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Canada



Relations with Canada A Time of Opportunity

**A presentation to the Alaska House Committee on
Economic Development, Trade and Tourism**

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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?



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