

COMMONLY ASKED QUESTIONS

Will elimination of our duties result in a flood of Mexican imports?

Close to 80% of Mexican goods already enter Canada duty free. Tariffs on the remaining imports will be phased out, with the duties on import sensitive products being phased out over 10 years. This will give Canadian producers time to adjust. If there are surges of imports, the NAFTA includes provisions for Canada to reapply the original duties to protect Canadian producers.

How high are Mexican tariffs? Are they really an obstacle to trade?

Mexican duties are, on average, more than twice as high as Canadian duties. Indeed, Mexican duties add an average of 10% to the cost of Canadian goods, and are often as high as 20%. In addition, Mexican import licences have proved a serious obstacle to trade in the past. Their elimination will result in a significant opening up of the Mexican market for Canadian exports, especially for fish and grains.

How does the NAFTA affect tariff phase-outs under the FTA?

The NAFTA will have no effect. Canada-U.S. products will continue to trade under the schedule negotiated in the FTA. The last remaining tariffs with the United States will be phased out by 1998, while tariffs will remain on some Mexican imports until 2003.