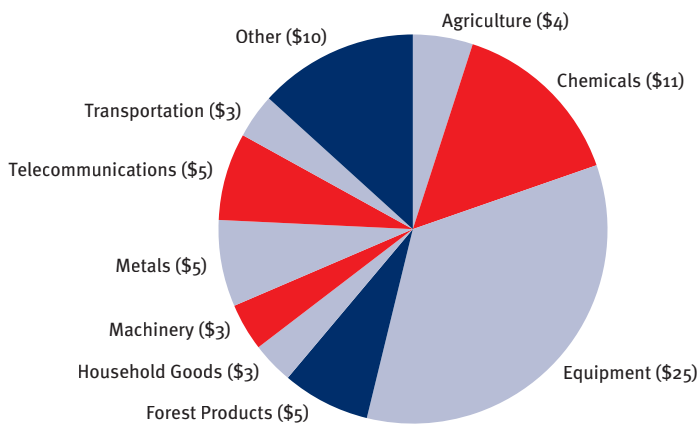


NEW MEXICO

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.

New Mexico's Merchandise Exports to Canada

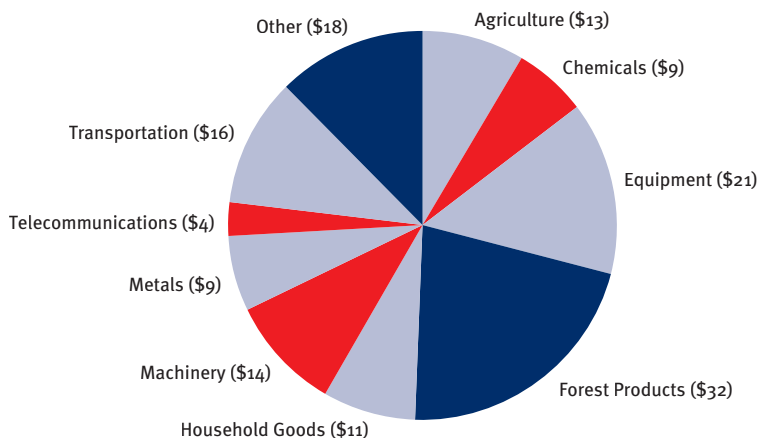
2002, in millions of U.S. dollars



Total New Mexico exports to Canada: \$72 million

New Mexico's Merchandise Imports from Canada

2002, in millions of U.S. dollars



Total New Mexico imports from Canada: \$149 million

Canada and New Mexico share a mutually beneficial trading relationship. In 2002, the partners exchanged over \$221 million worth of merchandise. The state bought \$149 million worth of Canadian goods. Exports from the Land of Enchantment to its northern neighbor totaled \$72 million, a 20% increase from the previous year. The trade relationship between Canada and New Mexico provided consumers and industries with vital products and supported thousands of jobs on both sides of the border.

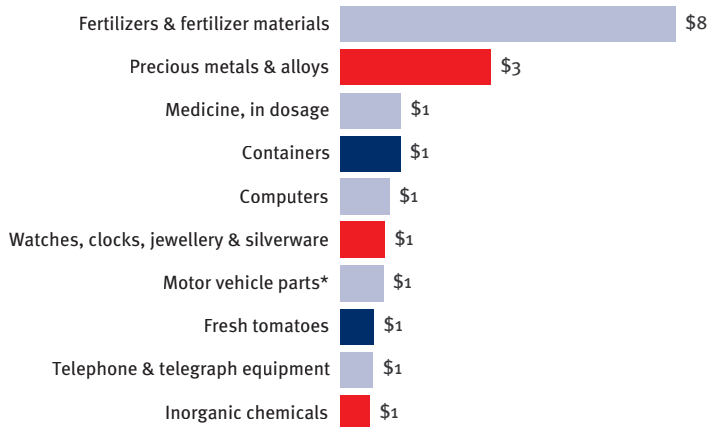
Equipment was key. One-third of the state's Canada-bound exports originated from the equipment sector. The Canadian demand for New Mexico's equipment grew substantially from 2001, doubling in size to \$25 million in sales. State imports worth \$21 million declined slightly from the previous year. The partners bought and sold a variety of equipment — electrical property measuring instruments, air conditioning and refrigeration equipment, electrical lighting, hand tools and cutlery.

Shared chemistry. Exports from the state's chemical industries to Canada doubled in 2002 with sales reaching \$11 million. The state supplied its northern neighbor with \$8 million worth of fertilizers and fertilizer materials, an increase of 166% from 2001. State imports of chemicals remained static at \$9 million. Purchases included \$5 million in Canadian-made plastic shapes and forms and \$1 million in fertilizers.

Forest products. In 2002, bilateral trade in forest products totaled \$38 million, a 15% increase from the previous year. New Mexico purchased \$16 million worth of Canadian softwood lumber. The state exported \$5 million worth of forest products, comprised primarily of wood fabricated materials.

New Mexico's Leading Exports to Canada

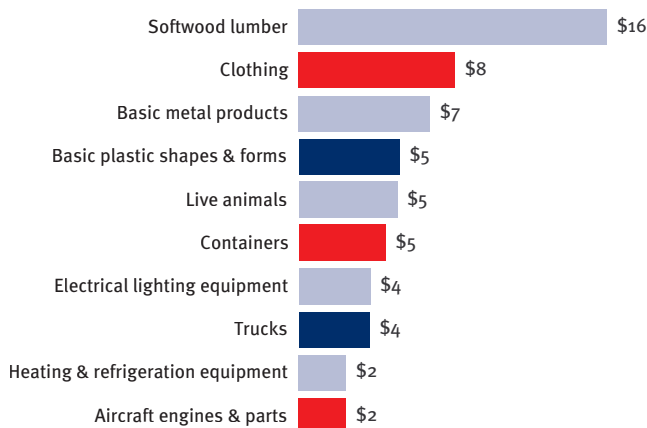
2002, in millions of U.S. dollars



*not including engines

New Mexico's Leading Imports from Canada

2002, in millions of U.S. dollars



Transportation-driven trade. New Mexico supplied the Canadian transportation sector with \$2 million worth of motor vehicle and aircraft parts (both excluding engines). The state purchased \$16 million worth of Canadian transportation goods — trucks, motor vehicle and aircraft parts (both excluding engines), ships, boats and railway trains.

A variety of products. Canadians favored New Mexico's consumer goods. Leading exports worth \$1 million respectively included medicines, computers, watches, clocks, jewelry and silverware. New Mexico's business imported \$7 million in Canadian-made basic metal products and \$5 million in containers.

Visiting new places... Residents from New Mexico made more than 22,000 trips to Canada and spent in excess of \$7 million. Canadian visits to the state totaled 51,000 with expenditures of \$13 million.

August 2003

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 New Mexico, please contact:

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