

and South Africa (October 1999) have been reached. While the EU and the Mercosur countries have explored the possibility of free trade, negotiations are not expected to begin any time soon. Canada will assess the impact of these new arrangements on our existing trade relationships with these countries and on the competitiveness of Canadian suppliers and firms in an expanded EU.

Canada-EU trade relations are managed under the WTO agreements, as well as the bilateral 1976 Framework Agreement for Commercial and Economic Cooperation, which established a structure of consultative committees. The 1996 Joint Political Declaration on Canada-EU Relations and the Canada-EU Action Plan set goals for broadening Canada-EU relations not only in the trade and economic areas, but on a broad range of foreign and domestic policy issues as well. On the economic front, both sides undertook to cooperate in multilateral economic fora (e.g. the WTO). As set out in the Action Plan, Canada and the EU concluded bilateral agreements in the areas of customs cooperation, veterinary equivalency, competition law and mutual recognition of conformity assessment of regulated products. The Action Plan also establishes goals for enhanced cooperation in the IT field, including e-commerce, as well as in the science and technology area more generally.

The EU-Canada Trade Initiative (ECTI), launched in December 1998, sets a limited number of objectives for market access and economic cooperation. A bilateral cultural agreement of benefit to Canada's cultural industries is under consideration. Fostering business-to-business contacts, including among SMEs, is an important ECTI objective. Already the Canada-Europe Round Table (CERT) has been established, which brings together firms from a range of sectors who support the development of the Canada-EU economic relationship.

Market Access Results in 1999

- In April 1999, the EU dehydrated alfalfa industry imposed a voluntary ban on sales of dehydrated alfalfa to Japan, thus reducing the market disruption that had been occurring in Japan as a result of low-priced, subsidized EU alfalfa.
- In April 1999, the EU opened a single year 4,000-tonne TRQ for cooked and peeled shrimp.
- In November 1999, fisheries ministers from Member States agreed to renew the TRQ for cooked and peeled shrimp for a further three years and increase the quantity to 5,000 tonnes per year.
- In June 1999, Canadian and EU authorities signed an agreement permitting information exchange and cooperation in the area of competition policy and law.
- In September 1999, the EU reduced the gap between the export subsidy levels granted for barley and for malt.
- In September 1999, the EU Standing Plant Health Committee agreed to a multi-year derogation which will allow for the importation of Canadian seed potatoes until March 31, 2002.
- In November and December 1999, explanatory discussions were held on the possible scope of a wine and spirits agreement, which would provide improved market access for Canadian exporters in these areas.
- In December 1999, Canada and the EU announced a Joint Statement on Electronic Commerce in the Information Society, which recognized the potential global benefits of e-commerce and declared the objective of constructing an enabling global environment that maximizes social potential for citizens.

Canada's Market Access Priorities for 2000

- seek the elimination of export subsidies and the reduction of production-distorting domestic support through multilateral negotiations;
- continue discussions toward agreements that would improve market access for Canadian wine and spirits;
- complete the implementation of the 1998 Canada-EU MRA by finalizing the designation of conformity assessment bodies;
- encourage professional associations in Canada and the EU to work toward agreements concerning the mutual recognition of qualifications;