

Conclusion

The Doha Development Agenda is about creating opportunities for growth and prosperity. Trade alone is not a panacea for all the challenges facing nations, but the long-term prospects for growth and prosperity for any country depend on its ability to tap into foreign markets and to keep its own markets open. These prospects are enhanced by the development of trade rules, which provide more predictability and stability in the trading system. Canada remains committed to advancing trade liberalization and achieving an end result that is beneficial to all members.

Canada will continue its efforts to advance the development of a predictable and stable international trading system, including through regional and bilateral trade initiatives that augment multilateral efforts in the WTO. The WTO will continue to be a cornerstone of Canadian trade policy and the preferred vehicle for trade liberalization. Canada seeks the same commitment from other WTO members. Only through multilateral trade liberalization can we ensure that no one gets left behind.

Improving Access for Trade in Goods

NON-AGRICULTURAL MARKET ACCESS

Under the WTO's Doha Development Agenda, the Non-Agricultural Market Access (NAMA) negotiating group has been given a broad mandate to work toward agreement "to reduce, or as appropriate, eliminate tariffs...in particular on products of export interest to developing countries." "Non-agricultural goods" include fish and forest products as well as the full range of industrial products. In 2003, more than 90% of the world's merchandise exports were non-agricultural goods.

In the second year of NAMA negotiations, Canada continued to seek agreement to reduce and bind applied tariffs that were not yet bound, reduce high bound rates and rebind them at lower rates, and expand the scope of duty-free trade. We also continued to advocate eliminating low tariffs and maximizing the use of *ad valorem* (percentage) rates.

Work in the NAMA negotiating group remains focused on negotiating modalities (i.e., the methods for achieving trade liberalization). Possible modalities include a formula approach, where tariffs are reduced according to a mathematical formula; a sectoral approach, where tariffs on goods in certain sectors are either eliminated or harmonized; and a request-offer approach, where bilateral negotiations take place on specific tariff items or product groups. Most members, including Canada, appear to support the adoption of a formula as the primary approach to tariff reduction, supplemented by other modalities.

In addition to formula reductions, Canada has been a strong proponent of sectoral agreements, and it has proposed new tariff-elimination agreements for environmental goods, chemicals, forest products, fish and fish products, fertilizers, energy-related equipment and non-ferrous metals.

The mandate of the NAMA negotiating group also includes the reduction or elimination of non-tariff barriers that unduly restrict trade. In this regard, Canada has stated that governments, while regulating in the public interest, must retain the right to apply measures in support of legitimate objectives, albeit in the least trade-restrictive manner possible. There appears to be growing convergence around the view, shared by Canada, that the NAMA negotiating group should address only those non-tariff barriers that are not covered by existing rules and agreements and are not being addressed by other negotiating groups.

Canada considers the full and effective participation of developing countries in these negotiations as an essential element in the success of the Doha Development Agenda. Experience has shown that tariff liberalization attracts increased trading activity and investment, thus contributing significantly to economic development. That said, special consideration needs to be given to developing countries' needs and priorities. Canada believes that developing countries (particularly the least developed) should be given a degree of flexibility in implementing their commitments.

The May 31, 2003, deadline for reaching agreement on modalities for non-agricultural market access was not met. This was largely due to differing levels of ambition regarding what members want to achieve and what kinds of flexibilities should be provided to developing countries. These same divergences were evident at the fifth WTO Ministerial Conference in