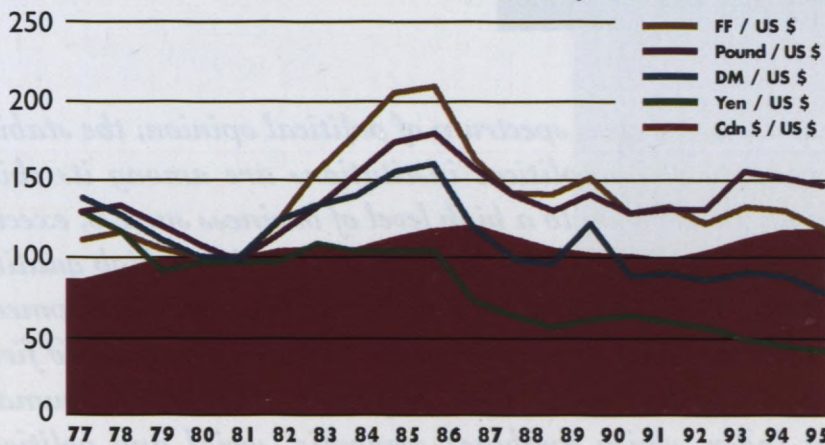


Canada's Stable Dollar

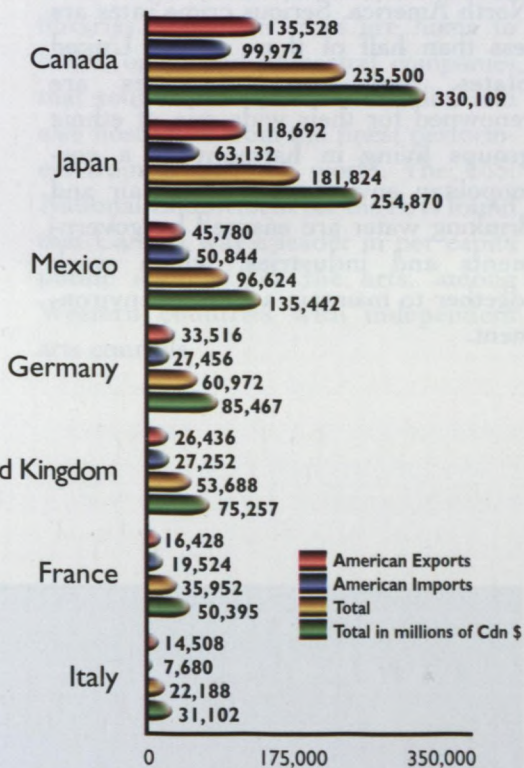
Indexes of exchange rates vs. US \$;
Value in January 1980 = 100 — 1977 - 1995



Source: Bank of Canada Review, December 1982 and February 1996.

Strongest Links with the U.S. Market

Total trade with the U.S.,
in millions of US \$ converted into Cdn \$ — 1994



Note: Cdn \$ / US \$ for 1994 = .7134.

Sources: OECD, Monthly Statistics of Foreign Trade, December 1995; Bank of Canada Review, Spring 1996.

Trade has boomed since the signing of the FTA. From 1989 to 1995, total trade between the two countries grew by an exceptional 92 percent to reach \$383 billion. Growth rates for goods such as office, telecommunications and precision equipment, chemical products, and textile materials were even higher.

NAFTA created even more opportunities for Canadian exporters by opening up the Mexican market in a similar manner. In the coming years, NAFTA will most likely be extended to other Latin American countries.

Canada's close trading relationship with the U.S. and its sound monetary policy have helped to ensure that Canadian exchange rates with the U.S. have been more stable than the U.S. dollar values of other major currencies. This stability is an asset to Canadian-based companies as it minimizes the threats to the international competitiveness of their exports.



"We knew there was a window of opportunity for our product but the economics of manufacturing weren't feasible without NAFTA. Canada's tariff-free status gives us access to North America. We are pleased to report that with less than a year of operation our facility is already operating at full capacity."

Jaime Berbes, General Manager,
Petresa Canada Inc.