

to a focused trade facilitation work program in the Council for Trade in Goods. This will prepare the way for a decision, to be taken at the 2003 Ministerial, on how to proceed with negotiations.

Our objectives for negotiations on trade facilitation are to build on existing WTO obligations — i.e. GATT Articles V (freedom of transit), VIII (fees and border formalities) and X (publication and administration of trade regulations) — and to negotiate disciplines that would maximize transparency; expedite the release of goods; and reduce, simplify, modernize and harmonize border-related requirements and formalities. We see trade facilitation as a win-win for everyone and a natural complement to market access negotiations on goods. Our goal continues to be negotiations that would help establish transparent and efficient systems for the administration of trade and customs regulations, especially in emerging markets. Our view is that 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.

Canada recognizes the legitimate concerns expressed by various developing countries about their capacity to implement any new commitments. We therefore agree that capacity building should be an integral element 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. Accordingly, we will contribute actively to the work undertaken during the lead-up to the next Ministerial Conference in 2003 to review, clarify and improve relevant GATT rules and to identify the trade facilitation needs and priorities of developing countries.

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 liberalization that they seek from their partners) by no later than June 30, 2002, and their initial offers (i.e. the liberalization commitments that they are willing to offer their partners) by no later than March 30, 2003.

Canada is pursuing multilateral, legally enforceable rules that will allow increased access to foreign markets for Canadian services firms. It is working collectively with other WTO members to further enhance the Agreement's transparency and clarity, in order to make it more user-friendly. Issues for consideration during the talks include sectors of export interest to Canadian industry; current or potential barriers faced by Canadian industry in providing services to foreign markets or consumers; improving access to countries that are key export destinations for Canadian services providers; and providing Canadians with access to quality services at a competitive price.

Canada will push for greater market access for services suppliers in various sectors, including professional, business, financial, telecommunications, computer and environmental services. In doing so, Canada will pay particular attention to the situation of our small and medium-sized enterprises. At the same time, however, there are certain domestic services sectors in which our interest in undertaking further liberalization may be limited. The Government will also preserve the ability of Canada to maintain and establish regulations in sectors such as health, public education and social services, and safeguard its right to promote and preserve its cultural diversity.

Basic Telecommunications Services

In order to ensure that Canadian industry can take full advantage of access to markets resulting from the 1997 GATS Agreement on Basic Telecommunications (ABT), Canada is closely monitoring implementation of this agreement by its trading partners. The Agreement on Basic Telecommunications consists of specific commitments by participating countries on