

In the bilateral market access negotiations expected to begin in 1997, Canada will request of Russia the lowering of tariffs and other barriers on goods and services of present and future importance to Canadian exporters. Canada's export interests in the Russian market include oil and gas equipment, agri-food products, vehicles, and telecommunications equipment.

Saudi Arabia

Multilateral negotiations regarding Saudi Arabia's accession to the WTO commenced in May 1996. An underlying objective for Canada in both the multilateral and bilateral negotiations with Saudi Arabia will be to secure reform and market access commitments that are commensurate with Saudi Arabia's role in global trade and its importance to Canada as an export market.

Canada expects to commence bilateral market access negotiations with Saudi Arabia during the coming year, once Saudi Arabia has provided further data on its import regime, including non-tariff measures. Over half of Canada's approximately \$500 million in annual merchandise exports to this market consists of vehicles and parts; other substantial exports include barley, wood and paper products, copper, plastics, aircraft and parts, machinery, electrical equipment and rolling stock. Canada will seek Saudi commitments in products such as these, as well as in services areas, of prime interest to Canadian firms in this market.

In 1997, the working party will seek greater clarity regarding the Saudi trade regime and will address specific issues such as transparency, government procurement, and agricultural sector policies.

Ukraine

Ukraine initiated the process of accession to the WTO as part of its general program of market orientation and integration into international organizations.

In 1997, the working party will continue to focus on overall transparency, the still-significant role of the state, and on issues relating to specific areas such as: the trade activities of state enterprises, including barter trade; government procurement; subsidies, price policies, and taxes; the policy to replace imports of "non-essential" goods; intellectual property protection; the customs system, including tariff rates, rules of origin and valuation; trade remedies (subsidies/ countervail, anti-dumping, and safeguards); standards and other technical barriers to trade; agricultural sector policies; policies affecting services trade (e.g., banking, insurance, transportation); and Ukraine's trade agreements with other states of the former Soviet Union.

In addition, as part of the accession process, Canada expects to commence bilateral market access negotiations on both goods and services with Ukraine. Ukraine's market is of strong interest to Canadian exporters. Current annual exports, in the \$35-\$45 million range, include oil and gas equipment, agri-food products and equipment, construction materials and high technology products. Canada will seek commitments in products such as these, as well as in priority services areas.