

QUEBEC - EXPORT SECTORS TO WORLD MARKETS

Wood and paper, primary metals, electrical and electronics products, transportation equipment, mining products, chemicals, food products and non-electrical machinery, consulting engineering, computer services, financial services and enhanced telecommunications services.

POTENTIAL QUEBEC EXPORT INTERESTS IN MEXICO

Lumber, plywood, veneer, pulp, paper, iron ore, aluminum, gold, pharmaceuticals, cars, automotive parts, buses and trucks, subway and railway cars and parts, textiles, synthetic rubber, pork, maple syrup, mining, construction and agricultural equipment, poultry incubators, aluminum hydroxide, ethanediol, diethylene glycol, concrete pumps, centrifuges, alcoholic beverages and printed circuits.

NAFTA OPPORTUNITIES FOR QUEBEC

◆ Forestry Products

The pulp and paper industry is Quebec's largest exporter. There is an expected increase of 50% in Mexican demand for pulp over the next 10 years. With the early phase-out of duties for some pulp and some paper products, opportunities will likely result from the NAFTA for specialty papers and newsprint. With the gradual elimination of tariffs, other paper products, such as sanitary papers, will increase their market share.

◆ Transportation Equipment and Services

Tariff reduction in this area will lead to increased opportunities for the rail and urban transportation and the aircraft and aircraft parts manufacturers in this province. Bell Helicopter has already made inroads into the market through the sale of helicopters to the Mexican government. Bombardier has established an office in Mexico. There will be greater freedom to provide trucking services to Mexico, and agreement between Mexico and Canada to maintain their relatively open international maritime shipping services.

◆ Agriculture/Food Products Industry

With a rising Mexican standard of living, imports of specialty food items will increase. Quebec is well-positioned to benefit from the increasingly affluent Mexican demand for packaged foods. Mexican markets will be open to increased Canadian exports such as pork and processed foods. This will be of benefit to the Quebec industry.

◆ Textiles and Apparel

Mexico currently imports \$1.4-billion worth of products in this area. The NAFTA will provide improved access to the U.S. through larger quotas for apparel and textile products not meeting the rules of origin. Extension of duty drawback will reduce input costs for Quebec textile and apparel manufacturers.

◆ Telecommunications Industry

The expected increase in Mexican demand in this area will provide opportunities for Quebec companies. The Mexican market for telecommunications products is expected to grow by 42% by the year 2000. Spar has already obtained contracts with PEMEX as well as other Mexican companies, predominantly in the areas of private satellite networks. The opening of the Mexican market for enhanced telecommunications services will also provide expanded opportunity for Quebec-based computer services firms.