

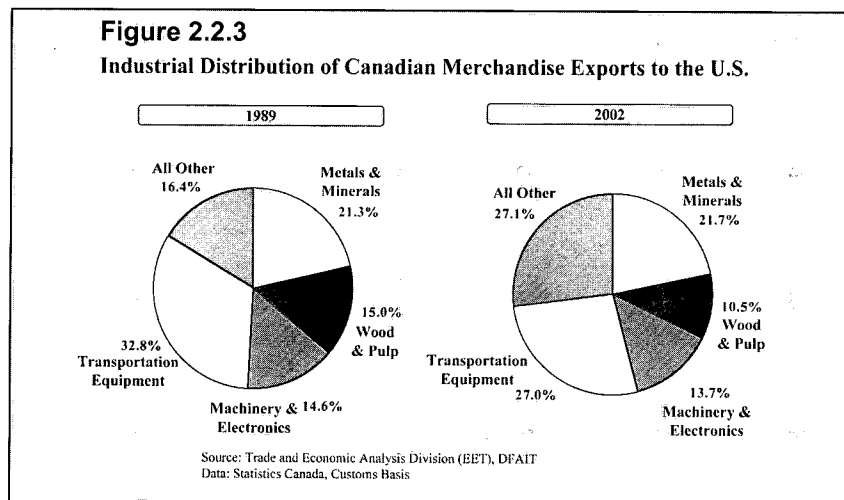
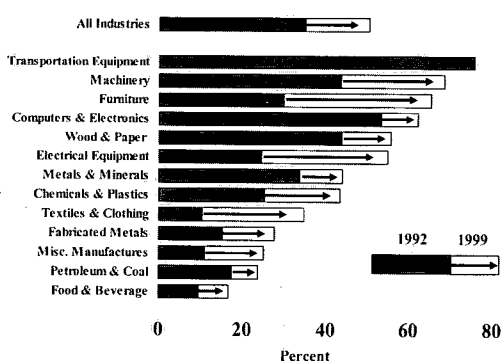
softwood lumber trade actions over the decade. Apparel & Textiles, on the other hand, posted the strongest growth at 15.7 percent.

Table 2.2
Merchandise Trade, Canada -U.S.

	Millions of current dollars			CAGR*, %			Share of World, %		
	1989	1994	2002	1989-94	1994-02	1989-02	1989	1994	2002
Exports	101,592	183,303	345,427	12.53	8.24	9.87	73.24	81.22	87.20
Imports	88,104	137,347	218,308	9.29	5.96	7.23	65.17	67.75	62.62
Balance	13,488	45,956	127,119	N/A	N/A	N/A	384.25	200.32	267.75

* Compound annual growth rate

Source: Statistics Canada, Customs Basis


Figure 2.2.4
Exports to U.S. Share of Total Canadian Shipments*


* Domestic Exports / Shipments

Source: Trade and Economic Analysis Division (EET), DFAIT
Data: Statistics Canada, Customs Basis

Every Canadian industry saw an increased importance of the U.S. market, with the exception of Transportation Equipment, which as stated above was already extremely dependent on the U.S. market. Canadian manufacturers now send more than half of what they produce to the U.S. – making the U.S. a more important market than the Canadian market for Canadian manufacturers!¹¹ It is well known that most of Canada's Transportation Equipment production is exported to the U.S., 75.6 percent in 1999. Some "high-tech" industries also depend critically on the U.S. market. In 1999, 68.4 percent of Machinery produced in Canada is exported to the U.S.,

¹¹ For more information refer to *Fourth Annual Report on Canada's State of Trade: Trade Update 2003*, Department of Foreign Affairs and International Trade, pp. 19-20.