

6. Outlook and Implications for Canada

Most trade law, including much of the GATT/WTO, predates the emergence of "high technology" as a central trade issue. While the WTO framework will reduce traditional barriers on many high technology products and facilitate the international transfer of new applied technologies, much remains to be done to shape and implement trade disciplines on investment-distorting, government financial incentives and performance requirements, public procurement practices, the misuse of national security concerns to deny national treatment, and other instruments in the arsenal of "national technology policies."

The primary goal of the Paper is to provide an overview of the interaction between trade, investment and technology policies in order to provide recommendations for Canadian trade policy leading to the year 2000. At stake is the future of advanced technology R&D and high value-added production in Canada at a time when the role of government in actively promoting advanced technology industries is adapting to the rights and obligations that bind NAFTA and WTO members, the inadequacy of international rules to discipline certain discriminatory practices, and budgetary deficits.

Canada has special needs and must ensure progress on some of these issues in the NAFTA context, and in a forward-looking WTO work programme that will hopefully emerge from the December 1996 Ministerial meeting in Singapore. Detailed recommendations, also listed together in Appendix I, call for: 1) further limits on the use of subsidies; 2) national treatment for Canadian companies that wish to participate in joint research projects - especially within the NAFTA free trade area; 3) discipline on the use of discriminatory public procurement contracts that provide incentives for private sector R&D or other high tech investment in a particular jurisdiction; 4) the clear elimination of discriminatory practices related to intellectual property rights in the U.S., and careful analysis of the expanding U.S.-EU IPR agenda; and e) several proposals that cut across the advanced technology/competition policy domains.

The challenges outlined in the Paper are compounded by the lack of adequate linkages between the private sector, market trends and much public R&D traditionally done in this country, along with the fact that the trade and technology policy communities still find it difficult to interact on these issues.

The Department of Foreign Affairs and International Trade plays a number of roles with potentially important consequences for advanced technology policy - from "scientific diplomacy" to more direct commercial support, to developing new and