

Customs

Although Canadian industry has not actively pressed concerns about Mexican customs administration, the Canadian government is aware that, at times, the manner in which Mexican customs procedures are implemented impedes the timely delivery of Canadian goods. The Heads of Customs Conference, comprising representatives of the three NAFTA countries, meets regularly to discuss what improvements or changes would be required to streamline the cross-border commercial process. For example, the three Heads have recently endorsed the North American Trade Automation Prototype (NATAP), an effort to harmonize and simplify the data, documents and processes required to complete a trilateral customs transaction. Work is also underway to improve enforcement co-operation, temporary entry procedures, and entry requirements for courier shipments. Under Article 512 of the NAFTA, the parties have also agreed to co-operate and assist each other in the customs area: the Customs Subgroup, a formal trilateral body, identifies, reviews and recommends specific areas for improving the Customs administration of the NAFTA.

Agricultural Products:

Sanitary and Phytosanitary Measures

Canadian agricultural or related goods have, at times, encountered difficulties in entering the Mexican market. Problems have been encountered in the acceptance of Canadian animal or plant health certification procedures (e.g., for live swine, Christmas trees, seed potatoes), but both countries so far have been able to find workable solutions. Canada continues to address these irritants through meetings between technical officials or meetings at the margins of relevant fora, including NAFTA working groups and the North American Plant Protection Organization, or through the direct advocacy efforts of the Canadian Embassy in Mexico.

Improving Access for Trade in Services

Trucking

The NAFTA's trucking access provisions were to come into effect in December 1995. However, the United States did not proceed to liberalize its measures because of concerns about Mexican trucking safety standards. Canadian carriers are interested in obtaining Mexican approval to expand their international

trucking services into Mexico, but because of the U.S. position Mexico has not been prepared to address Canadian or U.S. applications. Canada's position is that Mexico's trucking dispute with the United States should not be allowed to impede fulfilment of its NAFTA trucking obligations to Canada. Canada will continue to pursue this issue with Mexico in an effort to reach an early resolution.

Telecommunications

A number of Canadian telecommunications companies are doing business in Mexico. With the conclusion of the Group on Basic Telecommunications negotiations at the WTO, access for the supply of services to Mexico has increased, offering more opportunities to Canadian businesses. Canada will closely monitor Mexico's implementation of its WTO commitments.

In addition, Canada will continue to urge Mexico to put into place equipment standards that conform to the NAFTA process, and implement conformity assessment procedures that would allow the acceptance of Canadian test data as required under Articles 904 and 1304 of the NAFTA. Mexico has made encouraging commitments on both these fronts within the NAFTA Telecoms Standards Subcommittee.

Financial Services

Mexico significantly liberalized its financial services sector as part of the NAFTA. The Canadian financial services industry has increased its participation in the Mexican market since that time. One area where Canada is seeking further change in the Mexican regime, however, relates to limited-scope securities firms. While Mexico has no current plans to allow such firms, it is understood that this may be considered in the medium term. Canada will, therefore, follow with interest Mexico's work in this regard and will encourage Mexico to establish new categories of securities firms.

Canada will also follow the implementation of pension reform in Mexico. While it is understood that banks will be allowed to undertake fund management, Canada has noted that foreign securities will not be permitted as part of a Mexican pension fund portfolio. Canada will encourage Mexico to open this market to foreign securities.