

Although the ambitious agenda associated with China's WTO accession represents a huge leap forward, implementing that agenda will be challenging and have huge domestic repercussions. Canadian companies will need to be determined — and cautious — to make inroads in China's new fast-changing economic environment. To take advantage of the vast potential that is now unfolding, Canadian

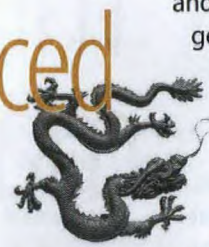
base stations and switches, computers, ink jet and laser printers, fax machines, resistors and integrated circuits.

Wheat tariff-rate quotas (import volumes) will increase from 0.9 million t in 2000 to 9.6 million t by 2004, and the in-quota tariff will be 1%.

Between now and 2006, the average Chinese tariff on certain motor vehicle parts originating from Canada will drop to 11.5% (currently 21.1%).

How to benefit from China's WTO accession

## Let Canada's experienced trade officers help



exporters will also need up-to-the-minute information. That's where the trained staff at the Canadian Trade Commissioner Service (TCS) can help.

Suppliers of some of Canada's top goods and services exports to China stand to benefit from the significant market liberalization accompanying the accession.

Market entry restrictions will be substantially reduced for several services industries, including telecommunications and financial services. Soon, banks will be permitted to conduct a wider range of business in the local currency (renminbi - RMB) and geographical restrictions will gradually be eliminated for both banks and insurance companies, granting these companies greater access to Chinese consumers. The accession documents also clarify and improve on foreign access to the Chinese market in a range of other service sectors, such as those in environment.

Tariffs will be cut drastically for most Canadian exports. By 2005, for example, tariffs will be eliminated on 251 information technology products, including mobile telecommunications

### Trade officers trained to help

These products and services were among many that were discussed during two-day training sessions held last November for Canadian Trade Commissioner Service staff from Canada's missions in China and Hong Kong. The sessions included discussions about commitments, timing, opportunities, adaptations, challenges and, above all, what it all means for Canadian business in China.

Arranged by the Department of Foreign Affairs and International Trade's (DFAIT) China Division, the training sessions were delivered by in-house experts such as Terry Collins-Williams, Canada's Deputy Permanent Representative to the WTO, and officers from Ottawa and from the Canadian Embassy in Beijing. Topics included the broad principles and framework of the accession as well as the specific commitments that will change the business horizon in China for a number of sectors including electronics, automotive, agriculture, foreign exchange and services.

The content of the sessions, and the follow-up discussions, reflected the business concerns of exporters

who are preparing to take advantage of the huge opportunities now emerging in China. What can Canadian banks that have offices in Hong Kong and Guangzhou expect as the Chinese financial services markets open up? Can the new intellectual property commitments protect Canadian VQA ice wine arriving in Hong Kong from being copied in South China? What does accession mean for suppliers of Prince Edward Island potatoes or Alberta beef? What approach will China and the world take with respect to genetically modified organism (GMO) products entering China? How will an electronics company offering both products and support services position itself given the different rules of establishment for the two in China?

Answering these complex questions requires careful consideration and insight, which Canadian trade officers are now better equipped to provide.

### Useful links

To learn more about China and the WTO: [www.dfait-maeci.gc.ca/tna-nac/WTO-CC-e.asp](http://www.dfait-maeci.gc.ca/tna-nac/WTO-CC-e.asp)

For WTO sectoral analysis reports: [www.infoexport.gc.ca](http://www.infoexport.gc.ca) and follow the links to the "China page".

Visit the following Web sites to learn more about the Canadian government in China:

- Guangzhou — "WTO in South China: A Guangzhou Perspective": [www.canada.org.cn/guangzhou/index.htm](http://www.canada.org.cn/guangzhou/index.htm)
- Hong Kong — [www.dfait-maeci.gc.ca/dfait/missions/hongkong/index.htm](http://www.dfait-maeci.gc.ca/dfait/missions/hongkong/index.htm)
- Beijing — [www.canada.org.cn/beijing/index.htm](http://www.canada.org.cn/beijing/index.htm)
- Shanghai — [www.shanghai.gc.ca/](http://www.shanghai.gc.ca/)
- Chongqing — [www.canada.org.cn/chongqing/index.htm](http://www.canada.org.cn/chongqing/index.htm)

For more information, contact the China and Mongolia Division, DFAIT, tel.: (613) 996-0905, fax: (613) 943-1068, e-mail: [pcm@dfait-maeci.gc.ca](mailto:pcm@dfait-maeci.gc.ca)

For details about the April 17-19 Chinese Business Expo and Conference in Toronto, see [www.chinesebusinessexpo.com](http://www.chinesebusinessexpo.com)

# Reform in Japan

— Continued from page 1

The submission flags high priority areas from Canada's perspective, and proposes effective strategies for reform.

Canada has been actively participating in Japan's regulatory reform process since its inception, and acknowledges the real progress the Council has made on certain issues, in particular, the latest three-year Plan and its recent *Interim Report on Six Important Areas*. Canada applauds Japanese proposals in the six key fields of health care, welfare and child care, human resources, education, environment, and urban renewal.

Encouraged by Japan's current government regulatory reform initiatives, Canada is pressing for improvements to the investment environment in order to attract foreign investment and help speed Japan's economic recovery.



### Submission highlights

In keeping with the broader investment environment theme, Canada's latest submission has been expanded to include comments on telecommunications, financial services, commercial code, judicial reform, legal services, competition policy, air transport policy, and energy, as well as specific product-related issues related to building materials, medical devices and pharmaceuticals, and formaldehyde testing of infants' clothing.

The following excerpts were taken from Canada's submission.

**Telecommunications** — Canada encourages the following:

- fair access to the land and facilities owned or controlled by utilities and measures to facilitate construction and expansion of infrastructure over public land and facilities;
- establishment of a system to promptly mediate rights-of-way disagreements and disputes;

- elimination of unduly burdensome tariff filing and notification requirements;
- continued enforcement of dominant carrier regulation.

**Financial services** — Canada supports the efforts of Prime Minister Koizumi's government to streamline and privatize government-backed financial institutions.

**Commercial code** — Canada urges Japan to encourage Japanese companies to incorporate outside directors, and to carefully monitor progress in this matter.

**Judicial reform** — Canada urges Japan to improve the accountability of administrative agencies by granting the courts the authority to review administrative decisions.

**Legal services** — Canada urges the abolition of restrictions on partnership and employment between Japanese and foreign lawyers, as well as the abolition of restrictions on the ability of qualified foreign lawyers to provide legal advice on home or third country law.

**Competition policy** — Canada urges Japan to ensure that the Japan Fair Trade Commission be afforded sufficient resources and authority to properly perform its strengthened role as guardian of Japanese competition.

**Air transport** — Canada asks the Japanese government to reconsider the proposed approach for the new runway at Narita airport in order to maximize capacity.

**Energy** — Canada welcomes greater dialogue with Japan on energy issues and the regulatory framework.

**Building products** — Canada has numerous suggestions that will enhance the ability of exporters to introduce new technologies and products into the Japanese market.

**Other product-related reforms** — Canada urges Japan to continue to align the approval process for medical devices and pharmaceuticals with international norms and to continue to facilitate the use of foreign clinical data.

By offering Japan the benefit of its experience, Canada is supporting the Japanese regulatory reform process and contributing to Japan's economic recovery. By helping to create a healthy Japanese economy, Canada hopes that more Canadian companies, and Canadian investment, will be attracted to Japan.

The full text of *Canada's Comments and Proposals* is available on DFAIT's Japan Division Web site at [www.dfait-maeci.gc.ca/ni-ka/political/new-dereg-e.asp](http://www.dfait-maeci.gc.ca/ni-ka/political/new-dereg-e.asp)

For more information, contact Illya Shimizu, Media Relations Officer, Canadian Embassy, Tokyo, tel.: (011-81-3) 5412-6200 ext. 3336, e-mail: [illya.shimizu@dfait-maeci.gc.ca](mailto:illya.shimizu@dfait-maeci.gc.ca) or Jean-Pierre Petit, Trade Commissioner, Japan Division, DFAIT, tel.: (613) 996-2467, fax: (613) 944-2397, e-mail: [jeanpierre.petit@dfait-maeci.gc.ca](mailto:jeanpierre.petit@dfait-maeci.gc.ca)

THE CANADIAN TRADE COMMISSIONER SERVICE

### Showcase your business abroad!

Over 30,000 companies are registered members of WIN. Are you? WIN is a commercially confidential database of Canadian exporters and their capabilities. WIN is used by trade commissioners in Canada and abroad to help members to succeed in international markets. To become a registered member of WIN, call 1-888-811-1119. Or go to [www.infoexport.gc.ca](http://www.infoexport.gc.ca) and register on line.

WIN EXPORTS