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The Library of Parliament ***Trade and Investment*** series provides information on Canada's trade and investment relationship with selected countries. Particular attention is paid to bilateral merchandise trade, trade in services, and foreign investment. These publications are prepared by the Parliamentary Information and Research Service, which carries out research for and provides information and analysis to parliamentarians and Senate and House of Commons committees and parliamentary associations.

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Merchandise Trade

The United States is Canada’s largest trading partner. In 2011, Canada–United States merchandise trade totalled \$551.0 billion, comprised of \$330.1 billion in Canadian exports to, and \$220.9 billion in imports from, the United States.

The value of Canada’s exports to the United States increased by 10.4% between 2010 and 2011, while the value of Canada’s imports from the country increased by 8.6%.

The United States was Canada’s largest export destination worldwide in 2011. In that year, it was also Canada’s largest source of imports globally.

Over the 2006 to 2011 period, the value of Canada’s exports to the United States declined at an average annual rate of 1.7%, compared to an increase of 0.3% worldwide. The value of Canada’s exports to the United States as a share of the value of Canada’s total exports declined from 81.6% in 2006 to 73.7% in 2011.

The value of Canada’s imports from the United States increased at an average annual rate of 0.3% over the 2006 to 2011 period, compared to an increase of 2.4% worldwide. The value of Canada’s imports from the United States as a share of the value of Canada’s total imports declined from 54.9% in 2006 to 49.5% in 2011.

At the provincial level, Ontario, Alberta and Quebec together accounted for 80.5% of the value of Canada’s exports to the United States in 2011, with exports valued at \$142.4 billion, \$80.4 billion and \$43.0 billion respectively.

Over the 2006 to 2011 period, the fastest-growing provincial exporters to the United States were Saskatchewan, New Brunswick and Alberta, which had average annual growth rates of 11.3%, 6.0% and 3.0% respectively.

Figure 1

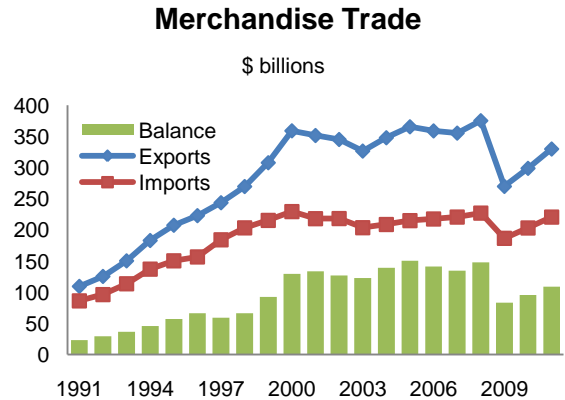


Figure 2

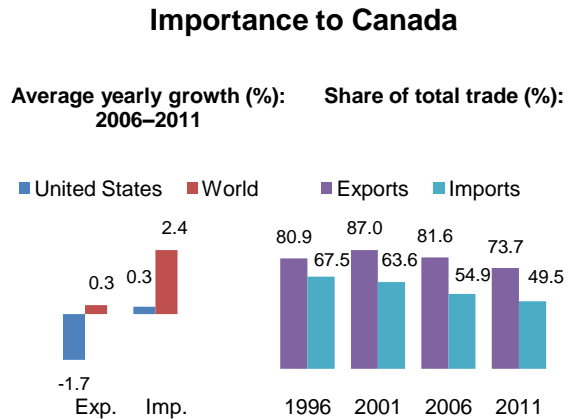
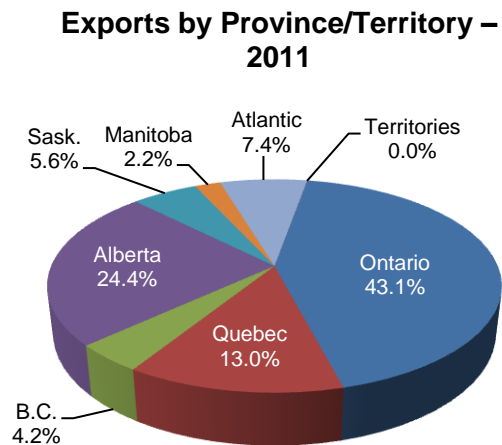


Figure 3



All figures were prepared using 2011 data, based on Statistics Canada annual figures released in spring 2012. The merchandise trade data are customs-based; the services trade and foreign direct investment data are balance of payments-based.

Products

In 2011, manufactured goods accounted for 69.0% of the value of Canada's exports to the United States, with resource-based goods representing the remaining 31.0%. This composition had changed somewhat since 2006, when manufactured goods and resource-based goods accounted for 77.2% and 22.8% respectively of the value of Canada's exports to the country.

Canada's highest-valued exports to the United States in 2011 were crude oil and motor vehicles, which together accounted for 32.4% of the value of Canada's exports to the country. The value of Canadian crude oil exports to the country increased from \$37.9 billion in 2006 to \$68.4 billion in 2011, while the value of Canadian exports of motor vehicles to the United States decreased from \$42.1 billion in 2006 to \$38.5 billion in 2011.

In 2011, manufactured goods accounted for 93.2% of the value of Canada's imports from the United States, with resource-based goods representing the remaining 6.8%. This composition was consistent with that of 2006, when manufactured goods and resource-based goods accounted for 94.6% and 5.4% respectively of the value of Canada's imports from the country.

Canada's highest-valued imports from the United States in 2011 were vehicle parts and vehicles, which collectively accounted for 11.8% of the value of Canada's imports from the country. The value of Canadian vehicle parts and vehicle imports from the United States decreased from \$18.9 billion and \$15.3 billion respectively in 2006 to \$14.1 billion and \$12.0 billion respectively in 2011.

In 2011, Canada had a trade surplus in every product category with the United States, with the exception of machinery and equipment.

Figure 4

Major Export Products – 2011

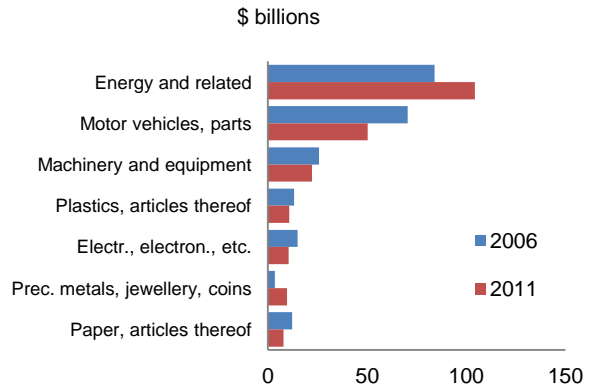


Figure 5

Major Import Products – 2011

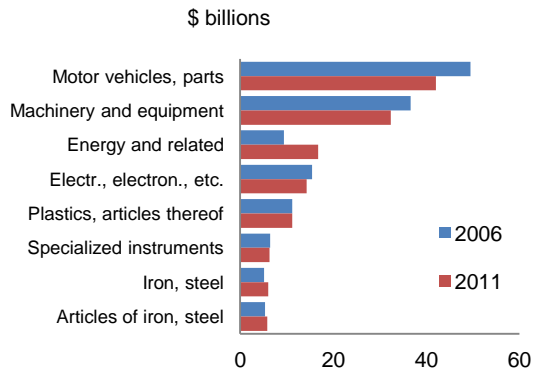
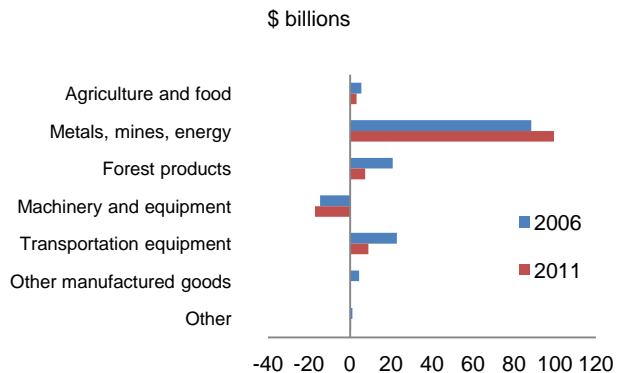


Figure 6

Balance by Category – 2011



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Services and Investment

In 2011, Canada–United States services trade totalled \$96.3 billion, comprised of \$39.6 billion in Canadian exports to, and \$56.7 billion in imports from, the United States.

The value of Canada’s services exports to the United States increased by 2.9% from 2010 to 2011, while the value of Canada’s services imports from the country increased by 5.1% over the period.

In 2011, Canada had a trade deficit with the United States in each of the services categories, with the exception of government services. Canada had a relatively significant trade deficit in the travel services category in 2011; Canada imported \$19.9 billion of travel services from, and exported \$7.3 billion of travel services to, the United States in that year.

The stock of Canadian direct investment in the United States totalled \$276.1 billion in 2011, making it Canada’s largest destination for foreign investment abroad. Canadian direct investment in the country increased by 9.0% between 2010 and 2011.

In 2011, the stock of American direct investment in Canada totalled \$326.1 billion, making it the largest source of foreign investment in Canada. U.S. direct investment in Canada increased by 2.4% between 2010 and 2011.

Figure 7

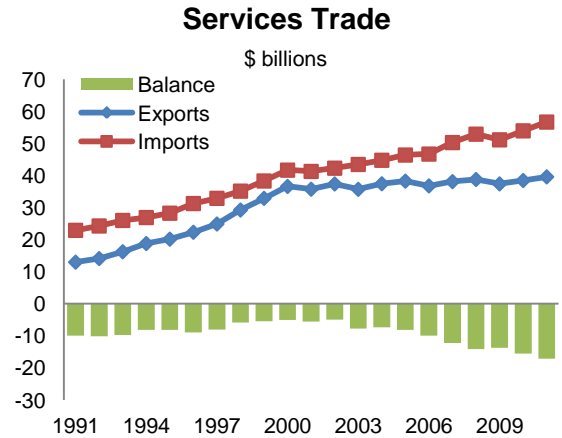


Figure 8

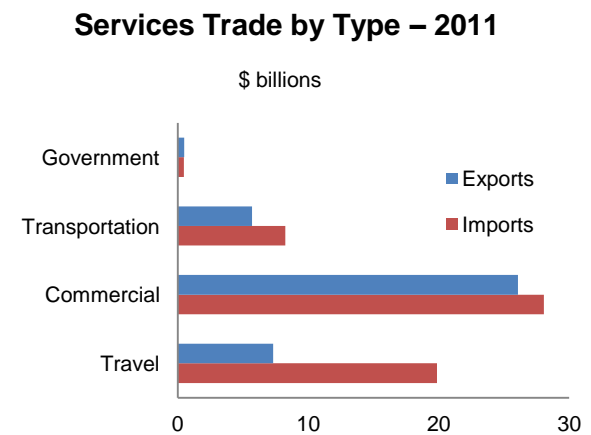
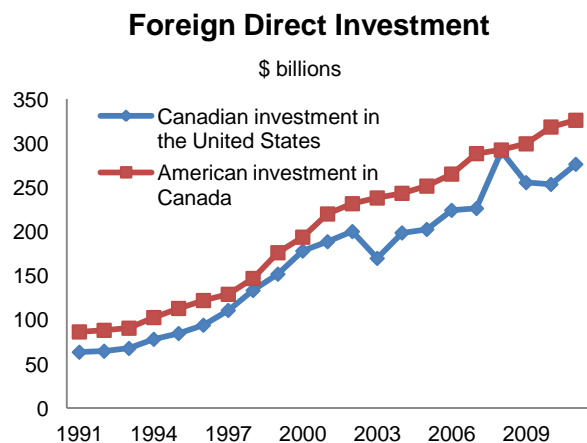


Figure 9



All figures were prepared using 2011 data, based on Statistics Canada annual figures released in spring 2012. The merchandise trade data are customs-based; the services trade and foreign direct investment data are balance of payments-based.