

# **Trade and Investment Cooperation Arrangements (TICAs)**

## **Southern Cone Common Market (MERCOSUR)**

**Signed in Buenos Aires, Argentina, June 16, 1998**

### **TRADE AND INVESTMENT COOPERATION ARRANGEMENT AND ACTION PLAN**

#### **BETWEEN**

#### **CANADA AND THE MERCOSUR**

Canada and the Southern Common Market (MERCOSUR), hereinafter referred to as "the Parties";

Desiring to enhance the long-standing bonds of friendship and cooperation between Canada and MERCOSUR;

Noting the importance they attach to the strengthening of trade and economic relations in the Western Hemisphere;

Reaffirming their resolution to conclude the negotiation of Free Trade Area of the

Americas no later than 2005;

Building on their mutual commitment to the World Trade Organization and their cooperation in the Cairns Group;

Declaring their intention to establish a bilateral framework for the expansion and diversification of Canada-MERCOSUR trade and investment;

Wishing to explore opportunities to strengthen bilateral cooperation in other areas and activities;

Have reached the following understanding:

#### **Article 1. Objectives**

The Parties will seek to:

- a. enhance economic relations between Canada and the MERCOSUR, in particular concerning trade in goods and services, as well as investment;
- b. strengthen their cooperation with a view to liberalizing trade and investment between them by identifying those measures that impede or distort trade and investment flows between Canada and the MERCOSUR;
- c. facilitate the increased involvement of the private sector, in particular of the smaller and medium-sized enterprises, in trade and commercial cooperation between Canada and the MERCOSUR;
- d. increase mutual understanding of their respective positions in the negotiations of the Free Trade Area of the Americas; and,
- e. develop greater co-ordination and consultation in the World Trade Organization and in the Cairns Group.

#### **Article 2. Expansion of Trade and Investment**

1. The Parties will endeavour to create the most favourable conditions for expanding trade in goods and services, and the

expansion of investment between them in accordance with the annexed Action Plan.

2. The Parties will examine all questions set out in the Action Plan influencing bilateral economic relations or their respective interests in respect of trade and investment in third countries, including multilateral and plurilateral questions of common interest arising in appropriate fora.

3. In enhancing the expansion of trade and investment between the private sectors in Canada and the MERCOSUR, the Parties will, in particular, foster regular exchanges of information on opportunities for trade and investment and for other promotional initiatives, including contacts at the business level, in accordance with the annexed Action Plan.

### **Article 3. Consultative Group and Advisory Council**

0. The Parties establish the Consultative Group on Trade and Investment Cooperation (hereinafter referred to as the Consultative Group) chaired by high-level officials of the Parties responsible for international trade, or their designated alternate. In the case of the MERCOSUR, the responsible representatives are the Coordinators of the Common Market Group. The Consultative Group may comprise other high-level officials or their designated alternate as may be mutually decided from time to time.

1. The Consultative Group will convene periodically, ordinarily once every twelve months, to review and direct progress on the Action Plan. Special meetings will be held at the request of either Party. The meetings of the Consultative Group will alternate between Canada and MERCOSUR or another agreed location at the request of either Party. Sessions of the Consultative Group will be chaired by the host Party.

2. The Parties will establish an Advisory Council of business representatives to advise them on areas of particular concern to the private sector.

### **Article 4. Final Clauses**

0. Nothing in this Arrangement affects the respective rights and obligations of either Party to the other Party under Agreements, Conventions or other instruments to which they are both Parties, either individually or collectively.

1. This Arrangement may be amended by the written concurrence of both Parties.

2. The Arrangement comes into effect on signature and will remain in effect unless terminated by either Party on 180 days notice to the other Party.

Done at Buenos Aires, on June 16, 1998, in two originals in the English, French, Portuguese and Spanish languages, being all equally valid.

FOR CANADA & FOR MERCOSUR

THE ARGENTINE REPUBLIC

THE FEDERATIVE REPUBLIC OF BRAZIL

THE REPUBLIC OF PARAGUAY

THE EASTERN REPUBLIC OF URUGUAY

### **Annex . Trade and Investment Cooperation Arrangement Between Canada and the Mercosur Action Plan**

1. This Action Plan constitutes an integral part of the Trade and Investment Cooperation Arrangement between Canada and the MERCOSUR signed at Buenos Aires on June 16, 1998.

2. The Action Plan, in conformity with the objectives of the said Arrangement, will include the following areas of priority interest:

a. Expansion of trade and strengthening of economic cooperation

- identification and analysis of factors and measures, including those of third countries, influencing bilateral trade and

investment;

- definition of options and appropriate actions in order to promote market access for goods and services;
- negotiation of Foreign Investment Protection Agreements between Canada and individual MERCOSUR countries;
- development of Customs Cooperation and Mutual Assistance Arrangements;
- development of cooperative arrangements in the areas of labour and environment, taking into account related discussions at the World Trade Organization and International Labour Organization, with a view to fostering the participation of civil society of both Parties in bilateral trade and investment relations;
- dialogue on regulatory reform and development of mutual recognition of conformity assessment procedures in specific sectors to be identified;
- consultations and, as appropriate, coordination in the negotiation and implementation of the Free Trade Area of the Americas;
- consultations on areas of mutual interest in the Cairns Group; and
- cooperation in the World Trade Organization and other appropriate fora regarding any issue of common interest.

b. Promotion of trade and investment

- exchange of information on international trade and on business opportunities in all economic sectors;
- encouragement of small and medium-sized enterprises to participate in bilateral trade and economic cooperation
- promotion of business missions, trade fairs, strategic venturing initiatives, symposia, conferences and technical presentations;
- promotion of efforts of the private sector of both Parties in third country markets;
- fostering of joint partnerships in the area of environmental technologies; and,
- cooperation between official institutions responsible for trade and investment promotion.

3. The present Action Plan will be reviewed periodically and revised as appropriate by the Consultative Group.