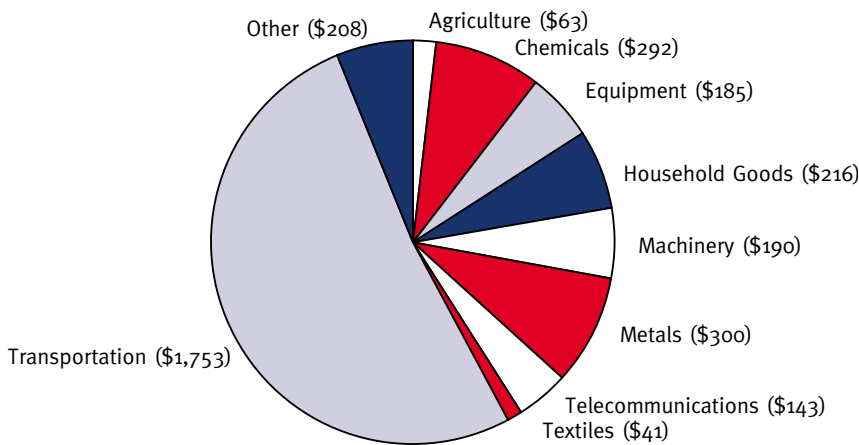


KENTUCKY

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.

Kentucky's Merchandise Exports to Canada

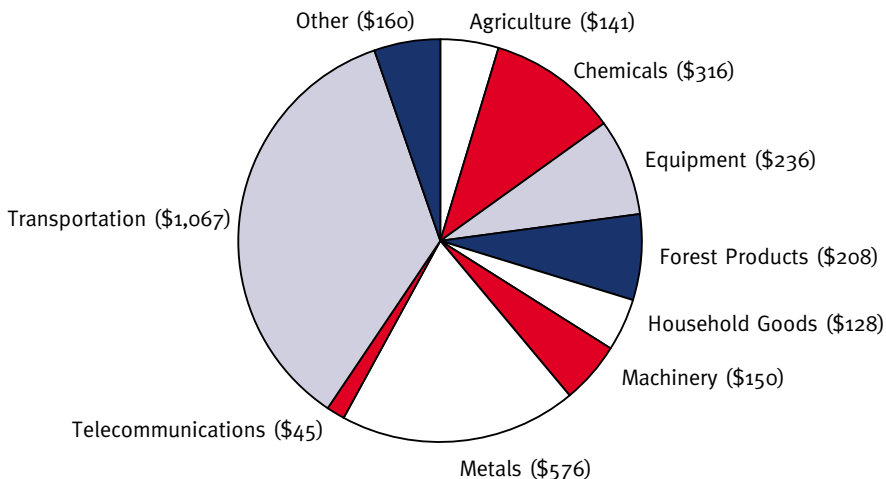
2001, in millions of U.S. dollars



Total Kentucky exports to Canada: \$3.4 billion

Kentucky's Merchandise Imports from Canada

2001, in millions of U.S. dollars



Total Kentucky imports from Canada: \$3 billion

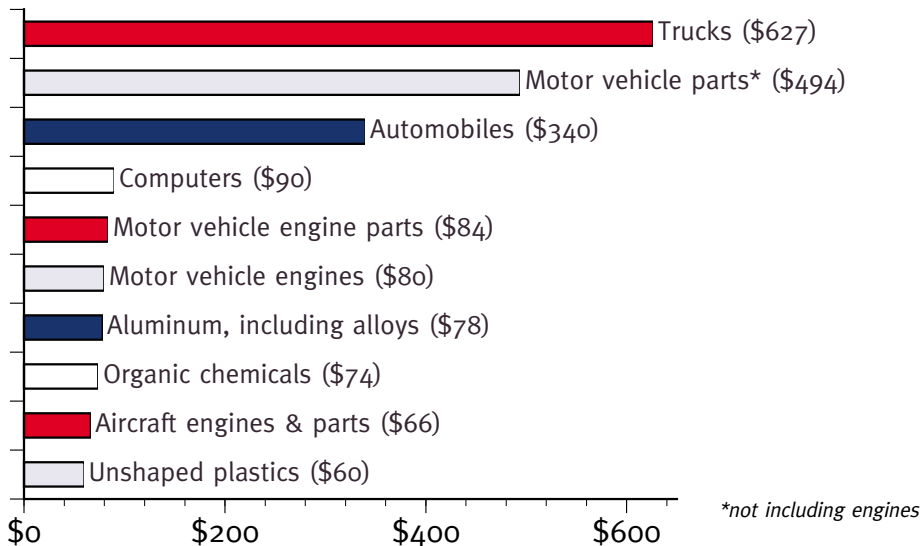
Kentucky sells more goods to Canada than it sells to its next five largest trade partners combined. In 2001, the Bluegrass State sold a third of its total exports to Canada, a figure that amounted to \$3.4 billion. Canada supplied the state with \$3 billion worth of goods. On an average day they exchanged over \$17 million. The bilateral trade provided both economies with essential products and helped support thousands of jobs on both sides of the border.

Transportation drives up revenues... The state's largest export sector in 2001 was transportation. Kentucky sold nearly \$1.8 billion worth of transportation equipment to Canada, which accounted for 52% of the state's total exports. Sales included \$627 million worth of trucks, \$494 million in motor vehicle parts, excluding engines, and \$340 million worth of automobiles. Likewise, Canada's largest export sector to Kentucky was \$1.1 billion worth of transportation equipment. Sales were led by \$817 million in motor vehicle parts and engines and \$128 million worth of aircraft.

Kentucky and Canada supply each other with metals... The Bluegrass State exported \$300 million worth of metals in 2001, including \$78 million worth of aluminum, including alloys, and \$19 million in bolts, nuts, and screws. Canada, in turn, supplied the state with \$576 million worth of metals. Sales were led by \$351 million worth of aluminum, including alloys, \$84 million in basic metal products, and \$33 million in nickel and alloys.

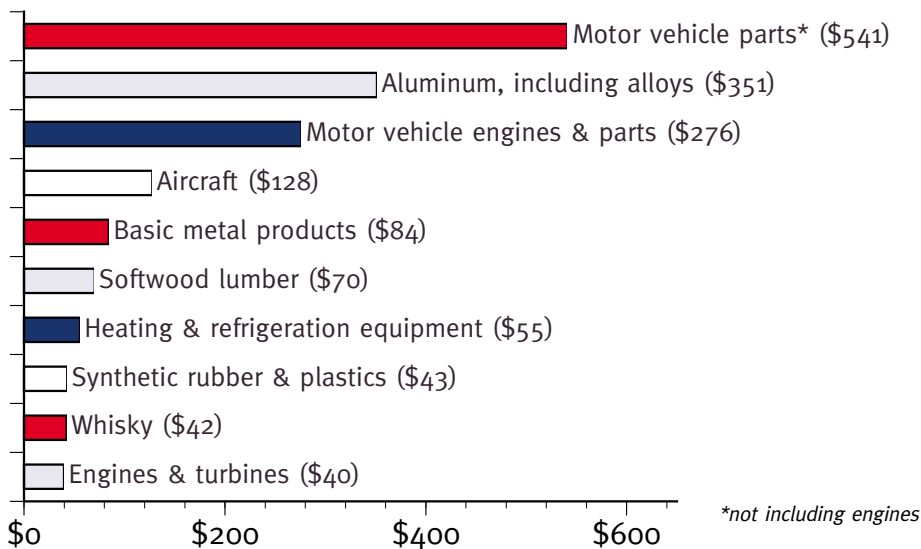
Kentucky's Leading Exports to Canada

2001, in millions of U.S. dollars



Kentucky's Leading Imports from Canada

2001, in millions of U.S. dollars



Kentucky and Canada have a chemical interaction... The state's third largest export sector was \$292 million worth of chemicals. Leading the exports were \$74 million worth of organic chemicals and \$60 million in unshaped plastics. Canada exported \$316 million in chemicals to Kentucky, up 40% from the previous year. Sales included \$43 million in synthetic rubber and plastics and \$31 million worth of organic chemicals.

The state supplies Canada with household goods... The Bluegrass State sold \$216 million worth of household goods in 2001, led by \$42 million worth of newspapers, magazines, and periodicals.

Canada's forests supply Kentucky... Canada sold \$208 million worth of forest products, including \$70 million worth of softwood lumber and \$23 million in newsprint. These essential products helped to keep costs low in other sectors of the state's economy.

Travel and tourism add millions to the exchange... Residents of Kansas made nearly 113,000 trips to Canada in 2001 and spent over \$26 million. Canadians made over 481,000 trips to the Bluegrass State and spent in excess of \$30 million.

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 Kentucky, please contact:

Consulate General of Canada

600 Renaissance Center, Suite 1100 • Detroit, MI 48243-1798
 Phone: (313) 567-2340 • Fax: (313) 567-2164
www.detroit.gc.ca

Canadian Embassy / Ambassade du Canada

501 Pennsylvania Avenue, N.W. • Washington, D.C. 20001
www.canadianembassy.org