

Seal Meat

Since 1995, Canadian exporters have complained that Korea maintains a *de facto* prohibition on the import of seal meat. In March 2003, following numerous Canadian representations, Korea amended its Food Code to permit the import of seal meat for human consumption. In April 2003, Canadian and Korean officials agreed on specific Korean import requirements for seal meat. Since then, Canada has exported approximately \$1.2 million worth of seal meat to Korea.

Tariffs on Feed Peas

Korea will provide differential tariff treatment for dried peas for human consumption and feed peas through the creation of a tariff rate quota (TRQ) on feed peas. Korea will apply a tariff of 27.9% on dried peas and 2.0% on feed peas for the first 160,000 tonnes. Imports above this volume will face the 27.9% tariff. The tariffs for most of the competing feed products are as follows: barley 20%, wheat (for milling and feed) 2.6% and lupin seed 0%. The new TRQ will allow the import of feed peas, up to the quota level, at a reduced rate, which is an improvement over previous years, but which does not provide complete parity with other feed ingredients. Parity will be sought as an outcome of the WTO agriculture negotiations.

Soybean Tendering

The tendering system administered by Korea's Agricultural Fishery Marketing Corporation prevents Korean importers from accessing the high-quality, premium-priced food-grade soybeans that Canada produces. Korea has a tariff rate quota for food-grade soybeans, which is administered through international open tender, mainly on the basis of price. This is an inflexible system that has no provision for price premiums for quality, tendering on small lots or long-term contracting. Korea produces less than 40% of its soybean requirements and cannot currently fully supply its soy-processing sector with the required high-quality product.

Softwood Lumber

Korea currently requires all Canadian softwood lumber exports to be kiln-dried and heat-treated in order to eliminate plant pests. Following a meeting in

July 2003, Korea has accepted, in principle, heat treatment without a phytosanitary certificate from the Canadian Food Inspection Agency (CFIA). Under the new system, phytosanitary certificates would be replaced with a lumber stamp. The CFIA and Korea's National Plant Quarantine Service are currently in discussions regarding the proposed change.

Tomatoes

British Columbia's tomato exports are prohibited in Korea because of the presence of tobacco blue mould (TBM) in Canada at large, even though British Columbia is free of TBM and tomatoes are not carriers of TBM. Canada is proposing mitigating measures to eliminate any phytosanitary risk based on biological data supplied earlier to Korea.

Seed Potatoes

Korea prohibits imports of Canadian seed potatoes due to concerns about a variety of phytosanitary diseases. Canada has proposed risk-mitigating measures, and discussions between technical officials are continuing.

Chronic Wasting Disease: Elk and Deer Products

On December 28, 2000, Korea suspended the import of live cervids and their products (elk and deer products) from Canada and the United States, because of concerns relating to chronic wasting disease. Canada is involved in technical discussions with Korean authorities aimed at the resumption of trade.

Honey

The current tariff rate quota for honey is 420 tonnes; the tariff on in-quota imports is 20%, while the tariff over the TRQ is 243%. Under the competitive bidding process for the import rights, the price of the honey becomes the determining factor, and it is difficult for higher-quality or higher-priced products to compete within the TRQ.

Government Procurement

On September 1, 2001, a Canada-Korea Telecommunications Equipment Procurement Agreement was implemented. This agreement provided Canadian suppliers with non-discriminatory