

Five Years of the NAFTA

A S c o r e c a r d

What the Numbers Show

- Canada's merchandise trade with the United States increased 80% in the first five years of the NAFTA, reaching \$475 billion in 1998
- Canada's merchandise trade with Mexico doubled over the same period, reaching \$9 billion in 1998
- Canadian exports to the United States and Mexico increased 80% and 65% respectively in the first five years of the NAFTA, reaching \$271.5 billion and \$1.4 billion in 1998
- Investment to Canada from the United States reached \$147.3 billion in 1998, up 63% from 1993
- Investment to Canada from Mexico reached \$464 million in 1998, tripling from 1993
- 68% of foreign direct investment (FDI) into Canada accounted for by our NAFTA partners in 1998
- More than one million new jobs created in Canada since January 1, 1994
- The NAFTA's temporary entry procedures facilitated travel to NAFTA markets by countless business visitors, including well over 100,000 Canadian professionals, intra-company transferees and traders/investors since 1996

Moving on Tariff Elimination

- Tariff elimination under the FTA/NAFTA between the United States and Canada completed on January 1, 1998
- Sixth scheduled decrease in tariffs between Canada and Mexico implemented on January 1, 1999 with most remaining tariffs to be eliminated by January 1, 2003
- Second round of accelerated tariff reductions implemented on August 1, 1998 covering approximately \$1 billion in NAFTA trade

Making Standards More Compatible

- Procedures for accrediting each other's conformity assessment bodies implemented
- Telecommunications terminal attachment requirements effectively harmonized and a process for the mutual acceptance of test data established
- Compatible North American standards developed for age, language capability and medical requirements for drivers for bus and truck operations

Promoting Transparency and Further Improvements

- Agreement in principle reached to add actuaries and plant pathologists to the list of covered

professionals for the temporary entry provisions of the NAFTA

- Amendments completed to simplify, update and/or liberalize the NAFTA rules of origin
- Greater transparency achieved in the administration of tariff rate quota (TRQ) regimes for agricultural products and on each country's grade and quality standards
- Many Annex 1 phase-out commitments implemented; for example, those relating to investment thresholds, specialty air services, videotex and enhanced packet switching services, and various professional services

Resolving Disputes

- More than 50 disputes effectively and promptly resolved under the rules-based procedures established in the NAFTA
- Agreement reached to establish a private commercial dispute settlement mechanism for perishable fruits and vegetables
- Information on alternative dispute resolution for resolving private commercial disputes compiled and disseminated in the three NAFTA countries

Setting Priorities

- A comprehensive "Operational Review" of the NAFTA work program covering all of the NAFTA's Committees, Working Groups and other subgroups launched and completed in 1998
- Agreement reached to make the fulfillment of overdue commitments a top priority
- Agreement reached to encourage greater interaction with the private sector and to make results and activities of the NAFTA work program more transparent
- Agreement reached for further work on key Canadian priorities including:
 - procedural and substantive issues regarding the investment chapter (interpretation of key provisions and greater transparency in investor-state dispute settlement procedures)
 - trade and competition policy
 - sanitary and phytosanitary (SPS) barriers to trade
 - linkages between trade, labour and environmental issues
 - spousal employment (waiver of labour certification tests for spouses of certain business persons entering under the NAFTA's temporary entry procedures)