

productive centrally planned regime with an open competitive economy. Under the agreement, Canada will receive payments from Poland for the first time in a decade.

#### **ASSISTANCE FOR CZECH AND SLOVAK FEDERAL REPUBLIC AND HUNGARY**

Canada is a strong supporter of the political and economic transformations taking place in Eastern Europe. As part of a concerted effort with other industrial countries of the G-24 (see Glossary), Canada agreed to provide exceptional balance of payments assistance of US\$25 million to the Czech and Slovak Federal Republic and US\$12.5 million to Hungary, to support their transition from centrally planned to market-based economies. The Canadian government is providing loan guarantees to enable Canadian financial institutions to lend at competitive rates and on longer repayment terms. External Affairs and International Trade Canada, in close cooperation with the Department of Finance, will administer these loan guarantees.

#### **FOREIGN INVESTMENT PROTECTION AGREEMENTS**

Canada continued its program of bilateral Foreign Investment Protection Agreements, which extends protection to Canadian investors abroad and to foreign investors in Canada on a reciprocal basis. The first agreements were signed with the U.S.S.R., Poland and the Czech and Slovak Federal Republic. Negotiations have continued with Hungary and are now in progress with Malaysia, Indonesia, the Philippines, Thailand, Argentina and Uruguay.

#### **CANADIAN INITIATIVE ON EXPORT CREDIT**

Building on a Canadian initiative pursued at the Houston Economic Summit of 1990, Canada continued its active support for OECD efforts to strengthen international rules on the use of subsidized export credits which distort trade and international aid. The negotiations are scheduled for completion in 1991.

---

## **INDUSTRIAL TRADE POLICY**

Through effective application of trade agreements, efforts were increased to enhance the competitiveness of Canadian manufacturing industries, their technological adaptation and access to foreign markets. The same objectives also prompted the development of improved international trade rules on technical standards, rules of origin, and other practices affecting trade in industrial products.

Canada continued to promote a stable but restraint-free trading environment to facilitate competitiveness and efficiency in the automotive industry.

One of Canada's trade policy objectives is to promote removal of the managed trading environment for steel to allow competitive restructuring in the sector. Through participation in the OECD Steel Committee, Canada was able to maintain these objectives. In an effort to prevent disruption of the Canadian steel trade, the Industrial Trade Policy Division monitored steel exports and imports for early and more accurate trade data.

Canada played an important role in the negotiation of a broader GATT Agreement on Technical Barriers to Trade under the Uruguay Round. This will improve market access for Canadian exports when the Round is completed.

A Working Group report on Europe 1992 Standards, Testing, and Certification was completed and steps were taken to improve the circulation of information on international standards developments. Federal regulatory agencies, the Standards Council of Canada, and provincial and industry representatives were all consulted. The information flow will allow industry to improve its competitive position in world markets and make Canadian comments on foreign standards and certification developments more effective.