

# U.S.-Alberta Relations



## PROFILE

**Capital:** Washington, D.C.

**Population:** 324.13 million (2016 est.)

**Language:** English

**Government:** Federal Republic

### Head of State & Government:

President Donald Trump (R)

First term (term expires January 2021)

Two consecutive term limit absolute.

**Currency:** U.S. Dollar (USD)

\$1 CAD = \$0.75 USD (March 2017)

### Gross Domestic Product (GDP):

US\$18.6 trillion (2016)

**GDP Per Capita:** US\$57,553 (2016)

**GDP Growth Rate:** 1.6% (2016)

**Inflation:** 0.1% (February 2017)

**Unemployment Rate:** 4.7% (February 2017)

## RELATIONSHIP OVERVIEW

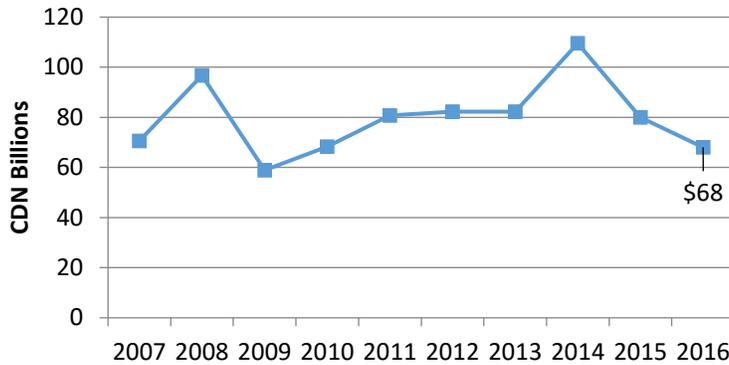
- The U.S. is by far Alberta's largest trading partner. Annual merchandise exports to the U.S. have averaged approximately \$88.8 billion a year over the past five years.
- Alberta has close historic ties with Western and Midwestern states, from where many early pioneers immigrated to southern Alberta in the early 20th century.
- The U.S. has been an important source of investment and technology in the development of Alberta's energy industry since the 1940s.
- Growth of Alberta's energy sector, energy trade liberalization under NAFTA, and rapid development of the oil sands have made Alberta an integral part of U.S. energy imports.
- Alberta's engagement with the U.S. focuses on secure and enhanced market access, and cooperation to address common problems and avoid disputes.
- The Canadian Association of Petroleum Producers has identified more than 1,900 U.S.-based companies that supply equipment, parts and services used in Alberta's oil sands.

## TRANSBOUNDARY COOPERATION

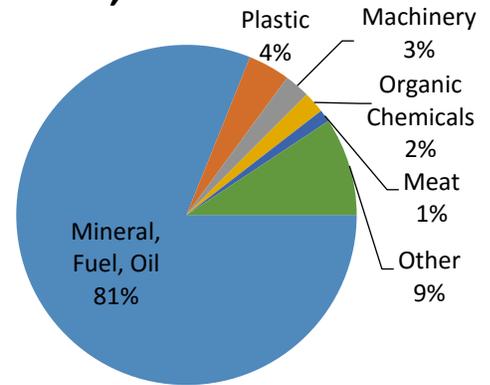
The Alberta government works as a partner with American states in a wide range of forums and organizations, including:

- Canadian/American Border Trade Alliance (Can/Am BTA)
- Council of State Governments (CSG) National
- Council of State Governments Midwest (CSG Midwest)
- Council of State Governments West (CSG West)
- National Association of State Directors of Agriculture (NASDA)
- Pacific NorthWest Economic Region (PNWER)
- Ports-to-Plains Alliance (PTP)
- Western Association of State Departments of Agriculture (WASDA)
- Western Association of State Highway & Transportation Officials (WASHTO)
- The Energy Council
- Western Governors' Association (WGA)
- Western Interstate Energy Board
- Western Legislative Forestry Task Force (WLFTF)
- State Agriculture and Rural Leaders (SARL)

## Alberta's Exports to the U.S., 2007-2016



## Alberta's Exports to the U.S., 2012-2016



### ENERGY/NATURAL GAS

- Alberta is the largest supplier of natural gas to the U.S., with the majority going to the Midwest.
- The U.S. has an estimated 388 trillion cubic feet (Tcf) of natural gas reserves of which 199 trillion cubic feet (Tcf) is in shale gas reserves (2014). These reserves could impact natural gas imports in the future.
- In 2014, the U.S. produced approximately 13.4 Tcf of shale gas, accounting for 40% of total natural gas production. It is estimated that by 2035, almost 50% of natural gas produced in the U.S. will come from shale reserves.
- In 2015, Alberta exported approximately 4.2 billion cubic feet per day of natural gas to the U.S.
- Imports from Canada comprise 43% of all U.S. oil imports (in 2015), considerably outpacing Saudi Arabia's 14%, Venezuela's 11%, and Mexico's 9%. In absolute terms, the U.S. imports 3.56 million barrels/day from Canada.
- Alberta's marketable oil sands production reached 2.2m b/d in 2014 and oil sands production is projected to increase to 3.8m b/d by 2024.
- Alberta's exports of crude oil to the U.S. were valued at \$91 billion in 2014.

### AGRICULTURE

- The U.S. is Alberta's largest trading partner for agriculture and food products, accounting for 39.3% (\$4.0 billion) of Alberta's total agri-food exports in 2015 (\$10.2 billion - 4.5% higher than in 2014).
- The U.S. is Alberta's largest market for live cattle (excluding purebred), and hogs and accounts for almost 68% of Alberta's beef exports by volume to all markets.

- Alberta supports free and open trade in agriculture and will continue to work with the federal government to discuss partnerships and the advancement of cross-border trade with the new Administration, US Congress and other key US state legislators, decision makers and influencers.
- Alberta continues to be concerned with increasing border fees, inspections, and other measures that slow trade and increase costs.
- On July 29, 2016, former President Obama signed into law the Genetically Modified Organism (GMO) labeling bill creating a national mandatory system where food makers must disclose GMO data. Laws and regulations under this bill will apply to both domestic and foreign-produced goods. Alberta exported \$118,000 worth of live cattle to Wyoming in 2015 and \$360,000 worth of live cattle to South Dakota. Beef exports to South Dakota totaled \$32 million in 2015.

### FORESTRY

- The Canada-U.S. Softwood Lumber Agreement (SLA) expired on October 12, 2015. On December 16, 2016, the U.S. Department of Commerce announced the initiation of countervailing and anti-dumping duty investigations of softwood lumber imports from Canada. This will result in U.S. countervailing and anti-dumping duties being imposed on Canadian lumber in 2017.

### INDUSTRY & TECHNOLOGY

- Oil sands investment provides significant supply chain opportunities for Canada's trading partners. The Conference Board of Canada has predicted that the U.S. will supply over \$65 billion in manufactured equipment for the oil sands by 2035.
- Alberta is Canada's leading producer of petrochemicals, with \$13 billion in annual sales.

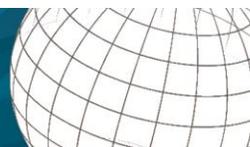
- Alberta is also home to two of the world's largest ethane cracking facilities and to global companies such as Dow, Nova, Shell and Williams Energy.
- The Alberta government has established strategic technology partnerships with leading U.S.-based technology companies to accelerate technology commercialization opportunities in Alberta.

### TRADE AND INVESTMENT

- In 2016, Alberta's exports to the U.S. totalled \$68 billion.
- Alberta's exports to the U.S. accounted for 86% of total provincial exports in 2016.
- From 2012 to 2016, the U.S. accounted for 87.2% of Alberta's global exports.
- In 2016, 17 of Alberta's top 20 export destinations worldwide are U.S. states.
- Alberta exports more to each of five U.S. states (Illinois, Texas, Washington, Michigan, and Minnesota) than it does to China, Alberta's largest export destination outside the U.S.
- Energy products accounted for 76% of Alberta's exports to the U.S. in 2016.
- Other important export sectors are (2012-2016 annual average): plastics (\$3.4 billion), machinery (\$2.1 billion), organic chemicals (\$1.8 billion), meat (\$1 billion), wood (\$811 million) and inorganic chemicals (\$729 million).
- The U.S. is Alberta's largest investment partner. The U.S. accounts for 55% of foreign direct investment into Canada—six times more than the next largest investor country.
- Alberta imported over \$16 billion in products from the U.S. in 2016, specifically mineral oils, railway cars, aircraft, and alcohol.

### TRANSPORTATION

- Alberta recognizes that effective intermodal transportation links to U.S. markets are vital to provincial prosperity.



- Rail plays an important role in transporting crude oil, with National Energy Board data showing crude by rail exports were approximately 125,000 barrels per day in the fourth quarter of 2015.
- Alberta crude is being shipped by rail to Axeon's Paulsboro refinery in New Jersey and to Kinder Morgan's Perth Amboy terminal in New York State.
- Alberta is working with several U.S. jurisdictions within the PTP, which the province joined in 2009, to forge new trade links and ultimately to develop new markets for Alberta products.

#### **IMMIGRATION & LABOUR**

- Between 2011 and 2015, 5,880 citizens of the U.S. became Permanent Residents of Canada, with Alberta as their intended destination.
- 8,880 citizens of the U.S. had Temporary Foreign Worker Program (TWFP) work permits come into effect for Alberta between 2011 and 2015.
- Between 2011 and 2015, 2,175 citizens of the U.S. had international study permits come into effect for Alberta.
- Alberta recognizes specific credentials issued by U.S. regulatory authorities for the boilermaker, electrician, elevator constructor, ironworker, steamfitter, pipefitter, and welder trades.
- A new and redesigned federal immigration system aims at addressing skills shortages and reducing application processing times including a job-match function that can be a useful tool for job seekers in the U.S.

#### **EDUCATION**

- From 2010-2014, 1,556 foreign students from the U.S. were issued a permit to study in Alberta.
- Alberta post-secondary institutions have active relationships with many U.S. institutions.
- Alberta College of Art and Design is an international affiliate of the U.S.-based Association of Independent Colleges of Art and Design.

- Faculty at MacEwan University have been working on research projects from the following institutions: Washington University; Michigan Technological University; Eastern Illinois University; John Hopkins University; SETI University; Georgia Institute of Technology; Brown University; University of San Diego; University of California, San Diego; Scripps Institution of Oceanography; Ithaca College; Wood Buffalo National Park; Eastern Kentucky University; University of North Carolina at Chapel Hill.
- The University of Alberta has Memorandums of Understanding (MOU) and agreements with several U.S. institutions: University of Georgia, University of Colorado School of Law, University of Alaska, University of Montana, University of New Mexico and New Mexico State University, University of California, George Washington University and the Akron General Medical Center.
- The University of Calgary provides internships, student exchanges and graduate programs with the following institutions: Colorado School of Mines; University of Tennessee at Knoxville, National Student Exchange; and the Washington Center for Internships and Academic Seminars.

#### **CULTURE/TOURISM**

- In 2014, Alberta hosted 772,000 person-visits from the U.S., with expenditures of approximately \$731 million.
- The US remains Alberta's biggest international market in terms of visitation and tourism expenditure.
- The U.S. Pacific Region provided the largest number of overnight person-visits to Alberta in 2014, at 221,000. This region includes the states of California, Oregon, Washington, Alaska, and Hawaii.

#### **RECENT VISITS/MISSIONS**

- November 2016: Robyn Luff, MLA, Calgary-East travelled to Boise, Idaho, to attend the PNWER Winter Meeting and present on Alberta's Climate Leadership Plan.
- October 2016: A five-member delegation from Minnesota, including two state legislators, travelled to Edmonton to tour the Edmonton Waste Management Centre.
- September 2016: Estefania Cortes-Vargas, MLA, Strathcona-Sherwood Park, travelled to Coeur d'Alene, Idaho to attend the CSG West Annual Meeting.
- July 2016: Cameron Westhead, MLA, Banff-Cochrane, travelled to Milwaukee, Wisconsin to attend the annual CSG Midwestern Legislative Conference.
- June 2016: A delegation of eight state legislators representing Arizona, Connecticut, Illinois, Michigan, Minnesota, Mississippi, New Hampshire, and Wisconsin travelled to Alberta as part of the Rising State Leaders program.
- June 2016: Cameron Westhead, MLA, Banff-Cochrane, travelled to Minneapolis, Minnesota to attend a CSG Midwest Energy Subcommittee meeting.

#### **DIPLOMATIC REPRESENTATION**

- His Excellency Bruce Heyman, the U.S. Ambassador to Canada in Ottawa, stepped down on January 20, 2017. The position is currently vacant.
- The Canadian Ambassador to the U.S. in Washington, D.C. is David MacNaughton.
- Tom Palaia is the U.S. Consul General in Calgary, Alberta.
- Gitane De Silva is Alberta's Senior Representative to the U.S. in Washington D.C.



**For more information, contact:**  
 Economic Development and Trade  
 Tel.: 780-427-6543 Fax: 780-427-0699  
[www.albertacanada.com](http://www.albertacanada.com)