

members should aim for modalities in agriculture and non-agricultural market access, an increased number of robust services offers and substantial progress in the other negotiating areas, such as rules and trade facilitation, by the time of the Ministerial Conference. Continued efforts will be required to help developing countries build their capacity to more fully participate in the global trading system and foster the conditions for economic growth that will lead to poverty reduction.

The Doha Development Agenda is about creating opportunities for growth and prosperity and strengthening the multilateral rules-based trading system. Trade alone is not a panacea for all the challenges facing nations, but the long-term prospects for the growth and prosperity of any country depend on its ability to tap into foreign markets and to keep its own markets open. These prospects are enhanced by the lowering of trade barriers and the further development of trade rules, which increase transparency, 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.

In pursuing Canada's trade policy, the Government of Canada will continue its program of outreach and consultations with provinces and territories, and the full range of Canadian stakeholders, to help build understanding and support for the WTO negotiations and to ensure that objectives and priorities reflect Canadian goals and values. As part of this effort, the government's trade policy Web site (www.international.gc.ca/tna-nac) will continue to provide information on trade policy issues and invite public comments on negotiating priorities and objectives.

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 past year of NAMA negotiations, Canada continued to seek agreement to reduce and bind applied tariffs that are not yet bound, reduce high bound rates and re-bind them at lower rates, and expand the scope of duty-free trade. We also continued to advocate eliminating low tariffs, sometimes referred to as "nuisance 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. During the past year, Canada's mission in Geneva hosted two sessions to promote sectoral trade liberalization.

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 must retain the right to apply measures in support of legitimate objectives, albeit in the least trade-restrictive manner possible. Canada continued to promote the view 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.