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**MANITOBA  
Overview**

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The Free Trade Agreement with the United States offers real benefits to the province of Manitoba. International trade is essential to Manitoba's future economic growth representing 14% of economic output. Exports to the U.S. represent 8.5% of Manitoba's gross domestic product. The United States, particularly the midwestern states, is Manitoba's most significant trading partner accounting for just over 56% of the province's exports.

Although Manitoba has traditionally been regarded as a primary resource exporter, finished manufactured goods account for a large and growing share of exports (36% of Manitoba's exports are end products). Manitoba is six times as trade oriented in exports of manufactured goods as other western provinces.

Secure and enhanced access to the U.S. market is therefore vital to Manitoba's economic health. In manufacturing, resources and agriculture, Manitoba has felt the pressure of rising American protectionism.

The FTA will enhance new trading opportunities while ensuring that the joint administration of our laws dealing with unfair trade practices secures the access we have.

Agreement on a new and unique dispute settlement mechanism will allow Manitoba exporters to compete in the U.S. market on a more secure, predictable and equitable footing. The agreement provides for prevention of abuse of the system. Manitobans who have experienced the discriminatory use of non-tariff barriers such as the health regulations for live hogs and the threat from the Ad Hoc Coalition on International Electrical Power Trade will now know what the rules are and be confident that they will have a voice in how they will be applied.

Tariff

A large proportion of Canada-U.S. trade is already duty-free. Of the remaining tariffs, over half will be eliminated in ten equal steps and about a third will go in five equal steps, starting on January 1, 1989. The balance of dutiable goods will face tariff elimination on January 1, 1989.

The three categories for tariff elimination were established on the basis of consultations with the private sector, where Manitoba interests were well represented. Both our export interests and import sensitivities were taken into account in this process, and as a result industries on both sides of the border have been given time to adjust to new challenges and opportunities. Sensitive

TRADE NEGOTIATION  
RESEARCH CENTRE  
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