

Minister of Industry,  
Science and Technology and  
Minister for International Trade



Ministre de l'Industrie, des  
Sciences et de la Technologie et  
ministre du Commerce extérieur

# Statement

# Déclaration

No. 93/8

CHECK AGAINST DELIVERY

NOTES FOR AN ADDRESS BY  
THE HONOURABLE MICHAEL WILSON,  
MINISTER OF INDUSTRY, SCIENCE AND TECHNOLOGY  
AND MINISTER FOR INTERNATIONAL TRADE,  
TO THE OPENING PLENARY SESSION  
OF THE CANADA-MEXICO JOINT MINISTERIAL COMMITTEE

OTTAWA, Ontario  
February 15, 1993

Fellow Ministers, our meeting today represents a watershed in Canada-Mexico relations.

The last time the Joint Ministerial Committee (JMC) met in Ottawa, in January 1990, it took important steps to revitalize our partnership, especially in the economic field.

What we have since achieved is remarkable.

Most importantly, in the course of 14 months, from June 1991 to August 1992, we succeeded in negotiating with the United States the North American Free Trade Agreement (NAFTA), which will create the world's largest free trade area.

The entry into force of the Agreement on January 1, 1994 will be an important event for all three countries.

The creation, over 10 years, of a North American market, free of all tariffs and many non-tariff barriers, and with liberalized investment and service flows, will provide a stimulus to all three economies.

It will aid us in providing the base for our economic prosperity, which is the foundation for the well-being of our citizens.

I can assure our Mexican friends here today that the Canadian Government is committed to the North American Free Trade Agreement. In fact, we plan to introduce our implementing legislation to Parliament in a few weeks. We are confident of successful passage of the bill through both chambers of Parliament to permit entry into force of the NAFTA on January 1, 1994, as called for in the Agreement.

Canada is also committed to greater trilateral co-operation on the labour and environment front. As we negotiated the NAFTA, Canada, Mexico and the United States engaged in important discussions on co-operation in the areas of the environment and labour.

These talks enhanced the co-operation that JMC Meetings had already established between Canada and Mexico. We are pleased with the progress that is being made through bilateral co-operation, but we see an opportunity to make further advances in these areas on a trilateral basis.

We welcome the priority that the Clinton administration is placing on the environment and labour, and we are prepared to work closely with the United States and Mexico in making parallel initiatives in these areas a reality.

The progress made in our economic relations goes well beyond the successful negotiation of the North American Free Trade Agreement or parallel agreements on labour and the environment.

It is also evident in a range of other undertakings between our two governments. Let me mention just a few that are making beneficial contributions to the economic life of both our nations.

Canada was pleased to be Mexico's first partner in a double taxation agreement. This accord has gone a long way to sending a positive signal to Canadian investors. It has been a factor which I believe has contributed to the growth of Canadian foreign investment in Mexico in the last year. Canada was the fourth investor in Mexico in 1991 after the United States, France and Germany.

Energy trade has always been an important element of the Canada-Mexico relationship. Canada has recently made its first sale of natural gas to Mexico. We anticipate considerable interest by Canadian oil and gas equipment and services exporters in the Mexican market. They will be pursuing sales in Mexico with the assistance of the Canadian Export Development Corporation's \$500-million line of credit with PEMEX. Canadian firms will benefit from increased sales. The Mexican industry will benefit from Canadian technology, which, in this field, is among the world's best.

I cite these as examples of the increased economic activity that has developed through the co-operation of not only our governments but also Canadian and Mexican businesses -- both management and workers.

We were pleased that, as we were negotiating the NAFTA, Canadian entrepreneurs took it upon themselves not only to examine the opportunities available in closer ties with Mexico but to launch major trade and investment initiatives. The one that stands out is Canada Expo '92 held just over a year ago in Monterrey. This was Canada's largest and most successful trade show ever held in Latin America. More than 200 Canadian exhibitors attracted some \$70 million in prospective business, and 10 Canadian firms identified potential joint ventures worth an estimated \$20 million.

To capitalize on these exceptional Canada-Mexico trade and investment links, I had the pleasure of opening a Canadian satellite trade office in that same dynamic city of Monterrey just over two weeks ago. This is a further example of Canada's commitment to promote Canadian business interests in the state of Nuevo Leon and all of Mexico and further expand the growing trade and investment links between our two countries.

On the investment front, Canadian direct investment in Mexico has continued to grow and now totals more than \$500 million. This new investment in the form of joint ventures will benefit both countries by helping Mexico in its development drive while providing Canadian firms with new markets for their goods and services.

While Canadian investment is increasing in Mexico, our trade has been increasing as well.

Our exports to Mexico in the first 11 months of 1992 reached \$692.5 million, exceeding in 11 months the annual total of each of the previous two years. At the same time, Canada is a significant market for Mexican goods. Mexico posted \$2.5 billion in sales to Canada between January and November 1992, roughly the same level as the previous year. Canada ranks fifth in the world as a destination for Mexican exports.

These trade statistics only tell part of the story. The real story comes from the individual successes of Canadian and Mexican enterprise. The variety of our two-way trade clearly demonstrates these achievements in a variety of areas.

From motor vehicle parts to telecommunications equipment, Canada's exports to Mexico are diverse. Likewise, Mexican sales to Canada range from motor vehicle parts to radio, telephone and audio equipment. This presents a clear picture of an increasingly developed and mature trade relationship going in both directions.

Closer co-operation through joint ventures and technology transfers will be mutually beneficial to our two countries. Canada can provide the services and the knowledge-based products that Mexico is looking for, and, together, we can market these throughout Latin America.

In short, we have vigorous two-way trade now, and there is significant potential for future, mutually beneficial growth.

For instance, our agricultural sectors are highly complementary. There is scope for both countries to expand sales in each other's markets. As experience in international markets has shown in recent years, businesses need stable conditions with clear rules and ready, open access in order to succeed. We will be working closely with you to ensure that these conditions apply in the agricultural sector.

Trade in services can also be enlarged and accelerated in the coming years, especially under the provisions of the NAFTA. By granting improved access to each other's government procurement markets, for example, there is a considerable potential for successful partnerships between our public and private sectors.

In such areas as sophisticated transportation technology, Canada is renowned.

The NAFTA will provide new avenues for Canada and Mexico to match skills and knowledge to each other's needs.

It is certainly representative of the growing importance of the Canada-Mexico relationship that so many ministers are meeting here today.

These discussions will open new doors and chart new paths.

The relationship is growing. It is becoming more complex. We must work hard and with imagination to realize its full potential.

In short, we have much to do, and I am confident of our continued success.