



A fundamental goal for Canada is to ensure that China enters the WTO on terms that reinforce the integrity of the multilateral trading system. Once China is in the WTO, Canada believes Canadian companies will benefit from a more predictable trading and investment environment in China. Canada does not underestimate the scope of the task faced by China's economic reformers. Together with its partners in this multilateral negotiation, Canada has provided technical assistance to China and continues to stand ready to provide further assistance to ensure the smooth entry of China into the multilateral trading system.

### *Chinese Taipei (Taiwan)*

Chinese Taipei was Canada's 10th largest market for goods in 1996, with exports amounting to \$1.4 billion. Canadian exports of both goods and services have expanded as the Chinese Taipei economy has flourished and trade and economic reform has proceeded. However, Canadian firms still encounter a network of barriers, reflecting the fact that Chinese Taipei's economy and trade regime have developed outside the disciplines of the multilateral trade framework, in an environment that engendered protectionism and discriminatory access conditions. These barriers are the focus of Canada's ongoing bilateral market access negotiations in the context of Chinese Taipei's accession.

With respect to market access for goods, Canada has pursued the dismantling or lowering of tariffs as well as other barriers, and the "binding" of the results, on over 1000 items. Resource and industrial products account for two thirds of these; the balance are agricultural, fisheries and food items. Canada's focus is now on the 50 unresolved products, which are in the agriculture and fisheries sectors. Canada will also secure Chinese Taipei's commitments to provide more equitable access for other agricultural priorities, such as oilseeds products. As well, Canada looks to a resolution of several sanitary and phytosanitary-related market access issues, for example, measures affecting imports of seed potatoes. The tariff-focussed negotiations on resource and industrial products have progressed well. Canada's goal includes securing tariff commitments for products such as chemicals, pharmaceutical, paper, and medical devices in line with the zero-for-zero or harmonization arrangements adopted by Canada and other industrialized countries in the

Uruguay Round. Canada will also secure tariff commitments for priority mineral and fertilizer products, as well as reductions in the differential between primary and processed non-ferrous metal and wood products. With respect to the liberalization of Chinese Taipei's import market for automobiles, Canada will ensure that its access remains favourable.

Regarding services, the resolution of outstanding issues related to Canadian provision of legal services and to the continued liberalization of the financial sector make up Canada's priority for the coming year. Canada will also secure Chinese Taipei's commitments in areas such as enhanced telecommunications and environmental services where progress has already been achieved in the negotiations.

As part of its WTO accession, Chinese Taipei has applied to join the *WTO Agreement on Government Procurement (AGP)* and bilateral negotiations related to this application are in progress. Canada expects Chinese Taipei to be in a position to accede to the AGP once its negotiations for WTO accession are concluded. In parallel with these talks, a focus of Canadian trade development efforts in this market has been Chinese Taipei's infrastructure development program.

### *Russia*

Russia represents a large potential market for Canadian exporters. In 1996, Canada's merchandise exports reached \$319 million, a 53% increase over 1995. Canadian services exports are also significant.

Russia applied to join the WTO in December 1994 and several meetings of the working party on its accession have been held.

As a large, former command economy in transition, Russia requires a long and complex reform process to bring its trade and economic system into conformity with the disciplines of the WTO agreements. Some relevant legislation is still to be completed. In 1997, the working party will continue to study issues such as the activities of state enterprises, including trade and purchasing; subsidies; taxation; licensing; quotas; tariffs and the customs system; barter and countertrade; government procurement; technical barriers (standards); intellectual property; trade in services; sectoral policies in both agriculture and industry; subfederal powers affecting trade; regional trade arrangements; and, in general: transparency, consistency and predictability.