

The background features a dark blue world map on the right side. On the left side, there are several overlapping maple leaves in shades of brown and orange, with a white and grey checkerboard pattern overlaid on them. The text is centered in the lower half of the image.

CANADA – UNITED STATES: Partners in North America

“Focus 2011 – Business at the Border.”

June 6, 2011

Marta Moszczenska

Consul General

Canadian Consulate General Buffalo



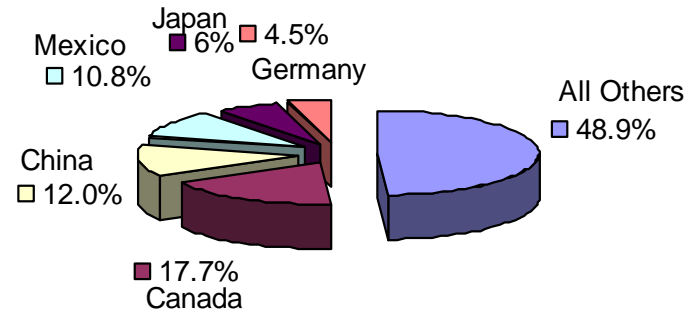
And we have an established relationship upon which we can build...

- **Canada-US trade – at \$645 billion – is the world’s largest trading relationship**
- **More than 8 million U.S. jobs are supported by trade with Canada (2008)**
- **More than 16,000 company locations in the U.S. are Canadian owned: they employ 557,000 Americans (2009)**
- **For every \$1 worth of goods China buys from the U.S., Canada buys almost \$4 (\$3.77)**
- **More than 50% of Canada-US trade moves by truck. ...we can use this to strengthen both countries**

Canada-U.S. trade

Canada's trade in goods and services with the U.S. is more than twice the size of its trade with the rest of the world.

Distribution of U.S. Merchandise Trade 2008



REGIONAL SHARES OF CANADA'S TRADE IN GOODS AND SERVICES, 2004 AND 2008 (PERCENT)

	Exports		Imports		Total Trade	
	2004	2008	2004	2008	2004	2008
World	100.0	100.0	100.0	100.0	100.0	100.0
US	78.5	72.8	67.1	62.4	73.1	67.7
EU	7.7	9.3	11.2	11.6	9.3	10.5
Japan	2.3	2.4	2.9	2.6	2.6	2.5
Other OECD	3.6	4.5	5.8	6.0	4.6	5.3
Non-OECD	8.0	11.0	13.0	17.4	10.3	14.1

The U.S. #1 trading partner =

Canada

Our Solid Foundation

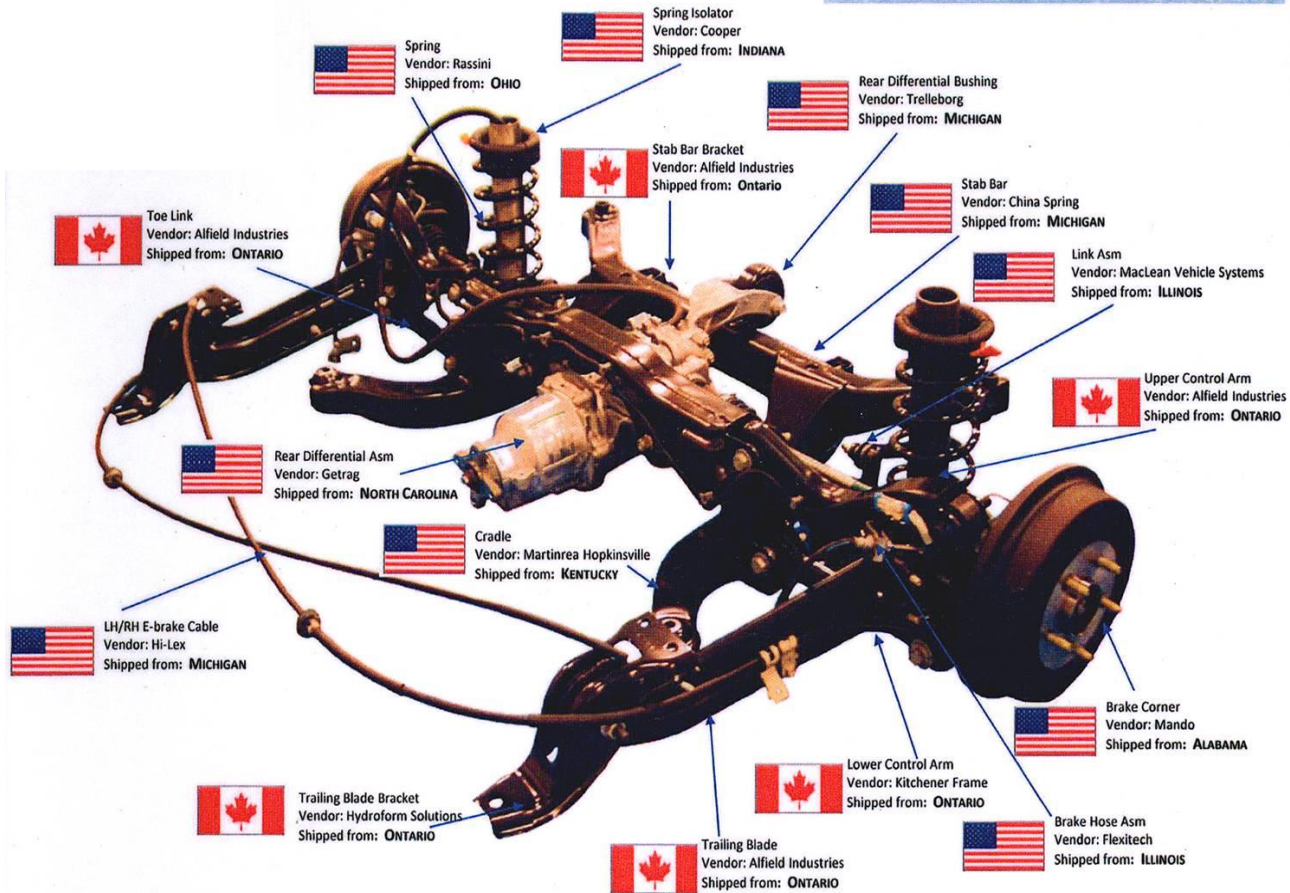
- Almost a fifth of our merchandise trade is in automobiles, trucks and parts: one of the world's largest single integrated industrial value chains;
- More than half of total merchandise trade, including a wide assortment of materials and products (i.e. plastics, machinery, medicines, equipment), is used as inputs for other goods;
- Close to 29% of Canada – U.S. trade in goods represent intra-firm trade according to the U.S. Bureau of Economic Analysis



... our trade is based on the fact that we make things together!

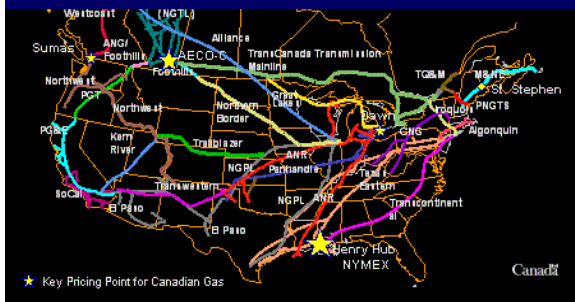
Example - Chevy Equinox

REAR SUSPENSION ASSEMBLY



Physical integration supports a huge trade in energy...

North American Gas Pipeline Grid



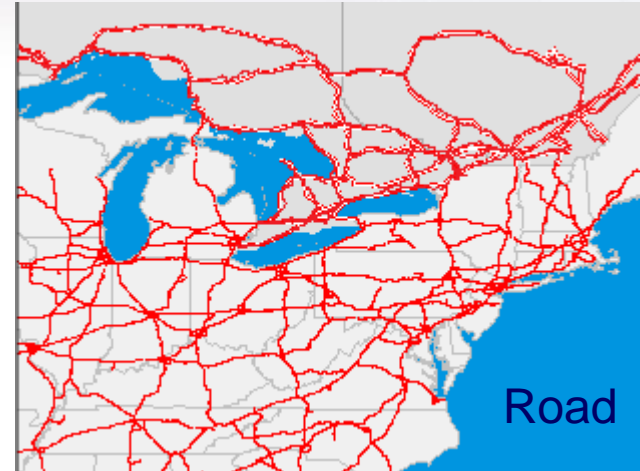
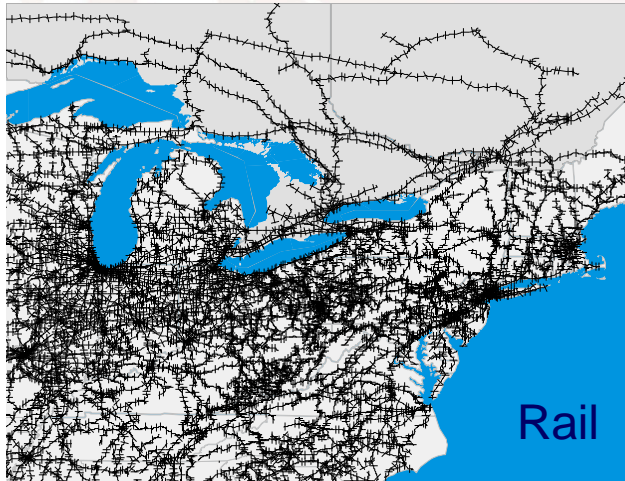
North American Crude Oil Pipeline Grid



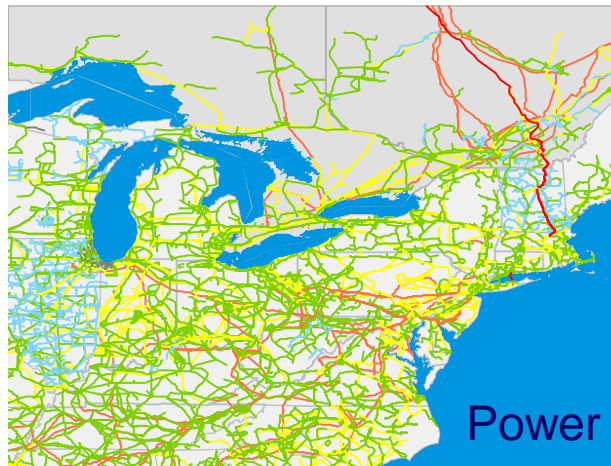
- For 17 consecutive years, Canada has been the largest supplier of energy to the U.S.
- Energy exports to the U.S. equalled 92.9% of Canada's total energy exports
- The value of crude and non-crude oil supplied to the U.S. by Canada was USD \$76.4 billion
- Canada has 175 billion barrels of proven – and relatively untapped - oil reserves

2008 Data

Our Connectivity



From an infrastructure perspective, the border is not obvious



Great Lakes Marine Trade

Economic Contribution of the GLSLS:

- The prosperity of several sectors depends on the waterway: iron and steel, cement manufacturing, energy production, and agricultural exports
- Shippers save \$2.7 billion per year in transportation costs, especially in strategic sectors such as steelmaking and energy which are vital to the North American economy
- The waterway plays a pivotal role in short sea shipping, which can provide efficiency and environmental benefits to the transportation system for both Canada and the U.S.
- Combined US and Canadian fleets move \$80 billion annually through the Great Lakes



Ballast Water Management

Canada supports strong ballast water management:

- **National – *Ballast Water Control and Management Regulations* made in 2006 under the *Canada Shipping Act***
- **GLSLS Canada-US Joint Ballast Water Inspections Program at Montreal - TC and USCG inspect 100% of all vessels entering**
- **International - Ratification of the IMO's *International Convention for the Control and Management of Ships' Ballast Water and Sediments***





The Challenge

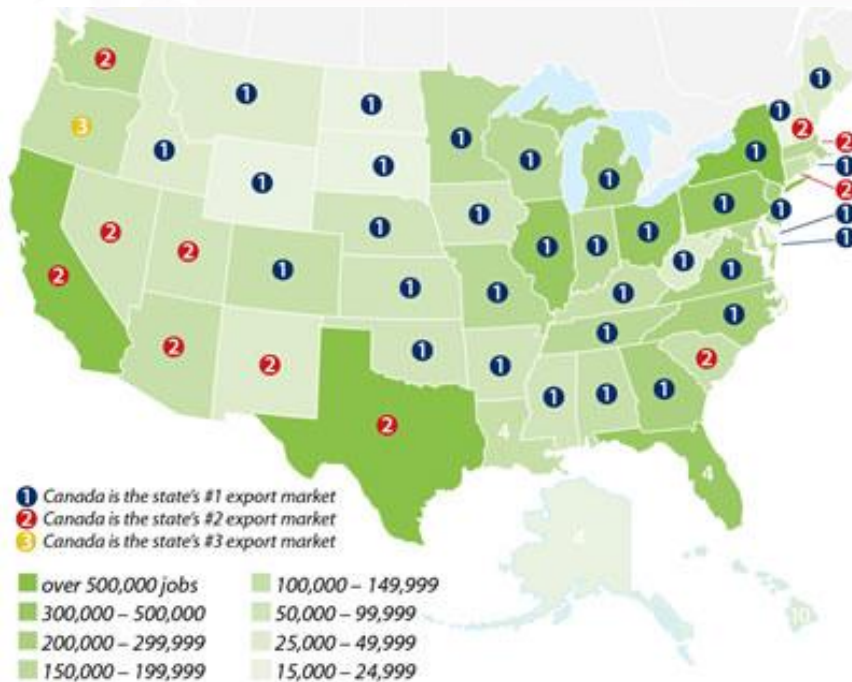
- A patchwork of ballast water requirements have emerged in Great Lakes states that could have significant and negative repercussions for both US and Canadian interests, while not achieving the intended environmental benefit of reducing the introduction of invasive species into the Great Lakes System.
- **NYS discharge standards are not technically achievable.**
- Potential impact to 27 million tonnes of Great Lakes cargo if the GLSLS is shutdown.
- **Needed is a sustainable marine transportation system – one in which the economic, environmental and social considerations are balanced.**

The size and diversity of our relationship hides a significant constraint...



Most of our trade flows through only a few border crossings

The Canada-U.S. relationship creates jobs for Americans...



- For 34 of the 50 states, Canada is the most important export market
- These states are not confined to the border, but are spread across the entire country
- It is estimated that Canada-U.S. trade supports more than 8 million U.S. jobs (2009)



Canada-New York Trade

Canada is the top export destination for NY

	NY Exports	NY Imports	Total
2009	\$10.9B	\$18.2B	\$29.1B
2010	\$12.5B	\$22.6B	\$35.1B

- **449 Canadian-owned companies employ 34,901 people in 1,148 NY locations**
- **517,000 jobs in NY depend on trade with Canada**

Commitment to a safe and secure Canada – U.S. border

- **Canada and the U.S. are working to preserve and extend the benefits of our close relationship to create and sustain the millions of jobs that depend on this vital economic partnership**
- **Canada is investing in border infrastructure to increase security and economic prosperity**
- **Our goal is to facilitate the smooth flow of legitimate goods and people while ensuring a secure border**





Shared Vision for Perimeter Security & Economic Competitiveness

- **On February 4, 2011, Prime Minister Stephen Harper and President Barack Obama issued a Declaration on a Shared Vision for Perimeter Security and Economic Competitiveness establishing a new long-term partnership that will accelerate the legitimate flows of people and goods between both countries.**
- **Canada and the U.S. will develop a joint action plan looking at ways to preserve and extend the benefits of our close relationship. By aligning resources effectively at the border, we can help expedite trade, ultimately leading to economic growth and jobs**



Shared Vision for Perimeter Security & Economic Competitiveness

The Declaration will focus on four areas of co-operation:

- **addressing threats early**
- **trade facilitation, economic growth and jobs**
- **integrated cross-border law enforcement**
- **critical infrastructure and cyber-security**

The goal of the Action Plan is not to replace or eliminate the border but to streamline border operations



Partners in North America

- **\$645 Billion = World's Largest Trading Relationship**
- **It is the result of decades of hard work, diligence and cross-border cooperation**
- **Maintaining/expanding this dynamic relationship requires constant attention**
- **Both countries have a shared responsibility for the safety, security, and prosperity of our countries in an increasingly integrated global economy and complex threat environment**