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industries such as textiles and clothing as well as most food processing will face tariff elimination over ten years.

By the end of the 1990s, Manitobans will benefit from savings on imports of duty-free consumer products, while Manitoba manufacturers will benefit from both the duty-free import of inputs to final production (e.g. machinery), as well as from selling its goods duty-free in the U.S. market. A further advantage to Manitoba manufacturers will be that its offshore competitors in the U.S. market will continue to face existing U.S. tariffs, thus providing Manitobans with an edge in the market.

In addition to phased tariff elimination, the FTA allows for safeguard measures to provide industries with a breathing space if they are facing strong import competition due to tariff elimination.

Manufacturing

The FTA will have a positive impact on the manufacturing sector in Manitoba. The urban and intercity bus sector and the aerospace industry will benefit from increased access as a result of the procurement agreement which opens up at least \$4 billion more in U.S. contracts, where bidding procedures are improved and where suppliers who believe they have been unfairly treated will have appeal to an impartial review authority. Buy-National restrictions will be eliminated for procurements between \$33,000 and \$238,000 and these restrictions have been a real barrier for the transportation equipment sector.

Manitoba is the second largest agricultural equipment producing province in Canada, employing 2,700 persons in the province. Ninety-one per cent of Manitoba's agricultural machinery exports go to the U.S. This industry depends on favourable access to the U.S. market and that is now enhanced.

Clothing manufacturers will also benefit, particularly those making outerwear who are already internationally competitive. The major market for the clothing sector is the U.S., which accounts for 81% of the value of clothing export shipments. The elimination of tariffs over 10 years and the reduction of a wide range of other barriers will make trade more open and more secure for these sectors.

Continued access for apparel made from imported fabrics has been agreed to through the establishment of sizable tariff rate quotas. A tariff quota of 50 million square yards for Canadian non-woollen apparel was agreed to and 6 million for woollen apparel. These levels provide for a six-fold increase in current Canadian exports to the U.S. of Canadian apparel trade from imported fabrics.