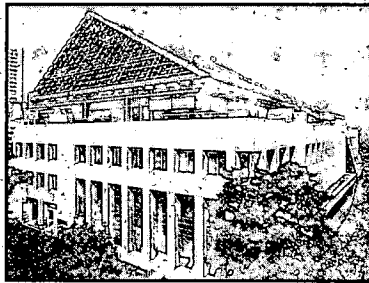

THE TOKYO ECONOMIC SUMMIT

JULY 7-9, 1993



SOMMET ÉCONOMIQUE DE TOKYO

7-9 JUILLET 1993

CANADA AND THE URUGUAY ROUND OF MULTILATERAL TRADE NEGOTIATIONS

The General Agreement on Tariffs and Trade is the basic rule book for world trade. It is this rule book that the Uruguay Round is seeking to improve. GATT rests on the principle that the fewer trade barriers there are among countries and regions, the more prosperous those countries will become. Over the past 45 years, GATT has cut world tariffs from an average of 40 per cent in 1947 to about 5 per cent today, contributing to a 12-fold surge in world trade.

The Uruguay Round involves more than 100 countries in the largest, most complex set of trade negotiations ever undertaken. While it includes many countries with widely different interests, it has one purpose: strengthening an open, rules-based system to govern trade around the world.

Since it was launched in Punta del Este, Uruguay, in September 1986, the current round of multilateral trade negotiations has faced many uncertainties. Complex issues, missed deadlines and a variety of national priorities and pressures have made it difficult to conclude a far-reaching, comprehensive agreement. Resolving the outstanding issues, particularly access to markets for goods and services, is Canada's highest international trade priority.

Canada is a medium-sized nation that depends on trade for one in three jobs. Canada needs an up-to-date global trading framework based on clear, internationally agreed rules. A Uruguay Round agreement — together with the Canada-U.S. Free Trade Agreement and the proposed North American Free Trade Agreement — would strengthen and improve the rules that govern all of Canada's exports and imports of both goods and services.

The gains that a successful Uruguay Round will bring to the world economy are conservatively estimated at between US\$200 billion and US\$300 billion annually. Canada's share of that growth could be well over \$10 billion in direct benefits.

Concluding the round is crucial for Canada, for world leadership, for economic growth, and for providing assurance that the G-7 can exercise leadership on key issues when it is needed.

While Canada is pleased with the progress made to date, there is much to be done. A milestone was reached in November 1992 when the United States and the European Community reached agreement on key elements of the multilateral trade negotiation agricultural agreement. The resulting Blair House accord, Canada believes, is a major step in the right direction.

However, success will not be possible without commitment by the highest levels of governments. To harness this political will, Canada took the lead in a process that brought trade ministers from the United States, Japan, the European Community and Canada together, in Toronto on May 14 and later in Paris and Tokyo, to advance the key market access issues and lay the foundation for resumption of negotiations on the Uruguay Round in Geneva as soon as possible.

These preparatory meetings and the Tokyo Summit itself are intended to provide the impetus needed to bring all Uruguay Round partners back to the negotiating table in Geneva and to complete the Uruguay Round negotiations by December 15, 1993.



CANADA