



Photo courtesy of the World Trade Organization

CHAPTER 5

Getting the International Rules Right

Canada and the World Trade Organization

Canada's membership in the World Trade Organization underpins Canadian trade policy and is an important avenue to achieving Canada's market access goals. The WTO rules govern the trade relations of the 152 members of the organization.² The WTO agreements are the building blocks of the multilateral trading system. They are negotiated and signed by member countries, and then ratified by member countries' elected representatives.

The two basic principles of the WTO are as follows: equal treatment for all WTO members (the most-favoured-nation clause), under which countries cannot normally discriminate between their trading partners; and national treatment (treating foreigners and locals

equally), under which imported and locally produced goods, foreign and domestic services, and foreign and local trademarks, copyrights and patents must be treated equally.

The WTO provides a forum for negotiating market access and other trade rules. Importantly, it also provides the best forum for monitoring the implementation of obligations and commitments under various trade agreements, reviewing members' trade policies and practices, and discussing trade-related issues that inhibit the free, fair and predictable flow of trade. The WTO also offers a state-to-state dispute settlement system, whereby trade disputes are settled based on commonly agreed-on rules, rather than political or economic power.

² In December 2007, the WTO General Council approved the accession of Cape Verde to the WTO in July 2008. This accession will bring membership of the WTO to 153.