

NORTH CAROLINA

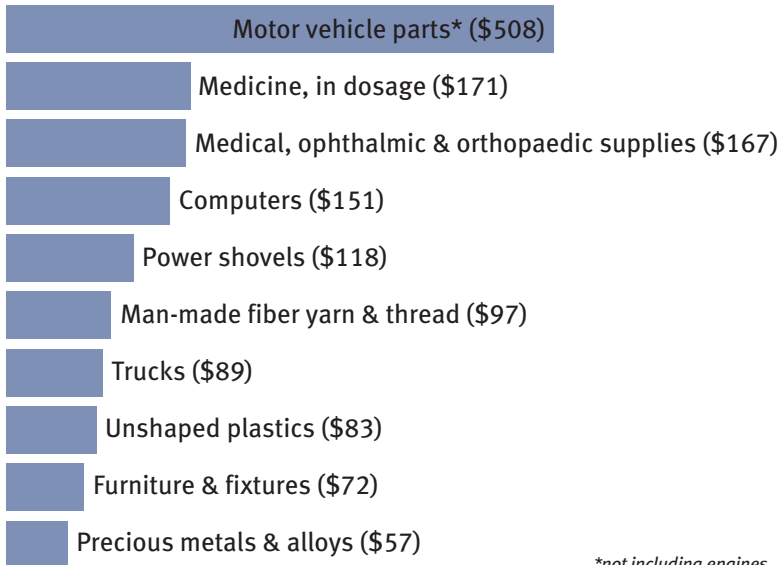


- ▶▶ Canada–U.S. trade supported 5.2 million U.S. jobs

- ▶ Total Canada–U.S. merchandise trade: \$461 billion
- ▶ Canada–North Carolina trade supported 151,000 North Carolina jobs
- ▶ Canadians made more than 396,300 visits to North Carolina, spending \$84 million.
- ▶ North Carolina residents made 196,000 visits to Canada, spending \$135 million.

North Carolina's Leading Exports to Canada

2005, in millions of U.S. dollars

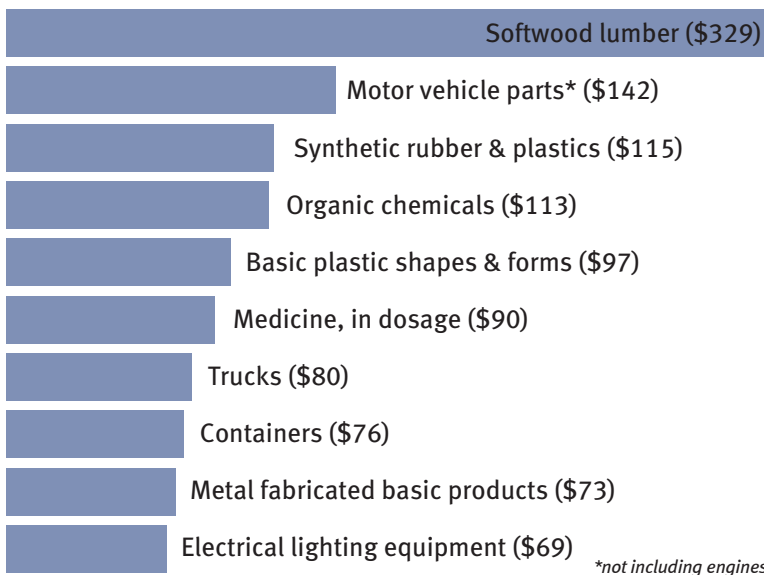


**not including engines*

Total North Carolina exports to Canada: \$4.2 billion

North Carolina's Leading Imports from Canada

2005, in millions of U.S. dollars



**not including engines*

Total North Carolina imports from Canada: \$3.5 billion

Top-notch trade.

Canada was North Carolina's principal trading partner in 2005, with bilateral trade totaling \$7.7 billion. In fact, the Tar Heel State exported more to its NAFTA partner than to Japan, Mexico, United Kingdom and China combined. North Carolina enjoyed a trade surplus with Canada, exporting \$4.2 billion in merchandise and receiving \$3.5 billion worth.

Driven growth.

The transportation sector brought valuable revenue to both sides of the 49th Parallel, generating \$1.2 billion in bilateral revenue. Transportation represented the state's most important export category, worth \$886 million—an increase of 14% from the previous year. Motor vehicle parts (excluding engines) valued at \$508 million and trucks valued at \$89 million were significant commodity exports. In return, Canada supplied its Southern neighbor with \$297 million worth, 48% in motor vehicle parts (excluding engines).

Trade that meets needs.

Personal and household goods was another important sector, generating \$638 million for the Tar Heel economy. The state provided Canada with packaged medicines (\$171 million) and medical, ophthalmic and orthopedic (\$167 million). Other exports ranged from furniture and home furnishings to cutlery, stationery, televisions and reading material. Conversely, North Carolina bought \$246 million in personal and household products from Canada in 2005.

Growing with age.

Canada was a significant supplier of forest products to the Tar Heel State, which purchased \$653 million worth, an increase of \$53 million from the previous year. The state purchased \$329 million in softwood lumber (used in construction, furniture-making and millwork) and \$38 million in newsprint.

Equipment that builds bridges.

The state's equipment sales grew by 11% from the previous year, while bilateral revenue amounted to \$863 million. Canada purchased medical and related equipment (ultrasonic scanning apparatus, defibrillators, surgical instruments and more) valued at \$32 million; and safety and sanitation equipment (breathing apparatus and gas masks, smoke detectors, fire extinguishers and more) valued at \$28 million.

North Carolina–Canada Facts at a Glance:



Top Canadian Employers

- ✦ Nortel Networks Corporation
 - ★ *Nortel Networks Inc.*
- ✦ 98362 Canada Inc.
 - ★ *Eckerd Corporation*
- ✦ Royal Bank of Canada
 - ★ *RBC Centura Bank, Centura Insurance Services Inc.*
- ✦ Onex Corporation
 - ★ *Clientlogic Corporation*
- ✦ Alcan Inc.
 - ★ *Alcan Composites USA Inc., Pechiney Plastic Packaging Inc.*

State jobs supported by Canada–U.S. trade: 151,000

North Carolina Trade

Exports to Canada:	\$4.2 billion
Imports from Canada:	\$3.5 billion
Bilateral trade:	\$7.7 billion
Largest export market:	Canada

North Carolina Tourism

Visits by Canadians:	396,300
\$ spent:	\$84 million
Visits to Canada:	196,000
\$ spent:	\$135 million

Teeing up in the Tar Heel State.

North Carolina and Canada cemented their relationship through tourism. Canadians traversed the state from the Outer Banks to the Biltmore Estate making 396,300 visits and spending \$84 million. North Carolinians traveled northward in droves, making 196,000 visits and spending \$135 million. ✦

Canada–North Carolina Success Stories

Appointment of an Honorary Consul

Building on the achievements of the Canadian Consulate in Raleigh, Canada appointed an Honorary Consul in Charlotte in the spring of 2006. Both offices underscore the growing importance of the Canada–North Carolina relationship and help raise awareness of Canada among local businesses.

Tranzyme Pharma: A Canadian-US Success Story

Tranzyme Pharma is a leading biopharmaceutical company developing proprietary small molecule drugs to treat gastrointestinal and metabolic disorders. The Company was created in December 2003 by a cross-border business combination between Tranzyme, Inc. (Research Triangle Park, NC) and Neokimia Inc. (Sherbrooke, QC). This strategic alliance was designed to leverage the unique business advantages on both sides of the border and to enable synergies of Tranzyme's and Neokimia's respective technologies in biology and chemistry to develop novel drugs. Tranzyme Pharma's success resulted in one of the largest rounds of private financing (US\$32 million) in both North Carolina and in Quebec, led by three major U.S. and two major Canadian VC firms. The Company recently completed a Phase I trial of its lead drug candidate, TZP-101, for the treatment of post-operative ileus, and is on track to start Phase II trials in early 2007. For more information visit: www.tranzyme.com. ✦

August 2006

Sources: Merchandise trade and tourism figures are from *Statistics Canada*, converted at the rate of US\$1.00=C\$1.2116. Merchandise trade data is customs-based for the year 2005. Job numbers are based on 2001 data from a 2003 study by *Trade Partnership Worldwide* commissioned by the Canadian Embassy. Canada's export ranking is from the *World Institute for Strategic Economic Research (WISER)*. All figures are in U.S. dollars. Figures may not add up due to rounding.

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