

grounds. (For further information, see the BSE overview in Chapter 2.) We were pleased to hear from Honduran authorities in January 2004 that they had resumed trade in boneless beef from Canada.

PANAMA

With a GDP of \$15.4 billion, the second-highest per capita income and the most stable consumer prices in the region, Panama offers tremendous potential for Canadian goods and services. In 2003, bilateral trade totalled \$63 million, with Canadian exports valued at \$55 million and imports at \$9 million.

Following a visit to Canada by the Deputy Administrator of the Panama Canal, the Government of Canada will continue to encourage Canadian firms to pursue business opportunities with the Canal Administration. With a yearly budget of nearly US\$1 billion, no receivables and possibly the most pristine and straight-forward procurement process in the region, the Panama Canal Administration continues to be an excellent client. The diversity of the goods and services procured yearly by the Canal, as well as ongoing capacity-expansion projects and the impending modernization of the Canal (a multi-billion-dollar project), offers a number of opportunities for Canadian companies.

IMPROVING ACCESS FOR TRADE IN GOODS AND SERVICES

Non-tariff import barriers continue to affect Canadian agri-food exports to Panama, although the situation is improving. While the issuance of import permits for pork has been partly resolved, occasional problems still arise due to local government policy changes enacted to appease domestic stakeholders. The requirement for individual inspections of plants wishing to export to Panama continues to be a matter of concern, even though most exporting plants have passed inspection by Panamanian authorities. Canada continues to press the Panamanian government for an overall approval of the Canadian system.

Caribbean

CARIBBEAN COMMUNITY (CARICOM)

Overview

The 15-member Caribbean Community (CARICOM) includes Antigua and Barbuda, Bahamas, Barbados, Belize, Dominica, Grenada, Guyana, Haiti, Jamaica, St. Kitts and Nevis, St. Lucia, St. Vincent and the Grenadines, Suriname, Trinidad and Tobago, and Montserrat (U.K. dependency). The Bahamas is a member of CARICOM but not of the Caribbean Common Market.

CARICOM is a welcoming market for Canadians, with few barriers to trade, well-established Canadian banks in the region, English as a common language, and legal codes and business practices that are similar to those in Canada. Haiti is an exception. French and Creole are the official languages of Haiti, and its legal codes have evolved from the Napoleonic code.

Annual two-way merchandise trade between Canada and the CARICOM countries amounted to \$1.2 billion in 2003, with Canadian exports totalling \$430 million and imports \$788 million. (Note: Statistics do not include many goods transshipped through the United States.) In addition, more than \$200 million in contracts for Canadian consulting and engineering services are awarded annually with government and development bank financing. Many privately funded service contracts go unrecorded.

Canadian investment in, and flowing through, CARICOM countries as a group exceeds \$25 billion and is mainly in financial services (banking, insurance), particularly in Barbados and the Bahamas. In the 1990s, Canadian investment diversified to include Trinidad and Tobago's energy sector and Guyana and Suriname's mining sectors.

Market Access Results in 2003

- Discussions with CARICOM continued on a framework for free trade agreement negotiations.