

exporters are aggressively positioning themselves to take advantage of the growing Mexican market and to increase their presence in Mexico.

The number of Canadian exporters contacting our embassy in Mexico City for business information surpassed 4,500 in 1992, more than double the number of the previous year.

This increased Canadian business interest has, indeed, led to results. Canadian exports to Mexico grew strongly, to more than \$600 million in the first 10 months of 1992 compared with \$525 million in all of 1991. Leading the increase were sales of agricultural, mineral and industrial commodities; automotive engines and parts; and telecommunications equipment.

This is not just a one-way street. Mexican imports to Canada are growing, too. For the first 10 months of last year, Mexican trade with Canada was worth about \$2.3 billion. Two-way trade with Mexico is expected to increase to more than \$5 billion by the end of the decade. Indeed, it could come before then.

This positive trend can grow only with the elimination of trade barriers through a successful North American Free Trade Agreement. The NAFTA increases our access to Mexico, improves on the Free Trade Agreement with the U.S. and continues to encourage Canadian firms to adopt global business strategies.

By taking full advantage of these opportunities, Canada can remain one of the most prosperous societies on earth. And more Mexicans will begin to enjoy better standards of living as your economy grows rapidly.

North America will become an integrated market for goods, services and capital. The risks of open competition are offset by the new opportunities and by more secure and predictable rules of trade and market access.

Larger markets pave the way for producers to realize significant economies of scale and become more competitive. This, in turn, attracts investment and stimulates the development and application of new technology. The North American Free Trade Agreement encourages investors to make their decisions on economic merit, not on artificial trade barriers and tariffs.

New markets, economies of scale and a vigorous investment climate -- these were some of our objectives when we entered the NAFTA negotiations.

With the establishment of this integrated North American market, business will have the confidence that it can invest anywhere in the region to reach all of its markets. In Canada, investors find a highly skilled, highly educated work force and a solid