

8. Opening Doors in Other Key Markets

Australia

Canada and Australia enjoy commercial relations that are largely free of challenges. The two countries cooperate closely within APEC, ASEAN, the Cairns Group of agricultural exporting countries and the WTO. Some Australian non-tariff measures continue to have an impact on market access for Canadian goods and services. These measures include policy standards and government procurement practices. In 2006, Australian requirements that Canadian pork imports be tested for carbadox were lifted.

In 2006, Canadian exports to Australia amounted to \$1.83 billion, while imports were valued at \$1.59 billion. Canada's principal exports to Australia include machinery, electrical machinery, aircraft, pork and iron ore. Leading imports from Australia include aluminium and uranium, wine, machinery and meat.

New Zealand

Canada and New Zealand's commercial relations are close and relatively irritant-free. The countries cooperate closely within organizations such as APEC, ASEAN, the Cairns Group and the WTO. Both countries continue to work together to achieve a substantive outcome to multilateral trade negotiations.

In 2006, Canadian exports to New Zealand amounted to \$383.9 million, while imports were valued at \$492.9 million. Canada's main exports to New Zealand include aircraft, electrical machinery, machinery, fertilizers and pork. Canada's leading imports from New Zealand include meat and dairy products, casein and casein derivatives, agricultural machinery and wine.

Russia

Russia's economic growth continues to be driven by high prices for oil, gas and other commodities, which has in turn stimulated domestic demand, prompting market expansion in investment and imports. In addition, Russia's foreign reserves now exceed US\$300 million, according to the UN Conference on Trade and Development. Canada's exports to Russia rose by 36% in 2005 and 54% in 2006 to reach \$870 million. Machinery for the oil, mining and forestry industries and food products dominated exports. Canadian providers of professional services, including engineering and architectural services, are also very active in Russia.

Many major Canadian firms have responded to the improved investment opportunities with strategic investments in Russia, particularly in the transport and resources sectors. Appropriate legal and operating structures are being used to address concerns about corporate governance, corruption, respect for property rights, regulatory issues and excessive bureaucracy.

Canada concluded its bilateral WTO accession negotiations with Russia in December 2005. Although Russia has successfully concluded the majority of bilateral negotiations with individual WTO members, it has yet to complete the WTO multilateral working party process. The pace and intensity that Russia brings to this effort will largely determine the timing of its accession to the WTO. Membership in the WTO will contribute significantly to Russia's transition to a market economy.