



news release

Date July 5, 1993

No. 141

For release

THIRD ROUND OF EARLY TARIFF CUTS UNDER FTA IMPLEMENTED JULY 1

The Honourable Tom Hockin, Minister for International Trade, and the Honourable Gilles Loiselle, Minister of Finance, announced today that the third round of the accelerated elimination of certain Canadian and U.S. tariffs went into effect on July 1, 1993.

This round of early tariff removals under the Canada-U.S. Free Trade Agreement (FTA) eliminates tariffs on over 300 specific products on each side, worth about \$1 billion in two-way trade. Products of particular interest to Canadian exporters include engine parts, denim fabrics, certain alcoholic beverages, yarns and staple fibres.

"The response by Canadian and U.S. companies to the accelerated elimination of tariffs under the FTA has been very positive," said Minister Hockin. "The fact that these companies are willing to cut tariffs faster than what was scheduled under the FTA shows a keen interest in making their industries more competitive."

"This is the kind of competitive attitude by Canadian industries that will sustain long-term economic recovery in this country," added Minister Loiselle.

The first and second rounds of accelerated tariff elimination resulted in the early elimination of tariffs on more than 650 items valued at about \$8 billion in two-way trade.

The ministers also noted that the early elimination of tariffs is in response to industry requests. The government consulted closely with Canadian industries, and pursued only those proposals that enjoyed broad support in the industry sector concerned and that were in the national interest.