

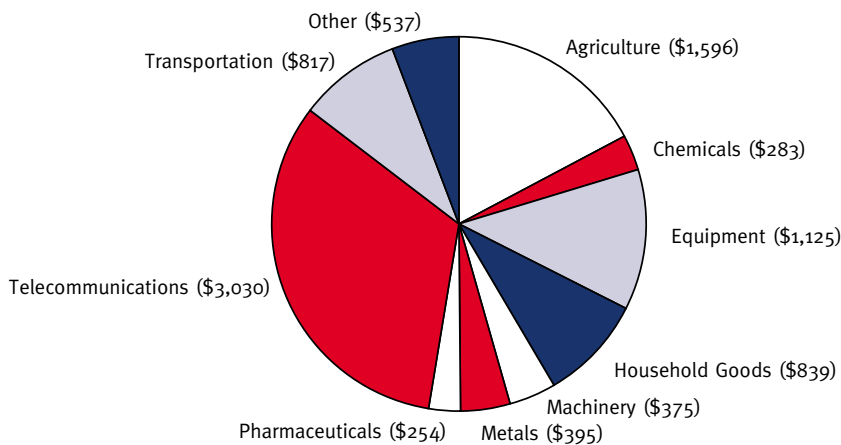


# CALIFORNIA

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.

## California's Merchandise Exports to Canada

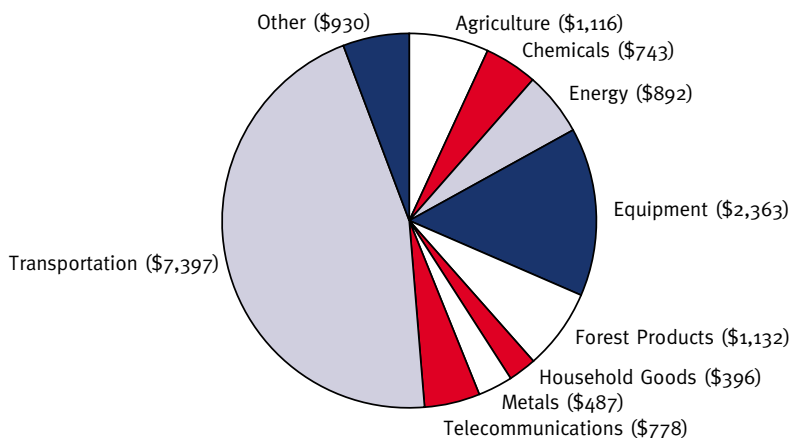
2001, in millions of U.S. dollars



**Total California exports to Canada: \$9.3 billion**

## California's Merchandise Imports from Canada

2001, in millions of U.S. dollars



**Total California imports from Canada: \$16.2 billion**

**Canada is one of California's best customers...** In 2001 California and Canada traded over \$25.4 billion worth of goods, providing significant fuel for both economies. The Golden State exported \$9.25 billion worth of goods to Canada, only a slight decline from the previous year despite the faltering global economy. Canada supplied California with \$16.23 billion worth of goods during the same period.

**For high-tech electronic products...** Telecommunications made up California's largest export sector to Canada, worth \$3.03 billion. Alone accounting for nearly 20% of California's exports to Canada, computer sales totaled \$1.8 billion. Other leading exports in this sector included \$510 million in electronic tubes and semi-conductors, \$129 million in telephone equipment, and \$104 million in televisions and radio sets.

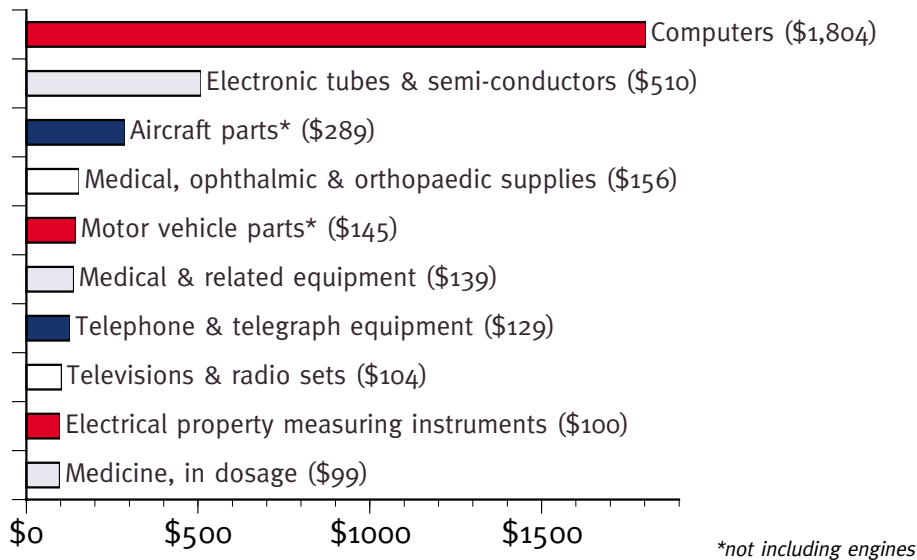
**For the fresh choice...** Canadians enjoyed nearly \$1.6 billion worth of California's agricultural products, including \$91 million worth of fresh grapes. California exported hundreds of millions of dollars worth of other fresh fruits and vegetables from the Golden State's fertile fields.

**And for transportation and equipment.** The transportation sector accounted for 9% of California's exports to Canada. The state sold \$289 million in aircraft parts and an additional \$145 million in motor vehicle parts (not including engines). California also sold \$82 million in aircraft, \$41 million in trucks, and \$32 million in automobiles.

**Canada helps to keep California's freeways filled.** Worth over \$6.7 billion, purchases of automobiles alone accounted for over 40% of California's total imports from Canada. Other transportation imports included \$251 million worth of aircraft and aircraft parts.

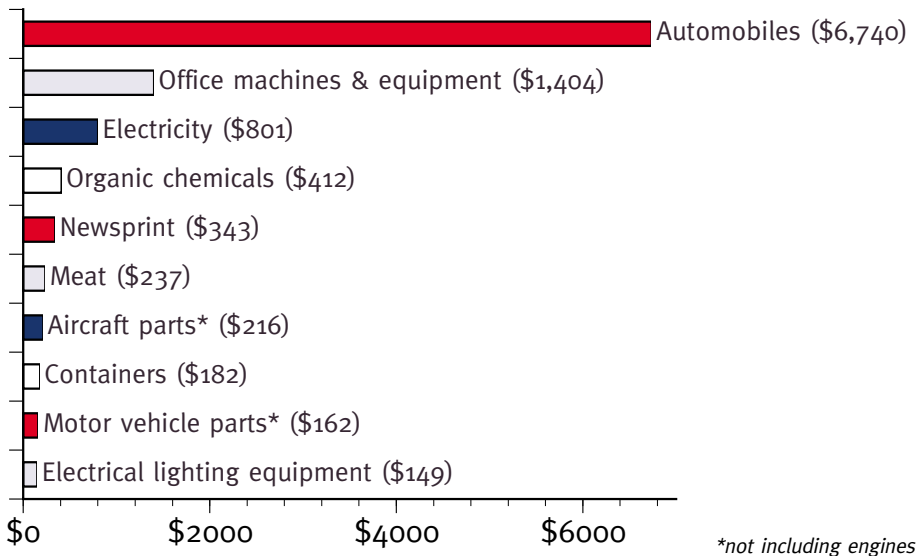
## California's Leading Exports to Canada

2001, in millions of U.S. dollars



## California's Leading Imports from Canada

2001, in millions of U.S. dollars



**Equipment is another key import.** California's business infrastructure was kept running smoothly in part from \$2.4 billion worth of equipment imports from Canada, including \$1.4 billion in office machines and equipment and \$149 million in electrical lighting equipment.

**Canada supplies California with essential energy.** California purchased \$892 million worth of energy from Canada in 2001 including \$801 million in electricity. The figure for the state's energy imports from Canada does not include \$2.4 billion worth of Canadian natural gas shipped to the state by pipeline through Washington and Oregon.

**Canada supplied other important products.** California also bought \$343 million worth of newsprint, and \$138 million worth of softwood lumber — valuable imports that helped keep production costs low in other sectors of California's economy.

**Tourism adds millions to the exchange...** In 2001, Canadians made over 1 million visits to the Golden State, spending in excess of \$522 million. Californians made over 1.3 million visits to Canada, spending over \$582 million.

August 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).

For more information on Canada's trade with California, please contact:

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