

Canadian direct foreign investment in the region is approximately \$209 million. In March 1998, Canada signed a Memorandum of Understanding on Trade and Investment with Central America to enhance our economic relations with the region. Although the region is a relatively small market, Canada's efforts in expanding its role in Central America are paying dividends. Our exports to the region are growing and Canadian companies have been competing successfully.

The Government of Canada wishes to afford opportunities to Canadians and provincial and territorial governments to present their interests and sensitivities with respect to this initiative. To that end, I would welcome your advice and views on any priorities, objectives and concerns about a free trade agreement with Central America. I would also appreciate your advice concerning the possible inclusion of investment and services within the scope of the negotiations with Central America and especially with regard to any subject of shared or provincial/territorial competence. I would be most grateful if you could provide these views by Friday, February 2, 2001. I also wish to assure you that we will continue to consult with the provinces and territories, and keep you fully informed of developments.

Your input is a critical part of our consultative process on this issue. I look forward to your comments and advice.

Sincerely,

Pierre S. Pettigrew