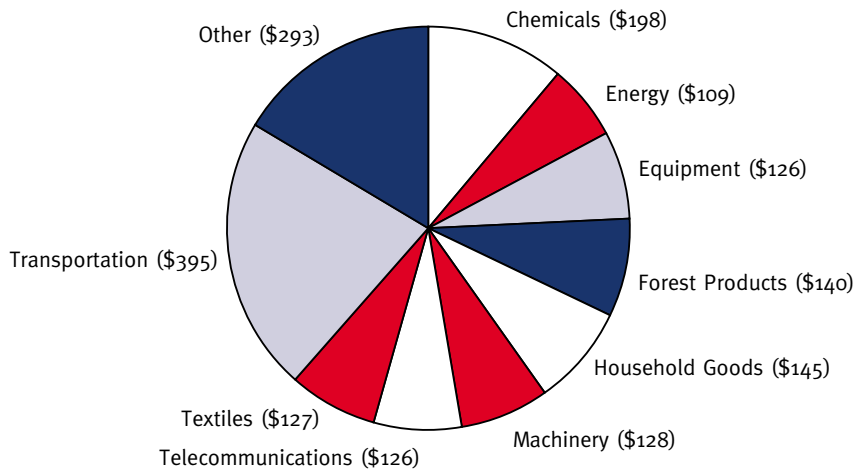




VIRGINIA

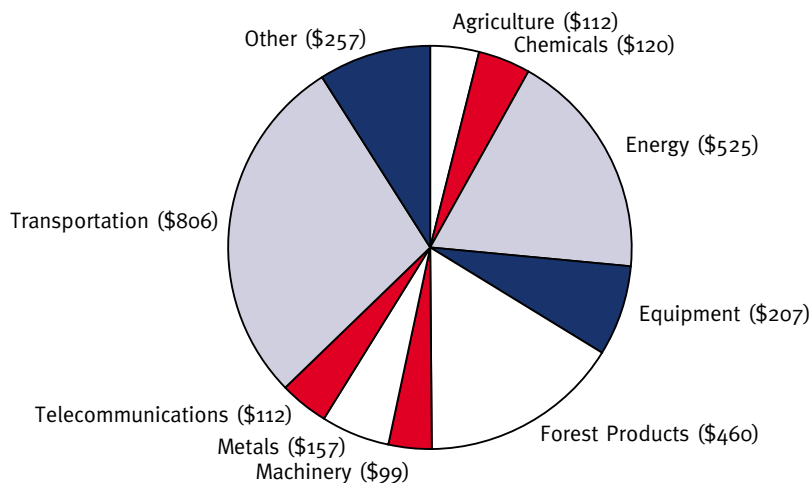
In 1989, the Canada-U.S. Free Trade Agreement went into effect, phasing out all tariffs and many non-tariff barriers to trade. Beginning in 1994, the North American Free Trade Agreement (NAFTA) opened the Mexican market to Canada and the United States. Evidence of the benefits of free trade are clear as two-way trade in goods, services and income between Canada and the United States totalled \$449 billion in 2001, the largest bilateral exchange in the world.

Virginia's Merchandise Exports to Canada 2001, in millions of U.S. dollars



Total Virginia exports to Canada: \$1.8 billion

Virginia's Merchandise Imports from Canada 2001, in millions of U.S. dollars



Total Virginia imports from Canada: \$2.9 billion

Canada is the Old Dominion's leading export market. In 2001 Virginia and Canada traded \$4.7 billion worth of goods. Over 15% of Virginia's total export inventory went to Canada, more than to any other export market. Trade between the two has been vital in providing necessary products and supporting jobs on both sides of the border.

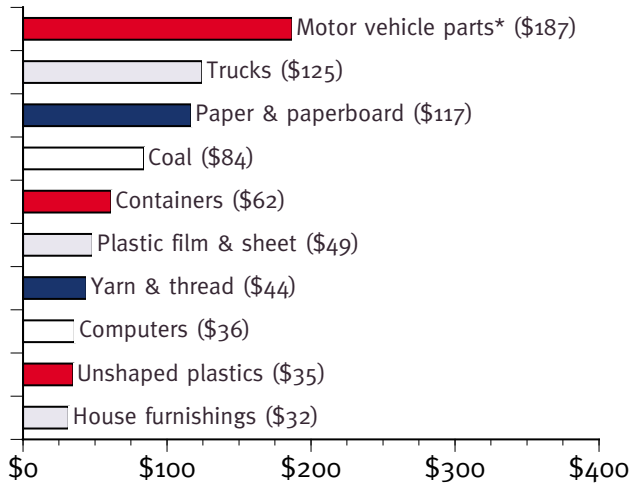
Transportation-driven trade. The transportation sector accounted for \$395 million, 22% of Virginia's total \$1.8 billion in exports. Motor vehicle parts, not including engines, worth \$187 million were the leading export in 2001. Another \$125 million in trucks crossed the border with \$31 million in other transportation equipment and \$18 million in aircraft. Trade in the transportation sector was not a one-way road. Canada sent \$806 million in transportation-related products to Virginia. Aircraft accounted for \$351 million. Motor vehicle engines and parts worth \$232 million and \$107 million in other automotive parts helped keep Virginians on the road.

Keeping the chemistry. Canada purchased chemicals and related products worth \$198 million from Virginia in 2001. Plastics in all forms—film, sheet, unshaped, and basic shapes—accounted for \$96 million. Organic and inorganic chemicals accounted for \$10 million.

Forest products. Trade in the forest products sector between Virginia and Canada reached \$600 million in 2001. Virginia exported \$140 million, including of \$117 million in paper and paperboard, and another \$13 million in lumber. Canada produced \$460 million in forest products for sale in Virginia. These included \$220 million in newsprint, \$83 million in softwood lumber, and \$57 million in paper other than newsprint.

Virginia's Leading Exports to Canada

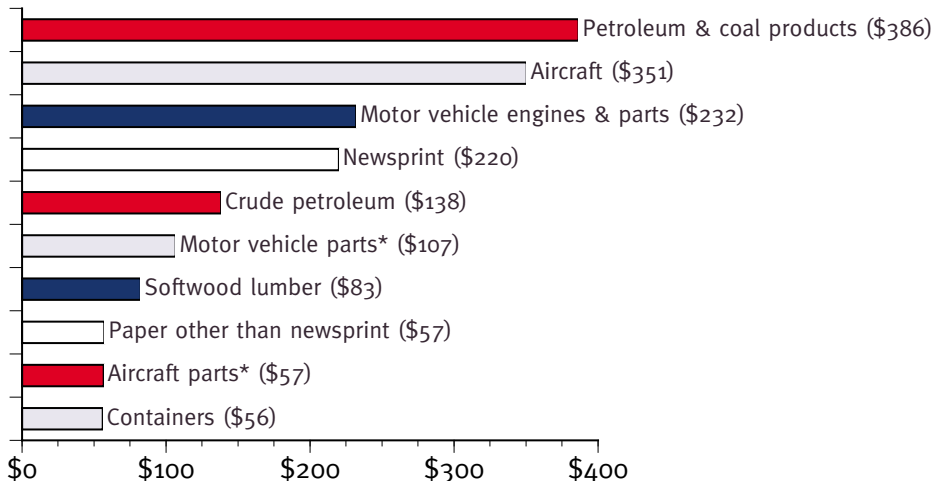
2001, in millions of U.S. dollars



*not including engines

Virginia's Leading Imports from Canada

2001, in millions of U.S. dollars



*not including engines

Canada helps power the Old Dominion.

Energy imports from Canada reached \$525 million, representing a 13% increase in 2001. Petroleum and coal products accounted for \$386 million, while an additional \$138 million arrived from Canadian crude petroleum producers.

Canada and Virginia communicate.

The state's telecommunications imports totaling \$112 million consisted of \$107 million in telecommunications-related equipment and \$5 million in televisions and radio sets. Canadians purchased some \$126 million in telecommunication products. Included in this group were \$36 million in computers and \$15 million worth of telephone equipment.

A variety of products.

Virginia purchased \$56 million in containers and exported \$44 million worth of yarn and thread. Canadians furnished their homes with some \$32 million in Virginian furniture.

Tourism adds to the relationship.

In 2001, Virginians made 339,000 visits to Canada, spending \$111 billion. In return, 783,000 Canadian visits were made to the Old Dominion. These northern visitors spent \$61 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 Virginia, please contact:

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