

## United States-Canada-Mexico Fact Sheet on Trade and Migration

The United States, Mexico, and Canada share more than just borders. The North American Free Trade Agreement (NAFTA) between these countries, implemented in January 1994, created the largest free trade area in the world. However, relations have not stopped at economic integration. These countries are now parties to accords that establish common policies related to trade, border security, migration, and other issues. This fact sheet examines the trilateral relationship since NAFTA and provides facts and figures relating to trade and migration among the three countries.

### Trade

**The United States is the most important trading partner—both for imports and exports—for Mexico and Canada.** Both Mexico and Canada send at least 85 percent of their exports to the United States. Both countries are also important trading partners for the United States. For instance, Canada is the top destination for US exports while Mexico is the third (World Trade Organization).

**Percentage of Imports and Exports of Goods to NAFTA Partners, 2003**

Reporting Country	Exports to			Imports from		
	Canada	Mexico	US	Canada	Mexico	US
Canada	---	0.6%	85.8%	---	3.6%	60.7%
Mexico	1.7%	---	88.9%	2.4%	---	61.9%
United States	23.4%	13.5%	---	17.4%	10.7%	---

Source: *Statistics Database*, World Trade Organization

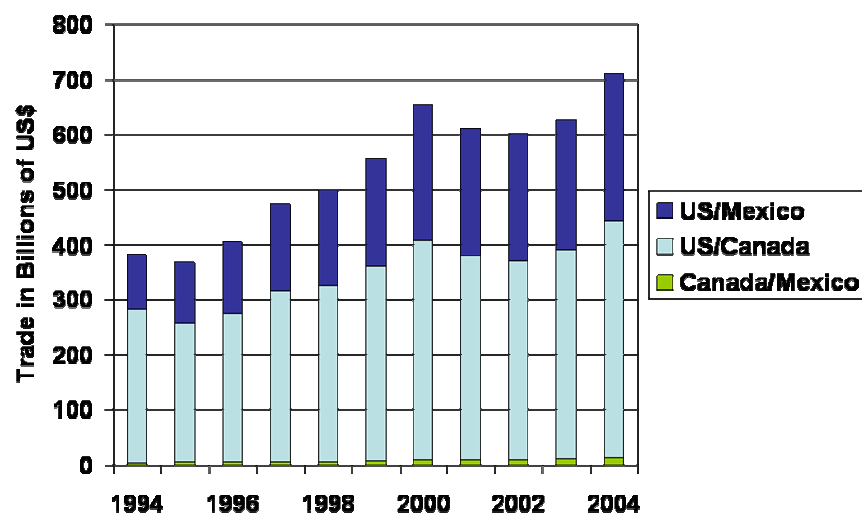
**The trading relationship between the United States and Canada represents the largest bilateral flow of income, goods, and services in the world** (Canadian Embassy in Washington 2005d). Two-way trade in commodities between the two countries equaled over US\$428 billion in 2004, averaging \$1.2 billion per day. Since the 1994 implementation of NAFTA, trade has almost doubled (Organisation for Economic Co-operation and Development 2005). Canada is the United States' second largest agricultural market (after Japan), primarily importing fresh fruits, vegetables, and livestock products (Travel Document Services).

**Mexico is the United States' second largest trading partner after Canada, and Mexico-US trade reached \$268 billion in 2004.** Mexico-US trade has increased by

over 165 percent since NAFTA. US exports to Mexico totaled \$111 billion in 2004, while imports were \$158 billion (Organisation for Economic Co-operation and Development 2005).

**Since NAFTA, the two-way trade between Canada and Mexico has tripled from \$4.1 billion to \$12.6 billion** (Organisation for Economic Co-operation and Development 2005). Mexico is Canada's leading trading partner in Latin America, and it is the country's first supplier of vehicles, electronic equipment, and agricultural goods (Embassy of Mexico in Canada). Meanwhile, although trade between Canada and Mexico never constitutes more than five percent of total trade for either country, both countries are within each other's top five trading partners (World Trade Organization).

**Trade Among the US, Canada, and Mexico**



Source: *International Trade Statistics by Commodity*, Rev. 3, Organisation for Economic Co-operation and Development

**Canada and Mexico's cross-border trade with the United States is more than simply a border-state phenomenon.** Canada was the leading export market for 37 of the 50 US states in 2004 (Canadian Embassy in Washington 2005c). Michigan is the single largest partner, sending 60 percent of its exports to its neighbor; trade between Michigan and Canada generated \$70 billion in 2004 (Canadian Embassy in Washington 2005b).

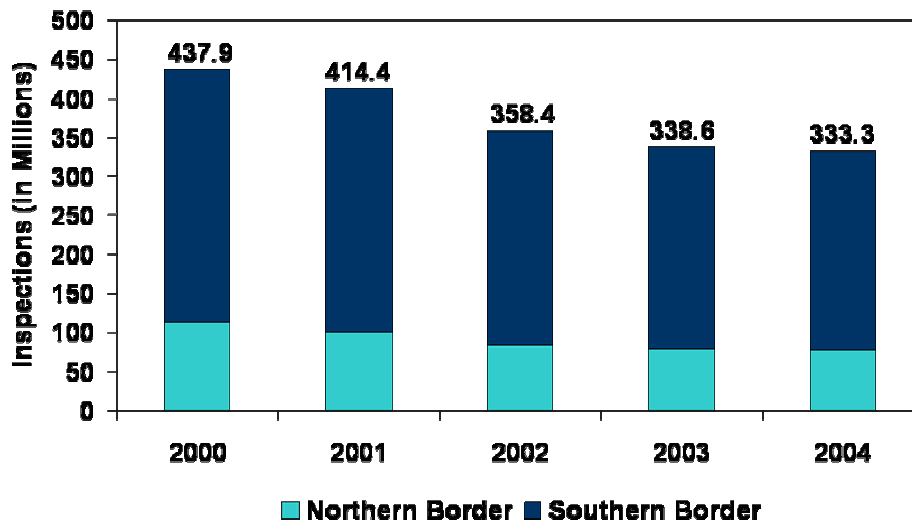
**Foreign direct investment (FDI) and remittances are an important factor in trade between Mexico and its NAFTA partners.** Foreign direct investment from the United States—\$7.3 billion—constituted over 40 percent of all FDI received by Mexico in 2004. Canada was the fourth greatest source of FDI with \$379.2 million (Instituto Nacional de Estadística Geográfica e Informática). In that same year, Mexicans abroad sent home \$16.6 billion in remittances—an increase of 25 percent from 2003 levels and an amount almost equal to total foreign direct investment received by the country (Inter-American Development Bank 2005).

**The United States has the largest population among the NAFTA countries with 291 million people in 2004.** Mexico's population is approximately one-third that of the United States with 105.3 million (Consejo Nacional de Población of Mexico 2004), and Canada has a population nine times smaller than the United States with approximately 32 million people (Statistics Canada).

### The Border Region

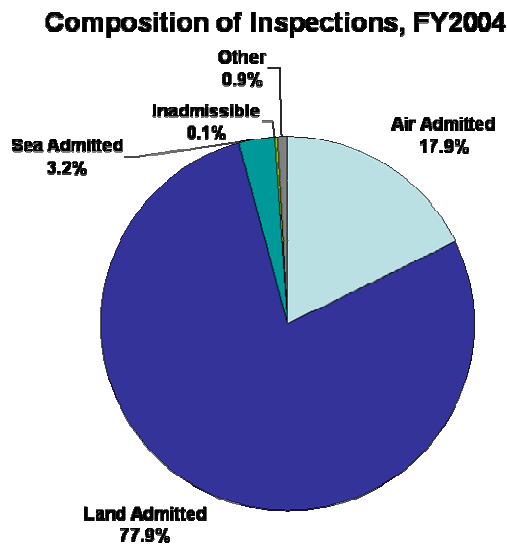
**There are a total of 317 official land, air, and sea ports of entry in the United States and 14 pre-clearance stations for entry into the United States located in Canada and the Caribbean** (US Customs and Border Protection). There are 79 ports along the US-Canadian border and 25 ports along the US-Mexican border (Bureau of Transportation Statistics, *Border Crossing Data: US-Canada* and *Border Crossing Data: US-Mexico*). The US-Canada border (including the continental United States and Alaska) covers over 5,525 miles, while the United States shares a 1,989 mile border with Mexico.

**Land Inspections, by Northern and Southern Borders, Fiscal Years 2000-2004**



Source: PAS G-22.1 Inspections, Office of Immigration Statistics, DHS

**The volume of inspections at US air, land, and sea ports of entry declined by 20 percent between FY 2000-2004, with land inspections decreasing 24 percent.** The northern border experienced a sharper decrease (31 percent) than the southern border (21 percent). Most of the decline occurred between FY 2001 and FY 2002, but the volume has continued to decrease annually. Land inspections comprised 78.6 percent of all inspections in FY 2004. These inspection figures include individuals who make multiple entries, for example visitors with non-immigrant visas or border crossing cards. The percentage of those inadmissible upon inspection remained steady at around 0.1 percent (Office of Immigration Statistics 2005).



Source: *Immigration Monthly Statistical Report: September 2004 Year End Report*, Office of Immigration Statistics, DHS

**More than 11.8 million people (6.3 million in the United States and 5.5 million in Mexico) live along the US-Mexico border, with 90 percent living in fourteen “sister city” pairs** (US Environmental Protection Agency and the Mexican Secretary of the Environment and Natural Resources 2003). Over four million “laser visas” (updated border crossing cards that include biometric information) have been issued to Mexican citizens who are residents of the border region since April 1, 1988. In August 2004, the Department of Homeland Security extended the allowable duration of stay on laser visas from 72 hours to 30 days (US Department of Homeland Security 2004).

### **Policy Cooperation**

**To heighten security against terrorist threats while facilitating legal traffic, the US government signed the US-Canada Smart Border Declaration in December of 2001 and the US-Mexico Partnership Agreement in March of 2002** (Meyers 2003). The accords included 30- and 22-point action plans, respectively, and focused on securing the movement of goods and people as well as secure infrastructure. The US-Canada accord included goals for common biometric identifiers, alternative inspection systems, compatible databases, and visa policy and enforcement coordination. The US-Mexico agreement highlighted priorities of reduced bottlenecks, expanded pre-clearance and NAFTA travel, and joint training, passenger information exchange, and contraband interdiction.

**The Intelligence Reform and Terrorism Prevention Act of 2004 requires that all travelers entering the United States (including foreign nationals and returning US citizens) from Mexico, Canada, Panama, Bermuda, and the Caribbean have a passport or other secure document to enter the United States by January 1, 2008.** This policy will affect Canadian, Mexican, and US travelers who previously were not required to present a passport to enter the United States. By December 31, 2006 all air and sea travel is subject to the requirement, and by

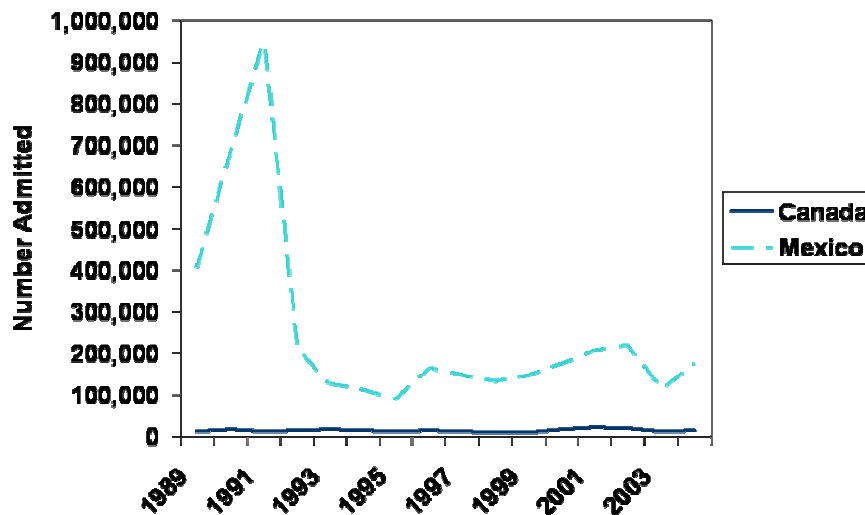
December 31, 2007 the requirement will be extended to all land border crossings (Department of State 2005).

**On March 23, 2005, the three countries signed the trilateral Security and Prosperity Partnership to establish a common approach to security while allowing for the continued movement of people, goods, and services across the borders.** Goals for the program include a single, integrated program for trusted North American travelers by 2008, incident preparedness initiatives, intelligence sharing for border control, and shared watch lists (Department of Homeland Security 2005). In its first 90 days, advances have included a US-Canada NEXUS-Marine pilot program, border infrastructure improvements, and the Operation Against Smugglers (and Traffickers) Initiative on Safety and Security (OASISS) between the United States and Mexico (US Department of Homeland Security 2005).

### Permanent Migration

**In FY 2004, Mexico was the country of origin for 18.5 percent of new US legal permanent residents - the largest single nationality. Admissions totaled 175,364, compared to 115,864 one year earlier.** Canadian immigrant admissions numbered 15,567, or only 1.6 percent of total legal admissions (Office of Immigration Statistics 2004b). This compares with 11,446 in FY 2003.

**Legal Admissions to the United States**



Source: 2004 Yearbook of Immigration Statistics, Office of Immigration Statistics, DHS

**Mexicans represent 29.5 percent of the total foreign born population in the United States.** Of the total US population of 281 million people in 2000, foreign-born Mexicans account for 3.3 percent. The five states with the largest foreign-born populations from Mexico are California, Texas, Illinois, Arizona, and Georgia (US Bureau of Labor Statistics and US Bureau of the Census 2000).

**Canadians account for 2.6 percent of the total foreign-born population living in the United States.** The five states with the largest foreign-born populations from Canada are California, Florida, New York, Michigan, and Washington (US Bureau of Labor Statistics and US Bureau of the Census 2000).

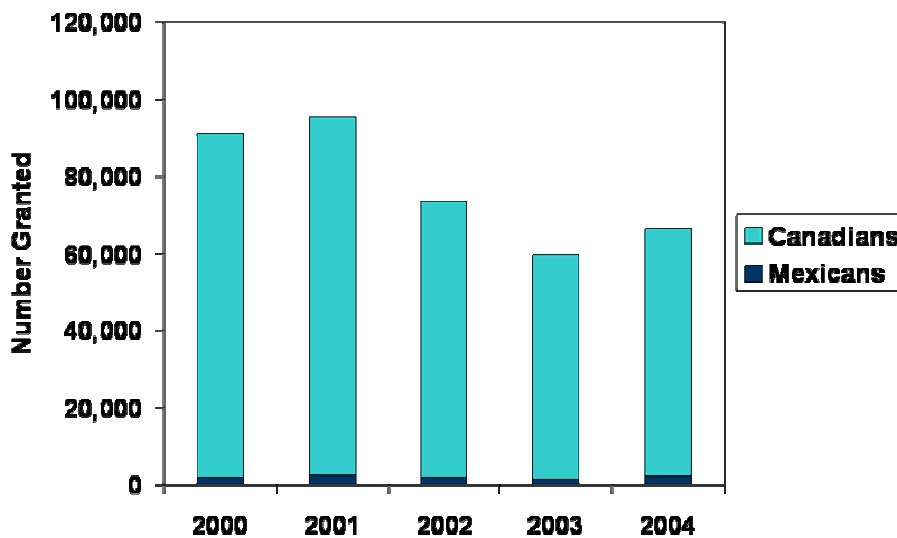
**The US born represent 4.6 percent of Canada's and 63.2 percent of Mexico's foreign born population** (Migration Information Source; Consejo Nacional de Población of Mexico 2001). It is important to note that most of the foreign born from the United States in Mexico are of Mexican descent but were born in the United States, that is to say, they are the US-born children of Mexican citizens.

**Since the United States and Canada signed a Safe Third Country Agreement effective December 29, 2004, Canada has seen a 40 percent drop in asylum claims made at US/Canada land border points of entry** (Citizenship and Immigration Canada 2005). The agreement limits the access of asylum seekers to the asylum/refugee system of the country of first arrival. In 2001, Canada had received 14,700 refugee claims at the US border, approximately one-third of its claims (Embassy of Canada in Washington 2005b).

### Temporary Migration

**The TN (Trade NAFTA) visa currently allows North American professionals of approximately 63 occupational categories to work in the United States for one year at a time with an unlimited number of extensions.** In fiscal year 2004, 64,062 Canadians and 2,130 Mexicans were granted TN visas (Office of Immigration Statistics 2004). Numbers for Mexicans have remained steady but low, while Canadians numbers have decreased 28 percent in the past five years. NAFTA also included provisions for citizens from all three countries to enter Canada and Mexico for business purposes.

**TN Visas Granted**



Source: 2004 Yearbook of Immigration Statistics, Office of Immigration Statistics, DHS

**In FY 2004, non-immigrant admissions to the United States totaled 30.8 million, including almost 4.5 million from Mexico and 239,000 from Canada.** Non-immigrant admissions include temporary visitors for pleasure, business, study, diplomacy, or other purposes. In FY 2004, 85 percent of non-immigrant visas issued to Mexicans were as visitors for pleasure, while the largest single group of non-immigrant visas issued to Canadians was for free trade agreement workers (27 percent). Note that Canadians traveling for pleasure are generally not required to have a visa (Office of Immigration Statistics 2004).

**The United States, Canada, and Mexico are represented in each others' countries by over 100 consular offices.** As of 2005, the Canadian government operates 13 Consulates General in the United States (plus six other Consulates and the Embassy in Washington, D.C.) and nine Consulates in Mexico. There are 46 Mexican consular offices in the United States and eight in Canada. The United States has seven Consulates General plus a virtual Consulate in Canada, in addition to nine Consulates and 13 Consular agencies in Mexico.

### **Sources**

Bureau of Transportation Statistics. *Border Crossing Data: US-Canada*. (Washington, DC: US Department of Transportation).

[http://www.bts.gov/programs/international/border\\_crossing\\_entry\\_data/us\\_canada/index.html](http://www.bts.gov/programs/international/border_crossing_entry_data/us_canada/index.html).

Bureau of Transportation Statistics. *Border Crossing Data: US-Mexico*. (Washington, DC: US Department of Transportation).

[http://www.bts.gov/programs/international/border\\_crossing\\_entry\\_data/us\\_mexico/index.html](http://www.bts.gov/programs/international/border_crossing_entry_data/us_mexico/index.html).

Canadian Embassy in Washington. 2005a. "Immigration Cooperation." [http://www.dfait-maeci.gc.ca/can-am/washington/border/immigration\\_coop-en.asp](http://www.dfait-maeci.gc.ca/can-am/washington/border/immigration_coop-en.asp).

Canadian Embassy in Washington. 2005b. "Michigan." [http://www.dfait-maeci.gc.ca/can-am/washington/state\\_trade\\_2005/michigan-en.asp](http://www.dfait-maeci.gc.ca/can-am/washington/state_trade_2005/michigan-en.asp).

Canadian Embassy in Washington. 2005c. "State Trade Fact Sheets." [http://www.dfait-maeci.gc.ca/can-am/washington/state\\_trade\\_2004/state\\_trade\\_2004-en.asp](http://www.dfait-maeci.gc.ca/can-am/washington/state_trade_2004/state_trade_2004-en.asp).

Canadian Embassy in Washington. 2005d. "Trade and Cooperation." [http://www.dfait-maeci.gc.ca/can-am/washington/trade\\_and\\_investment/default\\_139-en.asp](http://www.dfait-maeci.gc.ca/can-am/washington/trade_and_investment/default_139-en.asp).

Citizenship and Immigration Canada. 2005. "First Statistics under Canada-US Safe Third Country Agreement Show Decline in Refugee Claimants." Press release. June. <http://www.cic.gc.ca/english/policy/safe-third-stats.html>.

Consejo Nacional de Población of Mexico. 2001. *La población de México en el nuevo siglo*. (Mexico City: CONAPO). <http://www.conapo.gob.mx/publicaciones/La%20poblacion.htm>.

Consejo Nacional de Población of Mexico. 2004. "Situación demográfica de México, 2004." <http://www.conapo.gob.mx/publicaciones/2004/sdm2004.htm>.

Embassy of Mexico in Canada. "Bilateral Trade with Canada." <http://www.embamexcan.com/ECONOMY/BilateralTrade.shtm>.

Instituto Nacional de Estadística Geográfica e Informática. Banco de Información Estadística. <http://dgcnesyp.inegi.gob.mx/?c=72> (information concerning foreign direct investment in Mexico, accessed October 17, 2005).

Inter-American Development Bank. 2005. "Migrant Remittances as a Development Tool." <http://www.iadb.org/mif/remittances/index.cfm>.

Meyers, Deborah Waller. 2003. "Does 'Smarter' Lead to Safer: An Assessment of the Border Accords with Mexico and Canada." Insight Paper No. 2. (Washington, DC: Migration Policy Institute). <http://www.migrationpolicy.org/pubs/6-13-0~1.PDF>.

Migration Information Source. Global Data Center. <http://www.migrationinformation.org/> (information concerning the foreign born population in Canada, accessed October 12, 2005).

Office of Immigration Statistics, Department of Homeland Security. 2004a. *Immigration Monthly Statistical Report: September 2004 Year End Report*. (Washington, DC: Department of Homeland Security). <http://uscis.gov/graphics/shared/statistics/publications/msrsep04/index.htm>.

Office of Immigration Statistics, Department of Homeland Security. 2004b. *Yearbook of Immigration Statistics*. (Washington, DC: Department of Homeland Security). <http://uscis.gov/graphics/shared/statistics/yearbook/index.htm>.

Office of Immigration Statistics, Department of Homeland Security. 2005. *PAS G-22.1 Inspections*. Compiled for author in October.

Organisation for Economic Co-operation and Development. 2005. *International Trade Statistics by Commodity*. Rev. 3. <http://www.sourceoecd.org/>.

Statistics Canada. CANSIM. [http://cansim2.statcan.ca/cgi-win/cnsmcgi.exe?CANSIMFile=CII/CII\\_1\\_E.HTM&RootDir=CII/](http://cansim2.statcan.ca/cgi-win/cnsmcgi.exe?CANSIMFile=CII/CII_1_E.HTM&RootDir=CII/) (socio-economic indicators for Canada, accessed September 15, 2005).

Travel Document Services. "Canada: Economy." <http://www.traveldocs.com/ca/economy.htm>.

US Bureau of Labor Statistics and US Bureau of the Census. 2000. *Census 2000*. (Washington, DC: Bureau of Labor Statistics).



US Customs and Border Protection. "Ports of Entry."

<http://www.cbp.gov/xp/cgov/toolbox/ports/> (accessed September 15, 2005).

US Department of Homeland Security. 2004. "DHS Announces Expanded Border Control Plans." Press release. August 10. <http://www.dhs.gov/dhspublic/display?content=3930>.

US Department of Homeland Security. 2005. "Security and Prosperity Partnership." Press release. June 27. <http://www.dhs.gov/dhspublic/display?content=4553>.

US Department of State. 2005. "Frequently Asked Questions about the New Travel Document Requirements." [http://travel.state.gov/travel/cbpmc/cbpmc\\_2225.html](http://travel.state.gov/travel/cbpmc/cbpmc_2225.html).

US Environmental Protection Agency and the Mexican Secretary of the Environment and Natural Resources. 2003. *Border 2012: US-Mexico Environmental Program*. (Washington, DC: Environmental Protection Agency).

[http://www.epa.gov/usmexicoborder/pdf/2012\\_english.pdf](http://www.epa.gov/usmexicoborder/pdf/2012_english.pdf).

World Trade Organization. Statistics Database. <http://stat.wto.org/> (for trade profiles of selected economies; accessed September 15, 2005).

This information was compiled by Megan Davy and Deborah Meyers in October 2005. It contains data updating the US-Canada-Mexico Fact Sheet No. 3. For questions or to arrange an interview with a data expert or policy analyst, please contact Colleen Coffey at 202-266-1910 or [ccoffey@migrationpolicy.org](mailto:ccoffey@migrationpolicy.org). Please visit us at [www.migrationpolicy.org](http://www.migrationpolicy.org).

For more information on immigration to the United States and worldwide, visit the Migration Information Source, MPI's online resource, at [www.migrationinformation.org](http://www.migrationinformation.org). The Source provides fresh thought, authoritative data from numerous global organizations and governments, and global analysis of international migration trends.

**Previous Publications in MPI's *IMMIGRATION FACTS* series may be found at  
[www.migrationpolicy.org/pubs/fact\\_sheets.php](http://www.migrationpolicy.org/pubs/fact_sheets.php)**

*Fact Sheet #1: U.S. Immigration Since September 11, 2001*

By Elizabeth Grieco, Deborah Meyers and Kathleen Newland  
September 2003

*Fact Sheet #6: International Agreements of the Social Security Administration*

By Deborah Meyers  
January 2004

*Fact Sheet #2: Unauthorized Immigration to the United States*

By MPI Staff  
October 2003

*Fact Sheet #7: Immigrants and Union Membership: Numbers and Trends*

By Elizabeth Grieco  
May 2004

*Fact Sheet #3: U.S.-Mexico-Canada Trade and Migration*

By Rebecca Jannol, Deborah Meyers and Maia Jachimowicz  
November 2003

*Fact Sheet #4: The Foreign Born in the U.S. Labor Force*

By Elizabeth Grieco  
January 2004

*Fact Sheet #5: What Kind of Work Do Immigrants Do? Occupation and Industry of Foreign-Born Workers in the United States*

By Elizabeth Grieco  
January 2004

*Fact Sheet #8: Health Insurance Coverage of the Foreign Born in the United States: Numbers and Trends*

By Elizabeth Grieco  
June 2004

*Fact Sheet #9: Legal Immigration to the US Still Declining*

By Deborah Meyers  
October 2004

*Fact Sheet #10: Backlogs in Immigration Processing Persist*

By Kevin Jernegan, Doris Meissner, Elizabeth Grieco, and Colleen Coffey  
October 2004