

## **COMMONLY ASKED QUESTIONS**

***Does the emphasis on North America divert our trade and investment from other areas such as Asia and Europe?***

The FTA and the NAFTA are part of a global approach to trade. They reinforce our attempts to get freer trade worldwide, and they dovetail with our key trade promotion initiatives such as Pacific 2000, Europe 1992 and Going Global. Our regional arrangements are entirely compatible with the rules of world trade as set out in the General Agreement on Tariffs and Trade (GATT) and, in fact, can be seen as contributing to the trade liberalization being sought under the GATT. In addition, as we improve our competitiveness by selling to the huge North American market we will be better placed to compete aggressively in other markets.

***Should Canada be putting more effort into reform of the GATT, the cornerstone of world trade?***

We have been working hard on the Uruguay Round for several years now and will continue to do so. It is our top trade priority. Unfortunately, progress is slow. The opportunities for early success in the NAFTA talks were clearly greater and we could not afford to ignore that. However, our commitment to successful GATT reform through the Uruguay Round remains undiminished.

***Our two-way trade with Mexico is small. How does a deal with Mexico contribute to our prosperity and trade agendas?***

Mexico is a market of 85 million people that is expanding rapidly and is at the forefront of economic and trade liberalization throughout Latin America. But Mexico has had a highly protected economy through high tariffs and import licences. The NAFTA will change that, giving Canadians access to this dynamic market and a competitive edge in both the U.S. and Mexico over our rivals from other parts of the world. It will contribute both to our prosperity and to the process of adapting to doing business on a more open and global basis.