



Trade Negotiations and Agreements



Consultations with Canadians

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Canada - Central America Four Free Trade Agreement Negotiations

Notice published in the Canada Gazette, January 6, 2001

Consultations on Trade Negotiations with the Central American countries of El Salvador, Guatemala, Honduras and Nicaragua.

The Government of Canada is seeking the opinions of Canadians on the possible scope of a free trade agreement between Canada and the Central American countries of El Salvador, Guatemala, Honduras and Nicaragua.

Background

A free trade agreement with Central America would improve our trade and political ties with the region's rapidly growing economies. Although the region is a relatively small market, Canada's efforts in expanding its role in Central America are paying dividends. Our exports to the region are growing and Canadian companies have been successfully competitive. Canadian direct foreign investment in the region is approximately \$209 million. In March 1998, Canada signed a Memorandum of Understanding on Trade and Investment with Central America to enhance our economic relations with the region.

Increasing investment in these countries by international financial institutions, notably the Inter-American Development Bank (IADB) and the World Bank, has led to industrial and commercial expansion in the region. In 1995, Canadian exports to the four countries were \$94 million while imports were valued at \$197.3 million. In 1999, Canada exported goods worth \$211.8 million to Central America and imported goods worth just over \$251 million.

Recent trade and economic developments in Central America will offer increased opportunities for Canadian participation in sectors where Canadian companies have proven expertise. There is significant potential for Canadian companies in several priority export sectors, such as telecommunications equipment, environmental equipment and services, foodstuffs, automotive parts, and construction materials. Canadian exports include financial services, wheat, telecommunications equipment, newsprint and other paper products, potash, processed foods, fruits and vegetables, and plastics. Canadian imports include fruits and vegetables, textiles and apparel, sugar, electronic components, tobacco and coffee.

Submissions by Interested Parties

Consulting with Canadians on our mutual goals is an important part of how Canadian trade policy is formulated. Therefore, it is essential that the Government of Canada be fully aware of the interests and sensitivities of Canadians with respect to this initiative. Therefore, we would welcome advice and views on any priorities, objectives and concerns about a free trade agreement with Central America. We seek input with respect to the following:

- Opinions on areas of export interest, including products for which Central