



CHAPTER 6

Opening Doors to North America

United States

Canada has a long-standing and multi-dimensional relationship with the United States. Because of its size, proximity and familiarity to Canadians, the American market remains the key to our economic prosperity. Canada and the U.S. share the largest bilateral flow of goods, services, people, capital and technology of any two countries in the world.

However, Canada can no longer take its special position in the U.S. for granted. Globalization is making Canada's proximity advantage less significant, and bilateral and multilateral trade liberalization is reducing the margin of preference we enjoy as a result of NAFTA. Moreover, given the buoyancy of the Canadian dollar in the context of high commodity prices and Canada's sound economic fundamentals, Canadian manufacturers are finding it tough to maintain their market shares. To meet these challenges, Canada must redouble its efforts to retain and improve its commercial position with the United States.

| UNITED STATES | | |
|------------------------------|-----------------|----------------------------------|
| | 2007 | Percentage change since 2006 (%) |
| Population | 302 million | 1.0 |
| GDP | \$14.9 trillion | 2.2 |
| Canadian Merchandise exports | \$356.0 billion | 0.9 |
| Canadian Services exports | \$36.4 billion | -2.7 |
| Canadian Merchandise imports | \$220.4 billion | 1.3 |
| Canadian Services imports | \$49.9 billion | 5.7 |
| CDIA | \$226.1 billion | -1.8 |
| FDI | \$288.6 billion | 8.0 |

All GDP figures in the tables are quoted at current prices, whereas annual percentage changes of GDP are calculated at constant prices.

