

Joint Statement from the Meeting of the NAFTA Free Trade Commission

03/24/2006

Sergio García de Alba, Mexico's Secretary of Economy; the Honorable David L. Emerson, Canada's Minister of International Trade, and Ambassador Rob Portman, United States Trade Representative, are pleased to release the following Joint Statement, which outlines the overall results of the March 24th, 2006, meeting of the NAFTA Free Trade Commission, in Acapulco, Mexico.

Over the past 12 years, NAFTA has paved the way for strong economic growth and prosperity and delivered important benefits to consumers, businesses, workers, and farmers throughout North America. Through NAFTA, our countries have created the world's largest free trade zone – one of the most powerful productive forces in the global economy. As a result of the work we have done today, we look forward to continued growth in trade and investment flows and the resulting increased competitiveness and prosperity of our three countries. In this respect, the completion in 2008 of tariff liberalization will establish virtually tariff-free trade in North America.

In today's meeting, we laid important groundwork for the Leaders' meeting next week in Cancun. We discussed the changing global commercial environment and its implications for Mexico, Canada and the US. We reaffirmed our commitment to NAFTA as the cornerstone for strengthening North American competitiveness in today's global economy. We have committed to achieving concrete, commercially-relevant results that will continue to ease the flow of goods, services, and capital between our three countries. Specifically, we have initiated work that will focus on sectors and the removal of specific impediments to the free flow of goods, services and capital. We will conduct a thorough review of the operation of the NAFTA working groups and committees in order to identify potential improvements and future work. We will also examine how our three countries might collaborate in the trade agreements with other countries and how elements of the FTA's might inform improvements to NAFTA practices such as transparency and trade facilitation. We agreed that officials will report back to ministers in six months on these issues.

We reaffirmed our commitment to achieving a successful conclusion to the WTO's Doha Development Agenda by the end of 2006. An ambitious outcome would be one of the most effective ways to generate economic growth, create potential for development and raise living standards across the world. All Ministers urged WTO partners to meet the April 30 deadline established in Hong Kong by agreeing to real, new market access in agriculture and NAMA consistent with the Hong Kong declaration.

We look forward to meeting in June at the APEC Trade Ministerial in Ho Chi Minh City where we will discuss APEC's support for the successful conclusion of the Doha Development Agenda as well as to support the 2006 agenda.

We also reaffirmed our commitment to achieving the Free Trade Area of the Americas (FTAA). We welcome Colombia's initiative in undertaking consultations among the 34 participating countries on the FTAA during 2006 and urge all the participants in the FTAA process to work together to chart a way forward.

In addition to agreeing that Canada would host the next NAFTA Commission meeting in late 2006, Ministers highlighted a number of other important outcomes as follows:

- Two years ago, the NAFTA Working Group on Rules of Origin set out to liberalize the requirements for obtaining NAFTA duty-free treatment. The first set of changes--affecting about \$20 billion in annual trilateral trade--was implemented in 2004. The Working Group is now pursuing further changes: a second set--affecting about \$15 billion in trilateral trade--is scheduled for implementation in 2006; a third set of changes is expected to impact an additional \$50 billion in trade. These efforts confirm NAFTA's ability to adapt to ever-changing competitive conditions including new sourcing patterns and production methods.
- Further to the 2004 release of the negotiating history of NAFTA's investment provisions (Chapter 11), Ministers directed officials to release the institutional arrangements and dispute settlement provisions (Chapter 20) before the next NAFTA Commission meeting.
- Ministers adopted the March 2004 recommendations made by the Ad Hoc Working Group on Textiles and Apparel (WGTA) and directed the Working Group to undertake the work plan outlined in the report.
- Welcoming the news that professional organizations continue to work together to expand opportunities for professional services in North America, Ministers noted that a Tri-National Mutual Recognition Agreement for International Practice has been reached by the architectural profession and look forward to the Agreement's ratification and implementation.

- NAFTA is a testimony to the success of regional integration and in that vein served as a model for the CAFTA-DR which, through cumulation, provides an additional opportunity to further regional integration.