THE IMPACTS OF 9/11 ON CANADA–U.S. TRADE

The events of 9/11 and subsequent border entry security initiatives have led to increased costs and transportation delays that have the potential to impact Canada–U.S. trade. Researchers have identified increased border crossing times for importers and exporters transporting goods between the two countries, but there has been little effort made to identify the quantitative importance of these developments in terms of their effect on bilateral trade flows. In this study, Steven Globerman and Paul Storer fill this gap in the existing research through statistical analysis of trade flows since 9/11.

Among the questions undertaken in this book are whether trade flows are lower in the post-9/11 period than they might otherwise have been, and whether factors apart from 9/11 influenced trade in major bilateral sectors. Globerman and Storer show that U.S. exports to Canada decreased significantly in the aftermath of 9/11, although such exports had recovered by 2004. In contrast, while U.S. imports from Canada also suffered a significant post-9/11 decrease, a shortfall between actual and expected imports from Canada persisted through 2005. In other words, by mid-2005 Canadian exports to the U.S. had not regained their ‘normal’ level. These and other conclusions are crucial to understanding the impact that increased border security has had on the economic relationship between Canada and the United States.

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To our families
Daryl, Evan, and Martine
Tina, Leah, and Nick

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