



News Release

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CANADA-CHILE FREE TRADE AGREEMENT TO BE IMPLEMENTED JULY 5

Legislation to implement the Canada-Chile Free Trade Agreement has been approved by the Chilean Senate, and the agreement will enter into force on July 5, International Trade Minister Sergio Marchi announced today.

"This is a significant agreement for both nations, and gives Canadian companies privileged access to a dynamic South American market," said Mr. Marchi. "It will not only create jobs in both countries, but is an important first step to even closer trade relations with other strong economies in South America."

The Environmental and Labour Side Agreements will also come into force, ensuring that respect for environment and labour laws is a vital component of the economic prosperity that comes with trade liberalization.

"The Environmental Side Agreement will strengthen the environmental partnership between Canada and Chile," said Environment Minister Christine Stewart. "The Agreement will encourage environmentally responsible trade through enhanced cooperation between our two countries and with the Canadian environmental community, and the effective enforcement of environmental laws."

"This labour agreement demonstrates Canada's commitment to cooperation on labour issues," said Labour Minister Lawrence MacAulay. "The protection and enforcement of basic workers' rights are our major goals, and we are dedicated to improving the working conditions and living standards of our workers."

The agreement was formally signed in Chile on December 5, 1996. Legislation to put the agreement into law in Canada received royal assent on April 25, 1997.

The trade agreement's key features are as follows:

Immediate duty-free access for 75 per cent of Canadian exports and the elimination of Chile's 11-per-cent import duty on almost all remaining industrial and resource-based goods over five years.

Much better access for a range of agricultural goods. For example, tariffs for durum wheat, which represents 35 per cent of exports in this sector, will be eliminated immediately.

Significant new protection for Canadian investments in Chile, including an agreement to automatically grant Canadian investors the benefits of any future liberalization, and an undertaking to negotiate a bilateral double taxation agreement.

The creation of a Free Trade Commission and secretariat to ensure the timely and effective resolution of disputes.

Side agreements on environment and labour, the first agreements of this nature ever signed by the Government of Chile.

The mutual elimination of anti-dumping duties within a maximum of six years.

The agreement also exempts cultural industries and supply-managed products, fully protects social and health services, and does not affect the Auto Pact.

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This document is also available on the Department's Internet site:

<http://www.dfait-maeci.gc.ca> under the *News Releases* heading. The Canada-Chile Free Trade Agreement is also available on the site under *Trade Agreements*, and on diskette through the Department's InfoCentre at (613) 944-4000 or 1-800-267-8376.

The Canada-Chile Agreement on Environmental Cooperation is available on The Green Line, Environment Canada's Web site, at http://www.ec.gc.ca/relations_e.html

The full text of the Canada-Chile Agreement on Labour Cooperation is available on the Labour Branch Web site at <http://labour-travail.hrdc-drhc.gc.ca>