

IMPROVING ACCESS FOR TRADE IN GOODS

Salmon

Since 1975, Australia has prohibited the importation of fresh, chilled and frozen salmon due to alleged fish health concerns. Canada's position is that there is no scientific basis for the ban.

At Canada's request, on April 10, 1997, the WTO DSB established a dispute settlement panel. On June 12, 1998, the Panel issued its final report which found that Australia's measure is inconsistent with the WTO Agreement on the Application of Sanitary and Phytosanitary Measures (SPS Agreement), and recommended that the DSB request Australia to bring its measure in dispute into conformity with its obligations under the SPS Agreement. On July 22, Australia appealed the Panel's report. The Appellate Body set up to review Australia's appeal released its report on October 20 and also found Australia's measure to be inconsistent with the SPS Agreement. On November 6, the DSB adopted the WTO Panel and Appellate Body reports. WTO rules provide that a Member has a reasonable period of time to bring its measure into compliance with its WTO obligations. In past WTO cases, this time period has been held generally to be no more than 15 months from the date of adoption of the reports.

Pork

Canadian pork exports to Australia have been hampered by numerous market access problems in recent years.

At the technical level, Canadian pork exports remain subject to stringent quarantine controls. In January 1993, Australia imposed controls on fresh, chilled and frozen pork from Canada, based on alleged animal-health concerns. These controls effectively ban the importation of Canadian fresh, chilled and frozen pork for retail sale, but do allow the importation of Canadian pork for processing, based on cooking requirements on arrival in Australia. Canada continues to make representations objecting to these stringent quarantine controls on grounds that they are unnecessarily trade restrictive.

On January 22, 1999, the Government of Australia formally announced that it would not be taking any trade restrictive action on imports of pig meat. The announcement was its response to the November 25, 1998 Report by the Productivity Commission. The Commission, following its safeguard investigation regarding imports of pig meat, almost all of which is imported from Canada, had reported that a safeguard measure could be justified. In the latter part of 1998, Canada made extensive representations to Australian authorities.

ISRAEL

Two years into the Canada-Israel Free Trade Agreement (CIFTA), bilateral trade between the two countries is increasing steadily. Two-way trade in goods expanded to nearly \$629 million in 1998, an increase of 16 percent from 1997. Canadian firms continue to make strong gains in such priority sectors as telecommunications; transportation; agri-food; construction equipment; and pulp and paper. Telecommunications, in particular, has seen increased investment activity by Canadian firms.

The most significant factor in increased trade between the two countries is the removal of virtually all tariffs on industrial products, and the reduction of tariffs on many agriculture and agri-food products. As provided for under the CIFTA, Canada expects to engage in discussions with Israel in 1999 to liberalize further bilateral trade in agriculture and agri-food products. These discussions were launched at a "Trade Commission" meeting between Minister Marchi and his Israeli counterpart during a February business development mission to the region. Canadian producers and exporters have advised the Government that priority areas where Canada should seek to improve access to the Israeli market include fish, fresh and frozen fruit and vegetables, and prepared frozen foods.

WEST BANK & GAZA STRIP

Canada is committed to providing the same preferential trade terms to goods originating from the West Bank and Gaza Strip as goods that originate from