WHY CANADA MATTERS to Arkansas Businesses

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Purpose

To demonstrate:

• The depth and richness of the U.S.-Canada-Arkansas economic partnership
• The high level of integration of our economies
• The importance of this economic partnership to U.S. prosperity and jobs
Key Points

The U.S.-Canada economic partnership is a model for the world. It is:

• Grounded in **shared security and prosperity**
• **Balanced and fair**
• Supports **good paying jobs** in both countries

The U.S. and Canada **depend on each other for this mutual prosperity.**

No two economies are more **integrated.**
No Two Nations Closer

“We recognize our profound shared economic interests and will work tirelessly to provide growth and jobs for both countries”. – Joint Statement from President Donald J. Trump and Prime Minister Justin Trudeau
Canada: USA’s Biggest Customer

In 2016, total goods and services traded between Canada and the U.S. was nearly USD $635.1 billion.

Canada: USA’s Biggest Customer

In other words, we trade an average of

$1.2 million in bilateral goods & services

every minute of every day

Canada: USA’s Biggest Customer

Canada is the United States’ **BIGGEST CUSTOMER**.

**NO OTHER COUNTY BUYS MORE FROM THE U.S. THAN CANADA.**

US has a **$8.1 Billion Trade SURPLUS in G&S with Canada**
Canada: USA’s Biggest Customer

In 2016, **CANADA BOUGHT MORE** from the United States than China, UK, and Japan (COMBINED).
CANADA IS THE TOP TRADING PARTNER FOR 48 STATES
Canada Invests in the USA

Canadian-owned businesses in the U.S

The U.S. is the #1 destination for CANADIAN FOREIGN INVESTMENT.
Canada Invests in the USA

Canadian investment stock in the U.S. was over **USD $340 billion** in 2015.

#3 Largest source of FDI.*

#1 Largest greenfield FDI projects

*Source: U.S. Bureau of Economic Analysis (latest data available as of September 14, 2016)
Cross-Border Supply Chains

WE NOT ONLY SELL TO EACH OTHER -
WE MAKE THINGS TOGETHER
Cross-Border Supply Chains

THE GREAT AMERICAN HAMBURGER

- Bun baked in California
  - With flour from Saskatchewan
- Beef from cattle born in Alberta
  - Raised in Nebraska
  - Processed in Colorado
- Bacon from pigs born and raised in Manitoba
  - Processed in Iowa
- Ketchup from Ohio
- Onions from Washington
- Mushrooms from British Columbia
- Tomatoes from Ontario
- Lettuce from Arizona
Cross-Border Supply Chains

78% of U.S. imports from Canada are materials, parts and components used to make goods and services in the U.S.
Cross-Border Supply Chains

On average, **CANADIAN GOODS** sold to the U.S.

PRODUCTION

CONTAIN 25% AMERICAN CONTENT
Cross-Border Supply Chains

CANADIAN EXPORTS TO THE WORLD CONTAIN 14% U.S. CONTENT
Cross-Border Supply Chains

Canada & The United States have highly effective supply-chains that criss-cross our shared border in every sector.
Cross-Border Supply Chains

The automotive sector alone represents nearly USD$110 billion in cross-border trade.
Integrated Supply Chains for Auto Parts

1. Product: Metal crossmember
   Manufacturer: Vari-Form, Strathroy, ON, Canada

2. Product: Carrier
   Manufacturer: Bayloff Stamped Products, Belleville, MI, USA

3. Product: Front-end module
   Manufacturer: Magna T.E.A.M Systems, Toledo, OH, USA

4. Product: Jeep Wrangler
   Manufacturer: Chrysler Jeep, Toledo, OH, USA

Pictured above: From metal crossmember to a Jeep, Canadian components are integrated into U.S. automobiles in multiple stages.
Canada: Creates Jobs in the USA

Nearly **9 million U.S. jobs** depend on trade and investment with Canada.

Canadian companies operating in the U.S. directly **employ 500,000 Americans**.

Trade with Canada supports jobs in **every Congressional District**.
Canada: Creates jobs in the USA

Nearly 9 million U.S. jobs depend on trade & investment with Canada.
Canada: Creates Jobs in Arkansas

THE ARKANSAS-CANADA PARTNERSHIP

$167 million in food exports to Canada

$101 million in plastic exports to Canada

$82 million in metal exports to Canada

Jobs in Arkansas that depend on Canada-U.S. trade and investment:
66 thousand

Annual value of Arkansas’ goods & services exports to Canada:
$1.4 billion

Value of exports in USD. Based on most recent available data - goods exports: 2016, services exports: 2015.
Canada: Creates Jobs in AR 3rd

Canada: Your Most Important Trade and Investment Partner

Annual value of goods & services exports to Canada from Arkansas’ 3rd Congressional District:

$330 million

- $50 million in food product exports to Canada
- $34 million in plastic exports to Canada
- $32 million in paper product exports to Canada
- $24 million in electrical equipment exports to Canada

Canada shares more than a long border with the United States – joint stewardship of immense national resources, a shared commitment to principled democracy and a long history of military co-operation. Over 200 million people and billions of dollars of goods and services cross the Canada-US border every year, helping to maintain the economic prosperity, security, and quality of life for the people in both countries. This relationship of free and fair trade boosts economic growth and creates jobs for thousands of households in Arkansas and millions more across the country. As voters on both sides of the border increase pressure on lawmakers to tackle imbalanced trading practices, it is important that policies targeting unfair traders don’t inadvertently harm the mutually beneficial trade tie between Canada and the United States.

Source: The Trade Partnership and Unilworld Online.
Value of exports in USD. Based on most recent available data - goods exports: 2016, services exports: 2015.
Canada – leading, most secure, reliable, and competitive energy supplier to the U.S.

“U.S.-Canada energy and environmental cooperation are inextricably linked, and we commit to further improving our ties in those areas. We have built the world’s largest energy trading relationship.”

President Trump & Prime Minister Trudeau – February 13th, 2017

Canada Exported 3.26 million bpd of crude oil to the U.S., 41.3% of total U.S. petroleum imports (more than Saudi Arabia, Venezuela, Mexico, and Columbia combined)
Energy Security

CANADIAN ENERGY

• Contributes directly to U.S. energy security.

• Is **safe, reliable and secure.**

• Is critical to U.S. competitiveness and long term energy independence.
Energy Security

OUR ENERGY PARTNERSHIP SUPPORTS TENS OF THOUSANDS OF JOBS ACROSS THE BORDER.
Energy Security

Canada and the U.S. have the largest and most interconnected energy relationship in the world.
Energy Integration

There are 70 operating oil and gas pipelines and over 30 major electricity transmission lines that cross the Canada-U.S. border.

Source: Natural Resources Canada 2015-2016 Energy Report
The Canada-U.S. energy trade

Canada and the U.S. enjoy one of the strongest trade relationships in the world with more than $2 billion in goods and services crossing the border each day. Energy is a major part of that trade. Here is a look at that cross-border flow of energy in 2016.

**OIL**

The U.S. exported 301,000 bbls/d to Canada, worth almost $4 billion.

**NATURAL GAS**

Canada exported 8 bcf/d to the U.S.

It was worth more than $3 billion and 97 per cent of total U.S. natural gas imports.

**ELECTRICITY**

The U.S. exported 9.3 million megawatt-hours to Canada.

**NATURAL GAS**

The U.S. exported 2.3 bcf/d to Canada.

**OIL**

Canada exported 3.3 million bbls/d to the U.S.

It was worth $36 billion and 41 per cent of total U.S. crude oil imports.

**OIL**

The U.S. exported 564,000 bbls/d of petroleum products to Canada, worth $8.2 billion.

**ELECTRICITY**

Canada exported 73 million megawatt-hours to the U.S.

It was worth $2.2 billion, down slightly from an average of $2.4 billion in 2006-14.

Source: U.S. Energy Information Administration
Border Cooperation

The U.S. and Canada share a long history of cooperation in combating threats and ensuring the legitimate flow of people and goods across our shared border.
Border Cooperation

Safely facilitating the daily flow of approximately **400,000 people** and over **USD $2 billion** in goods and services.
Border Cooperation

“Let the 500 mile border between Canada and the United States stand as a symbol for the future. Let it forever be not a point of division but a meeting place between our great and true friends.” – Ronald Reagan, September 28, 1988
Free-Flow of People

In 2015, Canadians made 20.7 MILLION VISITS TO THE U.S., where they spent USD $19.9 billion.

Source: Statistics Canada, Tourism and the Centre for Education Statistics.
Future Collaboration

• Supporting jobs and middle class growth
• Maintaining secure access to both markets
• Facilitating the movement of legitimate goods and people at the border
• Advancing regulatory alignment
• Strengthening collaboration on securing energy supplies
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