

It is a major exporter, as well as a major source of investment for the region, particularly to China and Southeast Asia, and it is growing as an important regional importer. This has given strong impetus to trade and market liberalization, though domestic political pressures continue to lead to protectionist measures, which affect agricultural and agri-food imports, as well as the financial services area.

### **WTO Accession**

Canada remains an active participant in WTO-accession negotiations with Chinese Taipei. A major goal for Canada in these negotiations has been to secure improved, non-discriminatory access to this major market for Canadian goods and services. Bilateral market access talks with Chinese Taipei, which had begun five years earlier, were formally concluded on June 28, 1999. Though the talks had finished in late 1997, exclusive access granted subsequently to the United States for several meat products marked a step backward, in our view. Canada, therefore, re-opened the talks, insisting that conclusion would hinge on Canada receiving comparable access for the beef and pork products affected. Such access was granted by Chinese Taipei during 1999 by means of interim MFN quotas covering these products. This facilitated the formal conclusion of our bilateral talks.

The terms agreed bilaterally will seal commitments by Chinese Taipei to liberalize access to its market, commencing the date of its accession. Chinese Taipei's undertakings in the accession negotiations include tariff elimination for WTO "zero-for-zero" sectors, including pharmaceuticals, paper and medical equipment, as well as tariff reductions for chemicals under the WTO Chemical Tariff Harmonization Agreement. As well, Chinese Taipei had already signed on to the ITA, agreeing to full tariff elimination on IT and telecommunications products. Canadian suppliers stand to gain more secure and open access for these and other industrial priorities, including plywood products. Aerospace products will benefit from accession, as Chinese Taipei has undertaken to become a signatory to the plurilateral WTO Agreement on Trade in Civil Aircraft, when it joins the WTO. 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.

Access conditions will also improve for a range of agricultural, agri-food and fish and seafood products. Among the gains are Canadian priorities such as grains, oilseeds, meat products and processed foods. For example, accession will mean equitable and more open market access for Canadian suppliers of canola oil and beef.

In services, Chinese Taipei included commitments in areas of prime interest to Canada, including financial services, basic and advanced telecommunications services and professional services.

The multilateral negotiations related to Chinese Taipei's accession reached a final stage in 1999, focussing on the drafting of the Working Party Report and Protocol of Accession.

As part of its WTO accession, Chinese Taipei has also applied to join the WTO AGP. Canadian suppliers are seeking access to key sectors and assurances that public tendering procedures will be fair and transparent, with an independent mechanism for suppliers to challenge the consistency of procurement actions with the agreement. Our bilateral negotiations continue in this regard.

An issue of concern to the working party relates to the lack of advance consultation and notification in Chinese Taipei's procedures for introducing new legislation and regulations affecting trade. Chinese Taipei has committed to implement appropriate transparency procedures, in accordance with WTO requirements.

### **Beef**

The long-standing discriminatory tariff treatment of some grades of Canadian high-quality beef will be gradually eliminated after Chinese Taipei joins the WTO. Currently, only certain cuts of Canada Prime and Canada AAA beef attract the preferential tariff rates that Chinese Taipei applies to all U.S. high-quality beef (USDA Prime and Choice). This situation was aggravated in mid-1999 when Chinese Taipei applied a higher tariff to imports of several types of Canada AAA beef ('thin meat'). Canada continues to press Chinese Taipei to reverse this decision.