

- work to eliminate countertrade requirements on government procurement projects over Baht 500 million (\$25 million), which create transparency problems;
- ensure full implementation and enforcement of intellectual property rules in accordance with its WTO obligations;
- seek the deletion of local content rules on autos and parts, which prevent foreign parts suppliers from fully participating in the auto industry; and
- seek the reduction of escalating tariffs on Canadian paper products and continued high tariffs on beer and spirits.

VIETNAM

Overview

Canada's exports to Vietnam in 1998 totalled some \$53 million (up 5.7 percent from 1997). These numbers are quite modest because Vietnam's GDP is only US\$300 per capita, and Vietnam is dependent on large amounts of aid (US\$2.4 billion in 1998) from the international donor community. In addition, Vietnam has not yet reformed its market to allow increased trade and FDI. Vietnam's trade policy regime is being examined by the WTO Working Party which oversees their accession process. Since Vietnam's initial Memorandum circulated in October 1996 needed substantial revision, the review process only got under way in 1998. Two Working Party meetings have been held, allowing Canada to emphasize the need for transparency. The Vietnamese accession will be a long and arduous process as Vietnam's legal framework is in contradiction with many of their future WTO obligations. Canada will continue to work to ensure that Vietnam meets its obligations under APEC and in future WTO.

Market-opening Results in 1998

Vietnam is not an easy market in which to do business. Traditionally it has been a closed economy, which along with its communist philosophy and overwhelming bureaucracy means that any sale amounts to being a market access accomplishment. The most important development in 1998 was gaining access to the Vietnam market for Canadian grain worth \$9 million as well as for fertilizers.

Canada's Market Access Priorities for 1999

- continue to press for the Vietnamese government permits to be issued for Canadian financial service institutions to operate effectively in the country; and
- advocate (including through APEC and through the accession process under the WTO) maximum Vietnamese efforts to open the market to the free flow of goods and services and to see a more accommodating foreign investment regime.