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Canada - Chile Free Trade Agreement

Canada-Chile Free Trade Commission

Seventh Meeting of The Canada-Chile Free Trade Commission: Joint Minutes

Ottawa, Canada | April 22, 2009

Following the meeting of the Canada-Chile Free Trade Commission on April 22, 2009, the Director General of the General Directorate of International Economic Affairs of Chile, Carlos Furche, and Canada's Deputy Minister of International Trade, Louis Lévesque, agree on the following minutes that summarize the results of the meeting.

Joint Minutes

1. On the occasion of the seventh 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 recognized that the current international economic climate has presented unique challenges, and agree that strong messaging against protectionist tendencies is necessary.
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. The CCFTA has been in force since 1997, making it Canada's first FTA with a Latin American country, and Chile's first comprehensive FTA with any country. Since the Agreement came into force, our bilateral trade has more than tripled. Investment also has been a clear success under the CCFTA. According to Chilean statistics, Canada was the largest source of new investment in Chile in 2008 for the third consecutive year. And the recently implemented Government Procurement Chapter will further expand opportunities for Canadian and Chilean suppliers.
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 our 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. 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.
5. We welcomed the exchange of minutes from the November 13, 2008, meeting of the Committee on Sanitary and Phytosanitary Measures. Canada reemphasized the importance it attaches to securing market access in Chile for Canadian exports of beef and cattle, and reiterated its recent written proposal dated April 15, 2009, to Servicio Agrícola y Ganadero (SAG), that the parties focus future dialogue on establishing import conditions for bovine meat and meat products from Canada as a priority. Chile noted it has implemented the necessary regulatory adjustments to advance toward a normal evaluation process of access for Canadian bovine meat and meat products.

6. We welcomed the conclusion of negotiations toward a new financial services chapter and have noted the progress made toward the completion of the legal review. We encouraged officials to complete this work by the end of 2009, with a view to aiming to implement the chapter in 2010.
7. We took note of the entry into force of the FTA Chapter on Government Procurement on September 5, 2008, as well as the first meeting of the Committee on Government Procurement on April 21, 2009. We agreed to continue work on improving the FTA, and to cooperating, with respect to government procurement.
8. We welcomed progress in our discussions on rules of origin, including with respect to technical rectifications, liberalization, and cross-cumulation, and look forward to expeditious implementation of such improvements.
9. We believe there is merit in considering improvements to the dispute settlement system, and have instructed our officials to work toward reaching this objective.
10. We welcomed progress in our investment discussions, including on a proposed clarification regarding indirect expropriation, and we look forward to further discussions to be held on most favoured nation treatment regarding procedural matters.
11. We acknowledged that the CCFTA goes beyond 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 from ongoing activities under these successful agreements.
12. We recognized that the international economic climate has presented unique challenges in recent months, and are committed to resisting protectionism and to supporting free and open trade and investment. In this light, we pledge to continue to work toward increased regional and hemispheric integration as a means to achieving greater prosperity and security. Furthermore, we shared the view that the Doha Round of multilateral trade negotiations continues to hold promise for all participants in the world trading system, especially for developing countries. Both countries strongly encourage the conclusion of an ambitious outcome to Doha Round negotiations.
13. We noted Chile's accession efforts to the OECD, and reiterated Canada's support for Chile's membership.
14. We acknowledge the importance of Corporate Social Responsibility (CSR) and encouraged officials to work collaboratively to promote internationally recognized CSR standards. Canada informed Chile of its new CSR policy entitled *Building the Canadian Advantage: A Corporate Social Responsibility (CSR) strategy for the Canadian International Extractive Sector*.
15. We reviewed the progress achieved in implementing specific provisions of the CCFTA, we exchanged proposals and documents, 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 and investment. These actions are summarized in the Annex to this statement.
16. Finally, we agreed that Chile will host the next meeting of the CCFTA Commission in 2011.

Annex to the 2009 Joint Minutes

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 7th meeting of the Free Trade Commission, we:

- **Financial Services Chapter:** Acknowledged the work that is being conducted on the legal review of the financial services chapter, to be added to the CCFTA, and instructed officials to do their best effort to complete this work no later than the end of 2009, with a view to implementing the chapter after the ratification process is complete in each country.
- **Investment Chapter:** Welcomed the proposed interpretation regarding indirect expropriation, as agreed by our officials. We also agreed on further discussing an interpretation on most favoured nation regarding procedural matters; in this respect, Canada commits to respond to Chile's April 21 proposal by the end of June 2009. The Parties will then exchange views with the aim of reaching an agreement on this matter. Additionally, officials discussed a Chilean proposal on a possible interpretation on Minimum Standard of Treatment, and possible amendments on Consultations and Negotiations, and on Preliminary Objections.
- **Government Procurement:** Approved proposed revisions to the entities listed under Canada's Schedule and Chile's Schedule to Annex Kbis-01.1-1 (Central Level Entities). Instructed the Committee on Government Procurement to recommend modifications to the threshold adjustment formulas no later than September 30, 2009.
- **Dispute Settlement:** Encouraged officials to exchange text on dispute settlement provisions regarding a "non roster approach" and Code of Conduct. Encouraged officials also to exchange improvements to the Rules of Procedure. Canadian officials will also suggest text for improving transparency provisions relating to hearings and submissions. We agree that officials should aim to conclude this work no later than the end of July 2009.
- **Agreement on Labour Cooperation:** Requested that Labour officials finalize the administrative procedures of the Agreement on Labour Cooperation (rules of procedure for ECEs, etc.) so that it can be fully implemented.
- **Rules of Origin:** Acknowledged the work that is being conducted on rules of origin and requested that the Committee on Trade in Goods and Rules of Origin, by the end of July 2009, discuss and, where possible, conclude issues relating to: finalization of technical rectifications to the Rules of Origin that reflect the transposition of the rules of origin to the HS2007 system, rules of origin liberalization and cross-cumulation of origin. Once concluded, we urge officials to work toward implementation of the agreed amendments.
- **SPS/Access for Canadian Beef and Cattle:** Took note of the discussions at the fourth 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. We noted the importance for Canada of market access for Canadian beef and cattle to Chile, and the importance that Chile has given to the issue, and noted that Chile has implemented the necessary regulatory adjustments for Canadian beef to have normal access to the Chilean evaluation process for access. Chile and Canada encouraged officials to complete the technical process as soon as possible in order for trade to resume.
- **CSR:** Applauded the work being done to promote Corporate Social Responsibility, and urged officials to continue to ensure that all business is encouraged to increasingly act in a socially responsible manner that respects the OECD Guidelines for Multinational Enterprises and other internationally-recognized standards and principles to the benefit of all stakeholders.
- **FTA Amendments:** Officials will work toward expeditiously incorporating all agreed

amendments into the FTA.

- Urged all committees and subcommittees to take stock of the issues that are of concern and find ways by which to meet and address these issues.

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