

ENERGY SECTOR : QUESTION #3

What limits exist in the liberalization of the Mexican energy industry?

RESPONSE:

- ANY NEGOTIATIONS CONCERNING THE LIBERALIZATION OF ENERGY IN TERMS OF OWNERSHIP AND MARKET ACCESS MUST RESPECT THE FRAMEWORK OF THE MEXICAN CONSTITUTION. THIS DOES NOT MEAN THAT IMPROVED TO MARKET ACCESS WILL NOT BE SOUGHT. THE NEGOTIATIONS ARE OF THE UTMOST IMPORTANCE TO SECURE FAIR AND EQUAL MARKET ACCESS ON A CONTINENTAL BASIS.
- WE RECOGNIZE THE SENSITIVITY PLACED BY MEXICO UPON THIS SECTOR AND THE LIMITATION PLACED BY THE CONSTITUTIONAL. WE BELIEVE IT IS IMPORTANT, HOWEVER, THAT THE NAFTA NEGOTIATIONS DIFFERENTIATE BETWEEN POLICY LIMITATIONS AND THOSE IMBEDDED IN THE CONSTITUTION.

ENERGY SECTOR : QUESTION # 4

Considering the pressure the United States is exerting upon Canada to reopen some sectors of the FTA during the NAFTA negotiations, what will happen to the guarantees previously secured?

RESPONSE:

- AT PRESENT, THERE ARE NO EXISTING TARIFFS ON ENERGY BETWEEN CANADA AND THE UNITED STATES AND THEREFORE THE NAFTA NEGOTIATIONS SHOULD NOT RAISE PROBLEMS IN THIS REGARD. THE PROVISION CONCERNING ENERGY UNDER THE FTA, AS IN OTHER SECTORS, ARE NOT OPEN TO GENERALIZED RENEGOTIATION UNDER A NAFTA. NEW ELEMENTS OF TRADE LIBERALIZATION THAT WOULD RESULT IN CHANGES TO THE FTA, IF THEY ARE BENEFICIAL TO THE CANADIAN ENERGY INDUSTRY, WILL BE CONSIDERED AND DISCUSSED WITH THE INDUSTRY.