

One year of progress

Improving the Canada-U.S. border

At their most recent meeting in Washington on December 6, 2002, Deputy Prime Minister John Manley and Governor Tom Ridge released a status report to mark one year of progress on the **Smart Border Action Plan**.

The report confirmed that Canada and the United States are on track in the implementation of action plan items and in bringing steady improvement to the security of our shared border. While much work remains to be done, both governments have already achieved substantial progress on several key action plan initiatives.

Facilitating low-risk, cross-border traffic

The Free and Secure Trade (FAST) program is one of the cornerstones of the Smart Border Action Plan. It is an important step towards streamlining requirements for customs clearance while improving the level of security of cross-border commercial traffic. FAST is a harmonized commercial process offered to pre-approved importers, carriers and registered drivers. Shipments will be cleared into either country with greater speed and certainty, thereby reducing costs.

Canada and the United States are now offering FAST's expedited customs clearance processes at the following major border crossings: Windsor-Detroit, Sarnia-Port Huron, Fort Erie-Buffalo, Douglas-Blaine, Queenston-Lewiston, and Lacolle-Champlain.

New pilot project at Canadian airports

As of January 2003, Canada Customs and Revenue Agency (CCRA) began to implement a pilot project using iris recognition technology at Pearson International Airport and Vancouver

International Airport to speed up customs and immigration clearance for air travellers returning to Canada, all the while improving security.

This is how it works: the CANPASS-Air program will allow pre-approved travellers to clear customs by simply looking into a camera that recognizes the iris as proof of identity. Limiting the amount of interaction with pre-approved CANPASS-Air travellers will allow Canadian officials to focus on people they don't know. The program will be expanded to operate jointly with the United States so that this technology can be used for travellers crossing U.S. customs as well. This joint program will be piloted at Macdonald-Cartier Airport in Ottawa and Dorval Airport in Montreal in late 2003.

Improved border infrastructure

Efficient and secure infrastructure are key priorities of the Smart Border Action Plan. Canada and the United States have already committed funds to upgrade border infrastructure. Under Canada's new Border Infrastructure Fund, \$600 million will be provided over

five years for physical and technological improvements at key border crossings.

In September 2002, the governments of Canada and Ontario announced that they would commit \$300 million over the next five years as part of a joint investment to upgrade existing infrastructure at Windsor-Detroit border crossings. As part of the Smart Border Action Plan, new funding has also been allocated for the construction of dedicated lanes for commercial and passenger vehicles at the border between British Columbia and Washington State and to improve highway and border infrastructure at the Lacolle-Champlain border crossing between Quebec and New York State.

For more information about the FAST program, go to www.ccradrc.gc.ca/fast or e-mail CCRA at fast-expres@ccra-adrc.gc.ca

For information on the CANPASS-Air program, call 1-800-842-7647. For the latest news on the *Smart Border Action Plan*, contact DFAIT's United States Relations Division, tel.: (613) 944-7960, Web site: www.can-am.gc.ca (click on "Border Cooperation").

Women's Apparel Rep Locator Trade Mission

CHICAGO, ILLINOIS — March 22-25, 2003 — If your Canadian woman's wear company is looking to enter the U.S. market, the Canadian Consulate General in Chicago would like to invite you to attend the **Women's Apparel Rep Locator Trade Mission**.

This event will combine an educational session with industry experts, and a shared booth for participating companies at **StyleMax**—a women's apparel industry event—and gain access to hundreds of local reps participating in the show.

The **deadline** for applications is **March 4, 2003**, on a first-come, first-served basis. For more information, contact Ann F. Rosen, Business Development Officer, Canadian Consulate General in Chicago, tel.: (312) 327-3624, e-mail: ann.rosen@dfait-maeci.gc.ca or go to www.dfait-maeci.gc.ca/chicago or www.mmart.com

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CHILE

Economic Powerhouse in South America

Chile is a relatively small country but it has begun to make its mark in international trade. It ranked 20th on the World Economic Forum's 2002 Growth Competitiveness Index—higher than any other Latin American country and some European countries, including Spain, Ireland and France. A recent poll by the Vancouver-based Fraser Institute of 27 large and 121 mid-sized mining companies ranked Chile as the most attractive destination for investing, both in terms of its mining potential and its political stability. In a region struggling with significant economic and political challenges, Chile is achieving good results, with GDP growth in 2002 estimated at close to 2%.

Canadian companies have shown a consistently high level of interest in Chile. Since the implementation of the Canada-Chile Free Trade Agreement in 1997, two-way trade has increased by 26%. Furthermore, between 1997 and 2001 Canadian exports have seen increases in diverse sectors such as kraft paper and paperboard (close to 1,500%), and electrical and telecommunications equipment (over 40%). Why? Chile has a business culture similar to North America's, good infrastructure, an educated work force, sophisticated consumers who are very well disposed to North American products, and an open, transparent market. It is considered by Transparency International to be the least corrupt

country in Latin America, and globally it places just behind the United States and ahead of Germany.

With sound economic and institutional foundations, Chile is a cost-effective, open market from which to do trade, not only in Latin America but around the world. In its bid to open markets to Chilean products, in 2002 Chile concluded negotiations of free trade agreements with the European Union, the United States and South Korea. The last agreement signalled Chile's intention to start focusing on Asia.

In recent years, Canadian services, technology and products have been in demand in Chile, in traditional resource-based industries as well as the high-tech field. Methanex has invested significantly in Chile and its product, methanol, has now become one of the country's major exports. Quebecor recently won a \$40 million contract for the production of telephone directories for Chile and Argentina. Sales have grown significantly of Canadian products such as those made from iron and steel (with sales from January to October 2002 up more than 40% over 2001 figures), furniture and bedding (up more than 100%), and perfumes and cosmetics (up almost 71%). In biotechnology, agriculture and agri-food, education, urban development, pulp and paper, and forestry, there are opportunities for investment and, increasingly, for marketing Canadian knowledge.

QUICK STATISTICS

GDP (2001): \$107 billion
(US\$70.3 billion)

Annual
GDP growth: 5.9% (1990-2001)
2.8% (2001)
1.9%* (2002)

Inflation (2002): 2.8%*

Central bank rate: 2.75%

Literacy rate: 95%

Canada-Chile total trade:
\$1.23 billion

* estimated