials** (farm, energy, minerals)

STAGNATION & ASYMMETRY



- ▶ Persistent trade deficit with Africa = **\$3.7B CAD** in 2024
- ▶ Stagnant between **\$3.7B–\$5.5B CAD** over 15 years

Caribbean Trade (CAD Billions)



- ▶ Stagnant between **\$3.7B–\$5.5B CAD** over 15 years
- ▶ Trade surplus declined **79.2%** in 2024

TOP TRADE PARTNERS (2024)

South Africa \$2.9B	Nigeria \$2.86B
Morocco \$1.8B	Morocco \$1.8B
Algeria \$1.5B	Mauritania \$1B
Cuba \$0.9B	Dominican Republic \$0.8B

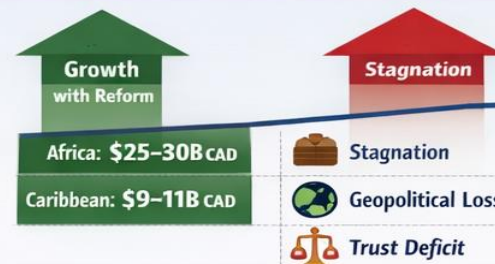
THE TRUST DEFICIT

- Banks don't lend locally in the Caribbean
- Mining & environmental damage
- Exploitative farm worker program
- No budget for Africa Strategy 2025

THE CANAFRO VISION: From Extraction to Partnership

- Atlantic Partnership Fund **\$5B CAD**
- Province-to-Province Links
- 20% Local Lending in the Caribbean
- Ethical Resources Standard
- Pathway to Permanence
- Diaspora Research Centre

THE OPPORTUNITY COST OF INACTION



Source: **CanAfro Institute**, *Beyond the U.S. Canada's Strategic Turn to Africa and the Caribbean* (2026)