Trade and Prosperity:
The U.S. - Canada Story

Economic Development and Trade
June 13, 2017
Canada...America’s Largest Customer:

- Canada-U.S. Trade: B(u)y the Numbers
- Economic Integration
- Alberta-U.S. Trade
- Creating Jobs
- Energy Security and Agriculture
- NAFTA & Enhancing the Partnership
Canada and Alberta share a strong economic, historical and cultural connection with the United States.

**Canada**
- **USD$507.7 billion** = Two-way trade in goods between Canada and the U.S.
- **USD$83.7 billion** = Two-way trade in services between Canada and the U.S.
- **165%** = Increase of U.S. exports to Canada since 1993 (NAFTA)

**Alberta**
- **1,500 and 49 = 1,500 firms from 49 U.S. states supply equipment, parts and services to Alberta's oil sands.**
• U.S. trade with Canada fairly is balanced.
  
  – While the U.S. goods trade deficit with Canada was $12.1 billion in 2016, the U.S. trade in services had a trade surplus estimated at $25 billion.

• Nearly USD$2 billion worth of goods and services cross the Canada-U.S. border every day.

For every dollar of goods that Canada exports to the U.S., there are 25 cents worth of U.S. inputs in the Canadian goods.

• Half of the U.S. trade with Canada takes place between related companies.
Nearly 9 million U.S. jobs depend on trade and investment with Canada.

- The U.S. is Canada’s largest source of foreign direct investment, accounting for approximately $361.4 billion in 2014. This investment benefits the U.S. economy, and returns significant dividends to American investors and supports thousands of American jobs.

- Canada’s direct investment in the U.S. totaled $269 billion in 2015.
Alberta’s two-way trade with the U.S. totaled approximately $64 billion in 2016.

- 86% of Alberta’s exports are sold to the U.S.
- 65% of Alberta’s total international imports come from the U.S.
- Alberta has strong linkages with the U.S. across a variety of sectors including energy, agriculture, forestry, and manufacturing.
Jobs Created in the U.S. Resulting from Exports to Alberta

- TX: 133,538
- CO: 21,780
- OK: 25,739
- MT: 4,335
- ND: 6,404
- SD: 2,934
- WA: 17,438
- CA: 74,841
- NM: 3,691
- WY: 2,913
- NE: 6,495
- AR: 8,640
- AZ: 10,079
- NV: 8,113
- UT: 9,629
- ID: 5,202
- OR: 10,838
- AK: 1,599
- HI: 1,320
- IA: 15,199
- IA: 15,199
- IL: 63,697
- MI: 43,764
- WI: 27,052
- MN: 23,591
- WV: 4,446
- VA: 16,368
- MD: 9,660
- NC: 24,394
- SC: 11,875
- AL: 13,242
- GA: 26,011
- FL: 27,410
- DE: 1,933
- CT: 1,896
- RI: 3,376
- MA: 16,564
- NH: 3,376
- VT: 2,963
- ME: 2,917
- NY: 39,110
- NJ: 20,018
- PA: 36,172
- OH: 49,887
- IN: 28,740
- KY: 16,408
- TN: 22,892
- MS: 7,266
- LA: 15,057
- AK: 1,599
- HI: 1,320
• Alberta contributes to continental energy security as the energy industries of Canada and the U.S. are increasingly interconnected.

• In 2016, Alberta supplied approximately 34% of U.S. oil imports.
  – This includes providing 99.6% if the crude imported into PADD 2, fueling the economy of the U.S. Midwest.

Alberta is the largest supplier of natural gas to the U.S., providing 99% of all U.S. imports.

• Alberta is also an importer of energy from the U.S., including $3.4 billion of refined oil in 2016.

• Many Canadian and American energy companies support well-paying jobs in both countries.
  – Encana based in Calgary, operates its U.S. head office in Colorado.
PennWell MAPSearch Pipeline Coverage - All Commodities
• The U.S. is Alberta’s largest trading partner for agriculture and food products, accounting for 41% of Alberta’s food exports.

• 60% of Alberta’s imports of agriculture and food products come from the U.S. In 2016, Alberta imported USD$1.4 billion, a large portion of which originated in or shipped via states in the Ports-to-Plains corridor.

• Agriculture goods also fit within larger Canada-U.S. supply chains:
  – Like the burger, beef born in Alberta can be raised in Nebraska, and processed in Colorado.
  – A large portion of wheat and cereals that leave Alberta to the U.S. return to Alberta as breakfast cereal and other processed foods.

• Market access remains of critical importance to the integrated nature of the Canada and U.S. agricultural industries.
The United States and Canada – WE MAKE GREAT FOOD TOGETHER!

Bun baked in Michigan
  With flour from Saskatchewan

Beef from cattle born in Alberta
  Raised in Nebraska
  Processed in Colorado

Ketchup from Ohio

Onions from Washington

Mushrooms from British Columbia

Tomatoes from Ontario

Bacon from pigs born and raised in Manitoba
  Processed in Iowa

Lettuce from Arizona
• NAFTA facilitates trade relationships that fuel prosperity and economic growth across the continent.

• North Americans not only sell more (U.S. exports to Canada have increased 165% since 1993), North Americans make more things together.

• In 1993, trilateral trade within North America was USD$289 billion. In 2015, trilateral trade reached USD$1 trillion—a fourfold increase.

• Alberta and Canada are open to modernizing NAFTA as to enhance the economic partnerships that exist between Canada, the U.S. and Mexico.
• Alberta is committed to working with American partners to sustain and expand the economic partnership.

• Protectionist measures are detrimental to job creation and economic benefits found in trade between Canada and the U.S.

Open and unimpeded trade maximizes the benefits. Supporting border and transport infrastructure (roads, rail, pipelines) that facilitate trade increases efficiency and reduces costs.

• Alberta is committed to working with industry, state, and federal governments to further strengthen the economic partnership.