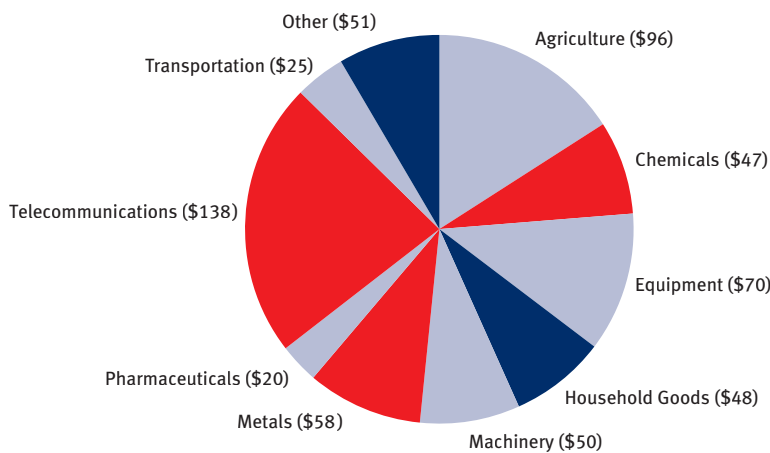


COLORADO

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, 93,000 in Colorado alone.

Colorado's Merchandise Exports to Canada

2003, in millions of U.S. dollars



Total Colorado exports to Canada: \$602 million

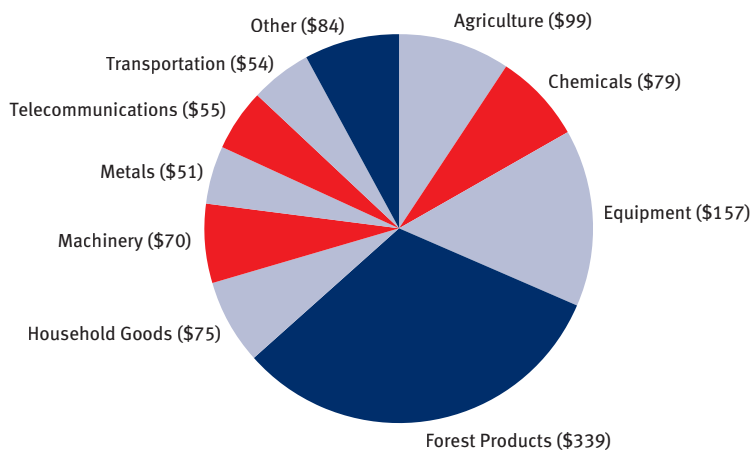
Canada is Colorado's leading export market. In 2003, Colorado and Canada exchanged \$1.7 billion worth of merchandise. The state sold \$602 million in various goods to Canada, 23% of its total foreign-bound exports and more than went to its next two foreign markets combined. In turn, Colorado purchased more than \$1 billion in Canadian-made goods.

Digital surfing... Telecommunications was Colorado's largest export sector, totaling \$138 million. The sector accounted for 22% of state exports to Canada and included \$57 million worth of computers and \$10 million in telephone and telegraph equipment. These products enabled Canadians to communicate with family and friends.

Agricultural trade growing... Agricultural exports comprised Colorado's second largest export sector. State sales of agricultural goods totaled \$96 million and included meat worth \$69 million. Colorado, in turn imported \$99 million worth of agricultural products from Canada, including \$25 million worth of meat and \$12 million worth of cereals.

Colorado's Merchandise Imports from Canada

2003, in millions of U.S. dollars



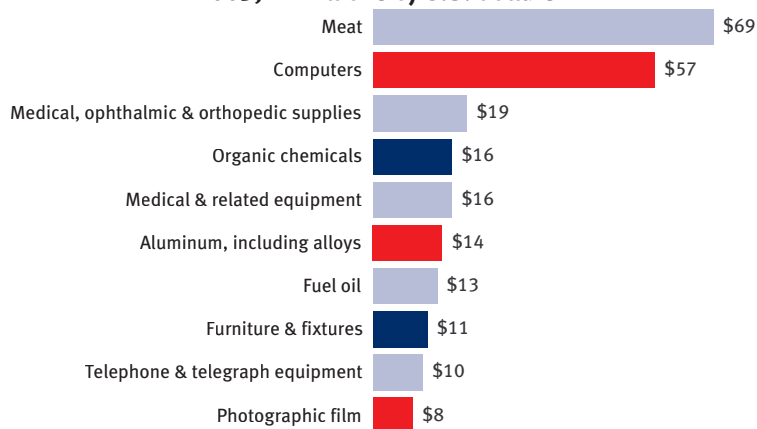
Total Colorado imports from Canada: \$1.0 billion

Equipment sales takes the bronze medal... Colorado's equipment sales to Canada totaled \$70 million and included \$16 million in medical and related equipment and \$8 million in air conditioning and refrigeration equipment. In return, the state imported \$157 in equipment, including \$18 million worth of electrical lighting equipment and \$9 million worth of heating and refrigeration equipment.

Colorado relied on Canadian forestry imports... The state purchased \$339 million in forest products, an increase of 26% from 2002. Shipments included \$107 million in newsprint and \$55 million in softwood lumber, the state's first and second largest individual imports.

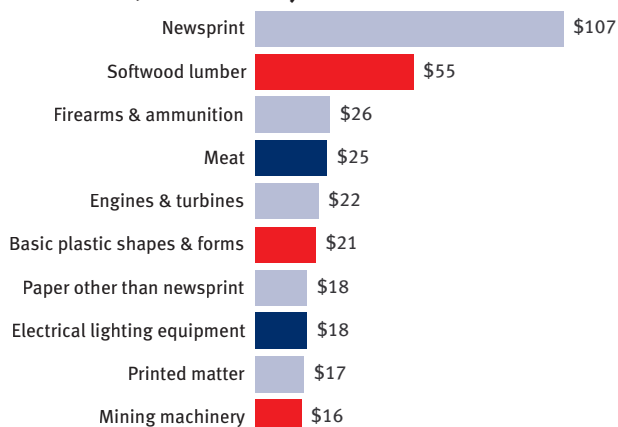
Colorado's Leading Exports to Canada

2003, in millions of U.S. dollars



Colorado's Leading Imports from Canada

2003, in millions of U.S. dollars



The Colorado Rockies offer magnificent panoramic views...

Residents of Colorado made over 249,000 visits to Canada, spending \$98 million, a 22% increase from 2002. In turn, Canadians visiting the state numbered over 180,000, spending \$72 million, a 28% increase from 2002.

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 allow us to target priority areas.

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

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