Canada has a relatively open investment regime which compares well internationally. Under the Investment Canada Act, foreign acquisitions of large Canadian companies (those with assets worth more than $192 million) and foreign investments in certain sensitive sectors such as culture are subject to review. The Investment Canada Web site provides guidance as to which transactions will be subject to review *(investcan.ic.gc.ca/index.htm)* Remaining investment restrictions in Canada lie largely in the services sector, for example, financial services, telecommunications and transportation. Canada has long been a supporter of a rules-based (rather than power-based) approach to international trade and investment with the objective of bringing the investment regimes in other countries to Canada's level of openness.

For more information on international investment policy development, international investment discussions and negotiations, investment promotion, and investment research and analysis, please visit Canada's International Investment Web site at *intinvest.ic.gc.ca*

Bilateral Initiatives

Since the inception of the Foreign Investment Protection Agreement (FIPA) program in 1989, Canada has concluded and brought into force 22 FIPAs, and is currently pursuing negotiations with several important commercial partners, including China and Russia. FIPAs are bilateral, reciprocal agreements designed to protect and promote Canada's foreign investments abroad, particularly in developing economies, through a framework of legally-binding rights and obligations. Canadian companies tend to have greater concerns about investment in developing countries with emerging economies and less developed legal systems where barriers tend to be more prevalent and less transparent and remedies are not readily available.

Canada's FIPAs serve to provide assurances to investors that the rules governing investment will remain bound by certain standards of fairness and predictability. FIPAs can help Canadian enterprises reduce both risks and many of the costs associated with making investments in emerging economies. Bilateral investment treaties such as FIPAs are used extensively worldwide; there are currently more than 1,600 such agreements. A current list of Canada's FIPAs can be found at *www.dfait-maeci.gc.ca/tna-nac/fipa-e.asp*

Regional Initiatives

As part of the NAFTA, Canada negotiated a comprehensive investment agreement with the United States and Mexico. The NAFTA investment chapter was the basis for the investment provisions in the Canada-Chile Free Trade Agreement (CCFTA) and most of Canada's FIPAs. As part of the FTAA initiative, Canada is currently engaged with its trade and investment partners in this hemisphere to develop investment rules that would provide protection, stability, transparency and predictability to Canadian investors in these markets.

Asia-Pacific Economic Cooperation (APEC)

Canada is also involved in regional investment discussions with Pacific Rim countries through APEC. Through a program of voluntary individual action plans (IAPs) guided by non-binding investment principles, APEC economies work to liberalize their investment regimes by removing restrictions on market access and strengthening their legislation to protect foreign investment. Over the past year, Canada has worked with other APEC Members in developing a more transparent and comprehensive template for Investment IAPs. Canada has made a detailed submission to APEC based on this new template which can be viewed through the IAP Web site at *www.apecsec.org.sg* In addition, Canada participated in the APEC Investment Symposium in Shanghai in March 2000 where the Canadian Chamber of Commerce made a presentation on its Survey of Investment Barriers. Canada will continue to pursue similar activities during the year.