

On the agricultural front, Canada is seeking the elimination of all export subsidies as quickly as possible, substantial reductions in trade-distorting domestic support, real and substantial improvements in market access for all agriculture and food products, and new disciplines on export taxes and export restrictions. With respect to services, which generate about 65% of Canada's GDP and 73% of employment but only 13% of exports, Canada is seeking improved market access and the development of further rules governing trade in services. As Canada continues to evolve into a technology- and knowledge-based economy, liberalizing trade in services will increasingly pave the way for greater opportunities for Canadians.

Canada is actively promoting transparency at the WTO to enhance public understanding of the benefits of a

multilateral trading system. And, Canada is working with other WTO members to expand further the benefits of the system by helping to address developing countries' market access and implementation concerns, and by providing more and better co-ordinated assistance to improve the capacity of poorer countries to trade.

"This Round would look both forward and back, as it would be devoted to completing the work of the last Round — to ensuring that the developing world can reap the full benefits of its WTO membership — and to pressing forward with innovations so that the WTO reflects the democratic values that have become the norm in much of the world," says Minister Pettigrew. "This would be a Round that addresses the clear needs of the South, the strong expectations of the North, and the best hopes of us all."

"I believe the best hope for LDCs [least-developed countries], and indeed for the developing world in general, lies in a new round of global, multilateral trade negotiations. And this time it must be a true Development Round." Kofi Annan, Secretary General of the United Nations, May 2001.

WHY NEGOTIATE NOW?

In today's highly competitive global business environment, the value of fair international trade rules has never been more apparent. They aim to establish open, predictable access to world markets, which benefits importers and exporters alike. This is good news for Canadians because one of every three Canadian jobs is directly tied to international trade.

The system needs an update

Global trade rules should be updated to reflect modern realities. The global economy is an intricate web of relationships, involving investment, research and development and constantly changing business practices and technology. Canada's economy has re-tooled to become a high-tech economy, but global rules don't reflect this reality.

Fair rules play to Canada's strengths

Right now, access terms for trade between Canada and much of the world is unbalanced. Many foreign products enter Canada duty-free or with fairly low tariff rates, an average of 5.2%. Other countries, however, have much higher average rates, for example, India at 67%, Turkey at 44%, Indonesia at 39%, Venezuela at 36%. Canada stands to lose little and gain a great deal if global tariffs are decreased or eliminated.

Trade rules can help the developing world

The developing world strongly desires that trade rules complement their efforts to develop their societies and help them better integrate into the global economy. Canada has strong expertise in technical assistance and "capacity-building" that can help developing countries negotiate and meet WTO rules.

"We can afford to cushion the blow that sometimes results from international competition; we can help our citizens get back on their feet, get training and find new work. A majority of less-developed economies do not have the capacity to do this. Many less-developed countries are therefore understandably wary about entering into an agreement that could overwhelm their fragile economies. We must not let that happen. Trade liberalization must benefit all economies, particularly the smaller ones."

International Trade Minister Pierre Pettigrew, Speech to the European Policy Centre, Brussels, May 2001.