
Other products on the tariff elimination schedule will also generate important benefits. For example, fish meal and fish oil are markets that are very price sensitive and producers will gain important marketing benefits through the elimination of tariffs on these items.

A related benefit to tariff eliminations will be the phasing out of customs user fees which exporters must pay to U.S. Customs. For the fishing industry a savings of \$2 million to \$5 million a year is expected. As well, the temporary entry provisions will simplify entry into the United States for business people involved in sales and marketing.

The Canada-U.S. Free Trade Agreement will mean new job opportunities for Canadian processing workers. As the volume of high quality, higher priced fillets exported to the United States increases, plant employment will increase, especially on cutting and trimming lines where women traditionally have been employed. With respect to the three primary product categories that will benefit from tariff elimination, women represent 55 per cent of workers producing fresh and frozen groundfish products, 52 per cent of workers producing value-added products and 68 per cent of those producing crab products. Bearing in mind that many plants are located in small communities where fishing and fish processing is sometimes the only source of employment, the Agreement in general will enhance employment opportunities for women in the fishing industry.

As the industry adjusts to the new trading environment, investment decisions will be made to produce products for both the Canadian and the U.S. markets. The commercial requirement to maintain processing facilities in the United States will be reduced as U.S. tariffs are phased out and Canadian competitive advantages (for example proximity to abundant stable resources) increase in relative importance. Capacity utilization, location of existing facilities and relative cost structures in Canada and the United States will be important factors in this process. Tariff elimination on ingredients, packaging materials and equipment used in fish processing will also confer further cost advantages to locating new capacity in Canada.

The Canada-U.S. Free Trade Agreement will benefit fishermen as well as processors. A fisherman's economic viability depends on resource availability, the quality of the raw material, and good financial returns for catches. As processors secure an increased share of the American market, raw material from fishermen will be in greater demand. This greater demand in turn will mean increased returns for fish landings.