

9. Investment

Canadian companies will continue to encounter investment barriers abroad, including investment prohibitions, restrictions on the scope of business activity, performance requirements, investment authorizations and residency requirements. Canada's various investment agreements thus play an important role by providing Canadian firms with a predictable foreign investment climate. International rules do not restrict Canada's ability to regulate in the public interest, as foreign investors must abide by the same laws and regulations (e.g., on health, safety, labour and environment) as domestic investors. The same holds true for Canadian firms present in foreign states.

Bilateral Investment Agreements

Since 1989, Canada has concluded 23 bilateral FIPAs. These agreements assure Canadian firms that the rules governing their investments are bound by certain standards of fairness and predictability. A complete list of Canada's FIPAs can be found at www.international.gc.ca/tan-nac/fipa_list-en.asp. In 2006, Canada signed a FIPA with Peru. Canada is also engaged in FIPA negotiations with China, India and Jordan, and is holding exploratory discussions with Vietnam, Indonesia and Kuwait.

Other Regional and Bilateral Initiatives

Investment chapters are an important component of the NAFTA and the CCFTA. The investment chapter of NAFTA provides the basis for investment provisions in the CCFTA and most of Canada's FIPAs. In addition, investment is included

in Canada's free trade negotiations with Korea, Singapore and the CA4 countries (El Salvador, Guatemala, Honduras and Nicaragua). For further information on Canada's free trade agreements and negotiations, please visit www.international.gc.ca/tna-nac/reg-en.asp.

Finally, Canada participates in regional investment discussions through the APEC forum. The APEC economies are working to liberalize their investment regimes through a program of voluntary individual action plans. Canada's plan can be accessed at www.apec-iap.org.

Corporate Social Responsibility

The Government of Canada expects Canadian companies to carry out their operations in a socially responsible manner, at home and abroad. To this end, it strongly encourages Canadian companies to adhere to standards of corporate social responsibility (CSR) such as the OECD Guidelines for Multinational Enterprises. The OECD Guidelines are a government-endorsed framework of voluntary standards for responsible business conduct. They provide recommendations on issues such as environmental protection, respect for core labour standards, anti-corruption and respect for human rights. The Guidelines apply to multinational enterprises operating within Canada and to the overseas operations of Canadian companies. They are particularly important in countries where governance structures are weak.