

China levels playing field

Good news for Canadian pulp and paper industry

In response to lobbying efforts by a number of governments, including Canada, China has officially removed all "border trade" value-added tax (VAT) and tariff preferences for a number of goods including pulp and newsprint, effective June 1, 2003.

World Trade Organization provisions allow a government to take measures to facilitate "frontier traffic." However, since China has used this provision to justify providing tariff and tax

preferences to certain Russian goods, a number of foreign governments have complained that China's interpretation of this provision was unreasonably broad. What this means to Canadian pulp exporters is that Russian pulp producers will no longer be able to avoid the 17% VAT payable by other importers to China, which has provided Russian pulp with an unfair competitive advantage.

This is an important success for Canadian pulp exporters. China has become the largest destination in the world for pulp imports. According to China Customs, China imported almost

US\$3 billion of pulp in 2002 and this figure continues to grow quickly in 2003. Canadian exports totalled almost US\$500 million in 2002, while Russia supplied over US\$350 million—a figure that has more than tripled since 1998.

The Canadian Embassy in Beijing is optimistic that this change in Chinese government policy will create new opportunities for Canadian pulp exporters. The Embassy's Commercial Section looks forward to responding to any questions or concerns that exporters may have.

For more information, contact Pierre Pyun, Trade Commissioner, Canadian Embassy in Beijing, tel.: (011-86-10) 6532-3536, e-mail: pierre.pyun@dfait-maeci.gc.ca or DFAIT's China and Mongolia Division, tel.: (613) 996-0905, e-mail: pcm@dfait-maeci.gc.ca. *

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CanadExport is published twice monthly, in English and French, by the Department of Foreign Affairs and International Trade (DFAIT), Communications Services Division.

CanadExport is available in Canada to interested exporters and business-oriented people. For a print subscription, call (613) 992-7114. For an e-mail subscription, check the CanadExport Web site above.

For address changes and cancellations, simply send your mailing label. Allow four to six weeks.

Mail to:
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125 Sussex Drive, Ottawa, ON K1A 0G2

ISSN 0823-3330

Japan Home Show 2003 building up

TOKYO, JAPAN — November 11-14, 2003 — The **Japan Home Show** is the largest event of its kind in Japan, featuring domestic and foreign exhibitors from a wide range of sectors in the housing and building products industry. In 2002, it attracted over 100,000 visitors and 524 exhibitors, 105 of which were from abroad, including 35 from Canada. Participants also came from the United States, other parts of Asia, Europe and South America.

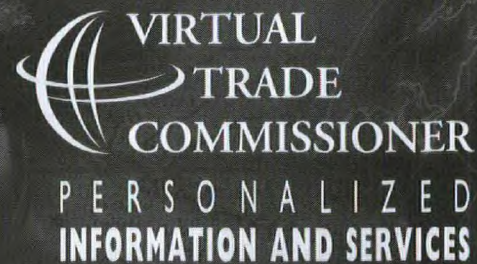
The Japan Home Show provides an excellent opportunity for Canadian companies to demonstrate their capabilities in Japan and is also an ideal venue for making contact with key decision makers and representatives of the Japanese housing industry, as

well as qualified buyers from China, Korea, and other Asian markets.

The Department of Foreign Affairs and International Trade (DFAIT), Natural Resources Canada and Canada Mortgage and Housing Corporation International encourage Canadian company participation in this show. To assist Canadian exhibitors with establishing contacts in the Japanese industry, companies are invited to get in touch with the Canadian Embassy in Tokyo for the latest market updates and local company information. Embassy staff are also willing to meet with Canadian exhibitors to discuss future needs and prospects.

The range of exhibits at the Japan Home Show includes: furniture, medical

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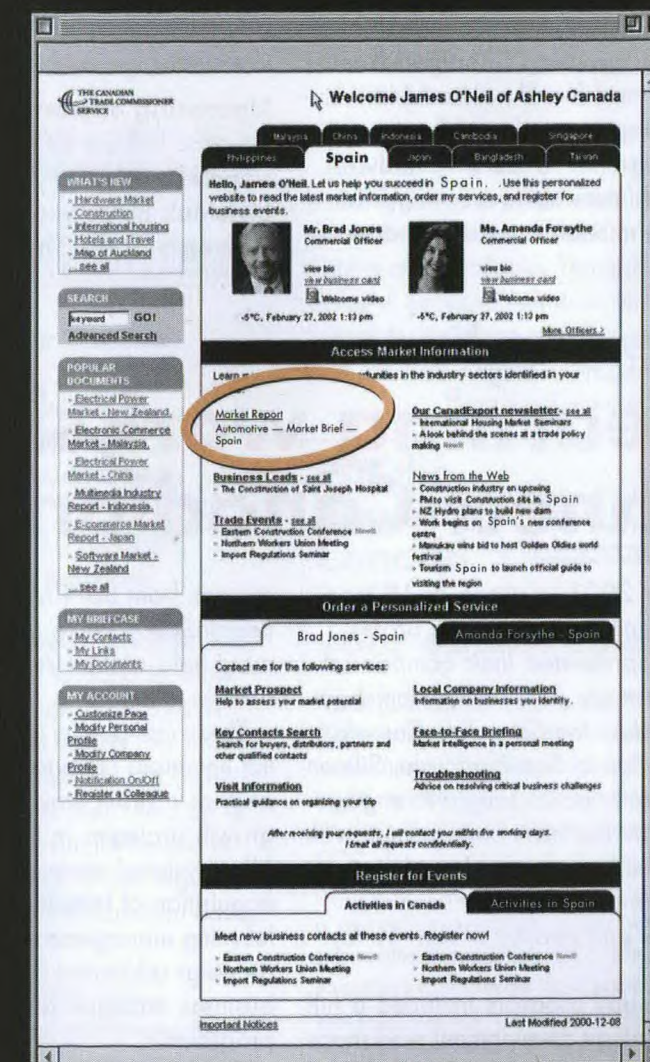
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