

Minister Van Loan Signs Canada-Panama Free Trade Agreement

Canada's free trade agenda opens markets in the Americas

(No. 163 - May 14, 2010 - 9:50 a.m. ET) The Honourable Peter Van Loan, Minister of International Trade, and Panama's Minister of Commerce and Industry, Roberto Henríquez, today signed the Canada-Panama Free Trade Agreement and parallel agreements on labour cooperation and the environment. The Right Honourable Stephen Harper, Prime Minister of Canada, witnessed the signing ceremony.

"Panama is a dynamic, innovative economy," said Minister Van Loan. "Our government's aggressive free trade agenda is opening new markets within the Americas, creating opportunities for Canadian businesses and workers and, as we recover from the global economic downturn, securing future prosperity for Canadians and our trading partners."

"Today's historic signing marks a new era in relations with a key partner and much-valued friend in the Americas," said the Honourable Peter Kent, Minister of State of Foreign Affairs (Americas). "Our government is working with like-minded countries such as Panama to secure a brighter, more prosperous future for our hemisphere."

The Canada-Panama Free Trade Agreement will lower tariffs on goods and remove other trade barriers to benefit a broad range of sectors, creating new opportunities for the Canadian construction, manufacturing and agriculture industries.

The Free Trade Agreement will also expand market access for Canadian service providers in areas such as information and communication technology, and engineering, environmental, energy and financial services. Investment provisions in the Free Trade Agreement provide greater protection for Canadian investments in Panama and will ensure greater transparency and security for Canadian investors. In addition, the Agreement will secure access to the government procurement market, including for the \$5.4-billion expansion of the Panama Canal and other infrastructure projects.

The parallel agreement on the environment requires both parties to ensure high levels of environmental protection and the effective enforcement of their domestic environmental laws while encouraging trade and investment.

"Canada believes that liberalization of trade and environmental protection can, and must, be mutually supportive," said the Honourable Jim Prentice, Minister of the Environment. "This agreement emphasizes the importance of ensuring high levels of environmental protection, effectively enforcing environmental laws, and not relaxing those laws in order to encourage trade or investment."

The Labour Cooperation Agreement commits Canada and Panama to respect the core labour standards set out by the International Labour Organization.

"The Government of Canada is committed to improved working conditions and respect for international labour rights and principles," said the Honourable Lisa Raitt, Minister of Labour. "In a globalized economy, Canadian employers and workers benefit from the adoption and effective enforcement by all countries of strong labour protections."

In recent years, Panama's economy has grown at a rate comparable to the world's fastest-growing economies, even in the face of the global economic downturn. Canadian merchandise exports to Panama totalled \$91.4 million in 2009, a 52-percent increase since 2005.

The conclusion of negotiations was announced last August by Prime Minister Harper during a visit to Panama.

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