

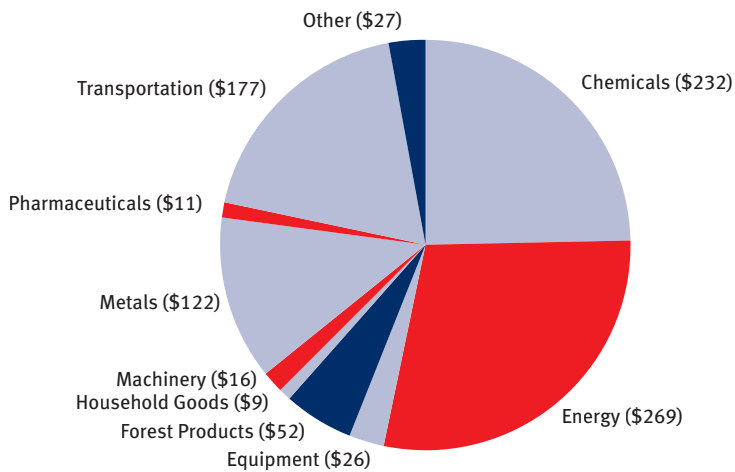


WEST VIRGINIA

In 1989, the Canada-U.S. Free Trade Agreement went into effect, phasing out all tariffs and many non-tariff barriers to trade. Evidence of the benefits of free trade are clear as two-way trade in goods and services between Canada and the United States totaled \$442 billion in 2003, the largest bilateral exchange in the world. Furthering the benefits of free trade, the 1994 North American Free Trade Agreement (NAFTA) opened the Mexican market to Canada and the United States. According to a 2003 study commissioned by the Canadian Embassy, based on 2001 data, Canada-U.S. trade supported 5.2 million U.S. jobs, 25,000 in West Virginia alone.

West Virginia's Merchandise Exports to Canada

2003, in millions of U.S. dollars



Total West Virginia exports to Canada: \$941 million

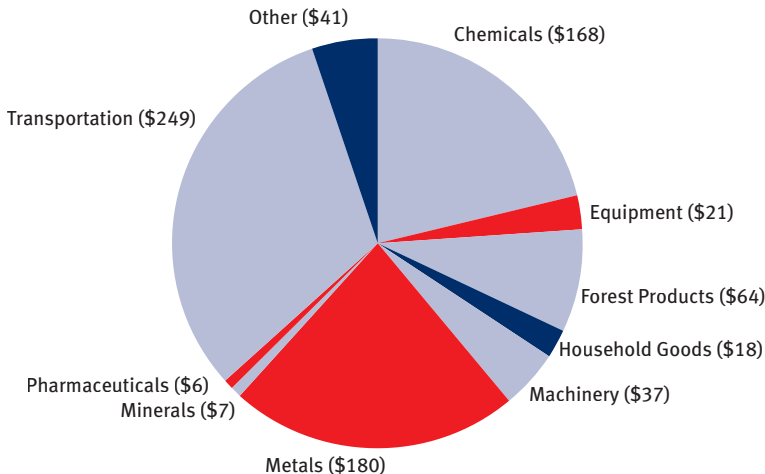
Canada is West Virginia's best customer. In 2003, state sales to Canada accounted for 32% of its total foreign-bound exports. West Virginia sold \$941 million in merchandise goods to its northern neighbor and imported \$793 million worth. The trading relationship, totaling \$1.7 billion, provided vital products and supported thousands of jobs on both sides of the border.

West Virginia energy powered Canadian industry... The state supplied Canada with \$269 million in energy products, comprised primarily of coal, its leading individual export.

Transportation fueled the exchange. Bilateral trade in transportation equipment soared by 52% to reach \$426 million in 2003. Assembly plants in Canada almost doubled their orders for state-manufactured motor vehicle parts, excluding engines, and motor vehicle engine parts, \$108 million and \$63 million respectively. Completing the exchange, state transportation purchases included \$136 million in aircraft engines and parts, its leading import, and \$64 million in completed aircraft.

West Virginia's Merchandise Imports from Canada

2003, in millions of U.S. dollars



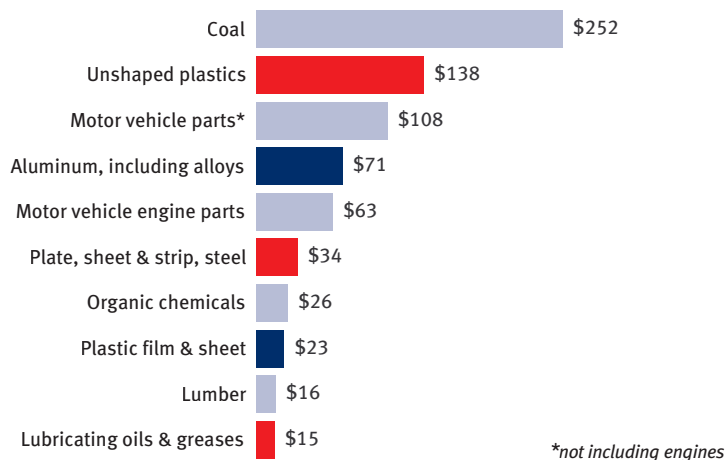
Total West Virginia imports from Canada: \$793 million

Trade is chemical. The state shipped \$232 million in chemical products to Canada, almost one-quarter of its total exports. Sales included \$138 million in unshaped plastics and \$26 million in organic chemicals. Chemicals bonded the other direction, with the state importing \$168 million in chemicals, including \$83 million in synthetic rubber and plastics and \$72 million in organic chemicals.

Metals support industry... The state exported \$122 million in metal products, including \$71 million in aluminum, including alloys and \$34 million in steel plate, sheet and strip. Completing the trade, the state imported \$180 million in metals—\$78 million in aluminum, including alloys and \$30 million in nickel and alloys.

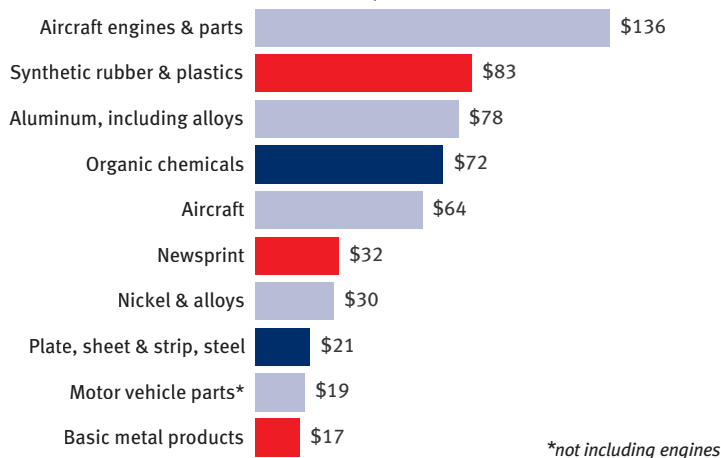
West Virginia's Leading Exports to Canada

2003, in millions of U.S. dollars



West Virginia's Leading Imports from Canada

2003, in millions of U.S. dollars



The fabled Appalachians offer whitewater thrill seekers a sense of adventure. Residents of the state made in excess of 17,000 visits to Canada, spending \$3 million. Canadians explored the wilderness of West Virginia with 405,000 visits, spending \$10 million.

August 2004

All figures are in U.S. dollars. Merchandise trade and tourism figures are from Statistics Canada, converted at the rate of US\$1.00=C\$1.4015. Canada's export ranking is from the Massachusetts Institute for Social and Economic Research (MISER). Figures may not add up due to rounding.

Security, Trade & Our Shared Border

In 1996, Canada and the United States implemented a comprehensive Shared Border Accord to deepen cooperation on border management issues. However, the tragic events of September 11th greatly accelerated those efforts, and on December 12, 2001, Secretary Ridge and (former) Deputy Prime Minister John Manley launched the Smart Border Declaration. The declaration outlined a 32-Point Action Plan based on our shared objective in identifying and addressing security risks while efficiently expediting the legitimate flow of people and goods across our border. The 32-Point Smart Border Action Plan takes aggressive steps toward building a smart border for the 21st century — a border open for business but closed to terrorists.

The Smart Border Declaration also addresses border delays that followed the 9/11 attacks and commits both countries to relieving congestion at key ports of entry by investing reciprocally in border infrastructure and technological solutions to speed movement across the border. The Declaration states both governments' intent to identify and minimize threats to critical infrastructure such as airports, ports, bridges and tunnels.

Both governments also recognize that public security and economic security are mutually reinforcing. We have agreed to work together to identify security threats before they arrive in North America through collaborative approaches such as reviewing crew and passenger manifests, managing refugees and visa policy coordination. We also have established a secure system to allow low risk frequent travellers between our two countries to move efficiently across the border.

One truck crosses our shared border every 2.5 seconds — representing 45,000 trucks per day, each and every day. The Smart Border Plan establishes compatible cargo entry processes at the border and secure procedures to clear goods away from the border, including at rail yards and marine ports. For instance, Canadian and US Customs inspectors work side by side at seven of our largest seaports — jointly targeting marine in-transit containers.

Through coordinated efforts, Canada and the United States are addressing issues such as terrorism and cross-border crime. The Smart Border Declaration makes two commitments specific to fostering information sharing: we will put the necessary tools and legislative framework in place to ensure that information and intelligence is shared in a timely and coherent way and we will strengthen coordination between our enforcement agencies for addressing common threats. Integrated Border and Marine Enforcement Teams (IBET/IMET) at points between ports of entry enhance such communication flow and allow us to target priority areas.

Read more about the Smart Border Action Plan at www.canadianembassy.org/border/

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