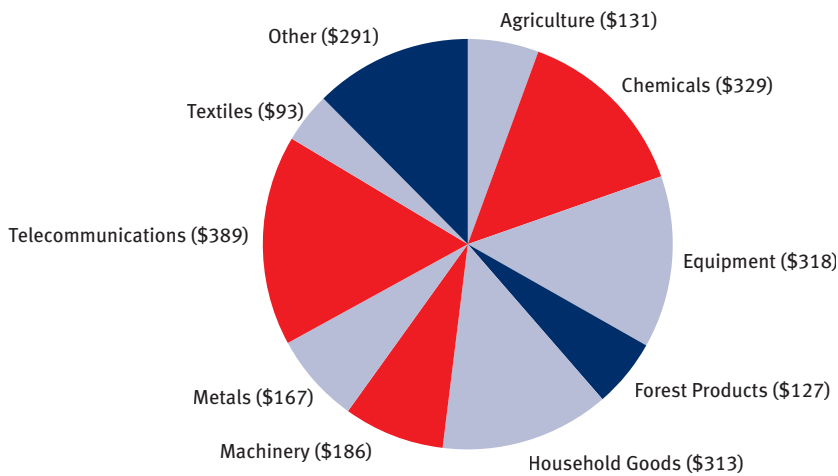


# MASSACHUSETTS

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, 134,000 in Massachusetts alone.

## Massachusetts' Merchandise Exports to Canada

2003, in millions of U.S. dollars



**Total Massachusetts exports to Canada: \$2.2 billion**

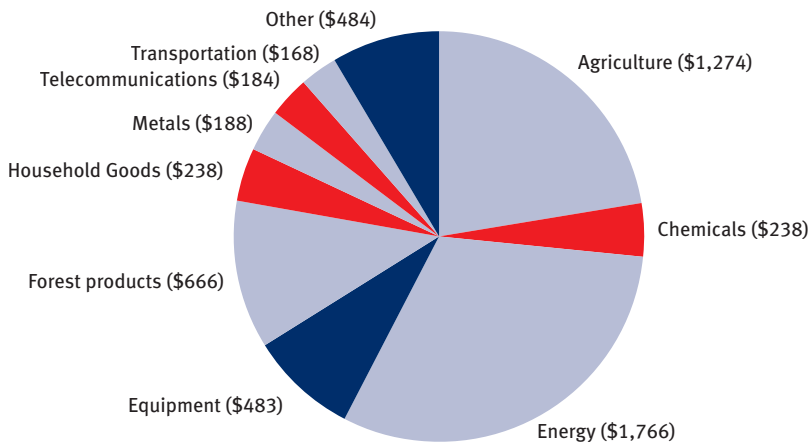
**Best customer...** In 2003, as in years past, Massachusetts exported more to Canada than to any other foreign market. State sales to Canada reached \$2.2 billion and accounted for almost 15% of its total foreign exports. Massachusetts relied on Canada for goods essential to the state's productivity, including energy and agricultural products. By the end of 2003, Massachusetts had imported about \$5.7 billion worth of goods from its northern neighbor.

**Keeping Canada up-to-date...** Massachusetts' largest export sector was telecommunications. The Bay State sent \$389 million in telecommunication products north, of which more than 63% was computers. Other high-tech sales included telephones, televisions and radios.

**Manning the home front...** Massachusetts and Canada supported each other on the home front. The Bay State supplied Canadians with \$313 million worth of household goods including cutlery, books, sporting and recreation equipment, and games and toys. It also provided \$59 million in medical and related equipment and \$55 million in health-related supplies, keeping residents happy and healthy. In turn, Massachusetts residents put ample amounts of Canadian food on their tables, having bought almost \$1.3 billion in agricultural products from their northern neighbor.

## Massachusetts' Merchandise Imports from Canada

2003, in millions of U.S. dollars



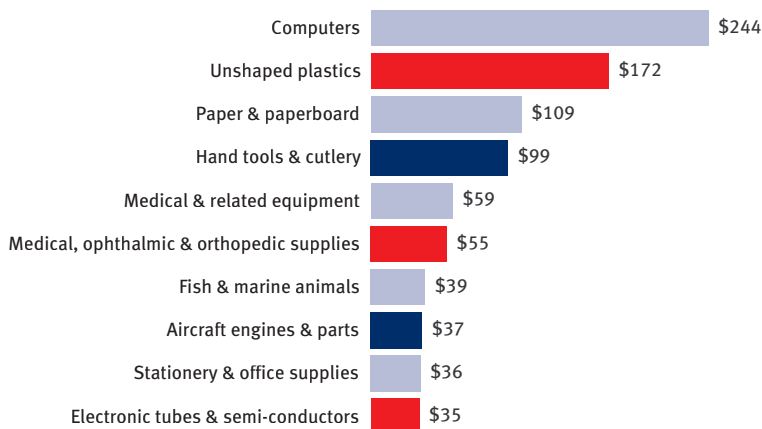
**Total Massachusetts imports from Canada: \$5.7 billion**

**Energetically inclined...** To sustain their industries, Bay State businesses turned to Canadian energy products. Massachusetts bought \$1.8 billion worth of energy supplies, a 25% increase from 2002. Energy shipments included \$999 million in natural gas and \$758 in petroleum and coal products.

**The right equation...** The partners traded millions in chemicals in 2003. State sales were led by unshaped plastics, worth \$318 million. From Canada, Massachusetts purchased \$238 million worth of plastics, synthetic rubber, fertilizers, organic and inorganic chemicals.

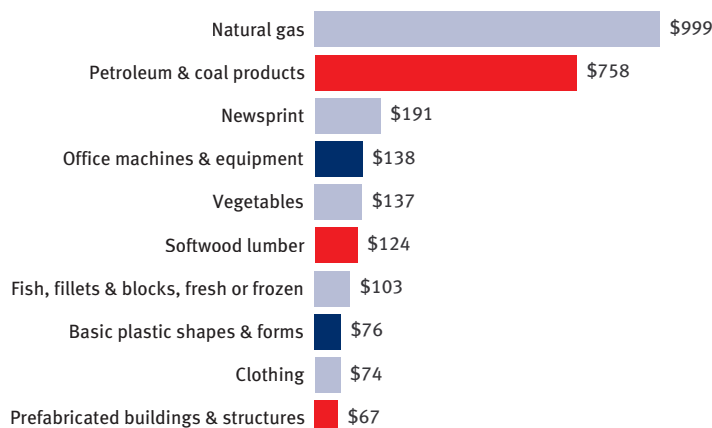
## Massachusetts' Leading Exports to Canada

2003, in millions of U.S. dollars



## Massachusetts' Leading Imports from Canada

2003, in millions of U.S. dollars



**Tea party or witch trials?** Whether they went to visit the site of the famous Boston Tea Party, the Salem witch trials or another attraction in the Bay State, nearly 590,000 Canadians visited Massachusetts in 2003. Together they added \$121 million to state revenues. Satisfying their own curiosity, almost 850,000 Massachusetts residents traveled to Canada, spending \$230 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 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/](http://www.canadianembassy.org/border/)

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

**Consulate General of Canada**  
 3 Copley Place, Suite 400  
 Boston, MA 02116  
 Phone: (617) 262-3760 • Fax: (617) 262-3415  
[www.boston.gc.ca](http://www.boston.gc.ca)