Continued consultations with Canadians and improved transparency remain priorities for the government in ensuring an international strategy that reflects Canadians' goals and values. Therefore, an extensive program of consultations and outreach with all stakeholders is being pursued throughout the entire negotiation process. As part of this effort, the government's trade policy Web site (*www.dfait-maeci.gc.ca/tna-nac*) will continue to provide information on trade policy issues and invite public comments on negotiating priorities and objectives.

Improving Access for Trade in Goods

NON-AGRICULTURAL GOODS

Under the WTO's Doha Development Agenda, the Non-agricultural Market Access Negotiating (NAMAN) Group has been given a broad mandate to work toward agreement "to reduce, or as appropriate, eliminate tariffs...in particular on products of export interest to developing countries." Within this context, Canada's goals include reducing and binding applied tariffs that are not yet bound, reducing high bound rates and re-binding them at lower rates, and expanding the scope of duty-free trade. In addition, we favour eliminating low tariffs and maximizing the use of *ad valorem* rates.

The first year of work in the NAMAN Group focused on the negotiating modalities (i.e. the methods for achieving trade liberalization). Possible modalities include a formula approach, where tariffs are reduced according to a mathematical formula; a sectoral approach, where tariffs for certain sectors are either eliminated or harmonized; and a "request offer" approach, where bilateral negotiations take place on specific tariff items. Canada favours a combination of these approaches as the best way for us to fully achieve our export objectives. In this connection, Canada advocates increased participation in existing sectoral agreements and has also proposed new agreements for environmental goods, forest products, fish and fish products, fertilizers, energy-related equipment and non-ferrous metals. We are also considering sectoral proposals tabled by other WTO members.

The mandate of the NAMAN Group also includes further efforts to reduce or remove existing non-tariff barriers that unduly restrict trade. In this regard, Canada has stated that governments must retain the right to apply measures in support of legitimate objectives, while regulating in the public interest, in the least trade-restrictive manner possible. It is Canada's view that the NAMAN Group's mandate covers only those non-tariff barriers that are not covered by existing rules and agreements, and the scope of the group's eventual work in this area remains to be seen.

Canada considers the full and effective participation of developing countries in these negotiations as an essential element in the success of the Doha Development Agenda. Experience has shown that tariff liberalization attracts increased trading activity and investment, thus contributing significantly to economic development. That said, special consideration needs to be given to developing countries' needs and priorities. Canada believes developing countries (particularly the least developed) should be given more flexibility in implementing their commitments.

Canada conducted a public consultation with respect to non-agricultural market access in the summer and early fall of 2002. As the negotiations proceed, input from the provinces, industry, non-governmental organizations and the general public will continue to be a valued element in the development of Canada's negotiating positions.

WTO members have set a May 31, 2003, deadline for an agreement on modalities for the negotiations on non-agricultural market access. There will be a review of the overall progress of the negotiating round at the WTO Ministerial in September 2003, with conclusion of the round scheduled for the end of 2004.

AGRICULTURE

Canadian farmers and processors operate in a global marketplace, exporting $25.8 billion and importing $20.1 billion worth of agri-food products in 2002 alone. In fact, Canada is now the world's third-largest