

Table 7

**U.S. Merchandise Trade of U.S. Parents and Majority Owned Foreign Affiliates
by Country of Affiliate**
(1977, 1982, 1989 - Billions of U.S. Dollars, Percentages)

Year	Canada	Europe	Mexico	Japan	Rest of World	Total
(U.S. Exports - Billions of U.S. Dollars)						
1977	12.6	9.5	0.7	0.7	5.8	29.3
1982	15.5	15.2	2.1	1.5	10.1	44.3
1989	32.1	27.0	6.0	6.0	14.6	85.6
(U.S. Exports - Percentages)						
1977	42.9	32.3	2.5	2.4	19.9	100.0
1982	34.9	34.2	4.7	3.3	22.8	100.0
1989	37.4	31.5	7.0	7.1	17.0	100.0
(U.S. Imports - Billions of U.S. Dollars)						
1977	11.0	3.3	0.4	0.3	15.8	30.9
1982	16.6	3.9	1.6	0.8	15.7	38.5
1989	32.5	13.0	6.4	2.0	18.5	72.4
(U.S. Imports - Percentages)						
1977	35.5	10.8	1.3	1.1	51.2	100.0
1982	43.0	10.2	4.0	2.0	40.8	100.0
1989	44.9	18.0	8.9	2.7	25.6	100.0

Source: OECD, *Intra-firm Trade Study*, 1992, pp. 33-34.

On the import side, U.S. intra-firm imports from Canada accounted for 44.9 percent of total U.S. intra-firm imports, of which motor vehicle intra-firm imports accounted for a 29.8 percent share. Europe was a distant second at 18.0 percent of U.S. intra-firm imports, with Mexico at 8.9 percent and Japan at 2.7 percent. The growth of Canada's imports share from 35.5 percent in 1977 to 43.0 percent in 1982 was also mirrored by Mexico (1.3 percent in 1977, 4.0 in 1982) and to a lesser extent Japan (1.1 percent in 1977, 2.0 percent in 1982). Since 1977, Canada, Europe, Mexico and Japan increased their U.S. intra-firm import share by over 25 percentage points.

Canada, as shown, occupies a very unique position in the U.S. intra-firm trade picture, accounting for the largest levels of U.S. intra-firm exports and imports. Furthermore, an analysis of the intra-firm trade flows between parents and affiliates in Canada and the U.S. reveals a significant difference in the intra-firm trade ratios of sales of parents to affiliates compared to sales of affiliates to parents. The ratio of U.S. parents' exports to Canadian