



# Trade Facts

Office of the United States Trade Representative

[www.ustr.gov](http://www.ustr.gov)

March 2006

## NAFTA: A Strong Record of Success

### Trade and Investment Flows Substantially Increased:

- From 1993 to 2005, trade among the NAFTA nations climbed 173 percent, from \$297 billion to \$810 billion. Each day the NAFTA countries conduct nearly \$2.2 billion in trilateral trade.
- U.S. merchandise exports to NAFTA partners grew more rapidly – at 133 percent – than our exports to the rest of the world, at 77 percent.
- Canada and Mexico are our first and second largest markets; last year accounting for 36 percent of our export growth to the world.
- For agriculture, Canada and Mexico alone account for 55 percent of the increase in U.S. agricultural exports to the world since the NAFTA since 1993.
- NAFTA has been good for Mexican agriculture. Trade growth has been remarkably balanced with U.S. agricultural exports to Mexico increasing \$5.7 billion and U.S. agricultural imports from Mexico increasing \$5.6 billion during the last twelve years.

### Real GDP Growth for NAFTA Partners (1993 to 2005):

U.S. Growth: 48%

Mexico's Growth: 40%

Canada's Growth: 49%

### U.S. Economic Growth Stronger in 12 years of NAFTA:

- **Jobs.** U.S. employment rose from 112.2 million in December 1993 to 134.8 million in Feb 2006, an increase of 22.6 million jobs, or 20.1%. The average unemployment rate was 5.1% in the period 1994-2005, compared to 7.1% during the period 1982-1993.
- **Manufacturing.** U.S. industrial production – 78% of which is manufacturing – rose by 49% between 1993 and 2005, exceeding the 28% increase achieved between 1981 and 1993.
- **Compensation.** Growth in real compensation for manufacturing workers improved dramatically. Average real compensation grew at an average annual rate of 2.3% from 1993 to 2005, compared to just 0.4% annually between 1987 (*earliest data available*) and 1993.
- **Productivity.** U.S. business sector productivity rose by 2.6% year between 1993 and 2005, or by a total of 36.2% over the full period. Between 1981 and 1993 the annual rate of productivity growth was 1.8%, or 24.3% over the full 12 year period.
- **Investment.** Productive investment, central to rising living standards, has increased. Even excluding housing, U.S. non-residential fixed, or business, investment has risen by 104% since 1993, compared to a 37% rise between 1981 and 1993.