



News Release

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FREE TRADE NEGOTIATIONS WITH COSTA RICA LAUNCHED

International Trade Minister Pierre Pettigrew today announced the launch of free trade negotiations with Costa Rica. The first negotiating session will be held in Ottawa,

July 11 to 14.

"A free trade agreement will signal our continued commitment to the hemisphere," Mr. Pettigrew said. "We see excellent potential for further developing the trade relationship between Canada and Costa Rica. In particular, this is a perfect market for our small and medium-sized enterprises to gain experience in accessing markets in the region."

Minister Pettigrew noted that the Government of Canada has consulted extensively on this initiative with businesses, citizen-based organizations and Canadians at large, as well as the provinces and territories. The response has been strongly in favour, especially from small and medium-sized enterprises. The government has benefited from a broad range of views on what priorities to advance through these negotiations and hopes to continue this productive dialogue with all Canadian stakeholders.

Prime Minister Jean Chrétien and Costa Rican President Miguel Angel Rodríguez agreed last January to explore the possibility of a Canada-Costa Rica free trade agreement.

An agreement with Costa Rica would seek to eliminate tariffs on key Canadian exports and secure preferential access for Canadian businesses to the Costa Rican market. In the negotiations, Canada will aim to increase access to the Costa Rican government procurement market in areas of particular interest to Canadian businesses. Canada will also strive to establish a comprehensive framework on competition policy that could serve as a model for the region. Additionally, negotiators will work at increasing co-operation with Costa Rica to make trade procedures more efficient, thus reducing formalities and delays that are costly to Canadian businesses. Side agreements to address labour and environmental issues will also be pursued.

From a broader perspective, a free trade agreement with Costa Rica would deepen Canada's bilateral relationship at all levels with this dynamic Central American country and signal Canada's continued commitment to the hemisphere, a commitment that includes the creation of a Free Trade Area of the Americas by 2005.

Mr. Pettigrew said any agreement reached would respect vital Canadian interests, including Canada's ability to set

policy in culture, health care, education, social programs, the environment, labour standards, supply management and natural resources management.

Negotiations could be concluded as early as next spring.

- 30 -

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