



of January 3, 1995. However, they also indicated that before allowing imports they must also consider whether the meat has been traditionally or commonly used for human consumption in Korea. Up to now we have not been able to get clarification as to which Korean Ministry is responsible for the issue despite numerous requests to that effect. Canada will continue to press Korean authorities to obtain the necessary approvals for the sale of seal meat in Korea.

Telecommunications Equipment

On July 22, 1998, Canada and Korea initialled an agreement which guarantees Canadian and Korean suppliers with non-discriminatory access to each other's government procurement opportunities in telecommunications equipment. Canada will provide access for Korean suppliers to the procurement opportunities of specified entities (departments and agencies) of the federal government of Canada. Korea will guarantee access for Canadian suppliers to the procurement opportunities of Korea Telecom (KT).

The major elements of the agreement include specified procurement procedures, bid-challenge, consultation and arbitration procedures. The agreement guarantees Canadian suppliers with the same access to Korea Telecom's procurement as is currently enjoyed by U.S. and EU suppliers under their respective bilateral telecom procurement agreements.

Taxes on Alcoholic Beverages

The European Union, United States, Canada and Mexico contend that Korea maintains a tax regime which discriminates against imported alcoholic beverages. Canada participated in WTO dispute settlement against Korea, to resolve the matter. The WTO Panel and the Appellate Body have both found the Korean tax regime to be WTO-inconsistent, and Korea has stated that it will bring the tax rates into conformity with those rulings.

INVESTMENT AND SERVICES

There has been considerable progress in the liberalization of Korea's foreign investment regime in recent years. A number of Canadian firms have moved forward to take advantage of emerging acquisition opportunities.

Canada supported an investment mission to Korea in November 1998. Activities included: the annual general meeting of the Korean-Canada Business Council, focussing on bilateral trade and investment development issues; a concurrent meeting of the Canada-Korea Industrial and Technological Cooperation Committee; and strong Canadian presence at two Korean trade events - "Technomart'98" and "Newtech'98".

Canada will continue to press for inclusion of recent further financial-sector liberalization as part of Korea's international commitments during the new WTO services negotiations.

CHINESE TAIPEI (TAIWAN)

Overview

In 1998, Canadian goods exports to Chinese Taipei totalled \$1.12 billion. Chinese Taipei ranked 5th among Canada's export markets in the Asia-Pacific region, accounting for 6.2 percent of our total exports to the region. It was Canada's 9th largest market globally. The total value of Canada's merchandise imports from Chinese Taipei in 1998 was \$4.03 billion. The economy of Chinese Taipei remains very dependent on trade. It is a major exporter, as well as a major source of investment for the region, particularly to China and Southeast Asia, and it is growing as an important regional importer. This has given strong impetus to trade and market liberalization, though domestic political pressures continue to lead to protectionist measures affecting agricultural and agri-food imports, as well as the financial services area, for example.

Canada's goal in the WTO accession negotiations with Chinese Taipei has been to secure more open and non-discriminatory access for a wide range of Canadian goods and services. Bilateral negotiations with Chinese Taipei began in 1994. Thirteen rounds later, in late 1997, a tentative conclusion was reached. Only clarifications regarding a few products, plus final verification of Chinese Taipei's offer, remained to be done in terms of bringing our bilateral negotiations to a formal conclusion.

Developments in early 1998, however, led to Canada's re-opening of the bilateral negotiations. In February, as part of the bilateral accession