sector, the provinces, other interest groups and the public. By developing clear, practical and well-supported objectives, Canada will be well prepared to engage fully, constructively and effectively in the continuing development of an open and fair international trading system. Canada's initial negotiating position will be articulated in late 1999 and will reflect the domestic consultation process.

Contributions to the consultation process, can be sent by e-mail, fax or mail:

E-mail: consultations@dfait-maeci.gc.ca

Fax: (613) 944-0757

Mail: Trade Negotiations Consultations
Trade Policy Planning Division (EAI)
Department of Foreign Affairs
and International Trade
Lester B. Pearson Building
125 Sussex Drive
Ottawa, Ontario
K1A 0G2

Further trade liberalization is also in the interest of developing countries (LDCs) as it will facilitate their integration into the international trading system. LDCs made considerable progress in the Uruguay Round, but remain concerned over implementation of WTO commitments by developed countries. Canada considers that these concerns should be taken into account at the Third WTO Ministerial Conference. More coherent support also will be needed from multilateral institutions in assisting LDCs deal with their outstanding WTO implementation commitments and in their preparations for upcoming negotiations.

In addition, as Minister Marchi made clear in his statement to the House of Commons Standing Committee on Foreign Affairs and International Trade on February 9, 1999, greater transparency of WTO activities is central to sustaining public support for the multilateral trading system. A transparent process will be of key importance as Members prepare for the Third Ministerial Conference and further negotiations. Canada continues to support regular contact between the multilateral organizations and civil society, recognizing that public interests need to be heard, and public understanding of the issues and process improved.

Improving Access for Trade in Goods

Information Technology Agreement (ITA-II)

The Information Technology Agreement (ITA) of 1997 provided for the staged elimination by the year 2000 (longer in the case of some products and some countries) of most-favoured-nation (MFN) tariffs on a broad range of IT products, such as computers, software, telecommunications products, semiconductors and scientific instruments. Annual world trade in IT products is estimated to be in excess of US$500 billion. Canadian exports of IT products was approximately $17 billion in 1998.

The 44 members of the ITA include most of Canada's key trading partners such as the United States, the European Union, Japan, Korea, Singapore, Chinese Taipei, Hong Kong, Switzerland, Australia, Malaysia, Thailand and India. Although most of Latin America remains outside the ITA, Costa Rica and El Salvador are members, and in 1998 Canada was pleased to join other members in welcoming Panama into the group.

During 1998, Canada and the other participants reviewed the product coverage with a view to broadening it. Although it did not prove possible to achieve a consensus, these efforts will continue into 1999.

In the area of non-tariff measures, the ITA participants have begun to examine standards policies and conformity assessment procedures of members. Canada will be working in 1999 to expand this work into the area of import licensing.

Further Tariff Liberalization

In 1998, Canada worked with other members of the *WTO Agreement to Eliminate Duties on Specified Pharmaceutical Products* to extend duty-free trade to more products, including inputs. This effort met with success, and 639 additional items were agreed; implementation is scheduled for July 1, 1999.

At their annual summit meeting in Malaysia in November 1998, APEC members agreed to send the results of their work on sectoral trade liberalization to the WTO. Canada will seek to expand participation in the WTO for this initiative. Canada's priority sectors identified in APEC are forest products, fish and fish products; and environmental goods and