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TRADE AND INVESTMENT



Canada–United States

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The Library of Parliament ***Trade and Investment*** series provides information on Canada's trade and investment relationship with the world and with selected countries. The series also describes the merchandise trade relationship that each of Canada's 10 provinces and three territories has with the world. 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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Ce document est également publié en français.

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Merchandise Trade

The United States is Canada's largest trading partner. In 2013, Canada–United States merchandise trade totalled \$606.0 billion, comprised of \$358.2 billion in Canadian exports to, and \$247.8 billion in imports from, the United States.

The value of Canada's exports to the United States increased by 5.6% between 2012 and 2013, while the value of Canada's imports from the country grew by 5.9%.

The United States was Canada's largest export destination, and its largest source of imports, globally in 2013.

Over the 2008 to 2013 period, the value of Canada's exports to the United States decreased at an average annual rate of 0.9%, compared to 0.5% worldwide. The value of Canada's exports to the United States as a share of the value of Canada's total exports declined from 77.7% in 2008 to 75.9% in 2013.

The value of Canada's imports from the United States increased at an average annual rate of 1.7% over the 2008 to 2013 period, compared to 1.8% worldwide. The value of Canada's imports from the United States as a share of the value of Canada's total imports declined from 52.4% in 2008 to 52.1% in 2013.

At the provincial/territorial level, Ontario and Alberta together accounted for 68.0% of the value of Canada's exports to the United States in 2013, with exports valued at \$151.7 billion and \$91.8 billion respectively.

Over the 2008 to 2013 period, the fastest-growing provincial exporters to the United States were New Brunswick and Saskatchewan, with average annual growth rates of 4.3% and 2.2% respectively.

Figure 1

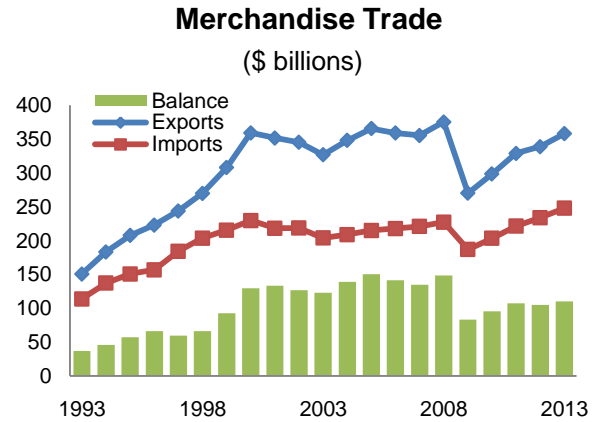


Figure 2

Importance to Canada

Average yearly growth (%): 2008-2013 Share of total trade (%):

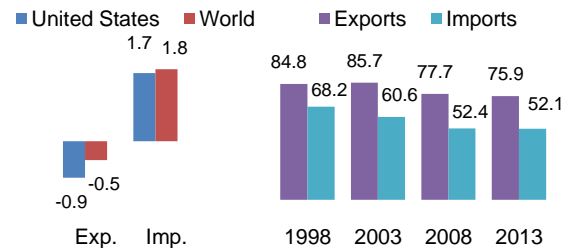
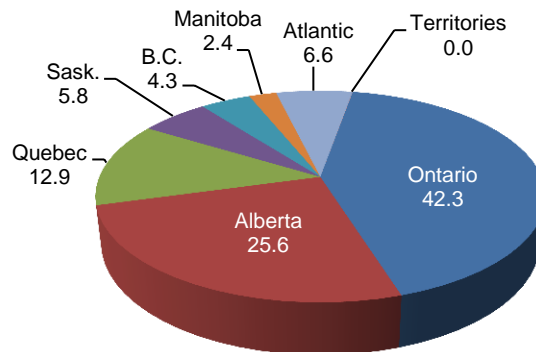


Figure 3

Exports by Province/Territory – 2013 (%)



All figures were prepared using Statistics Canada data available in spring 2014.

The merchandise trade data are customs-based; the services trade and foreign direct investment data are balance of payments-based. Numbers in this paper have been rounded.

Products

In 2013, manufactured goods accounted for 68.3% of the value of Canada's exports to the United States, with resource-based goods representing the remaining 31.7%. This composition had changed slightly since 2008, when manufactured goods and resource-based goods accounted for 67.1% and 32.9% respectively of the value of Canada's exports to the country.

Canada's highest-valued exports to the United States in 2013 were crude oil and motor vehicles, which together accounted for 35.1% of the value of Canada's exports to the country. The value of Canadian crude oil and motor vehicle exports to the country increased from \$67.4 billion and \$33.7 billion respectively in 2008 to \$80.7 billion and \$45.2 billion respectively in 2013.

In 2013, manufactured goods accounted for 91.9% of the value of Canada's imports from the United States, with resource-based goods representing the remaining 8.1%. This composition had changed slightly since 2008, when manufactured goods and resource-based goods accounted for 92.4% and 7.6% respectively of the value of Canada's imports from the country.

Canada's highest-valued imports from the United States in 2013 were motor vehicle parts and motor vehicles, which collectively accounted for 12.0% of the value of Canada's imports from the country. The value of Canadian motor vehicle part imports from the United States increased from \$15.1 billion in 2008 to \$15.8 billion in 2013. The value of Canadian motor vehicle imports from the country decreased from \$14.8 billion in 2008 to \$14.0 billion in 2013.

In 2013, Canada had a trade deficit with the United States in the product categories of machinery and equipment, as well as other manufactured goods. It had a trade surplus with the country in all other product categories in that year.

Figure 4

Major Export Products (\$ billions)

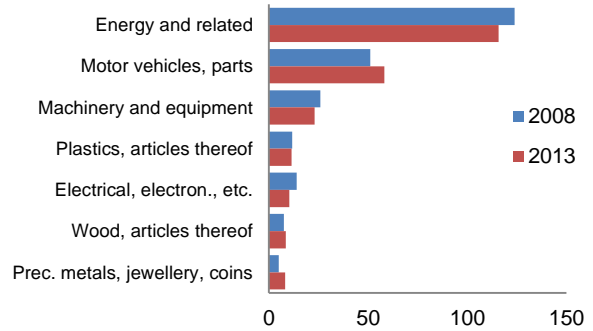


Figure 5

Major Import Products (\$ billions)

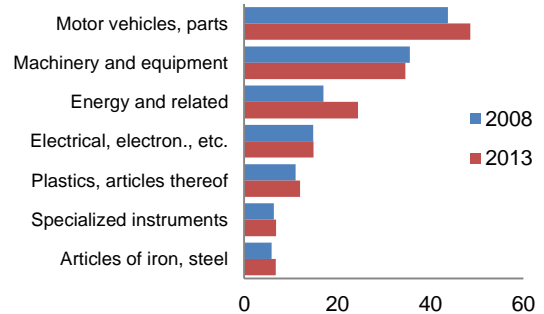
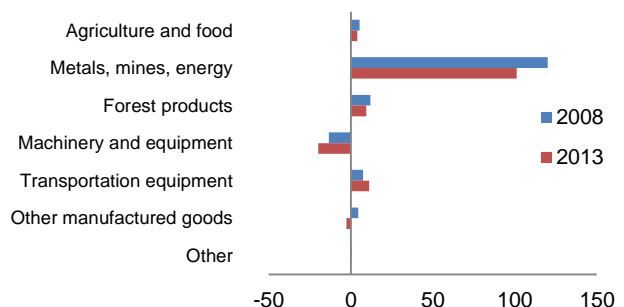


Figure 6

Balance by Category (\$ billions)



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Numbers in this paper have been rounded.

Services and Investment

In 2013, Canada–United States services trade totalled \$110.3 billion, comprised of \$46.1 billion in Canadian exports to, and \$64.2 billion in imports from, the United States.

The value of Canada's services exports to the United States increased by 1.2% between 2012 and 2013, while the value of Canada's services imports from the country grew by 3.6%.

In 2013, Canada's services trade deficit with the United States was largely the result of trade in travel services. Canada exported \$7.3 billion in travel services to, and imported \$22.4 billion in such services from, the country in that year. In 2013, Canada also had a relatively small trade deficit with the United States in commercial services and in transportation services. Canada imported \$32.2 billion in commercial services and \$9.1 billion in transportation services from, and exported \$31.7 billion and \$6.7 billion respectively in such services to, the country in 2013. In that year, the value of Canada–United States trade in government services was relatively balanced.

The stock of Canadian direct investment in the United States totalled \$318.3 billion in 2013, making it Canada's largest destination for foreign investment among the 53 countries for which data were available. Canadian direct investment in the country increased by 9.8% between 2012 and 2013.

In 2013, the stock of American direct investment in Canada totalled \$352.1 billion, making it the largest source of foreign investment in Canada among the 39 countries for which data were available. American direct investment in Canada increased by 10.0% between 2012 and 2013.

Figure 7

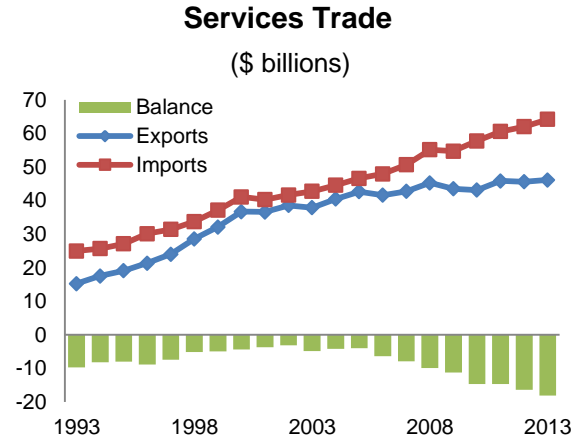


Figure 8

Services Trade by Type – 2013
(\$ billions)

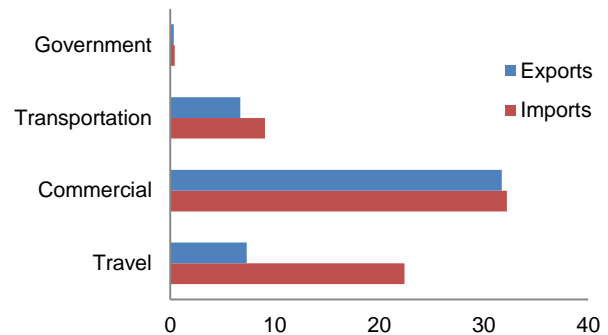
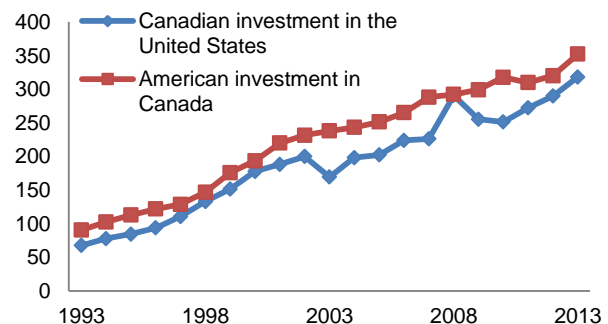


Figure 9

Foreign Direct Investment
(\$ billions)



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