NAFTA:
The Canadian Perspective

Consulate General of Canada in Denver

September 2018
Purpose

To demonstrate:

• The breadth and depth of the U.S.-Canada relationship
• The importance of Canada’s relations with US West
• What NAFTA has done for the U.S. and North America
• Current state of negotiations
In 2017, total goods and services traded between Canada and the U.S. was nearly **USD $674 Billion**
Big Benefits for the West

CSG West states exported more than $50 BILLION to Canada in 2017, in both good and services.

Source: US Census Bureau, 2017 data
Integrated Supply Chains

THE GREAT AMERICAN HAMBURGER

Supply Chains keep our North American economy operating. We build things *together*.
What is NAFTA?

The North American Free Trade Agreement (NAFTA) between Canada, Mexico and the U.S. came into effect on January 1, 1994;

NAFTA’s objective is to facilitate cross-border trade and investment opportunities;

Eliminated most tariffs on goods traded among the three nations;

NAFTA created what is today a USD$20.7 Trillion regional market, serving 478 million consumers.
NAFTA: What has it done?

- Lowered prices and increased options
- Opened export markets
- Boosted economic output
- Reduced energy dependency
- Increased foreign investment
- Integrated production platforms

Trade with Canada and Mexico supports a net total of nearly 14 million U.S. jobs.

Source: US Census Bureau, 2017 data
NAFTA AND THE FUTURE
Canada’s objective is to make a good agreement even better and to align NAFTA to new realities. Our end goal is a Win-Win-Win agreement for all three nations.
The U.S. implemented tariffs on all imports of steel at 25% and aluminum at 10%.

Canada has taken appropriate responsive countermeasures to defend its trade interests.

1st Line: Net American jobs that depend on trade with Canada
2nd Line: U.S. Jobs lost as a result of U.S. and Canadian tariffs on one another
3rd Line: U.S. Jobs lost as a result of global tariffs and retaliation
Life Without NAFTA: *What Happens?*

Without NAFTA, all three nations would see a real decline in GDP.

- Estimates indicate that Mexico would see the largest hit, but the U.S. and Canada will be negatively impacted as well.

- The United States would see a real GDP growth reduction of 0.5% in 2019, with Mexico impacted by 0.9% and Canada by 0.5%.

- Foreign and domestic investment are project to decline as well, and duties will drive up costs for consumers.

Source: Oxford Economics, Research Briefing: The Cost of Leaving NAFTA, January 2018
Source: ImpactEcon, August 2017
Life Without NAFTA: *What Happens?*

On average, **U.S. goods will face tariffs** of 4% to Canada, but some industries will suffer a much larger impact.

- Beef will see a 25% tariff increase, and chicken 75%
- Textiles and apparel will face tariffs of 15-20%

CSG West member states exported more than **$8 Billion in Agriculture products** to Canada in 2017.

**Jobs will be lost.** More than 2 Million western state jobs created thanks to trade with Canada. Thousands are vulnerable to elimination if businesses aren’t able to do business.

*Why would we do this to ourselves?*

Source: Peterson Institute for International Economics, August-September 2017
Source: Agriculture and Agri-Food Canada
NAFTA: *What Can you do?*

To:
President Trump
United States Trade Representative Robert Lighthizer
Congressional Delegation

#NeedNAFTA
THANK YOU

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