

NAFTA AND THE CHEMICAL, PHARMACEUTICAL AND PLASTICS INDUSTRIES

THE CANADIAN INDUSTRY

- ◆ The sector directly employs more than 117,000 Canadians.
- ◆ Major producers in this sector are located in Quebec, Ontario and Western Canada.
- ◆ In 1992, Canada's exports of chemicals, pharmaceuticals and plastics to all countries were valued at \$12 billion.
- ◆ Major exports include polyethylene, sulphur and styrene.
- ◆ Canadian exports to Mexico are mainly sulphur, potassium chloride and synthetic rubber.

WHAT'S IN THE AGREEMENT

- ◆ Elimination of all Mexican and Canadian duties within 10 years for all chemical, pharmaceutical and plastic products.
- ◆ Immediate duty-free access to Mexico for sulphur and fertilizers, two of the largest Canadian exports to Mexico.
- ◆ Liberalization of Mexican market restrictions on all but a few basic petrochemical products.
- ◆ Immediate Canadian tariff elimination for many organic chemicals and chemical products not made in Canada.
- ◆ Most Mexican trade in this sector already enters Canada duty free.
- ◆ 10-year phase-out of most pharmaceuticals and other products, such as sanitary ware and plastic articles.
- ◆ Coverage of intellectual property rights, including the extension of patent protection on pharmaceuticals, in line with proposed domestic legislation and consistent with the proposals under the General Agreement on Tariffs and Trade (GATT).

BENEFITS FOR CANADA

- ◆ Overall, the Mexican market for imported chemicals, pharmaceuticals and plastics is expected to grow by as much as 30% per year over the next five years.
- ◆ Canadian pharmaceutical operations are gaining North American export manufacturing mandates that will include access to the Mexican market.