

The Maghreb

The Maghreb region represents a \$894 million market for Canadian goods and services. The region as a whole has made important progress in trade liberalization and openness to foreign trade and investment in recent years. Efforts to encourage foreign investment and improve market access have been undertaken in all Maghreb countries. The G8's new Africa Initiative may also have an important impact on expanding trade between Canada and the region.

Algeria

Algeria has undertaken an ambitious campaign of privatization and modernization, as well as regulatory reforms that have opened up sectors such as mining and telecommunications to foreign investors.

Algeria's working party on accession to the WTO was established in 1987, and met for the second time on February 7, 2002. The third meeting of the working group will take place at the end of April 2002, at which time bilateral accession negotiations will also begin. Negotiations toward an Association Agreement with the European Union ended successfully in December 2001, and the Agreement was initialled by both parties on December 19.

Market access priorities for the coming year will include support for Algeria's accession to the WTO, as well as the bilateral negotiations related to its accession.

Morocco

Morocco has been a member of the WTO since January 1995. Its economy is undergoing a period of transition as substantial economic reforms — encouraged by the IMF — are implemented. These reforms should allow for a modernization of the economy while promoting market access. Morocco has been actively engaged in negotiating regional free trade agreements with its neighbours. An Association Agreement with the European Union entered into force in 2000.

Libya

United Nations sanctions against Libya were suspended in April 1999. Canada established an embassy in Tripoli in April 2001 to develop political and commercial relations between the countries. The embassy is available to help Canadian companies with any market access issues they may have.

Tunisia

Tunisia is actively pursuing a trade liberalization policy. The first Maghreb country to sign an Association Agreement with the European Union, it is also pursuing free trade agreements with the Maghreb Arab Union, Jordan and Egypt, among others. Tunisia has introduced a large number of structural and regulatory reforms in order to promote foreign investment, including free-trade zones and updating of infrastructure. Tunisia is also engaged in an aggressive privatization program. Since 1987, more than 100 state companies have been privatized.

South Africa

Overview

Post-Apartheid South Africa is still undergoing transformation — including social and economic — following the first democratic elections of 1994. Amid a sustained reservoir of international goodwill, Thabo Mbeki, the successor to former president Nelson Mandela, is keeping course on a tight monetary policy and fiscal discipline. The fundamentals of the South African economy are sound, although the rand (the South African currency) has depreciated significantly in the last few years against the dollar and the British pound due to investors' generally negative perception of emerging economies, and the Government's decision to not protect its currency. Economic growth in 2001 slowed down relative to growth in 2000, due mainly to a decline in agricultural output and weak growth in the mining and manufacturing sectors. For 2002, economic growth is expected to be weak in the first half of the year as the demand for South African exports decreases due to the global economic slowdown exacerbated by the events of September 11, but is expected to rise slightly in the