

on matters of common interest in the political, commercial and economic fields. The most recent JMC was held in Ottawa in February 1999.

Sustained growth and further liberalization should create a range of opportunities for Canadian companies in sectors such as transportation, electrical power, oil and gas, the environment and agri-food.

Market Access Results in 2000

- The Mexican market for fixed and mobile satellite telecommunications services is now completely open to Canadian firms following the coming into effect of the 1999 Canada-Mexico agreement and the signing of technical protocols.
- Further to an agreement by the NAFTA partners to accelerate the elimination of tariffs, on January 1, 2001, Mexico eliminated tariffs for such products as batteries, certain pharmaceuticals and chemicals. Under the NAFTA, these tariffs had originally been scheduled to be eliminated on January 1, 2003. Canadian exporters of these products will benefit from improved access to the Mexican market.
- The Mexican government last year responded to concerns expressed by Canada on delays being encountered by Canadian suppliers for quota certificates for importation of beans by implementing an auctioning system (three auctions a year) for the allocation of TRQ for dry beans. This management of the tariff rate quotas ensure for Canadian exporters a more predictable and transparent mechanism. Canada hopes that Mexico will consider the option of having an open market throughout the year.

Canada's Market Access Priorities for 2001

- continue representations to remove the ban on Prince Edward Island and New Brunswick seed potatoes and for resumption of trade based on the 1998 bilateral agreement;
- clarify Mexican requirements for certification of processed foods;
- continue to monitor Mexican legislation and regulations with respect to the labelling of the products of biotechnology;
- continue to urge Mexico to finalize its list of services excluded from the NAFTA government procurement chapter and to resolve issues related to implementation of the chapter;

- continue discussions for improved Canadian access for frozen french fries and apples;
- monitor the implementation of the NAFTA panel decision on the Mexico-U.S. dispute over cross-border trucking services and investment, and continue to promote market access for Canadian companies;
- work toward further harmonization and simplification of customs procedures and facilitation of cross-border movement of goods;
- work with Mexico to ensure more transparent and consistent legislation and regulation for Canadian investments in Mexico; and
- continue ongoing work between respective statistical agencies to reconcile trade data.

IMPROVING ACCESS FOR TRADE IN GOODS

Seed Potatoes

Canada and Mexico concluded a bilateral phytosanitary agreement in 1998. The agreement worked well for two years. However, in December 2000/January 2001, Mexico imposed bans on imports of New Brunswick and Prince Edward Island potatoes on alleged phytosanitary grounds. Canada has been making high level representations objecting to these recent actions. Canada's position is that there is no scientific justification for these measures. We will continue representations to Mexico to allow trade from all provinces to resume under terms of the 1998 agreement.

Apples

Mexico has requested renegotiation of the work plan for Eastern Canadian apples. Canadian officials will meet with their Mexican counterparts to renew the agreement and maintain access for Eastern Canadian apples.

Frozen French Fries

Under the NAFTA, Mexico established a TRQ on french fries with an over-quota tariff of 20 percent. This tariff is due to be eliminated in 2003. Demand for frozen potato products in Mexico, especially from food service chains, has been growing rapidly and has been supplied by imports. However, market access for frozen french fries has been limited by