

# The Year's Achievements

## 3. Market Access

### *Negotiating trade agreements and improving market access*

- Canada's trade performance shows that the first five years of the **North American Free Trade Agreement (NAFTA)** have been a huge success. This agreement has played a pivotal role in increased trade, investment and employment in Canada.
- Canada's merchandise exports to the United States have risen by about 80% since the NAFTA was implemented, reaching \$271 billion in 1998.
- Since the NAFTA was implemented, Canadian exports to Mexico have risen about 65% , reaching \$1.36 billion in 1998.
- Foreign investment flows from Canada's NAFTA partners have also risen in the past four years. In 1997, cumulative FDI from the United States reached \$130 billion (up 44% over 1993, the last pre-NAFTA year) and FDI from Mexico reached \$223 million (up 45% over 1993).
- The growth in Canada's exports to our NAFTA partners in 1998 more than offset the decline in Canada's exports to Japan and to developing countries.
- As Chair of the **Free Trade Area of the Americas (FTAA)** negotiations for the first 18 months since their launch in April 1998, Canada has been instrumental in ensuring that the negotiations are off to a strong start. Agreement has been reached for advancing the business facilitation agenda, and initial work in the area of customs procedures is going forward. The next Ministerial Meeting will be hosted by Canada in Toronto in November 1999.
- Canada launched negotiations with the **European Free Trade Association (EFTA)** countries of Norway, Switzerland, Iceland and Liechtenstein on October 9, 1998. Since that time, three negotiating sessions have been held, and it is anticipated that negotiations will conclude in mid-1999.
- Canada and the European Union signed the following three agreements and modified an existing agreement at the Canada-EU Summit on December 17, 1998:
  - a) **The Cooperation in Nuclear Research Agreement** provides reciprocal access for scientists to Canadian and European Union research projects on peaceful uses of nuclear energy.
  - b) **The Mutual Recognition Agreement on Conformity Assessment** ensures acceptance of product approvals prepared in the exporter's jurisdiction by the importing party's regulatory requirements in four sectors (telecommunications equipment and electromagnetic compatibility; recreational boats; medical devices and pharmaceutical good manufacturing practices; and electrical safety).
  - c) **The Canada-EU Veterinary Agreement** covers two-way trade in animals, animal products, fish and fish products, and provides for future mutual recognition of sanitary measures.