

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 wood products 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 the Board of Foreign Trade about the lack of prior consultation on changes to regulations affecting the import of food products. For example, in 2002, a change in the application of import regulations on live seafood (e.g., lobster) was implemented without prior notification to foreign trade offices or importers. This change disrupted the import of highly perishable live lobsters from Canada. In 2003, Chinese Taipei's notification of amendments to its quarantine requirements for the import of plants or plant products was received by Canada on the implementation date, leaving no time to request clarification prior to the measures being applied.

Australia

Overview

In 2003, two-way trade between Canada and Australia was worth \$3.1 billion, a 5.8% increase on the previous year. During the year, Canada exported \$1.4 billion worth of goods to Australia, while imports were valued at \$1.6 billion. Canada's main exports continue to be car engines, automotive parts, military equipment, telecommunications components and pork.

The Canadian stock of direct investment surged in 2002, growing from \$4.5 billion in 2001 to \$8.5 billion in 2002. This 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 30% 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).

Canada's Market Access Priorities for 2004

- Continue to make representations for improved access for Canadian pork and to ensure that the final Australian import risk analysis expected to be released in 2004 does not result in any further restrictions.
- Closely follow the application of anti-dumping duties that Australia imposed on Canadian exports of mill liners.

IMPROVING ACCESS FOR TRADE IN GOODS

Pork

For several years, Australia has maintained requirements preventing the import of unprocessed pork products from Canada and other countries due to alleged animal health concerns relating to porcine respiratory and reproductive syndrome (PRRS). The measures require that imported pork must be cooked either in the exporting country or in a transitional facility in Australia. These measures raise the cost of Canadian pork and exclude Canadian exporters