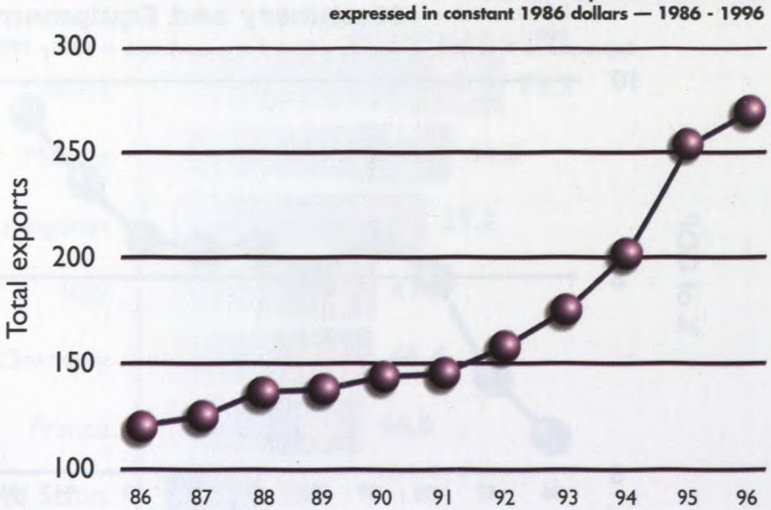
Impressive Export Growth

Canada has an open economy that has long been geared towards trade with the rest of the world. Canada is first among the G7 countries with respect to total trade as a share of its economic output, a testimony to the international focus of its business community. Exports account for more than one third of gross domestic product.

Record Export Growth

Canadian exports in billions of $, expressed in constant 1986 dollars — 1986 - 1996



Sources: *Bank of Canada Review*, February 1996; Statistics Canada (Catalogue No. 65-001-XPB), *Canadian International Merchandise Trade*, December 1996.

Businesses located in Canada are achieving record levels of sales on world markets. Under the Canada-U.S. Free Trade Agreement, in place since 1989, many Canadian companies have increased their market share of the combined Canada-U.S. market. Overall, Canadian exports have grown some $100 billion between 1986 and 1996.

Canadian exports include transportation equipment, metals and mineral products, grains and forest products, as well as such high-technology products as telecommunications equipment and computer software. For instance, Canada exports more cars to the U.S. than Japan.