

The North American Free Trade Agreement

- The North American Free Trade Agreement between Canada, the United States and Mexico came into force on Jan. 1, 1994. The agreement, which removes trade barriers among the three nations, created an integrated market of more than 360 million people.
- Tariffs between Canada and the United States began to be phased out on Jan. 1, 1989, under the original Canada-U.S. Free Trade Agreement. That agreement was incorporated into NAFTA. Almost all tariffs between the two countries will be eliminated by 1998.
- The vast majority of tariffs between Mexico and the two original free trade partners, Canada and the United States, are being phased out over 10 years ending Jan. 1, 2003.
- Trade has grown significantly throughout North America since NAFTA was implemented.
- In 1994, Canada's exports to the United States amounted to \$179.5 billion, 23.5 per cent higher than exports in 1993. Imports were up 20.2 per cent to \$151.2 billion.
- In 1994, Canada's exports to Mexico were worth \$1.02 billion, up 27.8 per cent from 1993. Imports from Mexico totalled \$4.5 billion, up 19.9 per cent from 1993.
- A recent study by the Royal Bank of Canada found that trade between Canada and the United States has grown most rapidly since 1989 in sectors where tariffs have been reduced or eliminated. It found that productivity also grew fastest in those sectors.
- This year Canada will step up negotiations with its NAFTA partners to modify remedies for trade disputes over subsidies and dumping, which have figured prominently in several trade disputes between Canada and the United States.

NAFTA Membership for Chile

- At the Summit of the Americas in Miami in December 1994, the three NAFTA partners agreed to enter into negotiations with Chile with a view to accepting Chile as a member of the agreement as soon as possible.