



The North American Free Trade Agreement (NAFTA)



Eliminating Obstacles to Trade

- The North American Free Trade Agreement (NAFTA) that came into force on January 1, 1994, has helped to eliminate many barriers of trade and investment—including most tariffs on agriculture, agri-food and seafood goods—between Canada, the United States and Mexico.
- NAFTA has been a remarkable success story for all three partners. It has contributed to significant increase in trade and investment flows between Canada, the US and Mexico and helped lay a strong foundation for economic growth in North America.
- When looking at what this agreement has meant for the Canada-US relationship, NAFTA has provided economic benefits for those living and working on both sides of our shared border. In fact, the total value of Canada-US trade has grown by 160% from \$199 billion in 1993 (pre-NAFTA) to \$516.6 billion in 2007.

Canada and the US: The World's Best Trading Relationship

- In 2007, over one-fifth of US exported goods went to Canada (\$249 billion); nearly four times more than China.
- Exports to Canada have risen 150% since pre-NAFTA levels.
- In 2007, Canada was the largest export destination for 36 US states.
- 7.1 million American jobs – in other words, one in 25 jobs – were dependent on trade with Canada in 2007.

Canada-US Trade in Agriculture, Agri-Food and Seafood

- Since the implementation of NAFTA, Canada has been a steadily growing market for US agriculture, agri-food and seafood products, with exports to Canada reaching a record \$14.2 billion in 2007, up from \$4.2 billion in 1990.
- US exports of consumer-oriented products to Canada continued to set records in 2007 in virtually every category. Additionally, new value highs were recorded for vegetable oils, planting seeds, as well as sugars, sweeteners, and beverage bases.

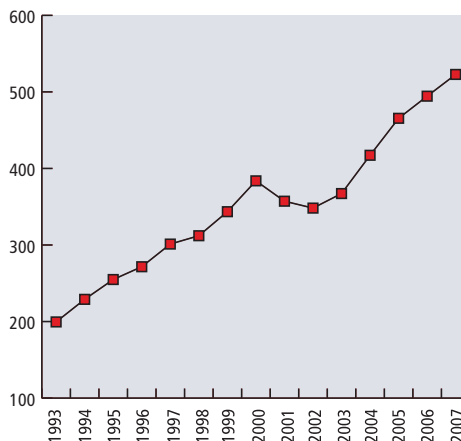
A Mutually Beneficial Trading Relationship

- Canada and the US are each other's best customers for agriculture, agri-food and seafood products. The enormous expansion in cross-border activity has created a mutually beneficial trading relationship. Trade between our two countries provides both consumers and producers with a greater variety of safe, healthy, wholesome foods and products.
- NAFTA has allowed the US and Canada to develop areas of specialized production where they may have a competitive advantage, and has strengthened their capacities to withstand adverse effects wrought by weather-related emergencies or local economic downturns.

The Future Prosperity of NAFTA

- Canada and the US continue to strengthen trade and economic relations through NAFTA and become a more competitive region from which companies can seek international marketing opportunities. In a context where rapidly growing economies in Asia and South America challenge North America's competitiveness, NAFTA will be key to sustained growth and prosperity in the increasingly complex and connected global marketplace.

Canada-US Bi-Lateral Trade



* Numbers reflected in the Total Bi-Lateral Trade Chart may vary from Canadian government sources presented elsewhere in this material as foreign government statistics were used.

Please visit our website: www.agr.gc.ca/usadvocacy

All figures are in US dollars. Canadian export figures to the US do not include re-export values

Data source: Statistics Canada, July 2008

Additional sources: USDA, USTR, www.census.gov

