

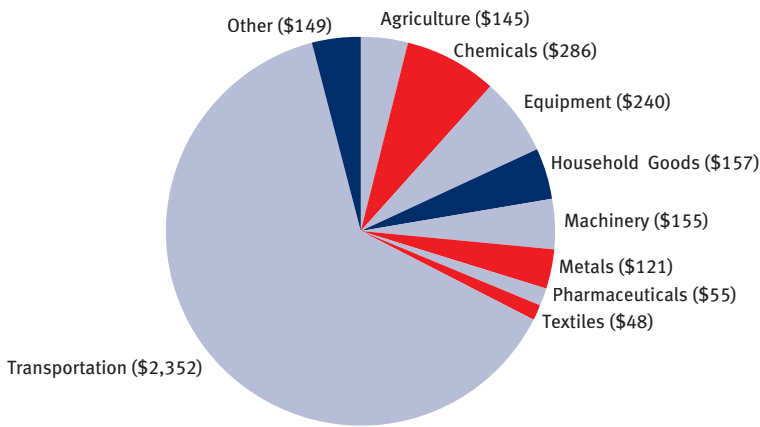


MISSOURI

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, 108,000 in Missouri alone.

Missouri's Merchandise Exports to Canada

2003, in millions of U.S. dollars



Total Missouri exports to Canada: \$3.7 billion

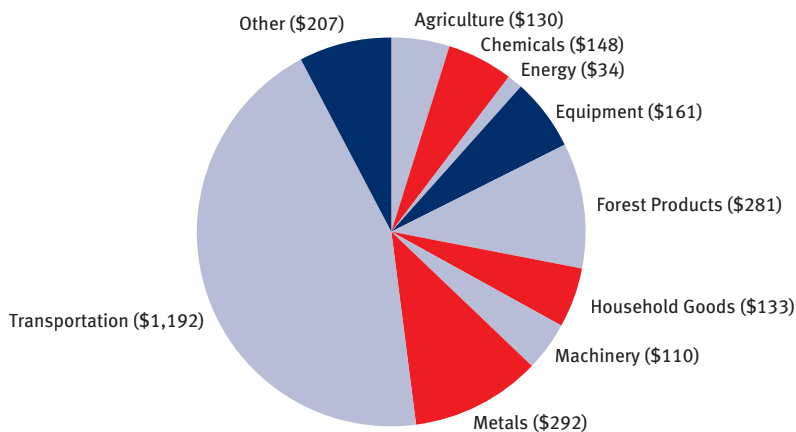
Southern trade links are top notch... Canada is the Show Me State's most important customer. Missouri exported almost \$4 billion in merchandise to Canada, more than to the next twelve trading partners combined. Total bilateral trade increased by 8% to \$6.4 billion. Trade between the partners provided vital products and supported jobs on both sides of the border.

Transportation-driven trade... Missouri's leading export sector—transportation—grew by 11% from 2002. Major sales included \$1.2 billion in automobiles, \$862 million in trucks, and \$214 million worth of motor vehicle parts, excluding engines. Completing the exchange, the state purchased \$538 million in motor vehicle parts, excluding engines and \$468 million in motor vehicle engines and parts.

Canada and Missouri have chemistry... The state exported \$286 million in chemical goods to Canada, including \$55 million in organic chemicals and \$27 million in plastic film and sheet. Canada returned the favor with \$148 million in chemical sales including \$44 million in synthetic rubber and plastics.

Missouri's Merchandise Imports from Canada

2003, in millions of U.S. dollars



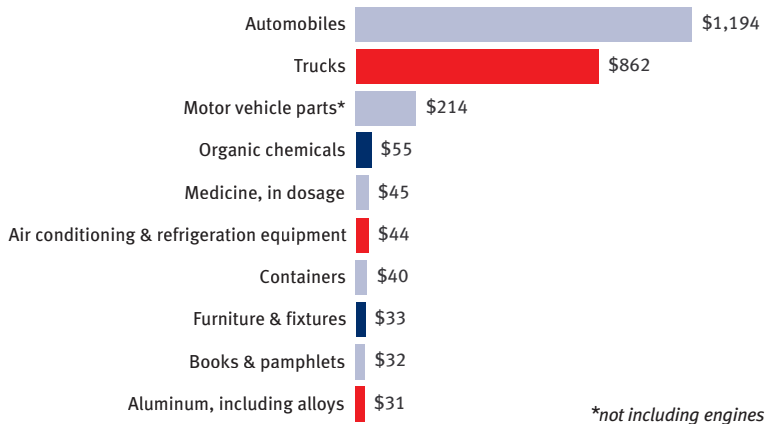
Total Missouri imports from Canada: \$2.7 billion

Keeping each other's homes comfortable... Bilateral trade in equipment increased by 6% from 2002, with state exports to Canada increasing by \$20 million. Sales to Canada included \$44 million in air conditioning and refrigeration equipment, and \$18 million in medical and related equipment. Missouri purchased \$28 million in printed matter and \$8 million in toys, games, sporting and recreational equipment.

Feeding the masses... Missouri purchased from Canada \$130 million worth of agriculture products. Agricultural imports included \$28 million in cereals and \$12 million in vegetables. Missouri sales to Canada were led by \$6 million in meat products, and \$3 million in sugars.

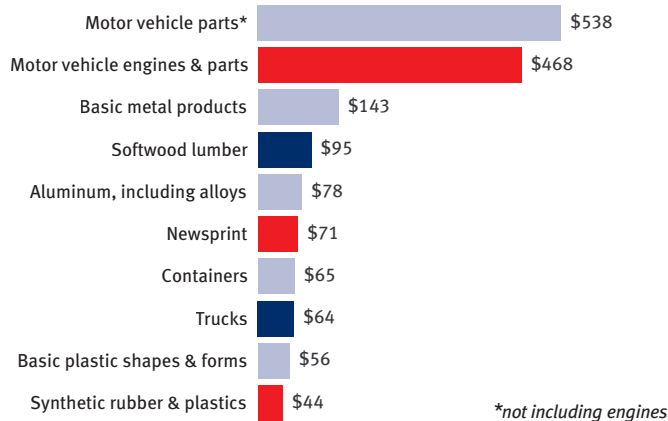
Missouri's Leading Exports to Canada

2003, in millions of U.S. dollars



Missouri's Leading Imports from Canada

2003, in millions of U.S. dollars



The Gateway to the West calls many people... In 2003, residents of Missouri visited their northern neighbor over 165,000 times and spent \$60 million. Residents of Canada visited the Show Me State over 127,000 times spending \$38 million.

August 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 Missouri, please contact:

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