

## NAFTA AND ONTARIO

### WHAT'S IN THE AGREEMENT FOR THE ONTARIO ECONOMY

- ◆ Elimination within five years of Mexican tariffs on key Ontario export interests, including most auto parts, nickel and nickel products, maple and beech lumber, pulp and a wide variety of industrial, electrical and telecommunications machinery and equipment.
- ◆ Clear and more precise rules of origin, particularly in calculating North American content for autos and auto parts, and for telecommunications equipment, electrical and industrial equipment, computers and other high tech equipment.
- ◆ Canada-U.S. Auto Pact remains intact.
- ◆ Extension for two years on duty drawback beyond the Canada-U.S. Free Trade Agreement (FTA) expiry in 1994. This will be replaced in 1996 by a permanent duty refund system that will reduce input costs for Canadian manufacturers who still pay duties on goods shipped into other NAFTA countries.
- ◆ Immediate elimination of Mexican tariffs on all telecommunications equipment except for a five-year phase-out for central switching equipment apparatus and telephone sets. Future compatibility of telecommunications standards and opening of the Mexican market for enhanced telecommunications services.
- ◆ The inclusion of land transportation (trucking) and specialty air services such as aerial mapping and surveying.
- ◆ Improved access for financial institutions and consulting services in the developing Mexican market.
- ◆ Improved access to the developing Mexican market for professional services, including management, engineering, accounting and legal services.
- ◆ Provincially regulated professions encouraged but not forced to recognize credentials from other NAFTA countries.
- ◆ Rules to ease the temporary entry of business people and duty exemption for their accompanying tools and equipment.
- ◆ Strong commitment to sustainable development, environmental protection and conservation. Recognition that NAFTA countries should not lower environmental standards to attract investment. Export opportunities for Ontario environmental equipment and services.
- ◆ Import quotas on supply managed egg, poultry and dairy sectors maintained.
- ◆ Improved access to Mexico for agricultural products, including processed foods, pork, frozen corn and tobacco.
- ◆ Safeguards established to moderate sudden import surges of most sensitive fruits and vegetables.
- ◆ Increases in the apparel and textiles quotas, giving preferential access to the U.S. market for Canadian goods that do not meet the new rules of origin.
- ◆ 10-year tariff phase-out for apparel imports from Mexico; eight years for textiles.
- ◆ Comprehensive provisions on intellectual property, including pharmaceuticals, in line with the recent extension to patent protection in Canada and consistent with General Agreement on Tariffs and Trade (GATT) proposals.
- ◆ Better access to government procurement contracts for suppliers of a range of industrial and high technology goods; professional and business services, construction and construction materials. For the first time, Canadian contractors will have access to the U.S. Army Corp of Engineers for construction contracts worth \$8.9 billion per year. Procurement at the provincial and municipal levels is unaffected by NAFTA.
- ◆ Dispute settlement procedures have been strengthened and improved, including institutional provisions to limit the possibility of unilateral actions.