

The third Chief Negotiators meeting, held in Ottawa on October 9-10, 1991, focused primarily on narrowing differences among the three countries on a range of specific sectoral issues. Chief Negotiators also took stock of developments taking place in MTN negotiations which could have an impact on progress in the NAFTA.

The Third Ministerial meeting was held in Zacatecas, Mexico on October 26-28, 1991. In Zacatecas, Ministers noted that most negotiating groups had achieved considerable progress in defining the issues under their areas of responsibility. The review of developments by Ministers led them to conclude that the negotiations were on track, and that officials should begin to make the negotiations more precise through the exchange of specific drafting proposals. In effect, such proposals would be used as a technique for advancing the negotiations. Ministers also noted that parallel progress in the MTN negotiations would serve to facilitate efforts in the NAFTA negotiations, especially with respect to agriculture.

Negotiating Groups

By early November, individual negotiating groups had met up to six times. As agreed earlier, the meetings of the working groups are rotated among the three countries with the order of rotation being established by mutual agreement at the working group level.

As confirmed by Ministers, the negotiating groups have made considerable progress during the late summer and early fall. Building on earlier efforts that established negotiating frameworks, delegations have exchanged detailed information. From this base, individual negotiating groups defined issues, identified problems and discussed a number of possible approaches that should result in a mutually beneficial agreement. A brief up-date on the activities of individual negotiating groups follows.

The work on tariffs and non-tariffs barriers, the traditional core of trade agreements, has made good progress. The group exchanged initial tariff reduction proposals and non-tariff barrier request lists on September 19. By mutual agreement, the tariff phase-outs have been structured in terms of immediate, intermediate, and longer-term, with the actual length of the phase-out stages yet to be determined. Following the initial exchange, the meetings have focused on a detailed examination of the initial proposals.

Work continues on the chapter-by-chapter review of the rules of origin in the Canada-U.S. FTA, in order to identify those changes that might be required to meet the specific conditions of a three-country agreement. While complex in nature, well drafted rules of origin are necessary to ensure that the benefits of the free trade agreement