



## 2 *Getting the International Rules Right — The World Trade Organization (WTO)*

### **Introduction**

**T**rade is at the heart of Canada's economy. Our current and future growth and prosperity depend on open world markets, a stable and transparent trading environment and a means to settle trade disputes based on rules rather than political or economic might. Canada's membership in the World Trade Organization helps us achieve these objectives. The WTO system of agreements is the cornerstone of the multilateral trading system. It is the foundation of Canadian trade policy and governs our trade relations with the European Union, Japan, other industrialized countries and a host of emerging markets worldwide. It also underpins much of our trade with the United States. The WTO provides a forum for trade negotiations; for monitoring the implementation of obligations and commitments under various agreements; for the review of members' trade policies and practices; and for settling disputes between members arising out of the interpretation of the rules.

The fourth WTO Ministerial Conference in Doha, Qatar, in November 2001 was a notable success for the multilateral trading system. Trade ministers from 142 countries agreed to launch a new round of multilateral trade negotiations and approved the accessions of China and Chinese Taipei to the WTO. At a time of global economic slowdown, the agreement to further liberalize trade with the launch of new negotiations sends an important signal of confidence in the WTO system to consumers and businesses around the world. The new round will benefit all members and provide real gains for developing countries that will contribute to poverty reduction, development and long-term social and economic progress worldwide.

An intensive consultation process and improved transparency, both in the lead-up to the Ministerial Conference and at Doha, contributed to the success of the meeting. Canada played an active role in the preparatory process by helping to narrow the differences within the Quad (the United States, European Union, Japan and Canada) and between developed and developing countries. Canada was also instrumental in influencing the outcomes at Doha — a result aided by the selection of International Trade Minister Pierre Pettigrew to serve as one of the seven "friends of the Chair" to guide discussions on specific aspects of the draft Ministerial Declaration. Minister Pettigrew chaired the consultative group on "Singapore issues": investment, competition policy, transparency in government procurement and trade facilitation.

### **Looking Ahead: The New Round of Multilateral Trade Negotiations**

The new round of broad-based trade negotiations will benefit Canadians through further trade liberalization and improvements in trade rules. New negotiations will create new opportunities for Canadian exporters of goods and services by expanding access to global markets; they will also contribute to building a robust rules-based system by clarifying and improving multilateral trade rules. As well, the negotiations will help advance Canada's broader foreign policy goals, most notably our sustainable development objectives. 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.