

Securing Market Access: Tighter Disciplines on Contingency Protection Measures and Subsidies

Canada and the "new" GATT issues

More secure and predictable access to markets is crucial to the business community in justifying major new investments related to international trade.

The benefits of trade liberalization and of binding tariff agreements achieved in previous GATT Rounds can be seriously undermined by the use of contingency protection measures related to both fair and unfair trade.

A major aim of the current negotiations is to develop an international consensus on the use of "safeguard measures" such as: emergency import relief under GATT Article XIX, voluntary export restraints and orderly marketing arrangements. Also to be discussed is the impact of safeguard measures on the structural adjustment of industries protected by those measures.

Existing rules related to subsidies and countervailing measures must also be reviewed. Canada is seeking increased discipline in the use of subsidies that harm the trade interests of contracting parties: for instance subsidized export credits and subsidies that affect trade in agricultural products. Canada will also work to achieve wider international agreement on the definition and measurement of subsidies and to improve the rules, procedures and conditions that govern recourse to countervailing measures.

Three "new issues", each important in terms of Canadian interests, are on the agenda at the Uruguay Round: trade in services, trade-related investment and intellectual property rights.

Trade in services

Services represent non-merchandise trade, such as consulting of all types, information processing, transportation, insurance, etc. This category, now representing 20 per cent of the value of world trade, is becoming increasingly important. Accordingly, Canada believes that it is necessary to develop a new framework of rules governing trade in services, comparable to the framework of rules for trade in goods; and to seek ways to reduce the barriers to more efficient use of service inputs at all levels.

The wide range of domestic regulatory practices involved makes this a particularly complex area. However, such basic principles as non-discrimination, national treatment and transparency in national regulations need to be explored. The Uruguay Round gives the international trading community a chance to elaborate the basic rules of the game before trade in services becomes a subject of increasing confrontation in bilateral trade relations.

Intellectual property rights

Canada supported the inclusion of intellectual property rights in the Uruguay Round because it recognizes the importance of innovative and creative activity as an effective part of the international trade system. Intellectual property needs adequate legal protection which does not directly or indirectly create trade barriers. Canada's objective will be to ensure that intellectual property rights are dealt with in a manner which expands trade and the investment and economic development associated with trade.

Trade-related investment

While recognizing that national authorities must be able to influence the direction of investment under defined circumstances, Canada supports the