

## BILATERAL INITIATIVES

Bilateral investment treaties are used extensively by trading nations as instruments to protect their foreign investments abroad. More than 2,000 such agreements are in place worldwide. Since 1989, Canada has ratified 21 bilateral foreign investment protection and promotion agreements (FIPAs), bringing into force a framework of legally binding rules to protect and promote Canada's foreign investments in specific countries. Canada's FIPAs provide assurances to Canadian enterprises that rules governing their investment will remain bound by certain standards of fairness and predictability. FIPAs reduce the risks and costs associated with investing abroad, particularly in emerging economies, which are becoming increasingly attractive destinations for Canadian investment. Canada has engaged in a renewed effort to expand its network of FIPAs, and it is actively working toward agreements with China, India and Peru. A complete list and the texts of Canada's FIPAs can be found on the department's Web site ([www.international.gc.ca/tna-nacl/fipa\\_list-e.asp](http://www.international.gc.ca/tna-nacl/fipa_list-e.asp)).

## BILATERAL AND REGIONAL FREE TRADE AGREEMENTS

Rules covering investment form an important part of the comprehensive framework that Canada seeks in its free trade agreements (FTAs). An investment template exists in the NAFTA context, which forms the basis for the investment chapter of the Canada–Chile Free Trade Agreement and for most of Canada's FIPAs.

Canada pursues comprehensive investment rules in FTAs or in FIPAs, depending on circumstances such as prevailing trade and investment trends and other criteria.

## WORLD TRADE ORGANIZATION

At the fourth World Trade Organization Ministerial Conference held in Doha in November 2001, ministers agreed to launch investment negotiations following the fifth Ministerial Conference, conditional upon an agreement on negotiating modalities. However, at the fifth WTO Ministerial, which took place in Cancun on September 10 to 14, 2003,

ministers were unable to reach consensus on whether to initiate these negotiations. Similarly, at the July 31, 2004, General Council meeting in Geneva, WTO members could not reach consensus on a way forward on investment. As a result, the General Council agreed that no work toward multilateral investment negotiations will take place for the duration of the Doha Round.

Canada has submitted nine papers to the WTO Working Group on the Relationship between Trade and Investment. These papers examined a number of issues, including the seven elements identified for clarification in paragraph 22 of the Doha Declaration. These submissions can be found on the department's Web site ([www.international.gc.ca/tna-nacl/other/wgti-en.asp](http://www.international.gc.ca/tna-nacl/other/wgti-en.asp)). Canada has also participated actively in technical assistance and capacity-building activities organized by the WTO, the United Nations Conference on Trade and Development and other appropriate organizations, in recognition of the importance ministers placed on such assistance in the Doha mandate.

The WTO incorporates a number of investment-related rules in its existing agreements. The Agreement on Trade-Related Investment Measures (TRIMs) prohibits a number of performance requirements, such as trade-balancing requirements, domestic sourcing requirements and export restrictions applicable to goods industries. The General Agreement on Trade in Services addresses foreign investment in services as one of four modes of supply of services (i.e. commercial presence).

## ASIA-PACIFIC ECONOMIC COOPERATION FORUM

Canada is also involved in regional investment discussions with Pacific Rim countries through the Asia-Pacific Economic Cooperation forum. Under a program of voluntary individual action plans guided by non-binding investment principles, APEC economies work to liberalize their investment regimes by removing restrictions on market access and strengthening their legislation to protect foreign investment. In 2004, Canada integrated into its Individual Action Plan a set of "Transparency Standards on Investment," which were agreed upon