

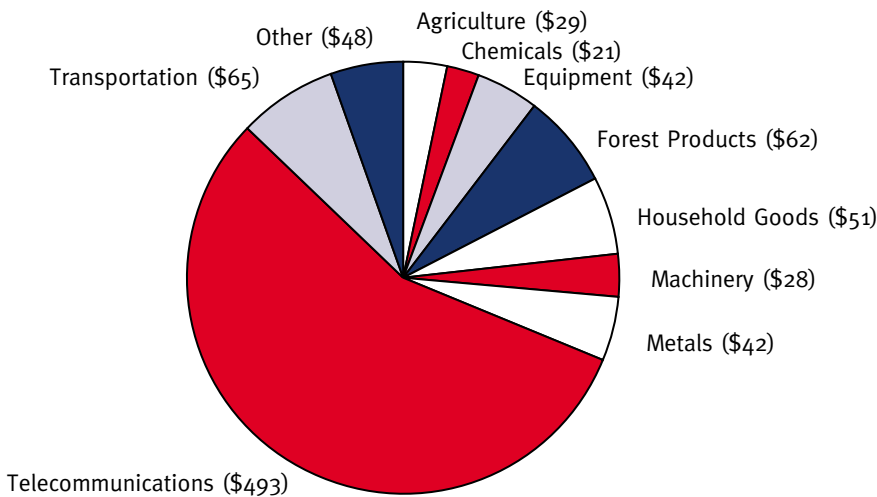


VERMONT

In 1989, the Canada-U.S. Free Trade Agreement went into effect, phasing out all tariffs and many non-tariff barriers to trade. Beginning in 1994, the North American Free Trade Agreement (NAFTA) opened the Mexican market to Canada and the United States. Evidence of the benefits of free trade are clear as two-way trade in goods, services and income between Canada and the United States totalled \$445 billion in 2001, the largest bilateral exchange in the world.

Vermont's Merchandise Exports to Canada

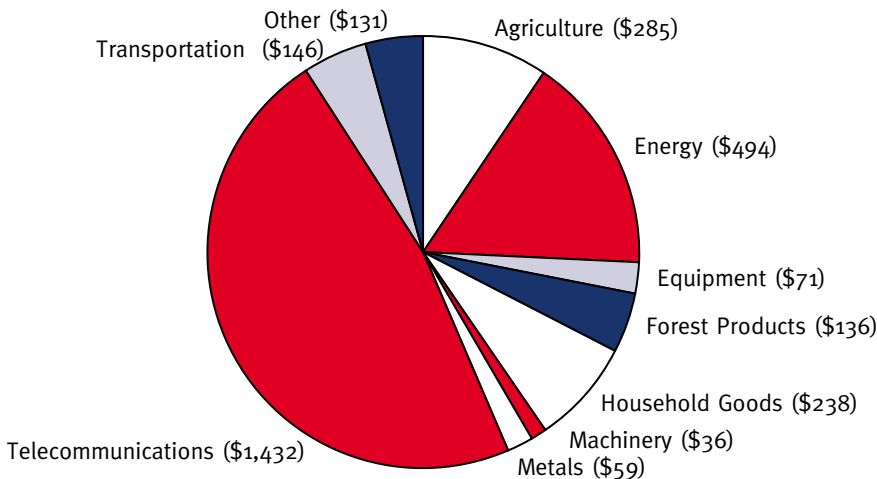
2001, in millions of U.S. dollars



Total Vermont exports to Canada: \$881 million

Vermont's Merchandise Imports from Canada

2001, in millions of U.S. dollars



Total Vermont imports from Canada: \$3 billion

The Green Mountain State's top export market is Canada.

Almost half of Vermont's total exports go to Canada. In 2001, \$881 million of the state's goods were exported to Canada. Vermont also purchased over \$3 billion in Canadian products. The exchange between Vermont and Canada is valued at over \$3.9 billion.

Telecommunications dominates.

With \$493 million worth of exports, the telecommunications sector dominated Vermont's export market; 56% of the state's total exports came from this sector. Electronic tubes and semi-conductors comprised the majority of telecommunication exports and led the state's export market with \$480 million. Computers brought in an additional \$5 million.

Transportation.

Vermont's transportation sector exported \$65 million worth of related goods into Canada, a 20% increase over the previous year. Motor vehicle parts, not including engines, accounted for \$33 million and aircraft exports added \$20 million to the mix.

Exports of forest products and household goods rose.

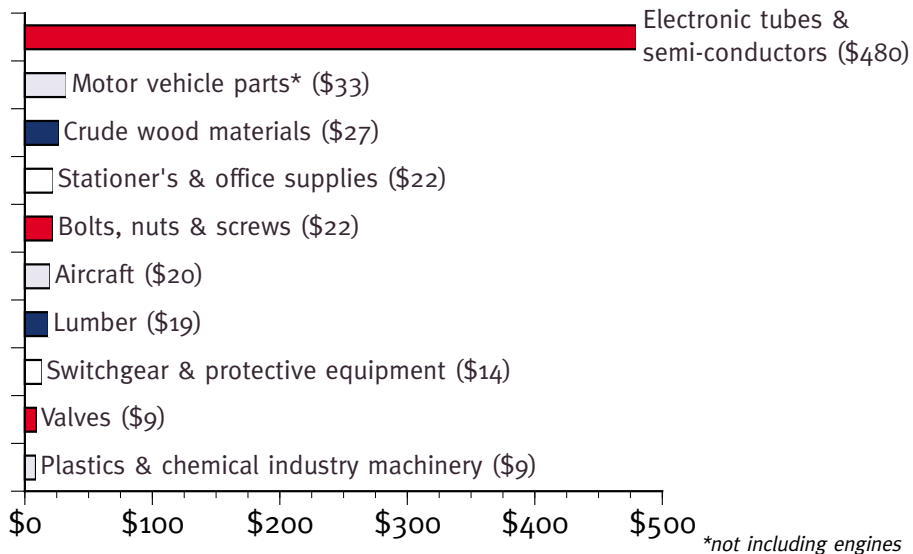
Vermont's forest-related exports to Canada increased 17% and accounted for \$62 million. Of this, crude wood materials comprised \$27 million and lumber brought in an additional \$19 million. Household goods, valued at \$51 million, saw a 29% increase. Stationer's and office supplies made up \$22 million, while sporting and recreational equipment accounted for \$5 million.

Other useful products.

Vermont's other leading exports to Canada included \$22 million in bolts, nuts, and screws; \$14 million worth of switchgear and protective equipment; \$9 million in valves; and \$9 million in plastics and chemical industry machinery.

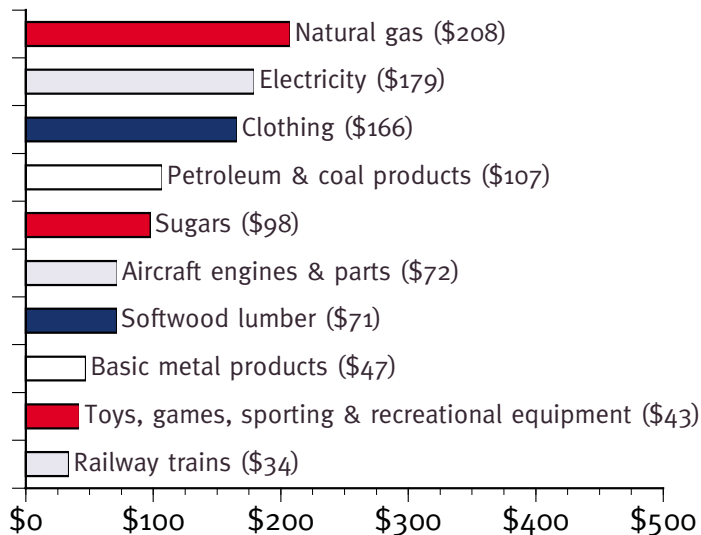
Vermont's Leading Exports to Canada

2001, in millions of U.S. dollars



Vermont's Leading Imports from Canada

2001, in millions of U.S. dollars



Mutual communication. The Green Mountain State imported over \$1.4 billion in telecommunications equipment in 2001. This sector accounted for more than 47% of total imports from Canada.

Canada powers Vermont with energy imports worth \$494 million. Natural gas worth \$208 million, \$179 million worth of electricity, and petroleum and coal products of \$107 million topped the list as leading state imports. Much of the Canadian electricity imported into Vermont was distributed to other New England states through the New England Power Pool, a cooperative of utilities in the region.

Canada supplies Vermont's varied needs. Clothing imports worth \$166 million, sugar imports valued at \$98 million, \$72 million in aircraft engines and parts, \$71 million in softwood lumber, and \$47 million in basic metal products all helped support jobs on both sides of the border.

Tourism adds to the exchange. In 2001, Canadians made 1.3 million visits to Vermont and spent \$68 million. Vermonters packed their bags for over 1 million visits and headed north with \$75 million to spend.

July 2002

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\$1.5484. 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 Vermont, please contact:

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