

# tions for a American Free Agreement

## *Canada's objectives?*

- Barrier-free access to the big Mexican market (80 million people)
- Improved access to the United States market
- Enhancement of the investment climate in Canada

## *Why negotiate a trade deal with Mexico?*

- Mexico is becoming a dynamic economy, but it's still protected by many high tariffs and other barriers.
- Eighty per cent of Mexican exports to Canada enter duty-free. The negotiations will help us open doors to Mexico and win new customers. This will mean more jobs for Canadians.
- With more experience in the Mexican market, Canadians will be in a better position to expand trade with the rest of the Americas.
- Globalization is here to stay. Access to a North American market of 360 million will give Canadian firms a solid base from which to meet the challenges of a fiercely competitive world market.

## *But how can we compete with lower Mexican wage rates?*

- Wages often represent only a relatively small percentage of the total cost of production.
- Canada's trade with Mexico amounts to about one per cent of our total trade. Low Mexican wages are not leading to a flood of low-cost imports.

