

### Market Access Results in 2004

- In 2004, the Export Development Corporation established new lines of credit worth \$600 million in Algeria.
- A dispute with Algerian authorities regarding bovine semen was resolved in 2004, effectively reopening the market to Canadian exporters.

### Canada's Market Access Priorities for 2005

- Continue representations to re-establish conditions for live cattle exports.

## IMPROVING ACCESS FOR TRADE IN GOODS AND SERVICES

### Bovine Spongiform Encephalopathy

Following Canada's May 20, 2003, announcement of a BSE case, Algeria required that the certificate for live cattle be renegotiated. Canada has kept all its trading partners, including Algeria, fully informed of the results of its investigations and regulatory response, and it is requesting a resumption of trade on scientific grounds. (For further information, see the BSE overview in Chapter 2.)

## Libya

Libya submitted its application for accession to the WTO in December 2001. However, the file remained dormant until 2004, when Libya resolved a number of international disputes arising from terrorist acts in the 1980s. The WTO General Council agreed in July 2004 to set up a working party for the accession of Libya. The working party will meet once a chairperson is appointed and Libya submits the required memorandum describing its foreign trade regime. Canada does not have a most-favoured-nation agreement with Libya, but many manufactured products enter Libya at low or zero rates of duty because they are destined for the oil industry.

The Canadian Embassy in Libya officially opened in 2002, and it has made significant progress in expanding access to the Libyan market for Canadian companies. Canada's merchandise exports to Libya increased by 131% between 2001 and 2002, by 41% in 2003, and by 51% to \$101 million in 2004. Libya is also a significant market for engineering services, which do not show in our trade data.

United Nations trade sanctions, which had been suspended in 1999, were lifted in 2003 when Libya agreed to pay compensation for the 1988 Lockerbie airliner bombing. Canadian sanctions were lifted in 1999, after Libya agreed to deliver two Lockerbie suspects for trial. In December 2003, Libya renounced weapons of mass destruction following secret discussions with the United States and Britain. Since then, the United States has progressively lifted most restrictions on trade with Libya. This has benefited Canadian firms whose product lines include U.S.-manufactured goods.

During 2004, as part of ongoing reforms under Prime Minister Shukri Ghanem, Libya relaxed its import licensing system. Many agricultural products that were once imported by the state National Supply Corporation are now imported by new private sector companies. In the long run, this liberalization is expected to lead to a growth in the market.

## Morocco

### Overview

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 International Monetary Fund, are implemented. These reforms (e.g. liberalization of certain services areas such as banking, privatization of state-owned companies, abolition of regulations limiting foreign holdings, easing of exchange regulations and encouragement of joint ventures) should help modernize the economy while promoting market access. Morocco has an association agreement with the European Union. In 2004, it signed a free trade agreement with the United States.