

On the investment front, Canadian direct investment in Mexico has continued to grow and now totals more than \$500 million. This new investment in the form of joint ventures will benefit both countries by helping Mexico in its development drive while providing Canadian firms with new markets for their goods and services.

While Canadian investment is increasing in Mexico, our trade has been increasing as well.

Our exports to Mexico in the first 11 months of 1992 reached \$692.5 million, exceeding in 11 months the annual total of each of the previous two years. At the same time, Canada is a significant market for Mexican goods. Mexico posted \$2.5 billion in sales to Canada between January and November 1992, roughly the same level as the previous year. Canada ranks fifth in the world as a destination for Mexican exports.

These trade statistics only tell part of the story. The real story comes from the individual successes of Canadian and Mexican enterprise. The variety of our two-way trade clearly demonstrates these achievements in a variety of areas.

From motor vehicle parts to telecommunications equipment, Canada's exports to Mexico are diverse. Likewise, Mexican sales to Canada range from motor vehicle parts to radio, telephone and audio equipment. This presents a clear picture of an increasingly developed and mature trade relationship going in both directions.

Closer co-operation through joint ventures and technology transfers will be mutually beneficial to our two countries. Canada can provide the services and the knowledge-based products that Mexico is looking for, and, together, we can market these throughout Latin America.

In short, we have vigorous two-way trade now, and there is significant potential for future, mutually beneficial growth.

For instance, our agricultural sectors are highly complementary. There is scope for both countries to expand sales in each other's markets. As experience in international markets has shown in recent years, businesses need stable conditions with clear rules and ready, open access in order to succeed. We will be working closely with you to ensure that these conditions apply in the agricultural sector.

Trade in services can also be enlarged and accelerated in the coming years, especially under the provisions of the NAFTA. By granting improved access to each other's government procurement markets, for example, there is a considerable potential for successful partnerships between our public and private sectors.