

Chapter 4

Regional and Bilateral Free Trade Agreements and Other Initiatives

and investment (e.g. in the financial, mining, tourism and engineering sectors). A free trade agreement with the Dominican Republic would strengthen the bilateral economic relationship, and better position Canadian business vis-à-vis competitors that currently have preferential market access (e.g. the United States and European Union). It would also promote a more stable and predictable environment for investors.

Canada is pursuing a comprehensive FTA, which would cover a wide range of areas including trade in goods and services, investment and government procurement. Canada is seeking tariff elimination on a range of commercially significant agricultural and industrial products, and is working to address non-tariff barriers.

CARICOM

In July 2007, Prime Minister Harper and Caribbean Community (CARICOM) heads of government announced the launch of negotiations toward a comprehensive FTA. The inaugural meeting was held in October 2007 in Kingston, Jamaica. The first full round of negotiations may take place in early summer 2008, although a firm date has not yet been set.

CARICOM (consisting of Antigua and Barbuda, the Bahamas, Barbados, Belize, Dominica, Grenada, Guyana, Haiti, Jamaica, Montserrat, Saint Lucia, Saint Kitts and Nevis, Saint Vincent and the Grenadines, Suriname, and Trinidad and Tobago) is an established market for Canadian goods, services and investment. A comprehensive agreement

would create market opportunities for Canadian exporters of goods and services and a more transparent, stable and predictable environment for Canadian business.

There are potential gains in several goods sectors including industrial goods (e.g. pharmaceuticals and electrical equipment), agriculture (e.g. french fries, pork and pulses) and fish and seafood. Potential gains are also expected in various services sectors (e.g. professional services and research and development) and in investment (e.g. financial services, oil and gas, and tourism).

Canada is seeking a comprehensive and modern trade agreement with CARICOM that would cover issues besides trade in goods, services and investment. Canada will take into account different levels of development, the vulnerabilities of island states, and trade-related capacity challenges during the negotiation process.

Central America Four

FTA negotiations between Canada and the Central America Four (CA4) countries of El Salvador, Honduras, Nicaragua and Guatemala were launched in November 2001. After 10 full rounds, the negotiations are well-advanced. A number of chapters in the agreement have been completed or are near completion, while some of the more sensitive issues require further work. Officials last met in October 2006 in Ottawa. Although the discussions were useful, considerable differences remain on key issues, including market access. A date for the next meeting has not been set.