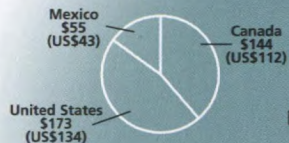


**In days past**, closed borders hampered trade and increased costs to consumers and governments alike. But times change. Markets are opening up, barriers are tumbling down and the free flows of goods, services, investment and ideas mean our economies are integrating as never before. Today, companies are treating the world as their marketplace — and the opportunities for investors, businesses, workers and consumers are better than ever before.

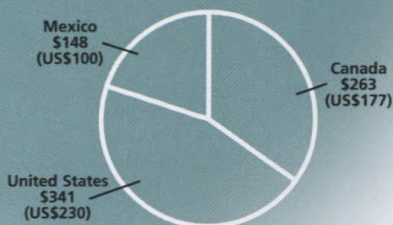
# NAFTA fuels

## economic growth...

**Exports to NAFTA Partners, 1993**  
(billions of dollars)



**Exports to NAFTA Partners, 1998**  
(billions of dollars)



Source: Import data from U.S. Department of Commerce (USDOC), Statistics Canada and Secretaría de Comercio y Fomento Industrial (SECOFI)

In 1994, Canada, the United States and Mexico launched the North American Free Trade Agreement (NAFTA) and formed the world's largest free trade area. Our decision to open doors and break down barriers is producing a thriving relationship among our three countries — one that has led to strong economic growth in the region and that has helped to fuel global economic growth in recent years. Between 1994 and 1998, Canada's economy grew by an average of 2.8 percent, while the U.S. and Mexican economies grew by an average of 3.3 percent and 3 percent, respectively.

## ...and dynamic trade

Since NAFTA was implemented, trade within North America has increased around 75 percent. All three NAFTA partners now enjoy a bigger piece of a much larger trade pie — and the jobs and economic opportunities created are key to our continued well-being. Merchandise trade<sup>1</sup> among NAFTA's partners reached \$752 billion (US\$507 billion) in 1998, a leap of \$380 billion (US\$218 billion) in just five years.

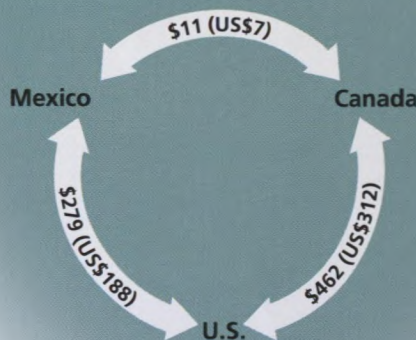
- The United States remains Canada's and Mexico's largest trading partner.
- Canada is the United States' largest trading partner.
- Mexico is the second-largest market for U.S. goods.
- Canada is the second-largest market for Mexican goods.

During NAFTA's first five years:

- Mexico-U.S. trade has nearly doubled, surging an average of 17 percent annually;
- Canada and the United States have increased their already substantial trade by an average annual growth rate of almost 10 percent; and
- Canada-Mexico trade has increased by almost 13 percent annually.

NAFTA has resulted in strong and steady growth in merchandise trade and has stimulated trade in services, a sector we expect will grow in the future. NAFTA has benefited all three of its partners and has helped North America become a more prosperous trading region.

**Bilateral Trade Between NAFTA Partners, 1998** (billions of dollars)



Source: Import data from USDOC, Statistics Canada and SECOFI

<sup>1</sup> Unless otherwise specified, the trade statistics herein refer to merchandise trade and are in Canadian dollars. Each country supplied import data on a customs-value basis. Data source: U.S. Department of Commerce (USDOC), Statistics Canada and Secretaría de Comercio y Fomento Industrial (SECOFI).