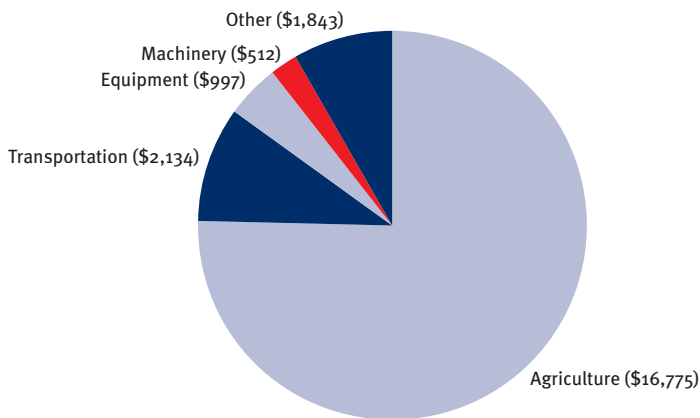


HAWAII

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.

Hawaii's Merchandise Exports to Canada 2002, in thousands of U.S. dollars



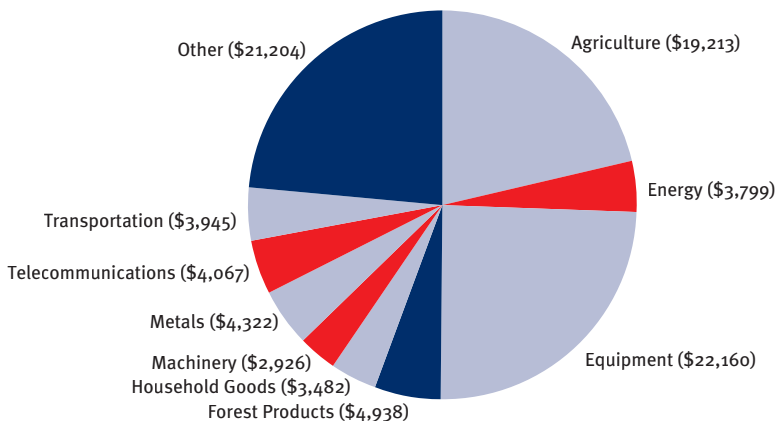
Total Hawaii exports to Canada: \$22 million

The Aloha State and Canada share in the benefits of trade. Canada was Hawaii's sixth largest trading partner in 2002, mutually exchanging \$112 million in goods. Hawaii exported to Canada \$22 million worth of goods and purchased, in return, a total of \$90 million.

Hawaii's plethora of agricultural resources... As the largest export sector to Canada in 2002, agriculture accounted for 77% of the state's total Canada bound sales, or almost \$17 million. This included \$7 million worth of fresh fruits and berries such as pineapples and papaya, \$2 million in nuts, other than oil nuts, and \$1 million worth of fish and seafood for Canadian kitchens.

Canada returned the favor... Canada sold \$19 million worth of agricultural products to Hawaii, reflecting a 46% increase from 2001. This total included \$5 million worth of wheat and \$2 million in fresh or frozen fish. Other Canadian sales included \$1 million worth of dairy produce, eggs and honey and \$1 million in sugars.

Hawaii's Merchandise Imports from Canada 2002, in thousands of U.S. dollars



Total Hawaii imports from Canada: \$90 million

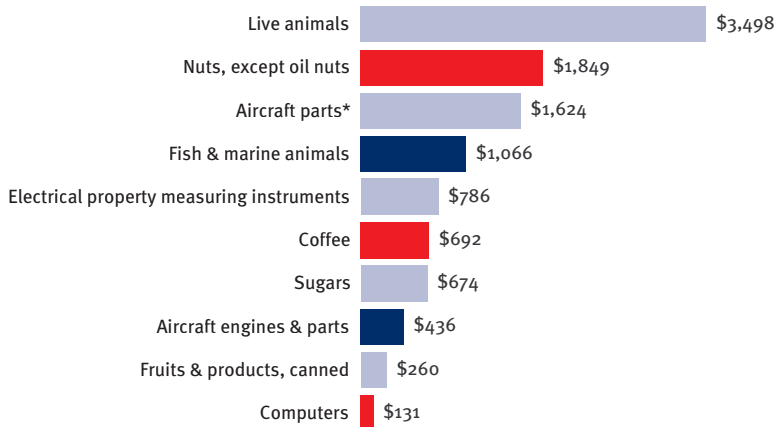
Hawaii and Canada equip each other... The chief Hawaiian equipment export consisted of close to \$1 million worth of electrical property measuring instruments. Canada, in turn, sold Hawaii \$22 million in equipment for an increase of 38% from the previous year. This total included \$18 million in other equipment and tools and \$1 million in office machines and equipment.

Transporting supplies... Hawaii exported \$2 million worth of transportation equipment. Leading the exports were \$2 million worth of aircraft parts, excluding engines. Canada added to the bilateral transportation trade by selling \$2 million in trucks to their Hawaiian counterparts.

And then household goods... The Aloha State exported almost \$500,000 worth of household goods to Canada in 2002, including \$125,000 in outerwear, except knitted, to keep Canadians warm.

Hawaii's Leading Exports to Canada

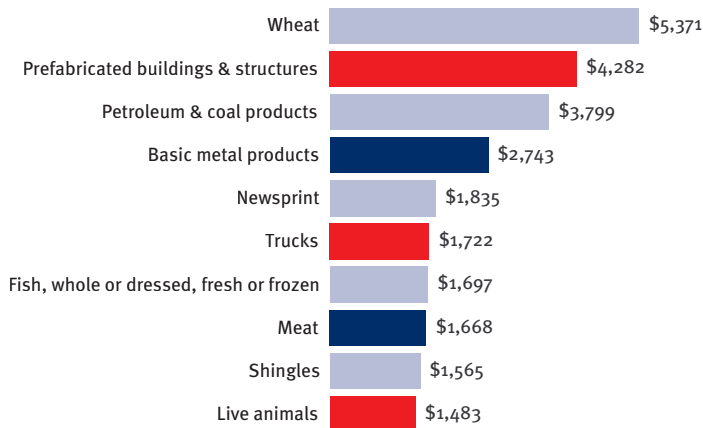
2002, in thousands of U.S. dollars



*not including engines

Hawaii's Leading Imports from Canada

2002, in thousands of U.S. dollars



Canadian forestry at its best... Hawaii purchased nearly \$5 million worth of forestry products in 2002. Sales included \$2 million in newsprint and nearly \$2 million in shingles.

White sandy beaches and the cool blue ocean... Residents of Canada made nearly 273,000 visits to Hawaii's famous beaches and mountains in 2002 and spent over \$331 million. Hawaiians made 35,000 visits to Canada and spent nearly \$15 million.

June 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.

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