

NAFTA AND QUEBEC

WHAT'S IN THE AGREEMENT FOR THE QUEBEC ECONOMY

- ◆ Immediate elimination of Mexican tariffs on key Quebec exports such as some newsprint, some coated and uncoated paper, chemical pulp, softwood lumber for construction, aircraft, urban rail equipment, medical products and a variety of industrial equipment.
- ◆ Clear and more precise rules of origin, particularly in calculating North American content for autos and auto parts.
- ◆ Canada-U.S. Auto Pact remains intact.
- ◆ Extension for two years on duty drawback beyond the FTA expiry in 1994. This will be replaced in 1996 by a permanent duty refund system that will reduce input costs for Canadian manufacturers who still pay duties on goods shipped into other NAFTA countries.
- ◆ On telecommunications, immediate elimination of Mexican tariffs on all equipment except for central switching equipment and telephone sets, which will be phased out in five years. Future compatibility of standards, improved rules of origin and the opening of the Mexican market for enhanced telecommunications services.
- ◆ The inclusion of land transportation (trucking) and specialty air services such as aerial mapping and surveying.
- ◆ Increases in the apparel and textile quotas, giving preferential access to the U.S. market for Canadian goods that do not meet the new rules of origin.
- ◆ Ten-year tariff phase-out for apparel, most leather products and shoe imports from Mexico; eight years for textiles.
- ◆ Strong commitments to sustainable development, environmental protection and conservation. Recognition that NAFTA countries should not lower environmental standards to attract investment. Export opportunities for Quebec environmental equipment and services.
- ◆ Comprehensive provisions on intellectual property, including pharmaceuticals, in line with the recent extension of patent protection in Canada and consistent with General Agreement on Tariffs and Trade (GATT) proposals.
- ◆ Improved access for financial institutions in the developing Mexican market.
- ◆ Improved access to the developing Mexican market for professional services, including management, engineering, accounting, computer and legal services, and trucking.
- ◆ Provincially regulated professions encouraged but not forced to recognize credentials from other NAFTA countries.
- ◆ Rules to ease the temporary entry of business people and duty exemption for their accompanying tools and equipment.
- ◆ Import quotas on supply managed egg, poultry and dairy sectors maintained.
- ◆ Improved access to Mexico for agricultural products including pork and processed food products.
- ◆ Safeguards established to moderate sudden import surges of most sensitive fruits and vegetables.
- ◆ Immediate elimination on tariffs for maple syrup.
- ◆ Clearer rules for repairs of U.S. vessels in Canadian shipyards.
- ◆ Better access to government procurement contracts for a range of industrial and high technology goods; telecommunications equipment and computers; and professional services, including consulting engineering. For the first time, Canadian suppliers of telecom equipment, power distribution and electrical equipment will have access to previously excluded contracts under the Rural Electrification Act. Procurement at the provincial and municipal levels is unaffected by NAFTA.
- ◆ Dispute settlement procedures have been strengthened and improved, including institutional provisions to limit the possibility of unilateral actions.