

Bovine Spongiform Encephalopathy

Following Canada's May 20, 2003, announcement of a BSE case, Algeria required that the certificate for live cattle be renegotiated. Canada has kept all its trading partners, including Algeria, 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.)

MOROCCO

Morocco has been a member of the WTO since January 1995. Its economy is undergoing a period of transition as substantial economic reforms, encouraged by the International Monetary Fund, are implemented. These reforms (e.g., liberalization of certain services areas such as banking, privatization of state-owned companies, abolition of regulations limiting foreign holdings, easing of exchange regulations and encouragement of joint ventures, etc.) should allow for a modernization of the economy while promoting market access.

Canada's Market Access Priorities for 2004

- Continue representations aimed at removing Morocco's bovine spongiform encephalopathy (BSE) measures, in particular those on live cattle.

Bovine Spongiform Encephalopathy

Following Canada's May 20, 2003, announcement of a BSE case, Morocco did not impose any specific BSE-related measures against Canadian products. However, Morocco has a general decree that bans imports of live animals, meat and associated products from countries that have a declared BSE case, including Canada. Canada has kept all its trading partners, including Morocco, 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.)

LIBYA

Libya submitted its application for accession to the WTO in December 2001. A working party has yet to

be established. The Canadian Embassy in Libya officially opened in 2002, and it has made significant progress in expanding access to the Libyan market for Canadian companies. Canada's exports to Libya increased 120% between 2001 and 2002, rising from \$20.5 million to \$47.4 million. Exports continued to increase in 2003, rising by 38% to \$66 million.

United Nations trade sanctions, which had been suspended in 1999, were lifted in 2003, following an agreement on August 25, 2003, whereby Libya agreed to pay compensation for the 1988 Lockerbie airliner bombing. Canadian sanctions had been lifted in 1999, after Libya agreed to deliver two Lockerbie suspects for trial. The United States still maintains sanctions against Libya. With the resolution of the Lockerbie issue, Canada will continue its policy of progressive engagement with Libya.

TUNISIA

Tunisia joined the WTO in 1995 and is actively pursuing a trade liberalization policy. Tunisia has introduced a large number of structural and regulatory reforms in order to promote foreign investment, including free trade zones and updating of infrastructure.

Canadian exports to Tunisia more than doubled to \$138 million in 2002, a year in which Canada hosted a Canada-Tunisia Bilateral Commission to further advance economic cooperation and market access. However, in 2003, exports declined to \$88 million, due largely to lower demand for agricultural products.

Market Access Results in 2003

- In 2003, the Canadian Food Inspection Agency negotiated a new health certificate for the export of bovine semen to Tunisia.

Canada's Market Access Priorities for 2004

- Negotiate a valid export certificate for live cattle.