

FIFTH MEETING OF THE CANADA-CHILE FREE TRADE COMMISSION: JOINT STATEMENT OF MINISTERS

SANTIAGO, CHILE

November 16, 2004

Following the meeting of the Free Trade Commission on November 16, 2004, the Minister of Foreign Relations of Chile, Ignacio Walker, and the Minister of International Trade for Canada, James S. Peterson, are pleased to release the following Joint Statement, summarizing the results of the meeting.

JOINT STATEMENT OF THE MINISTERS

1. On the occasion of the fifth annual meeting of the Canada-Chile Free Trade Agreement (CCFTA) Commission, we welcomed the opportunity to assess our achievements to date and review the state of the implementation of the CCFTA. We were pleased to confirm that our increasingly important bilateral trade and investment relationship is being reinforced by the set of predictable and transparent rules established by the CCFTA. The CCFTA has been in force since 1997, making it one of the first FTAs for both of our countries.

2. Regarding the state of our trade and investment relationship, we were delighted to note that the CCFTA remains a strong foundation for economic growth in our countries. Since the Agreement came into force in 1997, our bilateral trade has expanded significantly. Two-way trade totalled over US\$971 million in 2003 (using each country's import statistics as a base), which represents a 54% increase over the pre-CCFTA level. Investment also has been a clear success under the CCFTA. ¹Canada is now the third largest foreign investor in Chile.

3. In looking to the future, we reaffirmed our commitment to maintaining the CCFTA as a relevant and useful instrument that will continue to benefit consumers, workers, farmers and companies in our two countries for years to come. We endorsed the ongoing work to further elaborate the Agreement and urged officials to continue looking for opportunities to advance trade liberalization and cooperation between our countries.

4. Noting our shared view that transparency helps to build public confidence in dispute settlement mechanisms, we endorsed Declarations on non-disputing party submissions and open hearings. These declarations represent a significant step towards improving the transparency and operation of the investor-state dispute settlement mechanism of the CCFTA. Copies of the declarations are attached.

¹ C\$5.9 billion, *Statistics Canada, Canada*; US\$ 8 billion, *Comité de Inversión Extranjera, Chile*

5. We were pleased to note that the flexible institutional framework of the CCFTA has effectively kept pace with emerging challenges. We were encouraged by the close cooperation that has developed between officials of our two countries in the context of the different CCFTA Committees and Working Groups. We are certain that this cooperation will continue to facilitate the full implementation of the CCFTA.

6. We reviewed the progress achieved in implementing specific provisions of the CCFTA and have agreed upon a number of actions related to the implementation and further elaboration of this Agreement, in order to increase opportunities for bilateral trade. These actions are summarized in the Annex to this statement.

7. The CCFTA story is about more than trade and investment. We shared the view that our bilateral relationship has been enhanced by the *Canada – Chile Agreement on Labour Cooperation* and the *Canada - Chile Agreement on Environmental Cooperation* and we welcomed the close cooperation that continues to develop from ongoing activities under these successful agreements.

8. We also welcomed the fact that the CCFTA has been complemented by other bilateral agreements. We noted with particular pleasure that the successful bilateral Air Transport Agreement is greatly facilitating trade, as well as cultural and personal links between our countries; and the Double Taxation Agreement, which facilitates trade and investment.

9. We also note that since the implementation of the CCFTA, cooperation between our countries in the area of science, technology and innovation, has been growing through a variety of public and private ventures. We expressed our interest in the continuation of these joint efforts.

10. We shared the view that the Doha Round of multilateral trade negotiations continues to hold tremendous prospects for all participants in the world trading system, especially for developing countries. We agreed that the *July Package* is an important step forward, in particular, with respect to the prospects for the fundamental reform of world agricultural trade. We also welcomed the launch of negotiations on Trade Facilitation. We have committed to work with other WTO members towards an ambitious outcome in the lead up to the 2005 Ministerial meeting in Hong Kong.

11. At the same time, we reaffirmed our commitment to concluding a comprehensive, high-quality Free Trade Area of the Americas agreement. We expressed the hope that the negotiations will be able to resume in the future and discussed possible approaches to reinvigorate the process.

12. Finally, we agreed that Canada will host the next annual meeting of the CCFTA Commission.

ANNEX TO THE JOINT STATEMENT OF MINISTERS

IMPLEMENTATION ACTIONS

In accordance with the mandate to supervise the implementation and further elaboration of the Canada-Chile Free Trade Agreement, pursuant to Article N-01 of the Agreement, at the 5th meeting of the Free Trade Commission, we:

- Took note of the progress in the negotiation of a government procurement chapter, to be added to our CCFTA, and urged officials to conclude negotiations as soon as possible
- Encouraged officials to continue working to develop a basis for addressing financial services disciplines in the CCFTA.
- Took note of an amendment to Chile's tariff elimination schedule under the CCFTA to provide Canada with the same tariff treatment provided to the United States under the Chile-US FTA for beef and pork.
- Took note of the discussions at the first meeting of the Committee on Sanitary and Phytosanitary Measures, and instructed officials to continue addressing issues of bilateral interest in this area, as well as issues of shared interest in multilateral fora.
- Urged the Telecommunications Standards Subcommittee to continue their useful exchange of views on the value of mutual recognition agreements in this sector.
- Reaffirmed our view that Mutual Recognition Agreements among bodies of professionals can significantly improve our bilateral trade in services. We encourage the Chilean College of Engineers and the Canadian Council of Professional Engineers to intensify their work toward the implementation of their Memorandum of Understanding.
- Agreed on technical rectifications to the Rules of Origin that reflect the amendments to the international "Nomenclature of the Harmonized Commodity Description and Coding System" that came into effect on January 1, 2002.
- Instructed officials to intensify efforts to complete the roster of panelists for dispute settlement purposes pursuant to Article N-09 of the CCFTA.