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## Canada

### Agricultural Situation

# Canada-Costa Rica Free Trade Agreement Legislation Tabled 2001

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#### **Report Highlights:**

Trade Minister Pettigrew tabled in the House of Commons legislation to implement the Canada-Costa Rica FTA. The agreement includes better access for Canadian fish, paper products, auto parts, plastics, wood and agricultural goods. The deal will also reduce red tape and border procedures for Canadians doing business in Costa Rica. It is expected the agreement will provide momentum for Free Trade Area of the Americas negotiations.

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Includes PSD changes: No  
Includes Trade Matrix: No  
Unscheduled Report  
Ottawa [CA1], CA

## **MINISTER PETTIGREW TABLES LEGISLATION IN PARLIAMENT TO IMPLEMENT CANADA-COSTA RICA FREE TRADE AGREEMENT**

The following is based on an a September 20 Department of Foreign Affairs and International Trade (DFAIT) news release. All currencies are assumed to be in Canadian dollars.

International Trade Minister Pierre Pettigrew tabled in the House of Commons legislation to implement the Canada-Costa Rica Free Trade Agreement.

"This free trade agreement with Costa Rica will improve and deepen our trade and political ties with one of Latin America's most dynamic economies," said Mr. Pettigrew. "The agreement also signals our continued commitment to pursuing liberalized trade in our hemisphere, with countries both big and small."

The agreement includes better access for Canadian fish, paper products, auto parts, plastics, wood and agricultural goods. The deal will also reduce red tape and border procedures for Canadians doing business in Costa Rica. It is expected the agreement will provide momentum for Free Trade Area of the Americas negotiations.

Two additional agreements on environmental and labor co-operation were negotiated in parallel and will help Costa Rica strengthen its environmental and labor management systems while reaping the benefits of increased trade with Canada.

The main elements of the free trade agreement are as follows:

- Immediate elimination, upon implementation of this agreement, of Costa Rican tariffs on most Canadian exports of industrial products such as automotive and environmental goods and pre-fabricated buildings. Tariffs on the remainder of industrial products will be gradually phased out over a period of either 7 or 14 years, depending on the type of product.
- Significant gains will be realized for Canadian agricultural products, such as french fries, pulses, grain and oilseed products, fresh fruit and vegetables and processed food products. About 94% of Canada's current agriculture and agri-food exports to Costa Rica will realize market access benefits.
- Canadian exporters will gain an important advantage over their principal competitors in the Costa Rican market, including U.S., European and Asian suppliers, as well as, ultimately, a level playing field with Costa Rica's other preferential trade partners, such as Mexico and Chile.
- The Canada-Costa Rica Free Trade Agreement represents the first bilateral free trade agreement to include innovative stand-alone procedures on trade facilitation. Canadian exporters will benefit from the increased efficiency of trade procedures and the reduction, simplification and modernization of border-related requirements, procedures

and formalities.

- The competition policy framework included in the agreement will promote greater transparency and certainty in both markets for business through the establishment of a concrete framework for co-operation and consultation and enhancement of the effectiveness of enforcement activities by competition authorities.

Two-way trade in merchandise between Canada and Costa Rica rose to about \$270 million in 2000, led by a 25% jump in exports.

Negotiations with Costa Rica were launched in June 2000 and concluded in early April 2001. The free trade agreement and the two parallel accords are slated to come into force in January 2002, providing there is successful completion of the legislative implementation process in both countries.

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