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GOVERNMENT PROCUREMENT

Opportunities Under NAFTA

One of the key achievements of the NAFTA is the opening to Canadian suppliers of government procured services in the United States and Mexico. While the U.S.-Canada Free Trade Agreement (FTA) provided some access to these markets, NAFTA expands the range of opportunities greatly. These procurement markets are worth approximately \$70 billion annually.

A very significant addition under NAFTA is that construction suppliers will now be permitted to sell their goods as well as their services to government buyers, which means Canadian materials can now be used on U.S. federal construction projects estimated to be worth more than U.S.\$6.5 million. ("Buy America" provisions still apply on transit and highway projects receiving U.S. federal transportation grants.)

A giant market opportunity is emerging in two agencies, and NAFTA permits Canadian firms to compete for their business. The U.S. Army Corps of Engineers and the Department of Energy are both responsible for billions of dollars of site remediation and hazardous waste cleanup of all sorts. Canadian

NEW OPPORTUNITIES IN THE U.S.

- Canadian materials used in construction projects above US\$6.5 Million
- Services providers
- Firms selling to the Army Corps of Engineers, Department of Energy, and more

companies may now bid on opportunities to supply both services and technology — as prime or sub-contractors — on these projects. Construction contracts tendered by the Corps of Engineers have an anticipated 1994 budget of U.S.\$11.2.

These projects will offer opportunities for Canadian consulting engineers, and firms offering environmental cleanup technologies, products and services.

Among the other agencies offering market access since NAFTA came into force are the Federal Aviation Agency, the Coast Guard, the Agency for International Development, and the Department of Transportation. Projects will include the cleanup of nuclear waste, and many construction projects.

Canadian services exporters are

now able to compete equally alongside American firms on U.S. federal contracts. The U.S. government contracts for practically every service in the market, with a significant proportion of its spending going to services such as architecture, engineering, construction, computer consulting and management consulting. The embassy in Washington can provide short reports on the market for specific services, upon request.

Doing business with the U.S. government is not the simplest thing in the world — many American firms will be the first to acknowledge that red tape knows no borders. But the rewards for diligence are great; information is the key, and it is abundant. Canadian suppliers will now have access to published opportunities in all three NAFTA markets, as the Agreement requires publication of contract opportunities (and, if necessary, a bid-challenge procedure). Both Canada and the United States have always exercised a good degree of transparency in their government-procurement, and Mexico has, since NAFTA implementation, introduced more transparent practices.

In Mexico, the most important new

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