

measures by our trading partners. In this regard, Canada continues to participate in the discussion of issues proposed for negotiations and tabled a general paper on anti-dumping, subsidies and countervailing measures, as well as a more detailed submission on anti-dumping. At the same time, Canada wants to examine key trade remedy provisions with the goal of strengthening and clarifying the rules to achieve greater international convergence and predictability in their application. Canada is encouraged by the discussions regarding the underlying causes of trade remedy measures.

As well as contributing to the work of the WTO Anti-Dumping, Subsidies and Safeguards committees—to ensure that all members administer their trade remedy laws in a WTO-consistent manner—Canada participates as a third party in WTO dispute settlement proceedings involving issues of importance to Canada. In this context, Canada participated as a third party in WTO proceedings regarding Argentina's definitive anti-dumping measure against poultry imports from Brazil, the European Community's sugar program, the U.S. Foreign Sales Corporation, and the U.S. sunset review of anti-dumping duties on corrosion-resistant carbon steel flat products from Japan. Canada continued to participate as a co-complainant in the WTO challenge of the U.S. "Byrd Amendment." For information on the Byrd Amendment, please refer to Chapter 4 ("Opening Doors to the Americas").

Organization for Economic Cooperation and Development Steel Initiative

On September 2001, a High Level Group on Steel, under the auspices of the OECD, embarked on a process to establish possible multilateral disciplines on government intervention in the steel sector. The chief objective of this work is to establish disciplines on government subsidies and other measures that distort steel markets. Such disciplines, combined with industry action to close inefficient and excess steel capacity, are an attempt to address the factors that distort markets and lead to trade actions.

As a result of this initiative, participants are currently considering an agreement regarding possible disciplines on government intervention in the steel sector. Canada has been and remains highly supportive of the OECD high-level steel process and its objective of concluding a steel subsidies agreement.

Canada has also been working with its partners in NAFTA to enhance prospects for success. To this end, Canada, Mexico and the U.S. have tabled a NAFTA joint statement on their commitment to addressing trade-distorting actions, particularly subsidies, which could be used as a model for a multilateral agreement. In the statement, NAFTA governments declare their commitment to begin work immediately to develop a Statement of Principles on Steel. NAFTA governments will identify remaining measures and practices within the North American steel market that could potentially distort the market, and will detail an action plan for addressing those measures and practices.

Recognizing the importance of maintaining an open steel market within North America, NAFTA governments have also agreed to establish a NAFTA Steel Trade Committee to give effect to the Statement of Principles and to continue cooperation for the successful conclusion of the OECD process and other multilateral efforts.

RULES OF ORIGIN

The WTO Agreement on Rules of Origin established a work program to develop common rules of origin for non-preferential trade. The work program was originally slated for completion in July 1998; however, the deadline for completing the core policy issues identified in the report of the Committee on Rules of Origin to the General Council has been extended to July 2003. Should the core policy issues be resolved by July 2003, the Committee on Rules of Origin is to complete its remaining technical work, including a review of the results for overall coherence, by the end of 2003. The inability of the Committee on Rules of Origin to meet the deadline for completing the work program is due to the technical complexity of developing agreement on rules for all products; the entrenched positions of many members, particularly in the areas of agriculture, textiles and apparel, and industrial products; and the lack of consensus on the implications of the work program (i.e. if and when the harmonized rules should be used).

In the development of common rules of origin for non-preferential trade, Canada's objectives are threefold: to achieve common rules that will provide greater transparency and certainty for traders, to