

origin, and no restrictions to foreign ownership apply. This stands in sharp contrast to Canada's restriction on foreign ownership of telecommunications companies, set at a maximum of 20 percent.

Unlike the case of Mexico, for example, no special protection applies to the import of telecommunications equipment into Chile, other than the flat 11% tariff. In case of Chile's accession to NAFTA, Canadian suppliers will gain a competitive edge over non-NAFTA suppliers, to the extent of this 11% tariff. Sources consulted in the major telecom companies of Chile have even expressed their regret about not having more aggressive Canadian suppliers in telecom equipment for telephone lines, rural communications, mobile phones, and private service terminals.