

only one ASEAN nation appears in the list of Canada's top twenty five export markets for goods in any stage of fabrication, collectively they constitute a valuable export market. Moreover, the growth rate of their import levels signals great potential which should be examined and, if possible, taken advantage of.

### Countries

#### The United States:

The United States is Canada's largest export market for products in all stages of fabrication. The United States purchases more than 10 times the amount of Canadian goods as does our second largest single trading partner (Japan). Even with the slump in exports in 1980 (which resulted from problems with the automotive sector), the US absorbed \$46.8 billion worth of exports, or 63.1% of Canada's total exports. Over the last decade total exports to the USA have increased by 291%. Discounting for inflation one finds that the real increase is a more modest 39%. Nonetheless, it is important to recognize that while increasing sales from \$1 million to \$4 million represents a 400% increase, it is much more difficult to increase an \$11 billion sales level by a four fold margin. Consequently, a 39% level of real growth, in the case of the US, can still be seen as adequate if not outstanding.

In examining our trade with the U.S. one can detect the same pattern as was noted in world trade. When performing calculations using current dollar figures, the proportion of U.S. imports in the raw and semi-processed categories is seen to increase, while the proportion in the processed category is seen to fall from 48.7% to 37.8%. When considering constant dollars, however, the reverse appears to be true. Processed imports increase to 55.8% of total imports, semi-processed imports remain constant and raw imports gradually decline to 8.8% of total imports. Whichever figures one accepts, it is clear that the United States provides one of the best profiles in value added terms of any importer of Canadian goods (see Appendices B, D, E & F). None of Canada's nine other top ten export destinations imports more than 30% of its goods in processed form, and other than W. Germany none even imports more than 20%. In addition, none of them imports a lower percentage of its total exports in raw form. In value added terms the U.S. does significantly better than any of Canada's other major trading partners.

Another point worth noting is that Canada's dependence on the USA market increases as the degree of