

Fast Facts about California-Canada Trade Relations

Compiled by: Assembly Committee on Jobs, Economic Development, and the Economy
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Canada is the largest trading partner of the U.S., and the second largest export market of California-made goods.¹ Canada has the 14th largest economy in the world, with a 2013 GDP of \$1.8 trillion.² Canada resembles the U.S. due to its market-oriented economic system, pattern of production, and high living standards.³ Canada enjoys a substantial trade surplus with the U.S., which absorbs about three-fourths of Canadian merchandise exports each year.⁴

Profile of Canada

- Canada contains 10 provinces and three territories: Alberta, British Columbia, Manitoba, New Brunswick, Newfoundland and Labrador, Northwest Territories, Nova Scotia, Nunavut, Ontario, Prince Edward Island, Quebec, Saskatchewan, and Yukon.⁵ Its capital city is Ottawa.⁶
- In 2014, Canada had a population of 34.8 million people, with a median age of 41.7 years,⁷ and a literacy rate of 99% last reported in 2003.⁸
- Canada is the second-largest country in the world, after Russia, with 3.8 million square miles of geographic area.⁹ Approximately 90% of the Canadian population is concentrated within 100 miles of the U.S. border.¹⁰
- Toronto is the largest urban center in Canada, with a population of 5.4 million people.¹¹ Other major urban areas in Canada include: Montreal (3.8 million), Vancouver (2.2 million), Calgary (1.2 million), and Ottawa (1.2 million).¹²
- English and French are the two official languages of Canada. In 2011, people who only spoke English at home made up of 59% of the population, while those who only spoke French made up 22% of the population.¹³ Other spoken languages in Canada include: Punjabi, Italian, Spanish, German, Cantonese, Tagalog, and Arabic.¹⁴

Overview of Canada's Economy

- In 2013, Canada's GDP at the official exchange rate totaled \$1.8 trillion.¹⁵ Adjusting for purchasing power parity, Canada had the 14th largest economy in the world, with a GDP of \$1.5 trillion.¹⁶
- In 2013, Canada's GDP per capita was \$43,100.¹⁷ Countries with similar GDP per capita include: the Netherlands (\$43,300), Australia (\$43,000), and Austria (\$42,600).^{18a} For comparison, the U.S. GDP per capita was \$52,800 in 2013.^{18b}
- In 2013, Canada's GDP was comprised of: the service sector (69.9%), industry (28.4%), and agriculture (1.7%).¹⁹ Employment by sector was comprised of services (76%), construction (6%), manufacturing (13%), and agriculture (2%).²⁰
- Canada's unemployment rate decreased from 7% in August 2014 to 6.6% in January of 2015.²¹ For comparison, the unemployment rate in the U.S. was 5.7% in January 2015.²²
- In 2014, Canada's total exports of goods were valued at \$528.6 billion²³, while total imports of goods were valued at \$523.4 billion.²⁴
- Top 5 Canadian commodities exported in 2014 include: Energy products including crude oil/natural gas (\$128.7 billion), Motor vehicles and parts (\$74.6 billion), Consumer goods (\$58.8 billion), Metal ores and metallic mineral products (\$57.7 billion), and Forestry products and building and packaging materials (\$36.9 billion).²⁵
- Top 5 commodities imported to Canada in 2013 include: Consumer goods (\$106.2 billion), motor vehicles and parts (\$90.4 billion), electronic/electrical equipment and parts (\$58.6 billion), Industrial machinery and parts (\$50.9 billion), and metallic and non-metallic mineral products (46.2 billion).²⁶

U.S. and Canada Trade Relations

- Nearly 9 million U.S. jobs depend on trade and investment with Canada.²⁷

- In 2014, the U.S. was Canada's #1 export destination, receiving \$400 billion of goods and services, up 11.6% from 2013 (\$358.5 billion).²⁸
- Canada was the largest importer of U.S. goods and services in 2014, followed by Mexico (\$240 billion) and China (\$124 billion).²⁹ Canada received \$312.1 billion (19.2%) of the total \$1.6 trillion of U.S. exports.³⁰
- The U.S. and Canada share the world's largest and most comprehensive bilateral trading relationship.^{31a} Canada exports more goods to the state of Michigan than it does to the European Union.^{31b}
- Since the Canada-U.S. Free Trade Agreement came into force in 1989, two-way trade with the U.S. has more than tripled and in 2013, an average of \$1.4 million of goods and services were exchanged every minute.³²
- Canada is the US's largest foreign supplier of energy, including oil, gas, uranium, and electric power.³³
- The top 5 commodities the U.S. imported from Canada in 2014 were Oil and Gas (\$96.1 billion), Transportation Equipment (\$70.9 billion), Chemicals (\$26.3 billion), Primary Metal Manufacturing (\$22.7 billion), and Petroleum and Coal Products (\$15.8 billion).^{34a}
- The top 5 commodities Canada imported from the U.S. in 2014 include: Transportation Equipment (\$64.5 billion), Machinery Except Electrical (\$32.1 billion), Chemicals (\$30.6 billion), Computers and Electronic Products at (\$27.6 billion), and Oil and Gas (\$16.8 billion).^{34b}
- There are, on average, 400,000 people who cross the U.S.-Canada border every day, while 8,000 trucks cross the Windsor-Detroit border every day.³⁵
- The U.S. is Canada's primary source of foreign direct investment (FDI) with stock totaled at \$368 billion in 2013.³⁶
- Canadian FDI in the U.S. totaled \$281 billion in 2013, making it the third largest source of FDI in the United States.³⁷
- Growth in the U.S. economy translates into growth in the Canadian economy- 19% of Canada's GDP comes from goods exports to the United States.³⁸

California and World Markets (For Comparison)

- In 2014, California exported \$174 billion in merchandise.³⁹ \$18.3 billion, (10.5%) of all California exports were traded to Canada.⁴⁰
- California's top 5 export markets in 2014 were: Mexico (25.4 billion), Canada (\$18.3 billion), China (\$16.1 billion), Japan (\$12.3 billion), and South Korea (\$8.6 billion).⁴¹
- California's top 5 export industries in 2014 were: Computer and Electronic Products (\$42.7 billion); Transportation Equipment (\$18.7 billion); Machinery, Except Electrical (\$14.9 billion); Miscellaneous Manufactured Commodities (\$14.6 billion); and Chemicals (\$14 billion).⁴²
- Data is not currently available for 2014 imports at the industry level.
 - California's imports totaled \$381 billion in 2013.⁴³ California's top 5 import markets in 2013 were: China (\$130 billion); Japan (\$38.4 billion); Mexico (\$36.3 billion); Canada (\$26.4 billion); and South Korea (\$13.1 billion).⁴⁴
 - California's top 5 imports in 2013 were: Vehicles and Spark Ignition (\$31.8 billion); Crude Oil from Petroleum (\$29.5 billion); Automatic Data Process Machines (\$18.6 billion); Motor Cars for Transportation (\$15.1 billion); and Machines for Voice, Images, or Data (\$11.5 billion).⁴⁵

Canada and California Trade Relations

- Bilateral trade between Canada and California reached \$46.1 billion in 2014, where California exported \$18.2 billion worth of goods to Canada, and imported \$27.9 billion worth of goods from Canada.⁴⁶
- Of the \$312 billion of merchandise exported from the U.S. to Canada in 2014, \$18.2 billion (6%) came from California.⁴⁷ This makes California the #6 state exporter to Canada.⁴⁸
- In 2013, there were approximately 1,166,100 California jobs that depended on trade and investment with Canada.⁴⁹

- The top 5 California products exported to Canada in 2014 include: Fruits and Nuts (\$1.7 billion), Computers (\$1.7 billion), Telephones and AV Recording Equipment (\$1.7 billion), Optical, Medical and Precision Instruments (\$1 billion), and Vegetables (\$914 million).⁵⁰
- The top 5 Canadian products imported to California in 2014 include: Automobiles (\$15.9 billion), Crude Petroleum (\$1.3 billion), Medicine (\$914 million), Plastics and Plastic Articles (\$590 million), and Animal Feed and Food Industry Residues (\$529 million).⁵¹
- 10% of California's foreign-bound exports are sold to Canada.⁵²
- In 2012, 1.8 million Canadians visited California for tourism and spent \$1.5 billion.⁵³
- Many Canadian firms in Southern California are suppliers of high-tech precision parts to major global corporations, including Omni-Lite Industries Canada Inc. Omni-Lite relocated its R&D facility from Calgary, Canada to Southern California. It has invested about \$32 million in equipment and facilities, and an additional \$23 million in wages and services in the California economy.⁵⁴
- The Toronto-based firm, Avison Young, has expanded rapidly across Northern California since opening its San Francisco office in May 2012 with only six agents. Just over two years later, the firm has six regional offices employing nearly 60 people, with locations in Oakland, San Mateo and Sacramento.⁵⁵

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⁹ <https://www.cia.gov/library/publications/the-world-factbook/geos/ca.html>; CIA World Factbook: Canada, accessed February 23, 2015

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