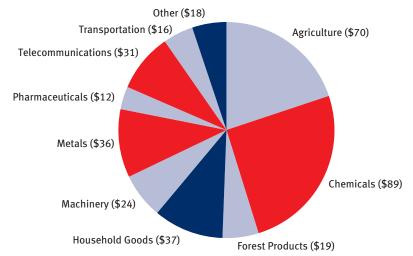


In 1989, the Canada-U.S. Free Trade Agreement went into effect, phasing out all tariffs and many non-tariff barriers to trade. Evidence of the benefits of free trade are clear as two-way trade in goods and services between Canada and the United States totaled \$442 billion in 2003, the largest bilateral 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, 23,000 in Idaho alone.

#### Idaho's Merchandise Exports to Canada

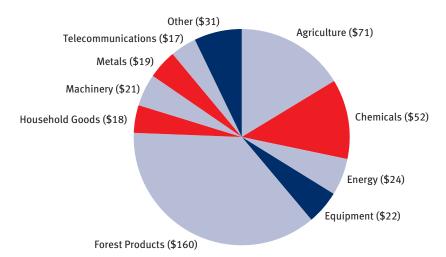
2003, in millions of U.S. dollars



Total Idaho exports to Canada: \$352 million

## **Idaho's Merchandise Imports from Canada**

2003, in millions of U.S. dollars



Total Idaho imports from Canada: \$435 million

Canada steps up... In 2003, Canada left its place as Idaho's second largest export market to become the Gem State's leading customer. The state sold \$352 million worth of goods to Canada, a 15% increase from the previous year. Completing the partnership, Idaho imported \$435 million in goods from Canada.

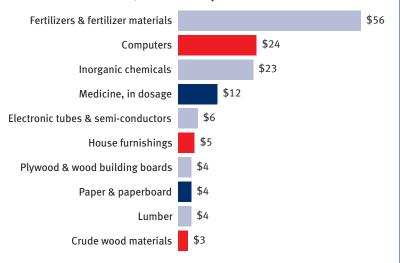
Fertile Fields... Chemicals led Idaho's exports to Canada in 2003. Sales amounted to \$89 million, an 85% increase from 2002. Shipments of fertilizers—Idaho's top export—totaled \$56 million and accounted for more than 60% of all chemical exports. Idaho also sold Canada \$23 million worth of inorganic chemicals. In turn, the state imported \$52 million worth of chemicals from Canada, including fertilizers, basic plastic shapes and forms, and organic chemicals.

Fully stocked... With agriculture as both Idaho's second largest export and import, the state and Canada kept each other fully stocked throughout 2003. The Gem State sold \$70 million—one-fifth of all exports—in agricultural goods to Canada, including everything from dairy products to fish and seafood. In turn, Idaho turned to Canadian producers for \$71 million of agricultural goods, including \$21 million in live animals, \$11 million in oil seed cake and meal and \$10 million in vegetables and vegetable preparations.

Idaho relies on Canada's forests industry. The Gem State turned to Canada for forest products in 2003. As the state's top import sector, forest products accounted for 37% of its total purchases from Canada, amounting to \$160 million. In fact, the state's top import was softwood lumber at \$72 million. Shipments from Canada also included \$11 million in wood pulp, \$5 million in newsprint and \$1 million in paperboard.

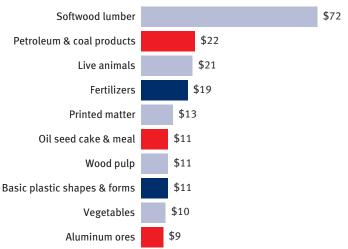
### **Idaho's Leading Exports to Canada**

2003, in millions of U.S. dollars



## **Idaho's Leading Imports from Canada**

2003, in millions of U.S. dollars



Much more than merchandise... Whether they went to visit one of Idaho's 28 state parks, the Potato Expo or the Gold Mine Museum, 460,000 Canadians visited the Gem State in 2003—more than twice the number in 2002. Once there, they spent \$34 million. Similarly, the number of Idahoans who visited Canada increased by more than 40,000 for a total of 181,000 visitors who spent \$54 million.

July 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 travelers 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 leaislative 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

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

For more information on Canada's trade with Idaho, please contact:

**Consulate General of Canada** 

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