

TEXTILE SECTOR: QUESTION #5

In which sectors will the Canadian textile industry be competitive under a NAFTA?

Background:

While far and away the most important input consideration for the advantage realized by Mexican industry is the average Mexican wage rate which is approximately 10% of the Canadian industrial average.

In the case of textile production, the Mexican oil industry has given it a competitive advantage in the production of synthetic/man-made fibres. In this regard, Canada has negotiated a voluntary price maintenance arrangements with Mexico on polyester textured yarn and worsted spun yarn.

RESPONSE:

- BEING COGNIZANT OF THE COMPETITIVE ADVANTAGES POSSESSED BY MEXICO IS AN IMPORTANT FACTOR TO LEARNING HOW TO CREATE A LEVEL PLAYING FIELD. BY CONCENTRATING ON SECTORS WHERE CANADIAN COMPANIES HAVE A COMPETITIVE ADVANTAGE, BENEFITS WILL RESULT FOR CANADIAN MANUFACTURERS.

- IT IS TOO EARLY AT THIS TIME TO PREDICT THE OUTCOME OF THE NEGOTIATIONS UNDER A NAFTA WITH REGARD TO THE PROTECTIVE ARRANGEMENTS FOR SYNTHETIC YARNS. WE ARE SEEKING THE BEST OVERALL DEAL FOR THE INDUSTRY IN THE NEGOTIATIONS.