

Canadian exporters always welcome improved access to foreign markets and support positive constructive efforts by the Canadian government to this end.

This is another example of government and business working together to enhance Canadian export competitiveness in the 1990s.

We are pleased that your Association supports the Mexican trade initiative and we look forward to receiving your views in the ITAC, the SAGITS, and elsewhere as we prepare for next year's negotiations.

The principal reasons for joining in these talks are twofold. First, Mexico's recent reforms in its economic, trade and investment policies are creating trade opportunities for Canadian exporters in the growing Mexican market. Looking down the road, we see significant opportunities.

Second, given the vital importance of the North American market to Canada, we must enhance our ability to compete and attract investment in this emerging market of over 350 million.

In recent years, the Mexican Government has greatly modified its import regulations and has significantly reduced tariff and other barriers to trade, particularly since 1986 when Mexico joined the GATT.

With a growing market of over 80 million people and a government committed to economic reform, Mexico will rapidly become an important player in the vital North American market.

Mexico is already Canada's most important trading partner in Latin America. Trade between our two countries exceeded 2 billion dollars last year, a 25% increase over 1988. We expect our two-way trade with Mexico to reach an annual level of 5 billion dollars during the 1990s.

Canadian exporters have been quick to seize the growing opportunities in Mexico. During the first six months of this year, our exports to Mexico increased by over 20%.

To take one example, Canada's Northern Telecom recently won a contract for cellular telephone central switching equipment. As a result, Canada's exports of telephone equipment increased fivefold from 5 million dollars to over 25 million dollars.

By being part of trilateral free trade discussions from the outset, we can ensure that Canadian exporters will prosper on an equal footing in the emerging North American market so that we can continue to maintain high quality jobs here in Canada.