The focus of our negotiations has been on developing countries and economies in transition in Asia, in Latin America and in Central and Eastern Europe. These priorities are shaped by a combination of economic and political factors, including an analysis of the current and forecasted level of Canadian investment interest in a particular country and the attendant risks of investing there.

Canada has FIPAs in force with Russia and all the signatories of the Commonwealth of Independent States, with the Czech and Slovak Republics, and with Poland, Hungary and Argentina. New FIPAs were signed recently – and will soon be in force – with Ukraine and Latvia. FIPAs will likely be signed in the next several months with Trinidad and Tobago, Peru, Ecuador, and Venezuela.

Negotiations are also under way with China, India, Hong Kong, Colombia and Kazakhstan, and several are being planned with some seven other priority countries. We shall continue this program as long as it is needed – which means at least until developing countries choose to participate more fully in multilateral rule making on investment.

Another important track for Canada is the NAFTA, which already includes substantial disciplines on investment. Here the path to expansion lies with the accession process – a process soon to be tested with Chile. Chile is important not only because it represents a key destination for Canadian investment in its own right, but also because the Chilean market serves as a springboard into the rest of the continent.

For this reason, we are also working to ensure that investment disciplines become part of the discussions for an Americas Free Trade Area, which is attempting to develop free trade among countries in our hemisphere by the year 2005. And we are undertaking discussions on guiding principles for international investment with other countries from the Pacific Rim under the Asia-Pacific Economic Co-operation forum [APEC].

Finally, in Paris last month, ministers from the OECD [Organization for Economic Co-operation and Development] countries launched negotiations for a Multilateral Agreement on Investment – or a MAI. The key objective is to attain a high-standard investment agreement with respect to access, protection, and dispute settlement among all OECD countries – countries which, of course, are among Canada's major investment partners.

A number of new issues – issues not currently covered by any type of existing agreements – will be on the table. For instance, negotiators will likely address the potential abuse of national security-based exceptions to the principles of MFN and national treatment – especially when such exemptions can be used to restrict access to government-supported technology programs. This form of "technological protectionism" is of particular concern to Canada,