

and looks forward to receiving the views of both private sectors on ways as to how the economic relationship between Canada and Japan can be reinvigorated and strengthened.

Canada is seeking clarification that modifications to the government telecommunications organizations included in the WTO AGP, which Japan has proposed, are consistent with the agreement, and that access will be maintained for Canadian telecommunications suppliers.

Market Access Results in 1999

- Japan revised the Japan Agricultural Standards (JAS) Law allowing foreign organizations to obtain Registered Certification Organization (RCO) and Registered Grading Organization (RGO) status.
- Japan approved the import of all varieties of Canadian tomatoes and agreed to discontinue variety-specific testing for Canadian tomatoes.
- Substantial reform, deregulation and restructuring of Japan's financial services sector resulted in Canada's largest-ever single investment in Japan.
- A new JAS product standard improved access conditions for Canadian plywood.
- Japan moved forward with replacing the system of building product testing and approval based on section 38 of the Building Standards Law toward the new system of foreign recognized evaluation bodies and recognized approval bodies.
- Japan continues to move toward increased adoption of international (ISO) standards for building products.
- Japan discontinued the Dairy Genetics Subsidy Program, which will improve access for Canadian bovine semen.

Canada's Market Access Priorities for 2000

- reduction of duties applied to vegetable oils (particularly canola), processed foods, forest products (newsprint, spruce-pine-fir lumber, softwood plywood, laminated veneer lumber, oriented strand board and laminated beams), red meats, fish, non-ferrous metals and leather footwear;

- elimination of specific technical and regulatory barriers in Japan to facilitate Canadian exports in such priority sectors as agri-food and building products;
- continued participation in Japan's official consultation process and identification of domestic regulatory impediments that limit economic growth or add unnecessary costs to business and consumers; and
- Canada and Japan will begin to negotiate a bilateral agreement on cooperation in competition policy.

IMPROVING ACCESS FOR TRADE IN GOODS

Agri-food, Fish and Beverage Products

Japan is the world's largest net importer of agri-food, fish and beverage products. In 1999, Canadian agri-food and fish exports to Japan declined 19.4 percent to \$165 million. Canada seeks further access to this important market and has concerns with Japanese measures regarding tariffs, safeguards, GMO environmental field testing, labelling of food derived from GMOs, and import requirements and subsidies regarding plant health. In many cases, Japan maintains that its policies conform to the commitments made at the Uruguay Round of negotiations and that any further tariff reduction or market access concessions will be considered in the context of WTO negotiations.

Safeguard Measures on Chilled and Frozen Pork

Canada remains concerned about the administration of Japanese safeguard measures on pork in the form of an increased minimum import price and higher tariffs, which restrain growth in chilled and frozen pork imports. Since they were first triggered in 1995, the safeguards have been of significant concern to the Canadian pork sector. As currently administered, these measures create considerable uncertainty for Canadian suppliers and Japanese importers. Canada is seeking a resolution that addresses the concerns of both exporters and importers in eliminating the negative market impacts of the safeguard. This will be a priority in the WTO negotiations.