



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





Canada: USA's Biggest Customer

Canada is the United States'
BIGGEST CUSTOMER.

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

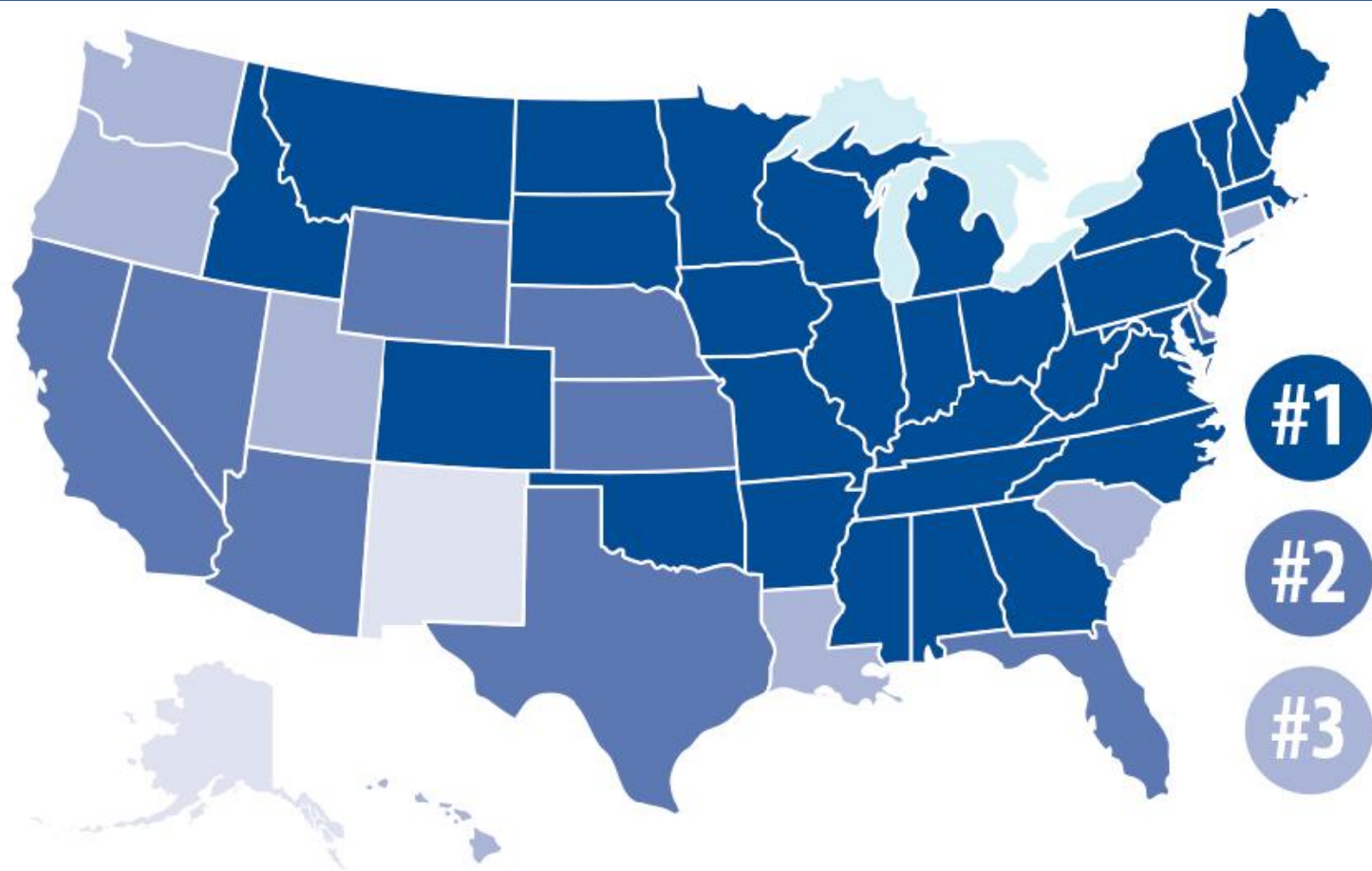
US has a \$8.1 Billion Trade SURPLUS in
G&S with **Canada**

Canada: USA's Biggest Customer

In 2016,
CANADA BOUGHT MORE
from the United States than China, UK, and
Japan (COMBINED).

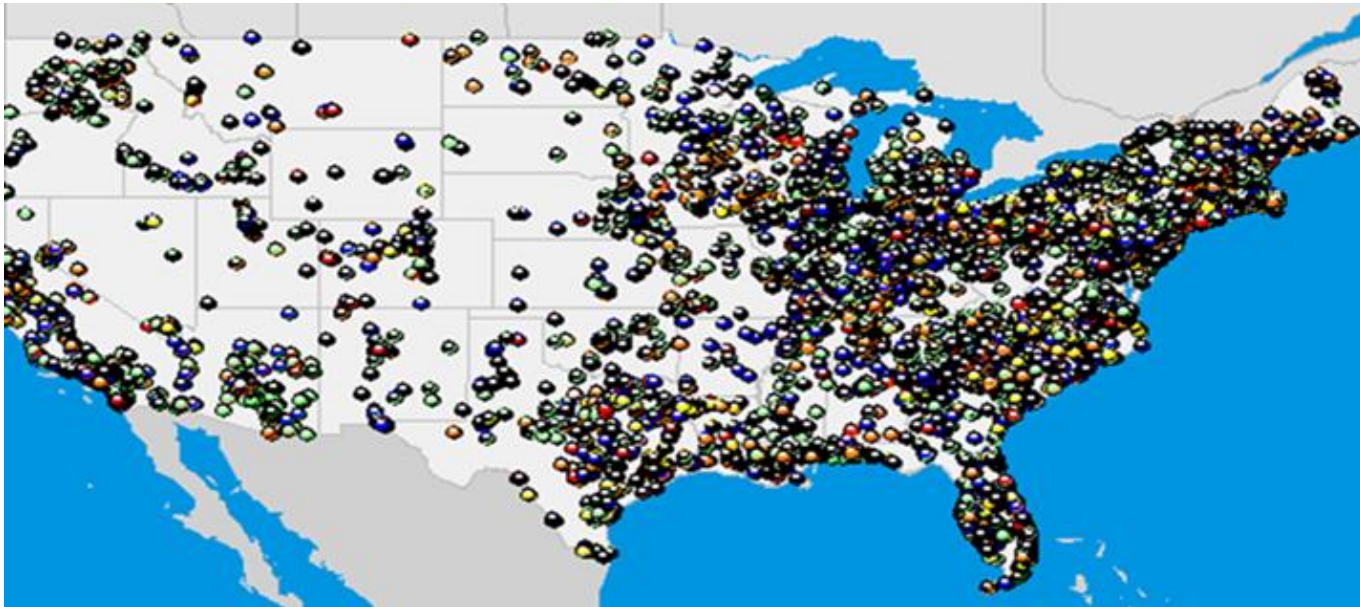


CANADA IS THE TOP TRADING PARTNER FOR **48 STATES**



Canada Invests in the USA

Canadian-owned businesses in the U.S



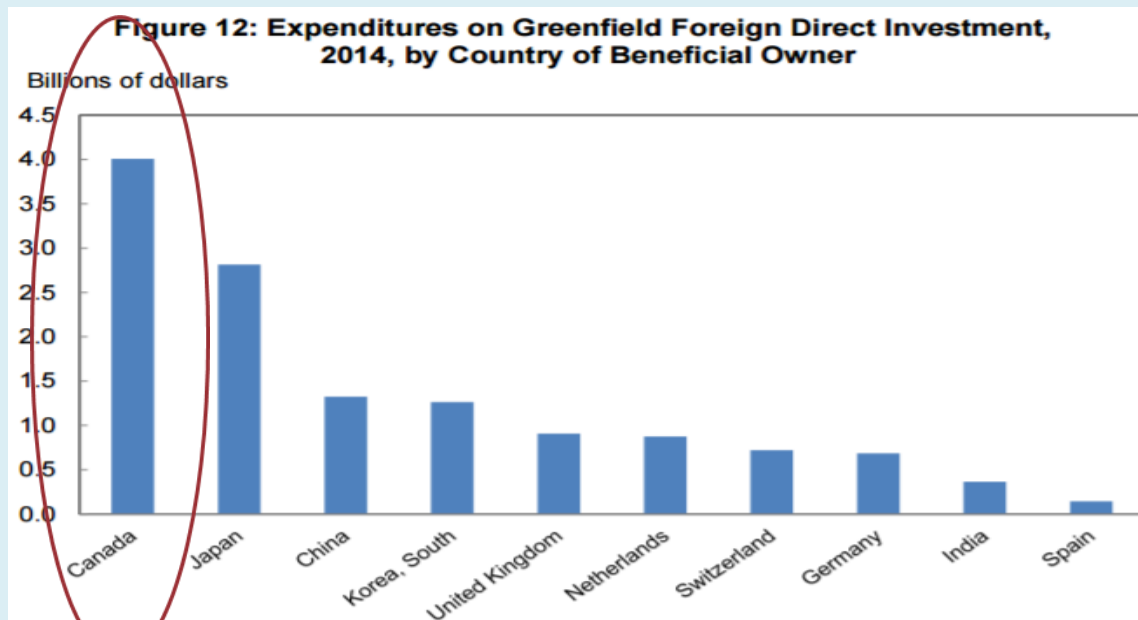
The U.S. is the **#1 destination** for
CANADIAN FOREIGN INVESTMENT.

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



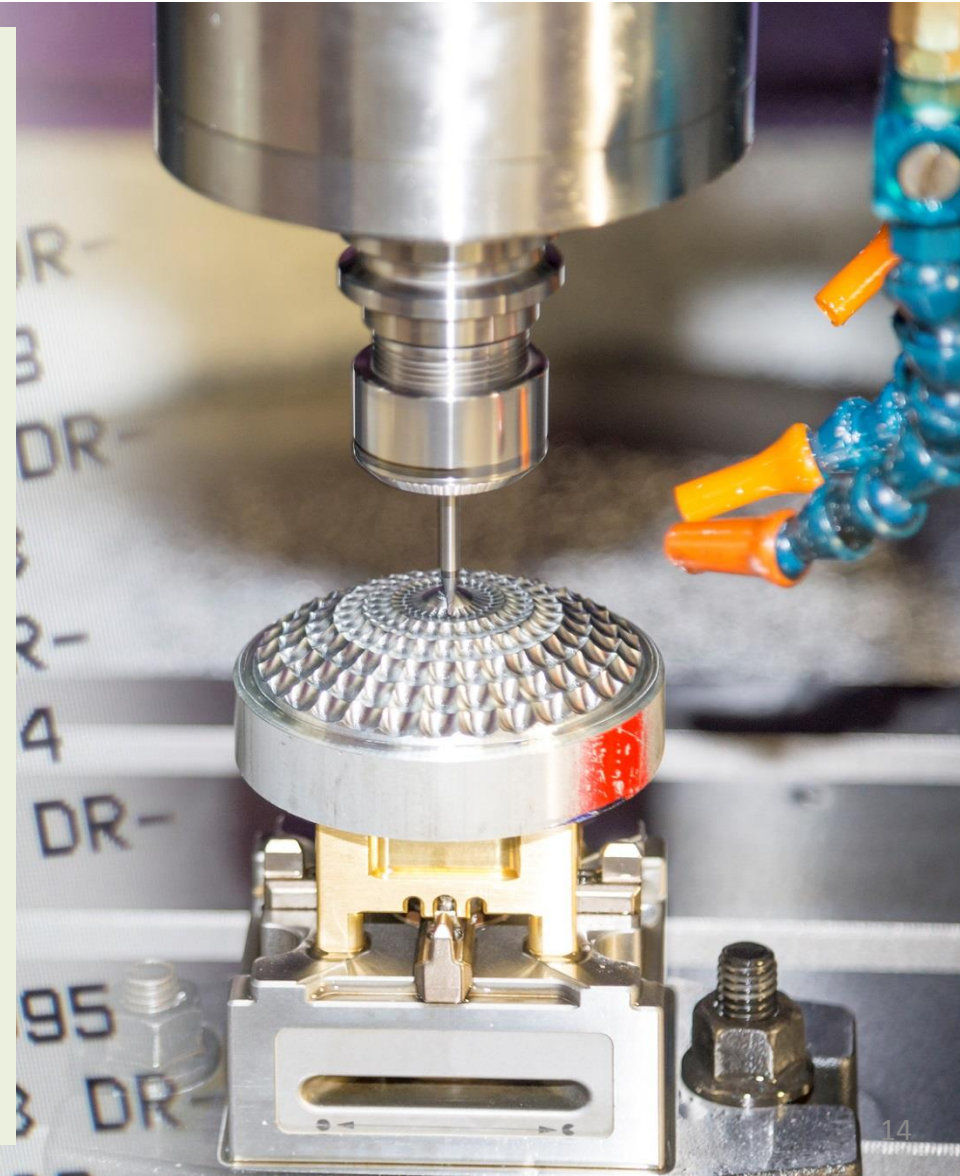
Cross-Border Supply Chains

THE GREAT **AMERICAN** HAMBURGER



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.



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



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



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



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



Product: Front-end module
Manufacturer: Magna T.E.A.M
Systems, 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.

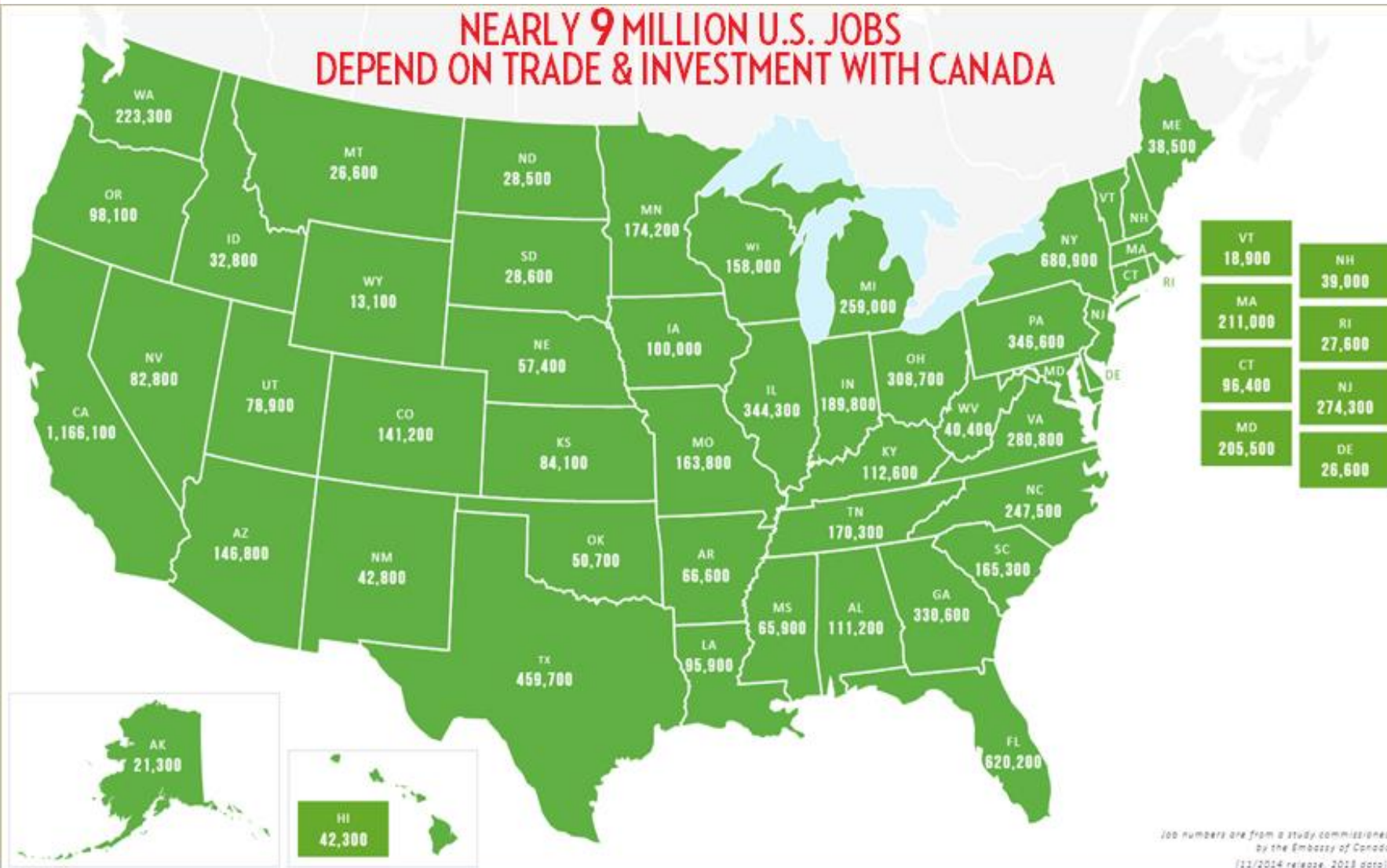


Canadian companies operating in the U.S. directly **employ 500,000 Americans.**



Trade with Canada supports jobs in **every Congressional District.**

Canada: Creates jobs in the USA



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

Canada: Creates Jobs in AR 3rd

3
District

CANADA: YOUR MOST IMPORTANT TRADE AND INVESTMENT PARTNER

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

\$330 million



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

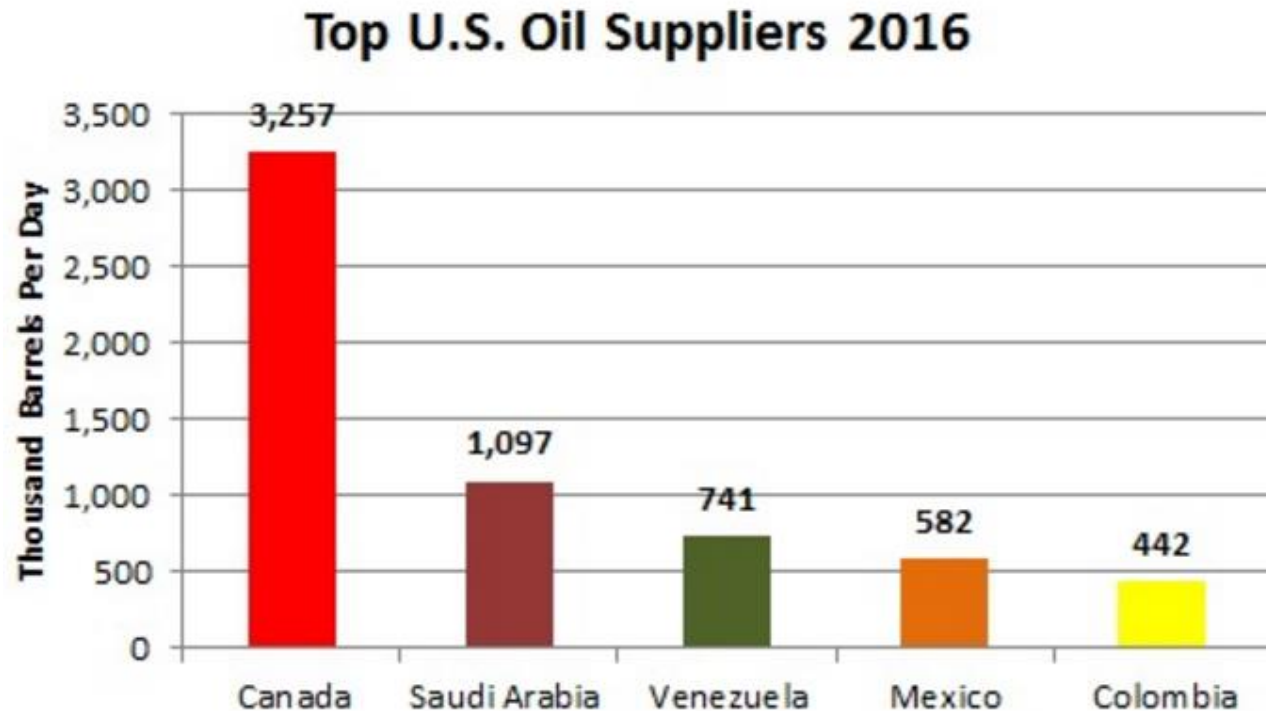
economic growth and creates jobs for thousands of households in Arkansas and millions more across the country. As voters on both sides of the border increase pressure on lawmakers to tackle imbalanced trading practices, it is important that policies targeting unfair traders don't inadvertently harm the mutually beneficial trade tie between Canada and the United States.

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)



EIA: <http://bit.ly/2llovyv>

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.

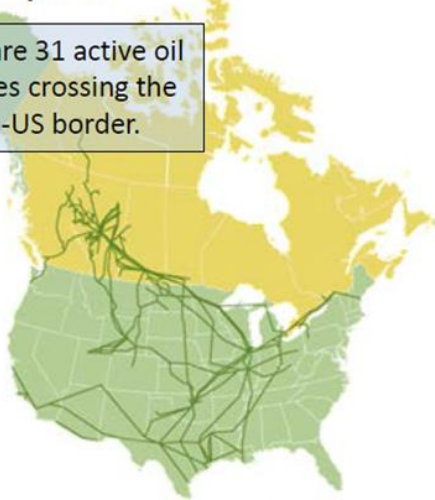


Energy Integration

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

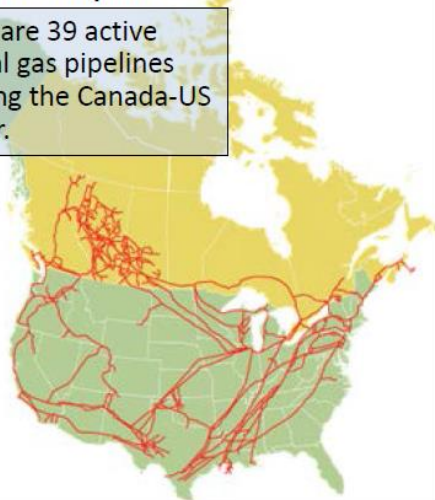
Liquids Pipelines

There are 31 active oil pipelines crossing the Canada-US border.



Natural Gas Pipelines

There are 39 active natural gas pipelines crossing the Canada-US border.



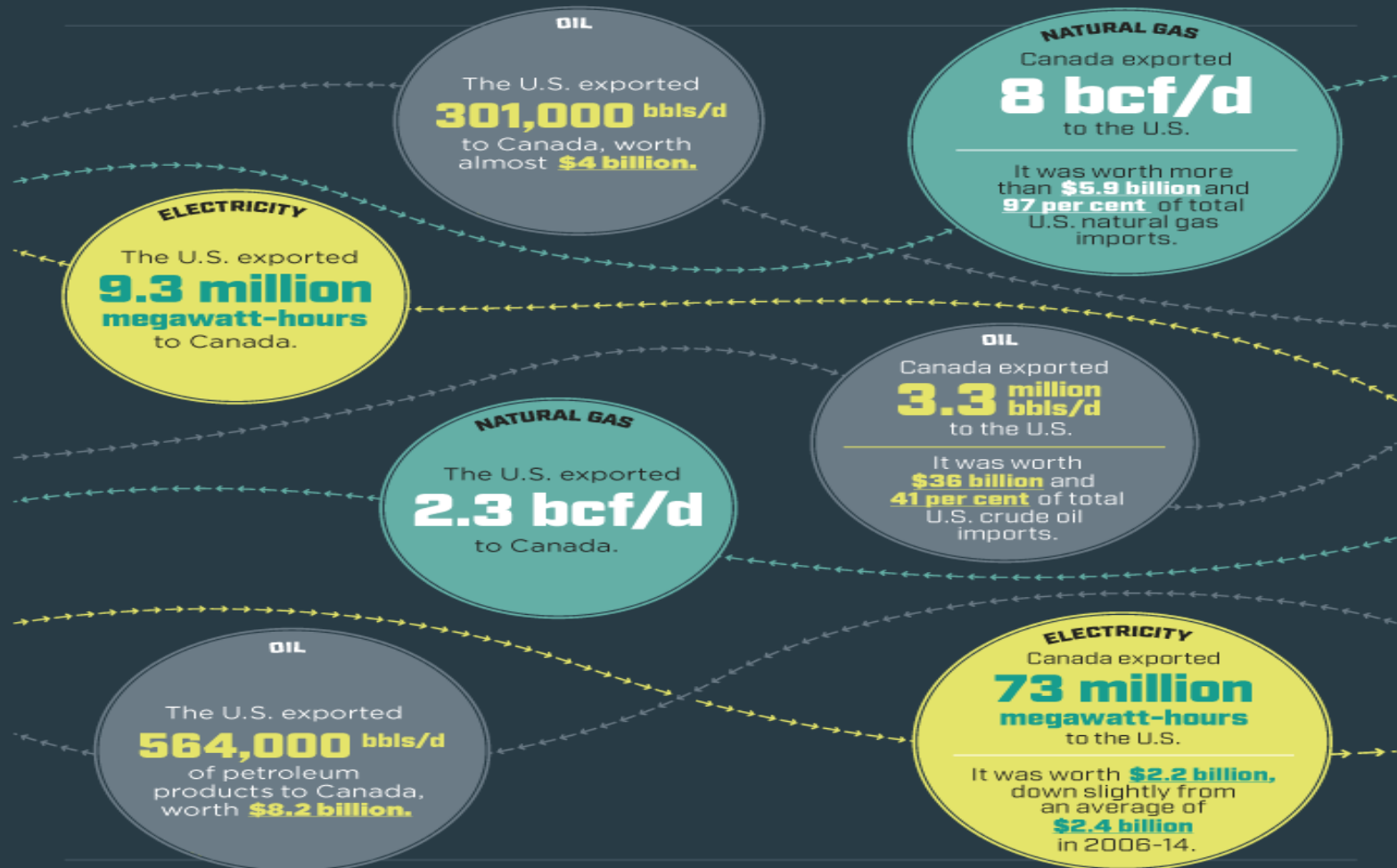
Electricity Transmission

There are 34 major electricity transmission lines crossing the US-Canada border.



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.



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

8 , 8 0 0 K i l o m e t e r s

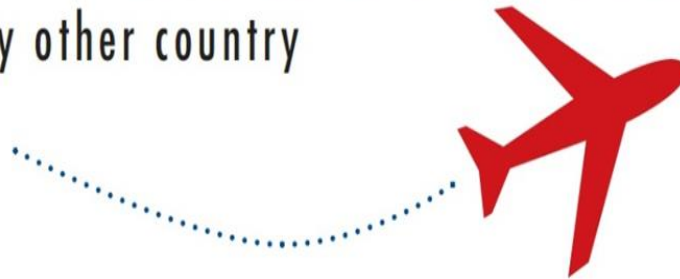
5 , 5 0 0 M i l e s

Free-Flow of People

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

TOURISM

The U.S. welcomes **MORE TOURISTS FROM CANADA**
than from any other country





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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