



OFFICE of the UNITED STATES TRADE REPRESENTATIVE
EXECUTIVE OFFICE OF THE PRESIDENT

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Joint Statement of the 2009 NAFTA Commission Meeting

Dallas, Texas -- Ambassador Ron Kirk, United States Trade Representative; Gerardo Ruiz Mateos, Mexico's Secretary of Economy; and the Honorable Stockwell Day, Canada's Minister of International Trade, are pleased to release the following Joint Statement, which outlines the overall results of the October 19, 2009 meeting of the NAFTA Free Trade Commission (FTC), in Dallas, Texas.

Fifteen years ago our countries launched the North American Free Trade Agreement (NAFTA). Since its entry into force, trade and investment flows have increased, investment has grown, and our economies have become more competitive. The benefits of expanding trade have flowed to businesses, farmers, workers, and consumers.

Today we met to celebrate our achievements and to lay a course for the future. We note that the NAFTA partners implemented all of the tariff cuts on schedule or, in some cases, ahead of schedule. As a result, trade between our countries has blossomed. From 1993 to 2008, trade among the NAFTA countries has more than tripled, from \$297 billion to \$946.1 billion. Each day the NAFTA countries conduct nearly \$2.6 billion in trilateral trade. We are committed to developing new and creative ways to promote trade.

Toward that end, we agreed to build upon the work at the August 2009 North American Leaders Summit, where Leaders agreed to "reinvigorate our trading relationship and to ensure that the benefits of our economic relationship are widely shared and sustainable." We asked officials to develop a workplan to incorporate three principles: competitiveness, strengthening institutions, and communications and transparency. Since all tariff cuts under the agreement have been implemented, we asked officials to pursue cooperation in other areas, including reducing unnecessary regulatory differences to ensure the free flow of goods, services and capital through modern and efficient borders. This forward-looking workplan should draw upon the work already underway, as well as incorporate new elements, developed in consultation with all relevant stakeholders.

In light of the results of our Leaders' meeting, and in order to ensure that the benefits of our economic relationship are widely shared and sustainable, we agreed to seek to strengthen the relationship between the FTC and the North American Commission for Environmental Cooperation (CEC), and between the FTC and the North American Commission for Labor Cooperation (CLC). We realize the importance of effective

communication as a necessary condition for a successful coordination. We agreed to establish an ad hoc working group composed of senior trade officials to explore areas of potential collaboration between the FTC and the CEC. The creation of such an ad hoc working group will provide a platform for further continued trilateral discussion about North American trade and the protection of the environment. We designated senior trade officials to enhance collaboration between the FTC and CLC and further trilateral cooperation on trade and labor issues.

Climate change is one of the most daunting and pressing challenges of our time and a solution requires ambitious and coordinated efforts by all nations. Given the integrated nature of our three economies, we underline the importance of working together.

We instructed the Working Group on Rules of Origin (WGRO) to continue its work to liberalize the NAFTA rules of origin, with a view to reaching agreement at the working level early in the new year. We asked the WGRO to examine the rules of origin for environmental goods, in order to determine whether liberalization of the rules of origin for such products would facilitate additional trade, taking into account discussions at the WTO. We are also pleased to note that we have recently implemented a third set of liberalizing changes to the NAFTA rules of origin, as well as technical rectifications to align the NAFTA rules of origin with the updated tariff schedules resulting from the 2007 amendments to the nomenclature of the Harmonized System.

We commend the work made by the Textiles and Apparel Working Group. Drawing upon its report to the Free Trade Commission, we asked the group to explore ways to expand trade in this sector.

We also commend the work of the North American Steel Trade Committee, which promotes continued cooperation among the three governments on international steel policy matters; serves as a consultative mechanism for regular exchanges of information and review of progress on matters of mutual interest or concern; and works to reduce remaining distortions in the North American steel market. This successful sectoral initiative can be a model for additional areas.

Since 2007, officials from our three countries have worked together to develop a coordinated strategy aimed at combating counterfeiting and piracy by focusing on enhancing detection and deterrence, expanding public awareness and outreach efforts, and measuring the scope and magnitude of counterfeiting and piracy in North America. We commend this work and reaffirm the commitment of our Leaders to cooperate in the protection of intellectual property rights to facilitate the development of innovative economies.

A key source for innovation, job creation and export growth in each of the NAFTA countries has been smaller, often newer firms. As such business establish themselves and seek new markets, they are most likely to make their first exports to a NAFTA partner. We instructed officials to exchange information on the experience of small and medium-sized enterprises (SMEs) under the NAFTA and opportunities for the

NAFTA work agenda address the needs of such businesses and their workers. We will receive their report at the next Ministerial meeting in 2010.

We agreed to establish an ad hoc Working Group on Communications and Outreach to promote greater understanding of the NAFTA and its benefits.

The NAFTA working groups are often the bodies through which the Commission implements the commitments of the NAFTA, as well as the NAFTA work program. Through the working groups, we have created strong working relationships that have allowed us to address issues of mutual interest. As we move forward, we recognize that strengthening the NAFTA also means strengthening the working groups. We instructed officials to review the organization and reporting procedures of the NAFTA working groups in order to ensure that they address our priorities.

We recognize that the availability of private commercial dispute resolution procedures plays an important role in creating competitive conditions for trade in goods, services and capital and that the judiciaries of each country have an important role to play in effective private commercial dispute resolution procedures. We are encouraged by the work of the NAFTA 2022 Advisory Committee on Private Commercial Disputes and endorse its intent to focus forthcoming outreach activities on the judiciaries of each country to promote alternative dispute resolution mechanisms in the Free Trade Area.

We are committed to multilateral trade liberalization and to successfully concluding the WTO Doha Development Agenda. We urge all WTO Members to demonstrate renewed energy and directly engage with each other to evaluate and close the remaining gaps in the negotiations. Closing those gaps should proceed as quickly as possible 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. We will continue to work together with our APEC colleagues at the 2009 APEC Ministers' and Leaders' meetings to advance the Doha Development Agenda and to accelerate APEC's work to strengthen economic integration in the Asia-Pacific.

Finally, we agreed that Mexico will host the next NAFTA Commission meeting in 2010.