

Canada 

Canada-United States: The World's Largest Trading Relationship

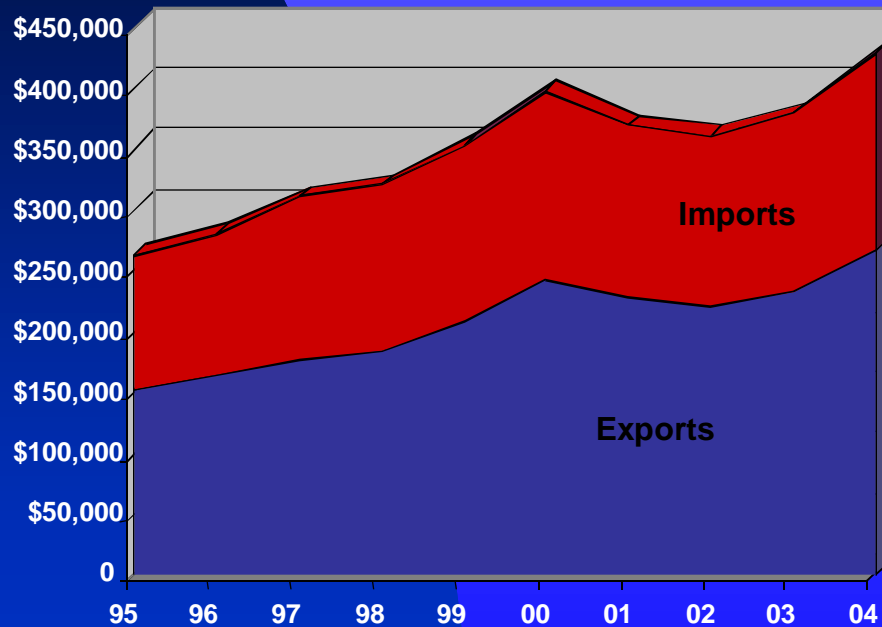
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Political & Economic Relations Officer
Canadian Consulate General
Dallas, Texas



October 2006

Canada is a Trading Nation

Canada-U.S. Trade



- \$461 billion per year
- \$1.3 billion per day
- 5.2 million U.S. jobs

Canada is a Trading Nation

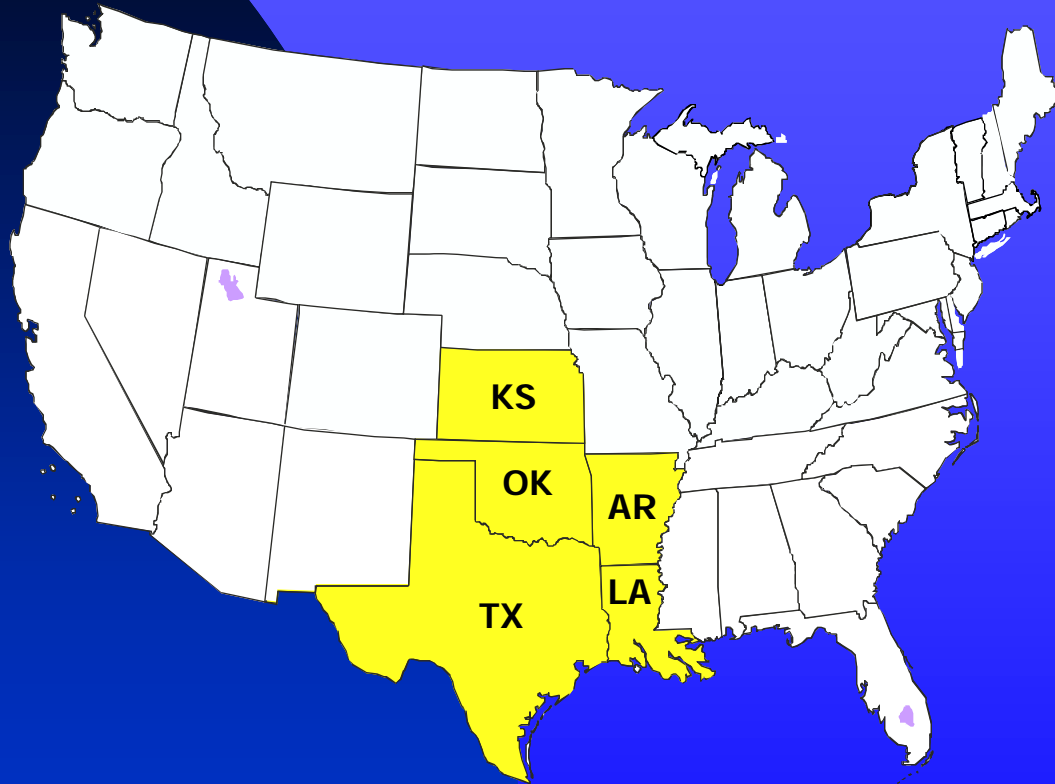
Canada – Mexico Trade

	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
Total Exports	1,779	1,541	1,578	2,301	2,691
Total Imports	7,829	8,115	8,698	10,321	12,044
Total	9,608	9,656	10,276	12,622	14,735

*Source: Statistics Canada
Units: Value in Millions of U.S. dollars*

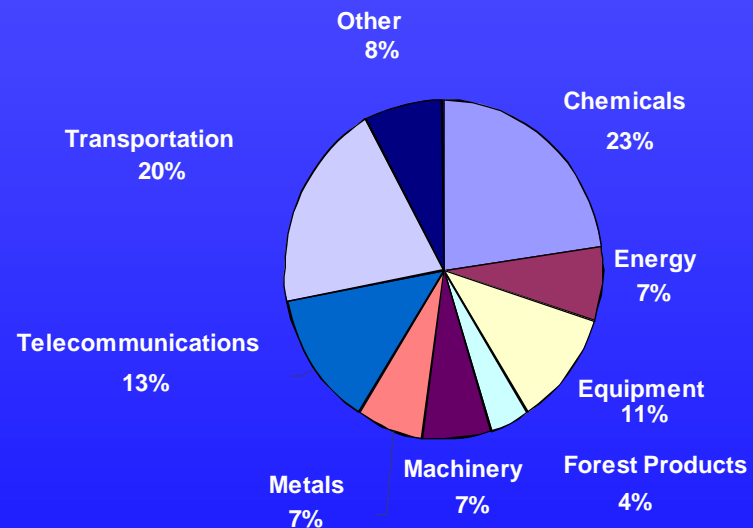
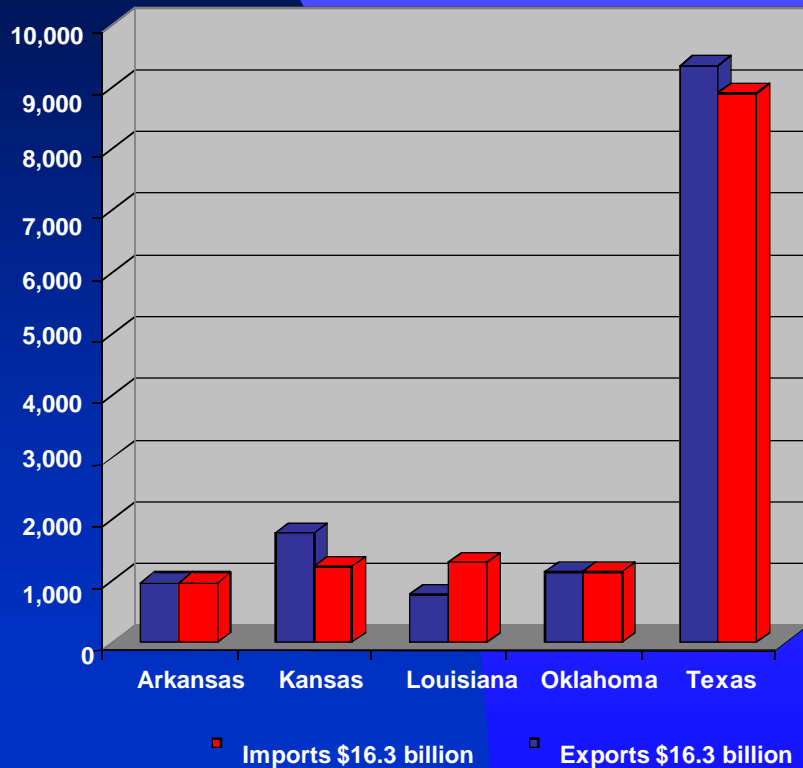
- **Mexican President Vicente Fox official visit to Ottawa in October 2004**
- **Canadian Consulate in Monterrey, Mexico became full Consulate General Office in January 2004**
 - ◆ **States of Nuevo Leon, Coahuila, and Tamaulipas**

Canadian Consulate General South Central Region



- **Territory (5 states)**
 - ✓ Arkansas
 - ✓ Kansas
 - ✓ Louisiana
 - ✓ Texas
 - ✓ Oklahoma
- **Foster Canada-U.S. relations**
- **Promote trade, investment & S&T**
- **Monitor political & economic events**
- **Assist Canadians**

Canada-U.S. South Central \$32.6 billion



Winnipeg, Manitoba



Province of Manitoba

- Population: 1.2 Million, Major city Winnipeg
- Major Industries: Aerospace, agri-food, biotechnology, information technology, transportation/logistics, oil & gas, mining & minerals, etc.
- 2005 Exports to U.S. by industry sector
 - ◆ Motor vehicle body & trailer manufacturing (\$472 M, 7.5%)
 - ◆ Oil & gas extraction (\$454 M, 7.3%)
 - ◆ Metal smelting & refining (\$356 M, 5.7%)
- 2005 Imports from U.S. by industry sector
 - ◆ Construction machinery manufacturing (\$546 M, 6.9%)
 - ◆ Agriculture (\$423 M, 5.4% of total)
 - ◆ Engine, turbine and power transmission equipment manufacturing (\$295 M, 3.7%)

Note: All figures in U.S. dollars

Source: Statistics Canada/U.S. Census Bureau

Winnipeg, Manitoba

Winnipeg as a trade corridor hub

By truck

- 100 km (62 miles) to U.S. border. FAST border crossing at Pembina, ND (U.S. I-29 connects with CDN Highway 75). Situated on East-West Trans Canada Highway (Highway 1).

By rail

- Canadian National and Canadian Pacific Railway

By sea

- Port of Churchill (northern Manitoba) offers 4 deep sea berths and direct access to the sea via Hudson Bay

By air

- Winnipeg International Airport: 24 hour unrestricted airport, 13 air cargo carriers, authorized (September 2004) air cargo transshipment facility

Did you know?

- *Of all major Canadian cities, Winnipeg has the highest proportion of people employed in the transportation sector (29,000)*

Regina, Saskatchewan



Province of Saskatchewan

- Population: 1 Million, Major cities Regina & Saskatoon
- Major Industries: Advanced technology, agri-food, forestry, manufacturing, minerals, and oil & gas
- 2005 Exports to U.S. by industry sector
 - ◆ Oil & gas extraction (\$3.9 B, 49.9% of total provincial exports)
 - ◆ Mineral mining & quarrying (\$1.25 B, 15.9%)
 - ◆ Engineered wood products (\$273 M, 3.5%)
- 2005 Imports from U.S. by industry sector
 - ◆ Construction manufacturing (\$478 M, 10.9%)
 - ◆ Agricultural implement manufacturing (\$288 M, 7.1%)
 - ◆ Heavy-duty truck manufacturing (\$255 M, 6.3%)

Note: All figures in U.S. dollars

Source: Statistics Canada/U.S. Census Bureau

Regina, Saskatchewan

Regina as a trade corridor hub

By truck

- 160 km (100 miles) to U.S. border. FAST border crossing at Portal, ND (U.S. Highway 52 connects with CDN Highway 39). Situated on East-West Trans Canada Highway (Highway 1).

By rail

- Canadian National and Canadian Pacific Railway

By air

- Regina International Airport: Airport Authority working to expand cargo & logistic opportunities through measures such as foreign free trade zone programs. Also embarking on a \$15 M re-development and expansion project (January 2004)

Did you know?

- *Per the 2004 KPMG Competitive Alternatives Study, Regina has the 5th lowest overall business costs of 27 cities (population range 150,000-500,000) examined in 11 countries (Canada, U.S., U.K., France, Germany, Italy, Iceland, Luxembourg, the Netherlands, Japan and Australia)*

Calgary, Alberta



Province of Alberta

- Population: 3 Million, Major cities Calgary & Edmonton
- Major Industries: Oil & gas, agri-food, biotechnology, building products, petrochemical, forestry, IT, and medical/health services
- 2005 Exports to U.S. by industry sector
 - ◆ Oil & gas extraction (\$45.6 B, 76.2% of total)
 - ◆ Resin & synthetic rubber manufacturing (\$2.1 B, 3.5%)
 - ◆ Petroleum refining (\$2.0 B, 3.3%)
- 2005 Imports from U.S. by industry sector
 - ◆ Aerospace products & part manufacturing (\$861 M, 9.0%)
 - ◆ Oil & gas extraction (\$786 M, 8.2% of total)
 - ◆ Iron & steel mills & ferro-alloy manufacturing (\$441 M, 4.6%)

Note: All figures in U.S. dollars

Source: Statistics Canada/U.S. Census Bureau

Calgary, Alberta

Calgary as a trade corridor hub

By truck

- Crossroads of East-West Trans Canada Highway (Highway 1) and North-South CANAMEX Corridor. FAST border crossing at Sweet Grass, MT (U.S. I-15 connects with CDN Highway 4).

By rail

- Canadian National and Canadian Pacific Railway

By air

- Calgary International Airport: 24 hour unrestricted airport, Cargo Airport of the Year: North America (2002), CargoLux (Europe), Korean Air Cargo (July 2004), and Asiana Airlines Cargo (November 2004)

Did you know?

- *Calgary will host the 2006 International Air Cargo Forum*

Vancouver, British Columbia



Province of British Columbia

- Population: 4.2 Million, Major cities Vancouver & Victoria
- Major Industries: Forestry, mining, and oil & gas
- 2005 Exports to U.S. by industry sector
 - ◆ Forestry (\$4.3 B, 22.7% of total)
 - ◆ Oil & gas extraction (\$3.3 B, 17.3%)
 - ◆ Engineered wood products (\$1.0 B, 5.6%)
- 2005 Imports from U.S. by industry sector
 - ◆ Petroleum refining (\$954 M, 8.2%)
 - ◆ Heavy-duty truck manufacturing (\$543 M, 4.6%)
 - ◆ Aerospace products & parts manufacturing (\$344 M, 3.5%)

Note: All figures in U.S. dollars

Source: Statistics Canada/U.S. Census Bureau

Vancouver, British Columbia

Vancouver as a trade corridor hub

By truck

- 48 km (30 miles) to U.S. border. FAST border crossing at Blaine, WA (U.S. I-5 connects with CDN Highway 99). Situated on East-West Trans Canada Highway (Highway 1).

By rail

- Canadian National, Canadian Pacific Railway, British Columbia Rail, and Burlington Northern

By sea

- Port of Vancouver (2003): 66.7 million tons of cargo, 2,643 foreign vessel arrivals, 25 major marine terminals

By air

- Vancouver International Airport: 40 air carriers to 20 international destinations, closest North American city to Asia (10,268 km to Hong Kong as opposed to 11,126 km from San Francisco and 11,663 km from Los Angeles), fuel tax and cargo landing fee incentives

Did you know?

- *Vancouver ranks second only behind Zurich, Switzerland in Quality of Life (Mercer Consulting Group, 2003)*

Industry Capital Spending US\$ billions

The oil & gas industry will invest over
US\$36 billion in capital in Canada in 2006

Northern Canada

'03	'04	'05E	'06F
\$0.2	\$0.2	\$0.4	\$0.4

International

'03	'04	'05E	'06F
\$4.0	\$8.0	\$4.1	\$5.9

Oil Sands

'03	'04	'05E	'06F
\$3.5	\$4.8	\$8.3	\$9.5

WCSB

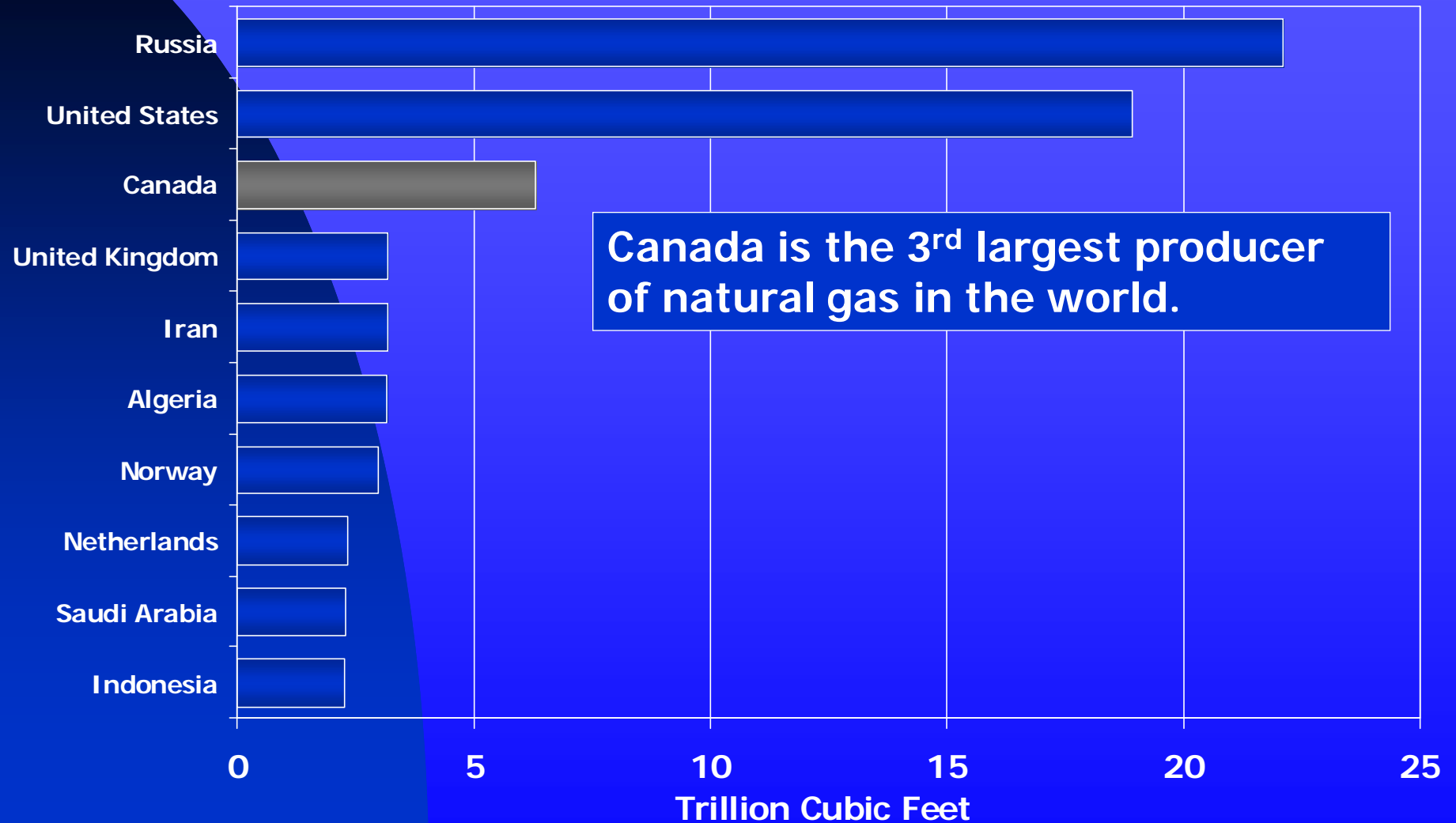
'03	'04	'05E	'06F
\$15.3	\$18.9	\$23.4	\$24.7

East Coast Offshore

'03	'04	'05E	'06F
\$1.5	\$1.5	\$1.0	\$0.9

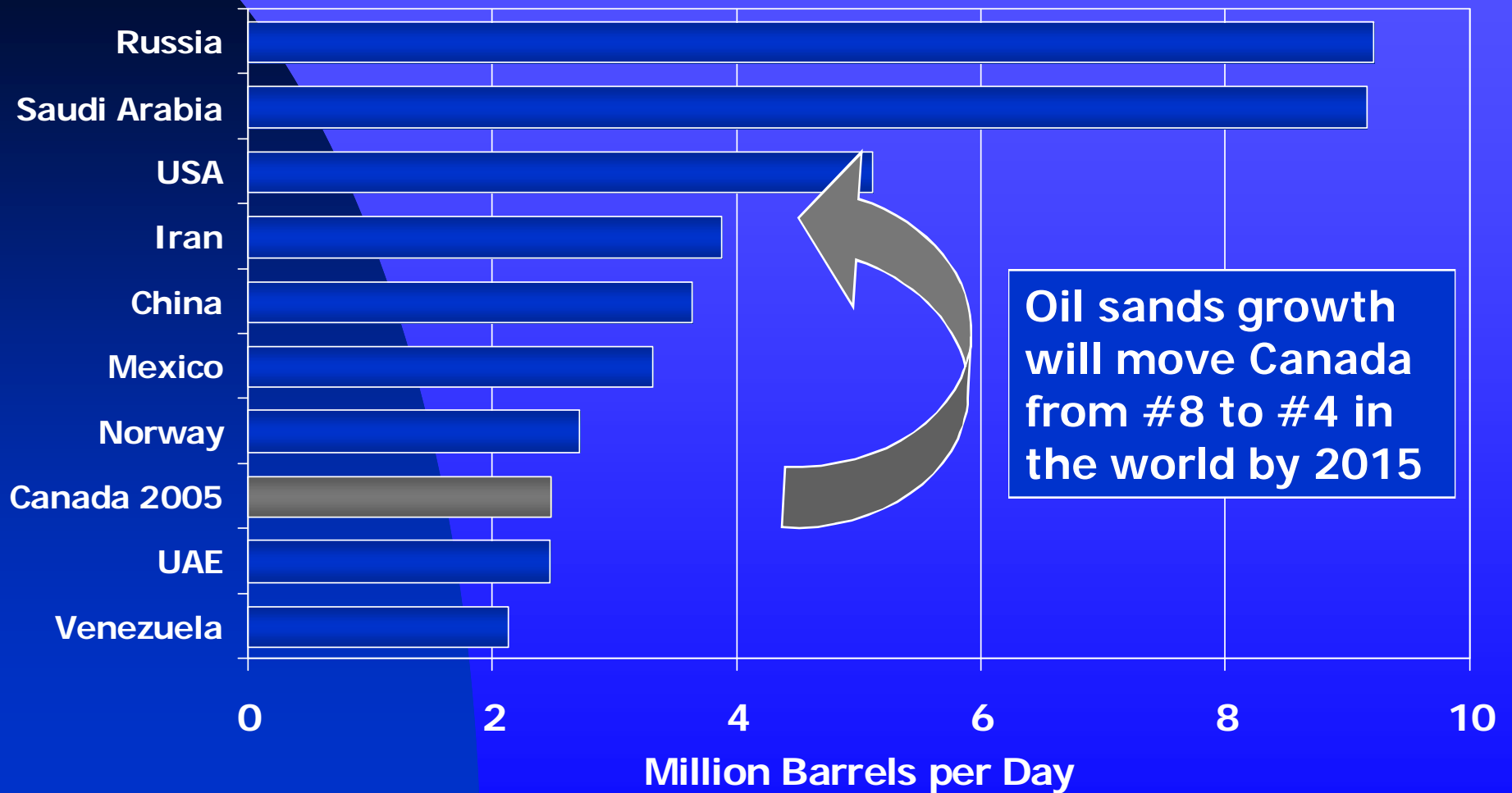
Note:
Spending in Canada excludes spending associated
with mergers & acquisitions
International are acquisitions net of divestures.

Top 10 World Natural Gas Producers in 2005



Source: Oil & Gas Journal & CAPP

Top 10 World Crude Oil Producers in 2005



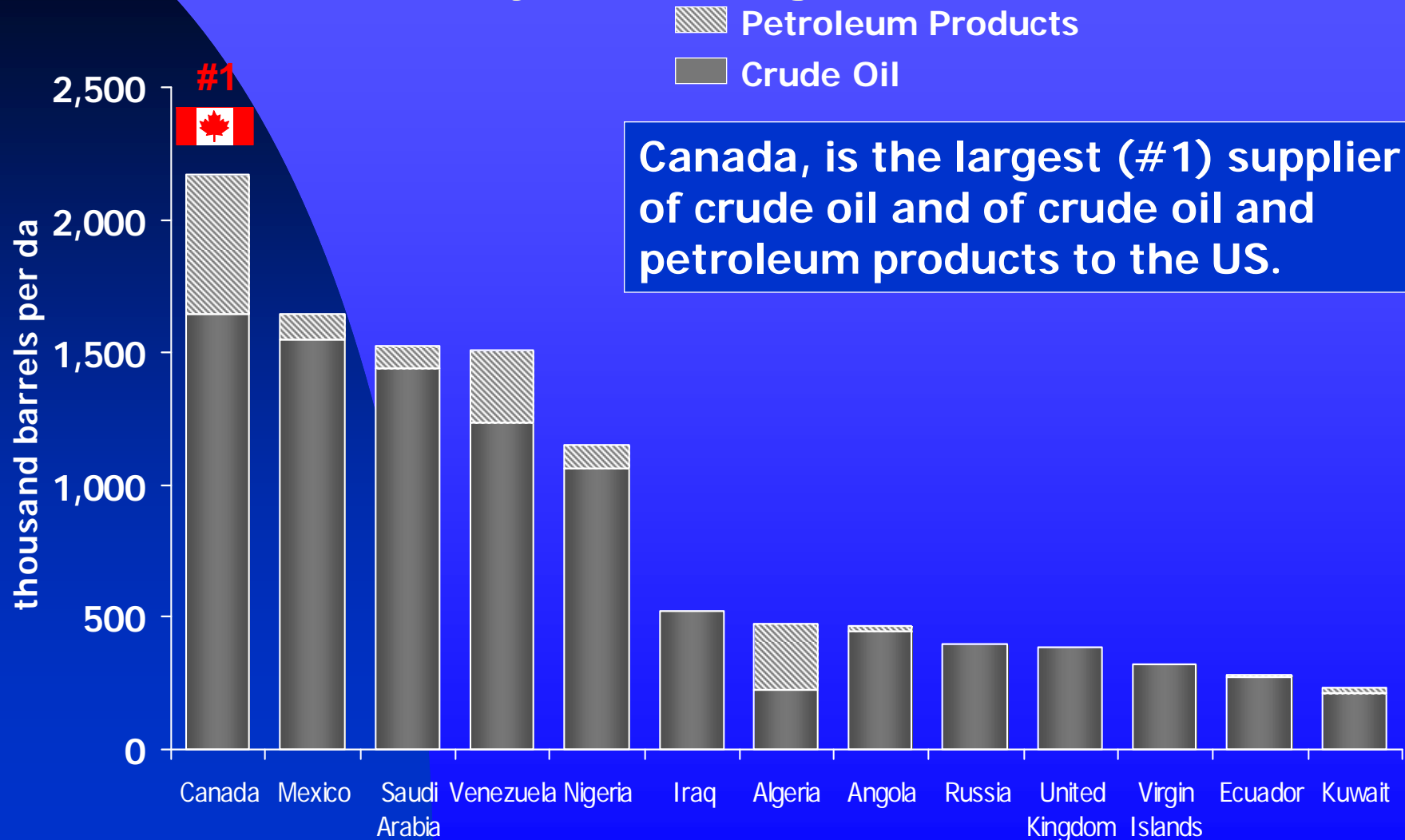
Source: EIA & CAPP

Industry in the North American Energy Economy

- Canada is the world's 3rd largest natural gas producer
- Canada is the world's 8th largest crude oil producer
 - ◆ and moving up the list quickly with oil sands production increasing
- Canada is the largest supplier of energy to the United States

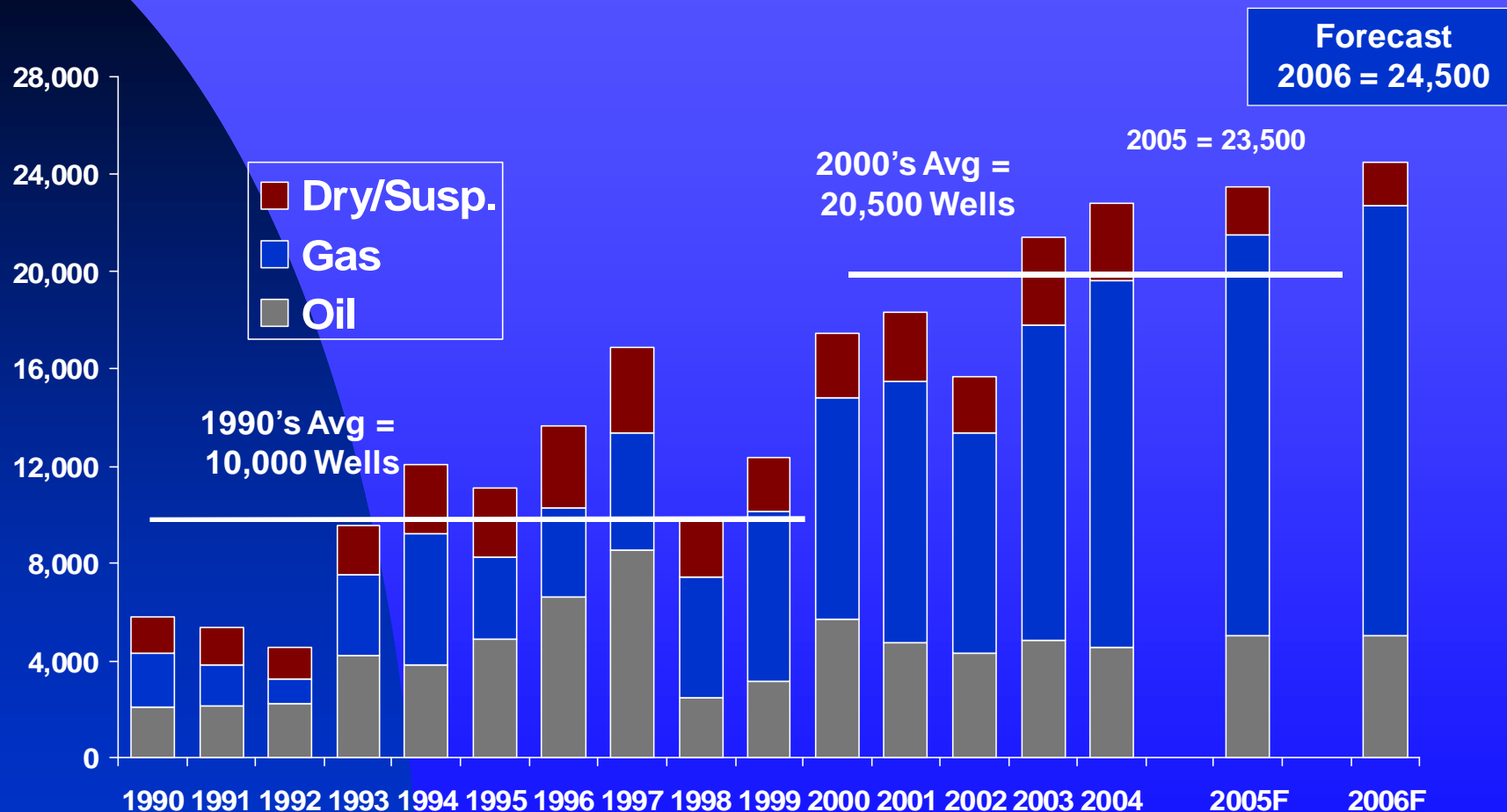
2005	Natural Gas	Petroleum
Ranking of importers to U.S.	#1	#1
Share of U.S. consumption	17%	10%
Share of U.S. imports	85%	16%

U.S. Imports of Crude Oil and Petroleum Products by Country of Origin



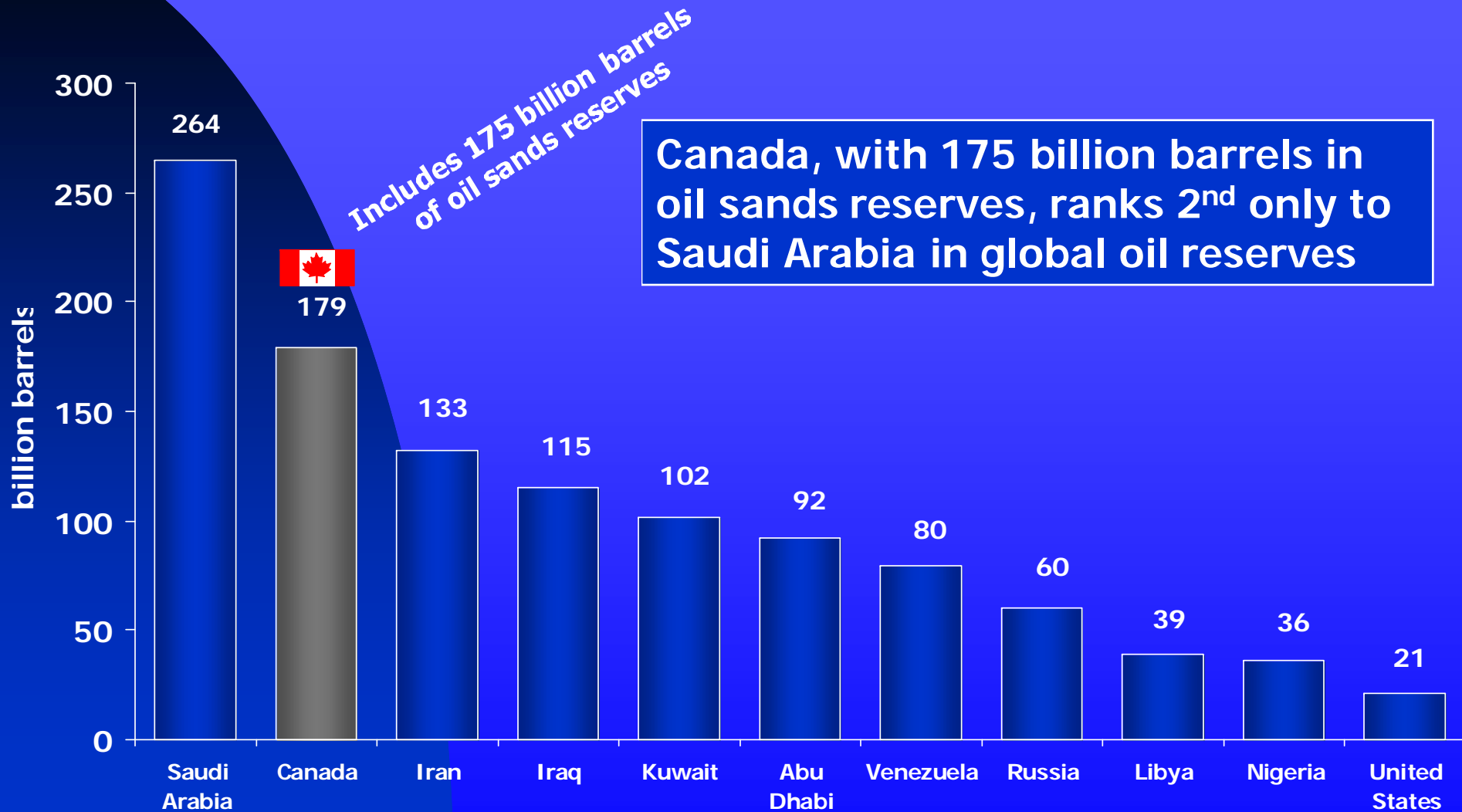
Source: EIA, 2005

Total Wells Drilled in Canada



Based on Rig Release

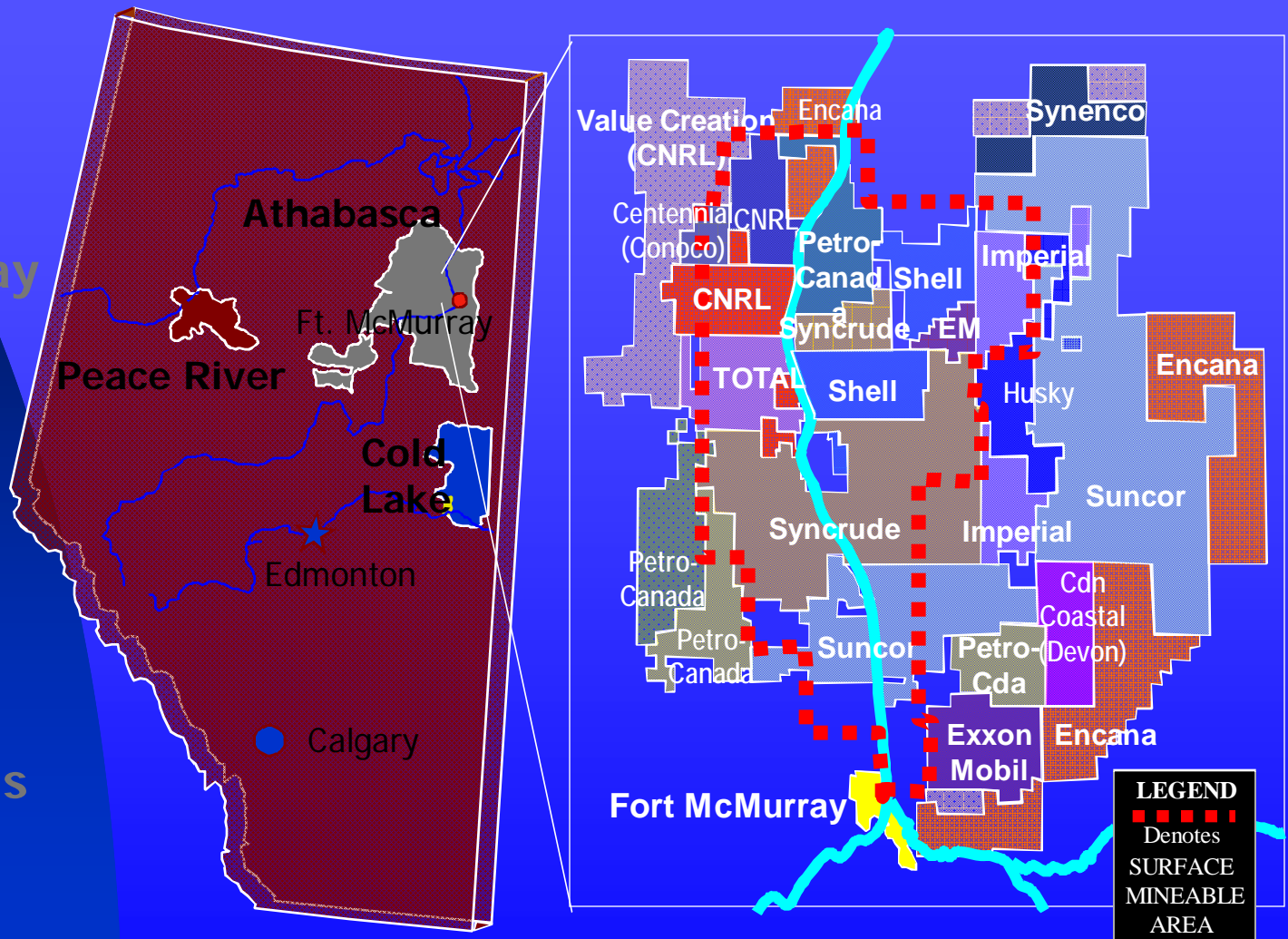
Global Crude Oil Reserves by Country



Source: Oil & Gas Journal Dec. 2005

Oil Sands Projects in Three Deposits

- Oil sands production now exceeds one million barrels per day
- US\$32 billion built from 1996 – 2005
- US\$51 billion in new oil sands projects expected in 2006-2010



Oil Sands Production Technologies

20% less than 50 m deep

Mining & Upgrading
Recoverable resource
= 35 billion barrels



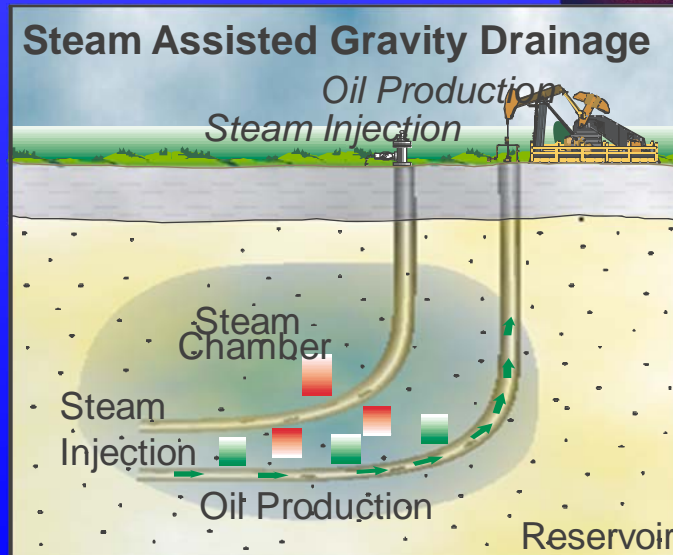
Source: Syncrude



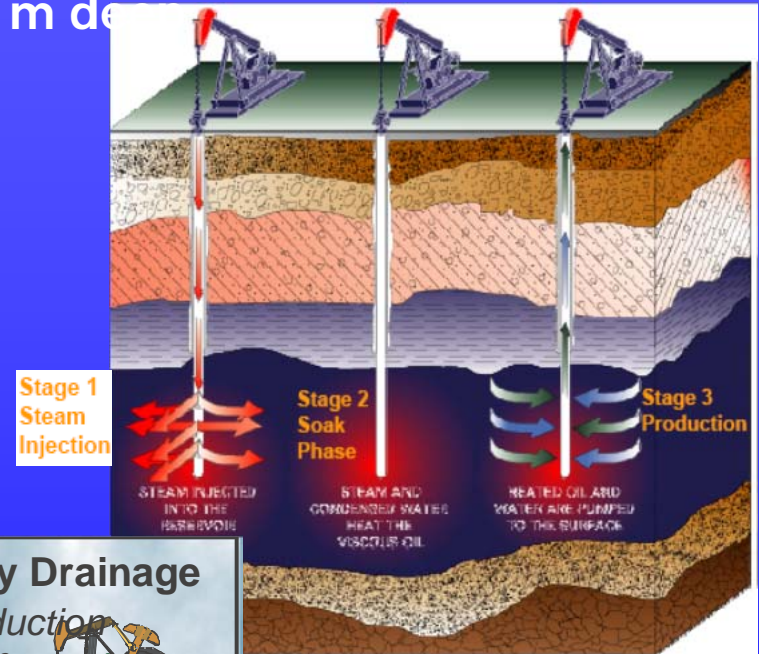
Source: Shell Canada

80% more than 50 m deep

In-situ
Recoverable resource
= 140 billion barrels



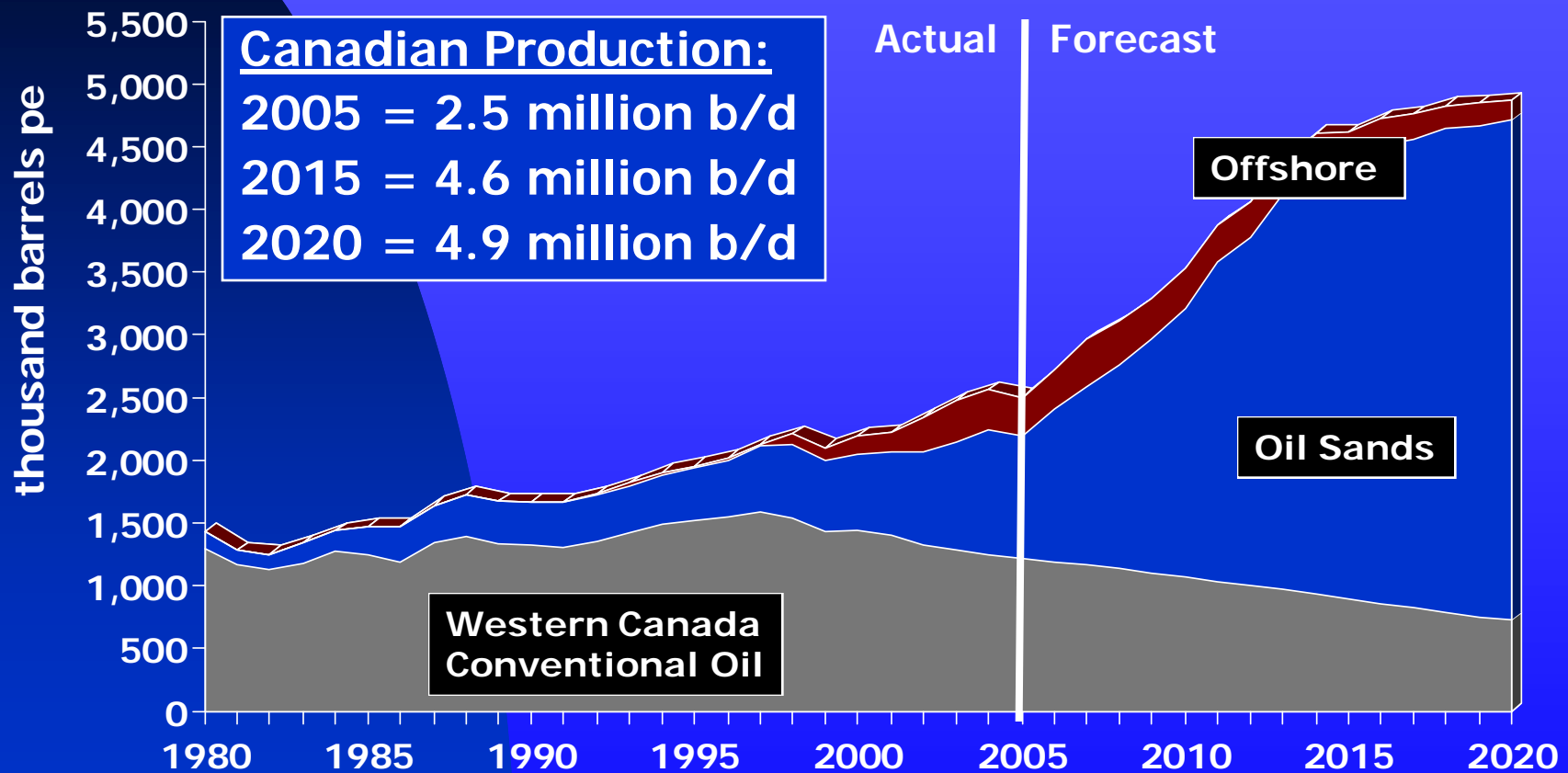
Cyclic Steam Process



Source: Imperial Oil

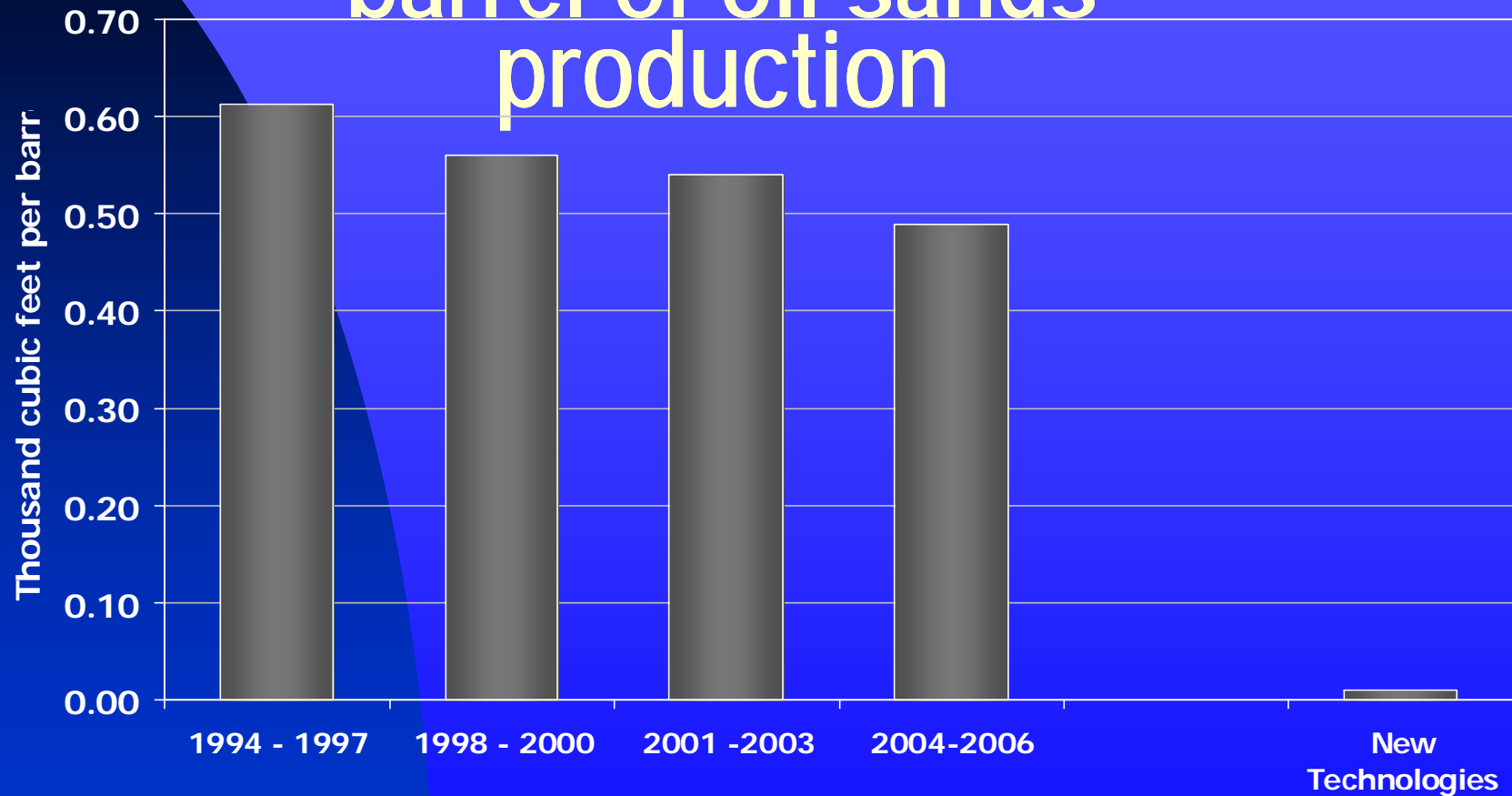
Source: Petro-Canada

Canadian Oil Production Conventional, Oil Sands and Offshore

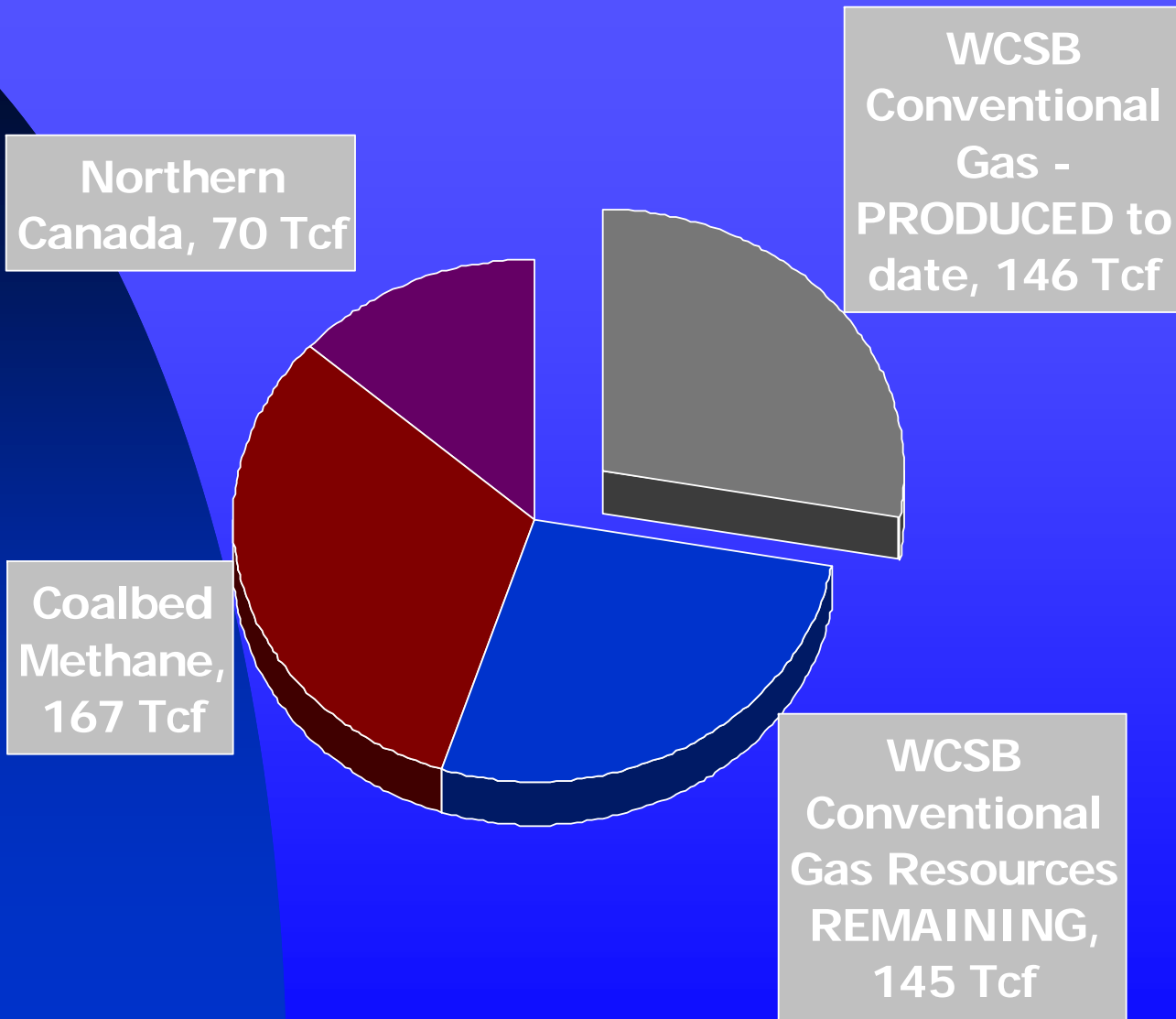


Natural Gas Use in Oil Sands Declining

Natural Gas consumed per barrel of oil sands production

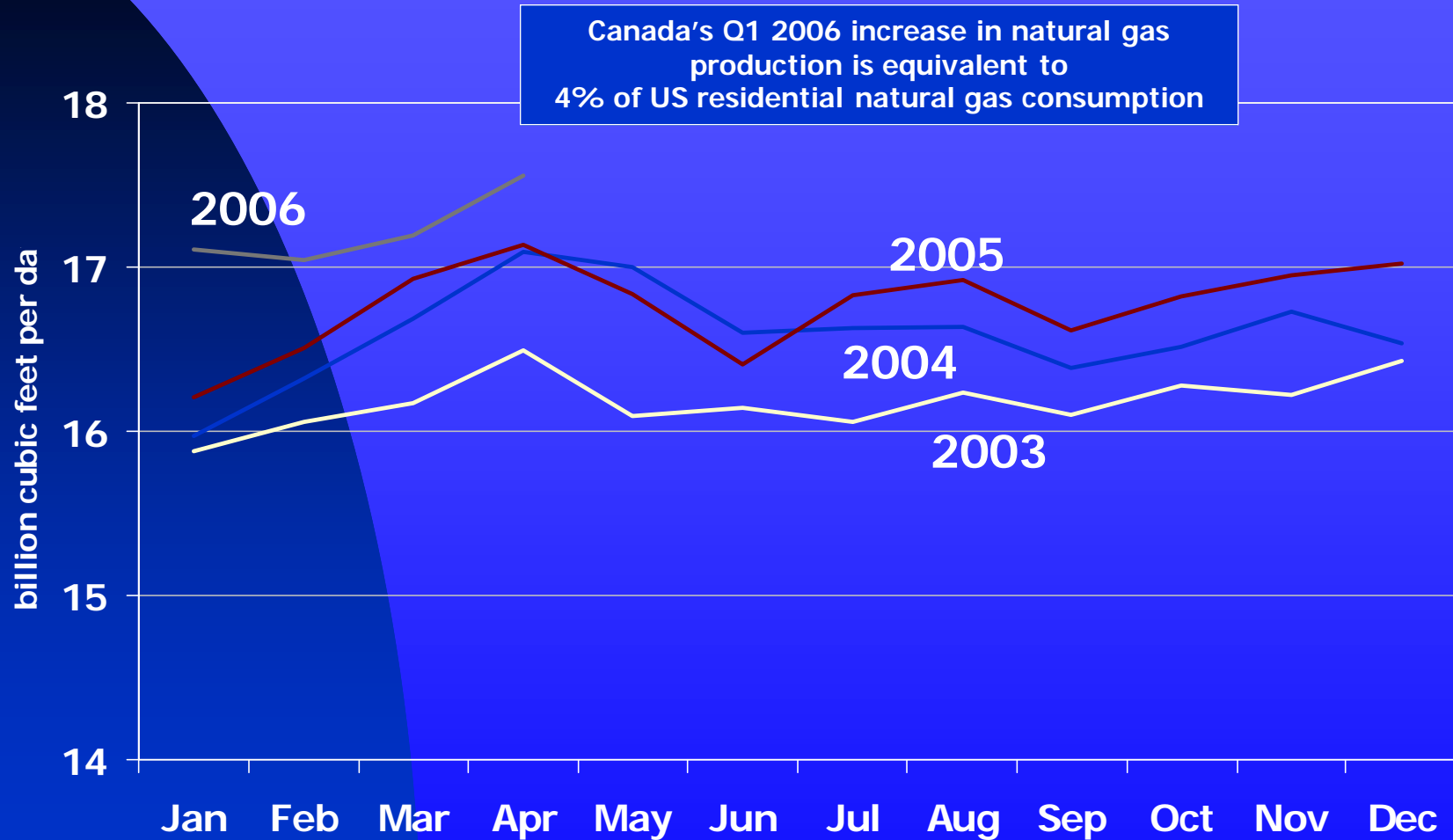


Western Canadian Gas Resources Conventional and New Sources



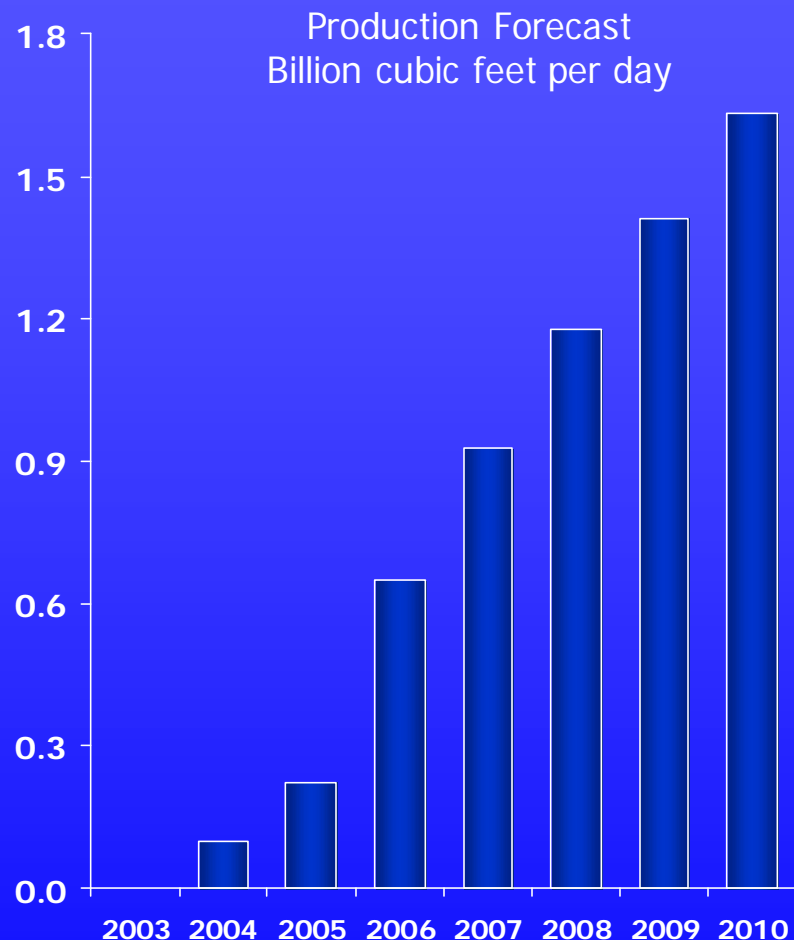
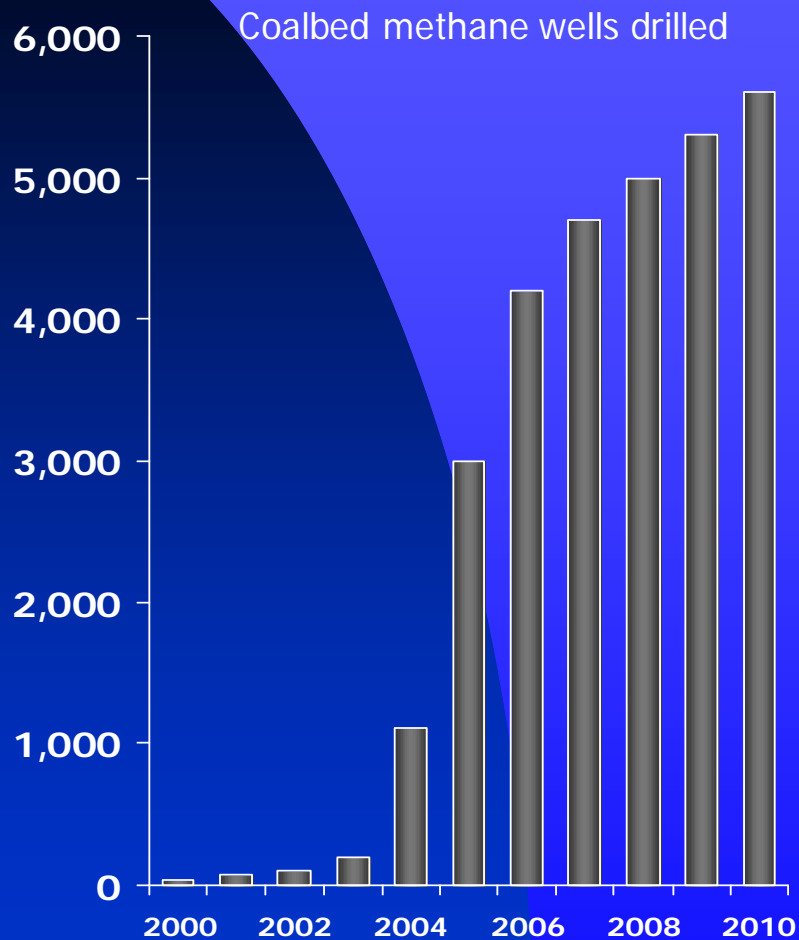
Source: National Energy Board, CERI

Western Canada Natural Gas Production



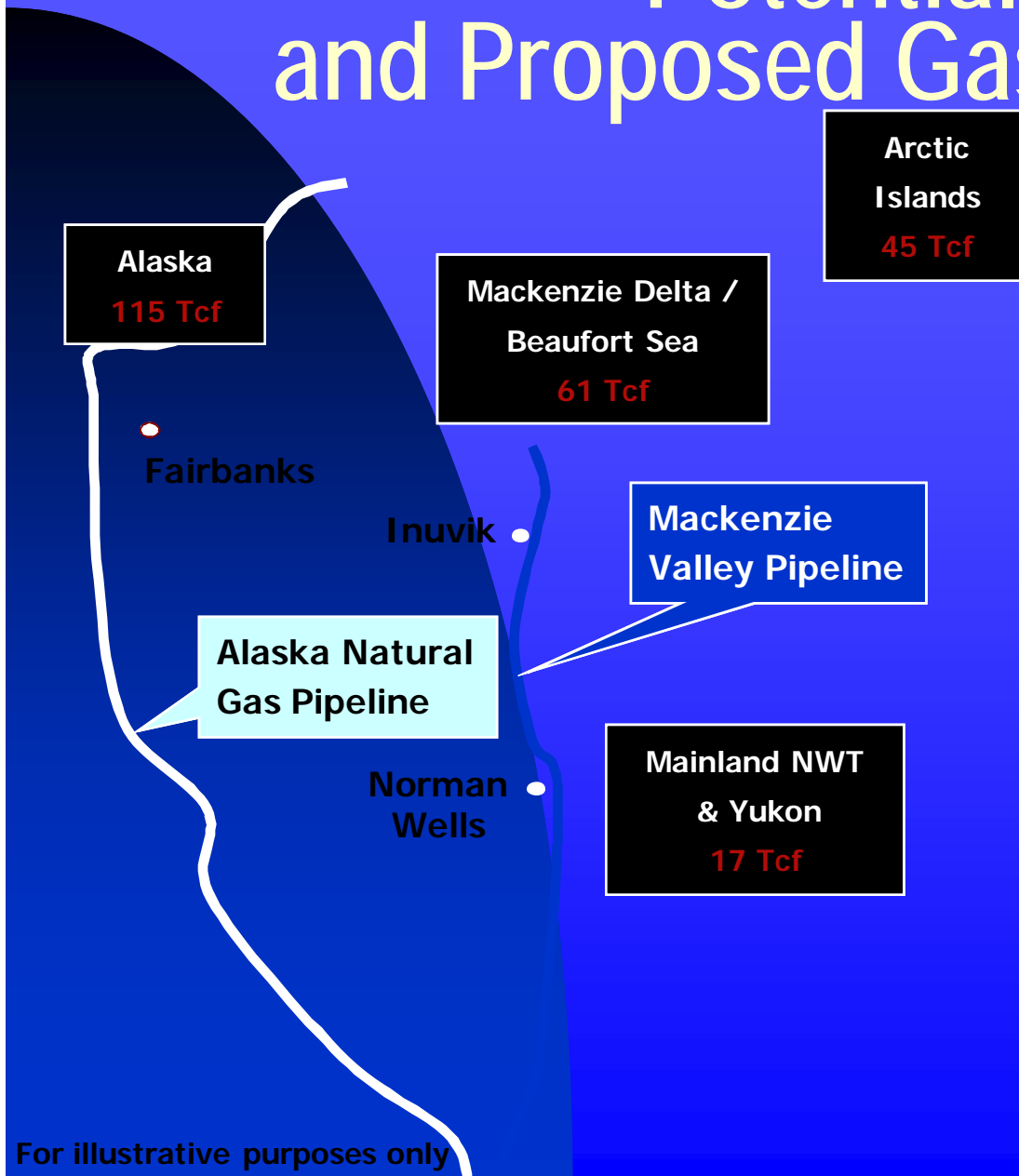
Source: FirstEnergy Capital

Coalbed Methane – Wells Drilled and Production Forecast



Source: FirstEnergy & CAPP

Northern Natural Gas: Ultimate Potential and Proposed Gas Routes



Mackenzie Valley Pipeline:

- **Regulatory Application**
 - NEB application October 7, 2004
 - 22 regulatory agencies
 - cooperation agreement in place
 - regulatory process underway
- **Project**
 - Costs: C\$7.0 billion
 - Base Capacity - 1.2 bcf/d
 - Range – 0.8 to 1.8 bcf/d
 - On-stream date: 2010-2011

Alaska Natural Gas Pipeline:

- Costs: US\$20 billion
(Alaska – Chicago)
- Capacity: 4.5 - 6.0 bcf/d
- On-stream: 2012-2015

For illustrative purposes only

Canada 