

COMMONLY ASKED QUESTIONS

Will the restrictive rules of origin hurt the apparel and textile industries?

Since the implementation of the FTA, our apparel exports to the U.S. have increased in value by 60%, with Canada holding a trade surplus. Our exports of yarn have more than doubled, with fabrics and fibres registering increases of 15% and 50% respectively.

The narrower NAFTA rules of origin are therefore offset by substantial increases in the tariff rate quotas negotiated under the FTA which should benefit both industries under the NAFTA.

Will the low wages paid to Mexican workers give them a competitive edge?

Mexican exports of textile products to Canada are extremely low. Only 0.5% of our apparel imports come from Mexico. We are confident about our industry's ability to compete. The Mexican apparel industry produces cheaper, low-quality items while the Canadian industry is moving into high-quality designer fashions.

What are the prospects for Canadian exports?

Canadian textile and apparel exports to the U.S. have grown since the FTA came into effect and are expected to grow under the NAFTA. Canada currently exports more apparel to the U.S. than it imports. Our apparel exports to the U.S. have increased by 60% since the FTA. Canadian yarn exports to the U.S. have more than doubled in the same period. Our fibre exports have increased by 50% and our fabric exports by 15%.