



A MESSAGE FROM THE
HONOURABLE PIERRE S. PETTIGREW,
MINISTER FOR INTERNATIONAL TRADE

There is no trading relationship more important for Canada than the one with our North American Free Trade Agreement (NAFTA) partners – the United States and Mexico. This coming January will mark the tenth anniversary of the NAFTA and the fifteenth anniversary of its precursor, the Canada-U.S. Free Trade Agreement. These important anniversaries will allow us the opportunity to take stock of how far we have come and to reflect on the future of the North American trade and economic relationship.

This report highlights the rapid expansion of Canada's trade with our NAFTA partners since the implementation of the two landmark agreements. The United States has, for some time, been Canada's largest trading partner, but has increased in importance over the past fifteen years, particularly with respect to our merchandise trade. Indeed, Canada now exports more of its manufacturing output to the United States than we consume domestically. Mexico, on the other hand, while still accounting for a relatively small share of our trade, has grown tremendously, and is now Canada's fourth largest trading partner. We have also seen increases in trade in services and foreign direct investment between Canada and its North American partners.

Looking forward, Canada's economic prosperity will continue to be defined by its success in an increasingly integrated and well-functioning North American market. Although Canada already enjoys a solid trading environment, we continue to be committed in principle to the removal of remaining barriers to the free flow of trade and investment. This, combined with our government's commitments to fiscal responsibility and support for innovation, will ensure that we continue to provide the conditions under which Canadians can excel.