

## **THE URUGUAY ROUND OF TRADE NEGOTIATIONS: IMPLICATIONS FOR CANADA-JAPAN**

The Uruguay Round of Multilateral Trade Negotiations is the first to reach beyond Japan and engage the Asia-Pacific region. The results of this round lay the basis for a growing economic relationship with the dynamic Asia-Pacific growth economies, which increasingly set the pace of change for the global economy. The region's annual growth rates will average 6-to 9 percent, generating more than half of the next decade's growth in world markets and providing significant export opportunities and growing competition for Canadian business. Improved and secure access to this growth region is critical to the long-term export success of Canadian firms.

With the emergence of new trading powers in East Asia, one of Canada's central objectives in the Round was to ensure that we could share in the booming growth of the region by further opening markets and by reducing ongoing barriers to our exports. The Round was a success in increasing market access and bringing the General Agreement on Tariffs and Trade (GATT) disciplines to restrictions on resource products (e.g. agriculture and fisheries) maintained by countries such as Japan, China, the Republic of Korea and members of the Association of Southeast Asian Nations (ASEAN), which will promote equitable access for Canadian suppliers. The parallel GATT accession exercise of China and Taiwan will be important in bringing them under multilateral GATT discipline.

Asia ranks as Canada's second-largest trading region after the United States, with four of our top nine export markets. In 1993, total trade with Asia-Pacific economies surpassed \$41.7 billion.

Japan is Canada's second largest trade partner with 1993 Canadian exports reaching \$8.5 billion. Korea is our fifth-largest trading partner, with 1993 exports of \$1.7 billion. China follows, with our total exports just under \$1.7 billion. The greater China market (China, Taiwan and Hong Kong) represents our third-largest export market at \$3.7 billion. Canadian exports to ASEAN countries have tripled over the past decade, reaching \$1.6 billion in 1993. Two-way ASEAN-Canada trade reached \$4.8 billion in 1993. Within ASEAN, Thailand represents Canada's largest export market, followed closely by Singapore, Malaysia and Indonesia. Taken as a group, the Southeast Asian countries rank seventh among Canada's top export markets.

The Asia-Pacific region is particularly important for Canada's western provinces. China and Japan were the second- and third-largest export markets in 1993 for all the Prairies. Korea was British Columbia's third-largest export market last year. Asian markets represented between 16 and 30 percent of every western provinces' export trade.