

5.17 Recognizing that expanded trade opportunities are more important than aid to many developing countries, the Committee also recommends that the government seek opportunities to open Canadian markets further to developing countries, particularly the least developed.

Response

The Government fully agrees with the importance the Committee attaches to the role of open trading regimes in fostering development. Canada is very much an open economy and the trade-related commitments made in the Uruguay Round will open it further. Under the Uruguay Round Agreements, Canada has made a commitment to eliminate tariffs in a number of key sectors and to reduce remaining tariffs by an average of 40 per cent.

Canada extends a preferential tariff rate, the General Preferential Tariff (GPT), to certain imports from most developing countries. The Government is conducting a full review of the GPT scheme in areas such as reducing tariff rates and enlarging product coverage, with a view to providing further benefits for the least developed countries (LDCs) and keeping in mind the potential impact on affected industries.

As regards non-tariff barriers, the Uruguay Round Agreements provide that the Multi-Fibre Arrangement quota system (covering textiles and clothing imports from developing countries) will be phased out over a 10-year period. At the end of the period the only remaining protection for that sector will be tariffs, which are also being reduced as part of the Round's tariff commitments.

In addition, Canada will seek opportunities for extending technical assistance to help developing countries participate effectively in new trade arrangements (such as the WTO and the NAFTA).