

fied organisms). Canada has been actively lobbying Mexican legislators, as well as Mexican authorities, expressing concerns about the new framework and offering to share information regarding Canada's own biotech regulatory experience. A draft Biosafety Law was tabled in the Mexican Senate on November 2002. In December 2002, an on-line public forum was launched to facilitate feedback on the draft Biosafety Law, and Canada submitted formal comments to this forum. The Biosafety Law passed the Senate in April 2003. However, the Lower House committees did not complete their revision of the law before the end of the spring 2003 congressional session. Consequently, there is some uncertainty regarding the time frame for approval of the Mexican Biosafety Law, though it may be approved by Congress in 2004.

### **North American Biotechnology Initiative**

In October 2002, Canada, Mexico and the United States established the North American Biotechnology Initiative (NABI), a forum for ongoing dialogue among the three countries on biotech-related issues. The objective of this initiative is to identify and resolve issues of common interest related to biotechnology and to identify areas for further cooperation, such as scientific research, market access and regulatory regimes. The three countries agreed to create different working groups to deal with these issues and to report on their achievements to a steering committee at least once a year.

### **Border Clearance**

Mexico has very complex and continually evolving import regulations for agri-food products. To deal with this issue, in 2001 Canada contracted a Border Clearance Representative (BCR), who is located at the Nuevo Laredo border crossing to assist Canadian exporters of agri-food products. The BCR works directly with Canadian agri-food exporters before they ship their products, to ensure that the proper documentation is in place and thus minimize border delays. The BCR has developed a strong professional relationship with Mexican officials, which facilitates communication and on-the-spot resolution of border clearance difficulties at the Nuevo Laredo and other border crossings. The BCR has proven to be an extremely useful mechanism for reducing border

clearance delays and expediting the movement of Canadian agri-food products across the Mexican border. This is a pilot project, which will expire in 2004 unless additional funding can be identified. Discussions are taking place to expand the mandate of the Border Clearance Representative to other products.

### **High-Fructose Corn Syrup**

On January 2, 2002, the Mexican government introduced a 20% tax on beverages containing sweeteners other than cane sugar. This effectively halted Canadian exports to Mexico of high-fructose corn syrup (HFCS), as beverage manufacturers in Mexico switched to using cane sugar as their principal sweetener. Canadian exports of HFCS to Mexico had increased steadily in recent years and were expected to rise further. The tax has adversely affected Canadian corn producers, and questions have been raised regarding its consistency with Mexico's international trade obligations. The Government of Canada has made several representations to the Mexican government outlining its concerns regarding the tax and will continue to follow the issue closely and intervene as necessary. Under NAFTA, two U.S. companies affected by the tax have filed requests for the institution of arbitral proceedings to claim damages for expropriation. In December 2003, Mexico's Chamber of Deputies (with subsequent Senate approval) voted to maintain the 20%, despite lobbying by the Economy Ministry and by President Fox to have it rescinded.

## **IMPROVING ACCESS FOR TRADE IN SERVICES**

### **Professional Services**

Professional engineering associations in Canada, Mexico and Texas are in the final stages of implementing the 1995 Canada-Mexico-U.S. Mutual Recognition Agreement for Professional Engineers. This would allow engineers in participating jurisdictions to be recognized as professional engineers in those jurisdictions, fully authorized to independently perform engineering work. All three parties have signed a letter of intent to go back to their members for approval to implement the MRA. The Canadian