

Mr. Chairman and fellow ministers,

A growing and dynamic trade environment characterizes the Asia-Pacific region. Our markets are undergoing radical changes and our companies are in the process of adjusting to the new realities of global competition. Most Asia Pacific Economic Co-operation (APEC) economies have been liberalizing domestic markets as part of longer-term efforts to improve competitiveness and prosperity. To this end, most of us have also participated in the worldwide Uruguay Round negotiations. Some among us, including my own country, have also taken steps to accelerate the process of trade liberalization by participating in new regional trading arrangements.

In this latter context, I want to take some time with you today to explain the North American Free Trade Agreement (NAFTA) that was announced by myself and my two NAFTA colleagues, Carla Hills and Jaime Serra Puche, less than a month ago. I also want to assure you that NAFTA fits well within the multilateral General Agreement on Tariffs and Trade (GATT) framework and will serve the interests of the Asia-Pacific community.

But first I want to say a few words about Canada's highest trade priority -- the Uruguay Round. Our global approach to trade policy through the GATT framework makes good sense. Canada is a major trader, exporting and importing goods and services from all over the world. In fact, since becoming trade minister a year and a half ago, I have led trade missions to the U.S.; Western, Central and Eastern Europe; Russia and several other of the newly independent states of the former U.S.S.R.; Mexico; Japan; Korea; Malaysia and Vietnam. These travels and the discussions that I have had with business people and policy makers in these countries have, if anything, made me even more acutely aware of the need for an effective, up-to-date worldwide framework for the conduct and expansion of trade and related activities.

As a global trader and with almost one third of our economic activity dependent on trade, perhaps no country has been more disappointed than my own that the world community has not yet been able to successfully complete the Uruguay Round.

That said, I think it is important to remind ourselves of the major progress that has been made in the negotiations since we met last November in Seoul. I refer of course to the Dunkel text of last December, to the agreement within the European Community on agricultural reform, to the narrowing of differences between the EC, the U.S. and the Cairns Group on agriculture and to the confidence expressed by the G-7 leaders at Munich in July that the Round could be completed by the end of this year.

Our meeting today and tomorrow thus comes at a critical juncture. We must give multilateral trade negotiators the direction and the encouragement they need to complete the negotiations over the next few months. As APEC ministers, I believe that we should