

The North America free trade negotiations now under way will create a market of 360 million people and a gross domestic product of over \$7 trillion.

We are talking about trade creation, about a dynamic and exciting marketplace -- a market in which Korean companies will have the confidence to make further investments in Canada.

Canada's immense geographic size and relatively small population, spread widely across the country, have meant that Canadian firms must export to remain competitive.

The Canadian automotive sector, members of which are here today, is an excellent example. It is a key economic sector in Canada, directly employing almost 150,000 workers and accounting for over \$45 billion in total production.

In this sector, we have had free trade with the U.S. for over 25 years. As a result, Canadian assemblers and parts producers plan and invest on the basis of supplying the entire North American market, which, as you know, is one of the largest in the world.

A North American free trade agreement including Mexico will also be an important element of enhancing the global competitiveness of the automotive industry. Investments in Canada like those made by Korea have been, and will continue to be, an integral part of our automotive strategy.

We have a long history of co-operation with Korea in this sector. In the mid-1980s Hyundai successfully entered the North American market, starting with a marketing operation in Canada. This was quickly followed by a major assembly investment in Quebec.

Canadian parts producers have been working with Korean assemblers and parts manufacturers since 1985, when the first group of parts manufacturers visited Korea. Since then, the relationship has expanded and the companies here today continue to build on those foundations.

Canada's automotive sector is modern and competitive. Canadian parts producers are supplying assembly plants in Canada, the U.S., and Mexico, as well as exporting to Europe and Asia. In many ways, the Canadian and Korean automotive industries complement each other. Thus, I believe there are opportunities for co-operation in both Korea and Canada.

I have spoken about the automotive industry. Also travelling with me on this visit is a substantial business delegation representing two other key sectors in the Canadian economy, sectors in which Canadian firms have world-class capabilities and produce the highest quality products and services. These companies are from the telecommunications and nuclear power sectors.