

The strong recovery of world steel markets in 1988 was sustained during most of 1989, thus reducing the impact of global overcapacity on trade in steel. Canada maintained trade policy objectives of promoting removal of the managed trading environment for steel (voluntary import restraints in other countries) to allow competitive restructuring in the sector. These goals were pursued through participation in the OECD Steel Committee. Canadian policy also consisted of trade-neutral monitoring of steel exports and imports for early and more accurate trade data to help in preventing disruption of Canadian steel trade.

Canada participated in activities of the OECD Working Party on Shipbuilding during 1989 to monitor market conditions, implement disciplines on export credits, and consider whether additional rules were needed on subsidies. While this resulted in greater exchange of information on government assistance measures, it was decided to consider trade rules on the

basis of results of the Uruguay Round of Multilateral Trade Negotiations under the GATT.

Canadian rights and obligations under the GATT Agreement on Technical Barriers to Trade were applied to assist in improving market access for Canadian exports. This involved consultations with federal regulatory agencies, the Standards Council of Canada, and provincial and industry representatives. Specific issues of concern included EC sardine-marketing standards and Portuguese oil-labelling regulations. EAITC also initiated a comprehensive assessment of implications for Canadian trade of the EC Single Internal Market policy on standards. Three rounds of consultations were held with EC officials during the year. These resulted in agreements on the exchange of information on draft European standards through the Standards Council. The agreements also allow for consideration of Canadian comments before those standards are adopted by European standardization bodies.

F. AGRICULTURAL TRADE POLICY

Canada's objectives in agricultural trade policy are to promote the reduction of trade barriers and trade-distorting subsidies, and to promote

new trade rules applicable to all countries.

In 1989, the global agricultural trading environment continued to be