

Team Canada Business Luncheon

January 22, 1998
Santiago, Chile

Ladies and gentlemen, Santiago marks the final stop on our trade mission to the Americas. But it is clear that, in many respects, we have saved the best for last.

Team Canada '98 has been about Canada's strong desire to reaffirm our identity as a nation of the Americas. We want to move beyond the obvious facts of geography and history and to take our relationship to a new level. One where our hemispheric identity is an active state of mind and a vital link to our future.

Nowhere is this resolve more clearly expressed than in our relations with Chile. In three short years, we have begun to build a vital partnership. In 1995, I had the pleasure of being the first Canadian Prime Minister to visit Chile. At that time, we established the Permanent Binational Commission on Political, Economic and Commercial Relations. The following year, President Frei was in Canada, where we approved the Canada-Chile Free Trade Agreement.

Approaching the 21st century, we want to keep building our partnership. We want to fast-track Chile. Indeed, we want to fast-track Latin America.

The increase in the scope and depth of our ties has been nothing short of dramatic - underlining our full confidence in one another and the future. At the UN, the OAS and in APEC, we are working together on issues of common concern -- freer trade, the environment and international peace and security. And Canada deeply appreciated the decision by Chile to come to Ottawa last month to sign the Convention Banning Anti-Personnel Landmines.

The growth of our partnership has been most dynamic in the areas of trade and investment. Proof that as business partners Canada and Chile make a good fit.

Trade between our countries is increasing at a rapid rate. Over the past five years, it has expanded by 100 per cent. Last year, Chile was our fourth largest export market in South America. We sent \$417 million worth of goods your way. In return, Chile exported \$342 million-worth to Canada. Our two-way trade is double what it was in 1992. And we fully expect these figures to keep on climbing.

Last fall, in Canada, 1,100 export-ready companies attended cross-country seminars on the Canada- Chile Free Trade Agreement. This speaks well to their eagerness and optimism about the prospects for more.

Canada is now the second largest foreign investor in Chile. Our companies have been most active in the mining and mining services sectors. But they also have interests in information technology, telecommunications, environment, agriculture, and forestry -- all of which happen to be expanding sectors of the Chilean economy. Canadian know-how can also help meet Chile's needs in infrastructure, tourism, financial services, and energy.

A key challenge for both our countries is to better prepare for the global, information age. Education is key for the economy of the 21st century. And in a globalized society, little can be more important than students learning away from home. Here again we have been working together to exchange expertise. The opening of the Canadian Education Centre in Santiago is evidence of our commitment in this area.

Ladies and gentlemen, Canada and Chile are building a dynamic partnership. And Team Canada '98 is here to build on these foundations. To build new prosperity, growth and jobs for our peoples.

I feel truly fortunate to be the Captain of such an impressive team. We are proud to come to Latin America to show off the Canada of the 21st century. Team Canada '98 is the largest ever. Along with a host of government leaders, we have representatives of some of our finest educational institutions. And it features some of the best in Canadian business talent. It comprises a large cross-section of our dynamic economy - from leading exporters to young entrepreneurs, from agriculture and mining to advanced telecommunications. It also has the largest contingent of women entrepreneurs ever -- a fact about which I am especially pleased. And for the first time, we have two representatives of non-governmental organizations dealing with social issues.

And at the risk of sounding boastful, Team Canada's efforts to build new contacts and partnerships in Chile stand to benefit from the surging Canadian economy. Our economy has been restructured to be able to take advantage of the opportunities of the 21st century. Over the past five years, our government has gotten its economic house in order. Provincial governments have been doing the same. Our deficit has been reduced dramatically. It will be eliminated completely no later than the end of our 1998-99 fiscal year. Interest rates and inflation have fallen to historic lows. The unemployment rate has fallen to its lowest level in over seven years. Confidence in the Canadian economy around the world is growing. As a matter of fact, the OECD recently predicted that Canada will lead the G-7 in economic and job growth in both 1998 and 1999.

Canada also offers tremendous opportunities to Chile. In addition to a booming economy, we have skilled workers, safe neighbourhoods, fine schools, and an excellent quality of life. By working with their local partners, investors in Canada can open a gateway for exports to the lucrative NAFTA market of close to 400 million people. For Chilean firms seeking partnerships abroad the message of all of this is clear: Canada is one of the best places in the world in which to invest and do business.

Team Canada '98 also drives home a basic truth about doing business in a truly global economy: enhanced trade and investment flows are the engines of economic growth and prosperity. More than that, they are the cornerstones of a vibrant, democratic society. These are lessons that have been well-learned in Canada and in Chile.

In Canada, like Chile, exports drive our economy. They now account for almost 40 per cent of our GDP, compared to 25 per cent only five years ago. Our historic openness to trade and investment from abroad has been essential to building Canadian prosperity. With prosperity as our foundation, we have built a quality of life that has been rated as the best in the world the last four years in a row by the United Nations.

And it has been with admiration that Canada has watched in recent years as Chile has gone about putting in place its own framework for economic prosperity in the global economy. A framework that uses open trade and investment is the key to a better quality of life. The people of Chile have learned that an open economy goes hand in hand with democratic development.

Having experienced, first hand, all the benefits that come with open trade, Chile and Canada are among the leading champions of freer trade throughout the Americas. We share a common belief that open trade guided by strong rules benefits all people. The Canada-Chile Free Trade Agreement symbolizes this belief.

And we can already see the benefits. Canadian companies have low tariff access to a dynamic growing market. A stable economy with a high savings rate and a growing middle class that is impressed with Canadian goods and expertise. The first meeting of the Canada-Chile Free Trade Commission during Team Canada further demonstrates our commitment to making the

Agreement work well. And your country's association with MERCOSUR can bring added benefits to Canada and Chile.

In April, Santiago will host the Second Summit of the Americas. My friend, President Frei, has been doing an excellent job in making preparations. Together, we will be making the case for a solid start in launching negotiations on a Free Trade Area of the Americas. Together, we will show that for Canada and Chile there is no turning back. Standing still is not an option. We must move forward.

It will also be a valuable opportunity to strengthen cooperation in other areas of common concern. Concerns that go hand in hand with our desire to boost regional prosperity -- in areas like education, environment, human rights and democratic development.

As I said at the outset, Canada is a country of the Americas. As a nation, we are increasingly aware that building stronger relations with our Latin American friends and neighbours is a key to our future. We consider no friend to be closer than Chile. And the presence here of so many Chilean business people shows that the feeling is mutual.

Our stop in Santiago has brought a positive, productive and busy end to Team Canada '98. But our work will not end here. It will go on, as it must. The agreements signed here between governments and businesses are not ends in themselves, but means to much more profound ends: creating new prosperity for our peoples; helping them to follow their dreams and build new ones; and building a better quality of life.

These objectives cannot be achieved in one short visit. It requires patience and commitment. I am here to tell you that Canada is in it for the long haul.