The leather products, knitting mills, and clothing sectors are faced with potentially redundant branch plants. Two considerations mitigate the likelihood of world product mandate strategies for Canadian subsidiaries in these sectors. First, the managerial capabilities within the branch plant subsidiaries are probably limited. This means they are unlikely to seek aggressively for world product mandates to transform their branch plants into world producers. Second, viable world product mandates strategies for these sectors would originate from MNEs in newly industrializing countries but the current pattern of Canadian foreign ownership mostly encompasses American MNEs. Thus, unless the potentially redundant Canadian branch plants are purchased by MNEs from the newly industrializing countries and Canadian branch plant management is significantly upgraded, viable world product mandate strategies are unlikely.

The tobacco products sector differs from the preceding sectors because viable world product mandates could be acquired from American parent MNEs. World product mandates in Canadian tobacco products will depend primarily upon the aggressiveness of Canadian branch plant management. Nonetheless, bilateral free-trade will be inhibited by non-tariff barriers on tobacco products. These barriers are a major influence on the sectoral environment, so viable world product mandates would necessitate a bilateral agreement establishing principles and procedures for their removal.

World product mandates are more likely to be won in sectors producing new products subject to expanding worldwide demand. The relative newness of most sectors producing these products means they are not already characterized by