

Regarding the latter, in January 2004, the United States terminated the investigation after a negative preliminary injury determination.

World Trade Organization

In the current multilateral trade negotiations, Canada is pursuing more specific disciplines and improved transparency and clarity in the use of trade remedy measures by our trading partners. In this regard, Canada wants to examine key trade remedy provisions with the goal of strengthening and clarifying the rules to achieve greater international convergence and predictability in their application. To this end, Canada participated in the discussion of issues proposed for negotiations and tabled a general paper on anti-dumping, subsidies and countervailing measures, as well as more detailed submissions on anti-dumping and subsidies. These papers are accessible on the Department of Foreign Affairs and International Trade Web site (www.dfait-maeci.gc.ca/tna-nacl/goods-en.asp#9).

As well as contributing to the work of the WTO Anti-Dumping, Subsidies and Safeguards committees to insure that WTO members administer their trade remedy laws in a WTO-consistent manner, Canada requests third-party rights in WTO dispute settlement proceedings involving trade issues that affect our interests. To this end, Canada is currently engaged as a third party in WTO proceedings in the following cases: the European Union's sugar program, U.S. cotton subsidies, U.S. countervailing duties on steel plate from Mexico, U.S. anti-dumping duties on cement from Mexico, and U.S. anti-dumping duties on oil country tubular goods from Mexico. In addition, in 2003 Canada remained a co-complainant in the WTO challenge of the U.S. Byrd Amendment. (For information on the Byrd Amendment, please see Chapter 4.)

Finally, Canada participated as a third party in the WTO dispute involving the U.S. steel safeguard measures. Following the March 2002 decision to apply tariffs of up to 30% on imports of various steel products, WTO members, including China, Japan and the European Union, challenged the measures at the WTO. Although imports from Canada and Mexico were excluded from any restriction under the provisions of the North American Free Trade

Agreement, the key interest to Canada in this dispute was the challenge by complainant countries that the United States had violated WTO obligations in exempting Canada and other free trade partners from application of the safeguard measures. On November 10, 2003, the WTO Appellate Body upheld the panel finding against the U.S. measure, including a ruling that the United States failed to adequately explain its decision to exempt imports from Canada. On December 4, President George W. Bush announced the termination of the steel tariffs, avoiding possible retaliation from complainants. In his decision, President Bush stated that the tariffs on steel had achieved their purpose, allowing U.S. steel manufactures to adjust, through consolidations, to increased competition.

Organization for Economic Cooperation and Development Steel Initiative

Work continues, under the auspices of the High-Level Group on Steel, on possible multilateral disciplines on government intervention in the steel sector. The chief objective of this work is to establish disciplines on government subsidies specific to the steel industry that distort steel markets. Such disciplines, combined with industry action to close inefficient and excess steel capacity, are an attempt to address the factors that distort markets and lead to trade actions. Important progress was made in 2003 on product coverage and basic disciplines in a future Steel Subsidies Agreement (SSA). However divergent views remain on exceptions to disciplines and on special and differential treatment for developing countries. Canada will continue, along with the world's major steel producers, to participate in the negotiations and to work toward the successful conclusion of an SSA.

RULES OF ORIGIN

The WTO Agreement on Rules of Origin established a work program to develop common rules of origin for non-preferential trade. The work program was originally slated for completion in July 1998; however, the deadline for completing the core policy issues identified in the December 2002 report of the Committee on Rules of Origin to the General Council has been extended to July 2004. Should