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MINISTERS RELEASE NAFTA STATEMENT

The following Ministerial Statement was released at the launch in Toronto today of the negotiation of Chile's accession to the North American Free Trade Agreement by Minister for International Trade Roy MacLaren, United States Trade Representative Michael Kantor, Mexican Secretary of Trade and Industry Herminio Blanco and Chilean Finance Minister Eduardo Aninat.

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MINISTERIAL STATEMENT

On December 11, 1994, Prime Minister Chrétien of Canada, President Frei of Chile, President Zedillo of Mexico and President Clinton of the United States of America issued a joint Statement announcing their decision to begin the process by which Chile will accede to the North American Free Trade Agreement (NAFTA). They also directed trade officials to undertake the preparations necessary to begin the formal negotiation, including focusing on relevant technical procedures and institutional issues. Furthermore, we the Ministers responsible for trade were directed to meet and review the work of the officials and commence the full accession negotiation expeditiously thereafter.

Consistent with the December 11, 1994 Statement, we have met and reviewed the preparatory work of the officials and are now providing the attached guidance to negotiators to commence the negotiation. Its progress should take into account each country's domestic procedures.

As the December 11 Statement indicated, in launching this effort, we reaffirm that increased trade, integration and investment on the basis of agreed rules are vital to achieving sustainable growth and the creation of high paying employment opportunities in each country. We believe this action is a clear indication of our joint determination to build the Free Trade Area of the Americas (FTAA) and to achieve a prosperous Americas.

Minister for International Trade (Canada)

Minister of Finance (Chile)

Secretary of Trade and Industry (Mexico)

United States Trade Representative

GUIDANCE

Organization:

- Governments will inform each other by June 20 of their respective officials with negotiating responsibility for the individual NAFTA chapters and related agreements.
- The first round of negotiations of the individual chapters and related agreements will be organized as follows:

Group 1 - Chapters 3, 4, 5, 7, 10 Group 2 - Chapters 11, 12, 13, 14, 16, 17 Group 3 - Chapters 1, 2, 15, 18, 20, 21, 22 Group 4 - Chapters 6, 8, 9, 19, supplemental agreements

This structure will be reviewed at the end of the first session and adjusted as necessary.

Schedule of Work:

- Lead negotiators will formulate plans for the venue of future negotiating sessions by no later than June;
- Lead negotiators will exchange electronic copies of 1995 tariff schedules and 1994 bilateral trade data by June 30;
- Negotiators responsible for all individual NAFTA chapters and related agreements will meet no later than the end of July;
- Taking into account the results of this first session, lead negotiators will explore potential NAFTA chapters, agreements and areas where progress could be accelerated;
- Consistent with the desire for early progress, negotiators will initially address among other factors:
 - a general framework for the tariff negotiations; and
 - how best to develop proposals regarding market access pertaining to all relevant chapters;
- Negotiators will report their progress to Ministers by no later than September; and
- Ministers responsible for trade will meet as necessary to assess progress and determine the next steps in the negotiations.