

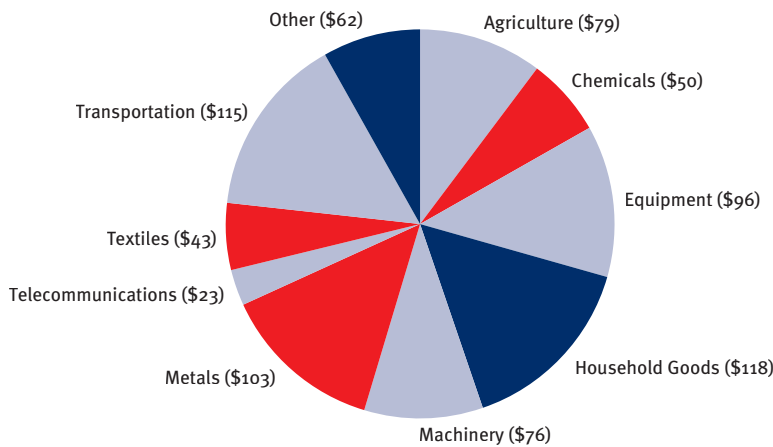


ARKANSAS

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.

Arkansas' Merchandise Exports to Canada

2002, in millions of U.S. dollars



Total Arkansas exports to Canada: \$764 million

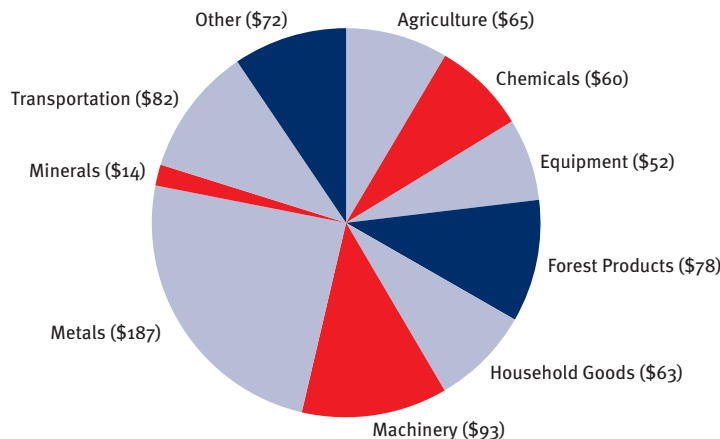
Working as a team... Canada is Arkansas' leading trading partner. This bilateral partnership totaled \$1.5 billion in 2002. The Natural State exported almost \$100 million more to Canada than to its next four largest trading partners combined.

Strengthening the infrastructure... The bilateral exchange of metals comprised the largest trading sector. Arkansas' metal exports, totaling \$103 million, included \$21 million in structural shapes, steel, and sheet piling to be used to strengthen Canada's buildings and build safer automobiles. Metals and basic metal products made up the state's largest import from Canada, constituting \$187 million of the total. Leading the category was \$150 million worth of aluminum.

Road trip anyone? Accounting for \$115 million, transportation equipment was the state's second largest export sector. The state sent \$95 million in motor vehicle parts, excluding engines, to its northern neighbor, a 7% increase from the previous year. Aircraft exports, worth \$4 million, benefited transportation companies such as Bell Helicopters in Montreal, Quebec and Boeing Aircraft in Melbourne, Arkansas.

Arkansas' Merchandise Imports from Canada

2002, in millions of U.S. dollars



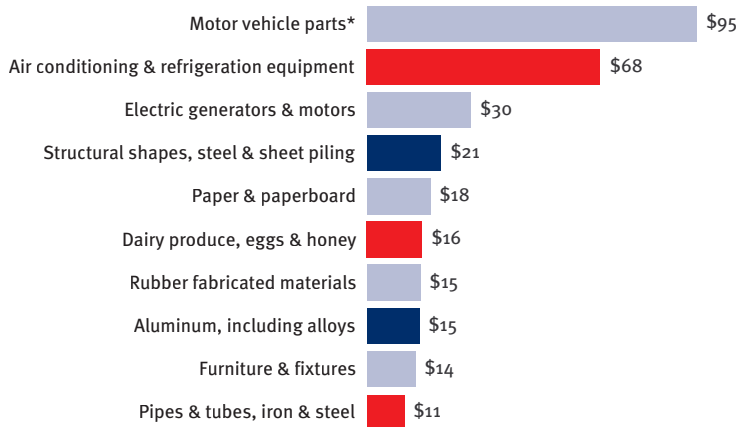
Total Arkansas imports from Canada: \$768 million

Keeping the home fires burning... Totaling \$118 million, household goods were Arkansas' largest export sector. Canadians bought \$14 million worth of furniture and fixtures and \$8 million worth of stationery and office supplies. Various printed matter accounted for 47% of this total or \$56 million.

Arkansas helps Canada keep the lights on... Among the \$76 million worth of machinery imported from Arkansas, Canadians purchased \$30 million worth of electric generators and motors and \$7 million worth of pumps, excluding oil well pumps. Arkansas, in turn, imported \$93 million worth of machinery from Canada. Purchases included \$6 million worth of mining machinery that allowed the Natural State to continue mining bauxite for aluminum.

Arkansas' Leading Exports to Canada

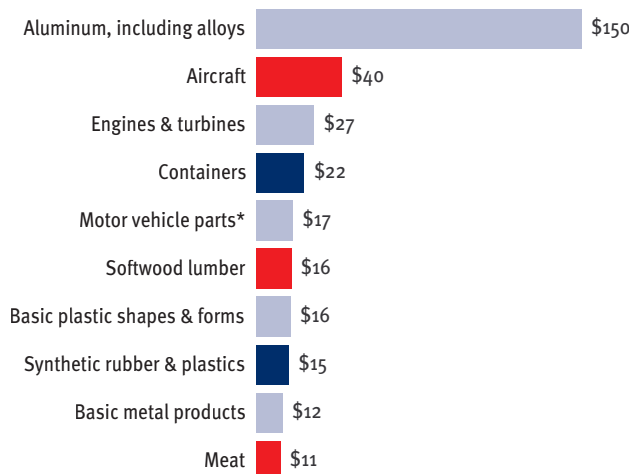
2002, in millions of U.S. dollars



*not including engines

Arkansas' Leading Imports from Canada

2002, in millions of U.S. dollars



*not including engines

Please write soon... Arkansas' wood and paper imports totaled \$78 million. Key imports within the sector included \$40 million worth of paper and newsprint, helping newspapers such as the Sentinel Record in Hot Springs to deliver current events to Arkansas' front doors.

Sailing lazily down Arkansas' famed Buffalo National River... In 2002, Canadians made nearly 38,000 visits to Arkansas, spending over \$5 million. Residents of Arkansas made over 60,000 visits to Canada and spent over \$23 million.

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 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 Arkansas, please contact:

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