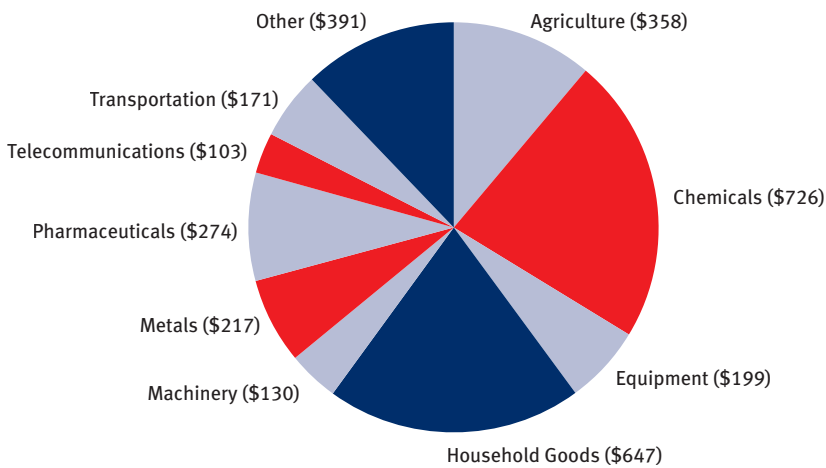




NEW JERSEY

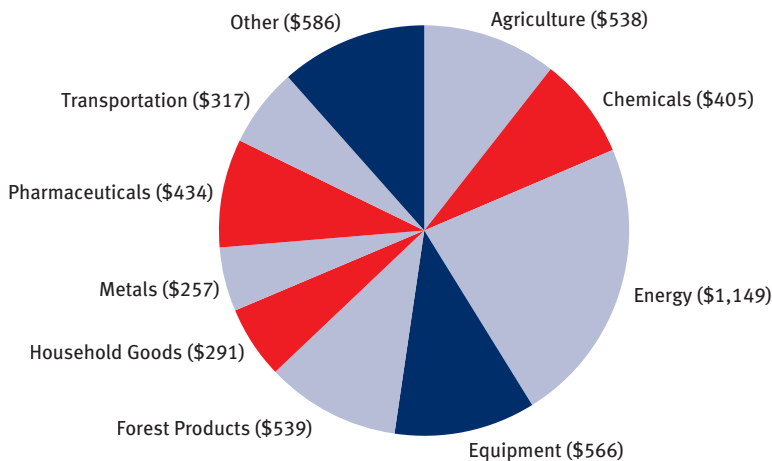
In 1989, the Canada-U.S. Free Trade Agreement went into effect, phasing out all tariffs and many non-tariff barriers to trade. Evidence of the benefits of free trade are clear as two-way trade in goods and services between Canada and the United States totaled \$442 billion in 2003, the largest bilateral 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, 153,000 in New Jersey alone.

New Jersey's Merchandise Exports to Canada 2003, in millions of U.S. dollars



Total New Jersey exports to Canada: \$3.2 billion

New Jersey's Merchandise Imports from Canada 2003, in millions of U.S. dollars



Total New Jersey imports from Canada: \$5.1 billion

A vital relationship... New Jersey-Canada trade totaled \$8.3 billion in 2003. On average, nearly \$23 million crossed the border daily. State exports to Canada amounted to \$3.2 billion, making Canada New Jersey's top export market. In fact, the state sent 22% of its foreign exports to Canada, more than it sold to its next three foreign markets combined.

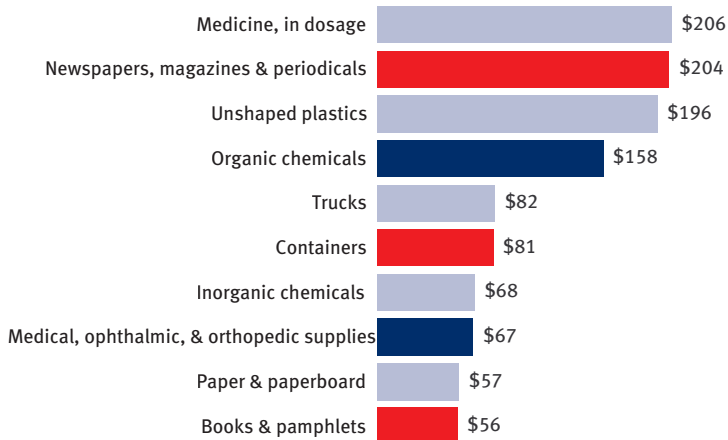
The right equation... New Jersey's top export to Canada in 2003 was chemicals. The state sold \$726 million worth of chemical products—23% of state exports—to its northern neighbor, supplying it with everything from \$196 million in unshaped plastics to \$158 million in organic chemicals and \$51 million in paints. In turn, the state looked to Canada for \$405 million in chemicals, including \$124 million in basic plastic shapes and forms and \$97 million in synthetic rubber and plastics.

From paper to print... New Jersey and Canada worked together in a reciprocal exchange of goods that enhanced both partners' economies. First, New Jersey looked to Canada to fulfill its forestry needs. The state bought \$539 million in forestry products, including \$235 million in newsprint. Completing the partnership, the state then sold back to Canada \$204 million in newspapers, magazines and periodicals—a 104% increase from 2002. The state also sold \$56 million in books and pamphlets and \$29 million in stationery and office supplies to Canada. The paper products were included in the \$647 million in household goods that New Jersey sold to Canada—an increase of 30% from 2002 and an increasingly vital part of the New Jersey-Canada exchanges.

Canada—the fuel behind New Jersey industry... New Jersey's top import sector in 2003, as in years past, was energy, accounting for 23% of state imports from Canada. The state relied on Canada to fulfill many of its energy needs. Purchases totaled over \$1.1 billion and included \$748 million in crude petroleum and \$399 million in petroleum and coal products.

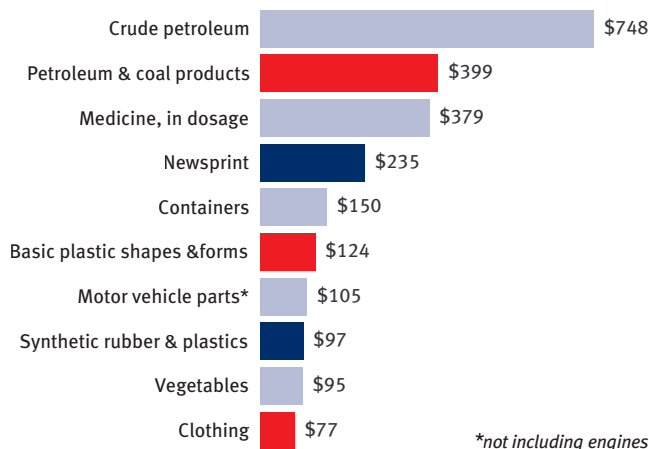
New Jersey's Leading Exports to Canada

2003, in millions of U.S. dollars



New Jersey's Leading Imports from Canada

2003, in millions of U.S. dollars



*not including engines

Pine Barrens to Atlantic City... The Garden State, with its popular beach destinations attracted over 289,000 Canadians in 2003. Those visitors contributed \$65 million to the state economy. In turn, almost 423,000 New Jersey residents made the trek north to visit their northern neighbors, spending \$158 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/

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

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