

soybean requirements and cannot currently fully supply its soy-processing sector with the required high-quality product. Canada considers that it would be to the mutual advantage of both countries to provide more options in the administration of imports.

Bottled Water

Canada remains concerned about Korea's trade-restrictive government-mandated shelf-life requirements and onerous testing requirements for bottled water. Canada will continue to make representations in an effort to resolve these issues.

Seal Meat

Korea continues to maintain a *de facto* import prohibition on seal meat for human consumption by refusing to list the product on the Korean Food Code. Canada has made numerous representations to Korean authorities since 1995 to have seal meat approved for human consumption. We will continue to press Korea on this issue.

Beef

WTO Panel on Korea's Beef Import Measures

Canada and New Zealand participated as third parties in the WTO panel which was requested (under Article XXII of the GATT 1994) by the United States and Australia on Korean measures affecting the sale of fresh, chilled and frozen beef. A final ruling found that Korea was in violation of its WTO obligations. Korea has already notified the WTO that it has implemented the dispute settlement rulings. With respect to the elimination of the dual retail system for imports and domestic product, Korea agreed to bring its measures into compliance with the WTO by September 1, 2001. Both the complainants, the U.S. and Australia, accepted the Korean response as adequate.

Government Procurement

On September 1, 2001, a bilateral agreement between Canada and Korea regarding the Government procurement of telecommunications equipment was implemented. This agreement provides Canadian suppliers non-discriminatory access to the procurements of telecommunications by Korea Telecom, Korea's state-owned telecommunications service provider. Canadian firms will gain access equivalent to that currently provided by Korea to the United States and the European Union.

Chinese Taipei (Taiwan)

Overview

In 2001, Canadian goods exports to Chinese Taipei totalled \$988 million. Chinese Taipei ranked fourth among Canada's export markets in the Asia Pacific region, accounting for 10% of our total exports to the region. Canada's goods imports from Chinese Taipei in 2001 totalled \$4.4 billion. Chinese Taipei's economy remains very dependent on trade. It is a major exporter, as well as a major source of investment for the region, particularly to China and Southeast Asia, and it is growing as an important regional importer. This has given strong impetus to trade and market liberalization, though domestic political pressures continue to lead to protectionist measures, which affect agricultural and agri-food imports, as well as the financial services area.

WTO Accession

Chinese Taipei's WTO accession negotiations concluded on September 18, 2001, after over a decade of talks. Ministers approved the terms of the accession at the WTO's Fourth Ministerial Conference at Doha, Qatar, on November 11. Chinese Taipei officially joined the WTO as of January 1, 2002. As Chinese Taipei is a prominent export market for Canadian suppliers, its formal membership in the international rules-based trading system is an important development. Chinese Taipei has undertaken significant reforms and liberalization in order to bring its economic and trade regime in line with the WTO framework. A key outcome is the fact that preferential market access previously accorded to U.S. suppliers in a number of product areas will disappear, as Chinese Taipei is now bound by the WTO principle of non-discrimination.

Chinese Taipei is now implementing market access terms that had been negotiated with Canada and other WTO members in both goods and services. These include tariff elimination or reductions for so-called "zero-for-zero" or "tariff harmonization" goods such as chemicals, pharmaceuticals, paper and medical devices. Chinese Taipei had already signed on to the ITA, agreeing to full tariff elimination on ITT products. Canadian suppliers have gained more secure and open access for these and other industrial priorities, including plywood