

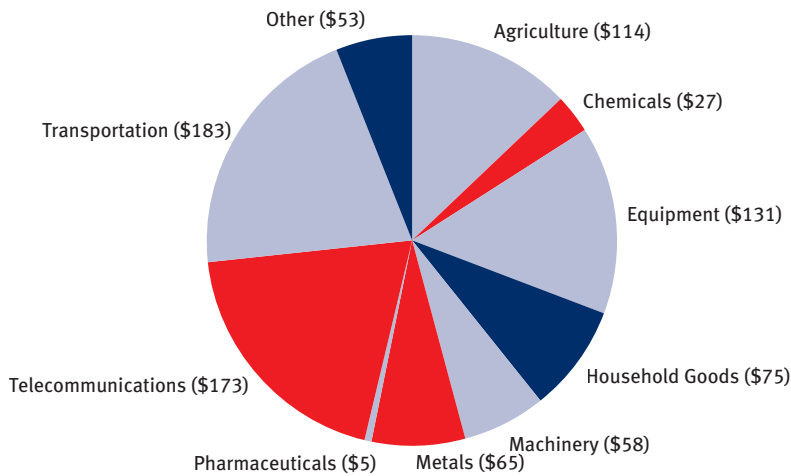


# ARIZONA

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, 89,000 in Arizona alone.

## Arizona's Merchandise Exports to Canada

2003, in millions of U.S. dollars



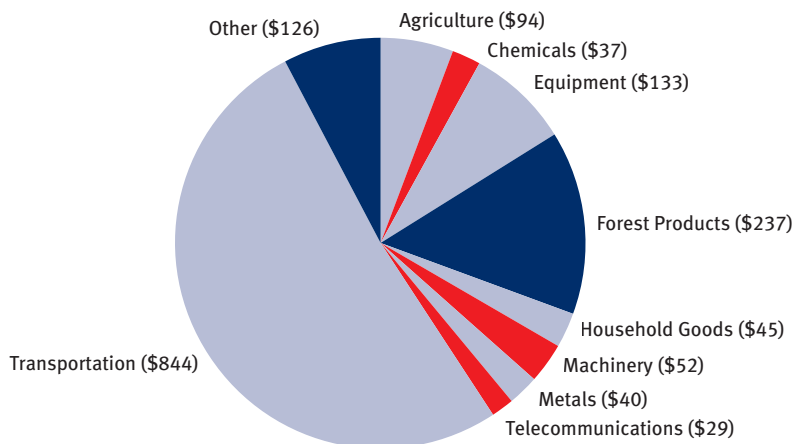
Total Arizona exports to Canada: \$884 million

**Economically enhancing...** Arizona and Canada passed another economically enhancing trading year in 2003. The partners exchanged nearly \$2.5 billion in goods this year, averaging a total of almost \$7 million daily. The state sold \$884 million in merchandise to Canada, meanwhile relying on its northern neighbor for \$1.6 billion worth.

**Number one...** Trade in transportation goods led Arizona's imports and exports in 2003, accounting for 41% of Arizona-Canada trade. State sales of transportation goods increased by 13%, raising the sector from second to first place. State shipments included \$48 million in trucks and \$37 million in motor vehicle parts (excluding engines). The state also sent \$45 million worth of aircraft engines and parts and \$33 million in aircraft parts, excluding engines to its trading partner. State purchases of transportation goods—\$844 million total—accounted for 52% of its imports from Canada with aircraft, worth \$755 million.

## Arizona's Merchandise Imports from Canada

2003, in millions of U.S. dollars



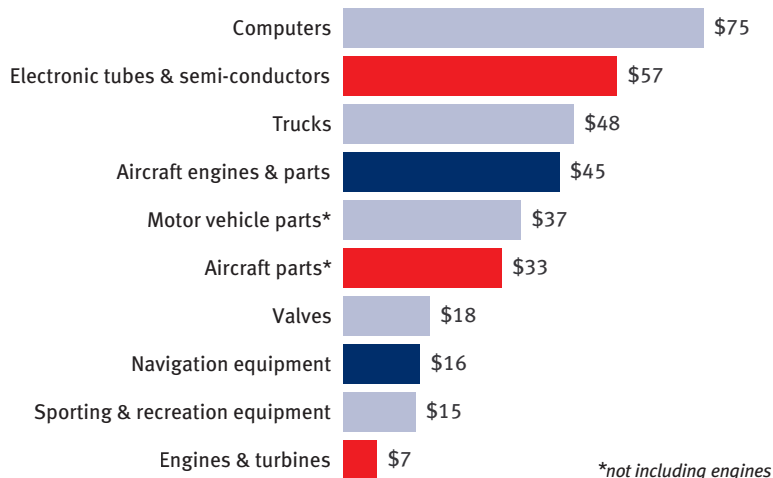
Total Arizona imports from Canada: \$1.6 billion

**Keeping Canada connected...** In 2003, telecommunications goods were the second largest export to Canada. State sales totaled \$173 million. The state kept Canada connected in a variety of ways. The Grand Canyon State sold its northern neighbor \$75 million worth of computers, \$57 million worth of electronic tubes and semi-conductors in addition to \$5 million in telephone and telegraph equipment and \$3 million in televisions, radio sets and phonographs.

**Incoming equipment...** In turn, Arizona also looked to the north for \$133 million in equipment products of varying types. Arizona received shipments of \$16 million in electrical lighting equipment and \$12 million in office machines and equipment.

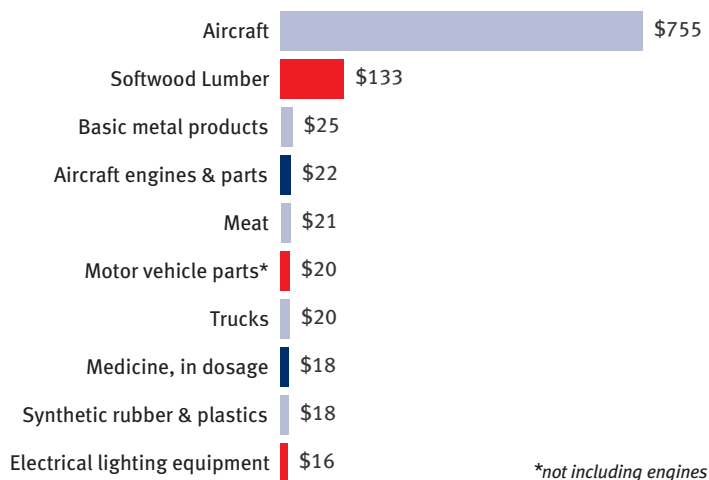
## Arizona's Leading Exports to Canada

2003, in millions of U.S. dollars



## Arizona's Leading Imports from Canada

2003, in millions of U.S. dollars



**Home of the Grand Canyon...** Canadians had many reasons to visit Arizona in 2003—to see the world renowned Grand Canyon or to bask in the sunlight. Almost 350,000 Canadians made the journey south, spending \$227 million in 2003. In turn, over 180,000 Arizonans visited their northern neighbor and spent \$73 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 30-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 30-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 allows 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 Arizona, please contact:

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