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## CANADA POISED TO BECOME "TARIFF-FREE ZONE" FOR MANUFACTURERS THANKS TO BUDGET 2010

Measures in Budget 2010 to eliminate all remaining tariffs on manufacturing inputs and machinery and equipment will be critical to creating jobs and growing the economy, according to the Honourable Jim Flaherty, Minister of Finance, and the Honourable Peter Van Loan, Minister of International Trade, who highlighted the measures today. Ministers Flaherty and Van Loan were joined at the event by the Honourable Denis Lebel, Minister of State (Economic Development Agency of Canada for the Regions of Quebec).

"Making Canada a tariff-free zone for manufacturers will keep us ahead of the pack and show the rest of the world that we're open for business," said Minister Flaherty. "It will help keep good manufacturing jobs here in Canada, and create many more."

*Budget 2010: Leading the Way on Jobs and Growth* builds on measures taken in Budget 2009 to permanently eliminate tariffs applied on a broad range of machinery and equipment, providing average annual savings of \$88 million. This year's budget will eliminate all remaining tariffs on manufacturing inputs and machinery and equipment, providing an additional \$300 million in annual duty savings for Canadian business.

This historic step will position Canada as the first among its G20 partners to allow manufacturers to operate without the cost of tariffs on inputs and machinery and equipment. This tariff elimination is expected to result in the creation of up to 12,000 jobs over time.

"Eliminating these tariffs will encourage our companies to acquire the equipment, parts and machinery they need to become more competitive," said Minister Van Loan. "Along with our aggressive trade agenda, this initiative will help Canadian companies and workers compete and win in markets around the world."

The majority of these 1,541 tariffs were eliminated March 5, 2010, with the remainder being gradually eliminated by no later than January 1, 2015. When the second phase of tariff relief is fully implemented, more than \$5 billion in imports will be liberalized.

"Our government has made a commitment to keeping Canada open for trade and investment and we have followed through with concrete measures," concluded Minister Lebel.

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