

gain greatly improved access to Mexico, while Canada retains its existing foreign-investment policy. The addition of investor-state arbitration, building on provisions in Canada's bilateral investment agreements, will give Canadian investors in the United States and Mexico added confidence and security.

- The inclusion of intellectual property provisions similar to those proposed in the GATT Uruguay Round provides an agreed basis for addressing this increasingly important area of international trade. This should boost innovation in Canada and increase the attractiveness of Canada as a site for world-class investments.
- The financial services chapter — banking, securities and insurance — opens up the growing Mexican market with tighter rules of general application and subject to the dispute-settlement provisions of the Agreement.
- Chapter Nineteen of the FTA, providing for binding bilateral review of antidumping and countervailing duties, has been made a permanent feature of the NAFTA. Both Canada and the United States were satisfied that these procedures have worked to their mutual benefit. The NAFTA extends them to Mexico, at the same time ensuring that Mexico will introduce a transparent regime based on due process.
- The NAFTA preserves the right of each party to apply its antidumping law and countervailing duty law to goods imported from the other parties. To ensure a generally consistent application of such legislation in the three countries, Mexico has agreed to institute certain amendments to its legislation and procedures.
- The NAFTA does not introduce any new rights or obligations regarding subsidies. The rules remain as they are set out in the GATT and affirmed in the FTA. Governments in all three countries remain free to assist economic activity to promote important objectives, such as regional development. Goods that benefit from such assistance and cause material injury to producers in other markets may be subjected to countervailing duty proceedings. The special dispute-settlement provisions for countervailing duty proceedings of the FTA have been incorporated into the NAFTA.
- The institutional provisions include greater emphasis on mediation and conciliation, improvements to the panel-selection process and specialized provisions for certain issues (for example, financial services) as well as the addition of a permanent Secretariat (with offices in each country) to support the Free Trade Commission.
- The inclusion of an accession clause ensures that, in the future, the NAFTA will not need to be renegotiated should other countries seek membership. By requiring that countries negotiate their accession, Canada will have a full opportunity to assess the application and ensure that Canadian business is granted opportunities in the applicant's market equivalent to those extended by the NAFTA.
- The Agreement retains the Canadian exemption for cultural industries established in the FTA, article 2005, and applies it vis-à-vis Mexico and any future NAFTA member.
- The NAFTA recognizes the importance of domestic and international environmental objectives. It preserves the rights of governments to set high environmental standards. It affirms the right of governments to protect the environment, even when these steps conflict with their trade obligations, provided such steps do not involve unnecessary discrimination or introduce disguised restrictions on trade. It establishes that the