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II. A MULTI-TRACK TRADE POLICY

Canadian trade policy is the reflection of how the Government pursues three key objectives:

- **prosperity** through better access to foreign markets for our exports, the competitive stimulus of imports, and the benefits of two-way investment flows;
- **rules** that keep pace with the needs of our modern economy and provide fair and predictable conditions for economic and social development; and
- **support for broader political goals**, including the protection of labour and environmental standards, the advancement of sustainable development and good governance, and other components of social and economic well-being.

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With whom do we pursue these objectives? First and most obviously, with the United States. We exchange well over a billion dollars' worth of goods and services each day with the United States; we cannot achieve prosperity without our neighbour to the south. We certainly need rules to keep the conditions for trade fair, open and predictable. We use both World Trade Organization (WTO) and North America Free Trade Agreement (NAFTA) rules to govern the relationship with the United States, supplemented by agreements covering shared border management interests and more.

Canada's other principal merchandise **export markets** are:

- the European Union at over 4 percent (also a very important investment partner);
- Japan (2 percent);
- China (1 percent);