

WTO's General Council to expedite the remaining work on the harmonization of non-preferential rules of origin, so as to complete it by the time of the Fourth Ministerial Conference, or by the end of 2001 at the latest.

Trade Facilitation

In 1996, Trade Ministers directed the Council on Trade in Goods to undertake exploratory and analytical work, drawing on the work of other relevant international organizations, on the simplification of trade procedures in order to assess the scope for WTO rules in this area. In pursuing this work, WTO Members have compiled a comprehensive inventory of the work accomplished or being undertaken on trade facilitation in other international organizations, including non-governmental organizations (NGOs). In addition to active participation in various meetings, many Members, including Canada, have contributed papers setting out ideas or discussing their national experiences in the area of trade facilitation.

Of particular relevance to the WTO's work on trade facilitation was the 1998 WTO trade symposium held to help identify the main areas where traders face obstacles when moving goods across borders. Private-sector traders at the symposium made it clear that the World Trade Organization should play a key role in this area, both in terms of ensuring the full implementation of existing obligations that facilitate trade (e.g. the Customs Valuation and expanding and developing rules aimed at simplifying and harmonizing border-related procedures. The objectives of such efforts were, and continue to be, to create greater efficiencies and cost-savings for both the trading public and governments and to promote investment.

During 2000, the work on trade facilitation revolved around three key themes: (a) presentation of national experiences by Members, (b) exploration and analysis of trade facilitation principles and measures; and (c) development and capacity building aspects of trade facilitation. The discussions revealed many common elements between the principles of trade facilitation and the core principles of the World Trade Organization, and the importance of technical assistance and capacity building for developing countries in this area. These three themes will

continue to serve in 2001 as the basis for the WTO's exploratory and analytical work on the possible scope for WTO rules.

Canada strongly supports this initiative and, through its active participation in the exploratory and analytical discussions held since 1998, has made some specific and practical suggestions around which WTO trade-facilitation provisions might be developed. As set out in its 1998 paper, Canada's suggestions reflect the view that the World Trade Organization should work to add value and fill gaps in existing initiatives in other international organizations and should build on existing WTO provisions related to trade facilitation.

In October 2000, Canada followed its earlier suggestions on trade facilitation principles with a comprehensive paper outlining our experience in the area of trade facilitation, the principles we followed and the lessons we learned in the process – most importantly that trade facilitation is an investment, now and into the future. A key Canadian objective is to continue to put forward relevant ideas and practical suggestions that will play a significant role in moving toward a consensus on the benefits of international rules on trade facilitation. The overarching objective is to facilitate trade in a practical manner that is meaningful to traders, i.e. to build on existing WTO obligations to maximize transparency, expedite the release of goods and reduce, simplify, modernize and harmonize border-related requirements, procedures and formalities, accompanied by an integrated, co-ordinated and interactive package of technical assistance and capacity building for developing countries. Canada continues to support strongly the inclusion of trade facilitation in the next round of WTO negotiations.

IMPROVING ACCESS FOR TRADE IN SERVICES

World trade in services in 1998 represented 19.5 percent of the total world trade. Services production is a core economic activity in virtually all countries and has grown significantly in recent years. In 1997, the services share in total value-added to gross domestic product ranged from almost 40 percent in LDCs, to more than 70 percent in highly developed countries such as Canada.