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There are several reasons to expect that currently protected industries will benefit from free trade. Industries relatively highly protected in Canada also tend to be highly protected in the United States. Lowering trade barriers will increase competition in Canada from U.S. imports and also increase the opportunities for these industries to expand their exports to the United States, compensating for any loss in their share of the domestic market due to the rise in imports. As a result of access to the large U.S. market and the adjustment time provided by the phase-in of tariff removal, industries with high levels of protection will have the potential to achieve lower production costs through specialization and longer production runs. Less costly inputs resulting from free trade will make these industries more competitive, relative to offshore producers, in the larger North American market. When price competition is an important factor, such a reduction in production costs can result in increased sales, production and employment.

Women working in manufacturing are employed across a wide range of industries. For example, looking at the 18 manufacturing industries in Table 3.2, women have over 25 per cent of the jobs in nine of these industries. The highest concentration by percentage is in clothing, leather, textiles, printing and miscellaneous manufacturing. Women also have a significant number of the jobs in the chemical, electrical products, food and

beverage, and rubber and plastics industries. Women's representation in all industry categories suggests that they are well positioned within the manufacturing labour force to take advantage of the generally positive effects that the Agreement will bring to the manufacturing sector.

The impact of the Agreement, while positive overall, will vary from one industry to another and among different firms within industries. Not all firms have the same potential to exploit the opportunities for improvements in scale and efficiency. The ability of Canadian industry and workers to take advantage of the new opportunities and meet the challenges posed by free trade will depend on various factors. It should be remembered that the Canadian manufacturing sector has faced a number of changes in the past. Canadian firms and workers have had to adjust to technological change and modernization, growing competition particularly from newly industrialized countries with lower labour costs, and successive rounds of multilateral tariff reductions with our GATT trading partners. Canadian industries and workers have shown themselves capable of managing the changes inherent in competing in an international trading environment.