

NAFTA - GOVERNMENT PROCUREMENT

WHAT'S IN THE AGREEMENT?

- ◆ Better access for suppliers of goods, services and construction in all three countries.
- ◆ The Mexican construction services market will open in incremental stages over the next 10 years.
- ◆ Improved procedures to cover tendering and challenges to bids as well as dispute resolution.
- ◆ Scope and coverage of government procurement contracts in the NAFTA exceeds that of the GATT and FTA. Market opportunities for Canadian suppliers increase from \$20 billion to approximately \$70 billion.

BENEFITS FOR CANADA

- ◆ For the first time, government procured services in the U.S. and Mexico will be open to Canadian suppliers. In the U.S. alone the services market is approximately \$30 billion per year.
- ◆ For the first time, suppliers of Canadian building materials will have competitive access to U.S. government construction contracts.
- ◆ The United States has agreed to lift the Buy America restrictions on loans provided under the Rural Electrification Administration (about US \$1.5 billion). This will provide Canada's high-tech telecommunications equipment suppliers access to this previously restricted market.
- ◆ Internationally competitive Canadian companies will have a fair opportunity to serve the U.S. and Mexico markets, particularly PEMEX (petroleum monopoly) and CFE (electricity monopoly), which represents almost US \$8.2 billion of Mexican government procurement. Canada's heavy electric equipment producers and oil and gas equipment suppliers will for the first time have access to this market opportunity.