

## *The United Arab Emirates*

The United Arab Emirates (UAE) is gathering strength as a major regional distribution centre and investment destination, through its focus on economic diversification and development of port and manufacturing operations, as well as high-end tourism facilities. A key factor in the UAE's success has been the development of free zones, providing users with abundant low-cost energy, land, labour and government financial incentives and special concessions on foreign ownership regulations. In the rapidly expanding Dubai emirate, this transformation now encompasses significant investment and foreign interest in knowledge-economy facilities in information technology, education, health, media and finance. Canada and the UAE have excellent bilateral relations, particularly in the health, education and services sectors. Canadian merchandise exports to the UAE grew to \$416 million in 2004, a 21% increase over 2003. The UAE signed a double taxation agreement with Canada in 2002, which was formally ratified and came into force on May 25, 2004.

### **Market Access Results in 2004**

- On February 23, 2004, following Canadian interventions, the UAE issued a decree to permit the import of bovine semen, embryos and hides. The UAE Ministry of Agriculture and Fisheries agreed on the certification to be used for the embryos and bovine semen on May 23, 2004.
- On August 30, 2004, the UAE removed its avian influenza restrictions against British Columbia.

### **Canada's Market Access Priorities for 2005**

- Continue representations aimed at removing the UAE's BSE-related ban on beef and veal imports from Canada, including seeking approval of the certificate for embryos.

## **IMPROVING ACCESS FOR TRADE IN GOODS AND SERVICES**

### **Bovine Spongiform Encephalopathy**

Following Canada's May 20, 2003, announcement of a BSE case, the UAE issued restrictions on the import of Canadian live cattle and beef products, including veal, bovine semen, embryos and hides. On February 23, 2004, the UAE issued a decree to permit the import of semen, embryos and hides. On May 3, 2004, the UAE Ministry of Agriculture and Fisheries agreed on the certification for semen. Canada awaits the approval for the certification of embryos. Canada has kept all its trading partners, including the UAE, 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.)

### **Avian Influenza**

On March 15, 2004, the UAE imposed measures against imports of poultry from British Columbia due to avian influenza. On August 30, 2004, the UAE removed its avian influenza restrictions. (For further information, see the avian influenza overview in Chapter 2.)

## *Kuwait*

Kuwait is responding slowly to the challenges of economic diversification and liberalization, and it relies on petroleum for nearly half its GDP and 90% of export revenues. Promised privatization has consisted mostly of allowing the private sector to enter areas once reserved exclusively for government, rather than divestiture of state assets. Market access is rarely a major problem in Kuwait as tariffs on the vast majority of items range from zero to 5%. Only 58 items receive tariff protection. Canada and Kuwait signed a double taxation agreement in 2002. The convention entered into force on August 26, 2003, and took effect as of January 1, 2004.