

It is estimated that the EU tariff modifications on affected Canadian exports to Austria, Finland and Sweden will amount to \$8.25 million in additional duty collections in 1995. In response, Canada will impose additional duties on imports of particular interest to the EU. This measure will not affect partners in the North American Free Trade Association or developing countries eligible for existing preferences.

"The products upon which we intend to withdraw concessions have been chosen on the basis that EU producers bear the cost. The impact on Canadian consumers, industry or third country producers will be negligible," Mr. MacLaren said.

Canada is exercising its WTO rights under Articles XXIV and XXVIII of the General Agreement on Tariffs and Trade (GATT). Under WTO regulations, Canada must provide 30 days' notice of its intention to withdraw concessions.

"Our action is consistent with WTO procedures, and our goal is to negotiate a permanent compensation arrangement under the WTO," said Mr. MacLaren.

- 30 -

For further information, media representatives may contact:

Media Relations Office
Department of Foreign Affairs and International Trade
(613) 995-1874