

NAFTA Commission: Joint Statement of Ministers
Five Years of Achievement
Ottawa, Canada
April 23, 1999

Following the April 23 meeting of the North American Free Trade Agreement Commission meeting, Canadian Minister for International Trade Sergio Marchi, Mexican Minister of Trade and Industrial Development Herminio Alonso Blanco Mendoza and United States Trade Representative Charlene Barshefsky are pleased to release the following Joint Statement which outlines the overall results:

In this fifth anniversary year of the NAFTA (North American Free Trade Agreement), the Commission welcomed the success of the Agreement and the benefits it has brought to the people and economies of Canada, the United States and Mexico. We reaffirmed the value and the importance of the NAFTA to our three countries. The numbers speak for themselves. Trade between our three countries has grown by about 75% since the Agreement came into force. From less than US\$289 billion in 1993, our trilateral trade has now reached US\$507 billion. Investment between our three economies has also significantly increased, with more than US\$189 billion invested in each other's economies in 1997. Total foreign direct investment into the NAFTA countries has meanwhile reached US\$864 billion. Economic growth remains robust. Indeed, North America is the growth center of the global economy and our booming trade with one another has mitigated the economic impact of the financial crisis and consequent slowdown in growth in other parts of the world. Most importantly, job creation has surged in all three NAFTA countries, with employment levels now at record highs. Since the NAFTA was implemented, employment in Canada has grown by 10.1 percent (1.3million jobs), by 22 percent (2.2 million jobs) in Mexico and by over 7 percent (12.8million jobs) in the United States.

In short, NAFTA works. To commemorate the fifth anniversary of the Agreement, we are pleased to release a brochure that we developed together elaborating the benefits of the NAFTA. We also expressed our confidence that the resounding success of the NAFTA over its first five years will continue as NAFTA implementation opens new opportunities for trade and investment, bringing more benefits to companies, workers and consumers across North America.

In reviewing the results of the Operational Review of the NAFTA work program which we launched last year, we acknowledged the results achieved thus far across more than 20 committees, working groups, and additional subsidiary bodies. We welcomed the clear direction and priorities established through this process for the NAFTA work program, and noted that the oversight structure put in place at our last meeting is working well.

We affirmed our commitment to the priorities agreed to in the context of the Operational Review and emphasized in particular the need to fulfil overdue commitments. We agreed to a number of activities in specific areas of the work program which are outlined in the Annex to this Joint Statement. We discussed a range of substantive issues, including certain provisions in chapter Eleven, transparency and openness in the NAFTA work program and land transportation. We agreed to continue discussions in these and other areas. We reaffirmed the value of continuing co-operation with our respective labour and environment ministries on issues of mutual interest.

In confirming our strong support for further regional and multilateral trade liberalization, we noted the important role that regional co-operation, including initiatives such as the NAFTA itself, can play in stimulating further multilateral trade liberalization. In this context, we discussed the value of enhanced co-operation among the NAFTA parties in advancing shared interests in wider regional and multilateral initiatives.

We looked forward to the forthcoming third session of the WTO Ministerial Conference, which will be hosted by the United States on November 30 - December 3, 1999, in Seattle. We committed to work closely in the coming months to provide critical direction and impetus to the development of the agenda for that meeting. We agreed that, at a time when international economic stability and growth are under challenge, it is especially important to signal support for the multilateral system and continued progress in opening markets and dismantling trade barriers. We confirmed our intention to work in Geneva to ensure that the preparatory process for Seattle be intensified so as to allow WTO Members to decide at their Third Ministerial Conference to launch negotiations for further liberalization sufficiently broad-based to respond to the range of interests and concerns of all Members within the WTO framework, and to conduct such negotiations in a timely manner. We also reaffirmed our interest in a prompt conclusion of this year's review of the Dispute Settlement Understanding in order to implement the results immediately thereafter and other ongoing work by the Seattle Ministerial.

Endorsing the continuing dismantling of trade barriers in the hemisphere, we welcomed in particular the progress to establish a Free Trade Area of the Americas (FTAA). We reiterated our commitment to reaching an agreement by the year 2005 that is balanced, comprehensive, WTO-consistent, and which constitutes a single undertaking. At a time of continuing volatility on world financial markets, we underlined the importance of these negotiations for staying the course on market opening and sustaining the momentum for further regional and global trade liberalization. We reaffirmed our commitment to achieving concrete progress in the FTAA negotiations by the end of the century, and agreed to work toward maximum progress in developing the annotated outlines of the Chapters of the Agreement by the time of the Toronto Ministerial in November 1999. We undertook to redouble our efforts to work with our partners in the hemisphere to approve, and to the extent possible implement a substantive package of business facilitation measures in the context of the Toronto Ministerial in the area of customs procedures as well as other areas which have been identified as a high priority by our respective private sectors. We discussed the importance of transparency in the negotiations of the FTAA, and will consider in Toronto the report of the FTAA Committee of Government Representatives on the Participation of Civil Society.

With respect to APEC, we reaffirmed our commitment to the Bogor Declaration goals of achieving a free and open trade and investment regime in the Asia Pacific region. During the last Leaders and Ministers Meeting, held in Kuala Lumpur last November, and despite the economic difficulties faced by several members, APEC economies reaffirmed the need for open markets and an enabling environment for investment. We reiterated our support for APEC's commitment to uphold and strengthen the multilateral trading system.

In reviewing the success of our first five years together and the scope of ongoing co-operation in the NAFTA, we also stressed the importance of looking forward to emerging challenges and opportunities. The global economy and technological change will continue to transform the conduct of business in North America. We agreed to work together to develop a common vision for North American trade and investment as we head into the new century with a view to ensuring that the NAFTA continues as a force for creating economic opportunity. We asked Deputies to engage in a dialogue on the challenges ahead and possible future initiatives within the NAFTA framework in order to enhance our future co-operation, and agreed to explore areas for enhanced co-operation in promoting opportunities for small and medium-sized enterprises.

We agreed that the United States will host the next NAFTA Commission Meeting at the Ministerial level in the spring of the year 2000.

Annex to the Joint Statement of Ministers: Commission Actions

In accordance with its mandate to oversee the implementation and further elaboration of the NAFTA, on April 23, 1999 the sixth annual meeting of the Free Trade Commission established pursuant to this Agreement:

Tariff Acceleration

Noted the successful implementation of a second set of accelerated tariff reductions on August 1, 1998, welcomed new procedures for future industry-led requests for accelerated tariff elimination developed by the Committee on Trade in Goods and agreed to notify them publicly in the three countries through appropriate domestic procedures;

Border Facilitation

Received and will make public the report from the Committee on Trade in Goods prepared pursuant to Article 316.3 of the NAFTA, which provides an overview of ongoing work and accomplishments within NAFTA countries in terms of trade facilitation at the border, and directed officials to identify where improvements can be made to the movement of goods at the border; Agreed to pursue domestic procedures to consider the addition of actuaries to the list of professionals under the NAFTA temporary entry provisions; Noted the agreement in the Working Group on Rules of Origin on a package of technical rectifications to the NAFTA rules of origin, and urged that this process be completed as soon as possible;

Agricultural Co-operation

Recognizing the trilateral nature of issues arising in the agricultural grade and marketing standards area and to ensure a more co-ordinated approach to those issues, agreed pursuant to Article 2001.3(a) to establish a NAFTA Working Group on Agricultural Grading and Marketing Standards - superseding the previously constituted bilateral working groups in these areas - to review and resolve issues regarding the operation of grade and quality standards and to report annually to the Committee on Agricultural Trade;

Agreed to establish pursuant to Article 2001.3(a) a Working Group on Tariff-Rate-Quota (TRQ) Administration, which will exchange data on TRQs and discuss issues related to the administration of TRQs and report annually to the Committee on Agricultural Trade;

Took note of the decision by the Committee on Sanitary and Phytosanitary Measures to recognize eight new Technical Working Groups with formal relationships to the SPS Committee, and looked forward to substantive progress in each of these areas: Animal Health; Plant Health; Dairy, Fruits, Vegetables and Processed Foods; Meat, Poultry and Egg Inspection; Pesticides; Food Additives and Contaminants; Fish and Fishery Products; Veterinary Drugs and Feeds;

Alternative Dispute Resolution

Endorsed the progress achieved in working towards establishing, among the NAFTA countries, a voluntary, industry-driven private commercial dispute resolution system for trade in certain perishable agricultural products (fruits and vegetables), welcomed the recent agreement among industry representatives from Canada, Mexico and the United States to establish five new industry-led working groups to develop during the course of 1999 the elements of a comprehensive proposal for putting this dispute resolution system in place, and encouraged its timely completion;

Looked forward to the Conference on Alternative Dispute Resolution being sponsored by the Advisory Committee on Private Commercial Disputes to be held in June in Mexico City to raise awareness, particularly among judges and business persons, of arbitration and other procedures for resolving private international commercial disputes in the NAFTA free trade area.