



Canada

**Pennsylvania's Natural
Export Destination**

The Canadian Landscape



- Canada is the second largest country in the world with a population of just under 32 million
- The economy is roughly 1/10th of the U.S. economy
- Canada is highly urbanized (nearly 90% of the pop living in urban areas) with 4 main urban areas: Golden Horseshoe in Ontario, Montreal and area, Vancouver and area and Calgary/Edmonton.

The Canadian Landscape: 5 Distinct Markets

- Western Canada –
Vancouver and area
- Calgary/Edmonton &
the Prairies
- Ontario
- Quebec
- Atlantic Canada



Why Canada?

- Proximity
- Common Language
- Relative Ease of Transport
- NAFTA Partner:
“NAFTA is the world's largest trade bloc with a gross domestic product of US\$11.4 trillion, about one third of the world's total”.

NAFTA IMPACT

- FTA: Canadian Implementation: 12/30/1988
- FTA: US Implementation January 1, 1989
- NAFTA trilaterally implemented January 1994
- January 1, 1998: virtually all tariffs on Canada- U.S. trade in originating goods were eliminated
- Everyday more than \$1 B worth of goods cross over the Canada US Border
- Canada sales to PA from 1990 to 2003 increased 113%
- PA sales to Canada from 1990 to 2003 increased 77%

Pennsylvania & Canada

- Canada is Pennsylvania's top trading partner. Pennsylvania exported over \$5.8 billion worth of goods to Canada in 2003
- Approximately 36% of Pennsylvania's exports go to Canada
- Pennsylvania is among the top ten U.S. States Exporting to Canada

Source: US Department of Commerce

Trade: PA & the Provinces

■ Destination: Canada

■ Ontario	\$4B
■ Quebec	\$.5B
■ Manitoba	\$.2 B

Total: \$5.3B

■ Destination: Pennsylvania

■ Ontario	\$4 B
■ Quebec	\$2 B
■ Alberta	\$1 B

Total: \$8.3 B

PA Trade Deficit: \$3.0 B

■ Source: Industry Canada



Economic Indicators

- State of the Canadian Economy
- Fiscal & Monetary policy
- Economic Challenges
- Forward Indicators – Political and Economic Changes Ahead

Fiscal Policy

- Steady GDP Growth
- Strong Fiscal Management
- Surplus in Times of Slowdown
- One of the strongest of the G7 Economies

Dollar Trends, Interest Rates & Inflation

- Dollar stabilized at approximately 79 cents U.S.
- Inflation stable within the Bank of Canada's 1-3 percent target band
- Low interest rates

Economic Challenges

- SARS
- Mad Cow Disease
- Power Outage
- Positive Signs of Growth



Forward Indicators

- Political Changes
- Potential Economic Impact:
 - Banking Deregulation
 - Potential Opening to U.S. and International Banks
 - Emphasis on Strengthening U.S./Canada Relationship

Thriving Sectors

Manufacturing

Construction

Food Industry

Consumer Goods

- Manufacturing Capacity at 4 year high
- Rise in construction output for 2004 and 2005.
- Food service sales are forecasted to increase by 2.5% in 2005.
- Hardware, lawn and garden products increased by 11% in June of 2004

Additional Opportunities

The following sectors are also poised for above-average growth:

- Biotechnology, aircraft and parts, and business services
- The rapid diffusion of new information technologies, and the trend of large corporations to outsource professional functions
- Consumer products

Office Services

- Customized Service Based on your Export Goals
- Agent, Distributor and End User Searches
- Regulatory Information
- In Market Appointment Setting
- Trade Show Support
- Catalog Event and Web Based Promotion

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