Joint Statement from the January 10, 2011 meeting of the NAFTA Free Trade Commission (FTC), in Mexico City, Mexico

"We have recently marked seventeen years since the entry into force of the North American Free Trade Agreement (NAFTA). Since 1994, trade has blossomed, investment has increased, and all three countries have become more competitive. From 1993 to 2009, trade among the NAFTA countries has more than doubled, from $288 billion to $701 billion. Each day the NAFTA countries conduct nearly $1.9 billion in trilateral trade. The benefits of expanding trade have flowed to businesses, farmers, workers, and consumers.

As noted by our Leaders, we remain committed to “promoting the global competitiveness of our region” by fostering job creation and increasing the prosperity of our citizens. We look forward to the contribution that the FTC can make to the North American Leaders´ Summit (NALS) in 2011.

When we last met in 2009, North America was struggling as it began to emerge from one of the deepest recessions in history. As our economies recover, we must continue to accelerate growth by making our economies more competitive, including by boosting innovation and creating new jobs in new industries. We recognize the NAFTA as a catalyst for our economic recovery as it provides the means for increased flows of trade and investment in North America.

Increased trade with each other and the rest of the world helps create jobs in our respective countries. Since all of the tariff cuts under NAFTA were implemented either on time or ahead of schedule, we are developing new and creative ways to increase trade. Today we agreed to a number of measures to reduce transaction costs, facilitate access to information, and eliminate barriers to trade. These steps aim to make North America one of the most economically competitive regions in the world.

Regulatory cooperation continues to be a top priority, as it has the potential to reduce costs to businesses and consumers by eliminating unnecessary regulatory differences. At the August 2009 NALS, our Leaders asked ministers to continue the work of reducing unnecessary regulatory differences by “building on the previous efforts, developing focused priorities and a specific timeline”. Therefore, the three countries have been working on reducing or eliminating unnecessary transaction costs to increase the region´s competitiveness. This exercise reflects the commitment we have assumed to promote deeper economic integration in North America. We tasked relevant NAFTA committees, including the Committees on Standards-Related Measures and Sanitary and Phytosanitary Measures, to continue their work in this area and identify additional areas for cooperation.

Today we reaffirmed our commitment to enter into bilateral mutual recognition agreements (MRAs) that establish procedures for accepting test results from laboratories or testing facilities in the territory of another NAFTA country for use in the conformity assessment of telecommunications equipment. This will allow a manufacturer to test a product only once and then have the test results accepted in other NAFTA countries. We initialed today the basic terms of this agreement and asked officials to continue their work with the goal of concluding the MRAs by May 2011. We shall endeavor to find additional areas for further collaboration.

Updating the NAFTA rules of origin to reflect current sourcing and production patterns allows more goods to qualify for duty-free treatment under the NAFTA. In addition, simplification of the NAFTA rules of origin reduces transaction costs. We are pleased to note that the Working Group on Rules of Origin (WGRO) has reached preliminary agreement on a fourth set of changes to the NAFTA rules of origin. Annually, these goods are valued at approximately $90 billion dollars.

We will each undertake our respective domestic procedures for consultation, and we will aim to implement these changes in 2011. We have instructed the WGRO to begin work on technical rectifications to align the NAFTA rules of origin with the updated tariff schedules that will result from the 2012 amendments to the nomenclature of the Harmonized System. We have also directed the WGRO to explore the possibility of implementing a fifth set of changes to the NAFTA rules of origin.

We instructed the ad hoc working group of senior trade officials to work closely with their counterparts in the North American Commission for Environmental Cooperation (CEC) to identify areas of collaboration, such as trade flows of used electronics in North America, green buildings and greening North America's transportation corridors. The ad hoc working group has already provided valuable input on changes to the rules of origin. We are pleased to announce that goods that have a positive impact on the environment are part of this set of changes to the NAFTA rules of origin.

We asked the senior officials responsible for labor to continue to cooperate with their counterparts in the North American Commission for Labor Cooperation (CLC) to discuss specific strategies to improve the labor side agreement and its functioning, including the CLC's Secretariat. We will continue to work to improve coordination between our labor and trade ministries; to support the consultations on the Secretariat to identify the most efficient means by which its function under the NAALC can be carried out; and to implement a robust work plan of cooperative activities on labor matters of mutual interest.

We commend the work that has been done by the North American Steel Trade Committee (NASTC) in drawing attention to issues of importance to the manufacturing sector and promoting cooperation between North American industry and governments in areas of mutual interest. The work of the NASTC has resulted in positive impacts on this sector´s competitiveness and demonstrates the importance of information sharing and policy collaboration in advancing the competitiveness of North American manufacturing. As directed by the FTC in 2007, the NASTC has undertaken efforts to identify specific barriers to intra-NAFTA trade in this sector, including in the area of permit requirements. Further to this work, Canada recently removed the fees for its steel import permits, and continues to focus on the ongoing implementation of a more streamlined import monitoring system, which will improve regulatory efficiency at the border.

Our three countries have cooperated closely to more effectively combat the challenges of IPR infringement, particularly in the context of piracy and counterfeiting. In 2007 we joined together with other countries to launch negotiations of the Anti-Counterfeiting Trade Agreement (ACTA). We stand now on the threshold of an important achievement in the enforcement of intellectual property rights. We concluded negotiations this past November, and look forward to the prompt entry into force of this agreement.

We had a robust discussion on the experiences of small- and medium-sized enterprises (SMEs) in North America. When such businesses begin to export, they are most likely to make their first exports to a NAFTA partner. We discussed ways to help SMEs take advantage of the export opportunities that the NAFTA provides. One of the main challenges that SMEs face is access to information. To address this, we released "Opportunities for Small- and Medium-Sized Enterprises in North America", a publication designed to answer fundamental questions about starting to export. This document will be available on each of our websites. One new source of assistance and interactive information exchange for SMEs is SBDCGlobal.com. This website is currently being used by SMEs in Mexico and the United States and is being expanded to other countries in the Hemisphere. Canada is exploring the potential for its SMEs to access this network as well. We also instructed our officials to identify additional measures to meet the distinct requirements of SMEs that allow them to increase their export opportunities.

We are committed to transparency in trade negotiations. The negotiating texts of the NAFTA are documents of historical value and we recognize the level of public interest in them. Today we released the negotiating texts of Chapter 20 (Institutional Arrangements and Dispute Settlement Procedures) and will make the texts available through our websites.

In line with our governments´ initiatives to promote accessibility, transparency and technology, we recommended that the three national sections of the NAFTA Secretariat explore a system for electronic filing and archival of documents, initially in Chapter XIX proceedings, through the development of a pilot project.

We recognize the importance of transparency and maintaining communication with all stakeholders. As we move forward on our agenda to promote competitiveness, increase prosperity and foster job creation, we will continue to use existing mechanisms for getting meaningful public comment, as part of our commitment to public engagement.

We welcome the “NAFTA Advisory Committee on Private Commercial Disputes: A 15-year Retrospective” report which documents the outstanding work that the Committee has done since its establishment in 1994 to increase awareness of, and promote the use of, alternative dispute resolution (ADR) as a means of resolving commercial disputes in the NAFTA region. We continue to see the use of ADR as an important tool in facilitating trade among the NAFTA countries.

We take note of the renewal of the Mutual Recognition Agreement (MRA) among the accountants of Mexico, Canada and the United States and encourage other professions to undertake similar efforts to foster trade in professional services in the region. Notwithstanding the coverage of the renewed trilateral MRA, Mexico will subject the implementation of this MRA to the definition and scope of territory of NAFTA Parties as agreed upon in Article 201.1 and Annex 201.1.

We are committed to the successful conclusion of the WTO Doha Development Agenda. We urge all WTO Members to demonstrate renewed energy and directly engage immediately with each other in across-the-board give-and-take negotiations to put the Doha Development Agenda on a path toward a balanced and ambitious overall outcome that opens new markets and creates new trade flows.

Finally, we agreed that Canada will host the next NAFTA Commission meeting."