

of the Canadian Education Centre Mexico will help to develop the substantial opportunities that exist in Mexico for Canadian suppliers of education and training services.

To maximize trade promotion efforts, DFAIT has updated and published its *Mexico Trade Action Plan*. The document identifies ten major sectors that offer substantial opportunities in areas where demand is expected to develop over the medium term: advanced manufacturing technology and industrial machinery; IT and other advanced technology products and services; agriculture and agri-food; automotive maintenance equipment and after market parts; oil and gas equipment and services, environmental equipment and services; mining equipment and services; educational and cultural products and services; electric power equipment and services; and transportation equipment and services.

Market-opening Results in 1998

- Implementation, on 1 August 1998, of a second round of accelerated tariff reductions covering some US\$1 billion in NAFTA trade including \$25 million in Canada-Mexico bilateral trade.
- Conclusion of a new agreement which allows for the resumption of Canadian seed potato exports to Mexico.
- Elimination of Mexico's phytosanitary permit requirements which had caused delays for imports of Canadian grains.
- New opportunities for air services between the two countries were created as a result of an agreement on code-sharing.

Canada's Market Access Priorities for 1999

- ensure that Mexico honours its NAFTA trucking obligations and processes a Canadian application to operate a cross-border trucking service into Mexico;
- make further progress on the harmonization and simplification of customs procedures and pursue facilitation of cross-border movement of goods;
- work towards harmonization of SPS rules;
- continue discussions to ensure smooth operation and improvements on the agreement on seed potatoes;

- closely monitor Mexico's implementation of its WTO commitments under the WTO Agreement on Basic Telecommunications;
- encourage Mexico to put in place telecommunications equipment and conformity assessment standards that conform to NAFTA requirements, and to clarify telecommunications service licensing provisions;
- make further progress towards modernizing the current bilateral Air Transport Agreement (concluded in 1961) to liberalize arrangements both for scheduled services and the regulatory regime governing charter flights;
- continue ongoing initiatives to reconcile trade data;
- resolve access problems for fresh apples;
- urge Mexico to finalize its list of services excluded from the NAFTA government procurement chapter; and
- further develop and implement an industry-based dispute-settlement mechanism for private commercial disputes involving agricultural goods, particularly perishable products.

Canadian access to the Mexican market continues to improve and consolidate under the terms of the NAFTA. Prior to the NAFTA, more than 80 percent of Mexican exports to Canada entered duty-free, while most Canadian exports to Mexico faced MFN tariff rates of between 10 percent and 20 percent. Also, Canadian firms have been able to expand sales in sectors that were previously highly restricted, such as the automotive, financial services and energy sectors. The elimination of Mexican import licensing requirements and the phasing out of almost all tariffs is helping to provide barrier-free access to a market of over 90 million. Canada will continue to address bilateral trade irritants in the various NAFTA working groups and committees to ensure access for Canadian exporters, service providers and investors.

IMPROVING ACCESS FOR TRADE IN GOODS

Trade Remedies

In 1997, the Canadian steel industry appealed two final anti-dumping determinations by Mexico's Ministry of Trade and Industrial Development