Recommendation 6

"That, when negotiating future trade agreements, the federal government bear in mind the need to improve upon certain provisions of the NAFTA, such as those identified in the body of this report."

Canada negotiates every trade agreement on its own merits, but always takes into consideration the need to improve upon the provisions of existing agreements. The Government considers the experiences learned from previous and existing agreements in all its negotiations.

The bilateral and regional free trade agreements that Canada has negotiated contain some innovative features through which it has tried to enhance cooperation, strengthen institutional capacity and promote long-term economic growth through increased economic exchanges. At the time it was signed, NAFTA's provisions on investment, services and intellectual property were ahead of the multilateral curve; some of those provisions still are. NAFTA (and the CUSFTA before it), for example, innovated bilateral trade dispute resolution.

With respect to investment, current and future negotiations of rules will provide an opportunity for Canada to develop and advance new model provisions. These new provisions can help to address the concerns that have arisen in a NAFTA context and take into consideration the experiences learned with the work that has been done, mainly at Canada's initiative, by the NAFTA partners in the clarification of certain provisions of NAFTA Chapter 11.

The Canada-Chile FTA, Canada's first post-NAFTA and post-Uruguay Round bilateral agreement, also took an innovative approach to certain issues, such as a mutual exemption from the application of anti-dumping duties in the agreement. It is important to note, however, that industry prefers the pursuit of improved disciplines, as well as greater transparency and clarity in the use of trade remedy measures by our trading partners, during the negotiations in this area in the context of the WTO.

Recommendation 7

"That, as a preliminary step in enhancing its bilateral relationship with countries in Latin America and the Caribbean, the Government of Canada accelerate its efforts to complete ongoing negotiations with individual countries on Foreign Investment Protection and Promotion Agreements and double-taxation agreements."

Enhancing its investment opportunities is essential to Canada's ongoing international competitiveness. Foreign investment promotion and protection agreements (FIPAs)