

## Chapter 6

# Opening Doors to North America

NAFTA has propelled the Canada-Mexico relationship to unprecedented levels of trade, investment and cooperation. Based on import statistics from both countries, bilateral merchandise trade has almost quadrupled since NAFTA entered into force in 1994, and Mexico is now Canada's fifth most important merchandise export market and third most important supplier.

An increasingly reliable and transparent regulatory environment has led to the creation of more than 1,900 subsidiaries of Canadian companies in Mexico. According to Mexican statistics, Canada is the fifth largest investor in Mexico overall, and the largest investor in the mining sector. Mexican investment in Canada is small with some potential for growth.

Our trade and investment relations with Mexico are critical to increasing our competitiveness within North America and to meeting the challenges posed by new players in an increasingly integrated global trading network.

Trade relations between Canada and Mexico benefit from the high-level engagement of officials from both countries. Canada and Mexico work closely together as NAFTA partners but have increasingly looked for ways to expand the relationship through the use of new and innovative mechanisms such as the trilateral Security and Prosperity Partnership of North America and the bilateral Canada-Mexico Partnership.

### Canada-Mexico Partnership

The Canada-Mexico Partnership (CMP) was launched in October 2004. This high-level public-private forum is strengthening bilateral economic and policy cooperation and promoting discussion among the private and public sectors at the highest levels. The partnership helps focus additional efforts on important issues, such as economic development, in a manner that complements existing work.

Additionally, the CMP's mandate includes identifying obstacles to trade and investment and making recommendations for their removal. The expanding partnership now includes seven working groups: trade-investment-innovation; agri-business; housing; human capital; energy; labour mobility; and environment and forestry.

The sixth CMP meeting took place on March 4 and 5, 2008, in Ottawa. For more information, please visit [www.mexico.gc.ca](http://www.mexico.gc.ca).

Despite rapidly increasing levels of trade, Canada and Mexico have few trade irritants. Challenges over the next year include possible protectionist pressures resulting from the final NAFTA tariff elimination and increased competition from China, although this is unlikely to affect Canada-Mexico trade. To ensure fair access for Canadian exporters, the Government of Canada will continue to monitor the implementation of the 2008 NAFTA provisions, which include removal of remaining trade restrictions on the import of corn and beans. The government will be particularly vigilant regarding any measures implemented by Mexico that could affect Canadian access. These and a number of other important issues are described in this document's associated database at [www.international.gc.ca/trade-agreements-accords-commerciaux/cimar-rcami/index.aspx?lang=en](http://www.international.gc.ca/trade-agreements-accords-commerciaux/cimar-rcami/index.aspx?lang=en).