

WTO Conference Moves Trade System Forward

The 129-member World Trade Organization (WTO) entered 1997 fresh from its first-ever ministerial conference, which set the stage for new advances in world trade. A key development at the ministerial conference in Singapore in December was an agreement by 14 countries to establish free trade in information technology products by the year 2000.

The ministers, including Canada's Minister for International Trade Art Eggleton, were in Singapore to give political guidance to the WTO, review implementation of multilateral trade agreements, and plan the ongoing work of the organization.

Solid results

Among other things, the ministers:

- reaffirmed their resolve to move ahead with global negotiations on agriculture in 1999 and in services in 2000;
- agreed to work programs on the link between investment and trade and on the interaction between trade and competition policy; and
- decided the WTO should study how to increase openness in government procurement, a necessary step to reducing the possibility of corruption in foreign government contracting.

"This solid result reflects the faith of both developed and developing nations in open markets and in a strong, rules-based trading system," said Mr. Eggleton at the conclusion of the conference. "It should bring direct benefits to Canadian exporters and investors by opening more markets abroad. That contributes to more jobs and growth in Canada."

Information technology agreement

Canada and 13 other economies, representing more than 85 per

cent of the \$500-billion-a-year global trade in information technology, made commitments in Singapore to eliminating tariffs on hundreds of products ranging from computers to telephone headsets in stages between 1997 and 2000. This Information Technology Agreement becomes effective once the number of participating countries accounts for 90 per cent of global trade in these products. Work on the agreement continues with a first round of tariff cuts proposed for July 1, 1997.

The agreement is expected to lead to increased competition because of falling tariff barriers. That will benefit Canadian exporters by increasing access to export markets because of lower tariffs. And it will help users of information technology products, since these products are key elements in most industrial and business processes. Canadian exports of information technology products amounted to \$13 billion in 1994.

The ministers also reaffirmed their commitment to conclude an agreement on basic telecommunications services, such as telephone and international satellite services, in February 1997 and to resume talks on financial services by April 1997.

Other achievements

In addition, the ministers said they were committed to observ-

ing internationally recognized "core" labour standards. They underlined their support for the International Labour Organization (ILO) and its mandate to establish and promote these labour standards.

They added that economic growth and trade liberalization contribute to promoting core labour standards. In addition, they rejected the use of core labour standards for protectionist purposes such as protecting domestic industry from low-cost imports. Core labour standards cover such issues as freedom of association, the right to collective bargaining, forced labour including child labour, and non-discrimination in employment.

As well, the ministers confirmed their commitment to fully implementing the provisions of the WTO Agreement on Textiles and Clothing. And they endorsed a Canadian proposal for a conference in 1997 on technical assistance to help developing countries implement their trade commitments.

In effect, the conference was a step along the road to what Mr. Eggleton said was Canada's ultimate goal — "a world in which goods, services and investment flow freely across national borders, under a common set of rules established by universal agreement."