



An agreement with the CA4 will seek to eliminate tariffs on key Canadian exports and secure preferential access for Canadian businesses to the CA4 markets. It will also include substantive provisions in the areas of services and investment. Additionally, negotiators will work at increasing cooperation with the CA4 to make trade procedures more efficient. Cooperation agreements in the areas of labour and environment are also being negotiated. Successful negotiations in these areas will build upon the commitment of the heads of state of the Americas to fundamental human rights and core labour standards and contribute to an international development strategy based on balanced and equitable growth.

With CARICOM, Canadian negotiators have met twice to exchange information and discuss the potential scope of a possible free trade agreement. It is anticipated that the scope of a possible Canada-CARICOM FTA might include market access for goods and services, investment rules, trade facilitation, dispute settlement measures, and measures to address the differences in size and levels of development of the participating economies. Parallel agreements on environment and labour would also be sought.

Canada has worked to better inform the people in the hemisphere about the benefits of free trade. When opportunities arise, officials from the Government participate in public round tables to explain Canada's experience with trade liberalization. A recent example of this work is Canada's participation in a regional seminar entitled FTAA Opportunities and Challenges for North America, which Mexico hosted in Mérida on July 18, 2002.

Canada also made efforts to assist the incoming Costa Rican Administration in addressing criticisms of the bilateral FTA. Canadian Embassy officials met on different occasions with leaders of all the political parties to explain the benefits of free trade and possible ways to deal with any necessary adjustments. On August 26, 2002, the Costa Rican Congress ratified the CCRFTA by a vote of 48 to 1. The Agreement will enter into force as soon as the necessary legal procedures have been completed. The labour and environmental side agreements were previously ratified.

Recommendation 9

"That, as a precursor to further bilateral trade liberalization within the Andean Community, the federal government agree to the organization's request for Preferential Market Access, but condition its response on the successful conclusion of negotiations on Foreign Investment Protection and Promotion Agreements and double-taxation agreements, as well as on the resolution of regulatory obstacles to Canadian investment."

The Andean request for unilateral preferential access has been overtaken by a recent decision by both Canada and the Andean countries to discuss the possibility of bilateral free trade. An announcement to this effect was made on August 7, 2002. This autumn, the Government will launch a broad and comprehensive consultation process on the potential

