

Market Access Issues

Quebec supported the launch of a new round of multilateral trade negotiations. The negotiating agenda adopted covers the objectives pursued by Quebec, including tariff reductions for non-agricultural products as well as clarification and improvement of the trade rules governing subsidies and dumping and dispute settlement provisions.

Anti-dumping action by the U.S. can indirectly affect Quebec companies through trade diversion. For example, because of the U.S. anti-dumping duties imposed on Canadian hothouse tomatoes, Ontario growers are flooding the Quebec market, severely affecting local growers. The U.S. anti-dumping duties applied on certain steel products could have the same effect.

The softwood lumber dispute is also proving very harmful to the Quebec economy, as it is to the Canadian economy as a whole. This trade action also imposes substantial costs on U.S. consumers and the U.S. economy.

Bilateral negotiations should also give priority to issues relating to the temporary admission of business people such as manufacturers' agents, antiques dealers and specialized technicians required for the execution of contracts in the United States. Numerous improvements are required in the area of access to the U.S. market, which is crucial for the Quebec economy.

Quebec supports the clarification of certain provisions of the NAFTA Chapter 11 dispute settlement system. To this end, Quebec intervened in the statutory review of *Metalclad vs. Mexico* before the British Columbia Supreme Court concerning the appropriate scope of the relevant provisions of Chapter 11. In its decision, the Court found that in several important respects the Tribunal had overstepped the bounds of its authority. Given the importance of issues arising under Chapter 11 to all levels of government, there is a need to continue cooperation between the provinces and the federal government on such matters.

Finally, the growth and prosperity experienced by Quebec's economy over the last decade is largely attributable to the Canada-U.S. Free Trade Agreement and to NAFTA. Based on this experience, Quebec supports efforts under way to negotiate a Free Trade Area of the Americas.

SUCCESS STORIES

Ontario's Success Stories

Pressure Pipe Inspection Company Ltd. (PPIC) of Mississauga performs non-destructive testing of large-diameter concrete water supply pipes using a patented electromagnetic system. PPIC's inspections often result in rehabilitation rather than replacement, saving water authorities and power plants millions of dollars. The company, which was a 2001 Canada Export Award winner, exports 60% of its services to the U.S. and 40% to North Africa. Since 1998, the company has grown from 1 to 28 employees, and export revenues have grown by more than 5600%.

Medtronic of Canada Ltd. of Mississauga is the only manufacturer of implantable loop recorders used to diagnose unexplained fainting. The device, called Reveal, records electrocardiograms that can be read by physicians. Outstanding worldwide acceptance of Reveal has resulted in its use in more than 1500 medical centres. The company exports to Hong Kong, the United States, Europe, Mexico and other Latin America countries, Japan and Australia. Since 1997, it has grown from 80 to 119 employees. Medtronic aims to become a world leader in its field.

Wabi Iron & Steel Corp. of New Liskeard has found that quality products have built-in cost advantages for its customers. A manufacturer of iron and steel components for machinery that must endure constant high impacts and abrasion, Wabi keeps ahead of the competition by improving its product with the systematic development and testing of new and better alloys. For the last five years, Wabi has partnered with Eagle Crusher Company of Galion, Ohio, a leading manufacturer of impact crushing technology, to test and improve its new alloys in components developed exclusively for Eagle products. As a result, the products Wabi produces for its client consistently perform at significantly lower cost and have been able to compete in new market segments. The success of this partnership has given Wabi the profile it needs to open new markets.

Bryston Ltd. of Peterborough is a premier manufacturer and designer of amplifiers, pre-amplifiers and other audio components. Renowned for their high standard of musical accuracy, technical excellence and reliability, Bryston's products are sold to customers in over 40 countries on six continents. Bryston is a well-known name in