

of tariffs on pet food was previously slated for 2002 and on the other items by 2007.

Salmon and Trout Eggs

In July 2000, Chile amended its regulations so as to subject all imported fish eggs to a case-by-case scrutiny and quarantine, effectively preventing access to the Chilean market. Canada's position is that there is no scientific justification for the restriction, and it is making representations to the Chilean authorities requesting its removal. Canadian fisheries officials met with their Chilean counterparts during 2001 to develop mutually acceptable sanitary and phytosanitary standards and certification procedures that would enable Chile to end its ban on the import of Canadian fish eggs.

Andean Community

The Andean Community is a common market encompassing Bolivia, Colombia, Ecuador, Peru and Venezuela. These countries are an important commercial region for Canada; bilateral trade in 2001 reached \$3.6 billion (greater than that with the Mercosur countries), with Canadian exports reaching \$1.5 billion. Cumulative Canadian investment in Andean countries is approximately \$3 billion, primarily focused in the natural resource and telecommunications sectors. These markets offer excellent opportunities for Canadian business as they continue to modernize their economies and expand institutional capacity and transparency.

Canada and the Andean Community signed a Trade and Investment Cooperation Arrangement (TICA) on May 31, 1999 (www.dfait-maeci.gc.ca/tna-nacl/tieca-e.asp). The TICA establishes the framework for pursuing stronger commercial and economic cooperation and calls for periodic consultative group meetings. The last such meeting occurred in November 1999.

The TICA forms the basis for enhanced trade and investment activity between Canada and the Andean Community, and our trading relationship is overwhelmingly positive. However, market access problems do sometimes arise. These generally involve difficulties encountered by Canadian exporters seeking necessary permits for the export of agricultural products. Canada pursues a range of strategies to resolve these matters,

including interventions with officials in the countries involved, "expert group" discussions to clarify the legitimacy of procedures and requirements for certificate issuance, and interventions with country representatives at trade bodies such as the WTO and other appropriate forums, such as meetings of the Inter-American Institute for Cooperation on Agriculture.

VENEZUELA

Overview

Venezuela is an important commercial partner for Canada in South America. It is Canada's second-largest trading partner in South America and third-largest in Latin America behind Mexico and Brazil. Bilateral trade in 2000 totalled \$2.05 billion, with Canadian exports valued at \$636 million and imports at \$1.41 billion. The main Canadian exports to Venezuela are motor vehicle parts and accessories, telecommunications equipment, wheat, newsprint, wood pulp, potatoes, oilfield equipment, computers and components, beans and lentils, malt, motor vehicles and papers. Canada's imports from Venezuela consist of petroleum products, bitumen/asphalt, semi-finished iron for motor vehicle parts, iron and steel products, chemicals, rubber and plastics.

There is significant Canadian investment in Venezuela's telecommunications, banking, mining, and oil and gas sectors. In addition, Canadian exporters and investors are pursuing opportunities in the agri-food, environment and forestry sectors.

Agreements

The Foreign Investment Protection Agreement between Canada and Venezuela was signed in 1997 and came into force in January 1998. A double taxation agreement was signed in July 2001 and is expected to come into effect in early 2002. As a member of the Andean Community, Venezuela signed the Canada-Andean Community Trade and Investment Cooperation Arrangement in May 1999.

Market Access Priority

Canada is concerned about Venezuela's import permit policy for agricultural products. Venezuela routinely delays or denies the issuance of permits in contravention of its international trade obligations. Canadian exporters of meat, potatoes and onions have been most adversely