



Foreign Affairs and  
International Trade Canada

Affaires étrangères et  
Commerce international Canada

Canada

## *Relations with Canada*

# *A Time of Opportunity*

A presentation to the Alaska House Committee on

Economic Development, Trade and Tourism

January 31, 2012

Consul General Denis Stevens



# Overview

- **Canada is still the US's largest economic partner, your largest supplier of energy and a very close security ally.**
- **Today - update on developments and opportunities of interest:**
  - Current situation in Canada
  - State of the Canada-US economic relationship
  - New initiatives on borders and regulatory cooperation
  - Canada-Alaska economic relations
  - Canadian mining in Alaska
  - Canada and Alaska's partnerships in the Arctic



# Current situation in Canada

- 2011 Canadian federal general election yields majority government
- Good news for Alaskans - resource development and the Arctic remain among our highest priorities

|               | 2011 GDP Growth (Est.) | 2011 Deficit | Unemployment as of Jan. 2012 |
|---------------|------------------------|--------------|------------------------------|
| United States | 1.7%                   | - 8.7%       | 8.5%                         |
| Canada        | 2.3%                   | - 4%         | 7.4%                         |

- Forbes magazine ranks Canada as the best place for business to grow and create jobs
- OECD and IMF predict Canadian economy will be among world leaders for the next two years
- Canadian banks are considered the soundest in the world



# Canada transforms

- **Return to balanced budgets**
- **S&T investments for a competitive economy**
- **Immigration reform to supply economy & labour force**
- **FTAs with EU (2012) and India (2013) plus Trans-Pacific Partnership**
- **Energy sales to Asia as well as the US**
- **Implement Beyond the Border initiative with the US**



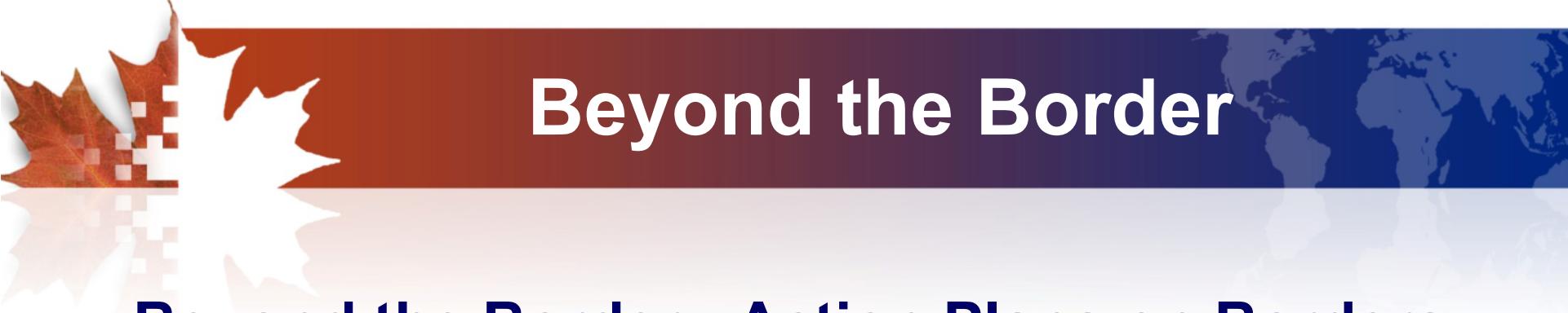
# The Canada-US economic relationship: working together

- **Total Canada–US goods and services trade \$627 billion – about \$1million per minute**
- **Total Canada–US merchandise trade in 2010: \$481 billion**
- **More than 8 million US jobs depend on Canada–US trade**
- **Canada is the top export destination for 36 states**
- **US exports more to Canada than to China, Japan and the UK combined**
- **Canada is the United States' largest and most secure supplier of energy: oil, natural gas, electricity and nuclear fuel**
- **About 400,000 people cross the Canada–US border daily**



# Canada's border with Alaska

- Canada and Alaska have partnered on the border since the Klondike Gold Rush
- 6 border crossings – Skagway and Beaver Creek are particularly important to Alaska and the Yukon
- Skagway is Yukon's port – mineral exports
- AlCan highway - a vital link for Alaska
- The measures in the *Beyond the Border* Action Plans on Perimeter Security, Competitiveness and Regulatory Cooperation will have an impact on Alaska



# Beyond the Border

## **Beyond the Border - Action Plans on Borders and Regulatory Cooperation**

### ***Action Plan on Perimeter Security and Economic Competitiveness***

- addressing threats early
- facilitating trade
- economic growth and jobs
- integrating cross-border law enforcement
- improving critical infrastructure and cyber-security.



# Beyond the Border

## *The Action Plan on Regulatory Cooperation*

- reduce barriers to trade
- lower costs for consumers and business
- create economic opportunities on both sides of the border.

## **29 initiatives where Canada and the US will align their regulatory approaches**

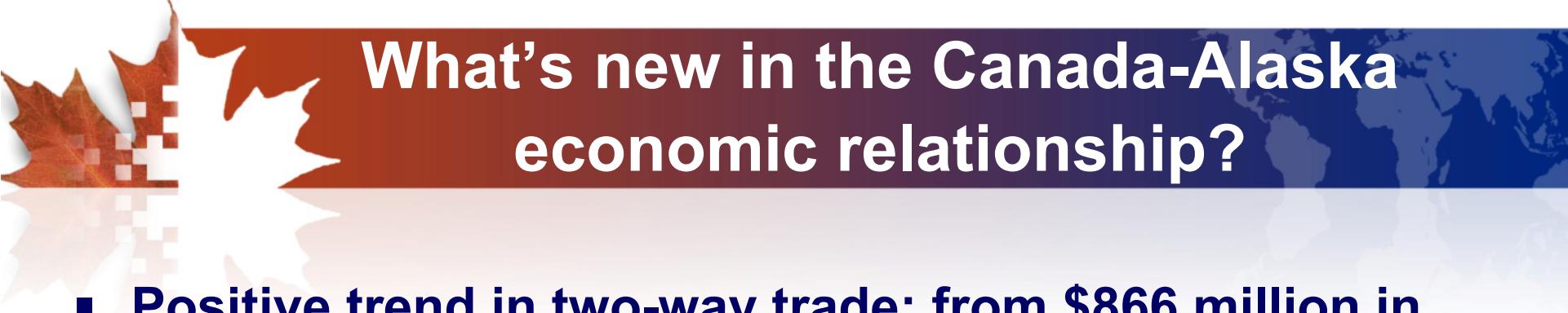
- agriculture and food
- transportation
- health and personal care products
- chemical management
- the environment, and other cross-sectoral areas

**While not compromising our health, safety  
or environmental protection standards.**



# Effects on Alaska?

- **Increased mutual security and a better business environment**
- **Potential benefits (illustrative)**
- **A common approach to screening travelers**
- **Preclearance of cruise ship passengers bound for AK in Vancouver, BC**
- **Infrastructure: coordination of infrastructure upgrades at small and remote ports of entry**



# What's new in the Canada-Alaska economic relationship?

- Positive trend in two-way trade: from \$866 million in 2009 to \$948 million in 2010
- AK exports to Canada: from \$314 million in 2009 to \$385 million in 2010 to **\$571 million from January to November 2011**
- Canada's exports to AK also up - \$552 million in 2009 to \$563 million in 2010
- Alaska employment attributed to Canada-US trade estimated at 20,400
- Canadian investment – mostly mining – supports approximately 3,000 AK jobs and \$198 million in payroll



# Canadian mining companies and Alaska



- **“Canadian” label on approximately 70% of mining investment in AK**
- **Need to support companies and protect Canada “brand”**
- **Canadian expertise in mining and the Canadian mining finance system**



## Canadian mining companies and Alaska, cont'd

- **Canadian AK production – Red Dog (Teck/NANA) and Fort Knox (Kinross)**
- **Big Canadian AK development projects: Donlin Gold (Barrick Gold and NovaGold) and Pebble (Northern Dynasty 50%)**
- **26 of 30 exploration companies active in AK as of 2010 are Canadian. E.g., exciting new play by U-Core in rare earth elements in Southeast**
- **Economic benefits to AK in terms of well-paid employment, taxes, contracts for local businesses and infrastructure**



## **Social license to operate/corporate social responsibility (CSR)**

- **Canadians expect Canadian companies to operate as responsibly abroad as in Canada**
- **AK and Canada both have high standards**
- **Government of Canada encourages companies to support CSR principles - 2009 initiative**
- **Canadian companies also participate in industry-led initiatives for sustainable mining**
- **Canadian Consulate in Anchorage works with industry to improve understanding of the benefits of Canadian investment in AK mining and that Canadian companies operate responsibly**



# Canada US Collaboration in the Arctic



- **Back-to-back Arctic Council Chairships, starting with Canada in 2013**
- **Numerous security and environmental protection partnerships**
- **Sharing of science to advance understanding of this unique region**
- **Common interest to create sustainable, dynamic northern economies**



# Thank you

## QUESTIONS?



Consulate of Canada / Anchorage  
Consulat du Canada / Anchorage

310 K Street, Suite 220

Anchorage, AK 99501

(907)264-6734

[Peter.Taylor@international.gc.ca](mailto:Peter.Taylor@international.gc.ca)