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Al-Sayed meets heads of several international economic organisations

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'Beijing is looking at curbing overseas access to China's top AI models'

MCIT brings together SMEs, digital solution providers to advance digital transformation

The Ministry of Communications and Information Technology (MCIT), in collaboration with the Ministry of Commerce and Industry (MoCI) and Qatar Development Bank (QDB), and supported by ecosystem enablers Ooredoo and Qatar Post, hosted SMEs Go Digital "Connect" on Tuesday.

The event aimed to support the readiness of small and medium-sized enterprises (SMEs) to adopt digital solutions and strengthen their contribution to the national digital economy, in line with the Digital Agenda 2030 and Qatar National Vision 2030.

The event brought together more than 195 SMEs alongside over 20 digital solution providers through a unified platform that facilitated direct engagement between businesses and accredited technology providers, supporting wider adoption of digital technologies and enhancing SMEs' readiness for digital transformation.

SME Go Digital "Connect" focuses on priority sectors including retail and wholesale, transport and storage, tourism, education, and healthcare. The showcased digital solutions covers areas such as online presence, e-commerce, and cloud services, supporting the adoption of technologies across the sectors.

The event also featured direct matchmaking sessions between businesses and digital solution providers, as well as dedicated networking and knowledge-sharing opportunities, helping strengthen collaboration among participating entities and expand the adoption of digital solutions across priority sectors.

Faraj Jassim Abdulla, Director of Digital Economy Department at MCIT, said: "MCIT continues its efforts to empower SMEs to leverage digital technologies as a key driver for competitiveness and sustainable economic growth. Initiatives such as this provide a national platform that supports businesses' readiness for digital transformation, enhances productivity, and strengthens the ability of the business sector to keep pace with the evolving digital economy.

"By connecting enterprises with an integrated ecosystem of solution providers and national expertise, the Ministry continues to support the transition towards innovation and a knowledge-based economy in line with the objectives of Qatar's Digital Agenda 2030."

The event aimed to support the readiness of SMEs to adopt digital solutions and strengthen their contribution to the national digital economy, in line with the Digital Agenda 2030 and Qatar National Vision 2030

The MoCI affirmed that supporting SMEs represents one of the key pillars for enhancing the competitiveness of the national economy, providing a business environment that stimulates growth and innovation, developing government services, and facilitating the regulatory procedures for conducting commercial activities.

The Ministry explained that its participation in the forum stems from its keenness to raise awareness among owners of SMEs and entrepreneurs about the services it provides, particularly those related to protecting intellectual property rights including copyright, trademarks, and patents, in addition to commercial registration and licensing services.

The Ministry noted that these efforts help enable companies to conduct their business in line with approved regulatory frameworks, and to instill a culture of innovation and intellectual property protection, thereby supporting the sustainability of the business environment and enhancing its competitiveness in the State of Qatar.

Dr Hamad Salem Mejegheer, executive director of SME Development at Qatar Development Bank, said: "This event highlights the role coordinated national efforts can play in accelerating digital transformation across Qatar's business ecosystem. More broadly, it points to the value of creating opportunities for SMEs to engage directly with digital solution providers.

"QDB places strong emphasis on empowering SMEs to adopt digital transformation in ways that enhance their efficiency and competitiveness."

The SME Go Digital Program is a national initiative led by MCIT to support SMEs in strengthening their digital capabilities through specialized assessments, connections with digital solution providers, and access to training programs and awareness sessions focused on emerging technologies, in addition to potential financing opportunities in collaboration with Qatar Development Bank.

QCB governor meets co-CEO of KKR & Co, CEO of JP Morgan Asset and Wealth Management

The Governor of Qatar Central Bank HE Sheikh Bandar bin Mohammed bin Saoud al-Thani, who is also chairman of the Qatar Investment Authority (QIA), held a meeting with Scott Nuttall, co-CEO of KKR & Co, during his visit to New York. During the meeting, they discussed the latest developments in global finance and investment.

The Governor of Qatar Central Bank HE Sheikh Bandar bin Mohammed bin Saoud al-Thani, who is also chairman of the Qatar Investment Authority (QIA), held a meeting with Mary Erdoes, JP Morgan Asset and Wealth Management CEO, during his visit to New York. During the meeting, they discussed the latest developments in global finance and investment. Page 3

Sheikh Khalifa invited to keynote Arab-Brazilian Economic Forum

The Arab Brazilian Chamber of Commerce has invited Qatar Chamber chairman Sheikh Khalifa bin Jassim al-Thani to serve as a keynote speaker at the fifth edition of the Arab-Brazilian Economic Forum, to be held in Sao Paulo on August 25.

The invitation was received by Qatar Chamber board member Mohamed bin Ahmed al-Obaidli from Mohamad Mourad, vice president for International Relations, and Rafael Solimeo, director and head of the International Office.

Both Brazilian chamber officials also held a meeting with al-Obaidli to discuss trade and economic cooperation between Qatar and Brazil.

The meeting discussed the role of Qatar Chamber and the Arab-Brazilian Chamber of Commerce in strengthening these relations. They also explored ways to enhance the role of the private sector in both countries in promoting bilateral trade and mutual investment.

It also addressed ways to strengthen cooperation between the two sides and develop a roadmap aimed at boosting bilateral trade and increasing mutual investments across various sectors, particularly food security and food industries.

Qatar Chamber board member Mohamed bin Ahmed al-Obaidli has received Mohamad Mourad, vice president for International Relations, and Rafael Solimeo, director and head of the International Office, of the Arab Brazilian Chamber of Commerce.

Mourad noted that the forum, organised in cooperation with the Union of Arab Chambers and under the auspices of the League of Arab States, will carry the theme' The Global Economy in Transformation: A New Agenda between Brazil and the Arab Countries'.

He invited Qatar Chamber to participate in the forum, which aims to consolidate relations between Brazil and the Arab countries and strengthen partnerships between the private sectors in both regions.

Al-Obaidli lauded the strong relations between Qatar and Brazil, stressing Qatar Chamber's commitment to enhancing trade cooperation and encouraging the establishment of joint ventures and alliances between Qatari and Brazilian companies to increase trade exchange.

Saudi Arabia is said to consider expansion of oil pipeline to Red Sea

Reuters
Dubai/London

Saudi Arabia is considering expanding the capacity of its crude oil pipeline to the western Red Sea coast, five sources close to the matter said, enabling the kingdom and possibly neighbours to transport more oil without crossing the Strait of Hormuz.

The East-West pipeline was built in the early 1980s and has become crucial since the start of the Iran war in February and the resulting halt to shipping through the Strait of Hormuz.

It can transport up to 7mn barrels per day (bpd) of crude to the Red Sea port of Yanbu. About 2mn bpd feed refineries on the west coast and roughly 5mn bpd are for export, the CEO of state-backed oil company Aramco said in May.

The kingdom is in preliminary talks with some of its neighbours about the potential expansion of the pipeline's capacity by up to 2mn bpd, the sources said.

It was unclear if Aramco's planned capacity increase would involve upgrades to existing infrastructure or construction of a new pipeline. One of the sources said the increase would include a smaller second pipe for oil products.

Kuwait, Bahrain and Qatar all lack routes that can bypass Hormuz while Iraq's pipeline to Turkey, dogged by disputes and repeated shutdowns, runs well below capacity.

An oil tanker being loaded at Saudi Aramco's Ras Tanura oil refinery and oil terminal in Saudi Arabia. The kingdom is said to be considering expanding the capacity of its crude oil pipeline to the western Red Sea coast, enabling the kingdom and possibly neighbours to transport more oil without crossing the Strait of Hormuz.

"We are in discussions with our brothers in Saudi Arabia and in the emirates to look at how to expand the pipeline system that they have to accommodate Kuwaiti barrels," Kuwait Petroleum Corp CEO Sheikh Nawaf al-Sabah told the Atlantic Council Global Energy Forum last month.

The expansion could be for 1mn to 2mn bpd, two of the sources said, with refined products also under consideration. It would take years, cost billions of dollars and require changes to Saudi crude's pricing mechanism, another source said.

Iran's blockade of the strait forced Gulf producers to shut in as much as 12mn bpd, sending prices surging. Flows have resumed partially after a preliminary US-Iran deal last month, but they remain below pre-war levels.

Iraqi output collapsed from 4.3mn bpd to less than 1.5mn bpd in May, Kuwait declared force majeure in March and Bahrain's Sitra refinery was struck by Iranian missiles several times.

"The recent talks about new pipeline corridors involving Saudi Arabia, Kuwait and Qatar reflect a broader strategic reality. The conflict has focused minds regionally on the perils of relying solely on Hormuz," said Zaid Belbagi, managing partner at London-based Hardcastle Advisory.

Aramco declined to comment while the Saudi and Bahraini government communications offices, the Iraqi oil ministry and QatarEnergy did not respond immediately to requests for comment.

The UAE, the only other Gulf state with meaningful Hormuz-bypass capacity, has completed half of a new West-East pipeline that will double crude capacity to Fujairah when it becomes operational next year. Its existing Abu Dhabi pipeline carries up to 1.8mn bpd.

QCB governor meets officials from international financial institutions

HE the Governor of the Qatar Central Bank and Chairman of the Qatar Investment Authority, Sheikh Bandar bin Mohammed bin Saoud al-Thani, held separate meetings with Founder and CEO of WHOOP, Will Ahmed; CEO of HPS Investment Partners, Scott Kapnick; Co-Founder and Co-Chairman of the Carlyle Group, David Rubenstein; and President and Chief Operating Officer of the Blackstone Group, Jonathan Gray, during his visit to New York, reports QNA. The meetings discussed key global financial and investment developments.

Beijing weighs overseas curbs on top AI models

Reuters
Singapore

Chinese authorities have held meetings with top tech firms over the past month about potentially restricting overseas access to China's most advanced AI models, including those yet to be released, three people familiar with the discussions said.

The talks follow a number of steps by Beijing to keep homegrown AI within the country and underscore how China, like the US, is now treating cutting-edge artificial intelligence as a critical national asset that needs controls.

Companies present at the talks included tech giants Alibaba and ByteDance as well as startup Z.ai, said the people, who were not authorised to speak to media and declined to be identified.

Since the emergence of DeepSeek's R1 model last year, Chinese AI models have made big inroads globally thanks to their low costs and increasing capabilities. Any decision by Beijing to limit access to those products could ripple across AI markets as costs for many businesses would likely increase.

At the meetings, led by China's Ministry of Commerce, participants discussed putting limits on the most advanced AI models - both closed-source and more open versions, according to two of the sources.

Officials talked about making any leak or theft of proprietary AI technology an offence under China's stringent national security law, one of the sources said.

The officials also raised the possibility of implementing new measures to restrict who can fund domestic AI startups, the source added.

The scope of the potential restrictions is still being discussed, two sources said, adding that they may only apply to future models. It was not immediately clear when or even if they would come into force.

China's commerce ministry, which oversees export regulations, and the National Development and Reform Commission - the country's state planning agency whose officials also attended the meetings - did not respond to Reuters requests for comment.

Alibaba, ByteDance and Z.ai also did not respond to Reuters queries.

All three companies have a range of AI models, some closed-source while others are open-weight, meaning users can download, run and customise the underlying systems. Alibaba's Qwen and ByteDance's Doubao are two of the most widely used AI models in China. Z.ai has recently set Silicon Valley abuzz as the capabilities of its GLM-5.2 model come close to leading US offerings but at a fraction of the cost.

US President Donald Trump's administration has also been deeply concerned about national security implications of AI - in particular the potential for American AI products to be misused by military intelligence in China, Russia and other countries of concern.

In June, it ordered that foreign nationals not have access to Anthropic's most advanced Fable and Mythos models, which prompted the company to disable the models for all users globally as nationality could not be verified in real time.

Export controls for Fable, which is designed for the general public, have since been lifted after new safeguards were put in place. But Mythos, designed for cybersecurity professionals, is still only available to some "trusted" US organisations.

Some US AI experts have also said the US needs to regulate the use of Chinese AI models.

According to two of the sources, Chinese authorities are deeply worried about the potential for Mythos to exploit software vulnerabilities and that Washington might deploy the model against Chinese interests.

That echoes concerns publicly voiced by state media and Zhou Hongyi, founder of cybersecurity firm 360, a major vendor to government and enterprise clients, who has said China needs to develop its own Mythos.

China this year has implemented numerous measures to protect homegrown AI.

In April, the country's state planner ordered Meta to unwind its $2 billion acquisition of Chinese-founded AI startup Manus. In early June, authorities issued sweeping new rules, tightening control of overseas deals that involve Chinese investors, technology, data and national security.

China had also launched investigations this year into Manus and other local AI startups that had moved abroad, seeking to establish whether they have broken export control rules, according to two of the sources and a third person.

Reuters was not able to learn how any potential new restrictions on overseas access to Chinese AI models might work.

An AI sign is seen at the World Artificial Intelligence Conference in Shanghai (file). Chinese authorities have held meetings with top tech firms over the past month about potentially restricting overseas access to China's most advanced AI models, including those yet to be released, three people familiar with the discussions said.

QIIB wins 'Best Innovation in Retail Banking-Qatar 2026' award

QIIB has received the 'Best Innovation in Retail Banking – Qatar 2026', further reinforcing its leadership in digital banking.

The award was presented during the MEA Finance Banking Technology Summit & Awards 2026 held in Dubai recently. The event brought together senior banking executives, business leaders, technology experts and key stakeholders from across the region's financial services industry.

The MEA Finance judging panel said QIIB was chosen for the award "in recognition of its outstanding performance and its ability to redefine the retail banking experience through highly efficient and innovative digital solutions."

The panel also noted that "QIIB has demonstrated clear leadership in anticipating evolving customer needs by integrating the latest technologies into its retail banking platform."

"This has enabled the bank to introduce a comprehensive suite of fast, flexible and customer-centric products and services, while setting a benchmark for operational efficiency and cybersecurity without compromising on ease of use or customer convenience," the panel added.

Yousef el-Maraghi, head of Private Banking and Wealth Management at QIIB, said: "We are delighted and proud to receive this prestigious award from MEA Finance, a respected and specialised institution. This recognition is further testament to the success of our digital transformation strategy and our commitment to continuous innovation.

"This award is also a tribute to the tremendous efforts of all teams across the bank and reaffirms that QIIB is moving confidently and strategically towards shaping the future of digital Islamic banking in Qatar and across the region."

He noted: "Our objective at QIIB has never been simply to digitise traditional banking services. Rather, our focus has always been on creating genuine added value that enhances our customers' everyday lives.

"We have successfully built an intelligent, personalised retail banking ecosystem that enables customers to access financing, open accounts and manage their payments seamlessly at the touch of a button through our digital channels, led by our award-winning mobile banking app."

El-Maraghi said, "This achievement reflects our firm commitment to supporting and developing our technology infrastructure in line with the

Yousef el-Maraghi, head of Private Banking and Wealth Management at QIIB.

Third Financial Sector Strategy launched by Qatar Central Bank, which places technological innovation and excellence in banking services among its key priorities.

"We believe that continued investment in advanced technology infrastructure and the adoption of cutting-edge fintech solutions are essential to maintaining our competitiveness and meeting our customers' evolving expectations."

He stressed that customer satisfaction remains QIIB's ultimate measure of success, noting, "We listen carefully to our customers' feedback and translate their evolving needs into innovative banking solutions.

"This award provides even greater motivation for us to continue driving innovation, further enhancing our banking services, and delivering products, services and offers that cater to the diverse needs of all segments of society."

El-Maraghi thanked MEA Finance for its outstanding organisation of the summit and expressed his sincere appreciation to QIIB's customers for their continued trust and loyalty, and to all employees for their dedication and ongoing efforts to bring the bank's vision to life and achieve its strategic objectives with efficiency and excellence.

The latest recognition further strengthens QIIB's growing record of regional and international accolades. Over the years, the bank has received numerous prestigious awards, reflecting its established leadership in driving innovation and developing digital banking solutions that meet the highest standards of quality, efficiency and customer experience.

Seoul leads losses on Asia markets

AFP
Hong Kong

Seoul once again led losses in Asian stocks on Tuesday as chip giant Samsung tumbled despite an eye-watering rise in profit, stoking fears that the record-breaking, AI-fuelled rally might have reached the end of the road.

In Tokyo, the Nikkei 225 closed down 2.1% to 68,256.96 points; Seoul - Kospi ended down 4.9% to 7,656.31 points; Hong Kong - Hang Seng Index closed down 0.5% to 23,496.89 points and Shanghai - Composite ended down 1.3% to 3,990.24 points yesterday.

Investors were unable to take up the baton from their counterparts on Wall Street, where all three main indexes reopened after a long weekend to rally on the back of gains in market heavyweights including Amazon and Apple.

The gains eased worries over a tech retreat over the past few weeks amid questions over whether the vast sums pumped into artificial intelligence will see suitable returns.

Korean titan Samsung appeared to have answered some of those on Tuesday as it said it expected to post a jump in second-quarter operating profit of more than 1,800% thanks to sustained AI-driven demand for memory chips.

However, the company's shares tumbled as much as 10% at one point before ending down more than six percent, dragging the Kospi index down nearly five percent and deepening a rout that has hammered the market for the past two weeks.

The Kospi had more than doubled this year to a record high in June, but has since shed around 20%. The results come at the start of a much-anticipated earnings season that will be closely followed for an idea about firms' outlooks for AI in light of the huge investment made in the sector.

"Strong earnings are no longer enough," wrote Saxo Markets' Charu Chanana.

"For AI-linked stocks, the market now wants strong earnings, strong guidance and clear evidence that pricing power can last." She added: "Investors are not paying for what has already happened. They are paying for what happens next."

Al-Sayed meets heads of several international economic organisations

QNA
Geneva

HE the Minister of State for Foreign Trade Affairs at the Ministry of Commerce and Industry (MoCI) Dr Ahmad bin Mohammed al-Sayed met with the heads of a number of international organisations, where they discussed ways to enhance co-operation in the areas of trade and investment, along with various economic and trade issues of common interest.

A statement issued by the MoCI on Tuesday indicated that His Excellency began his meetings with a meeting with Acting Secretary-General and Deputy Secretary-General of the United Nations Conference on Trade and Development (UNCTAD) Pedro Manuel Moreno.

The two sides discussed preparations for the State of Qatar's hosting of the World Investment Forum, which Doha will host from October 25-27, 2026, along with developments in the global economy, and a number of topics related to trade, investment, and development.

His Excellency also met with the Director-General of the World Trade Organisation (WTO) Dr Ngozi Okonjo-Iweala. The meeting discussed the latest developments in international trade, the challenges facing the multilateral trading system, the importance of promoting the flow of trade, and supporting the ongoing reforms in the WTO.

The two sides also discussed the strength and resilience of Qatar's economy under the current circumstances, and its ability to continue growing and enhancing its position as a reliable trade and investment partner regionally and internationally.

His Excellency also met with the Director-General of the World Intellectual Property Organisation (WIPO) Daren Tang. They discussed ways to enhance co-operation. They also exchanged views on a number of topics of common interest.

HE the Minister of State for Foreign Trade Affairs also participated in the WIPO's high-level ministerial dialogue. In his remarks, he emphasised that the State of Qatar continues to develop an integrated intellectual property system within the framework of its National Vision 2030, which enhances foreign trade and the knowledge-based economy, and supports innovation and international co-operation.

Colombian ambassador Odette Marie Yidi David with Qatar Chamber chairman Sheikh Khalifa bin Jassim al-Thani.

Sandra Sophia Escobar Lanza, chargé d'affaires and head of Mission at the Embassy of Honduras in Qatar wth Qatar Chamber chairman Sheikh Khalifa bin Jassim al-Thani.

Qatar Chamber discusses trade ties with Armenia, Colombia and Honduras

Qatar Chamber chairman Sheikh Khalifa bin Jassim al-Thani received top diplomats of Armenia, Colombia, and Honduras in three separate meetings yesterday.

Sheikh Khalifa met with Armenian ambassador Tigran Gevorkian, Colombian ambassador Odette Marie Yidi David, and Sandra Sophia Escobar Lanza, chargé d'affaires and head of Mission at the Embassy of Honduras in Qatar.

The meetings were attended by Qatar Chamber board member Mohamed bin Ahmed al-Obaidli, who is also chairman of the Food Security Committee and the Environment, Technology and Innovation Committee.

During the three meetings, they discussed trade and economic relations and ways to strengthen them.

They also reviewed the investment climate in these countries, the key opportunities available for co-operation between the Qatari private sector and its counterparts, and potential areas of collaboration between companies across various economic sectors, contributing to increased trade between Qatar and the three countries. Sheikh Khalifa lauded the strong relations between Qatar and Armenia, Colombia, and Honduras, particularly in trade and the economy.

Qatar Chamber chairman Sheikh Khalifa bin Jassim al-Thani meets with Armenian ambassador Tigran Gevorkian.

He noted that the Qatari private sector is interested in learning more about the investment climate and opportunities available in these countries and is open to establishing alliances and partnerships with its counterparts there.

US trade deficit widens 42.2% to $77.6bn in May

Reuters
Washington

The US trade deficit widened sharply in May as an artificial intelligence investment boom helped to drive imports of capital goods to a record high, suggesting that trade remained a drag on gross domestic product in the second quarter.

Efforts by businesses to avoid shortages and higher prices related to the conflict in the Middle East also contributed to the large trade shortfall, with the report from the Commerce Department on Tuesday showing overall imports rising to a 14-month high. The US-Israel war with Iran is also boosting oil exports, with shipments of petroleum hitting a record high.

"Imports convey solid US domestic demand, though inventory frontloading likely lent a hand," said Oren Klachkin, financial markets economist at Nationwide. "AI investment appears to remain on a very solid track."

The trade gap jumped 42.2% to $77.6bn, the highest level since March 2025, the Commerce Department's Bureau of Economic Analysis and Census Bureau said. Economists polled by Reuters had forecast the deficit at $78.5bn. Imports increased 3.3% to $395.3bn.

It was the highest level since March 2025, when frontloading ahead of the imposition of steep tariffs by US President Donald Trump caused imports to soar. Goods imports surged 4.0% to $317.0bn. Capital goods imports soared $1.1bn to a record high $128.0bn, lifted by large increases in imports of computer accessories and semiconductors. Imports of computers, however, dropped $3.4bn.

Businesses are spending heavily on AI, whose buildup is heavily reliant on imports. There were also increases in imports of civilian aircraft and parts as well as generators, accessories and industrial engines.

Consumer goods imports rose $3.5bn amid increases in pharmaceutical preparations, cellphones and other household goods. Imports of industrial supplies and materials, which include petroleum, increased $3.1bn, with crude oil imports rising $1.5bn. Imports of motor vehicles, parts and engines increased $2.2bn, mostly reflecting passenger cars. Imports of other goods rose $1.4bn to a record $15.3bn.

Exports dropped 3.2% to $317.7bn amid a strong dollar, which is making US-made goods more expensive on the international market. Goods exports tumbled 5.1% to $210.6bn, pulled down by a $3.5bn decline in capital goods amid a decrease in shipments of computers and computer accessories.

Consumer goods exports dropped $2.1bn as shipments of pharmaceutical preparations fell. Exports of industrial supplies and materials decreased $5.5bn, largely due to declines in nonmonetary gold, which is excluded in the calculation of gross domestic product. Shipments of other precious metals also fell.

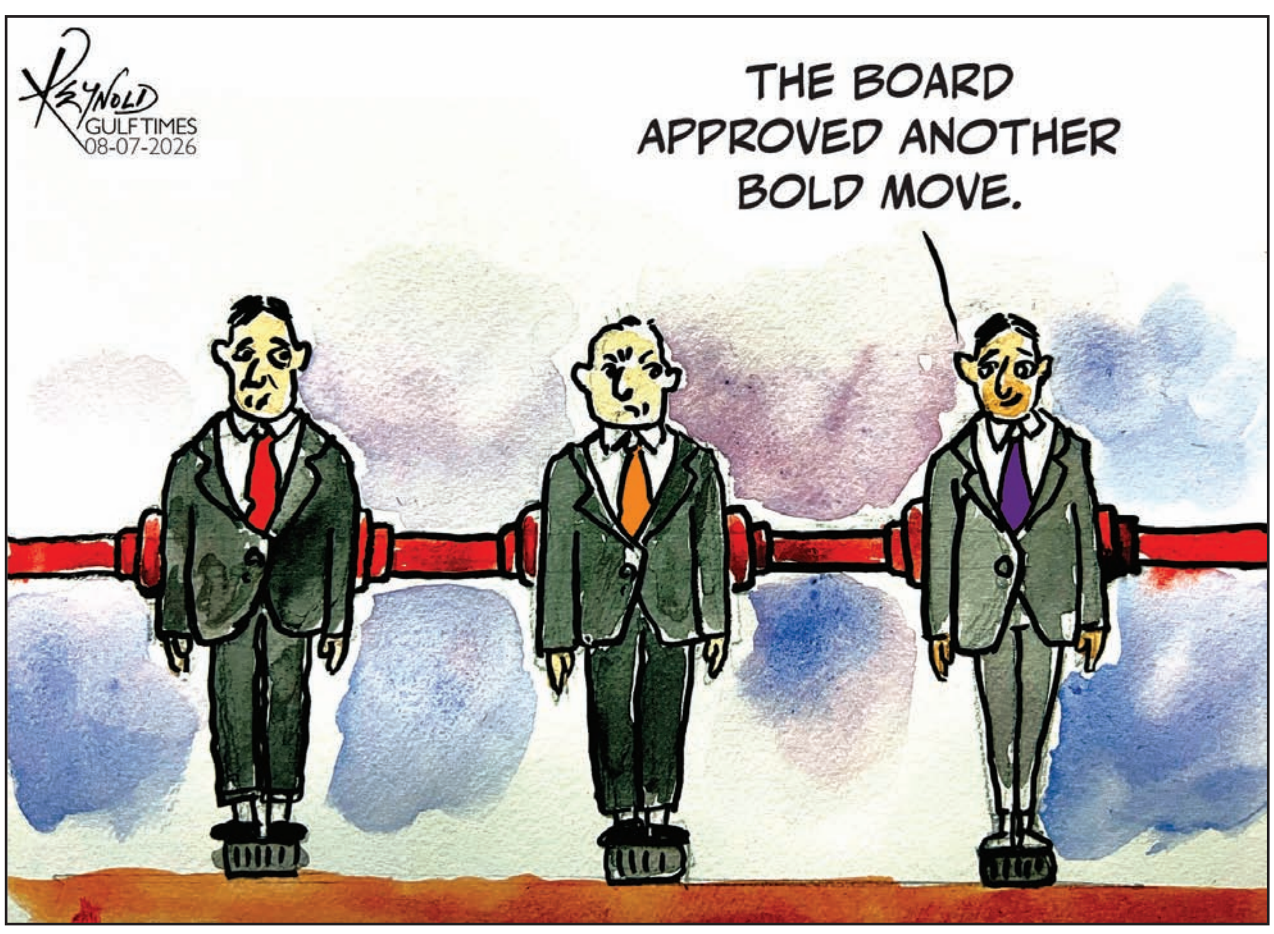
Natural gas exports fell $1.1bn. But crude oil shipments increased $2.0bn, with petroleum exports rising to a record high $38.4bn. The US is a net oil exporter. The goods trade deficit widened 28.4% to $106.5bn, also the highest level since March 2025. When adjusted for inflation, the goods trade shortfall rose 18.7%.

Trade has subtracted from GDP for two straight quarters. The Atlanta Federal Reserve's model is currently forecasting GDP increasing at a 1.2% annualised rate in the second quarter. The economy grew at a 2.1% pace in the January-March quarter.

"From a GDP accounting perspective for the second quarter, the wider trade gap looks likely to 'subtract' about 1.7 percentage points from second-quarter real GDP growth," said John Ryding, chief economic advisor at Brean Capital.

The nation continued to run goods trade deficits with a range of countries, including Vietnam, Mexico, China, Canada, Germany, South Korea, India and Ireland, despite Trump's tariffs. But goods trade surpluses were posted with a number of countries, among them the Netherlands, Hong Kong, Australia, the United Kingdom and Brazil.

A small surplus was also recorded on the services balance, which rose to $28.9bn from $28.3bn in April.



Canada's trade surplus in May jumps to a four-year high

Reuters
Ottawa

Canada's trade surplus widened to a four-year high in May, with exports rising for the fourth consecutive month, as goods shipped to the United States topped their highest level since February last year, data showed on Tuesday. Canada clocked a trade surplus of C$4.24bn ($2.98bn), up 0.9% from a revised C$3.41bn posted in the prior month, Statistics Canada said, as exports of metals and energy byproducts increased during the Iran war.

A 1.5% jump in exports to top trading partner the US led to Canada's third consecutive trade surplus.

Analysts polled by Reuters had estimated a trade surplus of C$2.85bn. As President Donald Trump's tariffs slammed some critical sectors in Canada, businesses have tried to diversify away from the US, which usually bought almost three quarters of Canada's total exports.

But unwinding decades-old supply chains from the world's biggest market is not easy. The share of Canada's exports south of the border was almost 70% in May. Imports from the US fell by 1.4%. As a result, Canada's trade surplus with the United States widened to C$11.6bn in May from C$10.3bn in April, posting its largest surplus since the record high observed in January 2025, the statistics agency said.

Exports to countries other than the US continued to shrink, although at a lower rate in May than April, and imports from non-US countries rose. This widened Canada's trade deficit with countries other than the US to C$7.4bn in May. "The diversification story is not fizzling out," said Prince Owusu, senior economist with Export Development Canada. He said exports to countries such as Mexico, Brazil and Indonesia have grown and the US share continues to be well below the 75% mark seen before the trade shock.

The monthly increase in exports was led by outbound shipments of metal ores and non-metallic minerals, which rose by 16.1%, data showed.

This was largely driven by sulfur exports, as Canada benefited from a slowdown in shipments passing through the Strait of Hormuz since the conflict in the Middle East began. Exports of consumer goods, industrial chemicals, and farm and fishing food products, also rose, StatsCan said.