



CREATING OPPORTUNITIES IN CANADA AND ABROAD

We live in a fast-paced, technology-driven world economy characterized by widespread economic diversity, sweeping environmental and demographic challenges, increasing globalization of production and consumption, opportunity for the well-positioned, and risk for the marginalized. The Government of Canada has set out a far-reaching social and economic program to help Canadians exploit these opportunities and meet these challenges domestically and internationally.

One component of this is trade and investment policy, because trade itself is vital to the prosperity of Canadians, and prosperity is key to realizing their economic and social aspirations. At \$396 billion last year, Canadian merchandise exports were equivalent to some 40 percent of our gross domestic product; one job in four is supported by trade; trade stimulates productivity and competitiveness; and exporting and importing alike generate significant government revenues, both directly and indirectly. The trade and economic analysis Web site of the Department of Foreign Affairs and International Trade offers data and insights on the role of trade in the Canadian economy (see www.dfait-maeci.gc.ca/eet/menu-e.asp).

A further fact of modern life is that governments have expanded the domain of trade policy well beyond traditional border measures like tariffs and quotas. The original multilateral trade agreement, the GATT (General Agreement on Tariffs and Trade) of 1947, already contained rules on domestic actions such as subsidies to the extent that these impeded or distorted trade. Actual negotiations, however, concentrated primarily on tariffs and other border measures such as anti-dumping until the 1970s, when the Tokyo Round of multilateral trade negotiations saw the addition of

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