

LOWERING EUROPEAN TRADE BARRIERS

RECOMMENDATION 19:

That the Government of Canada attempt to ensure that any support provided by the EU to preserve the multifunctionality of agriculture not be trade distorting. The Government should work with the EU to arrive at an international definition of the multifunctionality concept.

Canada's initial negotiating position seeks to substantially reduce or eliminate the level of trade- and production-distorting support provided to agriculture. When countries identify non-trade objectives for their agricultural sector, including preservation of the environment, rural development or rural employment, these are often termed "multifunctional" objectives. Canada recognizes the EU's interest in addressing non-trade concerns, but has made clear that the EU and other countries should use targeted, transparent, decoupled policies to address these concerns in ways that do not distort production and trade.

RECOMMENDATION 20:

That in the WTO negotiations on agriculture, Canada not deviate substantially from its initial negotiating objective of (a) removing EU agricultural export subsidies; (b) significantly enhancing access by Canadian agricultural producers to the European market; and (c) ensuring that the EU's production subsidies are not trade distorting.

Following an extensive consultation process with agri-food stakeholders, the Government of Canada announced its initial negotiating position for the WTO agriculture negotiations in August 1999. The position aims to level the international playing field for all agri-food producers. It calls for the complete elimination of export subsidies, maximum reductions or elimination of production-distorting and trade-distorting support, including an overall limit on domestic support of all types, and real and substantial market access improvements for all agriculture and food products. This negotiating position has served, and will continue to serve, as the basis for Canada's approach in the WTO agriculture negotiations.

The achievement of Canada's negotiating objectives would result in the removal of EU agricultural export subsidies, significantly improved access to EU markets for Canadian exporters, and limits on the ability of EU production subsidies to distort trade.