

prevent countries from using rules of origin to impair market access, and to achieve rules that are technically proficient, reflecting the global nature of the production and sourcing of goods and materials. Regarding the implications of harmonized rules of origin, Canada's position is that members should use such rules in the application of non-preferential commercial policy instruments only if other WTO agreements require determination of a country of origin.

TRADE FACILITATION

Over the last few years, a number of factors—including growth in trade, new international trade agreements and concrete market access impediments faced by traders worldwide—have combined to present governments with ever-changing demands for fast and predictable release of goods and measures to facilitate the flow of goods across national borders.

WTO rules contain a variety of provisions aimed at enhancing transparency and setting minimum procedural standards (such as GATT Articles V [freedom of transit], VIII [fees and border formalities] and X [publication and administration of trade regulations]). However, trade facilitation as a separate topic was not added to the WTO agenda until 1996, when the Singapore Ministerial directed the WTO Council for Trade in Goods to undertake exploratory and analytical work on simplifying trade procedures and assessing the scope for WTO rules in this area. At the Doha Ministerial Meeting in 2001, ministers agreed to a focused trade facilitation work program and to decide on modalities for trade facilitation negotiations at the 2003 Ministerial.

Canada's overarching goal is to ensure that the 2003 WTO Ministerial in Cancun results in a decision to launch negotiations on trade facilitation. The government's objectives for negotiations are to build on existing WTO obligations (i.e. GATT Articles V, VIII and X) and to negotiate disciplines that would maximize transparency; expedite the release of goods; and reduce, simplify and modernize border-related requirements and formalities. In seeking agreement to negotiate rules on trade facilitation, Canada, with other like-minded WTO members, came forward during 2002 with a range of concrete proposals to clarify and improve existing obligations. These proposals are to be further explored during the

next phase of the trade facilitation work program in the first half of 2003.

Canada recognizes the legitimate concerns of various developing countries regarding their capacity to implement any new obligations. We therefore agree that capacity building should be an integral part of any negotiations on WTO trade facilitation commitments, and we support technical assistance and capacity building that would help developing countries meet higher standards of border management.

We believe that WTO rules on trade facilitation would result in enhanced transparency, predictability, due process, simplification, rapid release, more efficient use of resources and effective border control and enforcement. We see trade facilitation as a win-win for all countries and a natural complement to market access negotiations on goods. New trade facilitation rules will help countries modernize border systems to expedite the flow of goods across borders, while fully meeting non-trade objectives such as security. Improved border systems will help to reduce business costs for all traders, an issue of particular interest to small and medium-sized companies.

Improving Access for Trade in Services

ONGOING GATS NEGOTIATIONS

As a significant exporter of services, Canada relies on multilateral, legally enforceable rules on trade in services. These rules improve market access abroad for Canadian services and provide Canadian consumers with a wider choice of quality services at competitive prices.

Established as part of the WTO agreements in 1995, the General Agreement on Trade in Services (GATS) required that further negotiations on services begin no later than January 2000. Since then, talks have been taking place in special negotiating sessions of the WTO Council for Trade in Services. At the Ministerial Conference in Doha, WTO members agreed that countries would submit their initial requests for market access commitments (i.e. the