

Peppers from British Columbia are not permitted access to Chinese Taipei because they are alleged to be a potential host for tobacco blue mould (TBM). Although known to occur in Ontario, TBM has never been reported in British Columbia. In line with the Pest Free Area Standard of the International Plant Convention (IPPC), Canada will continue to press for recognition of the entire province of British Columbia as a pest-free area or an equivalent thereof with regard to TBM. Canada has provided Chinese Taipei with detailed historical data confirming that there has never been a reported case of TBM in British Columbia. In order to ensure that exports from this province are permitted, Canada will continue to pursue this issue with Chinese Taipei.

#### **Seed Potatoes**

Following a request from the seed potato industry in the Western provinces in 1994, Canada approached Chinese Taipei to remove its ban on imports of seed potatoes from Canada. Chinese Taipei prohibits the importation of seed potatoes from Canada due to concerns regarding the presence of golden nematode, potato wart, and potato late blight in Canada. While Canada has demonstrated that its strict quarantine measures prevent the spread of golden nematode and potato wart, Chinese Taipei continues to insist on additional survey data. In addition, despite the fact that potato late blight has worldwide distribution, Chinese Taipei continues to request area freedom from this pest. Canada will continue discussions for access and stress the desire for consistency in the adherence to International Plant Convention rules and guidelines.

#### **Softwood Lumber**

Chinese Taipei is a major export market for softwood lumber, but only for the lower grades used for packaging. The market is open to increased use of wood in construction, but the opportunity is held back by the concern of financial and insurance institutions that the Chinese Taipei wooden-building code is insufficiently prescriptive to provide assurance of adequate quality. The Canadian wood products industry is currently working with the Chinese Taipei government in the revision of its Technical Code for the Design and Construction of Wood. Initial discussion indicates that Chinese Taipei is receptive to the inclusion of separate chapters within the revised code for different wood construction systems such as wood-frame, post and beam and log home construction.

#### **Consultations on Regulatory Changes in Agriculture**

Canada has expressed concerns to the Board of Foreign Trade regarding the lack of prior consultation on changes to regulations affecting agricultural trade. Some progress has been made over the past year when, for example, Canada was consulted on the extension of food inspection to several food items. Most recently, however, we were disappointed to see that the Chinese Taipei Department of Health implemented amendments to its regulations on food labelling without notifying foreign trade offices. The Department of Health has justified its action by noting that food importers (through their associations) were informed.

## *India*

#### **Overview**

The Indian economy has changed dramatically since 1991, when India launched its program of economic reforms and trade and investment liberalization. India's economic growth rate has averaged 6.5% between 1993 and 2000. The economy slowed down in the first half of 2001, and projections for 2002 range from 5.5% to 6%. The fundamentals of the Indian economy remain sound, and, just as India was not affected by the Asian financial crisis in the 1990s, its relatively more isolated economy may not be suffering as much as others from the current global slowdown. India is the fourth-largest economy in the world in terms of purchasing power parity, and has the second-largest gross domestic product (GDP), US\$490.5 billion, among the emerging economies and is predicted to remain one of the fastest growing economies in Asia.

The process of economic reforms, started in 1991, continues, if somewhat hesitantly. All remaining quantitative restrictions were lifted in April 2001. The insurance sector has been opened to private and foreign investment. More sectors (garments, leather, toys, shoes) have been "de-reserved" from the small-scale industries. Further liberalization of capital account, FDI and foreign institutional investment rules has been effected. Legislation to reform the bankruptcy, competition and labour regimes, among others, is being contemplated.