

• NAFTA NEWS •

Changes Now In Effect

The North American Free Trade Agreement came into force on January 1. Aside from tariff reductions, what other changes are now in effect?

- North America becomes an **integrated market** of 360 million people.
- Mexico eliminates a number of **import licensing requirements** for Canadian exports.
- **Duty drawback** under the Canada-U.S. Free Trade Agreement is extended for two years until December 31 1995, at which time it will be replaced by a permanent duty refund system that will reduce input costs for Canadian manufacturers.
- For the first time, Canadian companies may bid on **government procurement** contracts in Mexico. In the U.S., Canadians may bid on government contracts for services and construction. The scope and coverage of government procurement contracts in the NAFTA exceeds that of the FTA and GATT.
- All **investors** from the NAFTA countries are to be treated equally. Investment restrictions in Mexico will be reduced in numerous sectors including autos, agriculture, financial services, mining, transportation and most manufacturing.
- Canadian **financial services** may expand into Mexico, open subsidiaries, invest in and acquire Mexican, banking, securities and insurance companies.
- Clear and precise **rules of origin** will narrow the scope in disputes.
- A clear and straightforward method to calculate the **North American content** of autos should avoid repetition of the customs dispute over Honda Civics from Canada.
- Expanded access to the U.S. market for textiles and apparel under **special quotas**.
- Improved **dispute settlement** procedures.
- New **intellectual property rights** to protect the work and inventions of Canadian creators, inventors and researchers.
- Business people will find it easier to gain **temporary entry** to any NAFTA country and may bring their equipment and samples with them duty free.
- Canadian **truckers** can now carry goods to the U.S., pick up cargo for Mexico and make the return trip carrying cargo to both the U.S. and Canada.
- Further **discipline on U.S. energy regulators** to reduce their capacity to interfere with Canadian sales in the U.S.
- **Specialty air service** markets will be opened up over a five-year period beginning with aerial surveying and mapping services into the U.S. market.

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mental technologies; more than 1,000 delegates will hear experts from 20 countries.

Topics include: corporate environmental strategy; emerging international markets; and technology cooperation.

APEC represents Australia, Brunei Darussalam, Canada, People's Republic of China, Hong Kong, Indonesia, Japan, Korea, Malaysia, Mexico, New Zealand, Papua New Guinea, Philippines, Taiwan, Thailand, and the U.S.

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