

of nations in the Americas, with the objective of promoting prosperity, democracy and development throughout the hemisphere. Detailed Plans of Action were endorsed by Leaders at both the Miami and Santiago Summits, addressing education, democracy and human rights, economic integration and free trade, poverty and discrimination and the environment. The FTAA is the most visible element of the Summit process, but its principal objectives – growth and development through enhanced economic integration – reinforce the Summit's broader objectives.

Canada is playing a significant role in the broader Summit process, with the Prime Minister hosting the third Summit of the Americas in Quebec City, April 20-22, 2001. Canada's leadership role as first Chair of the negotiations was seen as a key opportunity to demonstrate our commitment to strengthen ties within the hemisphere, as well as to further the trade liberalization agenda. With the conclusion of Canada's chairmanship of the negotiations at the November 1999 Ministerial Conference in Toronto, concrete progress was realized and the groundwork laid for the next phase of the negotiations. The current phase of the negotiations, chaired by Argentina, concluded with the Ministerial held in Buenos Aires in April 2001. Canada continues to play an active leadership role in the negotiations and currently chairs the Negotiating Group on Government Procurement, and serves as Vice-Chair of both the Negotiating Group on Competition Policy and the Joint Government-Private Sector Committee of Experts on Electronic Commerce. Chairmanship of the FTAA process will pass to Ecuador on May 1, 2001. Logistical support for the negotiations is provided by an Administrative Secretariat, located as of March 1, 2001, in Panama City.

#### **FTAA results in 2000**

- Negotiators carried out Ministers' instructions to produce a draft, square-bracketed, text of the various issues areas of the FTAA Agreement for Ministerial review in Buenos Aires in April 2001.
- The Inter-American Development Bank approved a multi-million dollar fund to assist in the implementation of the eight customs-related business facilitation measures agreed to at the Toronto Ministerial in November 1999.

- On-going implementation by all countries of the customs-related business facilitation measures agreed to by Ministers in Toronto in November 1999.

#### **Canada will seek in 2001**

- to advance agreement on an integrated draft text of the FTAA Agreement;
- to ensure greater transparency in the FTAA negotiating process by seeking consensus for the release of the draft text;
- to seek to reinforce efforts of Hemispheric Environment and Labour Ministers to enhance co-operation in these areas;
- to obtain consensus among FTAA participating countries on the establishment of an interim FTAA committee on sanitary and phytosanitary measures (SPS) to facilitate FTAA countries' day-to-day SPS activities; and
- to reach an agreement among FTAA countries on a more effective mandate for the FTAA Committee of Government Representatives on the participation of Civil Society.

### **MERCOSUR**

#### **Overview**

Brazil, Argentina, Paraguay and Uruguay formed the Southern Cone Common Market (Mercosur) in 1991 under the Treaty of Asunción to provide the following by 2006: free circulation of capital, labour, goods and services; a common external tariff (CET); and harmonized macroeconomic and sectoral policies. With 240 million people (compared to 380 million in the NAFTA) this customs union is Canada's largest export market in Latin America. In 2000, two-way merchandise trade between Mercosur and Canada was valued at \$3.3 billion, an increase of 8.1 percent from 1999. Imports from Mercosur increased 11.7 percent in 2000 over 1999. Canada's main exports to Mercosur are paper products, potash, wheat, telecommunications equipment, aircraft parts, petroleum products, machinery, malt, minerals, plastics, rolling stock and pharmaceuticals. Investments are concentrated in the aluminum, oil and gas, mining, power, telecommunications and spirits sectors. Finally, since Mercosur represents