

The Investment Canada Web site provides guidelines on the application of the Act (*investcan.ic.gc.ca*). Canada has long been a supporter of a rules-based (rather than power-based) approach to international trade and investment, with the objective of bringing the investment regimes in other countries to Canada's level of openness.

BILATERAL INITIATIVES

Bilateral investment treaties are used extensively by trading nations as instruments to protect their foreign investments abroad. More than 2,000 such agreements are in place worldwide. Since 1989, Canada has concluded 22 bilateral foreign investment protection and promotion agreements (FIPAs), bringing into force a framework of legally binding rules to protect Canada's foreign investments in specific countries. Canada's FIPAs provide assurances to Canadian enterprises that rules governing their investment will remain bound by certain standards of fairness and predictability, thereby reducing the risks and costs associated with those investments, mainly in emerging economies. A complete list of Canada's FIPAs can be found at the Department of Foreign Affairs and International Trade's Web site (www.dfait-maeci.gc.ca/tna-naclfipa_list-e.asp).

REGIONAL INITIATIVES

As part of the North American Free Trade Agreement, Canada negotiated a comprehensive investment chapter with the United States and Mexico. The NAFTA investment chapter was the basis for the investment provisions in the Canada-Chile Free Trade Agreement and most of Canada's FIPAs. Investment negotiations with other countries in Latin America and the Caribbean are an integral aspect of the ongoing free trade initiatives with the Central America Four (CA4) and the Free Trade Area of the Americas. We also foresee the inclusion of investment provisions in any possible free trade agreements with the Caribbean Community and Common Market (CARICOM), the Andean Community countries and the Dominican Republic. Investment negotiations are also being conducted in the context of negotiations toward a free trade agreement with Singapore.

WORLD TRADE ORGANIZATION (WTO)

At the November 2001 WTO Ministerial Conference in Doha, ministers agreed to launch investment negotiations after the next WTO Ministerial conditional upon an agreement on negotiating modalities. In 2002, Canada submitted papers to the WTO Working Group on the Relationship between Trade and Investment (WGTI) on six of the seven elements identified for clarification in paragraph 22 of the Doha Declaration (i.e. scope and definitions, non-discrimination, modalities for pre-establishment commitments based on a GATS-type positive list approach, development provisions, exceptions and balance-of-payments safeguards, consultations, and the settlement of disputes between members). A paper on transparency will be submitted in 2003. Canada will continue, through its work in the WGTI, to advance members' understanding of the benefits of such a multilateral framework for international investment and for economic growth and development. Consistent with all of our free trade agreements, Canada will ensure that any multilateral framework will safeguard Canada's right to regulate in the public interest.

At Doha, there was a sense among some developing and least-developed countries that they required further time and technical assistance to understand the implications of multilateral investment rules for their national development objectives. Canada firmly believes that all WTO members should participate fully in the negotiation of any multilateral framework on investment and be enabled to take on the resulting rights and obligations of any such framework. To that end, Canada has participated actively in technical assistance and capacity-building activities organized by the WTO, the United Nations Conference on Trade and Development (UNCTAD) and other appropriate organizations, in recognition of the importance ministers placed on such assistance in the Doha mandate.

The World Trade Organization also incorporates a number of investment-related rules in its existing agreements. The Agreement on Trade-Related Investment Measures (TRIMs) will, when completely phased in, prohibit a number of performance requirements, such as trade-balancing requirements, domestic sourcing and export restrictions applicable to goods industries.