

Texas-Alberta Relations



PROFILE

Capital: Austin

Population: 26,059,203 (2012)

Language: English (Spanish)

Government: Bicameral state government

Head of Government: Governor Rick Perry (R) Third Term (Term Expires: 2015)

No term limit

Currency: U.S. Dollar

\$1CDN = \$1.00 USD (February 2013)

GSP (Gross State Product): \$1.308 trillion U.S. (2011)

Per Capita Income: \$40,147 U.S. (2011)

Unemployment: 6.1% (December 2012)

Key Industry Sectors: oil & gas, agriculture, mining, and high technology (nanotechnology, biotechnology, aerospace, defense, semiconductors)

Main Cities (Metro Areas): (2010)

- Dallas-Fort Worth-Arlington – 6,526,548
- Houston-Sugar Land-Baytown – 6,086,538
- San Antonio-New Braunfels – 2,142,508
- Austin-Round Rock-San Marcos – 1,716,289
- El Paso – 800,647
- McAllen-Edinburg-Mission – 774,769
- Corpus Christi – 428,185

DID YOU KNOW?

- Texas was once part of Mexico and then an independent republic for ten years before becoming the 28th U.S. state in 1845.
- With over 1,100 cities, Texas has more metropolitan centers than any other state and with 25 million people, is the 2nd most populous U.S. state after California.
- Texas has the 7th fastest growing population in the U.S. Its population is expected to reach nearly 35 million by 2040 and Hispanics will account for about 83% of this growth.

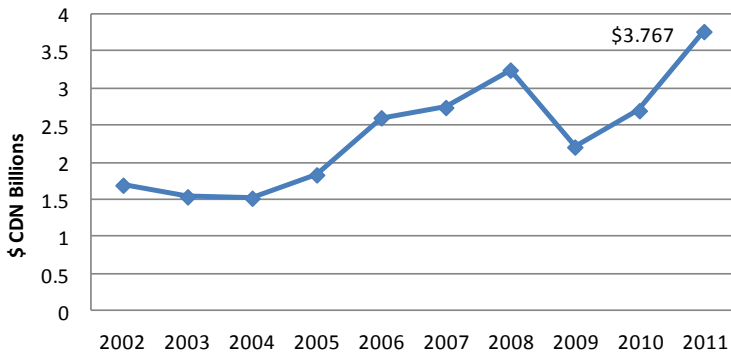
RELATIONSHIP OVERVIEW

- Texas is a priority state for Alberta due to its important role in energy, agriculture, technology, and U.S.-Mexico relations.
- Alberta has had strong historical linkages to Texas centered on the oil and gas industry. The development of Alberta's oil patch was aided by the investment of capital, expertise, and technology from the U.S., much of it emanating from Texas.
- A significant movement of people accompanied the flow of capital and

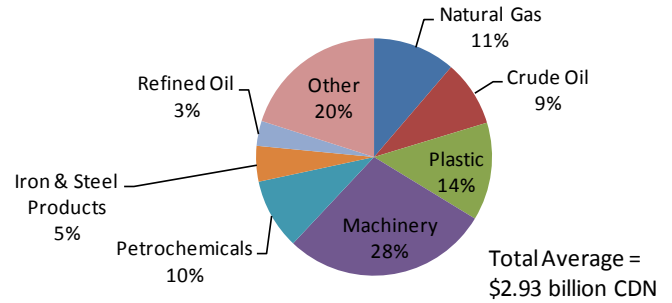
equipment between Texas and Alberta. The U.S. expat community in the Alberta oil patch is one of the largest in the world outside the U.S., with many tracing their roots to Texas. Almost 10% of Calgary's population is either of American descent or U.S. passport holders.

- Texas' strong ties to Mexico, its leading export market, coupled with the growing importance of Mexico as an Alberta trade partner, could provide opportunities for joint ventures or other forms of business collaboration.
- A recent study by the Canadian Energy Research Institute estimated that between 2011 and 2035 the development of Alberta's oil sands will add an annual average of between \$517 million and \$1.3 billion per year to the economy of Texas and will preserve or create an average of 4,760 to 12,600 jobs per year, with those workers earning between \$205 and \$544 million. The range of these estimates depends on the ability of growing oil sands production in Alberta to find pipeline access to market.
- Over 170 companies have been identified that supply equipment, parts and services being used in the development of Alberta's oil sands – more than in any other state.

Alberta's Exports to Texas (2002-2011)



Alberta's Exports to Texas (2007-2011 Average)



TRADE AND INVESTMENT

- Over the past five years, Alberta's annual merchandise exports to Texas have averaged \$2.9 billion.
- The dramatic increase in exports to Texas between 2005 and 2006 was largely the result of increased crude oil and petrochemical exports.
- Alberta exported \$3.76 billion worth of merchandise goods to Texas in 2011.
- Excluding energy exports, Alberta exported \$2.34 billion to Texas in 2011, making it Alberta's top non-energy market in the U.S.
- Top Alberta exports to Texas in 2011 included petrochemicals, natural gas, oil and gas machinery, crude oil, and iron and steel products.

ENERGY

- Texas-based investment is seen as a key to further development of Alberta's oil sands. As well, Alberta is a natural choice as a partner in the development of the U.S. northern gas pipelines.
- In 2012, Alberta exported approximately 132,000 barrels per day of crude oil to New Mexico, Texas, Arkansas, Louisiana, Mississippi and Alabama (area commonly referred to as the PAD District III - Gulf Coast) in addition to significant volumes of natural gas liquids and refined petroleum products.
- Growing volumes of Alberta oil sands products are expected to make their way to Texas refineries in the future, displacing heavy oil imports from offshore.
- Texas has the largest proven crude oil reserves in the U.S., with 4.9 billion barrels accounting for 23% of U.S. proven oil reserves. It is the largest on-shore producer of petroleum and a

large fraction of U.S. federally administered offshore production is off the coast of Texas.

- In 2011, Texas' 27 petroleum refineries had a capacity to process more than 4.7 million barrels of crude oil per day, accounting for more than one-fourth (27%) of total U.S. refining capacity.
- Texas is the largest producer of natural gas in the U.S., accounting for 28% of U.S. domestic natural gas production in 2011.
- Texas is the 5th largest producer of coal in the U.S.
- West Texas Intermediate (WTI), a grade of crude oil produced in Texas and southern Oklahoma and traded in the domestic spot market at Cushing, Oklahoma, serves as a benchmark for oil pricing.

FORESTRY

- Alberta exports a significant amount of softwood lumber to the U.S., of which Texas is a major consumer.

HIGH TECHNOLOGY

- Texas has diversified its economy considerably over the past two decades. High technology is a key industry in Texas.
- Texas exports approximately \$1.0 billion in high tech products to Canada a year, that includes computers, electronic tubes, and semi-conductors.
- Texas ranks second in the U.S. behind California in total employment and exports in the high-tech sector.

SHARED ORGANIZATIONS

- Council of State Governments - National (CSG-National)
- Ports to Plains Alliance
- Western Governors Association (WGA)

RECENT VISITS/MISSIONS

- December 2012: Dave Quest, MLA Strathcona-Sherwood Park traveled to Austin, TX to participate in the Council of State Governments (CSG-National) Annual Conference.
- January 2011: MLA Len Mitzel represented Alberta at the Ports-to-Plains Alliance quarterly board meeting and the 6th Annual Texas Transportation Forum in Austin.
- September 2009: MLA Len Mitzel represented Alberta at the annual Ports-to-Plains Alliance meeting and the 16th Annual Manufacturing and Logistics Symposium in Laredo.
- July 2009: MLA Len Mitzel represented Alberta at the Ports-to-Plains Alliance quarterly Board of Directors meeting in San Angelo.
- February 2009: Premier Ed Stelmach undertook a mission with the Western Premiers to Houston to promote Western Canadian as an important and secure source of energy.
- December 2008: Premier Ed Stelmach led a delegation to Austin for the Texas-Alberta Summit where he also met with Governor Rick Perry. In Houston, the Premier met with officials from Rice University's Richard E. Smalley Institute for Nanoscale Science and Technology to encourage collaborations with Alberta's nanotechnology sector.

DIPLOMATIC REPRESENTATION

- David Jacobson is the U.S. Ambassador in Ottawa.
- Gary Doer is the Canadian Ambassador in Washington, D.C.
- The Canadian Consulate responsible for Texas is located in Dallas. Paula Caldwell St-Onge is the Consul General.
- The U.S. Consul General located in Calgary responsible for Alberta is Peter Kujawinski.



For more information, contact:
 Alberta International and Intergovernmental Relations
 Tel: 780-427-6543 Fax: 780-427-0699
www.albertacanada.com