

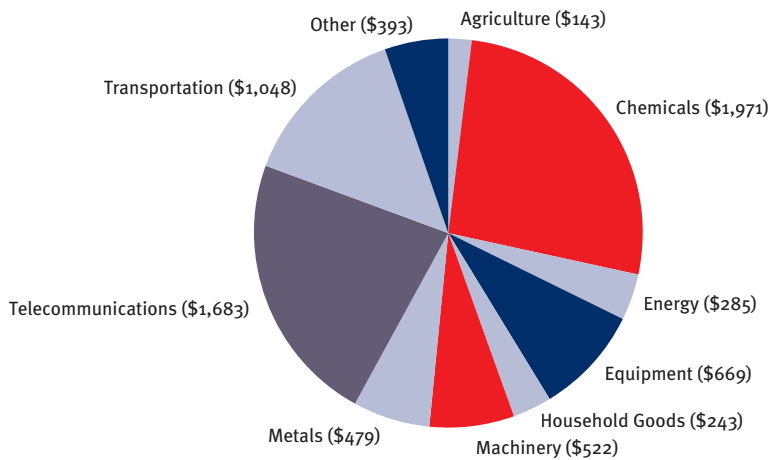


# TEXAS

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 \$440 billion in 2002, 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.

## Texas's Merchandise Exports to Canada

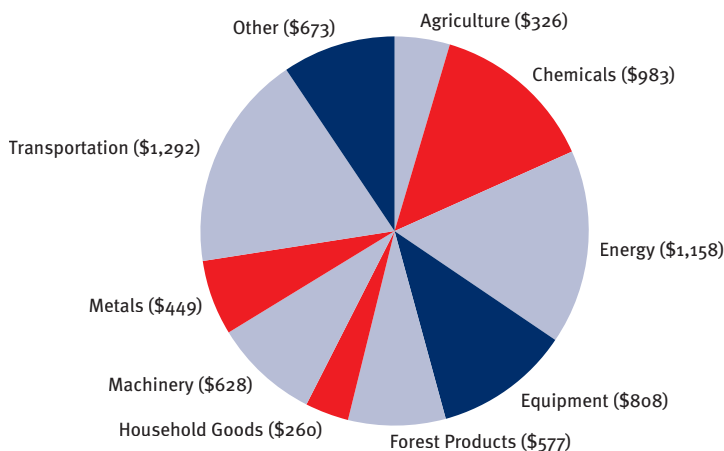
2002, in millions of U.S. dollars



Total Texas exports to Canada: \$7.4 billion

## Texas's Merchandise Imports from Canada

2002, in millions of U.S. dollars



Total Texas imports from Canada: \$7.2 billion

Texas and Canada traded \$14.6 billion in 2002, second only to Mexico. Texas exports to Canada totaled \$7.4 billion, while the Lone Star State imported \$7.2 billion worth of Canadian goods.

**It's chemistry.** The state's second largest export, unshaped plastics, accounted for \$748 million with total chemical exports reaching \$2.0 billion last year. Following closely, other leading exports included organic chemicals worth \$552 million and inorganic chemicals bringing in another \$234 million for the state.

**Cross-border communication remains strong.** The Lone Star State exported over \$1.7 billion in telecommunications equipment to Canada in 2002. Computers were the leading export good at \$1.2 billion. In return, Texas purchased \$234 million in various Canadian telecommunication products.

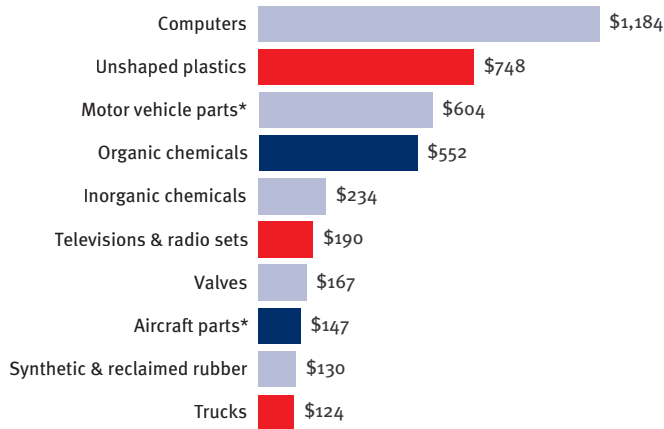
**Canada purchased Texas transportation goods.** A major component of Texas-Canada trade, exports of transportation products to Canada totaled over \$1.0 billion. The state's exports to Canada included \$604 million in motor vehicle parts and \$147 million worth of aircraft parts, not including engines. Truck exports accounted for \$124 million.

**Texas soars in Canadian aircraft.** Transportation was the state's largest import sector with \$1.3 billion. Of that, almost 28%, \$355 million, was aircraft, with another \$138 million in aircraft parts, engines and engine parts. Also included were \$424 million worth of motor vehicle parts, not including engines and \$196 million in trucks.

**Texas' varied exports.** Among its many exports into Canada were \$167 million in valves and \$53 million in electric generators and motors. Television and radio set sales of \$190 million rounded out the list of Texas' leading exports into Canada.

## Texas's Leading Exports to Canada

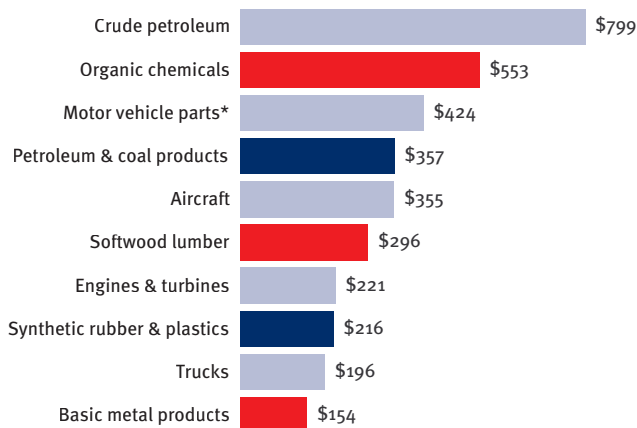
2002, in millions of U.S. dollars



\*not including engines

## Texas's Leading Imports from Canada

2002, in millions of U.S. dollars



\*not including engines

### Canadian chemicals and equipment supplied Texas' industries.

Imports of chemical products into the state were worth \$983 million in 2002. Included in this sum were \$553 million in organic chemicals and \$216 million worth of synthetic rubber and plastics. Equipment imports from Canada totaled \$808 million, led by \$142 million of electrical lighting equipment.

**A mix of products, including energy, rounded out Texas' purchases from Canada.** Energy imports into Texas totaled \$1.2 billion with \$799 million in crude petroleum and \$357 million in petroleum and coal products. Also included in its top imports from Canada were \$296 million in softwood lumber and \$154 million in basic metal products.

**Tourism adds to the exchange.** In 2002, Texans made 400,000 visits and spent \$210 million while in Canada. Canadians visited the south during 261,000 visits, spending over \$154 million.

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## Trade, Security & the Border

In 1996, Canada and the United States implemented a comprehensive Shared Border Accord to deepen cooperation on border management issues. Since the September 11th attacks on the United States, Canada and the United States have accelerated those efforts to protect the security and enhance the prosperity of their citizens. The two governments continue to expand threat information sharing, upgrade their crisis response abilities and ensure that the Canada-U.S. border remains secure with an efficient flow of trade. The 30-point Smart Border Action Plan, enacted in December 2001, takes aggressive steps toward building a smart border for the 21st century — a border open for business but closed to terrorists.

## Top Canada-U.S. Land Border Crossings

Total imports from Canada, in billions of U.S. dollars

Windsor, Ontario	➤ Detroit, MI	\$66.6
Sarnia, Ontario	➤ Port Huron, MI	\$60.7
Fort Erie, Ontario	➤ Niagara Falls, NY	\$50.2
Lacolle, Quebec	➤ Champlain, NY	\$16.7
Lansdowne, Ontario	➤ Alexandria Bay, NY	\$11.0
Surrey, British Columbia	➤ Blaine, WA	\$9.9
Emerson, Manitoba	➤ Pembina, ND	\$7.7
St. Armand, Quebec	➤ Highgate Springs, VT	\$6.8
Coutts, Alberta	➤ Sweetgrass, MT	\$6.6
North Portal, Sask.	➤ Portal, ND	\$5.7

All figures are for 2002 and in US dollars. Merchandise trade and tourism figures are from Statistics Canada, converted at the rate of US\$1.00=C\$1.5704. Canada's export ranking is from the Massachusetts Institute for Social and Economic Research (MISER). Figures may not add up due to rounding.

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

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