

F. CONSEQUENCES OF THE FREE TRADE AGREEMENT

1. Actions Taken

An important question for the survey was to determine what actions had been taken by exporters as a direct result of the Free Trade Agreement. Respondents were asked a number of questions regarding specific, direct consequences of the agreement. In general, as seen in Table 14, the majority of companies have not taken action or seen results that affect them as a direct consequence of the Free Trade Agreement.

**TABLE 14
DIRECT CONSEQUENCES OF
THE FREE TRADE AGREEMENT**

Consequences As a Direct Result of Free Trade	(501) %
Noticed Penetration of the Canadian Market For Your Product By U.S. Competitors	35
Taken Advantage of New Tariff Schedules*	31
Found Lower Prices of Materials and Components From U.S. Sources	30
Undertaken New Product Development	26
Increased Sales in U.S.	16
Identified New Markets	15
Entered Into Strategic Alliances With U.S. Companies	11
Participated in Any Joint Ventures in the U.S.	7
Attracted New Investment From Other Countries	5
Arranged for Licensing Agreements in the U.S.	4

Source: Questions D6 and D8.

*219 of the 396 firms in the manufacturing and agriculture/forestry sectors said they qualified for the new FTA tariff schedules (Question D7); 154 (70%) of the qualifying firms reported that they had taken advantage of the new tariff schedules.