

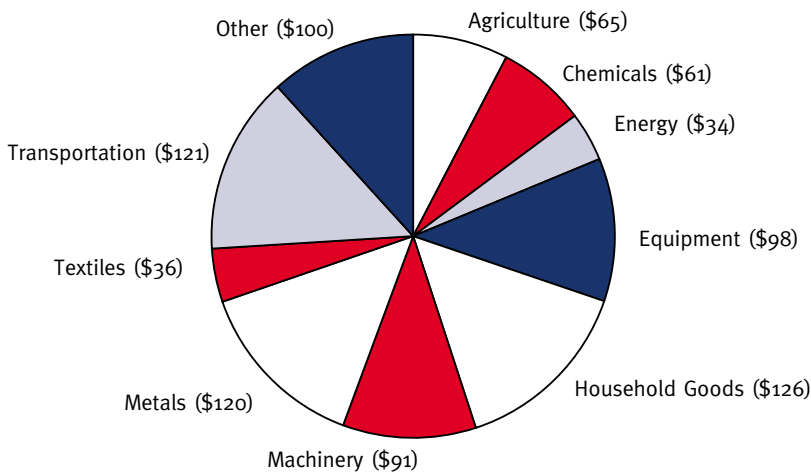


ARKANSAS

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.

Arkansas' Merchandise Exports to Canada

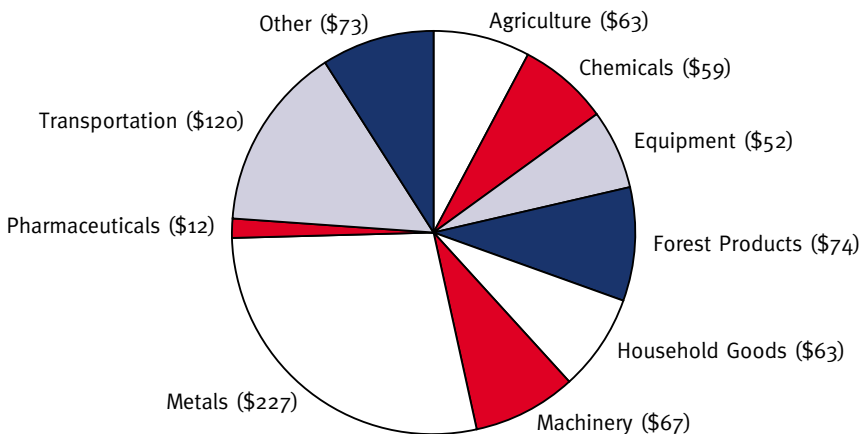
2001, in millions of U.S. dollars



Total Arkansas exports to Canada: \$852 million

Arkansas' Merchandise Imports from Canada

2001, in millions of U.S. dollars



Total Arkansas imports from Canada: \$809 million

Canada is Arkansas' leading trading partner.

In fact, in 2001 Alabama exported more to Canada than to its next four largest export destinations combined. The diversified bilateral trading relationship totaled almost \$1.7 billion. As international trade decreased in 2001 due to the cooling global economy, trade between Arkansas and Canada increased 7%.

The bilateral exchange of metals comprised the largest trading sector.

Metals trade totaled \$347 million in 2001, a 20% increase from the previous year. Arkansas exported \$120 million worth to Canada, including \$35 million in structural shapes, steel, and sheet piling. Exports in this category increased 17% from the previous year. Metals and basic metal products made up the state's largest import from Canada in 2001, constituting 28% of the total. Leading the category were \$200 million worth of aluminum and \$11 million worth of basic metal products.

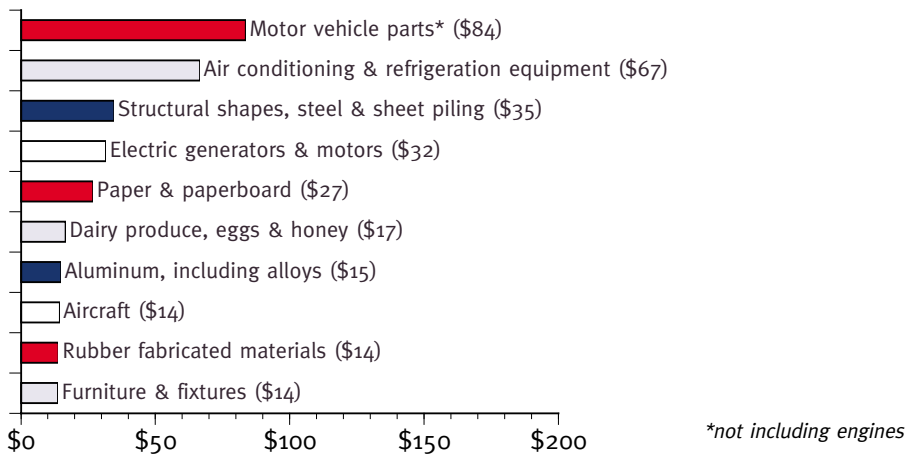
Arkansas sells transportation equipment to Canada.

Accounting for \$121 million in 2001, transportation equipment was the state's second largest export sector. Dominating these exports was \$84 million worth of motor vehicle parts, excluding engines. Other key exports included \$14 million worth of aircraft and \$9 million worth of motor vehicle engine parts.

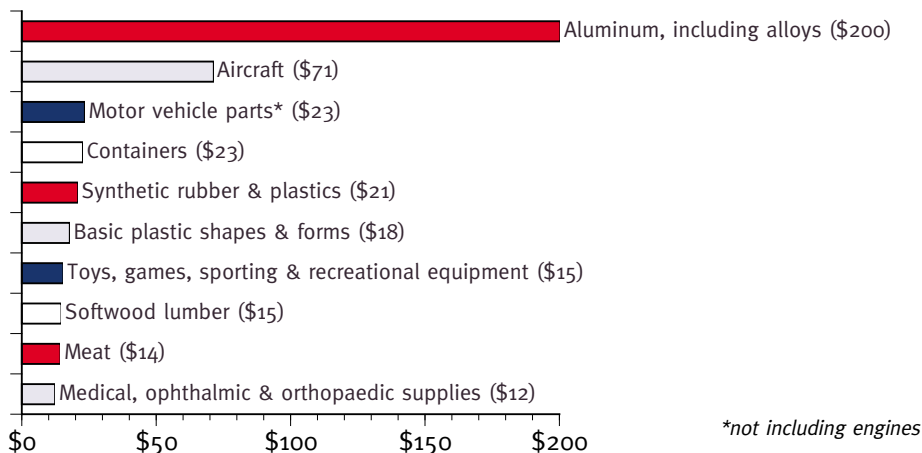
Arkansas provides Canada with household goods.

Totaling \$126 million, household goods were Arkansas' largest export sector. Exports in this sector grew again in 2001, marking a 22% increase since 1999. Canadians bought \$14 million worth of furniture and fixtures and \$8 million worth of stationer's and office supplies.

Arkansas' Leading Exports to Canada 2001, in millions of U.S. dollars



Arkansas' Leading Imports from Canada 2001, in millions of U.S. dollars



Canada imports machinery from Arkansas. Among the \$91 million worth of machinery imports from Arkansas, Canadians purchased \$32 million worth of electric generators and motors and \$10 million worth of pumps, excluding oil well pumps. Arkansas, in turn, imported \$67 million worth of machinery from Canada. Purchases included \$5 million worth of mining machinery, \$5 million worth of construction machinery and equipment, and \$5 million worth of metalworking machinery.

Canada supplies Arkansas with forestry products. The state's wood and paper imports totaled \$74 million in 2001, which helped keep costs low in other sectors of the economy. Key imports within the sector included \$40 million worth of paper and newsprint and \$15 million worth of softwood lumber.

Tourism adds millions to the exchange. In 2001, Canadians made nearly 63,000 visits to Arkansas, spending over \$6 million. Residents of Arkansas made over 90,000 visits to Canada and spent nearly \$31 million.

June 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 Arkansas, please contact:

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