

to secure agreement on a number of other improvements to the DSU, including the sequencing of compliance proceedings, alternatives to retaliation, the remand of issues from the Appellate Body to panels, and enhanced rights for members who are third parties to disputes.

Discussions are continuing in an effort to build consensus on a package of improvements to the DSU by the new deadline of May 2004. However, the number of substantive proposals for changes to the DSU, coupled with slow progress in the negotiations, calls into question whether the new deadline will be met.

Accessions to the World Trade Organization

Canada continues to play an active role in the WTO accession process. Our goals are twofold:

- to secure more open, non-discriminatory and predictable access for Canadian exports of goods and services; and
- to achieve transparent and rules-based trade regimes in new markets, thus contributing to global economic stability and prosperity.

The WTO has 146 members, with Armenia, China, Chinese Taipei, Lithuania, Moldova and the former Yugoslav Republic of Macedonia among the most recent members. At the fifth WTO Ministerial Conference in September 2003, Members welcomed the accession of Cambodia and Nepal, which will be the first least-developed countries to join the WTO since 1995.

Canada is active in the accession negotiations of all applicants. To date, the following 25 countries are seeking accession: Algeria, Andorra, Azerbaijan, Bahamas, Belarus, Bhutan, Bosnia and Herzegovina, Cape Verde, Ethiopia, Kazakhstan, Lao People's Democratic Republic, Lebanese Republic, Russian Federation, Samoa, Saudi Arabia, Serbia and Montenegro, Seychelles, Sudan, Tajikistan, Tonga, Ukraine, Uzbekistan, Vanuatu, Vietnam and Yemen.

As well, Canada is working actively with other members to facilitate the accessions of least-developed countries (LDCs), recognizing that WTO accession will help LDCs in their development efforts and transition to fully participating members of the world trading system. Canada endorses the Recommendations for Facilitating and Accelerating the Accession of the LDCs to the WTO Agreement, approved by the WTO General Council in December 2002.

Accession negotiations take place on two parallel tracks: multilateral and bilateral. During the multilateral negotiations, a WTO working party, composed of interested WTO members, examines the acceding country's economic and trade regime to identify inconsistencies with WTO obligations and to ascertain what changes are required to achieve conformity with WTO rules. Progress depends on those changes, as reflected in the transparency, accuracy and detail provided by the applicant in response to questions tabled by working party members. By participating in working party deliberations, Canada satisfies itself that the accession will bring about more predictable trading conditions in the applicant's market.

In parallel with working party deliberations, WTO members hold bilateral market access negotiations with the acceding country. During the bilateral negotiations, Canada focuses on obtaining the reduction or elimination of tariffs and non-tariff barriers affecting access for goods and services that are of interest to Canadian exporters. Canada encourages applicants to bind their tariff commitments, provide non-discriminatory access and join the various zero-for-zero tariff elimination agreements and tariff harmonization initiatives developed by the WTO.

Negotiating positions for accessions are developed interdepartmentally and in consultation with provincial and territorial governments and the private sector. Accession negotiations offer an important opportunity to resolve Canadian market access problems in the applicants' markets.

Further information on the WTO accession process can be obtained from the WTO Web site (www.wto.org/english/thewto_e/acc_e/acc_e.htm).