

**Democratic governance is important to Canadian interests and relations in the region because:**

- Despite the advance of representative democracy and overall economic growth in the region, poverty, inequality, exclusion and marginalization, including along ethnic and racial lines, continue to persist in the Americas.
- The proliferation of drug trafficking and the web of corruption and violence that accompanies it also threaten the democratic fabric of the Americas neighbourhood.
- The social and economic change required in the region can only be achieved through a sustained, coherent effort. Strong democratic institutions, free and open media, credible political parties, an independent judiciary and a vibrant civil society are necessary for the political health of the region.

**On economic interests and relations, the Americas matter to Canadians because:**

- In the past decade, the Americas have witnessed sustained growth with the adoption of progressive macroeconomic policies. Canada has benefited from these developments through increased trade and investment with the region.
- Canada's economic engagement in the region is also based on the premise that increasing trade with countries in the Americas can have a positive impact on democratic reforms and security issues.
- In 2008, our exports to Latin America and the Caribbean, excluding Mexico, totalled more than \$8.6 billion. This figure represents about a 30 percent increase in exports to the region from 2007, compared to a 7.2 percent increase in exports worldwide over the same time. During this period, Canada's imports from Latin America and the Caribbean amounted to \$13.7 billion, resulting in a total of more than \$22 billion in bilateral trade in 2008.
- In 2007, foreign direct investment (FDI) from Canada to the Americas, excluding Mexico and Bermuda, stood at \$94.9 billion, a number that is three times the size of Canadian investment in Asia (\$32.4 billion). Investment in the region is creating jobs at home and abroad while also increasing our trade.
- Canadian banking interests predominate in the Caribbean, extending the security of sound banking practice in times when other financial sectors are beleaguered.

**On security interests and relations, the Americas matter to Canadians because:**

- The people-to-people ties between Canada and the region are increasing. In 2007, over 4 million Canadians travelled to Latin America and the Caribbean, including Mexico. In recent years (2005-2007), the number of Canadians visiting the region has increased on average eight percent annually.
- People from other parts of the region are coming to Canada in increasing numbers. Canada has become the single largest destination for study-abroad programs for Brazilian youth. Seasonal migratory labourers flow to Canada from the Caribbean, Mexico and Central America and serve as an example of orderly exchange of labour, with clear mutual benefits.
- In addition to benefits, increasing people-to-people ties between nations also have consular, security and health implications. Organized crime, natural disasters and pandemics transcend borders and cannot be resolved without regional collaboration. The global economic downturn may further exacerbate crime rates, as economies slow down and remittances – money sent home by diaspora working in Canada – decrease, particularly in Central America and the Caribbean where they account for a large share of gross domestic product (GDP).

**Simply put, Canada's commitment to democratic governance, economic prosperity and security is closely linked with those of our hemispheric neighbours. What affects the Americas has a direct impact on Canada. Canada is well placed, by our location, our contacts and by our reputation, to make a difference.**