

counterparts were quite evident among exporters in the manufacturing and agricultural/forestry sectors, in contrast to the services sector.

- Firms that earned more than 50% of their revenue from exports were more confident about the long-term benefits of the FTA on their industry than were firms with lower volumes of revenue from exports. Over the entire sample, 38% thought FTA would benefit the industry, 31% said it will hurt, 31% said it will have no effect or didn't know.
- Opinion was divided on the likely time it would take to see impacts on ones own industry and the Canadian economy. Large numbers had no opinion, but about two-fifths thought the results were already apparent. The most evident effect reported to date was changes in employment.
- When direct consequences of the FTA for exporters were examined, the survey revealed that the majority of firms had not taken actions; nor did many see results (such as increased sales in the U.S.) as a direct consequence of FTA. The highest percentage of exporters (35%) reported seeing penetration of the Canadian market by their U.S. counterparts (especially evident for firms with less than 50% of their total revenue coming from exports.)
- Twenty percent of firms made changes to their production operations in response to the FTA: most frequently reported was investing in new equipment, followed by reducing staff, followed by hiring new staff.
- More than 60% of the sample said they had not encountered any problems in exporting goods to the U.S. Of those mentioning a problem, no specific problem received more than 6% of responses.
- Opinion on an FTA that included Mexico was divided: 48% favoured the idea, 38% opposed it and 14% were not sure. Those in favour most often saw new or expanded opportunities and markets; those opposed overwhelmingly mentioned the problem of competition with lower labour costs. Those considering exporting to Mexico were most favourable; those not considering were most opposed (and uncertain). The vast majority of firms (74%) currently exporting to Mexico stated that they would very likely continue to export to Mexico if an agreement came into force.
- When all exporters were asked about the likelihood of three scenarios occurring if an FTA which included Mexico came into effect -- buying materials and components from Mexico; entering into joint ventures and setting up a plant and equipment in Mexico -- the majority stated that none of these development was likely to happen.