

A new partnership

In 1994, the 34 leaders of the democratic countries of the Western Hemisphere held a historic meeting in Miami. They pledged to work

closely to promote prosperity, democracy and sustainable development in the Americas. The process they launched, known as the Summit of the Americas, continues to this day. One of the key elements of the prosperity theme in the process is the proposed Free Trade Area of the Americas (FTAA).

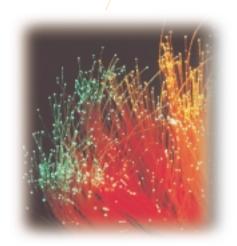


The FTAA is an evolving blueprint for a trade area that will include Canada, our North American Free Trade Agreement (NAFTA)

partners, and all the other democratic countries of South and Central America and the Caribbean. Canada's goal is to expand growth and opportunities for our country in practical ways, for instance by lowering tariffs and co-ordinating the many national testing and administrative systems that currently block trade.

What the FTAA can do

The FTAA can play an important role in paving the way to increased trade. It can do this by



establishing a common set of rules that govern all countries equally and consistently. Rules will create the stable and predictable environment that encourages investment and growth.



Canada's aims

- ◆ Eliminate tariffs on Canadian goods so Canadian firms can compete with those of other countries.
- ◆ Eliminate farm export subsidies so Canadian agricultural producers can compete effectively.
- Open markets for services so Canadian service providers can access important business opportunities in sectors where we are worldrenowned.
- Protect intellectual property to give our "knowledge-intensive" producers the security to market their products abroad.
- Develop a regional dispute mechanism that will allow all countries of the Americas to resolve differences according to their needs and priorities.



Benefits to Canada

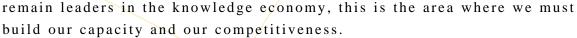
Today, Canada holds investments of \$43.6 billion in our non-NAFTA hemispheric partners. Canada's two-way merchandise trade with FTAA countries other than the United States and Mexico has averaged about \$9 billion annually in recent years. In addition, Canada exports about \$2 billion worth of commercial services annually to these countries.

The Hemisphere's 800 million people generate more than one third of the world's economic activity, and our partners to the south are some of the youngest, fastest-growing and most rapidly evolving economies in the world.

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One in every three jobs in Canada depends on trade. Increased trade has the potential to put cash in the pockets of Canadians, and to create jobs and opportunities in communities across the country. The NAFTA and other trade agreements have made Canadians more competitive, more innovative and more aggressive in their pursuit of new markets. This is especially important in the services sector, where trade is expanding rapidly. The sector is an area of high growth in Canada's economy, accounting for 9 out of 10 new jobs in the year 2000.

Canada excels in providing key services for modern business, including tele-communications, information technology, financial services and engineering. If we are to





Protecting Canadian interests

Participating in trade negotiations gives Canada an opportunity to benefit from the global economy and protect our interests at the same time. In negotiations, Canada promotes Canadian values and democratic principles. We also encourage greater openness about the trade negotiations under way. At Canada's urging, the FTAA negotiating structure features a committee to



receive public submissions on trade-related concerns. This is the first time such a provision has been included in major trade negotiation from the outset. At home, the Government of Canada has engaged in wide-ranging consultations with Canadians and made information on Canada's negotiating position publicly available. Through this ongoing process, our goal is to reflect the values, interests and priorities of Canadians in our trade policy. The most important areas that Canadians want protected are our health, public education and social services.



Canada's position on these matters is clear and unequivocal: these sectors are not negotiable. Canada also will not give up its right to promote cultural diversity or protect the environment.

Common solutions to common problems

Trade agreements such as the FTAA can play a role in supporting existing hemispheric organizations that have specific responsibilities for labour, the environment, human rights and other critical social concerns.

The FTAA will be part of a larger multilateral system that addresses almost every aspect of human well-being in our hemisphere. That includes bodies like the Inter-American and Caribbean Development Banks, and development assistance organizations. Issues such as human rights, democracy,



environmental
stewardship, and
cultural and social
development are key
aspects of these groups'
mandates to reduce
poverty and achieve
sustainable development.

Working in co-operation with such organizations, including the Organization of American States and the UN Economic Commission for Latin America and



the Caribbean, Canada contributes to the well-being of its own citizens and that of its hemispheric partners. Free trade is an important element in our pursuit of broad-based economic growth, social justice and human development in the Americas. For all, it is a port of entry to the economy of the 21st century.

For print copies of this publication, contact:

ENQUIRIES SERVICE (SXCI)

Department of Foreign Affairs and International Trade 125 Sussex Drive, Tower B-2 Ottawa, Ontario K1A 0G2

Tel: 1-800-267-8376 (toll-free) or

TEL: 1 (613)944-4000

(Ottawa-Hull area)

FAX: 1 (613) 996-9709



For more information and updates on the FTAA, negotiations, visit: http://www.dfait-maeci.gc.ca/tna-nac/ftaa_neg-e.asp

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