

Minister  
of International Trade



Ministre  
du Commerce international

Ottawa, Canada K1A 0G2

The Honourable L'honorable  
James S. Peterson, P.C., M.P., c.p., député

DFC 20 2005

Ms. Mary Anderson  
President  
Canadian Association of Importers and Exporters Inc.  
438 University Avenue  
Suite 1618, Box 60  
Toronto, Ontario  
M5G 2K8

Dear Ms. Anderson:

Thank you for your letter of October 31, 2005, concerning the free trade negotiations between Canada and Korea.

In addition to your comments on the Korea initiative, I welcome your support for the government's effort to reach free trade agreements with the European Free Trade Association (EFTA), Singapore, and the Central American Four (CA4). These negotiations are well advanced and we hope to conclude high-quality agreements with Singapore, EFTA, and the CA4 countries in the near future.

Maintaining the competitiveness of Canadian companies vis-à-vis their international counterparts is a central driver behind Canada's participation in trade negotiations, both multilaterally, at the World Trade Organization (WTO), and bilaterally, with important markets like Korea. The Canada-Korea free trade negotiations offer a unique opportunity to address many tariff as well as non-tariff barriers that Canadian firms are currently facing in the Korean market. The issue of non-tariff barriers, including technical barriers to trade (such as redundant testing and certification), is a key area of focus for Canada in the negotiations. We will strive to make progress on those issues that lend themselves to treatment in the context of a bilateral free trade agreement (FTA). In this regard, it is essential that we obtain as much detail as possible as to the specific impediments Canadian firms encounter in accessing the Korean market. We welcome the inputs of your members in this exercise.

Canada is a strong proponent of trade facilitation, both at the WTO and in its bilateral and regional FTAs. We are seeking to negotiate provisions on trade facilitation with Korea that increase the efficiency of trade procedures and reduce the formalities or delays which are costly for business.

.../2

Canada

With regard to your point that Canada not reduce or eliminate Canadian tariffs in the absence of binding and fully reciprocal commitments to the opening of Korea's market, please be assured that the government would only agree to an FTA that delivers substantial benefit for Canada and the Canadian economy. Let me emphasize that the principal reason for pursuing an FTA with Korea is to enhance opportunities for Canadian exporters of goods and services in the Korean market through preferential market access and the removal of barriers to trade. In addition, an FTA will lead to greater choice for Canadian consumers and greater access to low-cost inputs, improving our competitiveness. That said, we must be realistic and not set preconditions with regard to steps Korea must take before Canada can offer concessions in the context of the negotiating process.

I also note your request that rules of origin under the Canada-Korea FTA be based on those in the North America Free Trade Agreement (NAFTA). This is an approach that we support, but we are also taking into consideration the many enhancements that have been developed since NAFTA was signed. Our main objective is to negotiate rules of origin that are clear, open, and as simple as possible.

With respect to counterfeiting and piracy, Canada is committed to addressing this issue and has been actively involved in discussions in a number of international organizations. In addition, Canada will take the opportunity of our bilateral trade negotiations with Korea to explore ways of strengthening bilateral cooperation in combatting piracy and intellectual property right (IPR) infringements. In addition, at the recent Asia-Pacific Economic Cooperation Summit in Korea, leaders endorsed model guidelines for IPR protection and enforcement, and called for future work on this issue in 2006, in close consultation with the private sector. I therefore invite you to share with us any specific concerns that your members may have with Korea and its enforcement of IPR.

Given the importance of this initiative, I will continue to monitor the progress of the negotiations as they advance. Thank you once again for taking the time to share your views.

Sincerely,

A handwritten signature in blue ink, reading "James Scott Peterson". The signature is written in a cursive style with a large initial "J".

The Honourable James Scott Peterson, P.C., M.P.

c.c.: The Honourable David Emerson, P.C., M.P.  
The Honourable Joe Cordiano, M.P.P.