

News Release

Communiqué

Minister for
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Trade



Ministre du
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CANADA-EC AGREEMENT ON
PROVINCIAL LIQUOR BOARD PRACTICES

International Trade Minister John C. Crosbie today announced that Canada has reached an agreement with the European Community to resolve the long-standing dispute over discriminatory provincial liquor board practices.

The negotiated agreement will enable Canada to meet its obligations under the GATT panel decision adopted last March and to avoid the imposition of penalties on Canadian exports by the European Community of up to \$150 million a year.

A key objective in the negotiations was to obtain the longest phase-out period possible for differential price markups to enable the Canadian wine industry to adjust to a more competitive environment. For example, an extended phase-out (ten years) was achieved for the most vulnerable Canadian wines, those made from 100-percent Canadian grapes in Ontario, British Columbia, and Nova Scotia. The agreement with the European Community also allows for more measured phase-out than provided for under the Free Trade Agreement for blended wines produced in Ontario and British Columbia. The elimination of all other discriminatory markups on wine will be made on the basis of the Free Trade Agreement. The European Community had initially been seeking the removal of all discriminatory practices within two years.

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