
Looking Forward

NAFTA incorporated a work program that allows the parties to pursue a number of improvements with a view to keeping the agreement fresh and relevant, and actively seeks to remove existing impediments to trade and investment. Canada's priorities within this context are those activities that can provide important benefits for business (e.g. simplification of rules of origin, temporary entry provisions for business persons, cross-border trade in services). Officials will continue to identify existing impediments to trade and investment and conduct the necessary work to eliminate them through NAFTA.

Settling Disputes Under NAFTA

NAFTA's dispute settlement process provides the necessary mechanisms to resolve the relatively few disputes that arise in such a large trade and economic relationship. When the governments concerned cannot resolve their differences through NAFTA committees and working groups, or through other consultations, NAFTA provides for expeditious and effective dispute settlement procedures. Where rights and obligations under the World Trade Organization (WTO) are at issue, NAFTA parties also maintain the option of recourse to WTO dispute settlement procedures as an alternative to NAFTA procedures.

Chapter 20 includes provisions relating to the avoidance or settlement of disputes over the interpretation or application of NAFTA, except for trade remedy matters covered under Chapter 19. Chapter 19 of NAFTA provides a unique system of binational panel review as an alternative to judicial review for domestic decisions on anti-dumping and countervailing duty matters. There are also separate dispute settlement provisions for matters under Chapters 11 (Investment) and 14 (Financial Services).

From November 2001 to November 2002, two Chapter 19 panels reviewing decisions made by Canadian agencies involving U.S. products remained active. These decisions involved dumping and injury cases relating to iodinated radiographic contrast media. During the same period, two panel proceedings involving household appliances (anti-dumping and injury) were completed, with two decisions issued.

As well, six requests for panel review of decisions made by U.S. agencies regarding Canadian products were filed. The decisions involved softwood lumber (anti-dumping), softwood lumber (countervailing duties), softwood lumber (injury), greenhouse tomatoes (anti-dumping), greenhouse tomatoes (amended anti-dumping) and steel wire rod (countervailing duties).

Additionally, four panel reviews of decisions made by U.S. agencies and involving Canadian products remain active, three relating to pure and alloy magnesium and one to carbon steel products. During the same period, five panel decisions were issued involving pure and alloy magnesium reviews, and two proceedings involving greenhouse tomatoes were terminated.

One Extraordinary Challenge Committee (ECC) proceeding involving the United States and Mexico, and relating to grey Portland cement and clinker from Mexico, is still active (panel reports can be found at www.nafta-sec-alena.org/english/index.htm).

North American Biotechnology Initiative (NABI)

On October 30 to 31, 2002, officials and regulators from Canada, Mexico and the United States held the inaugural meeting of the North American Biotechnology Initiative. Co-led by Agriculture and Agri-Food Canada and the Canadian Food Inspection Agency, the meeting was also attended by representatives from Health Canada, the Department of Foreign Affairs and International Trade, the National Research Council, Environment Canada and the Canadian Grains Commission. The meeting initiated a policy dialogue between the three governments on emerging issues and formalized regular information exchanges on more technical issues. The participants agreed to exchange information on such matters as regulatory regimes, contacts within respective agencies, existing collaborations (both public and private), testing and sampling methodologies, labelling regimes, risk assessment approaches, capacity building and transparency.