

NAFTA - TELECOMMUNICATIONS

WHAT'S IN THE AGREEMENT

- ◆ As under the Canada-U.S. Free Trade Agreement (FTA), protection of basic telecommunications, such as telephone services;
- ◆ Elimination of Mexican trade barriers to the provision of enhanced services (e.g. advanced data processing services);
- ◆ Access to contracts offered by government-operated telecommunications services in Mexico;
- ◆ Guaranteed access to and use of telecommunications networks in the three countries;
- ◆ Future compatibility of standards for telecommunications equipment in Canada, the U.S. and Mexico;
- ◆ Immediate removal of Mexican tariffs on all telecommunications equipment, except central-switching apparatus and telephone sets, which are phased-out in five years.

BENEFITS FOR CANADA

- ◆ The NAFTA preserves Canadian control of basic telecommunications services;
- ◆ The NAFTA expands and improves business and investment opportunities for the industry in one of the world's fastest-growing markets;
- ◆ Mexico's demand for imported telecommunications products is expected to grow by 42% by the year 2000 as Mexico modernizes and integrates its telecommunications with the rest of North America;
- ◆ There is strong market potential for Canadian world-class telecommunications equipment and systems;
- ◆ NAFTA will encourage the development of competitive networks providing a market for Canadian developers of enhanced telecommunications services, such as electronic messaging services or advanced data networks, data banks and electronic mail.