

activity in the Prairies. Finally, Atlantic Canada accounted for a very small portion of Canada-U.S. trade. Its two neighbouring U.S. regions, New England (0.5 percent) and Mideast (0.2 percent), were Atlantic Canada's most important trading partners.

Major Partner of U.S. Trade by States

The border plays an important role in U.S. state trade with Canada. Most of the key importing states, except for California and Texas, are located along the border

(Table A1). Michigan occupied almost one quarter of total U.S. imports from Canada, while the Great Lakes (including Illinois and Ohio), Mideast (New York and Pennsylvania) and Pacific states (California and Washington) were the other main importing regions. In particular, the Ontario-Michigan trade flow was the most important among all province-state trade between the two countries (accounting for about 18 percent of total two-way trade), followed by Ontario-New York (6.7 percent), and Ontario-Ohio (5.5 percent).

Figure A4: U.S. DOC Regions



Source: U.S. Department of Commerce

Three quarters of Ontario's exports to Michigan were concentrated in transportation equipment such as automotive products. As for Ontario's southbound trade with New York, the second most important state for Canada's exports, automotive products were also important, representing 40 percent of Ontario's exports to New York. The fast-growing importing states, on the contrary, were those importing less than 1 percent of Canada's exports to the U.S. during the second half of the 1990s, with the exception of California and New York (Table A1). It is worth noting that negative import growth for the past five years was recorded only in Rhode Island (-0.9 percent) and Wisconsin (-0.3 percent).

Canada's imports from the U.S. were more diversified among U.S. states than is the case of Canada's exports to the U.S., even though Canada was the top destination for exports of 35 U.S. states in 1999 (Table A2). For example, exports to the top five states from Canada represented roughly 50 percent of total Canadian exports to the U.S. over the past five years, compared with 44 percent for their imports. As in the case of Canada's exports, Canada's imports from the U.S. were heavily concentrated in Great Lakes and Mideast regions. Again, the growth in Canada's imports from U.S. states was the highest among states that account for a small share of Canada's overall imports from the United States. The only two states that experienced declines in exports to Canada during 1995-1999 were Idaho (-3.5 percent) and Maryland (-3.2 percent).