NAFTA - INVESTMENT

WHAT'S IN THE AGREEMENT

- All investors from NAFTA countries to be treated equally;
- Mexico to eliminate screening of new foreign investment in most sectors and severely curtail its review of takeovers of existing enterprises; Canada retains its investment screening regime;
- Investment restrictions reduced on dozens of sectors in Mexico including autos, mining, agriculture, fishing, financial services, transportation and most manufacturing;
- Mexico no longer to impose trade-distorting performance requirements on foreign investors;
- Investments from NAFTA countries may be expropriated only for public purposes, and fair market value must be paid promptly;
- Disputes between an investor from a NAFTA country and a NAFTA government may be settled, at the investor's option, by binding international arbitration;
- Foreign investment may be restricted for existing state enterprises or government operations that are privatized;
- Local currency may be converted into foreign currency for investment transactions and freely transferred into and out of the country.

BENEFITS TO CANADA

- Increased investment opportunities in Mexico;
- Unlike the FTA, the NAFTA provides protection for all types of investment including minority as well as majority or controlling interest in a business and investments in stocks, bonds or real estate;
- Canada maintains all existing investment restrictions in key sectors including transportation and telecommunications;
- Canadian cultural industries and social services are protected;
- Canada retains the ability to review major takeovers;
- Provincial autonomy is safeguarded by allowing provinces to preserve existing investment restrictions within their jurisdiction;
- Greater certainty and protection for investors throughout North America.