

The work program was originally slated for completion in July 1998; however, it has been extended due to the technical complexity of developing agreement on rules for all products. In January 2000, the WTO Committee on Rules of Origin agreed to undertake an ambitious notional work program, which included (1) work on the overall architecture of the harmonized rules of origin, (2) dealing with cross-sectoral issues, (3) review of the many outstanding issues relating to the product-specific rules of all chapters of the Harmonized Commodity Description and Coding System (Harmonized System) (upon which the rules are based) and (4) attempting to reach a consensus on these various issues. During 2000, the Committee on Rules of Origin held several meetings and made considerable progress on the work outlined above.

In late December 2000, the Committee established its 2001 work program, following the decision by the WTO General Council to expedite the remaining work on harmonizing non-preferential rules of origin. During 2001, the Committee met five times and resolved some 301 issues, leaving 155 issues still outstanding. Although much progress was made in all sectors, a significant number of the unresolved issues (95) lie in the agricultural and textile chapters.

At the December 19-20, 2001, meeting of the General Council, the Chair of the Committee on Rules of Origin reported on the Committee's accomplishments and suggested that, in order to advance the work on harmonization, the General Council should give the Committee a mandate that would entail sharing the work between the General Council and the Committee. Accordingly, the General Council agreed that the Committee on Rules of Origin would hold two more sessions during the first six months of 2002 and that it would identify a limited number of key policy issues to bring to the General Council for resolution. It also agreed that the outcome of the Committee's work would be reported to the General Council at the end of June 2002 and that the deadline for completion of the Harmonized Work Program would be extended to the end of 2002. The next meeting of the Committee on Rules of Origin will take place in April 2002.

Trade Facilitation

Over the years, the WTO has been dealing with issues related to trade facilitation, and WTO rules contain a variety of provisions aimed at enhancing transparency

and setting minimum procedural standards (such as GATT Articles V, VIII and X). The WTO legal framework, however, sometimes lacks specific provisions, particularly with respect to customs procedures and documentation and transparency issues. We recognize that trade facilitation, as a separate topic, is a relatively new issue for the WTO, having been added to its agenda in 1996, when the Singapore Ministerial directed the Council for Trade in Goods "to undertake exploratory and analytical work ... on the simplification of trade procedures in order to assess the scope for WTO rules in this area."

Much exploratory and analytical work has been done during the past five years, with WTO members, including Canada, engaging constructively in the debate. Delegations agree that simplifying trade procedures would result in considerable savings in time, money and human resources that would benefit every economy. WTO members also agree on the developing countries' need for substantial and comprehensive technical assistance to strengthen their administrative capacities and support their national reform efforts. The importance of such assistance was underlined by donors and recipients at a WTO trade facilitation workshop held in May 2001, who called for the development of a more cooperative and coordinated approach in the future.

Canada supported the proposal that trade facilitation should be included in the new round of multilateral trade negotiations launched at the November 2001 Ministerial Conference in Doha. Canada believes that the benefits of trade facilitation would be best realized through a common set of international disciplines.

During the lead-up to the Doha Ministerial, many WTO members had considered trade facilitation as being ripe for negotiation in the WTO. Many, including Canada, believed that after almost five years of exploring and analysing the scope for WTO rules on this issue, it was time to move to the next stage and enter the negotiating phase. Others, while generally supportive of the objectives of trade facilitation, did not want to negotiate WTO commitments on trade facilitation at this time. The discussions at Doha resulted in deferral to the next Ministerial of a decision on whether to negotiate binding commitments on trade facilitation. Canada is pleased that members have recognized the case for further expediting the movement, release and clearance of goods by agreeing