

Softwood Lumber

Chinese Taipei is a major market for softwood lumber, but only for the lower grades used for packaging. While the market is open to increased use of wood in construction, the opportunity is limited by the concern of financial and insurance institutions that the island's wood building code is insufficiently prescriptive to assure adequate quality. In May 2003, Chinese Taipei made changes to sections of its wood building code, providing for wood-frame construction using softwood lumber. The Canadian wood products industry is working with the Chinese Taipei government to achieve recognition of the equivalency of Canadian and Chinese Taipei standards for various wood building products, as well as to deliver technical training to local industry.

Consultations on Regulatory Changes in Agriculture

Canada has expressed concerns to Chinese Taipei's Board of Foreign Trade and Bureau of Animal and Plant Health Inspection and Quarantine about the lack of prior consultation on changes to regulations affecting the import of food products. For example, in 2003, Canada did not receive notification of amendments to the quarantine requirements for the import of plants or plant products until the implementation date, leaving no time to request clarification prior to the measures being applied. In late 2004, Chinese Taipei announced certification requirements for bark-on lumber imports, leaving little time for industry to seek needed clarifications and to comply.

Australia

Overview

In 2004, two-way merchandise trade between Canada and Australia was worth \$3.3 billion, a 7.4% increase on the previous year. During the year, Canada exported \$1.6 billion worth of merchandise to Australia, while imports were valued at \$1.8 billion. Canada's main exports continue to be car engines, pork, aircrafts, lumber, telecommunications components and wood pulp.

The Canadian stock of direct investment reached \$7.8 billion in 2003, a 10% increase from 2002 (\$7 billion). This growth was due mainly to the large number of Canadian firms that have acquired interests in the Australian mining industry. It is now estimated that Canadian firms own over 25% of Australia's gold resources.

There are natural affinities between Canada and Australia arising from similar legal and regulatory systems, comparable federal structures and a trading relationship reaching back over 100 years. Most trade between the two countries takes place at most-favoured-nation rates, although a substantial amount benefits from duty-free rates.

Some important non-tariff measures have an impact on market access. Measures affecting access for Canadian goods and services include product standards, government procurement practices (which vary from sector to sector, and from Commonwealth to state levels) and trade-remedy laws (Australia is among the most active users of anti-dumping and countervailing duty statutes).

Australia has been particularly active in signing bilateral trade agreements with Thailand, Singapore and, most recently, the United States. The impact of these FTAs on Canada-Australia trade will be monitored closely.

Canada's Market Access Priorities for 2005

- Continue to make representations for improved access for Canadian pork and support Canadian industry participation in the Productivity Commission inquiry in an effort to ensure that it does not recommend any further restrictions.
- Closely follow the Australian Customs Service's dumping investigation of linear low-density polyethylene from Canada.

IMPROVING ACCESS FOR TRADE IN GOODS

Pork: Import Conditions

For several years, Australia has imposed requirements preventing the import of unprocessed pork products from Canada and other countries due to alleged concerns relating to porcine respiratory and reproductive