Canada's Ability to Compete with Mexico

Half (49%) believed that Canada cannot compete with Mexican businesses because of the low wages and environmental standards, while 47 percent took the opposing view: that Canada can compete because our workers are better trained and Canada has better facilities such as roads and airports. However, two thirds agreed that many companies will move their plants from Canada to Mexico to take advantage of lower wages there, and approximately three out of five (63%) agreed that Canadian companies will not be able to compete with Mexican companies because of the lower wage levels in Mexico. In addition, 54 percent agreed that many companies will move to Mexico to take advantage of their low environmental standards.

Only Three in Ten Canadians Believe the NAFTA will not Make Much of a Difference

Only three in ten agreed that a free trade agreement including Mexico doesn't make much difference to Canada because of the low levels of trade between the two countries. A majority of respondents (51%) agreed that free trade with Mexico will mean that Canada will import much more from Mexico than Canada will export to Mexico. Perhaps because of this forecasted trade balance, 55 percent of respondents agreed that the NAFTA will help build the Mexican economy so Mexicans will gain an improved standard of living, while 41 percent felt that most big U.S. corporations will benefit, and Mexicans will not enjoy any of the benefits.

Effect of the NAFTA on Investment

While respondents are split on Canada's ability to compete with Mexico, over half (56%) thought that any new investment in Canada will be cancelled out by industries in this country moving to Mexico, with 39 percent feeling that it is critical for Canada to be part of the NAFTA if it is to be an attractive location for plants to supply the North American market. With respect to the automotive industry, a majority (53%) agreed to the statement that Japanese auto makers will continue to build new plants in Canada to sell cars to the North American market.