

Thailand is actively pursuing regional and bilateral free trade agreements with a number of countries including Australia, China and India. During the APEC meetings held in Bangkok in October 2003, Thailand and the United States announced their intention to launch negotiations for a Bilateral Free Trade Arrangement in 2004.

Market Access Results in 2003

- In late 2003, the Thai government announced tariff reductions on a broad range of agricultural and industrial goods. Of particular interest to Canada is the reduction in the duty rate for dried peas/feed peas from 42% to 30% (effective October 2003).
- The Bank of Thailand has undertaken various initiatives to strengthen corporate governance, which include a financial directors' handbook (released in March 2002), minimum disclosure requirements, requirements for internal and external auditors, and certain anti-money-laundering and anti-terrorism requirements. It has also permitted higher foreign equity limits in banking (which led foreign investors to take substantial majority ownership of four Thai commercial banks).

Canada's Market Access Priorities for 2004

- Continue representations aimed at removing Thailand's BSE measures on imports from Canada.
- Continue to pursue further reductions in the tariff for dried peas in order to have it reduced even further to 5%, where it would compare favourably with those for other feed ingredients.
- Seek to clarify import licensing requirements for various goods of export interest to Canada.
- Monitor the progress of Thailand's plan to liberalize basic telecommunications by 2006 and encourage the government to establish the National Telecommunications Commission as an independent regulator.
- Monitor intellectual property legislation and enforcement.
- Monitor the draft legislation relating to computer crime, personal data protection, national information infrastructure and electronic funds transfer.

Bovine Spongiform Encephalopathy

Following Canada's May 20, 2003, announcement of a BSE case, Thailand banned the import of Canadian live cattle, meat and meat products, including embryos, tallow and offal. Canada has kept all its trading partners, including Thailand, fully informed of the results of its investigation and regulatory response, and it is requesting a resumption of trade on scientific grounds. (For further information, see the BSE overview in Chapter 2.)

VIETNAM

Overview

Canada's exports to Vietnam in 2003 totalled \$85 million, up 20% from 2002. Canada's imports of Vietnamese products were \$334 million in 2003. Vietnam is absorbing increasing levels of debt associated with infrastructure development; however, the International Monetary Fund is satisfied that the fundamental economic indicators are sound. Vietnam is also dependent on large amounts of financial aid.

Economic reform continues to be a top priority. To this end, Vietnam is making an effort to play a greater role in the international trading system. It is pursuing membership in the WTO and has set 2005 as a target date for accession. WTO members agree that attaining such a goal will depend on heightened efforts on the part of the Vietnamese government. Vietnam tabled revised market access offers on goods and services in 2003, and its accession negotiations are expected to intensify in 2004. Vietnam's eventual membership in the WTO will consolidate its economic reforms and yield a more open, stable and predictable environment for Canadian traders and investors. Canada supports Vietnam's efforts to accede, including through the provision of accession-related technical assistance. Canada is also co-sponsoring the APEC Economic Integration Program, which aims to help six Southeast Asian developing economies (including Vietnam) strengthen their trade facilitation and negotiating capacities.

Vietnam recognizes that attracting foreign investment is key to expanding economic opportunities, and it is trying to reform its legal and judicial systems to create a more welcoming environment for such