

# Foreword

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This volume brings together the results of analysis and policy research undertaken within, on behalf of, or in collaboration with Foreign Affairs and International Trade Canada over the past year. Launched in 2001 as part of the response to the Government of Canada's *Policy Research Initiative*, a government-wide effort to re-create and expand its research capacity, the *Trade Policy Research* series is now in its fifth edition.

Previous volumes have traced the debate in trade policy circles since the watershed developments at the 1999 WTO Ministerial in Seattle, following the launch and hesitant progress of the Doha Round, touching on topical issues and showcasing research and analysis conducted within the Government of Canada on various aspects of trade policy and economic globalization more generally.

This year's volume continues in that vein. Part I addresses issues confronting the Doha Development Agenda as it moves towards the closing phase of negotiations.

Part II compiles several staff papers and commentaries completed in 2005. The seven chapters describe: the determinants of the direction of Canada's direct investment flows abroad; the dynamic version of Foreign Affairs and International Trade Canada's computable general equilibrium model for analyzing the impact of trade policies on Canada; an adaptation of a standard partial equilibrium model for use within the Department; a method of directly including revealed comparative advantage in a gravity model of trade; a preliminary assessment of the impact of embassies and consulates on Canadian trade performance; and two commentaries on topical aspects of trade policy.

Through this volume, Foreign Affairs and International Trade Canada seeks to continue to contribute actively to the discussion concerning the role of international trade and investment in Canada and in the global economy more generally. And, in the process, we continue to work in the spirit of the