

## PROPOSED TARIFF PHASE-OUTS

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The three countries in North America have agreed on a 10-year time frame for the elimination of tariffs on almost all goods meeting the criteria established in common rules of origin. The phase-out schedule agreed upon by the partners falls into three categories. Some goods will be duty-free immediately. Another category of goods will experience reductions in five annual steps between 1994 and 1998. A third category will see tariffs reduced in 10 annual steps between 1994 and 2003. A few products, such as eggs, dairy products, poultry and sugar, are excluded from these schedules. The phase-out of tariffs between Canada and the U.S. will continue as agreed upon in the FTA. As a result, all tariffs between those two countries will be eliminated by January 1, 1998.

The following charts provide examples of how the NAFTA phase-out process will affect North American trade.

### Some Examples of Elimination of Mexican Tariffs on Canadian Goods

IMMEDIATE	FIVE-YEAR SCHEDULE	TEN-YEAR SCHEDULE
<ul style="list-style-type: none"> <li>▶ fish</li> <li>▶ telecommunications equipment</li> <li>▶ fertilizers and sulphur</li> </ul>	<ul style="list-style-type: none"> <li>▶ wood and paper</li> <li>▶ transportation equipment</li> </ul>	<ul style="list-style-type: none"> <li>▶ furniture</li> <li>▶ pharmaceuticals</li> <li>▶ toys</li> </ul>

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IMMEDIATE	FIVE-YEAR SCHEDULE	TEN-YEAR SCHEDULE
<ul style="list-style-type: none"> <li>▶ telecommunications equipment</li> <li>▶ photographic film and equipment</li> <li>▶ machinery and equipment</li> </ul>	<ul style="list-style-type: none"> <li>▶ light trucks</li> <li>▶ tools</li> <li>▶ rubber products</li> </ul>	<ul style="list-style-type: none"> <li>▶ apparel</li> <li>▶ footwear</li> <li>▶ toys</li> </ul>