

tourism facilities. A key factor in the UAE's success has been the development of free zones, providing users with abundant low-cost energy, land, labour and government financial incentives and special concessions on foreign ownership regulations. Canada and the UAE have excellent bilateral relations, particularly in the health, education and services sectors. The UAE signed a Double Taxation Agreement with Canada in 2002, which is expected to be formally ratified and come into effect in 2004.

#### **Canada's Market Access Priorities for 2004**

- Continue representations aimed at removing the UAE's BSE measures on imports from Canada, in particular bovine semen and embryos.

### **IMPROVING ACCESS FOR TRADE IN GOODS AND SERVICES**

#### **Bovine Spongiform Encephalopathy**

Following Canada's May 20, 2003, announcement of a BSE case, the UAE issued restrictions on the import of Canadian live cattle and beef products, including bovine semen and embryos. Canada has kept all its trading partners, including the UAE, fully informed of the results of its investigations and regulatory response, and it is requesting a resumption of trade on scientific grounds. (For further information, see the BSE overview in Chapter 2.)

#### **KUWAIT**

Kuwait is responding slowly to the challenges of economic diversification and liberalization, and it relies on petroleum for nearly half its GDP and 90% of export revenues. The country has taken some steps toward economic reform with the privatization of Kuwait Airways, the creation of free trade zones and reforms that would allow 100% foreign investment in some sectors. Canada and Kuwait signed a Double Taxation Agreement in 2002.

#### **OMAN**

Oman became a member of the WTO in 2000, at which time it introduced WTO-consistent laws to protect intellectual property such as that covered by

patents, trademarks and copyright, including software and audio/video recordings. Canada and Oman negotiated a Double Taxation Agreement in 2003, which should be ratified by both sides in 2004.

## *The Maghreb*

The Maghreb region represents a major market for Canadian goods and services, although exports of goods declined from \$808 million in 2002 to \$644 million in 2003, due largely to lower demand for agricultural exports caused by better growing conditions locally. The region as a whole has made important progress in trade liberalization and openness to investment in recent years. Algeria, Morocco and Tunisia have all signed association agreements with the European Union.

The discovery of BSE in Canada in 2003 negatively affected some agricultural exports, ensuring that market access for Canadian beef in the region will be a priority in 2004.

#### **ALGERIA**

Algeria has initiated an ambitious campaign of privatization and modernization, as well as regulatory reforms that have opened up sectors such as mining and telecommunications to foreign investors. Algeria has a Double Taxation Agreement with Canada.

Algeria has applied to join the WTO and accession negotiations have begun, including a working party meeting in 2003. Canada's market access priorities for the coming year will include support for Algeria's accession to the WTO.

#### **Market Access Results in 2003**

- The Canadian Food Inspection Agency negotiated a certificate for the export of dairy products and bovine semen.

#### **Canada's Market Access Priorities for 2004**

- Renegotiate a certificate for live cattle.