



No. 154

July 3, 1991

ROUND TWO
OF FTA ACCELERATED TARIFF ELIMINATION
EFFECTIVE JULY 1

Minister of Industry Science and Technology and Minister for International Trade Michael H. Wilson has confirmed that U.S. and Canadian tariffs on a wide range of goods traded between the two countries are being eliminated or further reduced under the Free Trade Agreement (FTA). The tariff reductions, which result from the domestic and bilateral consultations held this year on accelerated tariff elimination under the FTA, were implemented provisionally on July 1 by both governments.

"Early elimination of these tariffs had been requested by businesses on both sides of the border," Mr. Wilson said. "It shows they are willing to compete without tariffs in a larger market even earlier than was agreed to when the FTA was negotiated."

The elimination of tariffs will increase Canadian exports to the U.S. market and will reduce costs for Canadian firms that buy manufacturing inputs from the United States. "This improves the competitiveness of Canadian industry, both ways," the Minister said.

The package being implemented includes over 400 products on each side, covering approximately \$2 billion in two-way trade. In particular, U.S. tariffs are being eliminated or reduced on canola oil, plastic-making moulds, styrene, fresh or chilled beef and flaxseed.