

Over the coming year, Canada will continue its efforts to build confidence in the world trading system and to establish consensus on expanded negotiations by:

- advancing the WTO Director General's Four-Point Confidence Building Package to ensure that the benefits of trade agreements reach developing and least developed countries; and strengthening our dialogue with leading developed and developing nations on next steps;
- continuing work on the current negotiations in agriculture and services and, building on progress in these sectors, helping to forge consensus among WTO Members on expanding negotiations to include new areas. For some new areas, work programs may be required to help build a better understanding of complex issues before Members decide whether to negotiate in these sectors.
- promoting increased coherence in international trade and sustainable development policies, including through improved co-ordination between the World Trade Organization and the World Bank, International Monetary Fund, the International Labour Organization, the United Nations Environmental Programme, the UN Development Programme and various other multilateral and regional institutions; and
- demonstrating, across a range of international and regional forums (including the UN, OECD, APEC, Summit of the Americas process, and others), the benefits of liberalized trade in the context of good economic governance as a key element of sustainable development.

In addition to pursuing these objectives in the World Trade Organization and elsewhere, Canada is committed to a strategy of targeted regional and bilateral free trade agreements that are complementary to the multilateral trading system. Such strategic agreements can both contribute to the development of common rules and standards to govern international trade and build momentum and capacity for trade liberalization at a global level. As more and more countries are now beginning to pursue such regional and bilateral arrangements, it is incumbent upon all parties to ensure that these agreements are fully supportive and consistent with WTO principles.

IMPROVING ACCESS FOR TRADE IN GOODS

Information Technology Agreement

The WTO Information Technology Agreement (ITA), signed in December 1996, required participants to eliminate customs duties and other duties and charges on a wide range of information technology (IT) products by 2000. Canada and 54 other countries – which together produce over 93 percent of world trade in this sector – have joined the Information Technology Agreement. During 2000, Cyprus, Jordan, Oman and Slovenia became signatories to the Agreement, and it is expected that some additional WTO Members will join in 2001. As a matter of course, we are asking that countries acceding to the World Trade Organization join the Information Technology Agreement.

The Agreement mandates further efforts to expand the product coverage, a process known as "ITA II". In that context, a list of possible additional products, based on Members' proposals, has been under discussion, but no agreement has been reached on its adoption. The draft list covers a wide range of products, including, for example: machinery and equipment for manufacturing printed circuit boards; selected radar and navigational aid equipment; and certain inputs for information technology manufacturing. Canada has actively supported this initiative and will continue to support efforts to reach a consensus on expanding the product coverage.

The Information Technology Agreement also provides for the examination of non-tariff measures (NTMs). The ITA Committee agreed in November 2000 to adopt a formal work program to identify and examine NTMs having "undue trade-distorting effects", and to aim for some conclusions to be drawn from this work by November 2001. In this connection, Canada will continue to promote the examination of import licensing policies and procedures, and other ITA Members have indicated that they will also want to discuss other issues such as standards and conformity assessment.

Agriculture

Global annual trade for agricultural products is in the order of US\$500 billion. Canada strives to