

## UNITED STATES

- Building on the 1995 "Accord on our Shared Border" Canada and the United States pursued several initiatives in 1997 to speed road, rail and sea transit, as well as in-transit preclearance at Canadian airports.
- Amendments to Canada's Foreign Extraterritorial Measures Act effectively serve to prevent the enforcement of judgements under the U.S. Helms-Burton law in Canadian courts, and allow a Canadian company to sue to recover damages awarded against it by a foreign court.
- Canada and the United States implemented an agreement on trade in sugar and sugar-containing products that gives Canadian exporters of these products assured access to the U.S. market.
- A comprehensive allocation system under the five-year Canada-U.S. Softwood Lumber Agreement was successfully implemented on behalf of Canadian industry and of the producing provinces. This system provides for greater predictability for Canadian exporters planning softwood lumber shipments to the United States.
- Canada successfully defended against U.S. pressure to reduce Canadian exports of wool suits, sport coats and pants.
- Unrestricted access to the U.S. grain market was maintained in the face of political pressure on the administration from Congressional representatives for a return to a more restrictive import regime.
- A group of 21 non-profit citizens' organizations filed a challenge on the constitutionality of Chapter Nineteen of the NAFTA and the FTA. That challenge was later dismissed for lack of standing before the court.

## MEXICO

- The completion, in July 1997, of the first round of accelerated tariff elimination among Canada, Mexico and the United States, on a number of key products.
- Measurable progress on an interim work plan and a preclearance program allowing the resumption of exports of certain classes of seed potatoes.

- Signature of a Memorandum of Understanding (MOU) in the Field of Telecommunications to serve as a basis for co-operation in this important area.
- A successful appeal by Canadian industry of one final anti-dumping determination by Mexico on Canadian hot-rolled sheet (duties were terminated).
- The completion of a procurement study that successfully underlined Canadian concerns regarding Mexico's compliance with bid-notification requirements.

## ASIA PACIFIC ECONOMIC CO-OPERATION (APEC)

- In November 1997, APEC members agreed to pursue an ongoing program of voluntary liberalization in 15 sectors with nine priority areas: chemicals, energy sector, environmental goods and services, fish and fish products, forest products, gems and jewellery, medical equipment and instruments, telecommunications equipment and toys. Several Canadian export priorities are included in this list.

## JAPAN

- Canada, along with the United States and the European Union, concluded negotiations with Japan in settlement of its obligations stemming from the findings of the WTO panel on Japan's liquor-tax regime. However, the required tax changes will not be fully implemented until October 2001. Since this timing bends WTO rules, which normally require implementation within 15 months of the panel result, Japan is paying compensation. By April 2002, it will reduce tariff rates to zero on all distilled spirits products, including Canadian whisky.
- The National Research Council's Canadian Construction Materials Centre (CCMC) signed liaison agreements with the Japanese Ministry of Construction's Building Centre of Japan, as well as with Japan's Centre for Better Living, entitling CCMC to provide technical data for the assessment of building products, as well as to participate in the evaluation and development of new standards.