

U.S.— CANADA SUPPLY CHAINS

U.S. and Canadian companies and workers are linked through supply chains that help us compete with the world.

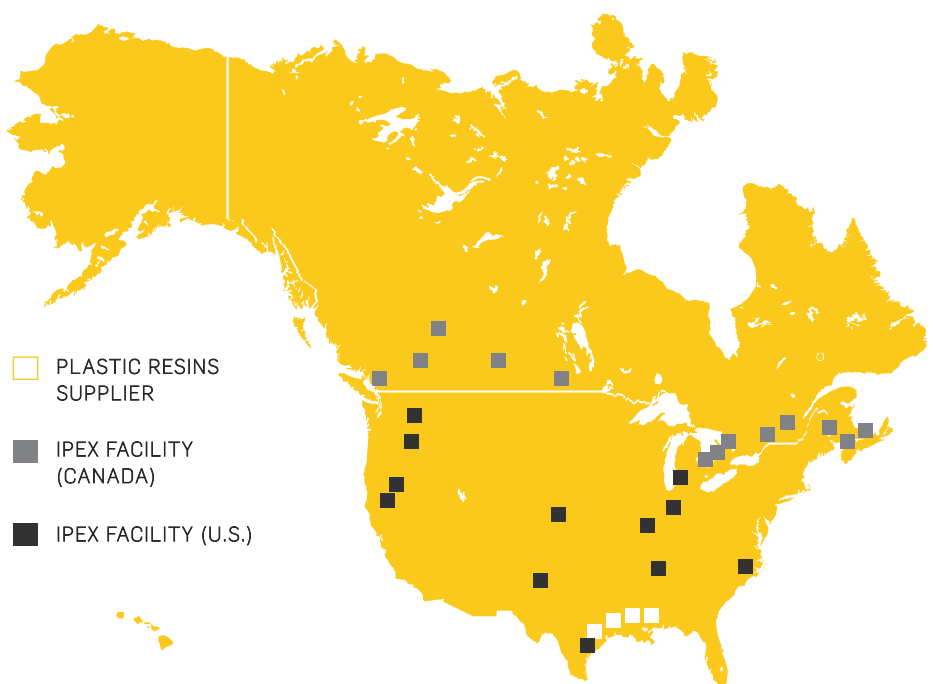
Canada and the United States share the largest trading relationship in the world. We trade with each other. We make things together. The Canada–U.S. network of supply chains supports millions of jobs in both our countries.

SUPPLY CHAIN FACTS

- Cross-border trade between Canadian and American companies, large and small, is worth almost **\$500 billion a year**. Almost 75% of this trade is goods and services made in our two countries.
- Canadian content **supports U.S. manufacturing and exports**. 78% of U.S. imports from Canada are raw materials, parts and components and services that are used to make goods and services in the United States.
- Nearly **9 million U.S. jobs** depend on trade and investment with Canada.
- Anti-trade policies like **Buy America** have **an adverse impact on U.S. companies, workers and infrastructure projects** that rely on the network of supply chains.
- Up to **70,000 U.S. jobs** are associated with U.S.–Canada supply chains in sectors affected by Buy America rules for public infrastructure projects.

SUPPLY CHAIN SUCCESS: IPEX

IPEX manufactures pipe for municipal water projects. Co-production at IPEX’s series of facilities and suppliers across North America makes it difficult to distinguish between U.S. and Canadian products. It has 425 workers at facilities across the United States. IPEX sources 95% of its raw materials from chemical plants in Texas and Louisiana for processing in both countries.



WHAT COMPANIES ARE SAYING

ARI BURSTEIN

President of Marcon MetalFab, Delta, BC

“We already spend \$2-3 million annually on U.S. products and steel. If not precluded from working in the U.S. Pacific Northwest by Buy America rules, we easily could double our U.S. purchases. It is a very large market.”

JIM DICKSON

Director of Global Automotive Strategy, Rio Tinto, Montréal, QC

“Canadian supply of primary aluminum is absolutely strategic to the U.S. auto industry. The short, reliable supply chain meets ‘Just-in-Time’ delivery requirements.”

MIKE BURNET

Vice President of Purchasing at Canam Group, Claremont, NH

“We believe that both the U.S. and Canadian markets would benefit from reducing trade barriers that exist between our two countries. We should look at solidifying our relationships to become more competitive against sources outside of North America.”

BOB MILLER

Bob Miller, President of NLMK USA, Pennsylvania and Indiana

“Since most manufacturers do not know when a Buy America-specific order will come in, they protect against getting ‘overbalanced’ on non-compliant materials by not buying any at all. We have a manufacturer right down the road that limits their buy from us because they don’t have systems in place to keep separate inventories.”

RON COLLINS

President of JCM Industries, Nash, TX

“I consider Canada an extension of the U.S. market and vice versa. We do cross-border business seamlessly, except when governments make business more difficult. The burden of the AIS* paperwork chain is both slowing and reducing the number of project starts.”

** ‘American Iron and Steel’ provisions of the Consolidated Appropriations Act, 2014*

BILL BASHANT

Director of Global Sourcing at Environment One Corporation, Niskayuna, NY

“Our challenge is not a lack of interest in buying local. We sometimes cannot get parts from American suppliers at costs that allow us to compete. Take away the globally sourced components and we do not have a competitive product to sell.”

MAKING A JEEP



1



2



3



4

Integrated supply chains help make U.S. auto companies more competitive. Canadian components are integrated into U.S. automobiles in multiple stages.

In this example, a hydroformed upper crossmember (1) made in Strathroy, Ontario, is imported to Michigan for assembly into a carrier (2) and then incorporated into a full front-end module (3) in Ohio. Empty racks are sent back to Canada to start the process again while the finished product is assembled into a Jeep by Chrysler in Ohio(4) for sale at home and around the world.

Read the full study: Economic Impact of U.S.–Canada Supply Chains by Trade Partnership Worldwide, LLC, May, 2016