



news release

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MINISTERS ANNOUNCE FINAL ROUND OF ACCELERATED TARIFF ELIMINATION UNDER CANADA-U.S. FREE TRADE AGREEMENT

The Minister of Industry, Science and Technology and Minister for International Trade, the Honourable Michael H. Wilson, and the Minister of State (Finance and Privatization), the Honourable John McDermid, today invited interested parties to submit proposals for a third and final round of accelerated tariff elimination under the Canada-U.S. Free Trade Agreement (FTA). Details of the process will be published in Part I of the Canada Gazette on November 16. Deadline for the receipt of requests is January 17, 1992.

In the course of the first two rounds, hundreds of applications for tariff elimination were received and were subjected to extensive Canada-wide consultations. At the end of Round I, duties on some 400 tariff lines, covering approximately \$6 billion in bilateral trade, were eliminated, effective April 1990.

In Round II, duties on approximately 250 additional tariff lines, covering approximately \$2 billion in bilateral trade, were eliminated, effective July 1991.

"In light of the success of the process in Rounds I and II, companies continue to come forward to propose further reductions in the FTA tariffs," Mr. Wilson said. "The accelerated elimination of tariffs provides additional proof that the FTA is working to the advantage of Canadian exporters."

The Minister emphasized that extensive consultations with domestic industry will once again be conducted. The Government will consult with individual companies, major industry associations, labour, provincial governments, the International Trade Advisory Committee (ITAC) and the Sectoral Advisory Groups on International Trade (SAGITs).

Mr. McDermid said the Government recognized that many Canadian companies prefer to maintain the current tariff phase-out schedule under the FTA.

"Accordingly, the Government will not reconsider earlier requests that met with opposition from Canadian producers, unless it is demonstrated that circumstances have changed," he said.

"Furthermore, all applicants requesting accelerated tariff elimination will be asked to provide evidence of support in the Canadian industry sector concerned."

The Canada-U.S. Free Trade Agreement provides for the elimination, by January 1, 1998, of all tariffs on Canadian and U.S. goods traded between the two countries. Under the Agreement, tariffs were either removed at the time of implementation of the FTA or were scheduled to be phased-out in 5 or 10 equal annual stages. Round III will address only those products subject to the 10-year phase-out schedule.

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