

and services products are yet to be clarified by Chinese Taipei and the final offers verified. Completion of these steps is required for formal conclusion of the bilateral negotiations.

Further, in early 1998, subsequent to the tentative conclusion of our bilateral accession talks, Chinese Taipei extended to the United States preferential access for several products, namely meat items of export interest to Canadian suppliers, for the period preceding Chinese Taipei's WTO accession. This incremental discrimination facing Canadian products in the Chinese Taipei market must also be resolved for Canada to officially conclude the bilateral market access negotiations with Chinese Taipei.

Chinese Taipei's undertakings in the accession negotiations include tariff reductions and bindings for goods such as chemicals, pharmaceuticals, paper and medical devices, in line with the zero-for-zero or harmonization arrangements adopted by Canada and others (mainly industrialized countries) in the Uruguay Round. As a member of the ITA, which was concluded in March 1997, Chinese Taipei agreed to the full slate of tariff eliminations on information technology/telecommunications products covered by this plurilateral WTO agreement. Canadian suppliers thus stand to gain more secure and open access for these and other industrial priorities, including plywood and aerospace products. Canadian suppliers' access to the Chinese Taipei market for automobiles will remain favourable, as Chinese Taipei proceeds with the liberalization of its import regime in this sector. For agricultural products, Chinese Taipei's accession commitments will mean improved access for priorities, including grains, oilseeds, meat products and processed foods, plus a range of fish and seafood. Exporters of oilseeds, as well as of several fish items, will enjoy equitable market access terms in the Chinese Taipei market for the first time, as a result of the negotiations. Although some progress was made in improving access for Canadian beef, a commitment for equitable access for all high-quality Canadian beef was not forthcoming from Taiwan. Canada will continue to press Taiwan to end this discriminatory practice.

The past year saw outstanding financial services issues resolved satisfactorily in both the banking and insurance sectors. As well, Chinese Taipei tabled an offer for basic telecommunications services, following the

conclusion of the ABT among WTO members in 1997. Chinese Taipei's final offer on services also includes commitments in other services sectors, including advanced telecommunications and environmental services.

As part of its WTO accession, Chinese Taipei has also applied to join the WTO Agreement on Government Procurement. Bilateral negotiations in this regard have progressed well.

Chinese Taipei has now concluded bilateral negotiations with most of the 26 trading partners with whom talks were undertaken. The focus of Chinese Taipei's accession negotiations will likely shift to the multilateral stage, where the Working Party Report and Protocol of Accession are still to be negotiated.

INDIA

Overview

The Indian economy has improved dramatically since 1991, when India launched its program of economic reforms and trade and investment liberalization. India's economic growth rate was 6% per year from 1993 to 1997. The fundamentals of the Indian economy are sound, and it has not been seriously affected to date by the financial problems in East and Southeast Asia. Total Canada-India merchandise trade for 1997 reached a record of \$1.191 billion, with a balance of \$289 million in India's favour. Canadian investment in the Indian market is significant; in 1997, Canada was the fifteenth-largest investor in terms of approvals, with investments in the first ten months of 1997 totalling \$144 million.

India offers significant opportunities for Canadian trade and investment. As well as a high growth rate, India has a middle class (i.e. an economic group with disposable income) of 200 million people whose demand for consumer goods is increasing rapidly. These opportunities were the inspiration for the successful 1996 Team Canada trade mission to India, during which Prime Minister Chrétien led a group of seven Provincial Premiers and Cabinet Ministers, and 300 business people to boost trade and investment ties.