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tions for a American Free Agreement

Canada's objectives?

- Barrier-free access to the big Mexican market (80 million people)
- Improved access to the United States market
- Enhancement of the investment climate in Canada

Why negotiate a trade deal with Mexico?

- Mexico is becoming a dynamic economy, but it's still protected by many high tariffs and other barriers.
- Eighty per cent of Mexican exports to Canada enter duty-free. The negotiations will help us open doors to Mexico and win new customers. This will mean more jobs for Canadians.
- With more experience in the Mexican market, Canadians will be in a better position to expand trade with the rest of the Americas.
- Globalization is here to stay. Access to a North American market of 360 million will give Canadian firms a solid base from which to meet the challenges of a fiercely competitive world market.

But how can we compete with lower Mexican wage rates?

- Wages often represent only a relatively small percentage of the total cost of production.
- Canada's trade with Mexico amounts to about one per cent of our total trade. Low Mexican wages are not leading to a flood of low-cost imports.



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