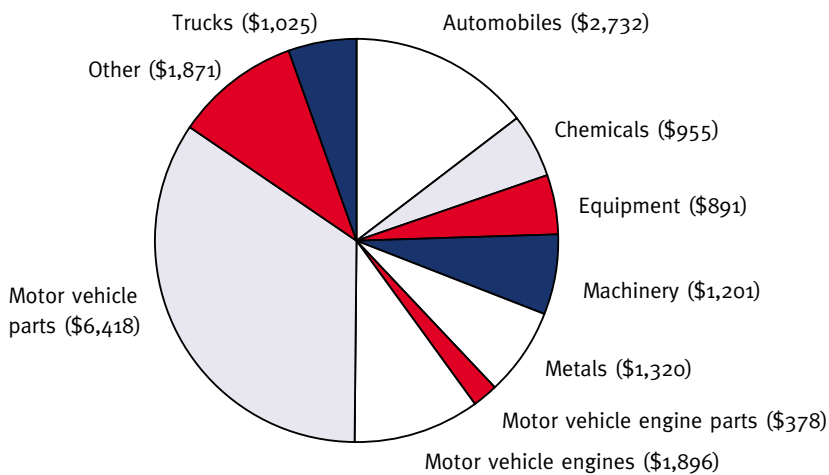




MICHIGAN

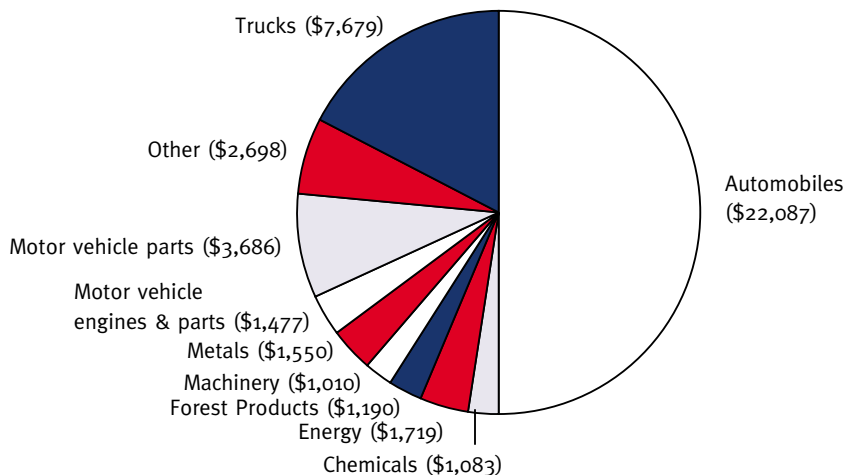
In 1989, the Canada-U.S. Free Trade Agreement went into effect, phasing out all tariffs and many non-tariff barriers to trade. Beginning in 1994, the North American Free Trade Agreement (NAFTA) opened the Mexican market to Canada and the United States. Evidence of the benefits of free trade are clear 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.

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



Total Michigan exports to Canada: \$18.7 billion

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



Total Michigan imports from Canada: \$44.2 billion

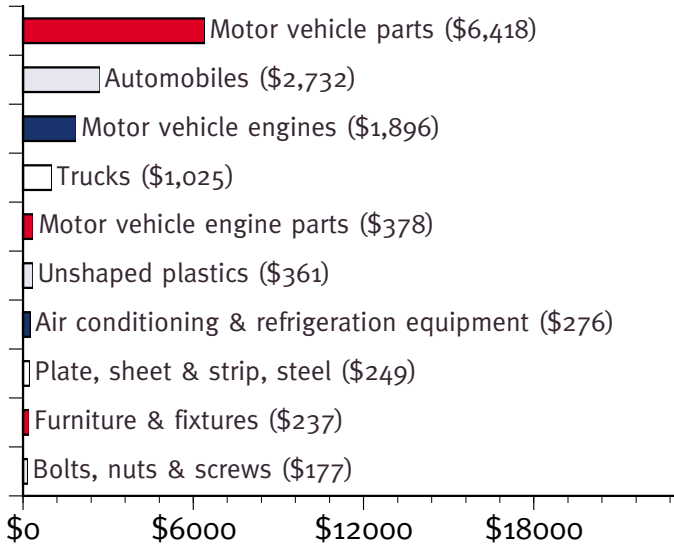
Canada trades more with Michigan than with any other state. In 2001, more of Michigan's exports went to Canada than to all of the state's other foreign export markets combined. Canadians bought over 54% of the state's products. The state's next largest export market imported only one-quarter of what Canadians imported from Michigan. Bilateral trade exceeded \$62 billion and supported tens of thousands of jobs on both sides of the border.

Transportation fuels the trade. Michigan's and Canada's automotive industries are highly integrated and co-dependent, exchanging close to \$47 billion worth of automobiles, trucks, and auto parts in 2001. Trade in this sector accounted for over 75% of bilateral trade. Michigan's automotive related exports were dominated by \$6.4 billion worth of motor vehicle parts, excluding engines. Other exports included \$2.7 billion worth of automobiles, \$1.9 billion in motor vehicle engines, and \$1 billion worth of trucks. The state bought \$22 billion worth of Canadian automobiles, \$7.7 billion worth of trucks, and \$3.7 billion in motor vehicle parts, excluding engines.

Canadian manufacturers import industrial materials from Michigan. Canada purchased \$1.3 billion worth of metals and \$1.2 billion worth of machinery in 2001, together accounting for 14% of the state's exports to Canada. The state's metal exports included \$249 million worth of plate, sheet, and strip steel and \$177 million worth of bolts, nuts, and screws. These products helped to support Canada's essential automotive industry. Machinery exports to Canada varied from \$86 million worth of plastics and chemical industry machinery to \$2 million in printing presses.

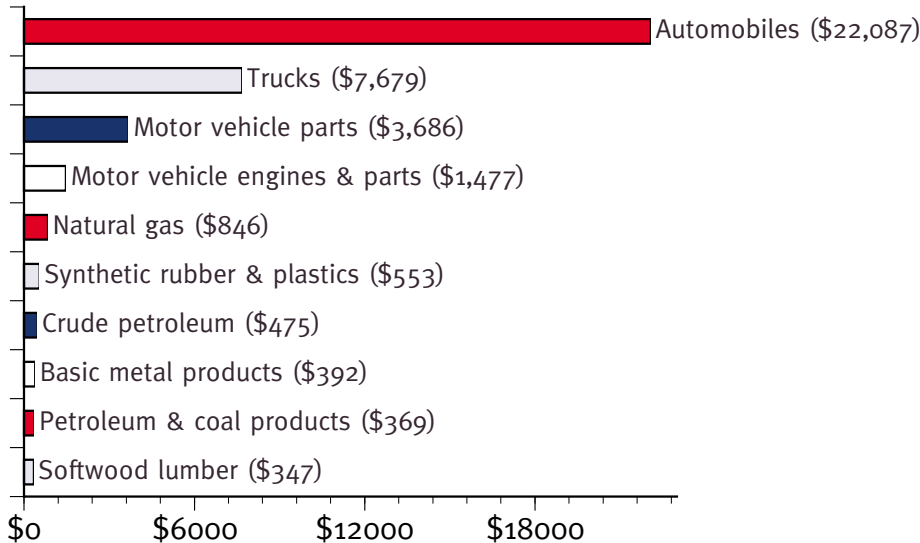
Michigan's Leading Exports to Canada

2001, in millions of U.S. dollars



Michigan's Leading Imports from Canada

2001, in millions of U.S. dollars



Michigan also exported chemicals. Michigan exported \$955 million worth of chemicals in 2001 including \$361 million worth of unshaped plastics and \$156 million in organic chemicals.

Canada supplied Michigan with energy. The state purchased \$1.7 billion worth of energy in 2001, accounting for 4% of the state's imports from Canada. Purchases included \$846 million in natural gas, \$475 million in crude petroleum, and \$369 million in petroleum and coal products.

Michigan bought wood and paper. Canada exported nearly \$1.2 billion worth of forest products to the state including \$347 million worth of softwood lumber and \$190 million worth of newsprint. These essential products helped to keep costs low in other sectors of Michigan's economy.

Tourism adds millions to the exchange. Residents of Michigan made over 11 million visits to Canada in 2001 and spent in excess of \$815 million. Canadians made over 2 million visits to the Great Lake State and spent over \$155 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 Michigan, please contact:

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