

NAFTA Trade Ministers Agree To Examine Regulatory Differences

International Trade

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The top trade officials of the United States, Canada, and Mexico agreed Oct. 19 that the three North American Free Trade Agreement countries should look at ways to reduce unnecessary regulatory differences, according to a joint statement issued after a meeting hosted by the United States.

The meeting of the NAFTA Free Trade Commission (FTC), which comprises the three NAFTA trade ministers, took place in Dallas, Texas, and brought together U.S. Trade Representative Ron Kirk, Mexico's Secretary of Economy Gerardo Ruiz Mateos, and Canada's International Trade Minister Stockwell Day.

To develop new and creative ways to promote trade, the ministers asked officials to develop a workplan to incorporate three principles: competitiveness, strengthening institutions, and communications and transparency, according to the joint statement.

The ministers charged officials to pursue cooperation in 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 under way, as well as incorporate new elements, developed in consultation with all relevant stakeholders," the joint statement said.

Labor, Environment

The ministers said they agreed to try 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 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," the joint statement said.

The ministers also designated senior trade officials to beef up collaboration between the FTC and CLC and further trilateral cooperation on trade and labor issues.

The statement underscored the importance of working together to address climate change given the integrated nature of the three economies.

NAFTA Rules of Origin

The Working Group on Rules of Origin (WGRO) will continue to try to liberalize the NAFTA rules of origin, with a view to reaching agreement at the working level early next year. The WGRO will examine the rules of origin for environmental goods to see whether liberalization of such rules would facilitate additional trade, taking into account discussions at the World Trade Organization, the joint statement said.

The ministers also charged the Textiles and Apparel Working Group to explore ways to expand trade in this sector, the joint statement indicated.

Steel Committee Work Praised

According to the joint statement, the North American Steel Trade Committee's work can be a model for additional sectoral initiatives. The committee 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.

The ministers also reaffirmed the commitment of the NAFTA leaders to cooperate in the protection of intellectual property rights to facilitate the development of innovative economies.

Officials from the three countries will 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. The report will be submitted at the next ministerial meeting in 2010, the joint statement said.

A new ad hoc Working Group on Communications and Outreach will be established to promote greater understanding of the NAFTA and its benefits.

Moving forward, the ministers said they recognized that strengthening NAFTA means strengthening the working groups. Accordingly, the ministers instructed officials to review the organization and reporting procedures of the NAFTA working groups.

The ministers also endorsed plans of the NAFTA Advisory Committee on Private Commercial Disputes to focus forthcoming outreach activities on the judiciaries of each country to promote alternative dispute resolution mechanisms.

Work With APEC on Doha, Integration

The ministers reiterated their commitment to multilateral trade fora and concluding the WTO's Doha Round.

The ministers said they would continue to work together with their Asia-Pacific Economic Cooperation (APEC) forum 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.

Mexico will host the next NAFTA Commission meeting in 2010.

NAFTA was launched on Jan. 1, 1994. Since that time, "trade and investment flows have increased, investment has grown, and our economies have become more competitive," the joint statement said.

The NAFTA partners implemented all of the tariff cuts on schedule or ahead of schedule in some cases, with the result that "trade between our countries has blossomed."

Trade among the NAFTA countries has more than tripled from 1993 to 2008, rising from \$297 billion to \$946.1 billion, the statement said.