

**COMMONLY ASKED QUESTIONS**

***What does the NAFTA do for Canadian investors?***

The Agreement provides increased security for Canadian investment in Mexico and places Canadian investors there on an equal footing with United States investors.

***How can Canada compete for foreign investment against Mexico with its low standards and wages?***

Canada has a longstanding reputation as a favourable place for foreign investment. NAFTA enhances the current investment climate by providing a larger market for exports of goods and services. Besides market access, Canada has important advantages as an investment location, including a modern infrastructure, a skilled and productive work force, access to resources and stability.

***Do the investment provisions of the NAFTA threaten Canada's sovereignty?***

No. Canada maintains the right to screen large foreign takeovers. All Canadian limitations on foreign investment remain unaffected for specific sectors, such as air transportation, telecommunications and financial services. Cultural industries and social services are protected. The provinces have two years to list those investment restrictions they wish to maintain.