

also become an important part of our bilateral relationship. In 1989, the Trade Ministers of each country agreed that consultations should occur regularly, at the ministerial level if possible, and to that end a Joint Economic and Commercial MOU was signed during the visit of President Roh.

The annual meetings of the Canada-Korea Business Council also provide a forum in which business contacts can be strengthened and commercial opportunities identified and pursued.

Trade relations between Canada and the ROK are governed by a bilateral Trade Agreement (1966) and by mutual membership in the GATT. As a result, Canada and the ROK extend to each other benefits of Most-Favoured-Nation (MFN) treatment. In addition, Korea is accorded General Preferential Tariff (GPT) treatment.

Trade relations have grown remarkably since Canada opened its Embassy in Seoul in 1973. Canadian exports to the end of July are up 35% over last year, while imports have fallen by 8%. Korea and Canada are now each others 6th largest trading partners, and Canada is now the 3rd most important destination for Korean investment. This growth has been especially dramatic in recent years. Korea is now Canada's second largest trading partner and second largest market (after Japan) in the Asia and Pacific region accepting more of our exports than France. Coal remains Canada's single largest export to the ROK, while the primary items imported are cars, textiles, clothing, footwear, iron and steel products and consumer electronic products.

While progress has been made in resolving bilateral irritants or advancing Canadian commercial interests, there remain a number of areas where Canadian concerns continue to be raised, i.e. Korean fishing in the North Atlantic and driftnet fishing in the North Pacific, fair access to the Korean market for Canadian agricultural and other products, and human rights.

In December 1990, negotiations were completed on the sale of a second CANDU nuclear reactor to Korea. An Air-Services Agreement was signed in September, 1989. Cooperation in sports and cultural fields between Canada and Korea can be expected to grow substantially in coming years. There are existing bilateral MOUs on cooperation in sport and cultural relations.