

(Canada in September 1999 and Brazil in December 1999). The next step is for the two sides to review the information, exchange reports and reach agreement on the applicable trade conditions for poultry meat. Completion of the process would allow exports of Canadian poultry (i.e. chicken and turkey) into Brazil and Brazilian poultry into Canada. CFIA officials are working toward finalizing an agreement in 2000.

Memorandum of Understanding on Agricultural Cooperation

The Canada-Brazil MOU on Agricultural Cooperation was signed in January 1998. Agriculture ministers agreed in September 1998 that the two countries should bring the MOU into full implementation through the promotion of trade expansion in 12 major agri-food commodity areas. The Canada-Brazil Working Group on Agricultural Cooperation facilitates the exchange of information and bilateral consultation and seeks to contribute to the expansion of agricultural relations between the two countries. Both countries have exchanged lists of their import requirements and trade statistics for the products they consider priorities, and will endeavour to eliminate, where possible, potential barriers or other restrictions to enhanced bilateral trade.

Exchanges between industry associations, as specified in the agreement, have also taken place, such as meetings between the Brazilian Chicken Producers and Exporters Association (ABEF) and the Further Poultry Processors Association of Canada (FPPAC). Brazil's former Agriculture Minister, Francisco Turra, took a mission of senior Brazilian government officials and Brazilian agri-business representatives on a cross-Canada tour in June of 1999. Canadian Agriculture and Agri-Food Minister Vandriel reciprocated with a visit to meet Brazil's newly-appointed Agriculture Minister, Marcus Vinicius Pratini de Moraes, in August of 1999. The two ministers have also met frequently in international fora to advance bilateral trade interests and to discuss strategies to be adopted by the Cairns Group of countries. There was also the meeting of the Joint Agriculture Committee (JAC) of the Canada-Brazil Joint Economic and Trade Council (JETC) in early 1999, during which many of the aforementioned issues were discussed.

Commodity Areas Covered by MOU on Agricultural Cooperation

- Poultry and poultry-containing products
- Beef products
- Pork products
- Sugar
- Malt
- Grains
- Potatoes
- Live animals, embryos and semen
- Pulse crops
- Oilseeds and products
- Fruit and vegetables
- Fish and sea products

Brazilian Tariff on Wheat

In 1996, Brazil notified WTO Members that it had withdrawn, from its WTO schedule, a market access concession of 750,000 tonnes of duty free importation of wheat and would apply a duty, currently set at 13 percent, to importations of wheat. As Canada is a major supplier of wheat to Brazil, we exercised our right to request compensation for the non-implementation to this concession and the raised tariff. Since then, Canada and Brazil have held a series of consultations, but have not yet agreed on a settlement.

Telecommunications Services

Brazil is in the process of implementing its GATS commitments with respect to telecommunications services. As a result, several prominent Canadian telecommunications services companies are active in Brazil, as well as a number of Canadian manufacturers. Brazil has launched a consultation process and is expected to announce the rules for licensing satellite telecommunications providers during 2000. The Government will observe this process with great interest and will continue to monitor Brazilian implementation of its commitments under the GATS.