



GATT consultations to press Australia to review the measure. Following consultations, Australia agreed to conduct an Import Risk Assessment (IRA) of wild Pacific salmon imports. In May 1995, Australia issued a draft IRA, concluding that imports of wild, headed and gutted Pacific salmon from Canada and the United States presented a "negligible" risk of disease introduction, and should be permitted under certain conditions. The draft IRA encountered strong domestic criticism, however, particularly by the Tasmanian salmon producers. As a result, Australia undertook to conduct a comprehensive review of all the comments made on the original IRA and to publish a second version of the draft IRA. After many delays, the revised IRA was released for public comment in May 1996. Canada stated its disappointment with the new IRA on the basis that it backtracked from the conclusions of the original IRA. On December 20, 1996, the Australian government announced its decision to maintain the ban.

On April 10, 1997, the WTO acceded to Canada's request for the establishment of a dispute settlement panel. The panel held its first hearing with the Parties in September 1997, and its second oral hearing in February 1998. The panel is expected to issue its final report by the end of May.

Pork

Canadian pork exports to Australia have been hampered by numerous market access problems in recent years, including several technical barriers. In January 1993, Australia imposed controls on fresh, chilled and frozen pork from Canada, based on alleged animal-health concerns. These controls effectively ban the importation of Canadian fresh, chilled and frozen pork for retail sale, but do allow the importation of Canadian pork for processing, based on cooking requirements on arrival in Australia. Canada has made representations objecting to these controls on grounds that they are unnecessarily trade-restrictive, but the issue remains unresolved.

In response to interest from Canadian exporters, Canada made a request for access for cooked pork products in April 1996. Following considerable delays, and several Canadian representations, Australia announced in November 1997 that it would allow the importation of cooked pork products from Canada. Following further technical-level discussions, Canadian exporters are now able to export cooked pork to Australia.

ISRAEL

One year into the Canada-Israel Free Trade Agreement (CIFTA), bilateral trade between the two countries is increasing steadily. Two-way trade in goods expanded to \$533 million in 1997, an increase of 5% from 1996. Canadian firms continue to make strong gains in such priority areas as telecommunications; power and energy; transportation; agri-food; and construction equipment and products.

The biggest factor in increased trade between the two countries is the removal of virtually all tariffs on industrial products, and the reduction of many tariffs on agriculture and agri-food products. As provided for under the CIFTA, it is anticipated that Canada and Israel will begin discussions in 1998 to further liberalize trade in agriculture and agri-food products. Key areas of export interest include fish, fresh and frozen fruit and vegetables, and prepared frozen foods.

WEST BANK AND GAZA STRIP

Canada is committed to providing the same preferential trade terms to goods originating from the West Bank and Gaza Strip as goods that originate from Israel. Discussions on how this can be achieved and how best to further promote our trade and investment relations are ongoing. Further consultations with the Palestinians to finalize a Memorandum of Understanding on enhancing trade and economic co-operation will be undertaken in 1998.

SAUDI ARABIA

Multilateral negotiations regarding Saudi Arabia's accession to the WTO began in May 1996. Canada's underlying objective in both the bilateral and multilateral negotiations is to secure reform and market access commitments that are commensurate with Saudi Arabia's role in global trade and its importance to Canada as our 25th-largest export market with \$478.1 million worth of goods exports in 1997.