

The Greatest Trade in the World

The economic relationship shared by Canada and the United States is underpinned by the Free Trade Agreement (FTA), which applies to the largest two-way trade relationship in the world. In 1990, just two years after the agreement took effect, trade in goods and service transactions* totalled more than \$212 billion, 28 percent higher than in 1987.

Canada: Your Best Customer

In 1990 the United States exported more than \$108 billion worth of goods and services to Canada, far more than the U.S. exported to Japan and more than your total exports to the United Kingdom and West Germany combined.

Canada

- population: 26.7 million
- purchases from U.S.: \$83.6 billion
- per-capita U.S. purchases: \$3100

Japan

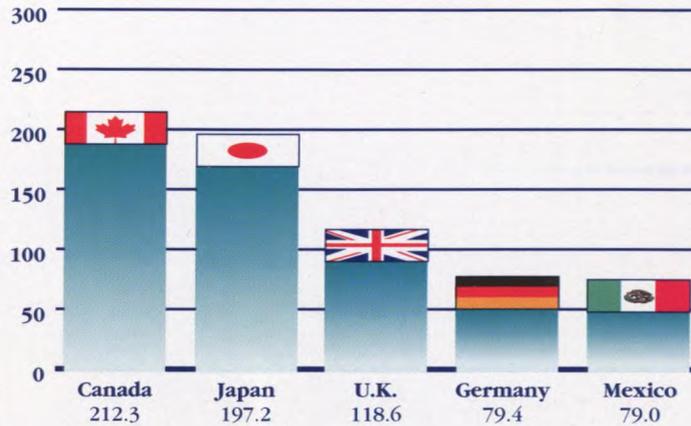
- population: 123.1 million
- purchases from U.S.: \$48 billion
- per-capita U.S. purchases: \$400

European Community (12 member states)

- population: 320 million
- purchases from U.S.: \$96.3 billion
- per-capita U.S. purchases: \$300

U.S. Merchandise and Non-merchandise Trade

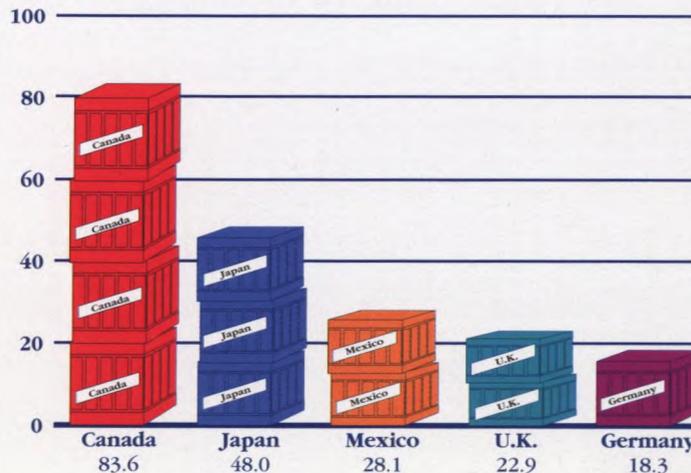
1990 - In Billions of U.S. Dollars



Bureau of Economic Analysis, U.S. Department of Commerce

U.S. Merchandise Exports

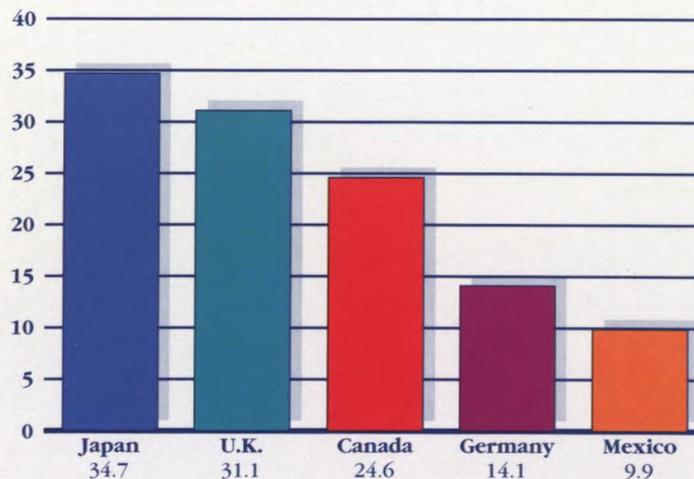
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Bureau of Economic Analysis, U.S. Department of Commerce

U.S. Non-Merchandise Exports

1990 - In Billions of U.S. Dollars



Bureau of Economic Analysis, U.S. Department of Commerce

Service transactions account for a quarter of the world's trade. The United States is the world's leading exporter of services, and Canada is one of your best customers. In 1990 the United States provided Canada with over \$24 billion worth of services and other non-merchandise trade, an increase of 18 percent in the three years since 1987. In turn, Canada furnished the United States with almost \$11 billion worth of service transactions in the same year, an increase of 12 percent in three years.

Fair and Balanced Trade

The best picture of our trade exchange is available by looking at the current account: the balance of trade in goods, service transactions and other payments between Canada and the U.S. Since World War II, the balances between our two countries have shifted back and forth. In 1985, the United States' current account balance with Canada was a negative of \$5.6 billion, but since then, the deficit has been declining, and in 1990 the United States had a surplus of \$410 million.

*Service transactions, or non-merchandise trade, include professional services, travel, royalties and license fees, interest, dividends and other investment income.

Except where otherwise noted, all figures are in U.S. dollars. Statistics Canada figures have been converted to U.S. dollars at the rate of 1.1668, the average for 1990.