

NAFTA AND THE AEROSPACE AND DEFENCE ELECTRONICS INDUSTRIES

THE CANADIAN INDUSTRY

- ◆ The total employment in the industry is 60,000.
- ◆ In 1992, Canada's exports of aerospace and defence electronics to all countries were valued at \$6.0 billion, \$20 million to Mexico.
- ◆ Canada's major exports include aircraft, aircraft engines and aircraft parts, helicopters, flight simulators, and radio navigational apparatus.

WHAT'S IN THE AGREEMENT

- ◆ Elimination of all Mexican and Canadian duties within 10 years for all aerospace and defence electronics products.
- ◆ Opportunities for an integrated North American market for aerospace and defence electronic products.
- ◆ Immediate elimination of Mexico's tariffs on aircraft, aircraft parts, parts, helicopters, radar and navigational equipment -- export interests to Canadian manufacturers in this sector.
- ◆ Enhanced access for Canadian suppliers to U.S. procurement contracts. Procurement at the provincial and municipal levels is not included in the NAFTA.
- ◆ Commercial air transport of passengers and cargo is excluded.

BENEFITS FOR CANADA

- ◆ A competitive advantage for Canadian exports over European suppliers.
- ◆ Opportunities will increase for Canada to trade with Mexico in aircraft, aircraft engines and aircraft parts.
- ◆ Canada retains preferential access to the United States for defence-related equipment under the Canada-United States Defence Production Sharing Agreement.