Canada and Florida—a thriving relationship continues to grow

Who are these new Floridians who speak flawless English, shop and dine where we do, send their kids to public and private schools, attend a variety of sporting events—especially hockey—and contribute to the economic and social welfare of South Florida?

Still don’t know? Here’s some hints: Their friends and relatives flock here in droves during the winter as they once did, they go “oat and about” their business with propriety, politeness and a reserved demeanor; and their fellow countrymen who congregate in Broward County have a penchant for ultra-cautious driving, gregariousness and “Je me souviens” inscribed on their license plates.

Figured it out? Yes, they are Canadians.

While it is our general tendency in South Florida to focus our attention south—commercially and culturally—north holds equally enticing opportunities and benefits. Anyone who has read the splendid works of Margaret Atwood and John Ralston Saul or heard them at the Miami Book Fair has tasted the richness of Canadian literary culture. South Floridians and tourists will savor an ongoing treat if Montreal’s acclaimed Cirque du Soleil sets up (another) permanent site in the Jackie Gleason Theater on Miami Beach.

Perhaps what is less far less known and appreciated among South Floridians is the vital importance Canada plays in our business with our community. Let’s have a look at the numbers for tourism, trade and investment.

To begin with, Canada is the No. 1 source of in-bound tourism, with over 2 million visitors arriving last year, more than the UK, Venezuela and Germany combined. Moreover, our northern neighbors are the most loyal of guests—arriving in droves even in the aftermath of 9/11 and despite the decline in the Canadian dollar from 2000 to 2002.

Canadian visitors come in three varieties: short-term (1-2 weeks), business visitors and snowbirds who spend some or all of each winter in Florida. They spend over $1.5 billion, with Florida claiming a 25% share of all spending by Canadian visitors to the US – the next closest competitor being California, with about 10%.

More importantly, Canadian visitors are expected to steadily increase their presence in Florida due to an increase in the value of the Canadian dollar, the tendency of Canadians to travel on vacation, and demographics – an upswing in snowbird visitors, particularly older ones who tend to stay longer.

As for trade, Canada is tied with Brazil as the most important market for Florida’s merchandise exports, purchasing over $2.5 billion. In fact, due to the US government’s quirky (and inaccurate) way of counting Canada-US trade, that is an underestimation.

For example, a Florida product that is sent to Detroit, then warehoused for a week before being transported by truck to Toronto, is counted as a Michigan export. Conversely, a Canadian product sent to Buffalo, then consolidated in a shipment that eventually arrives in Florida, is booked as a Canadian export to New York.

Moreover, Canada-Florida trade does not account for two-way trade in services such as law and accounting, engineering and construction, and consulting – activities where both we and our northern neighbors excel.

The composition of Canada-Florida trade is a healthy interchange, as well – highly diversified, with no single sector representing more than a quarter of two-way trade and no one product accounting for more than 5% of one-way trade. Computers, electronics, food manufacturing and transportation equipment are the leading Florida merchandise exports to Canada.

Both NAFTA and inter-industry trade continue to be the drivers of this thriving trade relationship. With Canada’s increasing commercial interests in Latin America and the Caribbean, Miami’s gateway locale will further expand trade activity.

Finally, Canada is Florida’s most important foreign investor, with majority-owned non-bank affiliates of Canadian firms accounting for billions in property, plant and equipment and employing over 30,000 Floridians. Technology, commercial and residential real estate, manufacturing and exporting are the principal industries comprising Canadian investment and fueling further growth in assets, sales, employment and tax revenue for Florida.

The next time you pick up your Blackberry, bear in mind that the leading technology company that produces this (RIM) and other related devices is based in Waterloo – Ontario, not Belgium.

South Florida’s business relationship with Canada is at present merely the tip of an iceberg. It behooves, entrepreneurs, companies, researchers, financiers and academic institutions here and north of the 49th parallel to strengthen, broaden, and expand a relationship that will surely benefit all.

The Writer

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