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# tiations for a

# 1 American Free 2 Agreement

Dept. of External Affairs  
Min. des Affaires extérieures

A) :

JUN 23 1992  
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## Why are Canada's objectives?

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- To create opportunities for ~~Canadians in the~~ large Mexican market (85 million people)
- To enhance the investment climate in Canada
- To improve access to the United States market

## 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.
- The negotiations will help us open doors to Mexico and win new customers. This will mean 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 people 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?

- We already are. Seventy-eight per cent of all imports from Mexico now enter Canada duty free.
- Canada's trade with Mexico amounts to about 1 per cent of our total trade. Low Mexican wages are not leading to a flood of low-cost imports.



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