

NAFTA - TARIFF REDUCTION HIGHLIGHTS -- PART II

Canada and Mexico have agreed to the following reductions in duties:

Food and Beverage Industry

- ◆ Canada and Mexico -- no phase-out for sugar or our supply-managed dairy, poultry or eggs.
- ◆ Mexico -- immediate elimination for dried peas, some dried beans, mustard flour, millet, honey, lentils, rye, buckwheat and Canadian Whisky -- all Canadian export interests; Five-year or 10-year phase-out for most food products; 10-year phase-out on other grains, pork, and vegetable oils including canola.
- ◆ Canada -- most Mexican food exports to Canada already duty free, including tropical fruits and vegetables and those outside the Canadian growing season; 10-year phase-out for sensitive fruit and vegetables; Five-year phase-out for most other products.

Footwear

- ◆ Canada and Mexico -- 10-year phase-out on most footwear, including leather boots; Eight-year phase-out on some leather shoes; Immediate phase-out for some specialty sports footwear, most of which is not made in Canada.

Industrial Equipment

- ◆ Mexico -- generally immediate, with some five-year phase-out. Includes Canadian export interests in resource, construction, agricultural, environmental and industrial equipment such as bulldozers; front end loaders; excavators; unloading machinery; cranes; paper and paperboard making machinery; dryers for wood and paper; coal and rock cutters; heat exchangers; centrifuges; milling, sanding, sawing, drilling and boring machines; tractors, ploughs, harrows, cultivators, weeders, combine-harvesters and other harvesting machinery; poultry incubators; filtering and purifying equipment; plastic and rubber injection, extruding and moulding machines; packaging and wrapping machinery; parts for generators; spark ignition engines and parts; gas turbine parts; weighing devices; roller bearings; and many combustion engine parts.
- ◆ Canada -- most industrial equipment already duty free. Immediate elimination for most remaining items. Five years for such areas as compressors, water boilers and furnace burners.