



7. OPENING DOORS TO OTHER KEY MARKETS

AUSTRALIA

Overview

Australian imports from Canada amounted to \$932 million in 1997, while Canadian imports from Australia amounted to \$1.177 billion for a two-way total of \$2.109 billion. Canadian sales successes in Australia continue to be oriented toward fully manufactured goods, a pattern closer to that of the United States than of any other Asia Pacific market. Almost 75% of what Canada ships to Australia is manufactured goods and end products, much of this originating with SMEs.

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 MFN rates, including substantial amounts at duty-free rates.

As of July 1, 1997, most MFN applied rates were at, or below, 5%. However, some tariff peaks reaching into the 25% to 30% range remain, e.g. passenger motor-vehicles, textiles, clothing and footwear. Some important non-tariff measures have an impact on market access, especially the tough sanitary and phytosanitary requirements imposed by the Australian Quarantine and Inspection Service. Most fisheries, meat, livestock, fruit, vegetable and food product imports face restrictive measures, ranging from prior approval and lengthy time delays in quarantine (e.g. Canadian dairy and beef breeding stock, and ostriches) to outright bans (fresh, chilled and frozen salmon). Other 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).

Salmon

Since 1975, Australia has prohibited the importation of fresh, chilled and frozen salmon on alleged fish-health grounds. Canada's position is that there is no scientific basis for the ban. In 1994, Canada held