



## Retaliatory tariffs are sinking the boating industry

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For many in Canada, the fast-approaching end of summer signals the conclusion of another successful and fun boating season. Many Canadians enjoy this summer pastime, but unfortunately, this hobby may not be able to draw in more boating enthusiasts in the months to come.

As a result of the Canadian government's counter-measures on recreational boating goods in response to the United States' imposition of tariffs on certain steel and aluminum products coming from Canada, buying a boat may no longer be affordable for many.

To illustrate the impact, take the case of a \$25,000 aluminum recreational boat. The four countermeasures put in place that specifically affect steel and aluminum used for boats would raise the price of the boat to \$33,000.

It is largely middle-class Canadians who are buying boats. Of the more than 43 per cent of Canadian adults who enjoy boating each year, nearly 60 per cent of them have an average household income of under \$100,000.

But the impact will not just stop there. With the price of boats increasing by as much as 25 per cent, middle-class employees who depend on the recreational boating industry for jobs will also be at risk. And while it would be great to see these tariffs benefit Canadian manufacturers, the fact is that there are simply not enough domestic boat manufacturers to supply the Canadian market.

Whether we like it or not, U.S. imports are critical to ensuring the ongoing competitiveness of the recreational boating sector in Canada.

In 2017, more than 100,000 new and pre-owned power boats were sold in Canada. Of those, more than 65 per cent were imported from the U.S. at a value of \$668 million. Moreover, for outboard motor boats, which are the most popular, 95 per cent were imported from the U.S.

These numbers make it clear, these boats, which once again are predominately purchased by middle-class Canadians, simply cannot be sourced domestically in the short term.

While the recreational boating industry understands the government's need to respond to these unfair tariffs being imposed by the U.S., the proposed countermeasures on recreational boats will have a significantly negative impact on our industry, they will severely impact the flow of manufactured boats across our border and will result in prohibitive price increases to Canadian consumers.

Foreign Affairs Minister Chrystia Freeland said in her recent appearance before the House Trade Committee that she had clearly "heard from people in the boating sector" and that she and others would work "hard to integrate that feedback from stakeholders and to modify the [tariff] lists accordingly."

We urge the government to find a swift solution to the trade situation with the U.S. and consider the critical impact on the marine industry from these actions.

We need creative solutions from government in order to be able to preserve this important sector and both the local jobs and cherished memories that it provides for so many.

Sara Anghel is president of the National Marine Manufacturers Association Canada.

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**Illustration:** "In 2017, more than 100,000 new and pre-owned powerboats were sold in Canada," writes Sara Anghel. "Of those, more than 65 per cent were imported from the U.S. at a value of \$668 million. Moreover, for outboard motor boats, which are the most popular, 95 per cent were imported from the U.S."