



news release

Date **January 6, 1994**

No. 1

For release

MINISTERS ANNOUNCE FIRST ROUND OF ACCELERATED TARIFF ELIMINATION UNDER THE NAFTA

International Trade Minister Roy MacLaren and Finance Minister Paul Martin today invited interested parties to submit proposals for early tariff elimination under the North American Free Trade Agreement (NAFTA). They also asked for comments on the early tariff removal proposals already put forward by industries in the three countries (a list of these products is attached).

Details on how companies can submit proposals will be published in the *Canada Gazette* on January 8, 1994. The deadline for views on products already under consideration is February 1, and the deadline for new proposals is February 22.

"The success of early tariff elimination under the Canada-U.S. Free Trade Agreement (FTA) has prompted companies to propose accelerated reductions in tariffs under the NAFTA," Mr. MacLaren said. Three rounds of accelerated tariff elimination under the FTA resulted in approximately \$9 billion in bilateral duties being eliminated.

The Minister emphasized that, as in the FTA, the NAFTA process is driven by industry requests. The Government will consult with companies, industry associations, labour groups, provincial governments and the Sectoral Advisory Groups on International Trade.

Mr. Martin noted that the Government supports those Canadian producers who wish to see the current tariff phase-out schedules maintained. "Where Canadian producers have opposed tariff acceleration requests in the past, the Government will only reconsider if circumstances have significantly changed."

The NAFTA provides for the eventual elimination of most tariffs on Canadian, U.S. and Mexican goods traded between the three countries. While tariffs on some Mexican products were