

ANNEX TO MARKET ACCESS PRESS RELEASE

The MTN market access negotiations provide an opportunity to reduce trade barriers (tariff and non-tariff barriers) in Canada's overseas markets, particularly the EC, Japan and the newly industrialized countries. They also provide an opportunity to resolve with the USA a number of outstanding issues that were only partially addressed in the FTA such as government purchasing practices.

Reduced barriers will make it possible for Canadian firms to increase production and sales of their goods and services. There will also be greater opportunities to move into the production of more highly advanced goods, thereby increasing employment and production still further in Canada.

Canadian exports of goods outside North America amount to over \$37 billion (1988) or almost 27 per cent of our merchandise exports of \$137 billion. In certain sectors, Canada's exports to overseas markets as a percentage of total exports exceed the average figure of 27 per cent by significant amounts. For example, 61 per cent of Canada's agricultural exports, 44 per cent of fish and fisheries products, 38 per cent of chemicals, 34 per cent of metals and 31 per cent of forest products exports are shipped offshore.

SOME OF CANADA'S MARKET ACCESS OBJECTIVES

ASIA PACIFIC (e.g. Japan, Korea, Australia/New Zealand, Association of South East Asian Nations).

- substantial reduction of tariff and non-tariff barriers on resource products, such as agricultural, fish, wood and paper products, minerals and non-ferrous metals, and chemicals and petrochemicals.
- diversify toward exports of more highly processed resource products, as well as manufactured products such as machinery and telecommunications equipment.

EUROPE (EC and others).

- securing improved access to the EC (so that Canadian exporters will be treated no differently from Scandinavian and other preferred suppliers to Europe) for agricultural, fish, forest and other resource products, particularly in their more processed forms.
- reduce scope for discriminatory regional product standards, testing and certification and open up procurement markets (e.g. heavy electrical equipment, telecommunications and computer equipment).