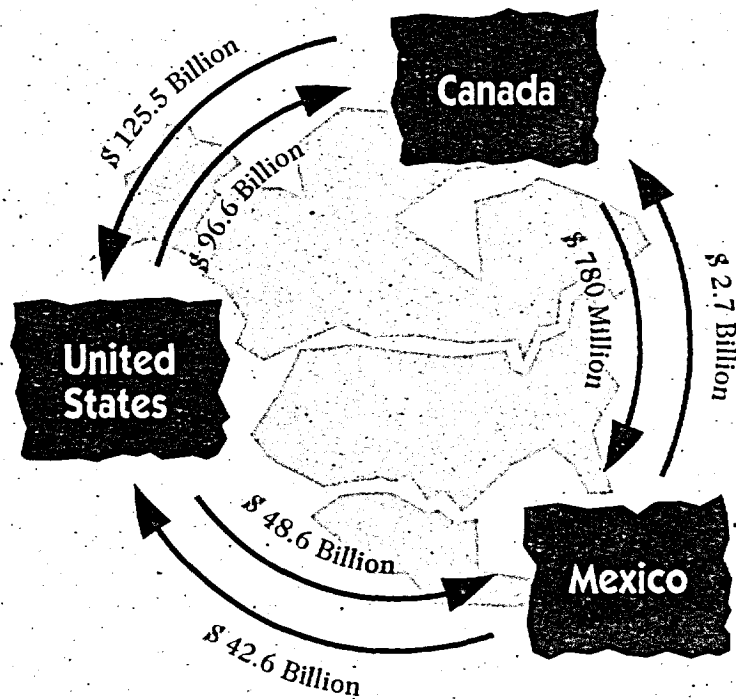


CANADA IN THE NORTH AMERICAN MARKET

The North American market is already one of the largest trading areas in the world. In 1992, the flow of trade and investment among the three countries of North America totalled approximately \$500 billion.

Canada – U.S. – Mexico Merchandise Trade Flows, 1992 (Customs basis)



Sources:
Statistics Canada,
U.S. Dept. of Commerce

The FTA, which came into force in 1989, laid the groundwork for the NAFTA. As a result of the FTA, Canada's economic relationship with the United States has continued to improve. In 1992, Canada's exports to the U.S. increased by 13.6 percent over 1991. Canada's trade with the United States has never been larger, and is growing faster than the rest of our economy.

By expanding this relationship to include Mexico, a rapidly growing market of more than 85 million people has been added to the Canada/U.S. free trade area.