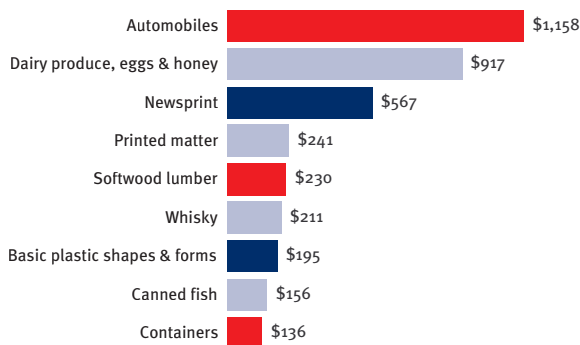


U.S. VIRGIN ISLANDS

In 1989, the Canada-U.S. Free Trade Agreement went into effect, phasing out all tariffs and many non-tariff barriers to trade. Evidence of the benefits of free trade are clear as two-way trade in goods and services between Canada and the United States totaled \$440 billion in 2002, the largest bilateral exchange in the world. Furthering the benefits of free trade, the 1994 North American Free Trade Agreement (NAFTA) opened the Mexican market to Canada and the United States.

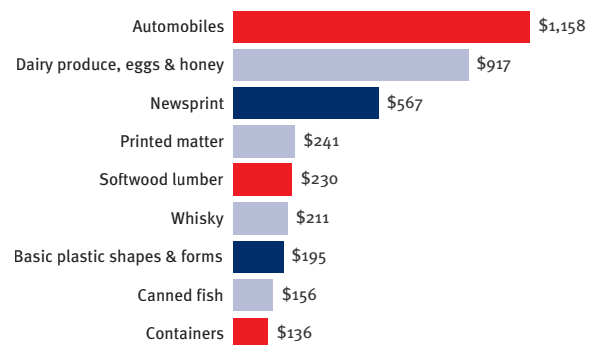
U.S. Virgin Island's Leading Exports to Canada

2002, in thousands of U.S. dollars



U.S. Virgin Island's Leading Imports from Canada

2002, in thousands of U.S. dollars



Mutually beneficial trade. In 2002, Canada and the United States Virgin Islands traded \$20 million worth of merchandise goods. The Territory exported over \$14 million worth to its ninth most important foreign market and imported \$6 million, providing the US Virgin Islands with an \$8 million trade surplus.

Energy exports were key. Energy, the Islands' largest merchandise export sector, accounted for \$14.1 million — 97% of all Canada-bound shipments. Fuel oil led with sales totaling \$9.7 million, followed by other petroleum and coal products worth \$4.4 million.

They exchanged a variety of foods and beverages. Canada supplied its partner with \$1.5 million in agricultural products, led by \$917,000 in dairy products, eggs and honey and \$156,000 in canned fish. Canadian whisky exports added another \$211,000. The US Virgin Islands exported \$196,000 worth of its foods — \$135,000 in distilled alcoholic beverages and \$60,000 in other crude vegetable products.

Consumer goods. Island sales of household goods to Canada totaled \$176,000 — a 24% increase from 2001. Canadian consumers bought \$171,000 in watches, clocks, jewelry and silverware, a 40% increase. Books and pamphlets and home furnishings added another \$2,730 to the Islands' coffers.

Cars, auto parts and boats. In 2002, the Islands imported \$1.3 million in Canadian transportation products. Automobile imports soared to \$1.2 million, an increase of 351% from the previous year. Motor vehicle parts excluding engines contributed \$12,000 and ships, boats and parts, another \$6,000.

Newsprint and lumber. The US Virgin Islands purchased almost \$1 million worth of Canadian forest products. Newsprint imports totaled \$567,000, followed by \$230,000 in softwood lumber.

A variety of other products. The US Virgin Islands supplied Canada \$6,558 in computers, telephone and telegraph equipment, electrical property measuring instruments and knitted outerwear. It purchased \$136,000 in containers, \$109,000 in materials handling machines and equipment and \$195,000 in basic plastic shapes and forms.

Trade, Security & the Border

In 1996, Canada and the United States implemented a comprehensive Shared Border Accord to deepen cooperation on border management issues. Since the September 11th attacks on the United States, Canada and the United States have accelerated those efforts to protect the security and enhance the prosperity of their citizens. The two governments continue to expand threat information sharing, upgrade their crisis response abilities and ensure that the Canada-U.S. border remains secure with an efficient flow of trade. The 30-point Smart Border Action Plan, enacted in December 2001, takes aggressive steps toward building a smart border for the 21st century – a border open for business but closed to terrorists.

Top Canada-U.S. Land Border Crossings

Total imports from Canada, in billions of U.S. dollars

Windsor, Ontario	➤ Detroit, MI	\$66.6
Sarnia, Ontario	➤ Port Huron, MI	\$60.7
Fort Erie, Ontario	➤ Niagara Falls, NY	\$50.2
Lacolle, Quebec	➤ Champlain, NY	\$16.7
Lansdowne, Ontario	➤ Alexandria Bay, NY	\$11.0
Surrey, British Columbia	➤ Blaine, WA	\$9.9
Emerson, Manitoba	➤ Pembina, ND	\$7.7
St. Armand, Quebec	➤ Highgate Springs, VT	\$6.8
Coutts, Alberta	➤ Sweetgrass, MT	\$6.6
North Portal, Sask.	➤ Portal, ND	\$5.7

All figures are for 2002 and in US dollars. Merchandise trade and tourism figures are from Statistics Canada, converted at the rate of US\$1.00=C\$1.5704. 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 the U.S. Virgin Islands, please contact:

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