

**NAFTA FREE TRADE COMMISSION
JOINT STATEMENT
Montreal, October 7, 2003**

“Celebrating NAFTA at Ten”

The Honourable Pierre S. Pettigrew, Canada’s Minister for International Trade; Fernando Canales, Mexico’s Secretary of Economy; and Ambassador Robert B. Zoellick, United States Trade Representative, are pleased to release the following Joint Statement, which outlines the overall results of the October 7, 2003, meeting of the NAFTA Free Trade Commission, in Montréal, Québec, Canada.

As we near the tenth anniversary of the entry into force of the North American Free Trade Agreement (NAFTA), it is important to evaluate its impact on our three countries. The evidence is clear -- the NAFTA has been a great success for all three Parties. It is an outstanding demonstration of the rewards that flow to outward-looking, confident countries that implement policies of trade liberalization as a way to increase wealth, improve competitiveness and expand benefits to consumers, workers and businesses. We remain committed to ensuring that the NAFTA continues to help us to strengthen the North American economy through a rules-based framework for doing business in an increasingly integrated market.

Since January 1, 1994, when the NAFTA entered into force, three-way trade amongst our countries has reached over US \$621 billion, more than double the pre-NAFTA level. Foreign Direct Investment by other NAFTA partners in our three countries more than doubled to reach US\$299.2 billion in 2000.

The NAFTA story is about more than impressive trade and investment figures. January 1, 2004 will also mark ten years since the North American Agreement on Environmental Co-operation and the North American Agreement on Labour Co-operation entered into force. These successful agreements have helped to ensure that the economic integration promoted by the NAFTA is accompanied by better environmental performance and efforts to improve working conditions.

When the NAFTA Free Trade Commission last met in May 2002, we instructed our officials to review the prospects of additional trilateral work that could stimulate further trade between our three countries, to allow the realization of the full potential of a more integrated and efficient North American economy.

On the basis of work achieved to date, we have today agreed on a series of actions to further stimulate trade and investment between our three countries, and we have directed our officials to continue to review opportunities for further trilateral work.

We reviewed the recommendations of the Investment Experts Group (IEG), which we had tasked with examining the operation of the investment chapter of the NAFTA. We agreed on statements and recommended procedures regarding submissions from non-disputing parties and a standard form for Notices of Intent to Submit a Claim to Arbitration. These will enhance the transparency and efficiency of the investment chapter's investor-state dispute settlement process. Copies of these statements are attached. Much of the work that led to the IEG's recommendations was informed by input from interested stakeholders, including input received at the NAFTA Trilateral Multi-stakeholder Consultations that were held in Montreal this past May. The Council of the Commission for Environmental Cooperation -- our environmental counterparts -- and the Joint Public Advisory Committee (JPAC), provided important input on the organization of these consultations. We directed the IEG to continue its work seeking ways to improve the implementation of the Chapter, including, where appropriate, an examination of investment provisions in other agreements.

We were pleased to note that trade in North America for most non-agricultural goods is no longer hindered by tariffs. However, we noted that certain export-related transaction costs still impede possibilities for even more vigorous growth in trilateral trade. We asked the NAFTA Trade in Goods Committee to commence a study of our most-favoured-nation tariffs, in order to determine whether harmonizing these tariffs could further promote trade by reducing export-related transaction costs. We asked the NAFTA Rules of Origin Working Group to pursue further liberalization of the NAFTA rules of origin. We instructed officials to initiate the necessary consultations with domestic industries to determine which products could be covered by this exercise and to report to our Deputies at their next meeting.

Ministers discussed the impending liberalization of international textile and apparel trade at the end of 2004 and steps that could be taken to prepare our industries for an increasingly competitive global market.

We have accepted the recommendation of the NAFTA Temporary Entry Working Group to provide temporary entry to actuaries and plant pathologists. We have agreed that each Party will complete its domestic procedures to admit professionals in these two occupations and the Parties will implement this change trilaterally on February 1, 2004. We asked the Temporary Entry Working Group to develop trilaterally-agreed procedures for adding and deleting professions in Appendix 1603.D.1 (Professionals) of the NAFTA.

We were pleased to accept the Mutual Recognition Agreement that has been signed by the accounting professions of Canada, Mexico and the United States. We hereby encourage our respective competent authorities to implement it in a manner consistent with the NAFTA. This agreement will facilitate the recognition of credentials within the three NAFTA countries. By facilitating the cross-border trade in services, this type of agreement contributes to achieving the objectives of the NAFTA, and we encourage other bodies of professionals to complete the agreements that are being negotiated to develop mutually acceptable standards and criteria for licensing and certification of professional service providers.

We welcomed the establishment of a North American Steel Trade Committee, which will meet for the first time on November 21 in Mexico City. The objective of the Committee is to promote continued cooperation among the three governments on international steel policy matters; to serve as a consultative mechanism for regular exchanges of information and review of progress on matters of mutual interest or concern; and reduce remaining distortions in the North American steel market. We look forward to receiving reports of the Committee's work. We have attached a separate statement on the establishment of this Committee.

We have accepted the recommendation of the NAFTA Advisory Committee on Private Commercial Disputes, and we encourage the competent authorities to adopt in each of our countries the "UNCITRAL Model Law on International Commercial Conciliation." This will facilitate the effective resolution of private commercial disputes by establishing a harmonized legal framework within the NAFTA region.

Looking beyond the NAFTA region, we also discussed the essential role that further trade and investment liberalization plays in the promotion of economic growth and poverty reduction worldwide, and the leadership that our three countries are showing in this regard.

Despite the setback at the WTO Ministerial Conference in Cancun, we agreed that the Doha Round of multilateral trade negotiations continues to hold tremendous prospects for the world economy; especially for developing countries. We call on Members to re-double their efforts to build bridges and find consensus in the months ahead. We agreed on the need to re-energize the multilateral process and move forward with multilateral trade liberalization that benefits all participants. We also agreed to seize all opportunities to rebuild momentum, including at the APEC Leaders' and Trade Ministers' meetings in Thailand later this month.

At the same time, we reaffirmed our commitment to the Free Trade Area of the Americas (FTAA) process and the successful conclusion by January 2005 of negotiations on a comprehensive, ambitious multilateral agreement including both market access and common rules. As we approach the November 20-21, 2003 FTAA Ministerial meeting in Miami, we will continue to work with our Hemispheric partners to achieve the promise that the FTAA holds for growth and economic development through enhanced economic integration.

We approved the publication of a trilateral brochure on NAFTA, which can be found at the three Ministries' web sites.

Finally, we agreed that the United States will host the next NAFTA Commission meeting, at the Ministerial level, next year.