

access to procurements by Korea Telecom (KT), Korea's state-owned telecommunications services provider. In 2002, the Korean government sold all its interest in KT and petitioned Canada to remove all references to KT from the Agreement. Canada is reviewing this request.

Chinese Taipei (Taiwan)

Overview

In 2003, Canadian goods exports to Chinese Taipei totalled \$1.2 billion. Chinese Taipei ranked fifth among Canada's export markets in the Asia-Pacific region, accounting for 5.5% of our total exports to the region. Canada's goods imports from Chinese Taipei in 2003 totalled \$3.8 billion.

Chinese Taipei's economy remains highly dependent on trade. It is a major exporter, as well as a major source of investment for the region, particularly to China and Southeast Asia, and it is growing in importance as a regional importer. These factors have provided a strong impetus for trade and market liberalization, though domestic political pressures continue to lead to protectionist measures that affect agricultural and agri-food imports.

Chinese Taipei officially joined the WTO on January 1, 2002. As Chinese Taipei is a prominent export market for Canadian suppliers, its formal membership in the international rules-based trading system was an important development. Chinese Taipei has undertaken significant reforms and liberalization in order to bring its economic and trade regime into line with the WTO framework. A key outcome has been the disappearance of the preferential market access previously accorded to U.S. suppliers in a number of product areas, consistent with Chinese Taipei's obligations under the WTO principle of non-discrimination.

World Trade Organization Accession Negotiations

Chinese Taipei implemented many improvements in market access for goods and services under terms negotiated with Canada and other WTO members. These include the elimination of tariffs in some sectors under so-called zero-for-zeros, and reductions,

and/or harmonization for goods of export interest to Canada such as chemicals, pharmaceuticals, paper and medical devices. Prior to acceding to the WTO, Chinese Taipei had already signed on to the Information Technology Agreement, agreeing to full tariff elimination on specified information technology products. Canadian suppliers have gained more secure and open access for these and other industrial priorities, including plywood and aerospace products. Canadian suppliers' access to the Chinese Taipei market for automobiles remains favourable, as Chinese Taipei proceeds to liberalize its import regime in this sector.

Access has also improved for a range of agricultural, agri-food and fish and seafood products, including meat products, grains, oilseeds and processed foods. Accession means equitable and more open access for suppliers of canola oil and beef. The dismantling of earlier import prohibitions on products such as meat offal and several fish products, including mackerel, sardines and herring, was begun before accession and has now been fully implemented.

In services, Chinese Taipei has included commitments in areas of prime interest to Canada, including financial services, basic and advanced telecommunications services and professional services.

Chinese Taipei has also applied to join the WTO Agreement on Government Procurement and has agreed to market access concessions in the Agreement for some key sectors of interest to Canada. Chinese Taipei has stated that its public tendering procedures will be fair, transparent and consistent with the WTO Agreement on Government Procurement. Despite this commitment, public project tendering often continues to favour local suppliers.

Market Access Results in 2003

- Chinese Taipei lifted its BSE-related ban on bovine, sheep and goat embryos from Canada.
- Amendments were made to Chinese Taipei's building code, providing for wood frame construction using softwood lumber.

Canada's Market Access Priorities for 2004

- Continue representations aimed at the removal of Chinese Taipei's remaining BSE measures on imports from Canada.