

CANADA-UNITED STATES TRADE

- Canada and the United States share the world's largest bilateral trade relationship. Total two-way merchandise trade in 1991 was \$200 billion.
- Canada's 1989-1991 merchandise exports to the U.S. reached \$324 billion. This represents a 10.7 per cent increase over the previous three-year period, despite a recession in the U.S. and a high Canadian dollar. 1992 is proving to be even better.
- Our merchandise exports to the U.S. set an all-time record of \$89 billion -- an increase of 10.5 per cent -- comparing the first three quarters of this year with the same period last year. If this increase is maintained, it will translate into a merchandise export figure of \$119 billion for 1992 -- even higher than the record set in 1990.
- In September of this year, a monthly export record was set, with Canadian merchandise exports to the U.S. of \$10.3 billion.
- In 1991, Canada exported merchandise worth \$107.6 billion to the U.S. and imported U.S. merchandise worth \$93.7 billion, giving Canada a surplus on merchandise transactions of \$13.9 billion.
- As of the first nine months of this year, Canada's trade surplus with the U.S. stands at \$12.2 billion, almost \$2 billion over the same period last year.
- According to a November 1992 C.D. Howe Institute study, the first three years of the Free Trade Agreement (FTA) saw our exports to the U.S. of office and telecommunications equipment increase by 74 per cent, paper products by 73 per cent, beverages by 48 per cent, textiles by 47 per cent, meats and dairy products by 27 per cent, other food products by 31 per cent, and chemicals by 26 per cent.
- U.S. investment in Canada accounted for about \$80 billion or 64 per cent of foreign direct investment in Canada in 1990.
- Cumulative net foreign direct investment into Canada for the period 1989-1991 totalled \$16.7 billion, compared with \$10.4 billion for the three-year period preceding the FTA (1986-1988).
- Canada-U.S. trade supports an estimated two-million jobs in each country, in the manufacturing, mining, agricultural and service sectors.
- An increase of only 1 per cent in Canada's share of the U.S. market would yield approximately \$5 billion worth of additional exports.
- The automotive, forestry and energy sectors dominated Canadian exports to the U.S. in 1991. Collectively, they represented approximately half of all Canadian domestic exports to the U.S.

December 1992