

MEDIA BACKGROUNDER

HIGHLIGHTS OF THE URUGUAY ROUND AGREEMENT

The Uruguay Round was the largest, most complex and most comprehensive trade negotiation ever undertaken. It included 117 participating governments, more than twice as many as in any of the previous seven Rounds negotiated under the auspices of the General Agreement on Tariffs and Trade (GATT).

The final Uruguay Round package includes more than 25 separate agreements, all contained within a strengthened Multilateral Trade Organization (MTO).

Countries have made commitments to lower or eliminate tariffs and other barriers to trade. New areas have been brought into the ambit of world trade rules, including intellectual property, trade-related investment, and services.

A major achievement was the introduction of a common set of rules to govern trade in agriculture.

Strengthened trade rules, particularly on subsidies and countervailing duties, and a more effective system of dispute settlement will bring greater certainty to world trade in goods and services, currently valued at more than US\$4 trillion annually.

Agreement on the Uruguay Round will provide the impetus for economic growth, investment and jobs around the world.

For Canada, where one in five jobs is generated by exports, the Uruguay Round is an important achievement.

Tariffs

One of the most important achievements of the Uruguay Round is the reduction or elimination of trade barriers (tariffs and non-tariff barriers) between countries. This opens markets for Canadian exports -- especially to the rapidly growing Asia-Pacific and Latin American markets -- and cuts costs to consumers.

Canada and its trading partners have agreed to eliminate all tariffs in a number of key sectors and to reduce remaining tariffs by an average of one third by the year 2000. Tariffs will be eliminated on all paper and paper products, pharmaceuticals, beer, some spirits, steel, construction equipment, agricultural equipment, office furniture and toys. Tariffs on pharmaceutical products will be eliminated on January 1, 1995. Tariffs on chemical products and a wide range of non-ferrous metals will be reduced and harmonized at low rates.