

- In addition, improved market access was granted to imports of other agri-food products, including chickpeas, canary seed, beef, pet food and french fries. These measures will allow several export products to regain markets lost to the United States and the European Union.

#### **Canada's Market Access Priorities for 2004**

- Ensure that the recent expansion of CIFTA to include a wider range of agricultural products provides the best possible market access conditions for Canadian exports to Israel.
- As provided for under CIFTA, continue to engage in discussions with Israel to further liberalize bilateral trade in agricultural and agri-food products.
- Continue representations aimed at removing Israel's bovine spongiform encephalopathy (BSE) measures on imports from Canada.

### **IMPROVING ACCESS FOR TRADE IN GOODS AND SERVICES**

#### **Bovine Spongiform Encephalopathy**

Israel has an import ban on bovine animals, meat and meat products, animal feed and meals and other products from countries with cases of BSE. This ban has been applied to Canada. Canada has kept all its trading partners, including Israel, fully informed of the results of its investigations and regulatory response, and it is requesting a resumption of trade on scientific grounds. (For further information, see the BSE overview in Chapter 2.)

#### **WEST BANK AND GAZA**

Canada is committed to promoting trade and investment relations with the Palestinians. The Joint Canadian-Palestinian Framework on Economic Cooperation and Trade, signed in 1999, established a two-way commercial relationship based on free trade. Aside from eliminating tariffs, the Framework aims to improve market access and customs procedures while supporting emerging industries in this market. Services are not included in the agreement. Palestinian law stipulates that a local agent or representative is required to sell into this market.

The status of the Middle East Peace Process affects the movement of goods into and out of the West Bank and Gaza.

## **EGYPT**

### **Overview**

Egypt is one of the largest and leading states in the Arab world; it enjoys a unique, geographically strategic location and plays a key role in the region. Egypt also represents a market of 70 million people and is an excellent hub for the Middle East and African countries (through COMESA, the Common Market of Eastern and Southern Africa). There is good scope for Canadian and Egyptian cooperation across a broad spectrum of goods and services sectors, including in areas such as agriculture, education, environment, high-technology, telecommunications, oil and gas, transportation and infrastructure.

Egypt's economic reforms in the last decade have led to the liberalization of the economy and have brought new dynamism to trade prospects. Recent legislative developments demonstrate a new commitment toward an open economy. In 2002-2003, new laws were approved in the following areas: banking, mortgages, labour, money laundering, intellectual property rights and telecommunications. Also under consideration are draft laws on income taxes (corporate and personal), competition laws, small and medium-sized enterprises, capital markets, customs and sales tax revisions. Some modest progress continues to be made on Egypt's privatization program.

Egypt is ranked 44th globally and fifth regionally among Canada's export markets, and it is rated by Agriculture and Agri-Food Canada as one of the top five emerging markets worldwide. During 2001-2003, external shocks (9/11, the war in Iraq and continued tension in the region) and the present stagnation of the Egyptian domestic economy dampened bilateral trade. Nonetheless, in 2003, Canadian exports to Egypt reached a record high of \$231 million, up 25% compared with 2002 and far surpassing the \$135 million achieved in 1995 (when Statistics Canada began recording these figures). Recent Canadian export success stories during the past three years include sales of wheat, lentils and aircraft;