



## CHAPTER 4

# Regional and Bilateral Free Trade Agreements and Other Initiatives

### Introduction

Canada has reinvigorated its regional and bilateral free trade agreement (FTA) agenda in line with the government's resolve to ensure that Canadian businesses can compete in world markets.

With its trade-oriented and globally integrated economy, Canada benefits from an open, transparent and rules-based international trading system—at the multilateral, regional and bilateral levels. FTAs help level the playing field for Canada vis-à-vis competitors who have agreements with markets of interest, and also help to secure Canadian investments. They offer enhanced market access for a broad range of Canadian goods and services. And they encourage Canadian businesses to expand into foreign markets and boost living standards by creating jobs in Canada.

In addition to the North American Free Trade Agreement (NAFTA—which entered into force on January 1, 1994), Canada has FTAs

with Israel (January 1, 1997), Chile (July 5, 1997) and Costa Rica (November 1, 2002). Canada will continue to look for ways to create new market opportunities that will make the Canadian economy stronger and more successful within the rapidly changing global economy.

### European Free Trade Association

Canada and the European Free Trade Association (EFTA) signed an FTA on January 26, 2008, on the margins of the World Economic Forum in Davos, and entry into force is expected by early 2009. Free trade negotiations with EFTA, which comprises Iceland, Liechtenstein, Norway and Switzerland, were launched in 1998.

The agreement is Canada's first FTA with any European countries and our first FTA in more than six years. It will bolster our existing commercial relationships with the EFTA countries, and broaden Canadian access to these valuable European markets. The direct