

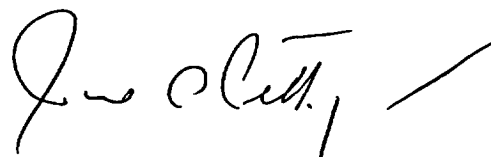
I believe that a new broad-based round of WTO negotiations is inevitable and is in Canada's best interest. While mandated negotiations on agriculture and services will progress in the coming months, we will continue to work to build a broad consensus toward a successful launch of negotiations on the full range of issues important to Canadian exporters. And we must ensure that Canadian trade, development and foreign policy goals continue to foster an international economic environment hospitable to sustainable growth in both developed and developing countries.

We must also recognize that many people have serious, and often legitimate, concerns about the relationship of international trade agreements to other areas of importance, such as the environment, culture, and labour and human rights. But, the WTO cannot be relied upon to solve all of these problems. It is vitally important that the key international organizations, the International Monetary Fund, the UN Conference on Trade and Development, the International Labour Organization, the UN Environment Program and others work as a true system, not as a patchwork of uncoordinated entities.

In the meantime, the Canadian government is continuing its efforts to secure and improve market access for Canadian exports through a variety of means outlined in this report. We will continue to pursue our objectives through a balanced set of multilateral, regional and bilateral initiatives. Multilaterally, we will focus on the recently launched negotiations on agriculture and services and will continue to work to bring additional countries, such as China, into the WTO. Regionally, the Free Trade Area of the Americas initiative holds great promise for trade liberalization throughout the Western Hemisphere. Bilaterally, negotiations for a free trade agreement (FTA) with the European Free Trade Association countries are at an advanced stage and we hope to conclude an agreement with them in the coming months. We are also open to exploring further FTAs with countries where it is in Canada's interest to do so. As an example, in January, Prime Minister Chrétien and the President of Costa Rica agreed that we would begin exploratory talks regarding possible free trade negotiations to provide Canadian firms with a competitive advantage in the fast-growing Costa Rican economy.

Finally, we will pay priority attention to our largest trading partner, the United States, in order to ensure the continued growth of our exports.

In closing, I want to stress that the Government of Canada is committed to maintaining an ongoing dialogue with Canadians on trade issues. In addition to providing information on issues of importance to Canadians, this report is intended to provoke the thoughts and opinions of readers. As such, I encourage you to pass on your views on the global trade environment. To facilitate your feedback, we have developed mechanisms to complement this report, including our Trade Negotiations and Agreements website, which provides the most up-to-date information on Canada's Trade Policy Agenda. I invite you to register your views via the Trade Negotiations and Agreements website. Together we will work to advance Canadian interests and ensure prosperity for all Canadians.



The Honourable Pierre S. Pettigrew