



## ***CANADA AND THE UNITED STATES A UNIQUE RELATIONSHIP***

---



Canada and the United States are each other's largest trading partners, customers, and suppliers. We are joint stewards of our environment, and defence and security partners at home and abroad. In building the world's smartest border, we are also bound by history and shared values and interests.

- Canadian goods and services exports to the United States have expanded at an average annual rate of 8.3 percent since 1989, more than tripling in that period. Canadian imports have increased almost as rapidly, growing at an average annual rate of 6.5 percent.
- Ours is the largest trading relationship in the world with two-way trade in goods and services amounting to C\$645 billion in 2003. This is equivalent to more than C\$1.2 million per minute in trade. In 2003, the United States accounted for 80 percent of Canada's exports, up from 71 percent in 1989.
- Our merchandise trade surplus with the United States was C\$92 billion in 2003.
- Canada now exports 48 percent of all Canadian manufactured goods to the United States, up from 35 percent in 1992. Over 50 percent of total trade is now intra-company. Freer trade has raised the productivity of Canada's manufacturing sector beyond what it would have been otherwise.
- The United States trades more with Canada than with all of the countries of the European Union combined and more than Japan and Mexico combined.
- We buy almost 25 percent of United States exports of goods -- more than Japan, Germany, Britain, Italy, China and Hong Kong combined. In 2002, United States exported twice as much to Ontario alone as to Japan.
- Canada is the number one foreign trading partner of thirty-nine states.
- Canada is far and away the largest energy supplier to the United States. In addition to providing 94 percent of natural gas imports, close to 100 percent of electricity imports, and 35 percent of uranium used in the production of nuclear power, Canada provides more crude and refined oil products (17 percent) than any other foreign supplier including Saudi Arabia (14 percent). Canada's 180 billion barrels of oil reserves rank second only to those of Saudi Arabia (includes established oil sands reserves).
- Foreign direct investment between Canada and the United States has grown more quickly than trade since 1989. The United States is Canada's largest source of foreign direct investment, accounting for a 67 percent share. The stock of total FDI encompassing the two countries totaled C\$425 billion in 2002.
- Trucks carry about 80 percent of Canada's trade with the United States. One truck crosses the Canada-United States border every 2.5 seconds.
- We share a 8,900-kilometre (5,500-mile) border that touches on 15 American states accounting for about one-third of the population. About 200 million people move across our borders each year.
- More than 300 treaties and agreements support cooperative efforts on a wide range of issues -- including, for example, the land, air and maritime defence of the continent and joint stewardship of the environment, a cornerstone of the Canada-United States relationship. For more than 100 years, both countries have cooperated to manage our shared environment, to protect wildlife and habitat, and to manage water resources and improve air quality.